HP Project and Portfolio Management Center – an integral part of the Application Lifecycle Management solution

Business white paper

Table of contents

Executive summary

We are experiencing a convergence of trends that is dramatically transforming and modernising the world of IT organisations. New tools and architectures are making it easier to develop and deliver composite applications. New development practices, such as agile methodologies, are helping organisations speed up the process of creating adaptable software systems. Offshoring and outsourcing continue to gain momentum as companies try to find ways to lower project costs and tap into the sourcing partners' expertise and innovation. The business continues to demand efficient integrated applications that respond quickly to market demand, leading to frequent releases, parallel development cycles and – as a result – further constrain IT resources and investments.

While these trends offer significant benefits in efficiency and business agility, they require improved techniques for managing the application lifecycle.

Application Lifecycle Management (ALM) is more than a simple, one time process; it is the management of the end-to-end lifecycle of the application starting and ending with application portfolio planning. It includes prioritisation of investments, establishing standards and policies, design, development, release and operation of the application, ultimately ending with the applications replacement and retirement. Without an effective and complete ALM process, there is a real risk that applications are built and delivered, yet actual business value is not managed or measured. Ultimately, the business, seeing higher costs and limited return of investments will question the overall value and credibility of the IT organisation.

According to the research firm IDC: 'These are not 'nice to have' capabilities. Effective decision making for IT projects and programs remains a matter of survival in the current dynamic international economic and regulatory climate.'

With that said, how do you recognise the right application investments for the business? How do you successfully build and manage applications? Lastly, when do you retire them?

A successful ALM strategy requires a complete view of the entire application. It also presumes management of strategic control points – the critical gates along the application lifecycle where business visibility and buy-in is most crucial. These control points serve as the critical link between the business and IT, enabling IT and the business to stay connected and focussed on what really matters.

This paper explores the role of HP Project and Portfolio Management (PPM) Center as an essential part of and complete Application Lifecycle Management. It highlights the benefits of the HP PPM Center software – the comprehensive offering that gives the information you need to make better decisions, reduce risk and enhance business outcomes across the lifecycle – from planning to operations. HP PPM Center is tightly integrated with HP industry-leading Quality Center, Performance Center, Service Management Center software, Universal Configuration Management Database (uCMDB), HP Release Control and HP Asset Manager making it the central point of control for the complete application lifecycle.

A recent study done by the Gantry Group surveyed a group of companies that had deployed HP PPM Center for one to three years. The majority of companies who participated in the study reported exceptional business benefits:

- A positive ROI within the first year
- An average of 14 per cent annual savings in IT budgets after three years of deployment
- Reducing project timeliness by up to 45 per cent
- Reducing status reporting-related activities by 43 per cent, resulting in savings of 3.8 hours of each IT manager's work week
- Reducing project financial sign-off time by eight days or 20 per cent due to increased budget accuracy and automated workflow routing

Many of HP customers are realising the benefits of deploying HP PPM Center to support their entire application lifecycle.

For example, a major energy supplier who has implemented HP PPM is able to tell their businesses, 'Here are the application projects we've agreed to,' and describe the defined scope, schedule, budget, business case and – most important – business value. Then, at the end of an application project, they can evaluate whether IT achieved what they set out to do. With this information, the business is able to make better strategic decisions. They now are able to look at their available funding and resources, along with their application portfolio database in HP PPM Center and drive a decision process to determine how to focus on the most appropriate business outcomes.

New realities are refining ALM

In the not-so-distant past, even large companies relied on a small handful of 'super apps' to power the major business processes (payroll, accounts receivable and the like). Not anymore. Most of us would have trouble naming a single business process that does not depend on an IT application or series of applications – from the tiniest wiki to the grandest enterprise resource planning system.
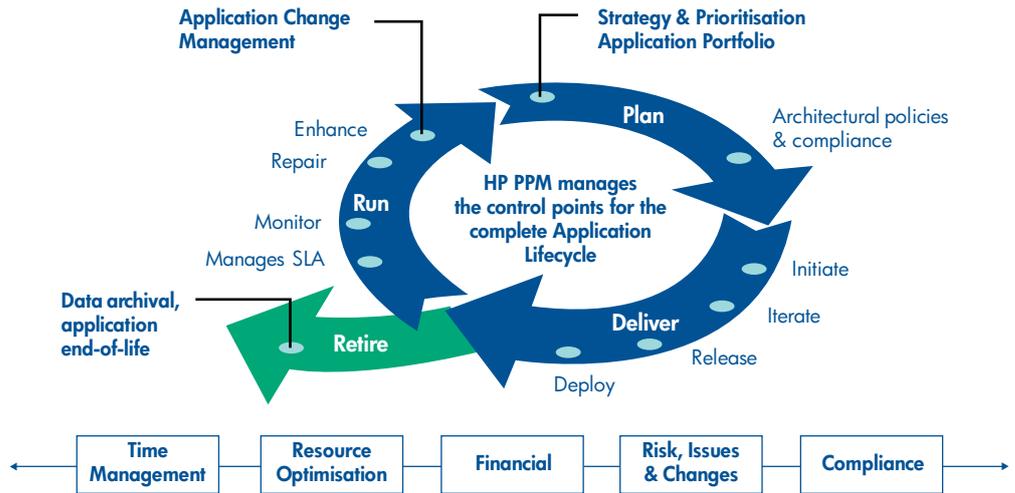
Figure 1: HP PPM is an essential solution to manage the complete Application Lifecycle.

HP PPM governs the end-to-end Application Lifecycle
Portfolio Investment, Program and Project Management

In fact, applications are so integral to the modern enterprise that business nimbleness depends on application agility: You do not get one without the other. The business moves, changes and expands only as fast and efficiently as its applications do. Recognising this, IT organisations have fundamentally changed the ways their people, processes and technologies deliver applications. We are seeing projects with offshore or nearshore support structures; a process shift away from document-heavy methods like Waterfall to flexible ones like Agile; and new technologies such as richer clients (RIA), cloud computing and service-based architectures. These initiatives characterise modern application delivery. While delivering the modern applications how to focus in the business outcomes?

Consider the application portfolio, which in the modern organisation must track globally distributed and shared resources. Managers and stakeholders need a way to effectively manage resources, budgets and priorities across departments, projects and outsourcing partners while they continue to control application project costs in hard times when budgets are shrinking, but demands on IT continue to grow.

Whether you are an IT executive, VP of applications, program manager, business relationship manager, operations manager, development lead or project manager, there is a constant struggle to balance application projects, operational tasks, tradeoffs and priorities to reduce risks, maintain compliance and achieve business objectives. Here are some hard questions to answer:

• What application projects are we currently investing in?

• How much are we investing in new initiative vs. maintenance projects?

• Are we focussed on the right business priorities through the application lifecycle?

• What new projects can we commit to this year?

• Can we free up resources to take on an urgent new project and urgent tasks?

• Is our investment optimised across the portfolio?

• How many defects and different application cycles are we working on at a time?

• How do I manage the multiple vendors working in my application development?

• What are the risks along the application lifecycle especially in a cloud environment?

To answer these questions, organisations must gain visibility of their entire portfolios, enforce effective processes and define higher quality standards. The key to successfully managing business outcomes is implementing efficient project and portfolio management practices and enforce these practices and controls across the entire application lifecycle. HP vision for an application lifecycle goes beyond the traditional development life cycle (requirements, development, deployment). While the development life cycle is critical, it overlooks essential phases essential for application management success. The complete application lifecycle adds application portfolio planning, management of the control points within the application lifecycle, change management, automation and retirement. By focusing on core delivery to the exclusion of the complete lifecycle, organisations miss the vast majority of an application's total cost of ownership (TCO).
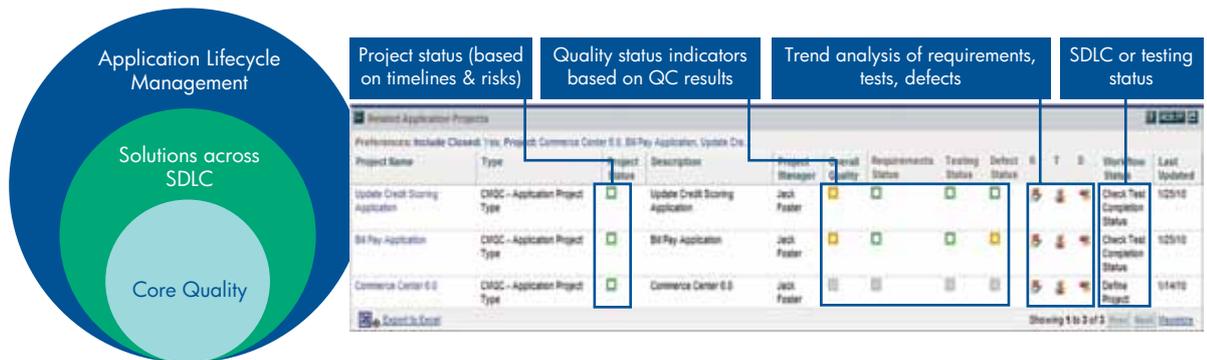
HP approach to the application lifecycle

In today's world, it is not practical to view Application Lifecycle Management as just a collection of development and testing steps and tools. ALM is a strategic discipline aimed at optimising the business outcomes of IT. It is designed to focus the IT efforts on the business-level benefits and provides visibility, organisation and control points for all IT activities.

HP approaches distinctively to deliver a complete, fully integrated, end-to-end solution using the best-in-class software that gives you the information you need to make better business decisions along every step of the application lifecycle.

The HP view of the application lifecycle begins with the business justification and aggregation of all projects that are to be executed within the same IT development and release pipeline. This requires portfolio prioritisation which extends through the development cycle, service and security policies, delivery, production monitoring and change management and retirement. Without HP PPM Center and its workflows, strategic controls and visibility, IT organisations would not be able to perform the complete Application Lifecycle Management.

Application Portfolio and Demand Management

To help optimise the application portfolio, you first need to inventory all applications and its value to the business. Then understand and gain control over all demands that are placed on the organisation.

As demands for new application initiatives and application maintenance come in, there must be a process for prioritising and refining them.

After all, decisions about any individual demand cannot be made in a vacuum; they need to be compared against the entire portfolio and business value – in the current quarter and in future periods.

Understanding the demands and how they relate to the entire portfolio and business objectives are important to plan how to allocate the IT investments and resources wisely. Demand management is the first step to effective ALM planning achieved through HP PPM.

Through application portfolio management, organisations can consolidate and prioritise all application requests, including strategic application projects and operational activities. With better visibility and control, they can focus on the highest-priority requests and deliver on service-level commitments to the business.

Determining the ideal mix of proposed application projects, active projects and operational work to fund in any particular timeline is not an easy task when done manually or when leveraging spreadsheets.

HP PPM Center allows the definition of unlimited 'what-if' scenarios, creating the optimal mix of projects, proposals and other work, providing visibility on what to invest on.

HP PPM Center allows modelling of changes to dates, budgets or resources to meet the IT and business goals, whether they are strategic alignment, return on investment (ROI), net present value (NPV), benefit realisation, capacity, skill availability or a combination of these or other factors. It will also include capabilities to show the impact of accelerating an important initiative or sun-setting a low-value asset.

An energy supplier organisation, formed by the merger of two regional energy companies, needed to rapidly lower the cost of IT – and also demonstrate the value of IT to executives.

With HP PPM Center, this customer was able to respond to this executive mandate quickly, saving US$8 million by identifying at-risk or low-value projects. The company also improved the number of healthy projects by 70 per cent – all within eight months of implementation.

Strategic control points in the application lifecycle

Once the proposal for the application has been approved and a project has been initiated, it is important to have visibility and control in the application lifecycle phases. Strategic control points are critical gates or handoffs which grant the business visibility into and leverage over IT decisions – or from the IT point of view, those points which facilitate the buy-in of the business customer. It is the successful management of these strategic control points that determines, perhaps more than anything else, whether the application development effort will be successful or not.

For example, regardless of the application implementation details – such as whether it is written in JAVA or .NET – it is critical that the business requirements are established properly, that the application is validated against those requirements and that there is traceability to make sure that the functionality, performance and security of the finished application meet the business objectives. Strategic control points support alignment, which is used to drive all the critical aspects of application governance, delivery and operations. It enables you to accurately prioritise, control and manage every aspect of your IT projects, make better decisions, maintain compliance and reduce the risk of failure. Through robust integration with HP and non-HP solutions, HP PPM Center provides control points into the entire ALM lifecycle: Plan, Deliver, Run and Retire.

Driving business outcomes with HP PPM Center

The HP approach is to provide an integrated view of all activities in the application lifecycle using HP PPM Center. HP PPM Center provides management with more visibility into the portfolio; more effective controls through the workflow; greater flexibility in applying processes, standards and methodologies; and better-defined and automated quality standards. HP PPM Center enables a strong collaborative and communications platform to facilitate progress on the various activities in the lifecycle between team members and stakeholders.

HP delivers an integrated, top-down view of all IT activities while supporting bottom-up execution. It includes visibility to strategic and operational projects, non-project work, project health metrics, resource allocations and overall costs. The details of day-to-day project work are easily monitored, ensuring that the data is accurate at all levels. Task-level input is captured by a system that applies consistent project methodologies, which then accumulates critical information to support executive-level decision making. That is a vital capability that many PPM solutions on the market today are not able to deliver consistently.

End-to-end visibility

With the HP approach, HP PPM Center can give your organisation visibility into everything that is being worked on – including project health metrics, non-project work, resource allocations and overall costs. It also lets you bring in project plans from Microsoft® Project and other data sources to gain a comprehensive view. You can aggregate both strategic and operational projects and see the critical interdependencies among projects – for example whether the resource demands of an operational project might prevent you from undertaking a proposed strategic initiative. This capability enables you to manage and prioritise the collected work so you can make sure that the right people are working on the right tasks at the right time – appropriately investing the resources to meet business demands. Every decision is supported by hard data. The ability to identify and simplify prioritisation helps you clearly demonstrate the value IT delivers to the business. 'We now understand how our resources are deployed and where we're spending time – and money,' a customer says. 'It has given our management the tools to set priorities and more efficiently serve our clients.'

Integrated workflows, processes and controls

A key part of the application lifecycle is integration. To effectively support a project process from beginning to end, the solution suite must support tight alignment, sharing of assets and information and help automate as well as enforce consistent process flows and methodologies.

The HP PPM Center is closely integrated with a full suite of HP software and third-party solutions to provide nearly continuous workflows and visibility throughout the application lifecycle. HP PPM Center features tight integrations with HP Quality Center – incorporating quality processes into application lifecycle and helping to make sure that only quality applications are moved to production. It is also closely linked with HP Service Management Center and HP Release Control (updated Change Control Manager) to manage change and demand requests from operations and understand the

impact of change on production. HP PPM integrates with uCMDB, linking the business services to projects and tasks, as well as determining which configuration items are being changed within the project, or changes for end-to-end business services visibility and management. HP PPM Center is also integrated with the HP Asset Manager to track labour and non labour spending and a number of third-party version control software tools for the application development and release cycles. Such comprehensive integrated solutions enable IT to create and automate processes for handling both strategic demand and operational application changes while lowering the total cost of ownership for the business and better managing risk.

A comprehensive HP approach to the Application Lifecycle

HP comprehensive approach to Application Lifecycle Management also includes pre-packaged content and workflows that automate key processes for quality management and enable excellent practices for project collaboration and project and resource management.

HP PPM software allows the project owner to define and enforce project workflows. What it means for the quality assurance (QA) organisation is that requirements and testing steps are built directly into the project flow and control points are put in place to make sure that requirements and quality tasks are completed before the application can be moved to the production stage. The powerful project planning and management features in HP PPM and HP Quality Center help organisations build a project structure that allocates enough time, resources and budgets to quality and performance validation activities. This approach allows you to manage quality from a strategic perspective and make sure that it meets the business objectives.

Manage resources and skill sets
All requirements and quality testing activities require skilled personnel. The problem is that unless an organisation plans ahead and carefully allocates required resources and skill sets to projects, they often end up losing valuable time waiting for the right resource to become available. HP solution gives your organisation the ability to: Track resource skills, identify skill gaps and match quality and performance project tasks to resources based on availability and required skill sets.

Enforce process and compliance through workflow
HP PPM helps enforce excellent practices by enabling the organisation to define a template application project work plan that can be reused by all the lines of business. In addition, the audit trails help your organisation enforce and maintain regulatory compliance and quality gates.

Enhance checkpoints and gate controls
In order to gain visibility across many application initiatives, development managers must collect data from multiple sources to create real-time snapshots, project trends and comprehensive reports that cover the entire application lifecycle. HP PPM provides a consolidated view of application projects and progress, trends quality metrics over time and across projects, provides real-time breakdown summaries of requirements, tests and defects and generates a consolidated view of related information from different data sources.

Share project assets for better business outcomes
Through product-level integration, HP Quality Center can derive application requirements directly from the HP PPM Center project data. This helps to make sure that the application functional and technical requirements are directly connected with the high-level business requirements that were defined at the project level. At the end of the day, it matters to the business on how closely the finished application meets its objectives.

Summary

HP approach of leveraging project and portfolio management capabilities within ALM provides the needed flexibility to aggregate all your demands, projects and investments into one place regardless of the data sources. HP PPM Center supports key ALM processes by consolidating the proposed strategic and relevant operational activities and initiatives – it enables you to respond to the rapidly changing application portfolio needs in a timely and decisive manner. The HP solution allows you to understand the trade-offs among various investment alternatives and communicate them clearly through real-time reports and dashboards giving you virtually unlimited scenario-based planning capabilities and the ability to forecast the financial and technical impacts of changes.

With HP PPM Center, you can control what resources and capabilities are available at any given time, so you can optimise resources, demands, budgets, schedules and timelines within the complete ALM flow. Real-time access to resources helps in effective prioritisation. Robust security at the field level makes sure only the right person can make the change. The audit trail helps customers meet and sustain compliance efforts while controlling costs. HP PPM Center makes sure your data is accurate, helping you maintain regulatory compliance. With the capability to implement standards and methodologies across the enterprise, HP PPM Center enables rapid time-to-value with little or no customisation, so you can get started quickly and adopt new capabilities at your own pace. HP PPM provides a collection of workflows and first-rate practices that help support the application lifecycle.

It enables you to align business goals with technical resources and allows you to enhance the business outcomes of the projects. And it is comprehensive, integrated and flexible enough to deliver an unprecedented level of business agility while helping mitigate the risks and lowering costs associated with failed projects.

HP PPM Center's integrations and support within the ALM flow increases the visibility, makes it easier to match the right resources to the right operational and project activities – so you can deliver superior business outcomes in a predictable manner. HP PPM Center offers higher credibility for the teams managing the application lifecycle.

Benefits of HP PPM Center in the ALM solution
• Provides visibility into entire IT portfolios: Including demand, project health, non-project work, resource allocations, overall costs and so on.

• Enables Application Portfolio Management, consolidating and prioritising all applications based on Business outcomes.

• Addresses all critical control points of ALM: Governance, demand management, quality management, security, production monitoring, service desk and change management.

• HP PPM Center is tightly integrated with HP industry-leading software products and non-HP software, making it the central point of control for the entire application lifecycle.

• Delivers rapid time-to-value for organisations of all types and sizes.

Learn more

Join the conversation and gain insight into the latest news about Project and Portfolio Management at **www.hp.com/go/ppmblog**

To find out more about the topics discussed in this paper, visit the following links:
HP Demand and Portfolio Management

Enhance your business technology portfolio to achieve consistent outcomes **HP Project and Portfolio Management – Solution brief**

Managing Agile Development Projects with HP PPM Center and HP Quality Center

The Applications Handbook - A Guide to Mastering the Modern Application Lifecycle

Understand the HP solutions for Application Lifecycle Management

Share with colleagues

Get connected
www.hp.com/go/getconnected

Get the insider view on tech trends, alerts, and HP solutions for better business outcomes