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## Enterprise Portfolio Management for IT Investment Optimization

A practical approach to understanding IT investments in a business context to help you make fact-based decisions and deliver tangible business value.

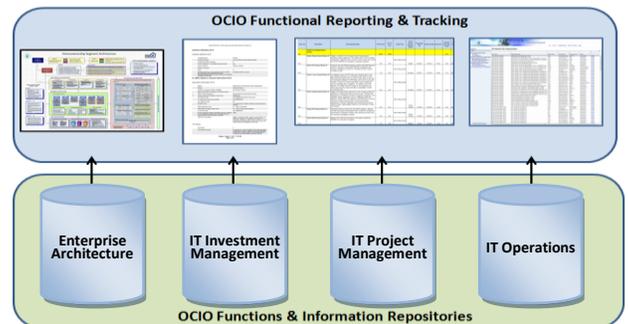
### The Business Challenge

In today's economic climate of shrinking Information Technology budgets and increasing pressure for IT organizations to demonstrate business value, Federal agencies are taking measures to change behaviors. Maintaining the status quo is not an option if IT is considered a strategic enabler of transformation. The right mix of projects, systems, and services has a tremendous impact on an agency's ability to successfully deliver its mission. At the same time, poorly aligned investments that lack effective management reduce the quality and timeliness of services an agency provides to citizens.

It is difficult to effectively manage IT resources without a comprehensive understanding of the components of the IT portfolio and, more importantly, the inter-relationships that exist across the portfolio. In reality, most organizations have limited visibility across their IT investments. As a result, the ability to demonstrate how those investments are achieving the planned mission benefits remains a challenge.

Federal IT organizations, much like the lines of business they support, often operate in stove-piped environments (Figure 1). For example, an IT Investment Management (ITIM) Division may use an automated solution such as eCPIC for maintaining and reporting the agency's Exhibit 53 and 300s, while the Enterprise Architecture Division uses similar, largely duplicative data to develop organizational reference models. Further, the Project Management office uses other solutions to monitor current and planned projects, which comprise the investments reported by ITIM and are reflected in the architecture. Finally, an inventory of systems being operated, modernized, or developed

Figure 1 - CIO Organizational Functions



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across the enterprise is maintained by an IT Operations Division. In effect, each functional area manages only a portion of the IT portfolio, often referred to as a sub-portfolio. What is lacking is a holistic portfolio management discipline.

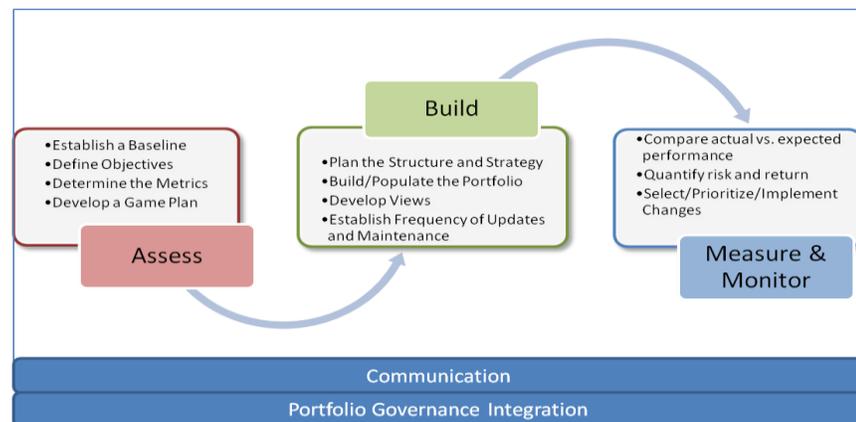
A challenge arises when the Chief Information Officer (CIO) requires a comprehensive and integrated view of the IT Portfolio to make accurate, fact-based decisions about priorities. CIOs need access to critical and timely information and require insight into the interactions of applications, projects, technology, and investments that enable the mission. Enterprise Portfolio Management addresses these challenges.

### Citizant's Approach

Citizant's enterprise portfolio management approach (Figure 2) empowers agencies to regain control of their IT investments to deliver measurable business value while aligning and improving business and IT strategy. Our approach leverages EA and ITIM best practices to assess, build, and monitor the enterprise portfolio, laying the ground work for an agency's mission-critical transformation initiatives and integrated decision-support capabilities.

*Citizant partners with civilian and military agencies of the federal government to develop forward-thinking business and technology solutions that create a better future for all citizens.*

Figure 2 - Citizant's EPM Approach



Citizant works with organizations at all levels of portfolio management maturity. Regardless of the current stage, we focus on achieving early success for our clients to build upon. The following section presents a high-level overview of Citizant's approach.

**Assess** – Many portfolio management initiatives fall short because they weren't properly planned. During the "Assess" phase, we engage in critical activities to:

- ✓ Identify and engage executive sponsorship;
- ✓ Conduct baseline assessments to understand capabilities and constraints, organizational readiness, and portfolio management maturity;
- ✓ Establish and communicate achievable objectives;

*Citizant provides a seamless spectrum of award-winning professional technical services that address the full lifecycle of government technical solutions.*

- ✓ Develop business-oriented metrics and success criteria so that value can be demonstrated; and
- ✓ Design a blueprint for success including work effort, required resources, milestones, timetables, and goals.

**Build** – During this phase, the structure of the portfolio takes shape. Rather than starting with a blank slate, Citizant offers sample structures to jump-start the effort. It is not uncommon to change the structure and adapt to the needs of stakeholder groups. During the “Build” phase, Citizant partners with teams to:

- ✓ Define the portfolio views to enable fact-based decisions and identify the business questions to be answered;
- ✓ Determine the portfolio characteristics for projects, systems, services, technologies;
- ✓ Identify and refine the sub portfolios (applications, technology, projects, etc.); and
- ✓ Leverage existing inventories and determine the “right data” to utilize.

**Measure & Monitor** – This phase leverages the data in the IT Portfolio to produce relevant views for stakeholders to compare actual results with what was expected. Decisions to change the mix of the portfolio components are rationally selected, prioritized and implemented. During this phase, Citizant provides guidance to:

- ✓ Quantify the risks and returns of portfolio components;
- ✓ Compare actual performance to what was expected and make balance adjustments
- ✓ Understand internal and external events that impact the portfolio; and
- ✓ Select / Approve / Implement changes through IT governance.

This approach enables answers to key business questions across multiple sub-portfolios and focus areas, including:

#### **Goals and Strategy Portfolio**

- How well is the IT organization addressing the Strategic Goals of the agency?
- What are the projects I have planned and do they align to my business strategies?
- What is the status of our capabilities? (existing, planned, undefined)

#### **IT Investment Portfolio**

- What is the comparison of application versus project spending on our capabilities?
- How much are we investing in our business capabilities?
- Is the IT spending aligned to what’s important to the agency?

### **Application Portfolio**

- What applications pose the greatest risk and highest cost to the organization?
- What is the current transition plan for a particular application?
- What are the associated cost savings of decommissioned systems over time?

### **Technology Portfolio**

- What existing technologies can be used to meet future business needs?
- How much of the technology's potential been realized?
- Where are we using non-standard technologies?
- What is our technology roadmap?

### **Business and IT Alignment**

- What is the amount of investment in each business capability aligned to our priorities?
- Do we have clear line-of-sight of all IT investments across the Department?
- What are the funding recommendations for the IT assets that support the business?

## **Citizant's Solution Results**

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Citizant's approach leverages the combined expertise in enterprise architecture, IT investment management, and analytics to drive business value and establish quick wins.

The focus is on:

- ✓ Helping to define, manage and measure the progress of IT investments to deliver tangible business results in short increments.
- ✓ Communication and visualization through translation of IT into a common taxonomy that executives understand.
- ✓ Aligning business capabilities and ensuring organizations have the right mix of investments to sustain and grow the business according to the strategic plans.
- ✓ Driving data quality by identifying appropriate data and authoritative sources of information.
- ✓ Evolving from a program-centric to a mission-focused target architecture as a foundation to structure and rationalize the current IT investment portfolio.
- ✓ Implementing an integrated decision-support tool to provide authoritative data to make future IT divestment and investment decisions.

### **ABOUT CITIZANT**

Citizant designs and delivers smarter, leaner business and IT transformation solutions to the U.S. government, employing leading experts in enterprise architecture; application development; business process re-engineering; and program management support.

Citizant has been independently appraised at the Software Engineering Institute's CMMI-DEV Maturity Level 3 and CMMI-SVC Maturity Level 2.