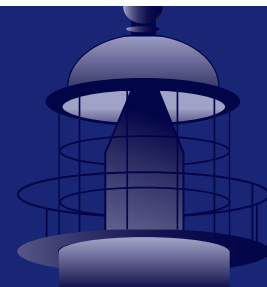


Solutions for Enterprise Project and Portfolio Management



INTRODUCTION

The latest CHAOS research shows a significant downturn in project success rates and an upturn in failure rates. For this reason The Standish Group conducted additional research on the value of Enterprise Project and Portfolio Management Solutions (PPMs) and their effect on success rates. This Enterprise Project and Portfolio Management study covers the use of project and portfolio management services and tools. The Standish Group collected 307 surveys and conducted 30 interviews focused on the value of features and functions of PPM solutions. Our goal was to understand which items have the highest value for organizations to invest their effort and money.

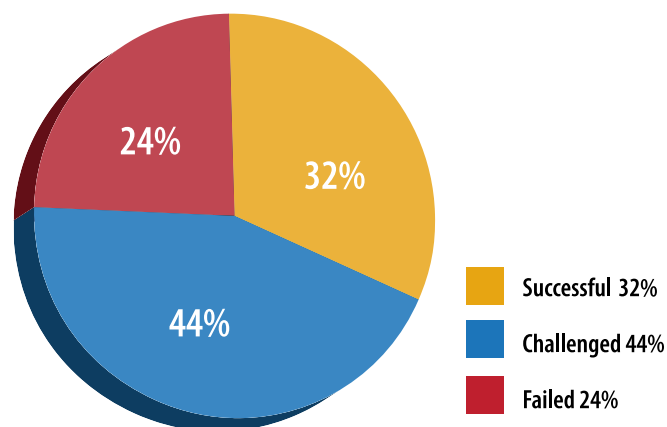
Through this research we identified 30 of the most important traits of a project and portfolio management solution, segmented into 10 major characteristics. First is **RESOURCE MANAGEMENT**, with the ability to do project-level resource allocation, “what-if” resources, and hierarchical management of resources. Second is **DEMAND MANAGEMENT**, with help desk integration, graphical workflow configuration, and dynamic form capability. Third is **ENTERPRISE PROJECT MANAGEMENT**, with real-time project status, risk assessment, and cross-project reporting. Fourth is **ENTERPRISE PORTFOLIO MANAGEMENT**, with baseline portfolio decisions, formalized management for potential investments, and real-time “what if’s.” Fifth is **FINANCIAL MANAGEMENT**, with ROI valued management, in-flight investment, and cost allocation,

The sixth characteristic is **CORPORATE GOVERNANCE**, with the three traits of IT technology governance, Sarbanes-Oxley auditability, and Six Sigma. Seventh is **BEST PRACTICES**, with CHAOS, Stage-Gate, and PRINCE2. Eighth is **PRODUCT CONSOLIDATION**, with flexible integration options, performance scalability, and single database repository. The ninth is **SERVICE DELIVERY**, which includes business intelligence support, multiple work styles, and SaaS delivery options. Tenth is **enterprise PRODUCT SUPPORT**, with a dedicated implementation team, worldwide support, and Big Four support. These 10 characteristics of PPM, each with three traits, provide a comprehensive view of PPM solutions along with their benefits and value.

Standish Definition: Project and Portfolio Management Solutions: A collection of integrated applications that provide basic project, portfolio, resource, demand, financial, risk, and process management. Together they offer enterprises visibility into the planning and progress of the project activity in order to make timely and informed decisions. High-order solutions provide the ability to do predictive analysis.

Demographics: The results of the PPM survey provide a global view of the use and value of enterprise project and portfolio solutions, but do tend to have a heavier concentration on the United States and Europe. Sixty-one percent of the 307 respondents are U.S.-based, 22% are European, and the remaining 17% represent the rest of the world. Sixty-eight percent of these organizations are considered Fortune 1000-type companies; another 23% would be considered midrange; and 7% are in the small-range category. They span a diverse number of vertical industries and organizations. The 30 interview participants were from a cross section of the survey respondents.

CHAOS 2008



The above chart shows the results of the CHAOS Research Projects from 2007 to 2008 in the classic segmentation of project outcomes.

Characteristic of Enterprise PPM Solutions

Resource Management	2
Demand Management	3
Enterprise Portfolio Management	4
Financial Management	5
Corporate Governance	6
Best Practices	7
Product Consolidation	8
Service Delivery	9
Enterprise Product Support	10

RESOURCE MANAGEMENT

There are three features that our study highlighted concerning resource management: project-level resource allocation, “what-if” resources, and hierarchal management of resources. Project-level resource allocation is the assignment of work or activities to team members at the project level in order to manage workloads within a specific time horizon. “What-if” resources allow the organization to be able to see, in advance, the effect on demands and resources that are likely to be used in different scenarios, thereby enabling an organization to choose the best course of action. Hierarchical management of resources is a planning approach in which planning tasks are broken down into the activities that must be done at a particular resource level.

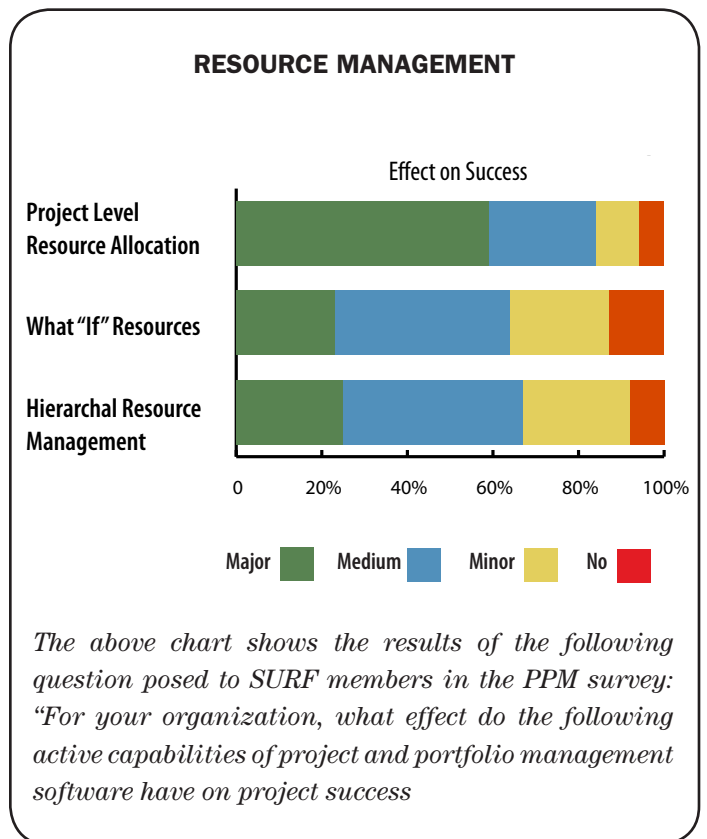
Project-Level Resource Allocation: Organizations are always competing for finite resources, and many of these resources are on critical paths. Fifty-nine percent of respondents thought that project-level resource allocation could have a major effect on the success of their projects and 64% thought it to have high monetary value (ROI). Such project-level resource allocation provides visibility across the enterprise to set realistic expectations, determine manpower effort and timeframes, and increase vital communications to critical project and portfolio stakeholders.

“What-if” Resources: The ability to see how changes in resource allocation will affect critical paths before they are undertaken could improve project success rates. However, only 23% of respondents thought that “what-if” resources could have a major effect on the success of their projects and 30% thought it to have high monetary value. The problem is, once a project team starts down the path, things change and resources often become unavailable for different reasons. The ability to revisit resources at the portfolio level at anytime to identify resource conflicts and make adjustments can be very helpful in decision making regarding resource re-allocation.

Hierarchical Management of Resources: Assigning the right person for the right task is always a difficult job. Hierarchical management of resources can be an effective solution to this issue. A quarter of respondents thought that hierarchical management of resources could have a major effect on the success of their projects and 23% thought it to have high monetary value.

STANDISH DEFINITION

Resource Management: The efficient and effective deployment of an organization’s resources when and where they are needed. Such resources may include financial resources, inventory, human, technical skills, production, and all other resources. Resource management is the ability to match demands with available resources within the financial and operational boundaries.



DEMAND MANAGEMENT

The three features that our study highlighted concerning demand management are help desk integration, graphical workflow configuration, and dynamic form capability. Help desk integration is the ability of the project and portfolio solution to integrate with service desk applications to enhance the requirements management process. Graphical workflow configuration allows the organization to clearly visualize an automated, cohesive, and reusable project management and business process. Dynamic form capability allows users and stakeholders to submit, track, and analyze requests for requirements, and make changes to those requests in a consistent and accurate manner.

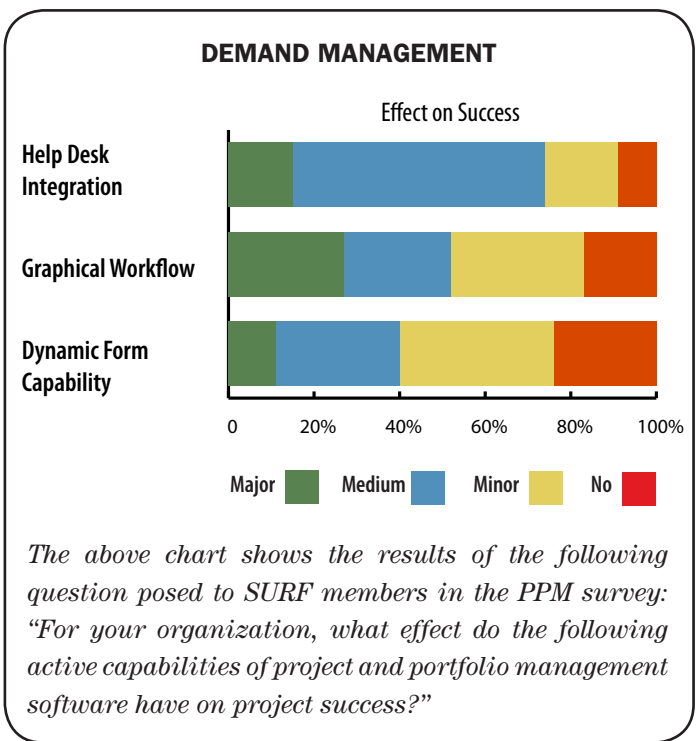
Graphical Workflow Configuration: Organizations that strive for a standardized Stage-Gate process may find that graphical workflow configuration is helpful. Such capability allows the user to visually define, control, track, and audit project and portfolio progress. Twenty-seven percent of respondents thought that graphical workflow configuration could have a major effect on the success of their projects and 32% thought it to have high monetary value. Many of the IT executives thought that while it was a nice capability, they would not endorse its use in their environment.

Integrated Help Desk: Provides a single place to get questions answered, report problems, and monitor change that doesn't have to be manually managed. Fifteen percent of respondents thought that help desk integration could have a major effect on the success of their projects with a rank of 3.7 out of 5 points. In addition to asking the importance of a capability, we also had respondents rank them either 1 to 5 or 1 to 6 with the higher number being the most important. This capability can reduce problem resolution time and identify gaps in user skills. Analyzing the data collected provides greater visibility of costs and ways to reduce them.

Dynamic Form Capability: The ability to customize form details for complex user input. The user only sees relevant fields and receives relevant guideless, thereby simplifying the effort. Dynamic form capability helps users in the demand process and standardizes their input. Eleven percent of respondents thought that dynamic form capability could have a major effect on the success of their projects and 12% thought it to have high monetary value. PPM solution administrators will find this feature helpful in building communication with users and other stakeholders.

STANDISH DEFINITION

Demand Management: The capture of requests and the prioritization of stakeholder requirements. Such demands may include new requirements, features, functions, operational constraints, regulatory requirements, technical enhancements, technical constraints, and all other demands. Demand management is the ability to match available resources with demands within the financial and operational boundaries.



ENTERPRISE PROJECT MANAGEMENT

The three features that our study highlighted concerning enterprise project management are real-time project status, risk assessment, and cross-project reporting. Real-time project status is the ability to track the progress of projects as work and activities are accomplished. It also is the ability to have triggers when events are not accomplished on time. Risk assessment is the analysis and evaluation of projects in a comprehensive and systematic manner under a variety of scenarios. Cross-project reporting allows the user to analyze, review, and report on multiple projects in a single and synchronized manner. Cross-project reporting includes preventing project duplication and inconsistency and pre-empting problems.

Real-Time Project Status: Executives in every organization, especially in today's environment, need to know: "What's the status of my project?" Fifty-two percent of respondents thought that real-time project status could have a major effect on the success of their projects and 54% thought it to have high monetary value. Project Management Offices (PMOs) are now looking for enterprise solutions that have multi-access, multi-project updating. This capability enables all individuals assigned to tasks to update their status – no matter what project they are assigned to or where they are based.

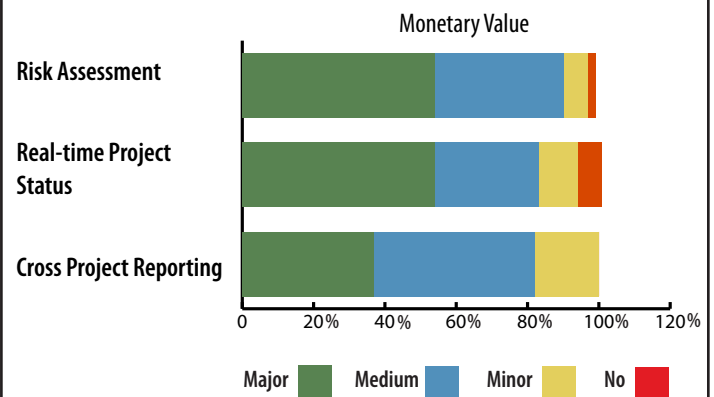
Risk Assessment: Identifying and managing risk on multiple projects is complex and difficult. Forty-nine percent of respondents thought that risk assessment could have a major effect on the success of their projects and 54% thought it to have high monetary value. A PMO enterprise project management tool allows organizations to identify risks such as resource demand and skill-set pool conflicts across the entire portfolio of projects. This type of tool provides the PMO visibility into the risks. Identifying risk in advance adds the capability to develop strategies that will either significantly reduce the risk or avoid those risks or conflicts altogether.

Cross-Project Reporting: In today's rapidly changing business environment, an executive wants better visibility into projects across his or her organization. Thirty-one percent of respondents thought that cross-project reporting could have a major effect on the success of their projects and 37% thought it to have high monetary value. Cross-project reporting gives executives a better understanding of the portfolio, to effectively prioritize projects, maximize return on investment, and improve project success rates.

STANDISH DEFINITION

Enterprise Project Management: The management and coordination of all of an organization's projects, programs, and related activities. The purpose of enterprise project management is to have visibility into the organization's multiple projects in order to understand current investments, resources, and risks in real time.

ENTERPRISE PROJECT MANAGEMENT



The above chart shows the results of the following question posed to SURF members in the PPM survey: "When selecting project management software, what do you consider to be the monetary value of the following active capabilities?"

ENTERPRISE PORTFOLIO MANAGEMENT

The three features that our study highlighted concerning enterprise portfolio management are baseline portfolio decisions, formalizing management of potential investments, and real-time “what if’s.” A baseline portfolio is a fixed portfolio that represents the original portfolio. It is a snapshot of the portfolio against which the actual portfolio is measured to detect deviations in costs, time frames, and/or goals. Formalizing management of potential investments ensures that each potential investment has a known and repeatable process that can be measured, tracked, and analyzed. Real-time “what if’s” allow the organization to be able to see in advance how changes in the portfolio are likely to affect the overall portfolio and investment strategy. “What ifs” can be used in different scenarios in order to help an organization choose the best course of action.

Baseline Portfolio Decisions: Allow the executive or the PMO to put a baseline project in place for each project in the portfolio. Thirty-seven percent of respondents thought that baseline portfolio decisions could have a major effect on the success of their projects and 36% thought it to have high monetary value. One of the key benefits of this approach is the ability to identify capability gaps across projects. Management can then adjust the project mix to optimize the use of critical resources.

Formalizing Management of Potential Investments: Provides a standardized method of assessing project investment across the enterprise. Twenty-eight percent of respondents thought that formalizing management of potential investments could have a major effect on the success of their projects and 33% thought it to have high monetary value. Such formalization gives executives the ability to view all proposed projects at one time. This visibility helps align projects to the enterprise goals. Key project investments can be identified.

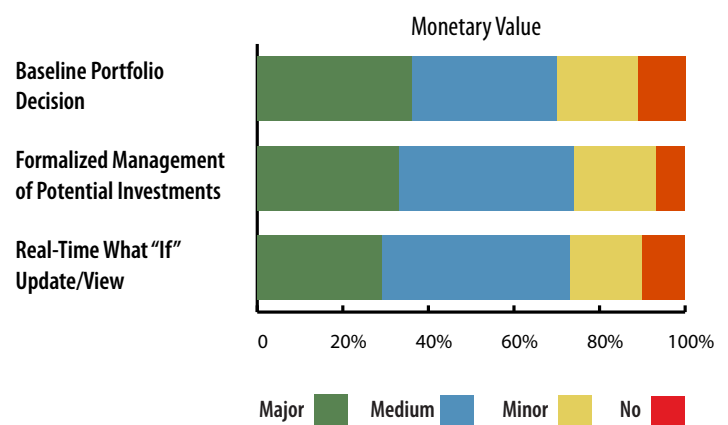
Real-time “what-if” analysis: Allows the executive to see the impact of adjusting the project portfolio to better align with changing business needs. Twenty-five percent of respondents thought that formalizing management of potential investments could have a major effect on the success of their projects and 29% thought it to have high monetary value. By investigating different scenarios an executive can understand the impact that redirecting critical resources will have across projects.

STANDISH DEFINITION

Enterprise Portfolio Management: The management and coordination of all of an organization’s projects, programs, and related activities. The purpose of management is to balance cost, risk, and gain to maximize return on investment and lower risk. Portfolio management is also used to level and allocate resources and ensure alignment with the organization’s goal and corporate vision.



ENTERPRISE PORTFOLIO MANAGEMENT



The above chart shows the results of the following question posed to SURF members in the PPM survey: “When selecting project management software, what do you consider to be the monetary value of the following active capabilities?”

FINANCIAL MANAGEMENT

The three features that our study highlighted concerning financial management are ROI valued management, in-flight investment, and cost allocation. ROI valued management is managing a portfolio of projects based on their potential return on investment. The Standish Group has long recommended that high ROI items and projects should have priority. In-flight investment is the ability to analyze project investments that are currently under way in order to understand their financial impact on the portfolio of projects. Cost allocation is distributing project costs to identify budget responsibility with respect to cost recovery and sharing.

ROI Valued Management: Most organizations have more potential projects than they can realistically execute. Fifty-eight percent of respondents thought that ROI valued management could have a major effect on the success of their projects and rated it 3.6 out of 5. Using ROI valued management, the executive can prioritize projects on their potential value to the business. This ensures that the project mix in the portfolio will maximize the potential ROI for the entire portfolio. Then the available resources can be effectively allocated to manage project delivery across the portfolio.

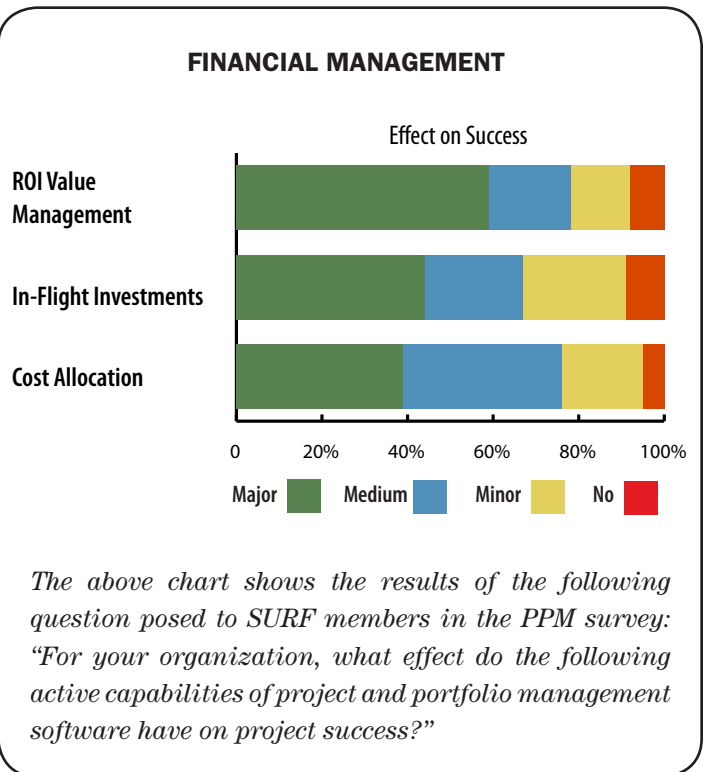
In-flight Investment Analysis: Helps the executive track the current project investments against their potential benefit to the business. Forty-four percent of respondents thought that in-flight investment could have a major effect on the success of their projects and 45% thought it to have high monetary value. The executive can quickly see how projects are performing. These projects can be realigned to meet changing business needs. Struggling projects can be identified and the investment adjusted if appropriate, or the project can be shelved.

Cost Allocation: The ability to distribute project costs to the group requesting the project drives more complete cost recovery for a project and appropriate cost sharing for activities that cut across project boundaries. Thirty-

nine percent of respondents thought that cost allocation could have a major effect on the success of their projects and rated it 3.1 out of 5. Doing this provides a clearer picture of project spending against project funding. One user commented that this was the first time his organization had a more complete picture for their project costs.

STANDISH DEFINITION

Financial Management: The skill to estimate and manage the financial resources of a project or group of projects. It is the ability to recognize value and assess risk. It is also the skill to demonstrate the value of a project in light of the strategic objectives and priorities of the organization through financial controls. It is the capability to assess progress through earned value and other project financial techniques.



CORPORATE GOVERNANCE

The three features that our study highlighted concerning corporate governance are IT technology governance, Sarbanes-Oxley audit-ability, and Six Sigma. IT technology governance is a subset discipline of corporate governance focused on information technology systems and their performance and risk management. SOX or Sarbanes-Oxley has grown from an act issued by the United States Congress to a process that truly promotes corporate responsibility and strengthens accountability up and down the organization. Six Sigma uses a set of quality management methods, including statistics, that follow a defined sequence of steps to quantified financial targets.

IT Technology Governance: Standish Group research shows that nearly three-quarters of companies have standards in place that guide IT toward meeting compliance regulations. Forty-two percent of respondents thought that IT technology governance could have a major effect on the success of their projects and 46% thought it to have high monetary value. It might be comforting to realize that governance isn't just about meeting compliance regulations. It is also about enforcing strong business processes. Governance therefore can provide a strong return on investment by mitigating risks.

Sarbanes-Oxley: Meeting compliance regulations can add credibility to an organization. In the case of Sarbanes-Oxley, the trade press has reported companies delisting their securities and others canceling their IPOs, often attributed to SOX. Good project management principles throughout the compliance process, however, will ensure a more successful outcome and lower risks. Standish Group research has determined that 45% of companies use or will use project management software to help meet compliance regulations. Twenty-five percent of respondents thought that Sarbanes-Oxley audit-ability could have a major effect on the success of their projects and 26% thought it to have high monetary value.

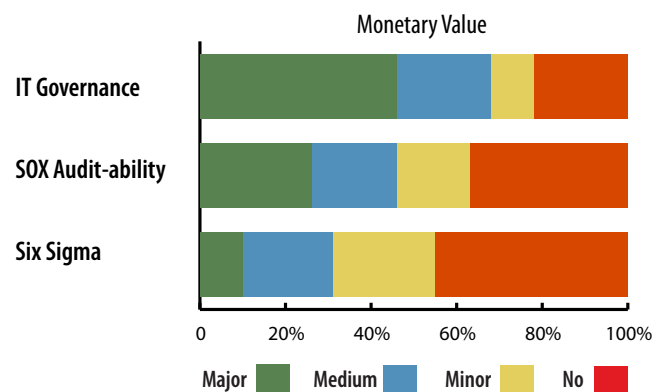
Six Sigma: The Six Sigma philosophy is continuous improvement to achieve stable and predictable results. Six Sigma considers critical business processes characteristics that can be measured, analyzed, improved, and controlled. Six Sigma requires a sizeable commitment from executive management and reasonable acceptance from the rest of the organization. Eight percent of respondents thought that Six Sigma could have a major effect on the success of their projects and 10% thought it to have high monetary value.

STANDISH DEFINITION

Governance (corporate): A set of measures, processes, and procedures guiding strategic and key operational decisions made for the organization. Governance clarifies relationships and responsibilities among the entities making up the organization. These corporate governance measures are put in place in order to ensure smooth functioning and control of an organization. Such measures reinforce the importance of transparency of information.



CORPORATE GOVERNANCE



The above chart shows the results of the following question posed to SURF members in the PPM survey: "When selecting project management software, what do you consider to be the monetary value of the following active capabilities?"

BEST PRACTICES

The three features that our study highlighted concerning best practices are CHAOS, Stage-Gate, and PRINCE2. CHAOS comprises the 100 best practices, as outlined in The Standish Group's CHAOS Knowledge Center, that focus on creating rapid multiple iterative deliverables with minimum resources. Stage-Gate is a method to move projects through stages or gates from conception through delivery. PRINCE2 (PProjects IN Controlled Environments second edition) covers the management, control, and organization of a project. The Office of Government Commerce (OGC) in the United Kingdom developed this best practice.

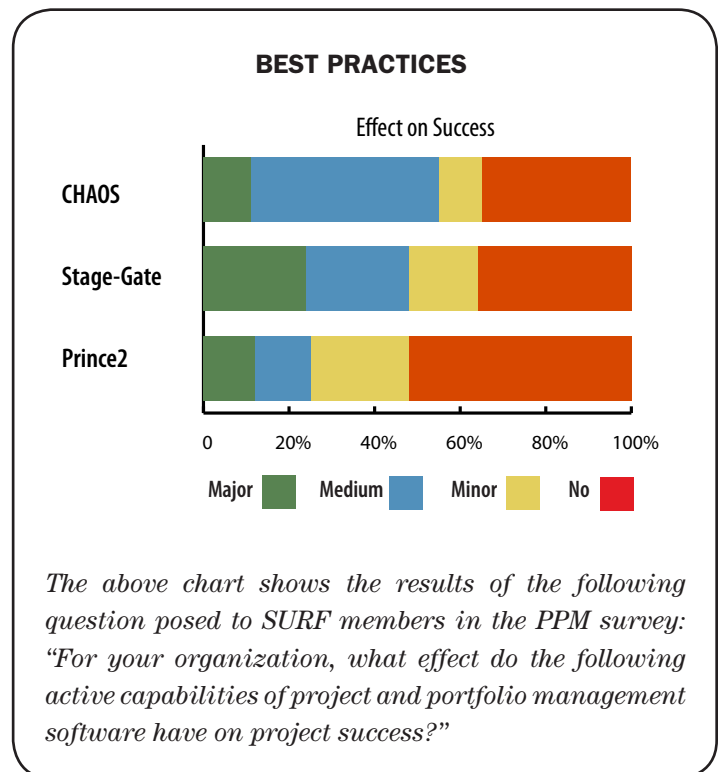
CHAOS: Since 1994 the CHAOS approach has been to increase the success of projects through reducing burden by the iterative process, continuous delivery, and small teams. Eleven percent of respondents thought that CHAOS methods could have a major effect on the success of their projects and rated it highest of all with a 3.4 out of 5. Extreme Programming (XP), Scrum, Rational Unified Process (RUP), and PRINCE2, as well as government and commercial organizations throughout the world, have adopted many of the practices outline in the CHAOS Chronicles. However, the CHAOS philosophy is to reduce complexity though rapid and lightweight means, which could be orthogonal to enterprise PPM tools.

Stage-Gate: There is the product Stage-Gate and then there is the stage or gating process that is outlined in methods such as RUP and PRINCE2. We believe respondents were thinking of the latter. Twenty-four percent of respondents thought that Stage-Gate could have a major effect on the success of their projects and rated it 3.0 out of 5. In the Stage-Gate process, projects move to a point and then stop, get evaluated, and then are either canceled, refocused, or allowed to continue to the next stage or gate. This method requires enterprise-wide tools to be effective.

PRINCE2: A process-driven project management method, which contrasts with agile methods such as Scrum. PRINCE2 defines 45 separate subprocesses and organizes these into eight processes. Twelve percent of respondents thought that PRINCE2 could have a major effect on the success of their projects and rated it 2.5 out of 5. This method would be enhanced by an enterprise PPM tool.

STANDISH DEFINITION

Best Practices: The most efficient and effective ways of accomplishing a task, based on repeatable procedures that have proven themselves over time for large numbers of people. Best practices are the proper repeatable processes, checks, and testing, for a desired outcome that can be delivered with fewer problems and unforeseen complications.





PRODUCT CONSOLIDATION

The three features that our study highlighted concerning product consolidation are flexible integration options, performance scalability, and single database repository. Flexible integration options offer seamless transfer of basic data between the main project application and other systems. Performance scalability gives an organization the ability to easily and cheaply increase workload on a consolidated product suite. Single database repository is a set of database objects, in any schema, that are mapped to path names tied together with a single search engine.

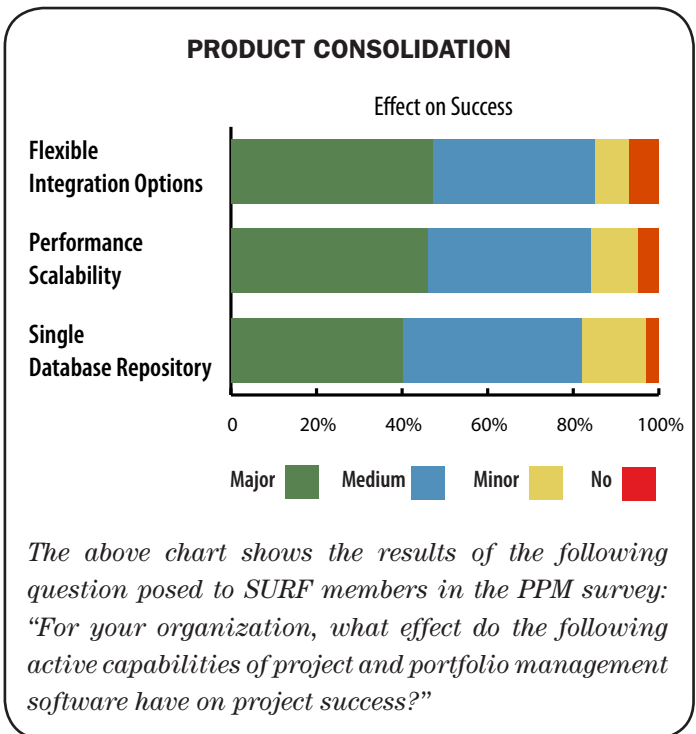
Flexible Integration Options: Modern enterprise PPM tools allow an organization's Project Management Office greater flexibility with integration to other tools and applications over the older, stand-alone project management tools. Forty-seven percent of respondents thought that flexible integration options could have a major effect on the success of their projects and rated it 3.6 out of 5. Enterprise applications are expected to interface with PPM applications to better manage project requirements and reporting, streamline planning and task tracking, and improve collaboration. A good example of this could be a portal or executive dashboard.

Performance Scalability: Projects are becoming more complex, with global project teams made up of developers in-house and outsourced, end-user stakeholders, project managers, PMOs, and executives. Forty-six percent of respondents thought that performance scalability could have a major effect on the success of their projects and rated it 3.0 out of 5. It is necessary to have a PPM tool to allow for everyone to be able to update and report in real time without continuously adding cost. The project portfolio tool must be able to scale effectively to handle the company's project complexities and immediate processing requirements, with improved efficiency for faster delivery.

Single Database Repository: There are many benefits to using a single repository for multiple projects; the most obvious are the lack of duplicated maintenance, one place to go to for information updating and reporting, and ease of backup and recovery. Forty percent of respondents thought that a single database repository could have a major effect on the success of their projects and rated it 3.1 out of 5. A single repository has one set of programs and one schema to maintain. Also, you can easily move data between projects utilizing version control without losing any historical information.

STANDISH DEFINITION

Product Consolidation: The act of combining multiple project software products and databases into fewer products to reduce training, support, and costs. The ultimate consolidation is having a single product over a single database to be able to manage all the projects and resources for the organization.



SERVICE DELIVERY

The three features that our study highlighted concerning service delivery are business intelligence support, multiple work styles, and Software-as-a-Service (SaaS) delivery options. Business intelligence support comprises skills, technologies, applications, and practices around data warehouse and data mining; BI is used to help an organization gain a better understanding of its business. Multiple work styles include new product development (NPD), professional service automation (PSA), and information technology governance (ITG). SaaS is a model of software deployment where an application is licensed for use by a service provider and furnished as a service to customers on demand.

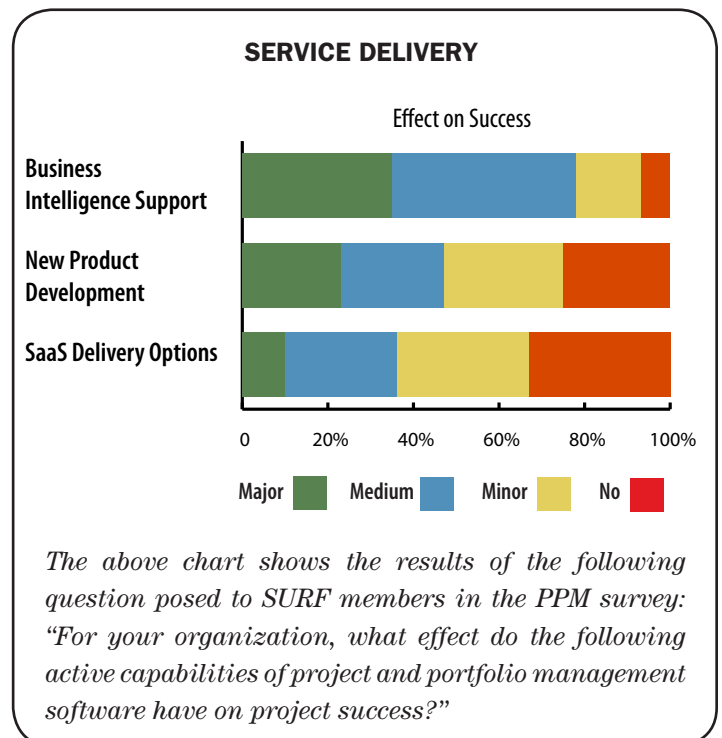
Business Intelligence Support: A project and portfolio management tool must be able to allow for multiple updates, and report, analyze, and present data to executives in real time. Thirty-five percent of respondents thought that business intelligence support could have a major effect on the success of their projects and rated it 3.2 out of 5. Collaboration capability through a dashboard application along with the ability to do data mining into the multiple projects provide further details when needed. Delivering business intelligence to the organization is a key to effective decision-making.

Multiple Work Styles: IT service organizations need to manage people and skilled resources for profit, while product companies need a complete process in bringing new products or services to market. Specialized project-centric businesses need specialized tools. Twenty-three percent of respondents thought that new product development (NPD) could have a major effect on the success of their projects and 25% thought it to have high monetary value. Eleven percent of respondents thought that professional service automation (PSA) could have a major effect on the success of their projects and 14% thought it to have high monetary value.

Software as a Service (SaaS): There are two opposite camps when organizations consider a SaaS solution. One is that a PMO should maintain control of all company information in-house. This can be more costly when you take into account software, hardware, people time, and maintenance. The other camp believes that SaaS, which provides bonded security and confidentiality as well as functions and features on-demand on a pay as you go basis, can save organizations money and reduce the risk of downtime. Ten percent of respondents thought that SaaS delivery options could have a major effect on the success of their projects and rated it 2.4 out of 5.

STANDISH DEFINITION

Service Delivery: The use of different delivery methods from various types of organizations, bundled into relevant groups for the convenience of customers and stakeholders. These methods may be internal services, SaaS and outsourcing, or contracting and consulting. Services may be performed using a combination of different methods or a single delivery method.



ENTERPRISE PRODUCT SUPPORT

The three features that our study highlighted concerning enterprise product support are a dedicated implementation team, worldwide support, and Big Four support. A dedicated implementation team is a group of skilled people focused on providing services to install and employ a project and portfolio management solution. Worldwide support is being able to provide product education, installation, technical skills, and integration globally. Big Four support is the support from the four major public accounting firms, PricewaterhouseCoopers, Deloitte & Touché, KPMG, and Ernest & Young, but more generally it refers to the large consulting organizations.

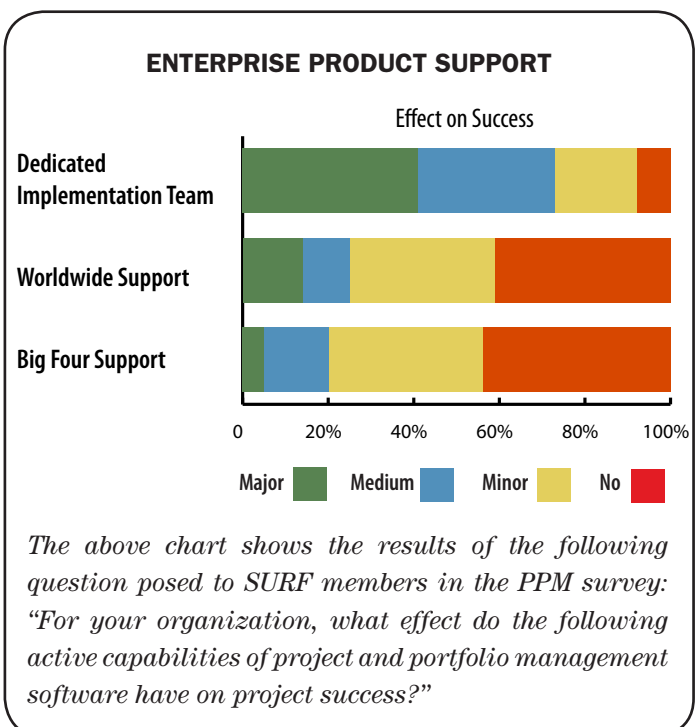
Dedicated Implementation Team: The team must be dedicated to the implementation of a project and portfolio management solution as a priority to ensure that it is achievable. They must also know that they will have whatever support they need from the PMO, project manager, executive sponsor, and upper management. Forty-one percent of respondents thought that a dedicated implementation team could have a major effect on the success of their projects and rated it 4.2 out of 5. The team must have the appropriate skills needed to support the project. Each team member knows his or her role and responsibility, takes on ownership, and is accountable for the final outcome.

Worldwide Support: Good support with timely responsiveness should be critical to the successful implementation of a PPM tool. Yet, only 14% of respondents thought that worldwide support could have a major effect on the success of their projects and rated it 2.5 out of 5. In this product segment users don't expect much support and they are rarely disappointed. Users of these types of products indicated that it is difficult to obtain access to people with enough knowledge and skills to solve their problems. Often, the problems do not get solved. Users may be well served by suppliers moving to Web-based training and assistance with live chat capabilities.

Big Four Support: Organizations engaging support from a large consulting organization experienced in PPM implementation to help make a large PPM installation easier are disappointed and found it not very cost effective. Only 5% of respondents thought that Big Four support could have a major effect on the success of their projects and rated it 2.3 out of 5. However, organization may want to focus consulting services in areas that require customization for an enterprise PPM solution to be successfully integrated into the organization's current IT infrastructure.

STANDISH DEFINITION

Enterprise Product Support: Responding to customer needs in relation to software product/application operation, management, maintenance, and enhancement. Software support activities may include software product installation, integration, configuration, upgrades, updates, performance analysis, and customer interactions to address basic software product usage issues.



SUMMARY

In considering the 10 major characteristics of enterprise project and portfolio management (PPM) solutions, we found some traits could have a positive impact on project success, while others have little to no effect. In addition, some traits have a monetary value (ROI) while others have little to no value. In our opinion, a feature like resource management, with the ability to do project-level resource allocation, “what-if” resources, and hierarchical management of resources, could be highly effective and has great monetary value. On the other hand, we believe demand management with help desk integration, graphical workflow configuration, and dynamic form capability seems to be marginally effective and has little monetary value or payback.

We consider enterprise project management with real-time project status, risk assessment, and cross-project reporting to be both effective and have high value. Our take on enterprise portfolio management, however, with baseline portfolio decisions, formalizing management for potential investments and real-time “what if’s,” is that it has medium effect on success and average monetary value. Financial management is one of the CHAOS success factors and we have long believed that ROI valued management could increase success if used properly. However, overall this trait, coupled with in-flight investment and cost allocation, has a medium effect on success and an average monetary value. Corporate governance, with IT technology governance, Sarbanes-Oxley audit-ability, and Six Sigma, also has a medium effect on success and an average monetary value.

ENTERPRISE PROJECT AND PORTFOLIO MANAGEMENT CHARACTERISTICS

Note: Effect and Value ratings are based on study respondents’ ratings.

CHARACTERISTIC	EFFECT	VALUE
Resource Management	Major	High
Demand Management	Medium	Low
Enterprise Project Management	Major	High
Enterprise Portfolio Management	Medium	Average
Financial Management	Medium	Average
Governance	Medium	Average
Best Practice Coverage	Medium	Average
Product Consolidation	Major	High
Service Delivery	Medium	Average
Support	Minor	Low
Overall	Medium	Average

The above table shows the breakdown of the both the effect and value of the major characteristics of PPM as interpreted by The Standish Group.

In our opinion this class of solutions does not enhance our CHAOS methods, but best practices, such as Stage-Gate, and PRINCE2, could have medium effectiveness and average value. Product consolidation, which offers flexible integration options, performance scalability, and a single database repository, could provide greater organizational visibility, and therefore have major effectiveness and high value. Service delivery, which includes business intelligence support, multiple work styles, and SaaS delivery options, also offers a neutral spot in the effectiveness and value rating. Finally, enterprise product support with a dedicated implementation team, worldwide support, and Big Four support may increase the success of the tool implementation and in turn may increase project success, but that stresses the point too far for us to consider.

In the CHAOS Assessment Service, tools and infrastructure account for 5% of the overall score. Project tools account for 10% of that score, or 0.5 out of 100 points. While we have considered the characteristics and traits of enterprise project and portfolio management solutions, when we state they could be effective or have value it is within the context of this long-held view. An organization with healthy project ecosystems without tools will always perform better than an organization with tools and an unhealthy ecosystem. Tools by themselves do not create success. It is only when they can be used to increase user involvement, enhance executive support, provide for clear vision, and enable the other seven CHAOS Success factors that they start to make an impact.



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