Integrating the Project Portfolio Management and Service Portfolio Management: The Governance of Enterprise IT Perspective

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CONTENTS

TYPES of GOVERNANCE

GOVERNANCE IN COBIT5

COBIT5 & MANAGEMENT PROCESSES

STRATEGIC COMPONENTS OF A LOGICAL ORGANISATION STRUCTURE FOR AN IT SERVICE PROVIDER

THE SERVICE PORTFOLIO MANAGEMENT PROCESS

BUSINESS CHANGE GOVERNANCE

THE PROJECT PORTFOLIO MANAGEMENT PROCESS

INTEGRATING THE PROJECT MANAGEMENT & SERVICE MANAGEMENT

CONCLUSION
TYPES OF GOVERNANCE

Corporate Governance

- Service Governance
- Governance of Enterprise Information Technology
- Economic and Financial Governance
- Project/Program Portfolio Governance
- Environmental Governance

Corporate Governance
COBIT 5 provides a comprehensive framework that assists enterprises to achieve their goals and deliver value through effective governance and management of enterprise IT.
COBIT 5 PRINCIPLES & ENABLERS

**PRINCIPLES**

- Meeting Stakeholder Needs
- Covering the Enterprise End-to-end
- Separating Governance from Management
- Applying a Single Integrated Framework
- Enabling a Holistic Approach
- COBIT PRINCIPLES

**ENABLERS**

1. Principles, Policies and Frameworks
2. Processes
3. Organizational Structures
4. Culture, Ethics and Behavior
5. Information
6. Services, Infrastructures and Applications
7. People, Skills and Competencies

**RESOURCES**

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GOVERNANCE (AND MANAGEMENT) in COBIT5

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The COBIT 5 process reference model subdivides the IT-related practices and activities of the enterprise into two main areas—governance and management—with management further divided into domains of processes.
COBIT5 & IT SERVICE MANAGEMENT

Processes for Governance of Enterprise IT

Evaluate, Direct and Monitor

**Align, Plan and Organise**
- AP001 Manage the IT Management Framework
- AP002 Manage Enterprise Architecture
- AP003 Manage Enterprise Innovation
- AP004 Manage Portfolio
- AP005 Manage Resource Optimisation
- AP006 Manage Human Resources

Monitor, Evaluate and Assess
- MEA01 Monitor, Evaluate and Assess Performance and Conformance
- MEA02 Monitor, Evaluate and Assess the System of Internal Controls
- MEA03 Monitor, Evaluate and Assess Compliance with External Requirements

**Build, Acquire and Implement**
- BAI01 Manage Programmes and Projects
- BAI02 Manage Requirements Definition
- BAI03 Manage Solutions Identification and Build
- BAI04 Manage Availability and Capacity
- BAI05 Manage Organisational Change Enablement
- BAI06 Manage Changes
- BAI07 Manage Acceptance and Transitioning

**Deliver, Service and Support**
- DSS01 Manage Operations
- DSS02 Manage Service Requests and Incidents
- DSS03 Manage Problems
- DSS04 Manage Continuity
- DSS05 Manage Security Services
- DSS06 Manage Business Process Controls

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COBIT5 & PORTFOLIO/PROGRAMME/PROJECT MANAGEMENT

Processes for Governance of Enterprise IT

Evaluate, Direct and Monitor
- EDM01 Ensure Governance Framework Setting and Maintenance
- EDM02 Ensure Benefits Delivery
- EDM03 Ensure Risk Optimisation
- EDM04 Ensure Resource Optimisation
- EDM05 Ensure Stakeholder Transparency

Align, Plan and Organise
- AP001 Manage the IT Management Framework
- AP002 Manage Strategy
- AP003 Manage Enterprise Architecture
- AP004 Manage Innovation
- AP005 Manage Portfolio
- AP006 Manage Budget and Costs
- AP007 Manage Human Resources
- AP008 Manage Relationships
- AP009 Manage Service Agreements
- AP010 Manage Suppliers
- AP011 Manage Quality
- AP012 Manage Risk
- AP013 Manage Security

Build, Acquire and Implement
- BA01 Manage Programmes and Projects
- BA02 Manage Requirements Definition
- BA03 Manage Solutions Identification and Build
- BA04 Manage Availability and Capacity
- BA05 Manage Organisational Change Enablement
- BA06 Manage Changes
- BA07 Manage Change Acceptance and Transitioning
- BA08 Manage Knowledge
- BA09 Manage Assets
- BA10 Manage Configuration

Deliver, Service and Support
- DS01 Manage Operations
- DS02 Manage Service Requests and Incidents
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Processes for Management of Enterprise IT

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STRATEGIC COMPONENTS OF A LOGICAL ORGANISATION STRUCTURE FOR AN IT SERVICE PROVIDER

- IT Steering Group
- Project Management Office (PMO)
- Business Relationship Management
- Service Management Office (SMO)

Process, Role or Function
Advocate of the customer (External/Internal)

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PROCESSES & FUNCTIONS COORDINATED BY THE SERVICE MANAGEMENT OFFICE (SMO)

SERVICE MANAGEMENT OFFICE (SMO)

Service Strategy Processes
Service Design Processes
Service Transition Processes
Service Operation Processes

Figure 6.12 Strategic components of a logical organization structure for an IT service provider
SERVICE MANAGEMENT OFFICE (SMO)

- Service Strategy
- Processes

Strategic Management for IT services
Service Portfolio Management
Financial Management for IT Services
Demand Management
Business Relationship Management

Figure 6.12 Strategic components of a logical organization structure for an IT service provider
PROCESSES & FUNCTIONS COORDINATED BY THE SERVICE MANAGEMENT OFFICE (SMO)

SERVICE MANAGEMENT OFFICE (SMO)

Service Design Processes

- Design Coordination
- Service Catalogue Management
- Service Level Management
- Availability Management
- Capacity Management
- IT service Continuity Management
- Information Security Management
- Supplier Management

Figure 6.12 Strategic components of a logical organization structure for an IT service provider
Service Transition Processes

- Transition Planning and Support
- Change Management
- Service Asset and Configuration Management
- Release and Deployment Management
- Service Validation and Testing
- Change Evaluation
- Knowledge Management

Figure 6.12 Strategic components of a logical organization structure for an IT service provider
PROCESS & FUNCTIONS COORDINATED BY THE SERVICE MANAGEMENT OFFICE (SMO)

- Event Management
- Incident Management
- Request Fulfillment
- Problem Management
- Access Management

Figure 6.12 Strategic components of a logical organization structure for an IT service provider
THE SERVICE PORTFOLIO

Service Pipeline

Service Catalogue

Retired Services

Configuration Management System

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SERVICE LIFECYCLE CATEGORIES

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SERVICE PORTFOLIO MANAGEMENT PHASES

Define

Charter

Approve

Analyze

Process Initiation

Strategy Management
Business Relationship Management
Continual Service Improvement
Other Service Management Processes

• Services
• Business Cases

• Communication
• Resource Allocation

• Change Proposal
• Authorization

• Value Proposition
• Prioritization
SERVICE PORTFOLIO MANAGEMENT PROCESS

Source: Figure 4.19, Service Strategy, ITIL v3® All rights reserved.
DEFINE PROCESS

- Strategic Initiative
- Request from Business
- Service Improvement
- Service Suggestion

Existing Service

Yes
- Define Impact on Service Portfolio
- Define Impact on Service Model

No
- Define Service, Customer, Business Outcome
- Define Service Model

Service, Project Contract, Customer, and Application Portfolio

Model
ANALYZE PROCESS

Define Process

Service Model

Service Portfolio (service Architecture Board)

Analyze Investments, Value, and Priorities

Articulate Value Proposition

Business Case

Approve Process
APPROVE PROCESS

Analyze Process

Business Case

No

Service Feasible of Service to be Retired

Yes

Change Proposal

Charter Process

Service Charter

Change Proposal Authorized

Yes

Change Management

Notify Stakeholders and Update Service Portfolio

No

No
CHARTER PROCESS

Approve Process
- Service Charter

Project Portfolio
- Service Design and Transition

Analyze Process
- Analyze Investments, Value, and Priorities

Communicate with Stakeholders

Track Progress and Update Service Portfolio

Service Successful?
- Yes
- No

Approve Process
- Notify Stakeholders and Update Service Portfolio

END
RUN THE BUSINESS, CHANGE THE BUSINESS

STRATEGIC OBJECTIVES

Managing Benefits

RUN THE BUSINESS
• Business as Usual

CHANGE THE BUSINESS
• Portfolio Management

Managed Programmes & Projects

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BUSINESS CHANGE GOVERNANCE

Doing the right programmes and projects

Validation
- Are we doing the right things
- Are we getting the business benefits

Verification
- Are we doing things the right way
- Are we getting things done well

Doing the programmes and projects right

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How PPM Helps The Organization

- Alignment with Business Objectives
- Demand Management
- Portfolio Selection
- Capacity Planning
- Portfolio Reporting

- Portfolio Management
- Visibility & Control
- Resource Management
- Financial Management
- Project Reporting
- Project Scheduling
- Program Management

- Enterprise Project Management
- Work Management
- Time Reporting
- Team Collaboration

- Collaboration
- Processes and Tools
CORE PPM PROCESS OVERVIEW

Core PPM Processes

Create
- Demand Management

Select
- Portfolio Selection

Plan
- Capacity Planning
  - Resource Management
  - Financial Management

Manage
- Time Reporting
- Portfolio Reporting
- Project Reporting
- Project Scheduling
- Team Collaboration
- Program Management
PROJECT PORTFOLIO MANAGEMENT PROCESS

Vision, Mission, Strategic Plan → Strategic Planning

Operations

Project/Programme Requests → Portfolio Management

Portfolio Performance Review

Identification, Categorization, Evaluation, Selection, Prioritization, And authorization of Portfolio Components

Project/Programme Management

Project/Programme Management Processes

Delivering Completed Project/Programme to Operations

Project/Programme Requests

Source: PMI Portfolio Standard, PMI, 2006 pp16, All rights reserved.
Project/Programme Portfolio Management Process

1. Create Project Proposal
2. Gate 1: Approve project proposal?
3. Incorporate into Budgeting Process
4. End/Suspend or Replan PP/BC
5. Develop Business Case
6. Gate 2: Authorize Implement action?
7. Analyze Portfolio & Recommend Project Priorities
8. Prioritize Project Portfolio
9. Implement & Manage Project
10. Review Project
11. Realize Benefits
12. Close Project

Who
- Portfolio/Program/Project Management Office (PMO)
- Decision Board
- Business Leaders, Sponsors
- Finance

Input
- Market, Industry Trends, Process Tools, Templates & Guides
- Project Decision Criteria, Project Guidelines, Strategic Plans, Budgets, Mergers, Acquisitions & Divestitures
- Project Idea, Project Guidelines, Project Status, Budgets, Financial Assumptions, Risks, Resources, Results, Benchmark Results, Policies, Procedures, Standards
- Budgeting Process

Processing
- Gate 1
- Gate 2
- Project Reviews

Output
- Gate 3

Yes
- Yes
- End/Suspend or Replan PP/BC
- Authorize Implement action?
- Prioritize Project Portfolio
- Implement & Manage Project
- Review Project
- Realize Benefits
- Close Project

No
- No
- Gate 1: Approve project proposal?
- End/Suspend or Replan PP/BC
- Authorize Implement action?
- Prioritize Project Portfolio
- Implement & Manage Project
- Review Project
- Realize Benefits
- Close Project
Source: Figure 3.8, Service Design, ITIL v3 © All rights reserved.
It is to the best interest of Organizations, in order to obtain better results and achieve superior quality of services to better integrate service management objectives and culture with those of traditional project/programme management.
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