



MEETING THE GERSHON CHALLENGE

RECOMMENDATION 2 – STRENGTHEN AGENCY GOVERNANCE

QUICK START SERVICE: PORTFOLIO MANAGEMENT

There are a number of components to good ICT Governance. One of the critical ones is Portfolio Management.

How well does your agency select programs and projects for implementation, or monitor the selection to ensure they remain the best value for money choices? The Gershon recommendation will require all agencies to:

- Assess their current capability,
- Identify a target capability level, and
- Develop a capability improvement plan to address any gaps between the two.

Gershon states in recommendation 5.1.1 that -

- “Agency executives will be required to propose a target level of capability based on their agency’s and the Government’s strategic priorities, and for this to be independently validated, particularly before undertaking major ICT projects that are either internally funded or receiving new policy proposal (NPP) funding. The target level of capability needs to be kept under review in the light of changing agency and government priorities and objectives.”

And further in recommendation 5.1.2 that –

- “Following on from Recommendation 5.2.1, I recommend that agency capability be included as one of the factors considered in the two-pass investment approval process (for both NPP and internally funded agency projects).”

Portfolio Management borrows proven practices from the financial services industry where investments have been managed as a portfolio for many years, dynamically balancing risk and value.

It provides a disciplined framework for the selection, execution and monitoring of a set of ICT enabled investment initiatives to provide the best value for money for an organisation, where value relates to strategic alignment and the realisation of policy and business outcomes.

Good practice Portfolio Management will enable an agency to better:

- Prioritise and select programs and projects that are aligned with and drive business objectives and value
- Decide which projects not to do, so as to save money without compromising those projects that are clear winners
- Select those enhancements to an application that provide best value for money to deliver the benefits of the overall investment in the application

HOW CAN FUJITSU HELP?

Fujitsu has helped many Commonwealth and State agencies over a number of years with Portfolio Management, helping them answer questions like:

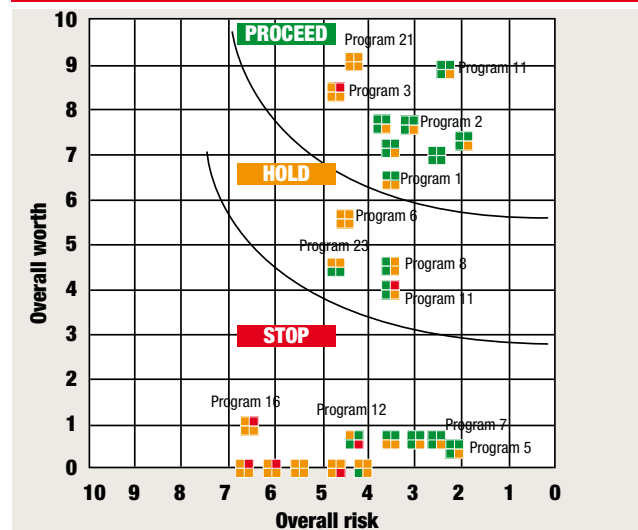
- How best can we invest to get the most value?
- Where can we apply funding cuts with the lowest impact on value?
- How much risk are we prepared to take?

Our method, which is aligned with the IT Governance Institutes “Val IT”¹ methodology, enables clients to obtain a clear and complete understanding of their potential ICT investments. This in turn allows objective evaluation and selection of the highest potential value investments based on alignment with strategic goals, measurable contribution to outcomes, and an acceptable level of risk.

Examples of how we have helped clients better focus their investments include:

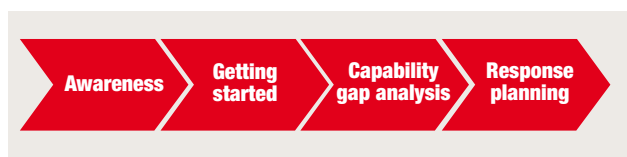
- Within 4 weeks of implementing a portfolio management capability in a state public service department, \$6m of a \$30m portfolio was identified for reallocation to higher value investments
- In a 10 week pilot applied to a \$45m portfolio of infrastructure investments, a state agency found \$20m for reallocation

TYPICAL PORTFOLIO PLOT



¹ValIT is an extension of the industry recognised COBIT methodology referenced in the Gershon report. The ITGI acknowledges “Fujitsu, whose generous sharing of its many years of experience with enterprise value management contributed significantly to the development of the Val IT management practices”.

FUJITSU'S PORTFOLIO MANAGEMENT SERVICES



EXECUTIVE AWARENESS:

Fujitsu will draw on its extensive experience of working with government agencies to offer an awareness session in Portfolio Management which will bring your executives up to date with the purpose, key concepts, and leading practices of portfolio management.

- 2 hour session for up to 10 participants

GETTING STARTED IN PORTFOLIO MANAGEMENT:

For this exercise, Fujitsu consultants will identify with you an appropriate sub-section of your portfolio (a sub-portfolio with no more than 20 projects). They will conduct interviews and workshops with key stakeholders responsible for this sub-portfolio, and review existing documentation such as business cases. The consultants will produce an inventory of the sub-portfolio, categorising the different kinds of initiatives/projects, and applying evaluation criteria based on strategic alignment, business worth and risk.

The exercise will illustrate for you the value of the approach as well as leave you with an assessment of a sub-section of your portfolio highlighting winners and losers.

“Getting Started” Details:

- **Workshops:** 3 workshops x 3/4 participants
- **Deliverables:** An inventory of your sub-portfolio; an objective assessment of the investments in that portfolio
- **Duration:** 4 weeks
- **Price:** Approximately \$50k (excluding GST)

CAPABILITY GAP ANALYSIS:

For this service, Fujitsu consultants will help you assess your agency’s current capability in Portfolio Management, identify a target level of capability with respect to Gershon standards, and analyse the gap between the two. You will receive a road map of how Portfolio Management can be set up as a repeatable process within your agency. This will enable you to understand what you have to do to meet the Gershon challenge.

GAP ANALYSIS DETAILS:

- **Workshops:** 4/5 workshops x 3/4 participants
- **Deliverables:** A report detailing your agency’s current capability in Portfolio Management, where you need to be, and what you have to do to get there.
- **Duration:** 4 weeks
- **Price:** Approximately \$45k (excluding GST)

INTEGRATION WITH PLANNING & CONTROL SYSTEMS:

Our Quick Start services can be provided in a standalone manner or use existing portfolio management software to capture and present the outcomes of each service. In addition, if your agency does not have portfolio management software capability, we are able to offer access to this capability through our relationship with Compuware. This relationship brings together Fujitsu's consulting leadership in Portfolio Management and ICT Governance with Compuware's leadership in ICT Planning and Control tools. Compuware are able to underpin Fujitsu's Quick Start services with preconfigured software and default reports to quickly deliver key auditable outcomes to address the Gershon recommendations. The preconfigured software – Changepoint, Compuware's market-leading IT portfolio management solution – can be purchased or inexpensively leased on a fully hosted Software as a Service (SaaS) basis.

RESPONSE PLANNING:

Based on the gap analysis, Fujitsu consultants will help you develop your capability improvement plan. They will prepare a detailed plan of what you have to do to meet the Gershon challenge. Duration and price will depend on the size of the gap between where you are and where you want to be.

If you want to know more, contact:

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FUJITSU CAN HELP YOU MEET THE CHALLENGE

ABOUT FUJITSU

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