

IT Portfolio Management- Where to Begin

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Abstract— Organizations continue to manage IT project Portfolio as a collection of individual projects instead of as a portfolio. Portfolio management solution enables us to govern entire IT portfolio by evaluating, prioritizing, balancing and approving both new initiatives and existing IT service portfolio , analyze multiple what-if scenarios and align with the business strategy with budget and IT resource constraints.

Index Terms— IT project, Balancing .

I. INTRODUCTION

One size or one road map does not fit all companies for IT portfolio management. The communication and collaboration between IT and business are critical aspects of IT portfolio management. IT portfolio management provides tools, processes and disciplines needed to translate information technology into a common platform that both business and IT executives understand. Alignment to corporate strategy and planning and sequencing of priorities to migrate from the current as-is state to the future to-be state is driven by business needs and supported by IT.

IT portfolio management provides day to day management and operations of IT investments assuring the investment are performing according to the plan. Scope creep, redundancies and risks are identified early, limited resources need to provide maximum benefit and any changes to IT portfolio as a result of business redirection are efficiently executed. IT portfolio management reports on IT forecasts, road maps, trends, providing business technology integration and solution views in support of the future to be business strategy. Using business oriented values of measures, establishing views of interest specific to stakeholders, measuring and monitoring the health and status of all IT investments through key performance indicators, metrics, balance scorecards and service level agreements reinforces the importance of communication and collaboration between IT and business. IT portfolio has to deliver measurable business value both tangible and intangible. IT portfolio management is a combination of people, processes and information technology that monitors and measures project plans from cost, schedule, scope, timings, risks, benefits etc. from development through post implementation including disposal. It focuses on eliminating redundancies while maximizing reuse, scheduling resources optimally, creating a value based risk assessment of the existing assets and communicating effectively with agility to reprioritize and rebalance investments and assets. The measurement for return on IT investments has shrunken from yearly to quarterly to monthly. The pace of change and innovations requires an increase in the ability to adopt structure, discipline and rigor in delivering value and meeting customer needs. The

complexity and rapid change in the technology sector have made technology investments increasingly risky. Changes can occur as a result of adjustment to the mix of business/mission needs, industry trends, economic shifts, customer demands, supplier offerings, new disruptive technologies, regulatory requirements and competition/business intelligence.

Web services, model and service oriented architectures, composite applications, offshore IT outsourcing, thin client architecture, on demand computing etc. innovations change the paradigm of IT spending and management. IT management's role has changed from code development for internal purposes to integration of standards based, open source /off the shelf commercial technologies for both internal and external users. IT management now encompasses a combination of leadership, technological know-how and expertise in business financial processes and strategy. IT management is under tremendous pressure to reduce cycle times, decrease time to change business processes and handle a multitude of information sources that generate more information in shorter periods of time. Companies that practice IT portfolio management realize its value is more than tangible financial payback or achieving the largest net present value. They understand value is derived from investments that provide soft benefits such as legal/regulatory compliance and intangible nonfinancial benefits as higher customer satisfaction.

IT portfolio management is the nucleus to assure that IT is aligned with business, avoiding costly problem of overspending, unnecessary spending and bucketing investments according to categories that run help the business, grow the business and transform the business. IT portfolio management provides discipline of balancing risks against expected returns, evaluating performance and utilization of existing systems, analyzing and assessing alternatives and trade-offs and removing wastes resulting in significant efficiencies and cost savings. Thus IT portfolio management is the change agent that morphs IT and business efficiently with best results.

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