



Project & Portfolio Management benefits

PLANVIEW REPORTED BENEFITS

Informal discussions with clients have indicated savings through the use of PlanView come from:

- Improved resource utilisation (as per Aberdeen above)
- Ability to ensure all work is aligned with corporate objectives.
- Reduced time on preparing reports e.g. if you add together time taken to obtain information and produce reports now and can then automate the process through PlanView that will typically pay for PlanView in its own right. For example, in one company it took 2 senior managers 2 weeks each every month to produce management reports, that process was automated through PlanView.)
- Savings in time for project managers as hopefully all, or nearly all of the information they require will be in one place so they do not have to waste usually a minimum of 1 day per week trying to find the information they need.
- Savings through having accurate and timely information to enable management to make effective strategic decisions. Clients have told us this is one of their key drivers and more than justifies the cost of PlanView
- A recent quote from Weill was that organisations who have an integrated system/process in place are typically 25% more profitable than those who do not
- A large PlanView client has claimed to save \$15 million per annum through PlanView through being able to identify projects no longer relevant to the corporate objectives

Another client (with a size of a few hundred users) made the following statement on justification for PlanView:

- Go to single time entry around the world. Replaced 5+ different systems for collecting time around the world...(\$0.5M+ in savings)
- Headcount Reductions in overstaffed teams - immediately identified 6 FTE's (and more as they go forward)
- Huge productivity improvements in their quarterly portfolio process with the Account Management team. In their words, the system paid for itself in time saved on an ongoing basis on this process alone. (This was not used in their business benefits stream thought as they have to use hard ROI only)
- Drive visibility of the hundreds of small work items that occur in an ongoing basis around the world that do not fit into the portfolio process.
- Process efficiencies and productivity improvements in support of global resource management (25% cost reduction expected)

Aberdeen Group say organisations who use PlanView can expect to improve resource utilisation by 17.7%, this was based on user surveys. This figure can be used to estimate the productivity improvement or the cost savings.

ANALYST REPORTED BENEFITS

- According to The Standish group:
 - In larger Co's where average cost of a development project is more than \$2.3 million, only 9% of projects come in on time and on budget
- High rate of project failure often attributed to lack of systematic project planning and execution methodologies.
- AMR Research contends:
 - As many as 75% of organizations have little oversight over their project portfolios and employ non-repeatable chaotic planning processes.
- Mercer Island Group market survey (15 Fortune 500 companies, in-depth interviews with all senior mgmt):
 - Companies are transitioning to project management cultures & EPM solution deployment is crucial to business success
 - EPM benefits reported by customers :
 - Reduction in resource utilization (including helping them reduce their labor rate in future)
 - Project-related cost reductions 5-30% (about 1/3 of customers reported)
 - Time to market reduced 15-50%
 - Hard & soft costs associated with inefficient Project & Portfolio Management use:
 - Human resource costs (manual input of data & resource usage not optimized)
 - Financial management costs (lack of visibility, incorrect & inefficient charges / charge backs)
 - Project Management costs (redundant data in disparate systems, low priority projects taking precedence, redundant projects in different departments / regions)
 - 90% of customers reported new business processes were defined and/or current business processes were refined.
 - All customers piloted solutions prior to deploying them.
 - 75% of customers used 3rd party consulting firms / partners to deploy solution (consulting services, data / process migration, user training).
- Reported benefits:
 - Industry experts anticipate that PPM efforts will provide a 30% ROI within one year
 - META Group indicates that firms measure the benefits in terms of:
 - Improved resource utilization (typically 5-15%)
 - Reduction in IT administration costs and reduced project time to completion (8-12%)
 - Bringing departments and divisions together with common business and project management methodologies and tools is often considered the primary benefit associated with implementing an EPM.
 - "The benefits can be impressive. Estimates link PPM effort so about a 30% ROI over the full year." Information Week, "Tracking the best laid plans.." 19May03
 - Companies doing PPM report 2-5% annual savings in their IT budgets (AMR Research)
 - Measurable benefits that can be achieved via EPM (Gartner):
 - Eliminate redundant projects/initiatives
 - Improve resource allocation/utilization
 - Share database for all project data
 - Improved project communication/documentation
 - Establish process, methodologies, best practices
 - Better alignment of projects to corporate initiatives
 - Tie benefits to costs through charge-backs
- According to a project management software customer analysis conducted by Bainbridge18, most users tended to prefer the use of consultants for implementation for the following reasons:
 - It minimized the chance of something going wrong, which could impact employee receptivity;
 - The long-run costs are lower when using consultants for implementation
 - Consultants saved time, increasing the speed and efficiency of implementation.
- This is a technology change but also a change in how companies manage business processes. The objectivity of 3rd party integration vendors from planning to implementation is especially helpful.

- Enterprise project management methodologies and tools enable businesses to more efficiently and cost-effectively deploy human resources and capital assets, collaborate, and maintain constant visibility into the progress of a multitude of active projects throughout an organization.
- PPM tool selection criteria (META customer survey):
 - Decision support (reporting & analysis) 34%
 - Fits current architecture 15%
 - Cost 15%
 - Ease of use 12%

