

Project Portfolio Management

Learn how Alfabet from Software AG helps ensure the success of your project portfolio management practice.

Fact sheet

The challenge

IT projects are crucial to business transformation and growth. They are also a critical part of maintaining business operations. Demand for projects is high, and the drivers range from simple upgrades and legal necessity to major business transformations. The cash and manpower to deliver on all demands are rarely available, so finding the right project portfolio mix is essential. Further, IT projects tend to be complex, and projects that fail to meet one or more of their goals is very common. Delivering the right portfolio of projects with the required quality of delivery ensures business success and competitive advantage. This makes it essential to have a robust, effective and efficient Project Portfolio Management (PPM) practice, which:

- Provides a central repository of projects for planning and monitoring purposes
- Implements standards for documenting and assessing projects, including business cases, their alignment to business strategy and architectural standards, and rating of implementation risks
- Breaks down the overall portfolio into manageable smaller portfolios
- Identifies the best portfolio mix given the constraints of budget and manpower
- Supports major stakeholders such as portfolio managers, project managers and budget owners in optimizing the value from investments

Key benefits

- Central repository for stakeholders to collaboratively understand project scope and status and to plan
- Dashboards for stakeholders to monitor projects and decisions
- Improved project planning quality
- Avoidance of costly planning conflicts
- Architectural context of the project for better impact analysis and planning
- Enforcement of project planning and design standards through governance processes and reports
- Standardized business cases
- Top-down and bottom-up assessments of projects along cost, risk and architectural and business alignment dimensions
- Support of portfolio scenarios to choose to the best project mix

Seven steps to success

Establishing a robust, effective and efficient PPM practice requires the right approach. These seven steps will help ensure success:

- Establish a central repository for all projects
- Describe projects in terms of the affected and delivered architecture in order to understand impact, dependencies and alignment to other road maps
- Create clearly defined portfolios aligned to business responsibility, e.g., business area or organization
- Assign roles and ensure responsibilities are known and understood
- Use portfolio scenarios to expose tradeoffs in costs, value delivery and strategic alignment in order to select the optimal project mix
- Introduce stage gate processes to enforce project design standards and for project approval
- Ensure project governance is appropriate for the size of the project

Alfabet—the standard solution for PPM

Project inventory

There is a central project inventory with a configurable program and project breakdown structure. The inventory supports the relationship of projects to strategy, demand, business capabilities, applications and technologies. Wizards and workflows implement minimum standards for the project documentation and assessment. An import/export framework supports synchronization with other sources.

Project planning

Standard business cases and risk assessments ensure comparability of projects. Project cashout and resource capacity requirements can be balanced with available budgets and resource capacity. The applications and technologies changed by the project are documented. This supports impact analysis and alignment to application and technology road maps. Documentation of dependencies facilitates overall portfolio planning.

Portfolio assessments

Project portfolios along business structures, e.g., organizations and business capabilities, are supported. Ad-hoc portfolios can also be created. Project KPIs can be imported from other systems or assessed top down by an expert. New KPIs can be added to the system on the fly. Portfolio diagrams and many other report types help make and communicate decisions. Use of portfolio scenarios makes trade-offs transparent for decision makers.

Governance processes

A project request and approval workflow ensures that all required information is available and assessed before project approval. The workflow implements different levels of governance depending on the size of the project. Approval decisions are transparent and auditable. Monitors ensure that a project status is regularly updated and monitored. This ensures that the impact of changes on other projects or on business outcomes is known quickly.



Integrated approach

PPM on its own delivers significant benefits. It is, however, more effective when integrated with other IT disciplines. For example:

- Application portfolio management integration aligns project and application road maps ensuring that expensive planning errors do not occur
- Technology portfolio management integration ensures that projects do not introduce unwanted technologies and that they adhere to standards
- Integration to demand management supports assessment and alignment of project innovation to business needs
- Integration to the release management process improves release quality by enforcing stage gate controls across the project portfolio

Alfabet delivers support for these IT disciplines in a tightly integrated solution. Alfabet also provides a framework that supports rapid integration to other systems at the data and process levels. This guarantees the full benefits of integrated IT portfolio management.

Fast path to value

Software AG is a quick enabler of PPM, providing customers with the tools needed to take the steps to PPM success effectively and efficiently, namely:

- A standard solution for PPM: Alfabet
- A proven PPM methodology—available out of the box
- Templates to implement roles, such as project manager, portfolio manager, solution architect and many more
- Standard reports and dashboards for IT management and other key stakeholders
- Best practice templates for project approvals and portfolio decisions
- A framework for rapid integration to project management tools and ERP systems



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next step**

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