Functionality First:
A Prescriptive Approach
to Simpler, Faster and
More Cost-effective
Project and Portfolio
Management (PPM)
Why the Need for Smarter PPM?

The consumerization of IT combined with recent technology advances, such as mobile and cloud, has created a perfect storm for surging IT demands. As a result, organizations are undertaking a variety of IT initiatives to support new products/services, “consumer-like” IT experiences, cost-effective infrastructures and new business processes.

Even beyond IT, in areas such as marketing, customer service and sales, companies are seeking to create better economies of scale and use resources more effectively when executing projects. And, the pressure abounds in all directions to get everything to market fast.

However, despite the increasing demand for new products and services, budgets remain flat. As a result, companies have been forced to find smarter, more cost-effective ways to address market demands while balancing costs and driving more business value.

By leveraging PPM technology solutions, organizations can do just that. These systems enable companies to gain visibility into projects, share information, improve decision making and complete tasks on time and on budget. And PPM solutions delivered through cost-effective means, such as Software as a Service (SaaS), can significantly reduce implementation and maintenance costs while speeding time to value. But realizing the benefits of PPM technology solutions depends not only on using the right system, but also the right approach.

With a highly prescriptive and best-practice-based methodology that employs PPM software to organize project execution efforts, organizations can more effectively:

- **Innovate** new technologies and fulfill demands for new products and services
- **Accelerate** the pace at which they deliver innovation
- **Transform** business projects, new products and IT by improving efficiency, cutting costs and managing growing complexity
Organization is essential to efficiently support increasing project demands—especially without the benefit of rising budgets or resource levels.

Yet, it’s not uncommon for companies to manage projects with disparate systems, disjointed teams and a lack of visibility into the “big-picture” status of project health. To make matters worse, many still use manual methods—such as reporting through spreadsheets—to track resource utilization and financials. Hence, one single version of “the truth” is nowhere to be found.

PPM built on this shaky foundation can choke productivity, delay projects, strain resources, and trigger poor decisions that are based on guesswork instead of facts. That is why many organizations seek PPM software to enable project visibility and streamline management.

But, in our experience, many companies—particularly small-to-midsize organizations—purchase PPM systems that are too feature rich for their needs. As a result, they fail to capitalize on their investment. Time-constrained staff, urgent priorities and tight budgets only compound these challenges.

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### Roadblocks to PPM Success

**PPM Challenges**

**Need to align resources to projects**
- Get ALL projects centralized in one place
- Make sure the right, skilled resources are delivering on the right projects

**Need productivity with immediate results**
- Easily assess project status and health
- Gain greater control of project outcomes, risks, time, and scope

**Need to meet budget pressures, but plan for the future**
- Reduce capital expenditures
- Leverage the benefits on a “pay-as-you-use” basis
- Get the benefits of a solution that can grow as you grow
Roadmap to PPM Success

Companies that are struggling with the aforementioned challenges need a prescriptive approach to PPM—one that enables them to:

- Leverage a PPM system to optimize the use of scarce resources
- Realize the benefits of project management immediately—without lengthy deployment cycles
- Use external expertise and resources, to reduce time, effort and distractions
- Kick off the PPM initiative on a small scale, but expand and evolve in the long term
- Reduce expenses with a cost-effective delivery model that maximizes ROI

The prescriptive approach to simpler, faster, more cost-effective PPM includes the following steps:

1. **Start with a foundation**: Install and configure a SaaS-based PPM system and load initial resources, projects, users and department structures
2. **Centralize projects**: Configure the PPM system to monitor the portfolio of projects, their status and the resources assigned to them
3. **Determine the next steps to manage project execution**: Support and enable additional capabilities for the PPM system with guidance from service providers

By executing these steps, organizations can more effectively meet the skyrocketing demand for new IT and business services and products. With smarter PPM, they can:

- Track and gain visibility into projects and resources for more effective project execution
- Maximize the utilization of their teams
- Ensure financial transparency of all programs, projects and service costs
- Automate manual processes to speed decision making, improve consistency and reduce cycle time
- Make fact-based decisions about initiatives and investments
Start with a Foundation

The first step to more effectively addressing a mounting volume of projects is to implement an enterprise-wide PPM solution. And, the system should provide the scalability to support an organization’s needs both immediately and long term. For companies that want to experience instant benefits without the hefty price tag, a SaaS-based or comparable delivery model is the way to go. Think about starting small—say no more than 250 users—to achieve success within the first few weeks. Then, focus on scaling up to as many users as you need after a successful ramp-up period.

Many organizations don’t need the horsepower of a feature-rich system with extensive customization up front. Often, a system with just the essential PPM capabilities offers more than enough. Such capabilities should support:

- **Proactive management** to communicate and track project status, manage project delivery, identify issues and take corrective measures
- **Resource utilization** to identify under-utilized and over-utilized resources and thus optimize staff efficiency
- **Staff management** to track and communicate team activities, time spent on projects and progress
- **Simple project costing** to keep budgets in line with goals and forecast results
- **Robust security** measures to decrease risk and ensure compliance

After a company selects a PPM system, it should work with the service provider to:

- Clarify all business and functional requirements
- Access pre-packaged content, including templates, reports, recommended methodologies and dashboards—that provide a model to run PPM quickly and according to industry-leading practices
- Load all initial resources, projects and department structures into the PPM system
Centralize Projects

Centralization is the next and most crucial step to PPM success. And, often this step can be combined with the initial configuration of the PPM solution. Centralizing projects entails enabling diverse capabilities within the PPM system that:

- Identify all projects throughout the organization and their progress levels
- Optimize resource utilization
- Track which projects are experiencing issues and the impact to schedules
- Provide visibility into project status through reports and dashboards
A Closer Look at Project Centralization: Monitor Project Status and Health

What is my project?
Centralize all projects to create one single version of the truth. Get an “at-a-glance” view of the project portfolio. Identify project-status details, schedules and issues.

How healthy is my portfolio?
View the success of projects automatically. Determine how projects are progressing. Identify what projects need closer attention.

What is the project status?
Read the latest status report (daily, weekly, monthly). Review the issues and risks. Identify the actions needed to keep projects moving. Read commentary from project managers.
A Closer Look at Project Centralization: Optimize Resource Utilization

Are timesheets being submitted? See who’s completing timesheets.

What are my resource allocations? Get a quick bandwidth check to see who’s working on what vs. their available capacity. Expose over-utilized and under-utilized resources for corrective action (such as getting external or internal help, re-assigning projects, etc.).

Are there resource shortages? View a summary of any shortfall in resources.

Images are taken from screen shots that provide typical views of various CA PPM SaaS capabilities. Actual views may vary.
Special Tools for Project Managers

What are my projects?
Project managers (PMs) can view all projects in progress and click on individual projects for details.

What’s the status of my project?
PMs can assess the status of projects, including schedules, issues and more.

Who is on my project teams?
PMs can review project team allocations.

What are the project issues?
PMS can access a central register of issues for individual projects. No need for notepads, sticky notes and files scattered in various places.
Optimize Project Execution While Maximizing ROI

By centralizing projects with a simple prescriptive approach to PPM, companies can effectively manage the continuing onslaught of business projects, new products and IT service demands and:

**Speed ROI**
- Use a SaaS-based or comparable delivery model to eliminate the time and expense of infrastructure deployments

**Improve Project Planning and Resource Investments**
- Centralize all projects and pertinent schedule and progress status details
- Enhance control of project outcomes, risks, time, and scope
- Maximize resource utilization

**Boost Team Efficiency and Productivity**
- Create immediate visibility into project health and lifecycles
- Automate manual processes with reports and dashboards to reduce cycle times, speed decision making and improve consistency
- Free resources for more strategic priorities

**Improve Decision Making**
- Base decisions on validated facts instead of inconsistent data from disparate systems

These benefits can transform IT, resulting in the following outcomes:

### Benefit impact projection

<table>
<thead>
<tr>
<th>Quantifiable Benefits</th>
<th>Impact Ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in portfolio management administrative time through automated reporting</td>
<td>6.00-9.00%</td>
</tr>
<tr>
<td>Improved portfolio management due to reduced low-value projects</td>
<td>10.00-20.00%</td>
</tr>
<tr>
<td>Reduced number of planning meetings for status and coordination</td>
<td>15.00-30.00%</td>
</tr>
<tr>
<td>Reduced project failures per improved project management and tracking</td>
<td>10.00-40.00%</td>
</tr>
<tr>
<td>Reduced project cost overruns through improved project manager insight</td>
<td>12.00-18.00%</td>
</tr>
<tr>
<td>Reduction in project portfolio cycle times through improved decision support</td>
<td>5.00-10.00%</td>
</tr>
</tbody>
</table>

1 The Impact Ranges shown above have been used in this example analysis and are provided to show a range of process improvements and ROI metrics that can be achieved through the appropriate, effective implementation and use of the CA PPM SaaS solution. This table is from the following 2012 CA Technologies white paper: “ROI with CA PPM” October, 2012.
Assessing the ROI impact of a Prescriptive PPM Approach

Here's a comparative ROI study of the CA PPM SaaS solution, which provides all the capabilities described thus far in this e-book.

### ROI Business Case Results

<table>
<thead>
<tr>
<th>ROI Business Case Results</th>
<th>Customer A</th>
<th>Customer B</th>
<th>Customer C</th>
<th>Customer D</th>
<th>Customer E</th>
<th>Customer F</th>
<th>Customer G</th>
<th>Average Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simple ROI (Return On Investment)</td>
<td>294%</td>
<td>188%</td>
<td>252%</td>
<td>501%</td>
<td>294%</td>
<td>350%</td>
<td>413%</td>
<td>327%</td>
</tr>
<tr>
<td>TBO (Total Benefit of Ownership)</td>
<td>$3,149,575</td>
<td>$2,510,136</td>
<td>$4,804,375</td>
<td>$12,673,833</td>
<td>$2,830,979</td>
<td>$22,826,000</td>
<td>$5,053,595</td>
<td>$7,692,642</td>
</tr>
<tr>
<td>NPV (Net Present Value)</td>
<td>$1,802,598</td>
<td>$897,525</td>
<td>$1,634,954</td>
<td>$5,601,895</td>
<td>$1,111,191</td>
<td>$11,465,051</td>
<td>$2,222,410</td>
<td>$3,533,661</td>
</tr>
<tr>
<td>IRR (Internal Rate Return)</td>
<td>148%</td>
<td>256%</td>
<td>134%</td>
<td>474%</td>
<td>305%</td>
<td>344%</td>
<td>327%</td>
<td>284%</td>
</tr>
<tr>
<td>Payback (in months)</td>
<td>10</td>
<td>6</td>
<td>16</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>8.3</td>
</tr>
</tbody>
</table>

All Projected Results are Three Year Cumulative Values

The ROI Business Case financial metrics are derived from applying the CA Technologies methodology for each of the above customers. The values expressed are not a guarantee of achievable results and will vary depending upon your current infrastructure, people, and processes as well as the appropriate, effective implementation, adoption, and use of the CA Technologies solution. This table is from the following 2012 CA Technologies white paper: "ROI with CA PPM." October, 2012.

### ROI Quantifiable Benefits

<table>
<thead>
<tr>
<th>ROI Quantifiable Benefits</th>
<th>Customer A</th>
<th>Customer B</th>
<th>Customer C</th>
<th>Customer D</th>
<th>Customer E</th>
<th>Customer F</th>
<th>Customer G</th>
<th>Average Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in administrative time</td>
<td>$14,976</td>
<td>$391,875</td>
<td>$43,875</td>
<td>$1,085,000</td>
<td>$257,813</td>
<td>$1,031,250</td>
<td>$78,375</td>
<td>$414,738</td>
</tr>
<tr>
<td>Reduced number of project meetings for status and coordination</td>
<td>$16,632</td>
<td>$146,180</td>
<td>$487,500</td>
<td>N/A</td>
<td>$770,000</td>
<td>$1,031,250</td>
<td>$25,080</td>
<td>$412,774</td>
</tr>
<tr>
<td>Reduction in project failures</td>
<td>$800,000</td>
<td>$182,531</td>
<td>N/A</td>
<td>$6,293,000</td>
<td>$121,688</td>
<td>$2,206,875</td>
<td>$221,760</td>
<td>$1,637,642</td>
</tr>
<tr>
<td>Reduced project cost overruns</td>
<td>$1,000,000</td>
<td>N/A</td>
<td>N/A</td>
<td>$452,083</td>
<td>$242,188</td>
<td>$2,906,250</td>
<td>$116,250</td>
<td>$943,354</td>
</tr>
<tr>
<td>Reduction in project cycle times</td>
<td>$207,360</td>
<td>$464,063</td>
<td>N/A</td>
<td>$4,843,750</td>
<td>$515,625</td>
<td>$6,187,500</td>
<td>$2,475,000</td>
<td>$2,448,883</td>
</tr>
<tr>
<td>Improved portfolio management</td>
<td>$1,111,111</td>
<td>$139,219</td>
<td>N/A</td>
<td>N/A</td>
<td>$257,813</td>
<td>$1,856,250</td>
<td>$495,000</td>
<td>$771,879</td>
</tr>
<tr>
<td>Improved revenue per improved project return rates</td>
<td>N/A</td>
<td>$308,644</td>
<td>N/A</td>
<td>N/A</td>
<td>$342,938</td>
<td>$3,731,625</td>
<td>N/A</td>
<td>$1,461,069</td>
</tr>
<tr>
<td>Improved resource utilization</td>
<td>N/A</td>
<td>$313,875</td>
<td>$4,000,000</td>
<td>N/A</td>
<td>$322,917</td>
<td>$3,875,000</td>
<td>$1,627,500</td>
<td>$2,027,858</td>
</tr>
</tbody>
</table>

All Projected Results are Three Year Cumulative Values

The table above shows the breakdown of the cumulative value (TBO) of individual process improvements by applying the forecast improvements to each customer’s applicable metrics shown in Figure 3. When a process improvement was found to be not applicable to a specific customer’s environment, the value has been noted as N/A. This table is from the following 2012 CA Technologies white paper: "ROI with CA PPM." October, 2012.
### Figure 3

The table above shows the forecast improvements for each of the customer’s applicable value drivers. The values expressed are not a guarantee of achievable results and will vary depending upon your current infrastructure, people, and processes as well as the appropriate, effective implementation, adoption, and use of the CA Technologies solution. This table is from the following 2012 CA Technologies white paper: “ROI with CA PPM,” October, 2012.

<table>
<thead>
<tr>
<th>Forecast Improvements (Value Drivers)</th>
<th>Customer A</th>
<th>Customer B</th>
<th>Customer C</th>
<th>Customer D</th>
<th>Customer E</th>
<th>Customer F</th>
<th>Customer G</th>
<th>Average Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forecast improvement in reduction of administrative time</td>
<td>7.50%</td>
<td>7.50%</td>
<td>60.00%</td>
<td>10.00%</td>
<td>7.50%</td>
<td>3.75%</td>
<td>2.00%</td>
<td>14.04%</td>
</tr>
<tr>
<td>Forecast improvement in reduction of project meetings</td>
<td>30.00%</td>
<td>17.50%</td>
<td>30.00%</td>
<td>N/A</td>
<td>25.00%</td>
<td>12.50%</td>
<td>3.00%</td>
<td>19.67%</td>
</tr>
<tr>
<td>Forecast improvement in reduction of project failures</td>
<td>10.00%</td>
<td>10.00%</td>
<td>N/A</td>
<td>6.00%</td>
<td>10.00%</td>
<td>5.00%</td>
<td>2.00%</td>
<td>7.17%</td>
</tr>
<tr>
<td>Forecast improvement in reduction of project overrun</td>
<td>5.00%</td>
<td>N/A</td>
<td>N/A</td>
<td>7.00%</td>
<td>15.00%</td>
<td>7.50%</td>
<td>3.00%</td>
<td>7.50%</td>
</tr>
<tr>
<td>Forecast improvement in reduction of project cycle times</td>
<td>7.50%</td>
<td>7.50%</td>
<td>N/A</td>
<td>1.50%</td>
<td>7.50%</td>
<td>3.75%</td>
<td>4.00%</td>
<td>5.29%</td>
</tr>
<tr>
<td>Forecast improvement for reducing count of low-value projects</td>
<td>N/A</td>
<td>15.00%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>7.50%</td>
<td>4.00%</td>
<td>8.83%</td>
</tr>
<tr>
<td>Forecast improvement in incremental revenue returns per project</td>
<td>N/A</td>
<td>4.50%</td>
<td>N/A</td>
<td>N/A</td>
<td>4.50%</td>
<td>2.25%</td>
<td>1.00%</td>
<td>3.06%</td>
</tr>
<tr>
<td>Forecast improvement in productivity and utilization per project</td>
<td>N/A</td>
<td>4.00%</td>
<td>4.00%</td>
<td>N/A</td>
<td>4.00%</td>
<td>2.00%</td>
<td>2.00%</td>
<td>3.20%</td>
</tr>
</tbody>
</table>
CA Technologies has helped numerous organizations launch new PPM systems and centralize projects within four weeks. We do this via our CA PPM Saas solution. It provides a SaaS-based delivery model that can get businesses up and running with a PPM system in as little as 48 hours, depending on the needs of the customer. Then, we work with organizations for the duration of the four weeks to configure the solution, centralize all projects and implement best-practice strategies.

Here’s an example of how we are able to work within this timeline for so many of our clients.¹

<table>
<thead>
<tr>
<th>Project Initiation</th>
<th>Pre-Work</th>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
<th>Week 5</th>
<th>Week 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Gathering</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Data Gathering Quality Review</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Loading</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrator Knowledge Transfer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production Deployment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mentoring/Project Closure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Oversight</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Milestones: Configuring the PPM, Centralizing Projects and Launching the PPM**

**Week 1:**
- Data Loading Spreadsheet Completed

**Week 2:**
- Client Data Loaded in CA PPM

**Week 3:**
- Admin Knowledge Transfer Completed

**Week 4:**
- Production Handoff/Go Live
- Mentoring

¹ These results are typical based on customer implementations over the past year. Actual time frames may vary.
Centralizing projects is the most critical part of organizing and establishing PPM. After centralizing projects, begin to focus on more granular areas of PPM, such as budgeting, forecasting or resource utilization.

The trick is to avoid trying to do everything at once. To ensure success, start with big picture functionality and evolve from there. By taking smaller, more manageable steps, companies can demonstrate a return on their investment with more immediate results in shorter phases.

Why wait a year to show ROI when it’s possible to yield results within weeks?

An industry-leading solution should provide configurable and modular add-on capabilities to the core PPM system to support an organization’s unique needs. These capabilities should address the full PPM lifecycle—as pictured below—and enable companies to achieve results within a short timeframe.
About the Solutions from CA Technologies

The CA PPM solution from CA Technologies is the industry standard in Project and Portfolio Management solutions, helping organizations plan from the top down and execute flawlessly from the bottom up. A fast-paced, collaborative and agile solution, CA PPM helps bring business and technology executives together to create a strategic playbook, balance investment portfolios, communicate actionable plans and streamline resources—to react quickly to demand and deliver the right results. The CA PPM solution suite includes:

CA Agile Planning
CA Agile Planning addresses the unique project and resource management needs of your Agile development teams. It delivers an accurate picture of Agile project costing, deliverables and resourcing—and when combined with CA PPM, provides enterprise visibility into both your Agile and traditional projects through the same portfolio view. [ca.com/agile](http://ca.com/agile)

CA Executive Playbook
CA Executive Playbook is an innovative strategic investment management solution that incorporates demand, capacity and business technology into a perpetual planning lifecycle. It offers a unique at-a-glance view of the status of strategic initiatives by investment and provides relevant performance indicators that keep initiatives on track. Designed for modern work habits, it allows users to easily create and maintain their strategic plans using an iPad in a real-time mobile environment. [ca.com/playbook](http://ca.com/playbook)

CA Project & Portfolio Management SaaS
CA PPM includes all essential PPM functions: project management, resource management, demand management and portfolio governance. It provides a single system of record to help organizations collect, prioritize, deliver and assess data related to projects across the enterprise. In addition, CA PPM provides executive dashboards to support fact-based decision making through real-time data visibility and analysis, including “what-if” scenarios. [ca.com/ppm](http://ca.com/ppm)

CA Technologies (NASDAQ: CA) creates software that fuels transformation for companies and enables them to seize the opportunities of the application economy. Software is at the heart of every business, in every industry. From planning to development to management and security, CA is working with companies worldwide to change the way we live, transact and communicate – across mobile, private and public cloud, distributed and mainframe environments. Learn more at [ca.com](http://ca.com).

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