

An Education in Portfolio Management

At the University of Nebraska, Primavera ProSight has streamlined decision making and funding for a wide range of IT projects by helping the university define, analyze and value the projects it has in place – as well as those on the drawing board. **By Anita Saville**

“Application bloat” is a problem for many IT departments. Software scattered across many parts of an organization that may be redundant, technically risky or seriously outdated. No way to identify what the various applications do or what they cost. No accurate measure of their true value.

At the University of Nebraska, the inability to identify, analyze and value existing IT projects made it difficult to get the most from those investments. It also hampered decisions about upgrading or adding new software. Today,

with the help of portfolio management technology, the university has a much better grasp of its projects.

DISCONNECTED COMPONENTS

The University of Nebraska serves more than 46,000 students at four campuses, including the Omaha-based University of Nebraska Medical Center. The university was founded in 1869, less than two years after Nebraska became a state, and is Nebraska’s only public university. In addition to the primary campuses, the university supports a wide range of

research, extension and service facilities throughout the state.

Walter Weir is the CIO for the University of Nebraska system and directs the University Computing Services Network (UNCSN), the central administrative computing department for the university. When he joined the university in 1995, Weir says, the IT department consisted of a lot of disconnected components. It was difficult to get a handle on projects within the department or effectively explain those projects to anyone outside the department.





Photos Courtesy of the University of Nebraska

“There was a hodgepodge of information that was not tied together in any formal way,” Weir says. “This made it hard to answer questions about what projects cost, how long they would take, and what contributions they were making to the university. There were a lot of unanswered questions surrounding the introduction of new technology, which made it hard to get new IT projects approved.”

“We needed to explain what we did in a more factual and objective way,” adds Kimberly Harper, the university’s director of finance and portfolio management.

At the time, the idea of managing a portfolio of complex and often unrelated IT projects was

virtually unheard of in academic circles, Harper says. Any such effort at the University of Nebraska was largely manual and very subjective. The IT department was spending a lot of effort gathering the information it needed, only to find that much of that information was outdated by the time it reported on the projects.

LOGICAL SENSE

The situation began to improve in 2000, when Weir viewed a demo of portfolio management software from ProSight. ProSight, which was recently acquired by Primavera, provides software for the top-down analysis of both IT and non-IT project portfolios. The software was designed specifically for the high-level reporting that C-level managers require. Managers can now access a complete, up-to-date view of their IT project ecosystem at any time, and tap a variety of tools to analyze the value of these projects as well as prospective ones.

Now sold as Primavera ProSight, the software is a solution that includes easy-to-use data entry forms for single projects, scorecards for evaluating a set of projects, and support for what-if analyses across a project portfolio. The software is designed to propose, plan and control project portfolios in a collaborative way using processes that are both

easily understood way.”

The ProSight implementation at the University of Nebraska took about six months, including a few stops and starts. As one of ProSight’s first customers, the university helped write an



implementation guide for the software since there were only limited experiences or best practices available from other customers.

ProSight provided an independent consultant to help the university set up its portfolio management structure. Among the first hurdles was defining what a project was and what attributes the university needed to track. The new software was implemented first at UNCSN. Since then, interest in portfolio management has spread to other parts

UNCSN directors in central computing, 15 team leaders and the CIO. It has been linked to the university’s SAP software that manages all human resources and financial processes, as well as time-management tools within Lotus Notes.

The software runs on Dell servers and a Microsoft operating system, using an SQL database.

RIDING A HARLEY

Evaluations of IT projects that used to take hours now take a matter of minutes, Weir says. Results are standardized and can be shared over the Web. Because ProSight is so flexible, Weir and his staff can define the attributes they need or want to examine and weight those attributes as necessary.

Among the most interesting findings, Weir says, was the realization that the university was spending more than 70 percent of its IT funding just to support its daily operations – with only a small part actually targeted for projects that could transform the institution. Reports generated by ProSight provide the necessary backup that managers need to request funding for projects that could be transformational.

The ProSight software is helping the university align its IT spending more closely with its long-term goals. This

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objective and transparent.

“When we saw the ProSight demo, it just made logical sense,” Weir says. “We believed it would shine a light on what we do in a much more objective and

of the university. Portfolio management environments are currently being developed for the library and IT departments on the university’s other campuses.

Today the software is used by five

and other initiatives have drawn more support for the IT department from the university's president and senior staff. One measure of the department's success is that Weir has not had his budget cut for several years, despite significant cuts in other areas of the university, because he is able to demonstrate IT value more clearly.

Weir's recent budgets have included additional resources for running and developing the software to increase its usefulness and enhance its value.

"We realized we were riding a Harley Davidson like a tricycle," says Weir.

Weir and his team recently completed an application rationalization program. It was their first attempt to evaluate the university's IT portfolio and determine where risky technology or systems of low value exist, and how applications might be consolidated or retired to reallocate their resources. Other portfolio projects are helping to modernize the university's student information system and upgrade the infrastructure. The university is also considering using the software to evaluate strategic planning initiatives – answering questions about the affordability of both IT and non-IT initiatives as well as their feasibility, efficiency and effectiveness.

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guage and standard benchmarks that we can all use in speaking about our goals," Weir says.

tion Technology Commission recommend IT funding for education, local government and community projects across the state to the legislature and governor. Of particular help is the ability of the software to compare both the value

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tine part of our job descriptions." It is much easier to see what everyone in the IT department is doing, even when staff members do not work on projects with high visibility. This has been an unexpected help in evaluating



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A TIGHTER DEPARTMENT

Having a solid portfolio management mechanism in place has also dramatically changed the structure of the university's IT department. Today, the 85-member department is built around project teams that enter data into the

salary increases, Weir says. The entire IT team now understands how it aligns with and relates to the larger goals of the university. The net result: a tighter department with greater camaraderie.

SMALL STEPS

In the future, Weir and Harper hope to use their portfolio management system to standardize processes for governance and project evaluation, perform systematic risk evaluations and what-if scenarios, and expand the university's financial and budgeting capabilities. They are networking with colleagues from other universities to discover additional ways to sharpen their portfolio management skills. Their advice to others?

"Be sure your projects and metrics fit with the institutional culture," Weir says. He notes that changing something as fundamental as project reporting can invoke a variety of political consequences. "It's best to start with smaller projects," he adds, "and grow from there." •

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Weir and Harper are using Primavera ProSight to help the Nebraska Informa-

system and track the progress of about 70 active projects.

"We've tried to incorporate portfolio evaluations into everything we do," Weir says. "Accountability has become a rou-