

Edit session number in Master View

An introduction to IBM Telelogic Focal Point

Wanda Marginean

Senior Consultant, Telelogic, An IBM
Company

wanda.marginean@uk.ibm.com



IBM Rational Software Development Conference 2008

WHERE TEAMS ARE **R-HEROES**



Rational. software

Agenda

1. What is Portfolio Management?
2. Common goals of Portfolio Management and how they can be achieved
3. What happens when you lack an effective Portfolio Management?
4. What IBM Telelogic Focal Point can do for your organisation?
5. Challenges in setting up a Portfolio Management system
6. Q & A

The importance of Portfolio Management

An estimated 50% of firms' sales come from new products introduced within past 5 years*

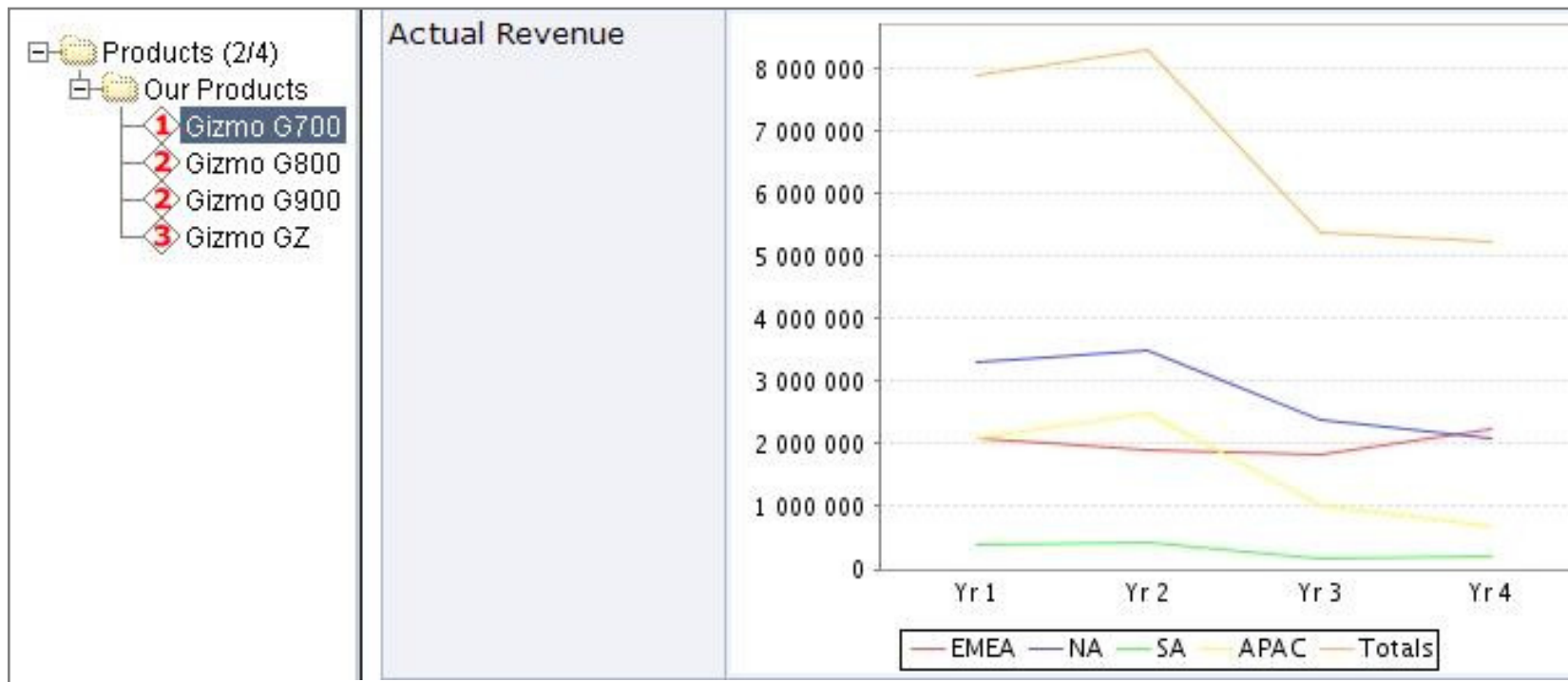
*Portfolio Management for New Products, R.G. Cooper, S.J.Edgett, El.J. Kleinschmidt, 1998

Companies implementing PPM processes and tools see a 10-15% cost reduction and the ability to free up capital for new investments**

**Garner PPM show, June 2005

Portfolio Management makes strategy happen!

Managing portfolio helps sustain and grow the business



What we mean by Portfolio Management?

Everyone sees it differently.....

It's a dynamic decision process, that allows for prioritisation of products or projects or product-projects in relation to strategic objectives, and where the list of active new items is constantly updated and revised.

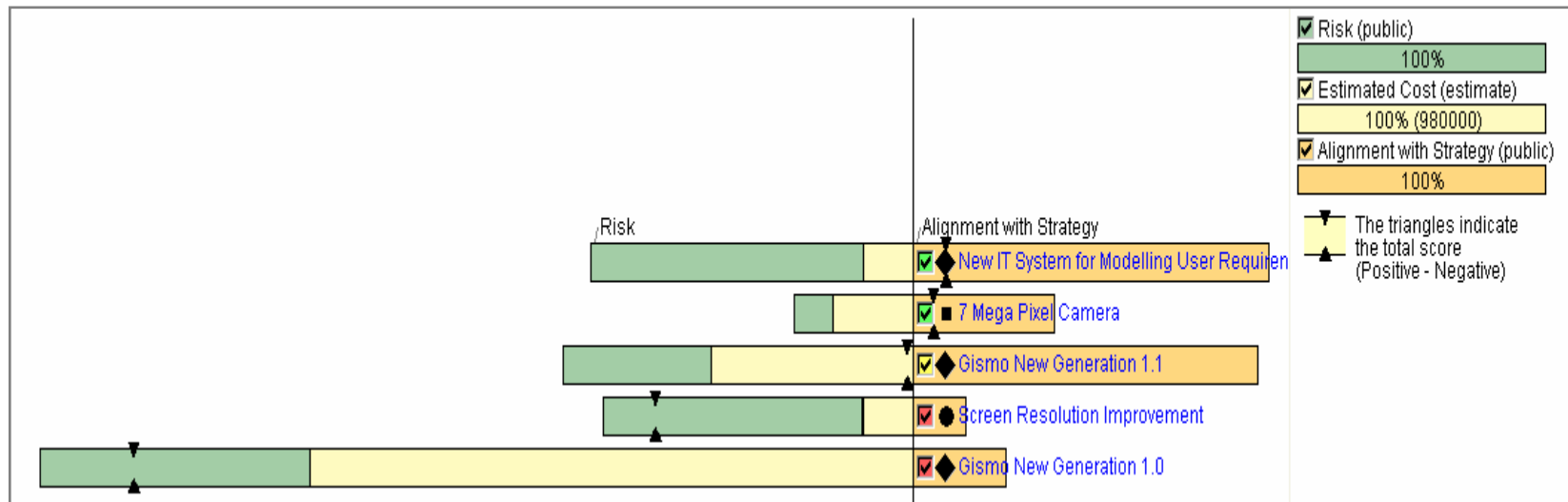
- 1) Which new product project from many opportunities we should fund?
- 2) Which one should be the top priority?
- 3) Will the selection we made help us to achieve strategic goals?
- 4) Is our portfolio balanced? Do we have an optimal investment mix between risks versus return, maintenance versus growth, short term versus long term, big versus small?
- 5) Do we revise portfolio regularly?

Common goals of Portfolio Management

Maximising Value

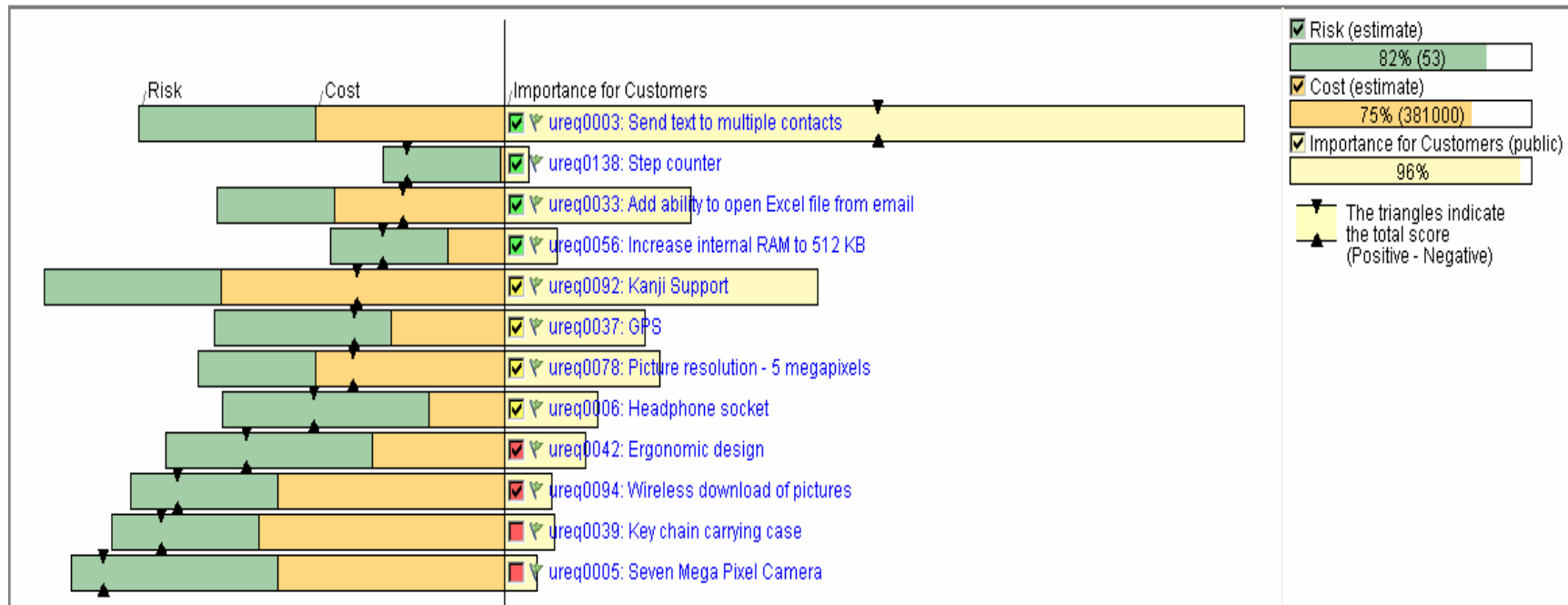
Balancing Portfolio

Aligning with Strategy



Common goals of Portfolio Management

Managing balanced releases of products



What happens when you lack an effective Portfolio Management system?

- Too many ongoing projects and **lack of control** over cost and time
- Low quality of execution, **repetitions, duplications**
- Weak decision points (**Go/Kill**)
- No **selection criteria** – what to do out of everything that can be done?
- Selection based on **emotions, politics**
- No **balance** in the project portfolio (long and difficult are postponed)
- Lack of **strategic alignment**
- Lack of **traceability** from development to stakeholders requirements



How does it look in practice?

ER Number	Description	Priority	Sponsor	Requirement Y/N	Status	Sponsor	Requirement Y/N	Status	Man Hours	Resource Allocated Y/N	Planned Live Date	Forecast Live Date	RAG	Issues	Notes
1223	IR Teaser Display	High - 1	John Davies	Y	In test	John Davies	Y	In test	6	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Red	Waiting for estimate	Submitted for June
5970	Casino99 - Hitbox	High - 4	John Davies	Y	In test	John Davies	Y	In test	4.5	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Red	Waiting for estimate	Submitted for June
6207	Game Care Logo	High - 6	John Davies	Y	In test	John Davies	Y	In test	4.75	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Red	Waiting for estimate	Submitted for June
1324	Floating Banner	Medium - 3	Paul Jones	Y	In test	Paul Jones	Y	In test	5	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Red	Waiting for estimate	Submitted for June
6632	Exposure Limit Maintenance	3	John Davies	Y	Test	John Davies	Y	Test	4.5	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Green	Server issues	Added to
6634	Ascott Racing - Phase 2 Video Streaming Settle Bet XML Schema	Critical	John Davies	Y	Test	John Davies	Y	Test	80	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Red	Waiting for estimate	Added to
2345	Bet Rules - New Page	High	John Davies	Y	Test	John Davies	Y	Test	2.2.7	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Green	Server issues	Added to
6644	manage.com - discontinue	Low	Mary Lewis	Y	Test	Mary Lewis	Y	Test	40.25	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Green	Server issues	Added to
7063	OnLine Survey	0	John Davies	Y	New	John Davies	Y	New	2.2.9	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Red	London design team	Added to
6853	SID Manager - Result Entry Screen	2	John Davies	Y	In test	John Davies	Y	In test	2	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Red	London design team	Added to
6643	120 - banner setup	3	John Davies	Y	Test	John Davies	Y	Test	6	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Red	London design team	Added to
6633	US Sports - Basketball 1/4 betting	3	John Davies	Y	Tested	John Davies	Y	Tested	80	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Red	IDG resources	Added to
6249	Security hole - REFER=TRUE parameter	9	Paul Jones	Y	Tested	Paul Jones	Y	Tested	64.5	N	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Green	IDG resources	Added to
6636	NFL - Winning Margins generation	3	John Davies	Y	Tested	John Davies	Y	Tested	3	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Green	IDG resources	Added to
6913	Issue Types	High	John Davies	Y	Tested	John Davies	Y	Tested	24.3	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Green	IDG resources	Added to
6914	Issue Resolver	High	John Davies	Y	Tested	John Davies	Y	Tested	2.2.9	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Green	IDG resources	Added to
7078	In Running Teaser - Increase number of events	1	Mary Lewis	Y	Tested	Mary Lewis	Y	Tested	2.2.9	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Green	IDG resources	Added to
7223	IR Teaser Text Colour Change	2	John Davies	Y	Tested	John Davies	Y	Tested	2	Y	25 July 06 - 2.2.5	01 Aug 06 - 2.2.5	Green	IDG resources	Added to
4575	Scroll Text Message Functionality	Medium	Mary Lewis	Y	Pending approval	Mary Lewis	Y	Pending approval	128	N	19-Sep-06	2.2.9	Red	London design team	Added to
5557	XML Feed - Racing	Medium	John Davies	Y	Approved	John Davies	Y	Approved	64.5	N	2.2.10	2.2.10	Green	IDG resources	Added to
5598	XML Feed - Game 21	Medium	John Davies	Y	Approved	John Davies	Y	Approved	3	Y	2.2.10	2.2.10	Green	IDG resources	Added to
5599	XML Feed - Moneta	Medium	John Davies	Y	Approved	John Davies	Y	Approved	64.5	N	2.2.10	2.2.10	Green	IDG resources	Added to

How data can look in IBM Telelogic Focal Point!

<p>User Requests (1/11)</p> <ul style="list-style-type: none"> ureq0001:Over the ureq0002:Synchr ureq0003:Send te ureq0004:Optical ureq0005:Seven M ureq0006:Headph ureq0007:Predefi ureq0008:Larger k ureq0009:High qu ureq0010:Camera NEW ureq0011:Save La ureq0012:Web Sit ureq0013:Navigat ureq0014:Multiple ureq0015:Configu ureq0016:SMS ale NEW ureq0017:Travel A ureq0018:SMS No ureq0019:SMS pic 	<p>Workflow This request needs to be describe</p> <p>Workflow Describes the actions that needs to be taken when the user request is in a certain state.</p> <p>Type Enhancement Req</p> <p>Description A customer should the normal mobile handset.</p> <p>Benefit Statement Easy and mobile a don't want to hav get a firmware up</p> <p>Justification Wireless technolo creating demand software. Using r programmable gat can provide much manufacturers de quickly. Devices d additional softwa be done as soon phone users can even create hard ability to change</p> <p>Background Information</p> <p>Illustration</p> <p>Attachments</p> <p>Internal Comments Wanda Marginean We should strong version, since we lost a deal beca this feature and also because two asked for the same thing.</p> <p>Wanda Marginean 28/08/08 14:49: Market analysts tell me that there need for this feature in the Asian</p> <p>External Comments -</p>	<p>Status and Release</p> <p>Included in PM Prio</p> <p>Ranking</p> <p>Development Manager</p> <p>Owner</p> <p>Development</p> <p>Cost Estimate</p> <p>Actual Cost</p> <p>Time Threshold</p> <p>Estimated Total Cost</p> <p>Actual Total Cost</p>	<p>Market Problems Consumers needs to be up to date</p> <p>Geographical Segments APAC, NA</p> <p>Industry Segments ISV, Retail, Telecom</p> <p>Customers Kime Telecom, Nordical, Nostra Networks, SBC Comm</p> <p>Win/Loss Report Nostra Networks 2007-05-09, Kime Telecom 2007-06-20</p> <p>Personas Makiko:Asian Youngster, Mr Swanson:Executive</p> <p>Primary Quality Extensibility</p> <p>Qualities Extensibility, Flexibility, Usability</p> <p>Products Gizmo G900</p> <p>Competitor Products Sophisticated M89x</p> <p>Competitor Sophie Communications</p> <p>Related to User Requests -</p> <p>Related from User Requests ureq0029:Online Upgrade, ureq0060:Over the Air Firmware Updates, ureq0086:Online Upgrade</p> <p>Related Product preq0016:Online Upgrade Support, preq0017:Online Upgrade Registration</p>
--	---	--	---

Recording financial information

The screenshot displays a software interface for recording financial information. It features a tree view on the left with 'Products (2/4)' and 'Our Products' containing 'Gizmo G700' and 'Gizmo G800'. The main area shows a table with columns for 'Release', 'Quantity', 'Sum: Estimated Total Cost', and 'Share'. Below this, a detailed table breaks down data by 'Industry Segments' and 'Geographical Segments'. A summary table at the bottom right shows 'Total Actual Revenue' as 26,870,000 and 'Market Share' as 5%.

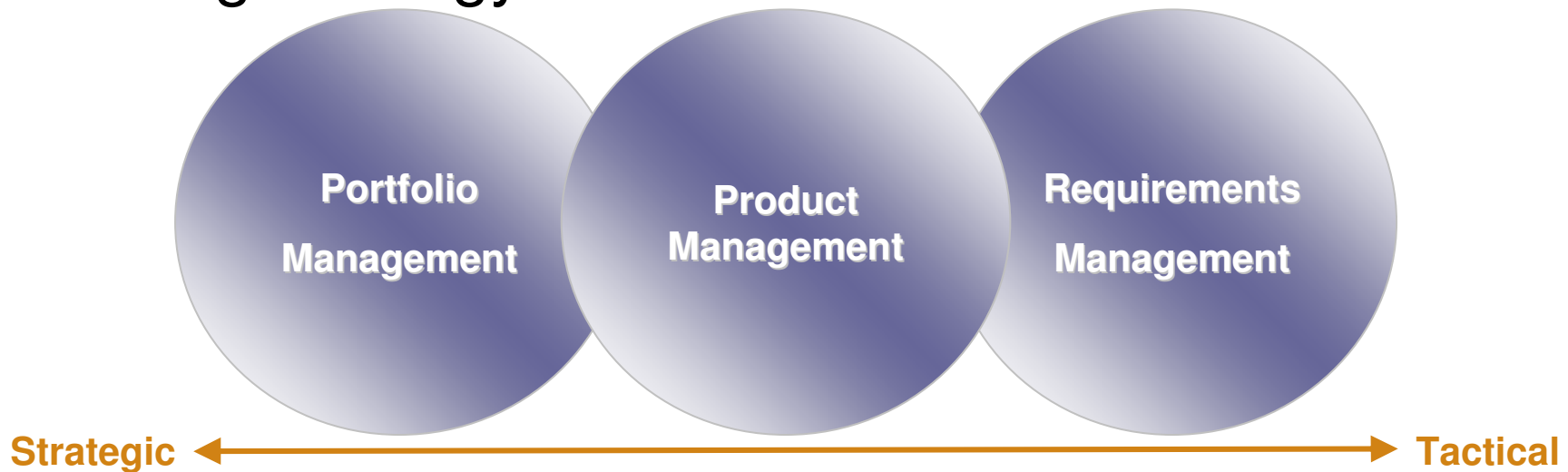
Release	Quantity	Sum: Estimated Total Cost	Share
-	15	0	0,0%
Gizmo G771	2	111 600	19,9%
Gizmo G801	1	11 400	2,0%

Industry Segments						
	Aerospace & Defense	Banking & Finance	ISV	Medical Devices	Retail	Telecom
-	0					
APAC	93 600	93 600	93 600	9 600	377 100	93 600
EMEA	200 400	134 400	134 400	141 150	512 100	123 000
NA	134 400	134 400	134 400	75 150	446 100	123 000
SA	9 600	9 600	9 600	9 600	139 500	9 600

Row	Column	Cell
Geographical Segments	Industry Segments	Sum: Estimated Total Cost

Total Actual Revenue	26 870 000
Market Share	5%
Element Information	
Parent Folder	Our Products

Linking Strategy to Execution

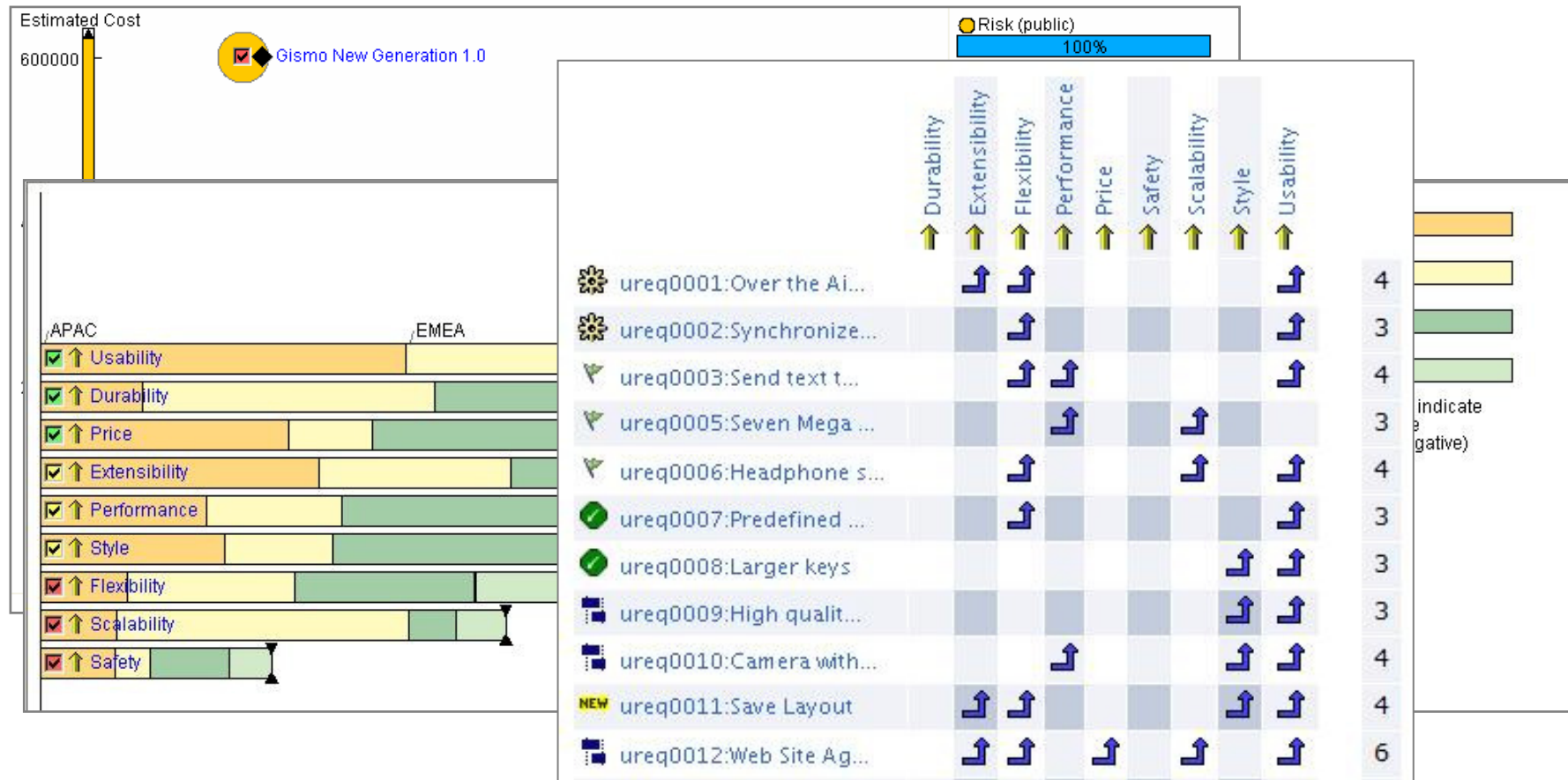


- Are products/projects **ALIGNED** with our strategy?
- Do we have the right **BALANCE** of risk/reward?
- Are products/projects delivering the expected **VALUE**?

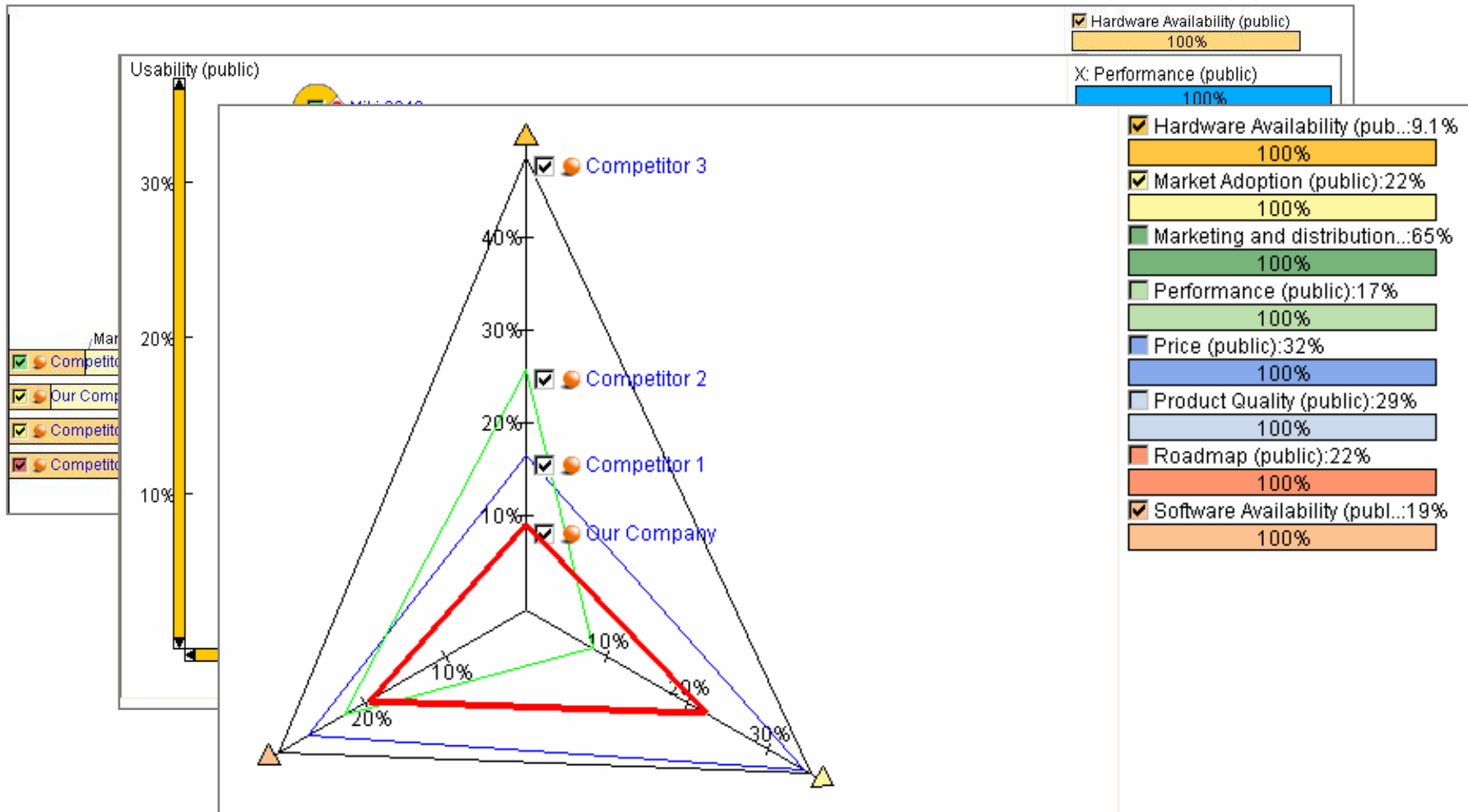
- Are we doing the **RIGHT** products?
- Are we spending in the **RIGHT** areas?
- Do we have the **RIGHT** resources?

- Doing projects well
- Delivering results on time and budget
- Enhancing communication and productivity

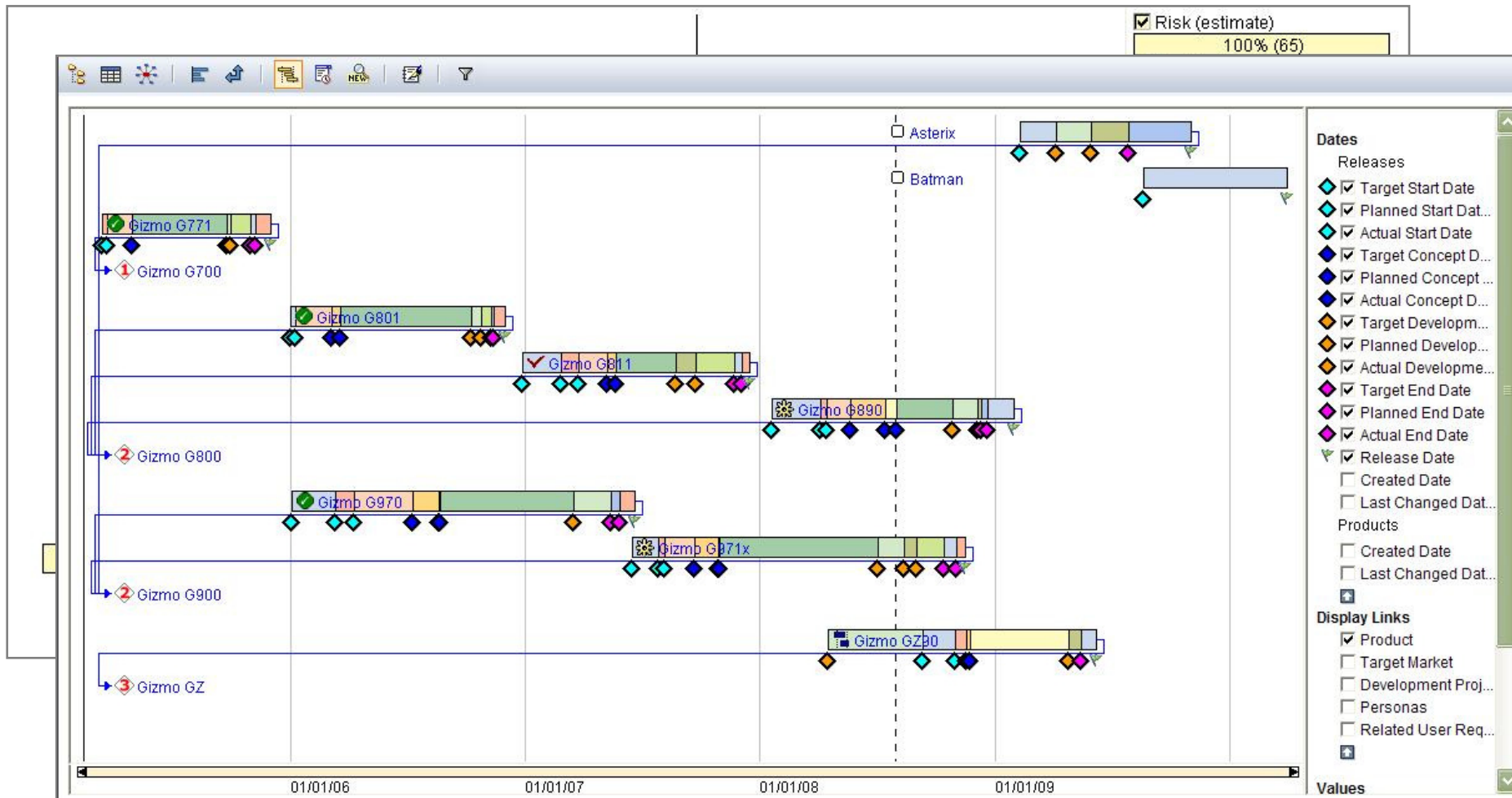
Different dimensions of portfolio management



Competitive Analysis



Planning the Roadmap

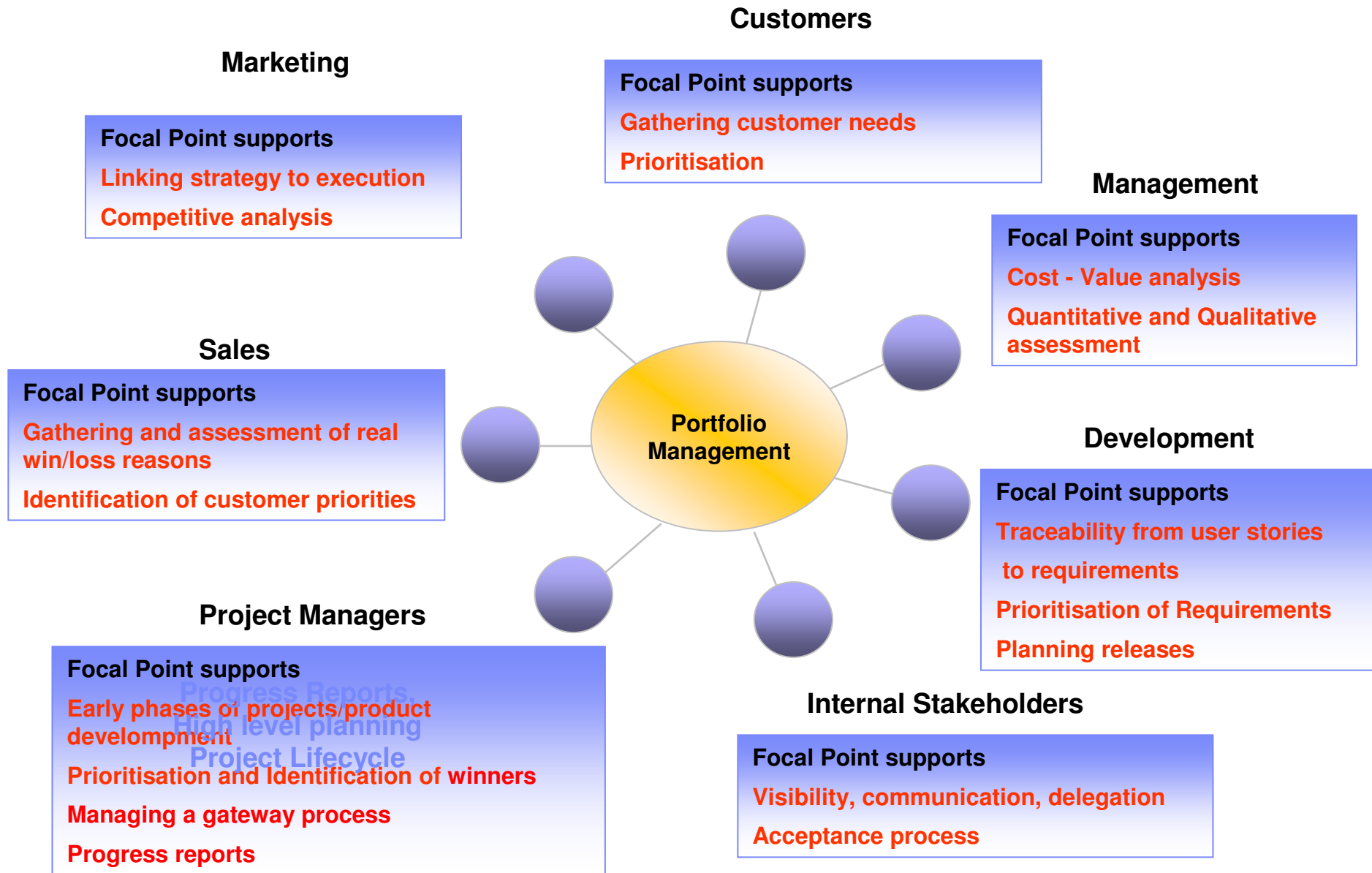


Legacy data, tracking changes, trend analysis

Win/loss reports that have been updated during last 30 days						
Element	Title	Customer	Status	Our Product	Competitor Products	Winning product
Version	Nordical 2007-04-22	■ Nordical	◆ Win	2 Gizmo G800	3 Playful 8250 3 Sophisticated MK40	2 Gizmo G800
Creator						
Created Date	eVoice 2007-05-09	■ eVoice	◆ Loss	2 Gizmo	3 LD 3890	1 Sophisticated
Last Date						
Parent						

<ul style="list-style-type: none"> Markets <ul style="list-style-type: none"> Geographical Markets <ul style="list-style-type: none"> APAC EMEA NA SA Industry Markets 	<p>Market Size: \$15,500,000</p> <p>Potential Growth: 18%</p> <p>Market Size Trend</p> <p>Market Saturation: 10</p>
---	---

Telecommunications 2007-05-19	Telecommunications	G900	1 Miki 1240 1 PPT 2290
----------------------------------	--------------------	------	---------------------------



Challenges while implementing Portfolio Management system

- **Mix of different types** of products/projects: **Ideas, ERs, Customer Needs, Bugs,**
- **Mutual dependencies**, different stages of completion
- **Competition for resources** (no matter of the project size or development stage)
- Customers dictate directions what to do next!
- **Uncertainty of information**, misleading reliance on financial estimates
- Very **dynamic decision environment**

- There is **no one answer**, no single dominant approach
- **Cultural hurdles** – system makes it difficult to hide mistakes
- It is a **change management process** which requires senior executives to champion the change.

How to implement a portfolio management system in Focal Point that is going to work for your organisation?

- Out of the box template
- Defining a (simple) process to start up
- Training an administrator how to manage and expand the system
- Expand, Support and Mentor

Q & A

1. How does Focal Point can help my business, which is very specific?
2. Can I add my own criteria to prioritise?
3. How will I manage the application if I my processes change?
4. How Focal Point is perceived by users?
5. Which companies use Focal Point?
6.
7.
8.
9. ...

THANK YOU

wanda.marginean@uk.ibm.com