Eli Lilly: A Case Study in Managing a Global Enterprise IT Project Portfolio

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What is Enterprise-Level Portfolio Management?

• An activity-based process for making trade-offs for *all* allocations of resources

• A value-driven, information-based approach for aligning an organization’s resources to its strategic needs

• A means of balancing resources for projects and ongoing business activities

• A means of optimizing investments and expenditures across divergent priorities
Putting Portfolio Management into Context

- Portfolio Management
- Resource Management
  - Financial
  - HR
- Delivery
  - Projects
  - Services
  - Assets
- Strategy & Planning
  - Enterprise
  - Business Unit

- Business Drivers
- Business Environment
- Strategic Objectives
- High Level Plans
- Business Unit Alignment

Strategy & Planning

- Enterprise
- Business Unit

Portfolio Management

- Prioritization
- Trade-off Decisions
- Resource Allocation
- Performance Monitoring
- Gap Analysis
- Balanced Scorecard
- Portfolio Alignment
- Translate Strategy into Investments

Strategy, Needs, Direction

Performance, Value, Gaps
Process Relationships: Resources and Portfolio Mgmt.

- Portfolio Management
- Resource Management
  - Staffing Strategy
  - Sourcing/Outsourcing
  - Resource Scheduling
  - HR Development
  - Performance Mgmt.
  - Budget/Capacity Mgmt.

- Capabilities, Demand
- Capacity

- Financial
- HR
Process Relationships: Delivery & Portfolio Mgmt.

Portfolio Management

- Business Needs
- Resource Needs, Feasibility, Performance

Delivery

- Solution Delivery
  - Program/Project Mgmt.
  - Development Lifecycle

Projects

Services

- Service Delivery/Support
  - Service Level Mgmt.
  - Capacity/Availability Mgmt.
  - Problem/Incident Mgmt.

Assets

- Asset Tracking/Inventory
- Asset Lifecycle Mgmt.
- Supplier/Contract Mgmt.
- License Mgmt.
- Security
- Knowledge Mgmt.
The Benefits of Enterprise-Level Portfolio Management

- A common framework for communicating the value of projects/services to the people who pay for them
- Greatly reduce redundant or duplicate expenditure of resources
- Provide alignment of business activities to business strategy
- Full accountability for the utilization of resources
- Greater flexibility and adaptability to a changing business environment
- Improved ability to anticipate and prepare for future resource needs
Growing Portfolio Management Capabilities

- Inventory & Categorize
- Prioritize & Select
- Forecast Demand
- Assign Resources
- Track Resources & Monitor Performance
- Influence Strategy

Governance

Process Growth

Integration
• This is not a “win-win” proposition
• Accountability is a two-edged sword
• Middle management feels a loss of control
• Integration is the key
• Lack of visibility means lack of commitment
• When Portfolio Management is everybody’s responsibility, it is nobody’s responsibility
• A clear vision and top-down commitment & sponsorship are essential
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Questions & Answers