

IT MANAGEMENT IN THE CLOUD

5 Key Ways Web-Based Project Portfolio Management & Application Portfolio Management Solutions Make IT More Strategic & Cost Effective



About Innotas: Innotas provides a ground-breaking on-demand IT Governance solution—an easy-to-use, rapid-to-deploy, and cost-effective way to manage resources and budgets across an IT department’s entire inventory of projects, portfolios, applications, assets, and service requests. With its strong foundation in Project Portfolio Management and Application Portfolio Management, Innotas provides CIOs and IT executives with visibility across both strategic initiatives and sustaining operations for improved decision making across the entire IT portfolio.

5 Key Ways Web-Based Project Portfolio Management & Application Portfolio Management Solutions Make IT More Strategic & Cost Effective

Cloud computing has emerged as one of the most significant game changers to hit the technology landscape in the past 20 years. According to the Gartner Research report, “Reimagining IT: The 2011 CIO Agenda,” cloud computing ranks number one on the CIO technology priority list for this year.

Gartner conducted a survey of more than 2,000 CIOs across 50 countries and found that adoption rates are still in the early stages. Only 3% of respondents indicated that the majority of their systems are running in the cloud. The firm’s report predicted that this adoption rate will rise to 43% by 2015.

For CIOs, the explosion of cloud computing has been a bit of a “catch 22.” As it has dramatically increased the profile and influence of the IT department, it has also brought a tremendous amount of projects and demands. Seemingly, every department from marketing to customer support to finance are lining up with requests for new solutions and applications they want to host in the cloud.

According to the March 2011 Aberdeen report, “Project Portfolio Management: Selecting the Right Projects for Optimal Investment Opportunity,” business pressures are driving a renewed focus on Project Portfolio Management (PPM). These pressures that are

forcing leading IT organizations to seek better management and reporting tools include:

- Increasing risk exposure across project portfolio
- Lack of available skilled resources needed for projects
- Global/distributed teams create need for collaboration

The massive expansion of the cloud has helped shift the perception of the IT organization from a utility player to a change agent.

The CIO Executive Council’s “Future State of the CIO” report from December 2010 stated: “The Future-State CIO® will not only be accountable for IT function success and business process transformation, but will adopt a more company-external focus and concentrate the majority of his/her time on using information to drive innovation and strategic advantage in pursuit of business goals.”

The contradiction that is developing, however, is while many organizations are realizing the potential of the cloud to deploy and deliver powerful analytics and visibility to other areas of their business, they are still overlooking the massive opportunity to build out their cloud roadmap with a hosted solution for IT Management.

By adopting web-based Project Portfolio Management (PPM) and Application Portfolio Management (APM) solutions, many leading organizations across verticals such as manufacturing, government, retail, and telecom have achieved the same deep analytics and reporting capabilities that other areas of the business have been seeking from the cloud.

In addition, these solutions are improving their ability to collaborate and prioritize strategic areas of the business. They are enabling their IT teams to focus on the projects that are central to profitable growth, rather than building and maintaining internal applications and managing their business with spreadsheets.

In the following E-book, we will break down five ways progressive organizations are using cloud-based IT Management solutions to help drive innovation and efficiency, including:

- Adding visibility and analytics
- Speeding up time-to-value
- Lowering costs
- Improving prioritization
- Providing a blueprint for future cloud deployments

“Providing visibility across IT silos is an increasing function of PPM software. With features or modules for change management, resource management and application management. That integration can track IT costs for more realistic cost comparisons with outside services.”

- Kristen Caretta of CIOsearch.com

#1

Seeing Clearer in the Cloud: The Impact of Added Visibility & Analytics

By replacing the spreadsheets and homegrown solutions that IT directors have traditionally used to manage their projects and application portfolios, they are able to provide visibility to the entire organization, as well as platform for decision-making and prioritization.

According to the recent Aberdeen study on PPM, 'Best-in-Class' project managers for IT are 70% more likely than their peers to have real-time reporting on project milestones which enables flawless selection of the right project for managers.

Aberdeen's survey also found that comprehensive reporting gave users unmatched visibility into overall IT resources, which is imperative to achieve the highest ROI.

PPM solutions delivered via the cloud are driving ROI by enabling greater collaboration across the enterprise. "PPM expands the pool of participants while exercising discipline to manage the new diversity," said Harvey Levine, a past president of the Project Management Institute and founder of The Project Knowledge Group, a consulting firm specializing in project management. "It also bridges the gap between the projects side and operations by facilitating collaboration between the two so they both achieve their

own objectives as well as those of the organization." cloud-based IT Management solutions allow companies to build dashboards so project managers and stakeholders can view key performance indicators. By deploying flexible cloud-based solutions, companies add the capability to personalize dashboards & reports by department, role or even individual in order to present the most relevant information possible.

Illustrating the power of cloud-based IT Management, Michelle Jenny, a business transformation consultant with Pearl Street Partners Inc., says one of her clients saw greater and richer data appearing on executive dashboards enabling senior managers to make better informed business decisions within three or four months after PPM implementation.

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Speeding Up Time to Value Via the Cloud

In addition to improving visibility, web-based IT management solutions tools speed up decision making by aligning IT and project managers with line-of-business users around common goals and priorities.

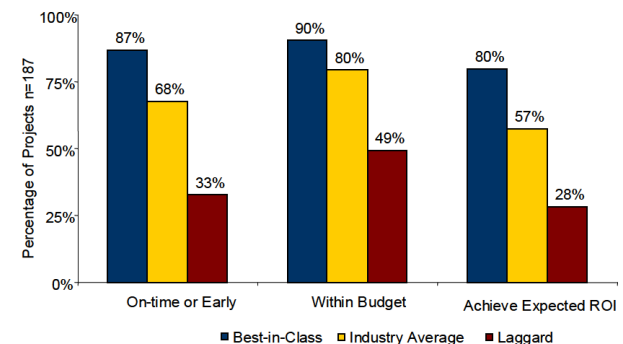
Miss Jenny, points to an example of a firm that after successfully implementing a hosted PPM solution improved productivity by eliminating about 50% of its previous “workarounds” that end users had relied on to deal with the legacy system’s shortcomings.

According to the Aberdeen report, successful implementation of PPM processes enabled best-in-class companies to increase ROI 28% and achieve the expected ROI in 82% of their projects.

Because cloud-based IT management solutions are hosted offsite without any technological footprint for the enterprise, they eliminate the need for project and IT managers to spend time setting up and deploying the technology during implementation. “They do not have to worry about technological development, it’s all about process,” says Jenny.

The other core benefit of cloud solutions is the ability for companies to scale up or down quickly to meet demand, since users are

not limited to one server or even one data center. If a company’s available bandwidth is inadequate for its current number of users, the hosting service can simply add seats and support without ramping up servers and installing hardware. Because companies only pay for the computing power they need, cloud based IT management allows them to expand as their business grows and their needs change.



Source: Aberdeen November, 2010

Performance Advantages of Best-in-Class IT Departments

#3

Cutting Costs in the Cloud

While visibility, speed, and scalability are critical, the bottom line is still the bottom line and IT organizations still need deliver cost efficiencies. Cloud-based IT Management platforms offer IT staffs a wider range of comparative figures to calculate more accurate cost/benefit analyses. “Providing visibility across IT silos is also an increasing function of PPM solutions, with features or modules for change management, resource management, and application management,” says Kristen Caretta of CIOsearch.com. “That integration can track IT costs for more realistic cost comparisons with outside services.”

A recent Management Insight study found that 44% of executives stated that they invested in cloud computing because it saves them money.

Other drivers included: improving IT customer service (35%), making costs more predictable (35%), increasing productivity (33%), and the ability to standardize IT (29%).

Tools like PPM and APM provide decision support to reduce the number of high cost/low return projects. According to consultant Harvey Levine, early PPM adapters have reported outstanding improvements in project performance and increased efficiencies

in resource allocations. They discover poor-performing projects earlier, while there is time to take corrective action or terminate them earlier in the investment cycle to release scarce resources for more beneficial uses.

“The increased efficiencies are easily justifying the investment in PPM and executives are pleased with the vast improvement of information needed to make important and timely decisions about project investments” Levine says.



Innotas CIO Dashboard

#4

Turning to the Cloud to Prioritize Profitable Initiatives

Because CIOs are now expected to drive innovation, the ability to pick and prioritize the projects that are most closely aligned with business initiatives and have the biggest impact is critical.

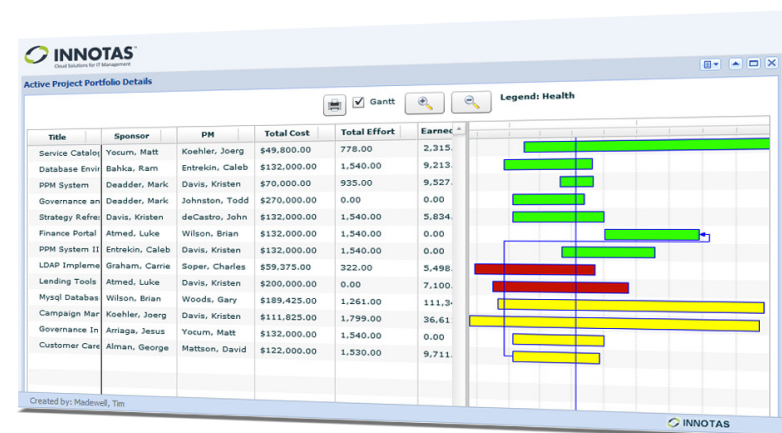
One of the foundational benefits of cloud-based IT management solutions is the creation of a systematic approach to aligning and prioritizing work to meet the needs of the business.

These tools provide CIOs with the information and intelligence they need to make informed decisions and share that prioritization with executives and other key stakeholders.

These tools align projects and applications with business needs through the creation of automated scoring systems, which are flexible enough to track and reevaluate throughout the project lifecycle. In addition, cloud-based IT Management solutions now drive a collaborative prioritization process by providing the ability to gather scores across the organization and assess the factors influencing the scores.

“PPM bridges this gap [between projects and operations] by bringing executives into the process, via a governance or investment board. Improved software for portfolio management addresses

the issues of alignment, value, ROI, prioritization of proposed projects, and allocation of scarce resources,” says Harvey Levine. “Furthermore, specialized PPM systems provide vastly improved communication for executives as well as the PMO.”



Innotas Project Portfolio Management Dashboard

#5

Building A Roadmap for Cloud Deployments

With Gartner research showing that cloud deployments are growing to more than 40% of systems by 2015, IT directors are clearly going to need first-hand experience in proper rollout strategies for the cloud. By deploying a cloud-based IT Management solution, CIOs will be able to provide a roadmap and apply personal experience as an on-ramp into other cloud applications.

“PMO staff can expand their knowledge of implementing cloud solutions because they help define project methodology and gain experience in implementation they can use for the next one,” says Pearl Street Partners’ Michelle Jenny.

Jenny also emphasizes that the lessons learned from deployment and driving adoption will provide models for future cloud rollouts. “It is all about implementing process, not technology,” she says.

This is another area where the benefits of the cloud are critical. Jenny points out that a hosted and off-site solution keeps all eyes on “adapting existing business processes to the new solution rather than worrying about the technology itself.”

She also suggests balancing off the scheduling/costs/performance

triangle of the business process re-engineering objectives. The “heavy lifting” comes with change management since the implementation’s ultimate objective is to refocusing the organization’s direction.

“The key is getting end users to buy in early,” Jenny says. “If they have been involved in the selection and implementation from the very beginning, they will use the new system because they will feel it is theirs.”

In the Management Insight survey, IT staff offered different reasons for moving to cloud computing environments. They cited job enhancement benefits enabling them to work smarter not harder. Specifically, they highlighted greater efficiency, opportunities to work with the latest technology, improving IT customer service, reducing job complexity, and keeping their skill sets current.

Conclusion: IT Management in the Cloud

Cloud-based IT Management applications enable companies to manage their assets, services, and processes more efficiently. The first step is for organizations to get their IT houses in order. That requires re-examining their existing IT systems and business processes, anticipating future needs, and strengthening corporate resources needed for future growth.

These hosted solutions raise the bar by shifting the focus of IT implementations away from simply installing new technology to re-engineering business processes and facilitating change management.

Ultimately, PPM and APM solutions help companies better align IT to business strategies and drive collaboration. They also help to reduce the risks associated with technology investments and improve prioritization of the projects that are having the most value to the organization.

In the new climate where CIOs are viewed as change agents, IT will not only be accountable for its own functional success and its contribution to business process transformation, but it will also make the transition to use information to drive innovation and strategic advantage in pursuit of business goals.

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