

## Market Background

Project portfolio management (PPM) is an ongoing process consisting of identifying, prioritizing, and investing in projects that align with the corporate strategy. Project portfolios are similar to financial portfolios and need to be proactively monitored and adjusted to optimize overall returns and to ensure continual alignment with strategic objectives.

### Factors that drive the need for a PPM solution:

- Competitive business trends can force companies to increase efficiency in selecting and delivering projects. Redundant, misaligned, or underperforming projects deplete company resources and reduce options to pursue the high reward opportunities.
- Companies are juggling more projects and require analytical insight to make informed business decisions and efficient resource investments, and that requires integrated project management.

**PPM is a strong drive for IT investment:** The overall market size for project and portfolio management applications is estimated at \$2.8 billion in 2009, with compound annual growth rates (CAGR) of 5.4% for the period 2004 to 2009.<sup>1</sup>

## Customer Pain Points

### Executive Concerns

- **Lower productivity and higher costs:** Not best equipped to select projects with maximum return on investment (ROI) since vital and relevant data is often located in nonintegrated and varied systems
- **Challenge aligning technology spending and labor cost with strategic business objectives:** Lack of flexibility in strategic decision making to meet changing business needs

### Business Challenges

- **Delayed discovery of serious project problems:** Lack of visibility and inability to access project status information often results in delayed project delivery and exceeding budget situations
- **Poor visibility to project status and performance:** Without information to correlate cost incurred versus actual progress made in projects businesses are unable to determine Key Performance Indicators (KPI) and enterprise resource utilization

## Scenario Description

A portfolio management solution helps identify, manage, and deliver portfolios that align with strategic business priorities. The solution is supported by powerful analytical and real-time collaboration tools that provide multi-dimensional help in optimizing budget utilization,

objective evaluation, and rapid prioritization of competing investments. In addition, the solution illustrates the possibility of tracking performance of each investment throughout its life cycle from business case to benefits realization.

## Solution Overview

*Microsoft does not offer a project portfolio management solution. This is an example of how to use the 2007 Microsoft® Office system to create a project portfolio management solution.*

**Effectively prioritize and evaluate competing investments:** Utilize best practice techniques to automatically derive prioritization scores such as strategic value, financial value, and risk management, and effectively evaluate the competing investments from multiple dimensions.

**Reach the Efficient Frontier:** Take advantage of advanced portfolio analytical techniques, such as insight analysis, to identify and break constraints preventing portfolios from reaching the efficient frontier. The efficient frontier is an established method for rendering optimal risk, reward, or value tradeoffs among multiple combinations of choices (projects, investments, decisions) based on a desired outcome.

**Capture all investments within a central repository:** Consolidate business and information technology (IT) investments within an enterprise repository to improve visibility, insight, and control. Flexible configuration forms help administrators build and publish templates quickly as well as standardize and streamline data collection.

**Measure and track portfolio performance:** Monitor the investment performance to ensure realizing forecasted benefits. Re-optimize portfolio in accordance with governance process to maintain continuous alignment with organization's business strategy.

**Benefit from tight integration with Microsoft Office Project Server 2007:** Quickly deploy portfolio analytical techniques that are tightly integrated with Microsoft Office Project Portfolio Server 2007 that provide end-to-end project portfolio management solution.

## Target Audience

**Target Companies:** Upper mid-market public and private sector enterprise organizations

**Target Buyer/Business Decision Makers:** CEO, CFO, CIO, and COO

**Target Decision Influencers/Technical Decision Makers:** Program Manager, Director of Program Management, Director of Process Improvement, Portfolio Analysts, and Project Management Office (PMO)

## Partner Opportunities

- Opportunity to leverage Microsoft's established leadership in project management, with more than 16 million Office Project users, to accelerate success in the multi-billion dollar enterprise project management (EPM) market
- Possibility to achieve five to seven times the ROI by building high value solutions
- According to IDC research, the Office system platform creates an environment that enables partners to capture at least a \$148 billion partner-service opportunity

## Objection Handling

**If I choose the Microsoft Office system for this solution, am I obligated to use all Microsoft Office system products?**

Microsoft Office system products and technologies work better with many other Microsoft products, but you are not required to use them. The Microsoft Office system can integrate well with existing systems you might have.

**How can I ensure that your software is secure? We are processing very sensitive information.**

We take security very seriously. The Microsoft Office system, in particular, has a significant focus on security, including support for portfolio management. For more information about Microsoft software and related security details, visit the [Microsoft Security](#) Web site.

## Relevant Microsoft Office System Products

### Server:

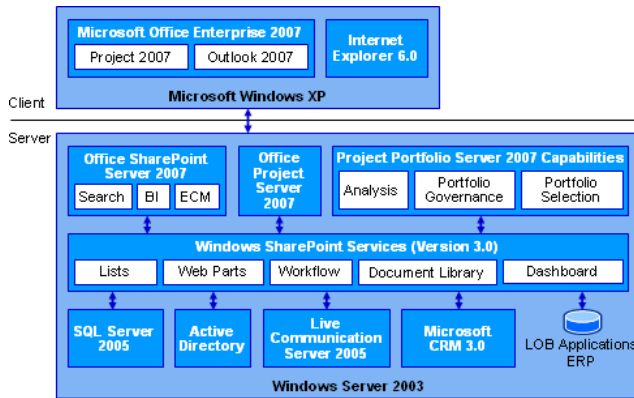
- Microsoft Office Project Portfolio Server 2007
- Microsoft Windows Server® 2003
- Microsoft Office Project Server 2007
- Microsoft Office SharePoint® Server 2007
- Microsoft SQL Server™ 2005
- Microsoft Windows® SharePoint Services
- Microsoft Office Communications Server 2005

### Client:

- Windows XP
- Microsoft Internet Explorer®
- Microsoft Office Enterprise 2007
- Microsoft Office Project 2007

<sup>1</sup> IDC Market Analysis: Worldwide Project and Portfolio Management Software Applications Forecast 2005-2009.

## Architecture Overview



## Demonstrated Capabilities

- **Portfolio Management:** Modeling, analysis, and alignment
- **Resource Management:** Right skills, right time; matching, optimizing, and balancing resources
- **Financial Management:** Estimating, cost resources, formal budget creation, budget versus actual costs, and integration to project accounting financial modules
- **Time Capture:** Report time against projects, capture detailed or high-level time, assign expenses to projects, automatically populate project accounting systems
- **Workflow:** Event model; Windows Workflow Foundation (WWF)
- **Collaboration Capabilities:** Team sites for projects; templates; methodology guidance; KPIs; schedule status; discussion groups; project calendars

## Case Studies/References

- **Wachovia:** “Now we’re looking at the value of projects within the context of a portfolio of projects. At any given time we can throw a new project into the mix and see whether to go forward with it [and whether] to take resources away from something else...It’s about resource allocation.” - *Allan Schub, Vice President, Retail, Wachovia Securities.*
- **Korean Airlines:** “Our 2007 Microsoft Office system EPM deployment will give our executives easy access to the clear and concise information they need to manage our complete portfolio of projects.” - *Seong Yeon Park, Deputy Manager of Corporate Strategic Division, Korean Airlines.*
- **AXA Financial:** “...we saved \$5 to \$10mm [out of a \$50mm budget] in the first year alone on projects that would have automatically gone through before.” - *Paul Bateman, AXA Financial Director of Enterprise Governance.*

- **North Carolina:** “Project Portfolio Manager helps agency heads and IT managers to have a greater awareness of all IT projects that are being worked on.” - *Tom Runkle, State of North Carolina Director of Enterprise Projects.*

## Competition

**Mercury** – Kantana is strong in process management and enforcement with strong graphical user interface (GUI) but has a poorly designed user interface (UI), and non-intuitive forms.

**CA (Niku)** – Core product Clarity offers strong project management functionality but customization and deployment can be complex with significant licensing and maintenance fees.

**Planview** – IT governance core to solution but lacks network diagram capability and planning is duration and timing-driven.

**Primavera** – Despite strong brand longevity, loyal installed base, vertical expertise, and powerful high-end capabilities of its product suite the deployment can be complex and time-consuming.

**IBM Rational** – Formerly PMOffice; Offers narrow focus only on IT Governance and does not support ready-to-use features for detailed planning and scheduling.

## Microsoft Office System Solution Value Proposition

**Enables customers to utilize existing IT investment in Microsoft products by using products that they already own:** The 2007 Microsoft Office system includes powerful new technologies that make it easier to identify, select, manage, and deliver portfolios that align with customer’s strategic priorities. With Office Project Portfolio Server 2007, users gain visibility, insight, and control across project, program, and application portfolios.

**Single platform to continue integration of business processes:** Project Portfolio Server 2007 integrates well with Office Project Server 2007 to provide organizations with an end-to-end project portfolio management solution. The bidirectional gateway enables administrators to link multiple Project Servers to Project Portfolio Server 2007, providing a consolidated view of all projects within the organization.

**Network of dependable partners to engage for a successful deployment:** Microsoft’s network of partners makes planning and deployment more cost and time efficient.

## Partners

[Solution Showcase Partner Information](#)

## Contacts

- [Colin Mitchell](#), Solution Showcase
- [Tim Low](#), Office Servers; Project
- [Solution Showcase Group](#)

## Get More Information

- [Solution Showcase Internal](#)
- [Microsoft Office Portal Internal](#)
- [Office Project Portfolio Server 2007](#)
- [People Ready](#)

## Call to Action

- Engage BDMs with discussions that highlight the challenges associated with providing a good customer experience
- Engage with TDMs when public content becomes available
- Document opportunities in the sales pipeline
- Position the partner(s) as the solution provider and the 2007 Microsoft Office system as the solution platform