



FLIGHT LEVEL 3 AND PPM TOOLS STRATEGIC PORTFOLIO MANAGEMENT

New York, NY
18 April 2024
19:00 CET / 1:00PM ET



Craeg Strong, *CTO Ariel Partners*



Craeg Strong



CTO, Ariel Partners
FLC/FLG AKC/AKT/KCP,
CSM/CSP/CSPO,
ITILv3, PMI-ACP, PMP, CLP, SPC, CEH
ICP-ACC, ICP-ATF, PSM-II, PSK

✉ cstrong@arielpartners.com

🌐 <https://www.linkedin.com/in/cstrong>

🐦 @ckstrong1

- ▶ Software Development since 1988
- ▶ Large Commercial & Government Projects
- ▶ Leadership Coaching & Training
- ▶ Organizational Agility Coach
- ▶ DevSecOps Architect
- ▶ Certified Ethical Hacker



Agenda

- ▶ Our Baseline: FL3
- ▶ What is PPM?
- ▶ PPM In Action
 - ▶ Dashboards
 - ▶ Tracking Budgets
 - ▶ Making Funding Decisions
 - ▶ Traceability for Impact Analysis
 - ▶ Maintaining the Mappings
 - ▶ What-If Scenarios
 - ▶ Multi-Level Triage with Phase Gates
 - ▶ Sequencing Initiatives by Value, Time Criticality and Risk
- ▶ Benefits and Drawbacks of PPM Paradigm
- ▶ Summary: PPM tools versus Agile Portfolio Planning
- ▶ My Dream Strategic Portfolio Management Tool
- ▶ Takeaways

FL3: Pharma Example

Wildly Important Goal

Become leading supplier of anti-cancer drugs in USA

Long-Term Outcomes 2025 - 2026

New lymphoma drug to market

Doctors prescribe our drugs over Competitor 20%

1 Year Outcomes By 31 Dec 2024

3 lymphoma drugs in human trials

Doctor awareness equals competition

< 3 Months By 30 Sept 2024

5 lymphoma drugs in animal testing

Doctors have 40% better awareness

Next

QRS Formula

In Progress

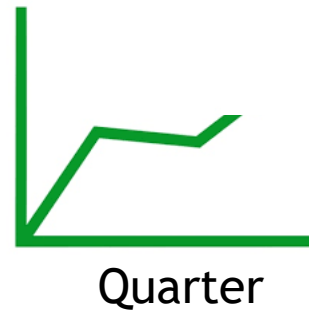
β Mutation Testing

Social Media Campaign

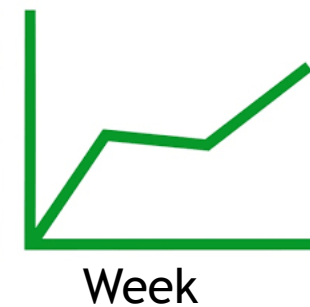
Measure Success

New absorption coating

Revenue from Anti-Cancer



Doctor Presentations



Equipment in repair



What Is PPM?

Project and Portfolio Management Product Portfolio Management

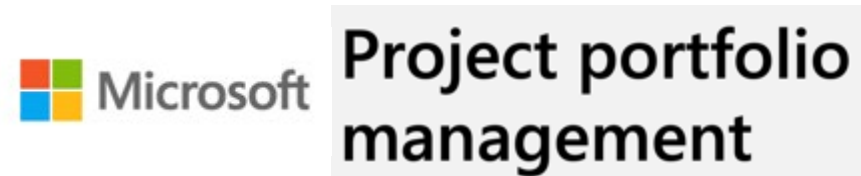
PLANNING

- ▶ Which initiatives will be funded, and which will not?
- ▶ What is our overall budget? How does it compare to last year?
- ▶ What is our ROI? Will we meet our revenue and/or cost savings targets?
- ▶ Which initiatives need to be delayed in order to resolve contention for scarce resources?
- ▶ Are we investing in the right areas?
- ▶ Are we overloading or neglecting any important sponsors?

MANAGING

- ▶ Is spend tracking as per plan?
- ▶ Are risks being managed appropriately?
- ▶ What is the overall status? Which programs are at risk of overruns?
- ▶ Are resources overallocated? Do we need to adjust the timeline?

PPM Tools



PPM Dashboard

Planview Enterprise One
My Overview Products Planning Work more ...
Product Portfolio Management Solution Demo June 2022
Search...

PD Work Dashboard

Product Dashboard

\$596K

Project Dashboard

164.0

Portfolio Kanban Analysis

7

My Active Lifecycle Steps

more ...

PD Work Dashboard

Select Year(s)
Model Last Processed

Multiple select... ▾
05-17-2022 16:33 CST

Filter on Products

- (Blank)
- APEX BLK Neurostimulator System
- APEX DBS Therapy Technology
- APEX Patient Mobile Controller
- CAIR HIP Navigation
- CAIR Insights
- CAIR Robotic Assisted Solution
- CAIR Surgical Planner
- Cross 700 Smart Compression
- P.A.H. Anti-Embolism Stockings

Click a Stage to Filter

0. Not Started 9	1. Discovery 3	2. Scoping 2	3. Business Case 6	4. Development 3	5. Testing & Validation 1
---------------------	-------------------	-----------------	-----------------------	---------------------	------------------------------

Project Count	Total Revenue	Total Cost	Approved Budget	Cost Variance	Forecast Effort (Hrs)
25	35.57M	16.72M	15.28M	-1.44M	35.15K

PD Project Details

EntityName	Product Line	Stage	Investment Category	Execution Type	Total Benefit/Revenue (FV)	Total Costs (FV)	Profitability	Cost Variance (BV-FV)	Total Capitalized Costs (FV)
DBS Wireless Sensor	DBS - Deep Brain Stimulation	5. Testing & Validation	Growth	Project	600,000.00	2,382,692.80	-1,782,692.80	14,375.20	2,352,692.80
Pressure Pattern Study	DVT - Deep Vein Thrombosis	0. Not Started	Transforming Healthcare	Project	1,200,000.00	1,651,725.00	-451,725.00	-100,725.00	
CAIR Wearable Patient Monitor Devic...	Orthopedic	3. Business Case	Transforming Healthcare	Project	750,000.00	743,370.00	6,630.00		
DBS BLK Program Update	DBS - Deep Brain Stimulation	3. Business Case	Growth	Project	300,000.00	283,220.00	16,780.00	-263,220.00	
APEX DBS Mobile Digital Epic	Orthopedic	0. Not Started	Infrastructure Improvement	Epic	550,000.00	350,000.00	200,000.00		
CAIR Insights Application Project-SG	Orthopedic	1. Discovery	Maintain	Project	4,000,000.00	3,660,446.00	339,554.00	-138,006.00	
Animated Alerts	VTE	0. Not Started	Transforming Healthcare	Epic	400,000.00	15,300.00	384,700.00		
CAIR RAS Pre-Op Planning Integration	DBS - Deep Brain Stimulation	0. Not Started	Growth	Epic	976,000.00	574,937.00	401,063.00		
Microscopic Visualization Collaboration	Orthopedic	3. Business Case	Growth	Collaborative	1,876,436.00	1,372,199.00	504,237.00	-750,000.00	
Invisible Trial Simulator Integration	Oncology	0. Not Started	Growth	Epic	568,000.00	31,644.00	536,356.00		
Patient Controller Manual Proj	Orthopedic	4. Development	Revenue Retention	Collaborative	2,537,500.00	1,922,180.00	615,320.00		250,000.00
Total					35,568,372.00	16,724,159.26	18,844,212.74	-1,442,862.80	2,627,692.80

Summary
Strategic Alignment
Portfolio Balance Count
Portfolio Timeline
Portfolio Balance Cost
Portfolio Revenue Map
Top 10 Over/Under Budget Projects
Project Details
About

PPM Dashboard

Planview Enterprise One | My Overview | Strategies | Planning | Work | Resources | more ... | + New

Strategy Dashboard | Work Dashboard | APM Exceptions Dashboard | Agile Program Management | Product Dashboard | Project Dashboard | Initiative Kanban Analysis | more ...

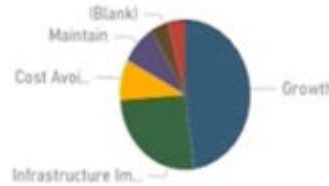
\$2M | 989.0 | more ...

Strategy Portfolio Management Dashboard

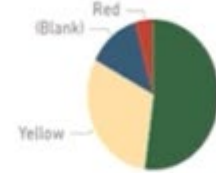
Portfolio

- (Blank)
- 01. Hybrid Strategy Portfolios
- 02. PPM Digital Transformation Portfolios
- 03. PPM Corporate Strategic Projects
- 04. Agile Value Streams Only Portfolio
- 05. PPM Corporate Strategic Programs
- 06. Reduce Operating Costs - Drive Ma...
- 07. All Strategies Portfolios
- All Portfolio

Count By Category



Initiative Health



Count By LOB



Model Last Processed
04-30-2022 1:03 C

Count By Strategic Theme



Spend by Strategic Theme



Strategic Theme	Program/Agile Initiative	Overall Status Assessment	Investment Category	Total Costs at Complete (FPFV)	Cost Variance (FP BV-FV)	Sponsor
Artificial Intelligence(AI) Client Engagement	AI to Enhance & Personalize Client Experience	Green	Infrastructure Improvement	220,000.00	-120,000.00	Allen Partin
Artificial Intelligence(AI) Client Engagement	AI to Streamline Settlements	Green	Infrastructure Improvement	525,981.84	-196,196.00	Ben Hood
Transformation of Customer Experience	Augmented Reality in Customer Experience	Green	Growth	150,000.00	0.00	Ben Hood
Blockchain & CryptoCurrency	Bakkt partnership - Retirement Acct Pilot	Green	Growth	155,000.03	94,999.97	Tony Gilling
Blockchain & CryptoCurrency	Cryptocurrency Expansion	Green	Maintain	117,550.03	-402,449.97	Christine Kirk
Transformation of Customer Experience	CX Architectural Investments	Yellow	Growth	80,000.00	0.00	Christine Kirk
Impregnable CyberSecurity	Deploy Robust Fraud Protection	Green	Maintain	120,000.00	0.00	Mamta Patel
Blockchain & CryptoCurrency	Drive CryptoCurrency Security Standard		Infrastructure Improvement	250,000.00	-250,000.00	Mamta Patel

Tracking Budgets

Financial Summary

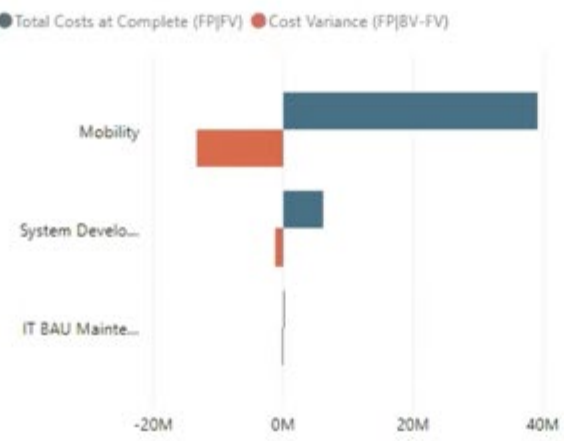
Select Year(s) Model Last Processed
 Multiple select... 07-29-2020 12:23 CST

Portfolio

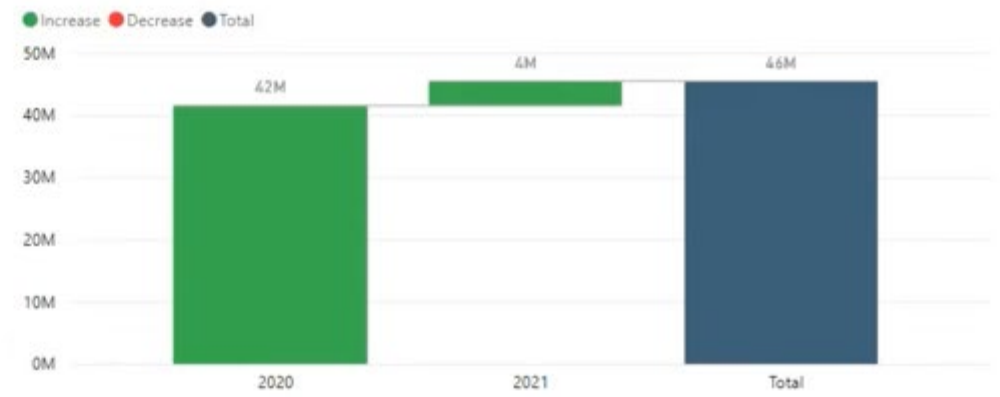
- 01. ABC Mobility Portfolio
- 01. Agile All ART Features & Enab...
- 02. Agile ART I Features & Enablers
- 02. Information Technology Portf...
- 03. Agile ART II Features & Enabl...
- 04. Hybrid Work Portfolio
- 05. Agile Costing Portfolio
- 06. ABC Corporate Digital Transfo...
- All PPM Work
- All Work Portfolio (pvm)

Project Count
137

Cost Variance and Costs at Complete by Program



Overall Cost Profile



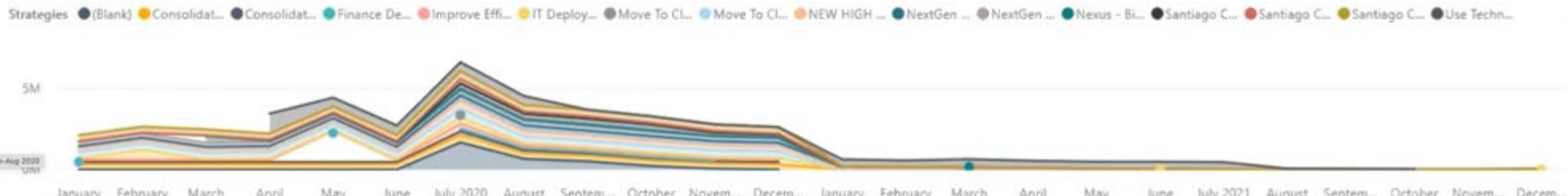
Total Cost
45.56M

Baseline Cost
30.82M

Cost Variance
-14.73M

Total Benefits
44.80M

Cost Profile by Strategic Program



ET Product Demo-Aug 2020 Q1

Making Funding Decisions

Planview Enterprise One | My Overview | Strategies | Planning | Work | Resources | more ...

Planning Portfolio: 05. SPM - Strategic Programs & Initiatives | View: Investment and Capacity Planning | Scenario: Q2-2022-2023 Revised Plan

13 Planning Manager | Revenue Analysis | Solution Demonstration for Strategic Portfolio Management | 16 Steps | OpEx Expense Impact Analysis | more ...

Analyze | SPM - Strategic Portfolio Management | Optimize | Enter text to filter grid

Rank	Description	Strategic Priority	Benefits & Revenue	Total Costs	Total Capitalized Costs	Total Op Expense Costs	Total ROI	Strategy Type	Funding Source	Initiative Driver	RGT Type	Investment Dependence
Portfolio Target			\$25,990,774.11	\$15,310,000	\$8,043,588.11	\$7,266,411.89	\$21,256.32					
Planned Investments			\$42,578,791.53	\$20,551,730	\$11,865,288.62	\$8,686,449.90	\$27,567.79					
2	Introduce New Product Line	New Funding	\$2,910,000.00	\$920,751.91	\$303,878.06	\$616,273.85	\$1,989,848	Program	Customer Fun	Product Develop	Grow	Required By: NEW HC
4	Mobile Protection Program	Maintain Funding	\$4,556,332.12	\$2,363,938	\$1,358,977.94	\$804,960.52	\$2,377,393	Program	Department Fi	Product Develop	Grow	
6	Improve Efficiency For Cost Savings	Maintain Funding	\$3,425,441.64	\$1,347,938	\$876,920.59	\$471,018.00	\$2,077,503	Portfolio Initia	Not Funded	Regulatory	Run	
7	Enhance Authentication to Reduce Risk	Adjust Funding	\$2,062,000.00	\$285,000.00	\$200,000.00	\$85,000.00	\$2,715,000	Initiative	Strategic Initia	Product Develop	Run	
8	Next Generation Security Design Architecture	New Funding	\$1,450,000.00	\$199,999.99	\$25,000.00	\$174,999.99	\$2,300,000	Initiative	Strategic Initia	Regulatory		
9	Increase Fraud Detection	Maintain Funding	\$2,009,767.57	\$4,369,883	\$2,071,303.80	\$2,098,580.00	(\$2,160,116.1)	Portfolio Initia	Strategic Initia	Market Developm	Grow	
11	NextGen Global Wallet Program	Maintain Funding	\$1,765,695.62	\$2,114,946.1	\$1,714,946.45	\$400,000.00	(\$349,250.1)	Initiative	Strategic Initia	Product Develop	Grow	
12	Redesign the Mobile CX	Un-Fund Complet	\$550,000.00	\$56,249.99		\$56,249.99	\$1,750,000	Initiative	Strategic Initia	Market Penetratic	Run	
14	Enhance Digital Layers of Security	Maintain Funding	\$514,999.99	\$162,500.00		\$162,500.02	\$1,100,000	Initiative	Strategic Initia	Diversification	Run	
16	Deploy Robust Fraud Protection	Maintain Funding	\$262,499.99			\$620,000.00	\$620,000.00	Initiative	Strategic Initia	Diversification	Run	
17	Bakkt partnership - Retirement Acct Pilot	Un-Fund Complet	\$372,500.00	\$100,000.00		\$130,000.05	\$404,999.9	Initiative	Customer Fun	Product Develop	Run	
18	Strengthen Consumer Privacy Practices	Adjust Funding	\$87,500.00	\$6,249.99		\$6,249.99	\$390,833.0	Initiative	Customer Fun	Product Develop	Run	
21	Use Technology to Drive Consumer Demand	Un-Fund Complet	\$14,361,554.61	\$7,484,911.67	\$5,186,178.50	\$2,298,733.17	\$7,611,554.60	Program	Department Fi	Product Develop	Run	
Remaining Target			(\$16,588,017.42)	(\$6,241,738.1)	(\$3,821,700.59)	(\$1,420,038.09)	(\$6,311,472.5)					
13	Software Platform Expansion	Maintain Funding	\$1124,999.97	\$230,000.00	\$150,000.00	\$80,000.00	\$920,000.00	Initiative			Transform	
15	Drive CryptoCurrency Security Standard	New Funding	\$675,000.01	\$250,000.00	\$150,000.00	\$100,000.00	\$800,000.00	Initiative			Run	
19	Augmented Reality in Customer Experience	Un-Fund Complet	\$60,000.00	\$125,000.00		\$125,000.00	\$270,000.00	Initiative	Strategic Initia	Market Penetratic	Run	
20	Move Down To Cloud-based CRM For Growth	Maintain Funding	\$199,999.98	\$485,227.76	\$291,033.96	\$194,193.80	\$349,238.03	Initiative	Not Funded	Diversification	Run	

Alerts

- 34% Total Costs Over Target
- 4 Resource Roles Overutilized Over Time

Traceability for Impact Analysis

Portfolio
1. E1 Overview Strategies

4
Portfolio Manager Strategic Runway Value Stream Mapping More...

4 Strategies

Highlight node



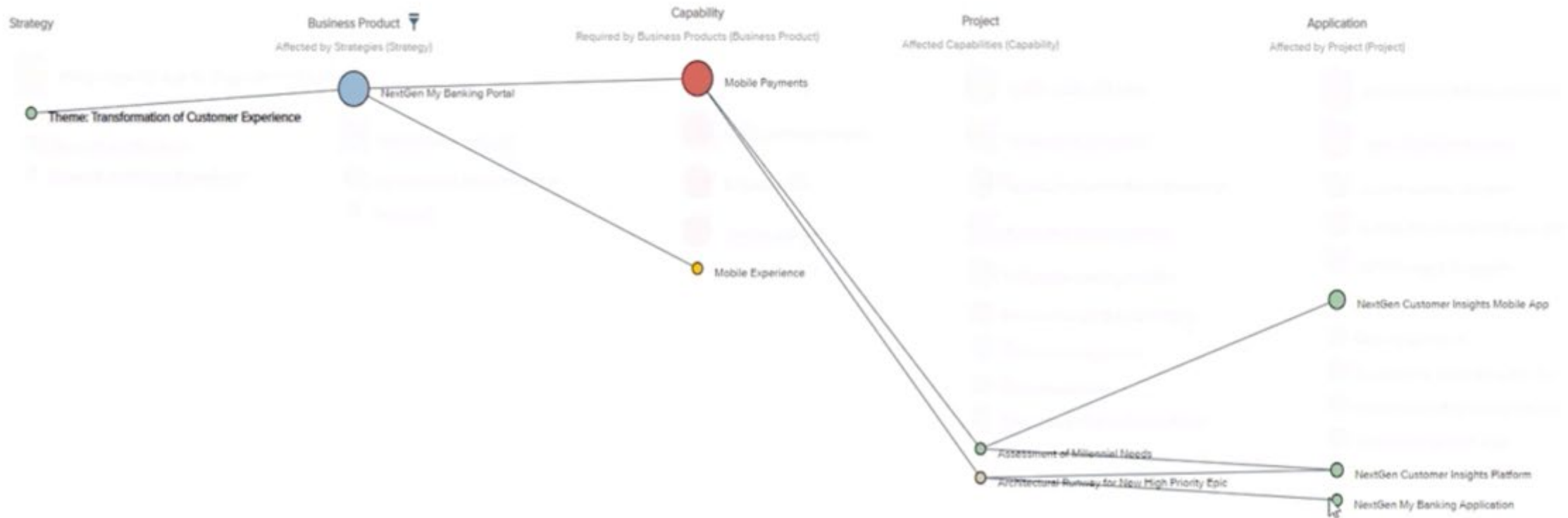
Traceability for Impact Analysis

Portfolio
1. E1 Overview Strategies

4
Portfolio Manager Strategic Runway Value Stream Mapping More...

4 Strategies

Highlight node



Maintaining the Mappings

The screenshot displays the Planview Enterprise One interface, specifically the '249 Capabilities' dashboard. The top navigation bar includes 'Portfolio Overview', 'Business', 'Investments', 'Risk & Compliance', and 'Explorer'. The dashboard is organized into several strategy groups, each containing multiple capability cards. Each card shows a status (e.g., Deficient, Impediment, Advanced) and a count of items. A tooltip is visible over the 'Workforce Strategy And Policies Development' card, providing details on its status and associated metrics.

249 Capabilities

Strategy: Consolidate CRM solutions (5)

- Call Center Management: Deficient, Advanced, 0
- Contact and Profile Man...: Impediment, Advanced, 0
- Customer / Account Man...: Impediment, Impediment, 0
- Customer Complaints M...: Deficient, Deficient, 0
- Customer Feedback: Impediment, Impediment, 0

Strategy: Digital Convergence - Single View Of The Customer (9)

- Adjustments/Deductions...: Optimal, Adequate, 0
- Advanced Customer Int...: Undefined, Undefined, 0
- Analytics Innovation: Impediment, Impediment, 0
- Big Data Analysis: Optimal, Impediment, 1
- Business Intelligence: Deficient, Adequate, 0
- Customer Portals: Deficient, Adequate, 0
- Data Mining: Deficient, Adequate, 0
- Location Geo Analysis: Deficient, Deficient, 0
- Predictive Analysis: Impediment, Deficient, 0

Strategy: Eliminate Redundant Financial Systems (11)

- Accounts Payable (API P...: Impediment, Deficient, 2
- Capital Planning And Pro...: Adequate, Impediment, 0
- Cash Management: Deficient, Advanced, 0
- Customer Invoicing: Advanced, Advanced, 5
- Enterprise Architecture...: Advanced, Deficient, 4
- Financial Performance E...: Adequate, Adequate, 5
- IT Deployment Strategy...: Optimal, Impediment, 0
- Pay Management: Deficient, Impediment, 3
- Policies And Procedures...: Advanced, Deficient, 4
- Quality Requirements Es...: Advanced, Deficient, 0
- Tax Strategy And Plan D...: Impediment, Optimal, 0

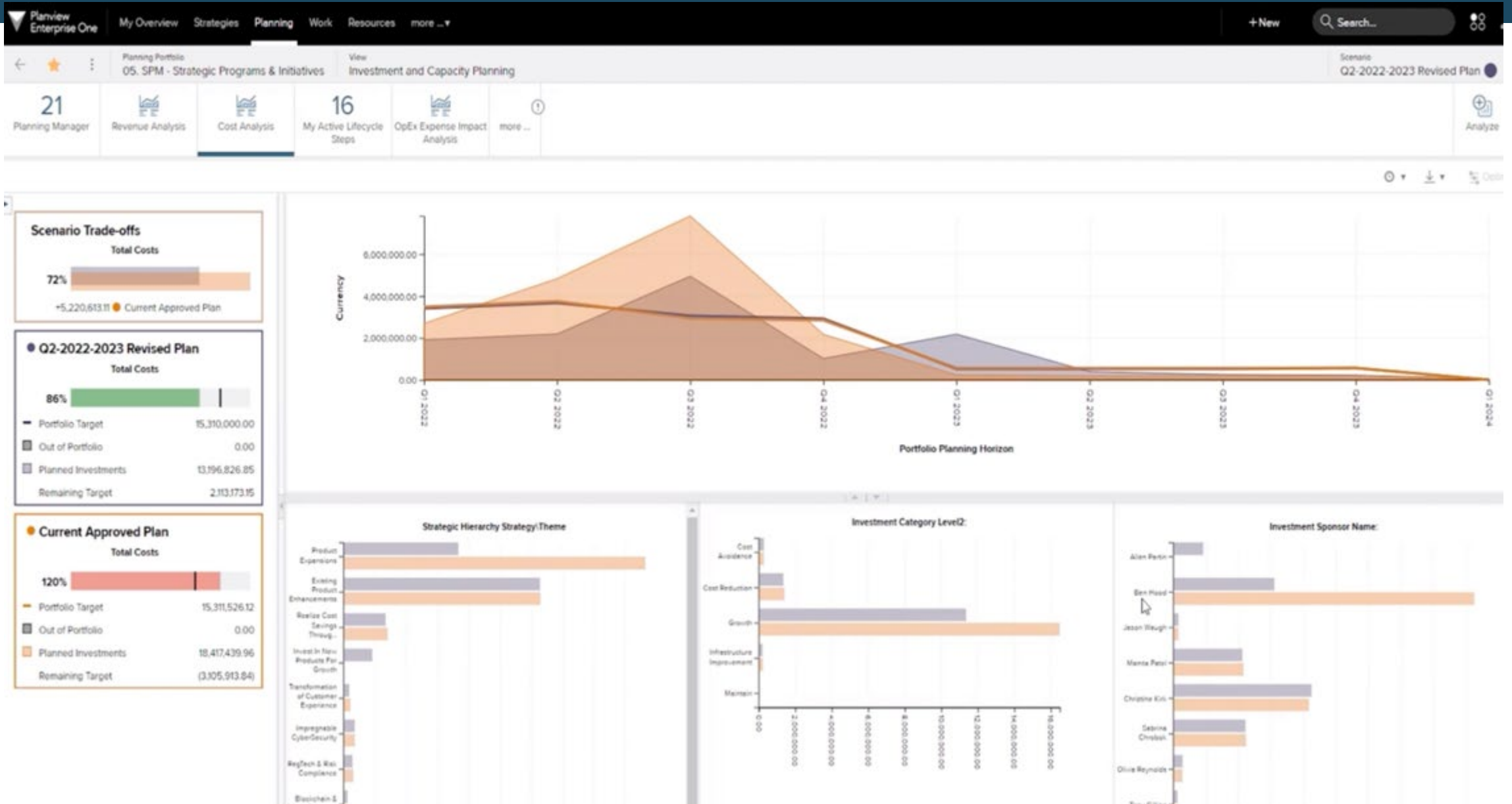
Strategy: Eliminate Redundant HR Systems (8)

- Employee Outplacement...: Optimal, Adequate, 0
- Employee Requisitions M...: Impediment, Deficient, 3
- Employees Developmen...: Advanced, Optimal, 1
- Enterprise Architecture...: Advanced, Deficient, 4
- IT Deployment Strategy...: Optimal, Impediment, 0
- Labor Relations Manage...: Adequate, Advanced, 2
- Quality Requirements Es...: Advanced, Deficient, 0
- Workforce Strategy And...: Optimal, Optimal, 0

Workforce Strategy And Policies Development

Status:	Existing
Revenue Growth:	Optimal
Customer Experience:	Optimal
Future Project Count:	0

What-If Scenarios



Multi-Level Triage with Phase Gates

Planview Enterprise One | My Overview | Products | Planning | Work | more ...

Work Portfolio: 10. Product Project Portfolio | View: Portfolio View

32 Portfolio Manager | 167.0 Portfolio Kanban Analysis | \$442K Project Dashboard | 6 Gated Projects | 5 Gate Score Trend | 5 Work Over Budget | 7 My Active Lifecycle Steps | Pipeline Matrix - WRK01 | more ...

PD - Gated Project Status | Tree | List: All Execution Types | Group

Name	Overall Status Assessment	Next Gate	Gate 0 Date	Gate 0 Status	Gate 0 Score	Gate 1 Date	Gate 1 Status	Gate 1 Score	Gate 2 Date	Gate 2 Status	Gate 2 Score	Gate 3 Date	Gate 3 Status
RAG Assessment Indicators													
Overall Status Assessment	Current Gate	Cost Status Assessment	Benefit Status Assessment	Quality Status Assessment									
Red	Gate 6	Red	Yellow	Green									
Assessment Description													
The project is going poorly and we are looking to perhaps kill this in the next quarter to 120 days. All is going awful and we expect this product to be a cash drain if continues for the business.													
Gate 6		4/7/2022	Go	9.50	4/29/2022	Go	4.50	7/30/2022	Go	7.00	8/31/2022	Go	
Gate 0		4/8/2022	Active	8.50		Not Started			Not Started			Not Started	
Gate 3		3/21/2022	Go	9.00	4/1/2022	Go	6.00	5/31/2022	Active			Not Started	
End		4/6/2022	Go	9.50	4/7/2022	Go	4.30	4/21/2022	Kill	6.00		Not Started	
Gate 1		4/6/2022	Go	7.50		Active			Not Started			Not Started	
End		1/31/2022	Active	9.00	3/31/2022	Go	6.50		Go	7.00	4/28/2022	Go	

Total Revenue

0.60M

Total Costs

2.38M

Profitability

-1.78M

Gate 1

6.50

Gate 4

8.00

Gate 2

7.00

Gate 5

9.00

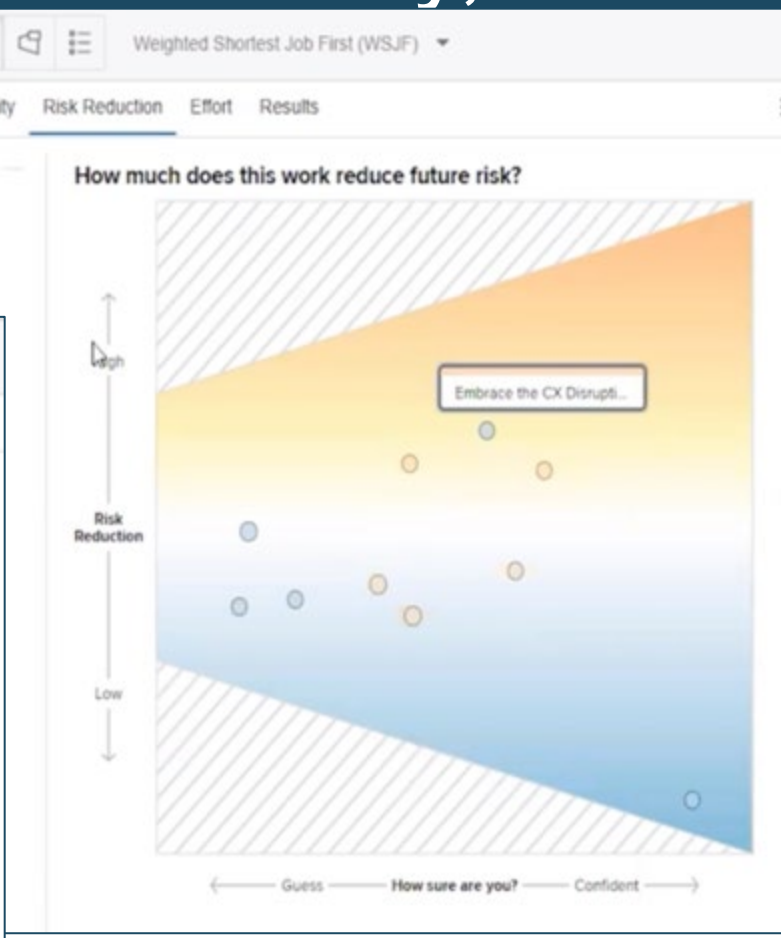
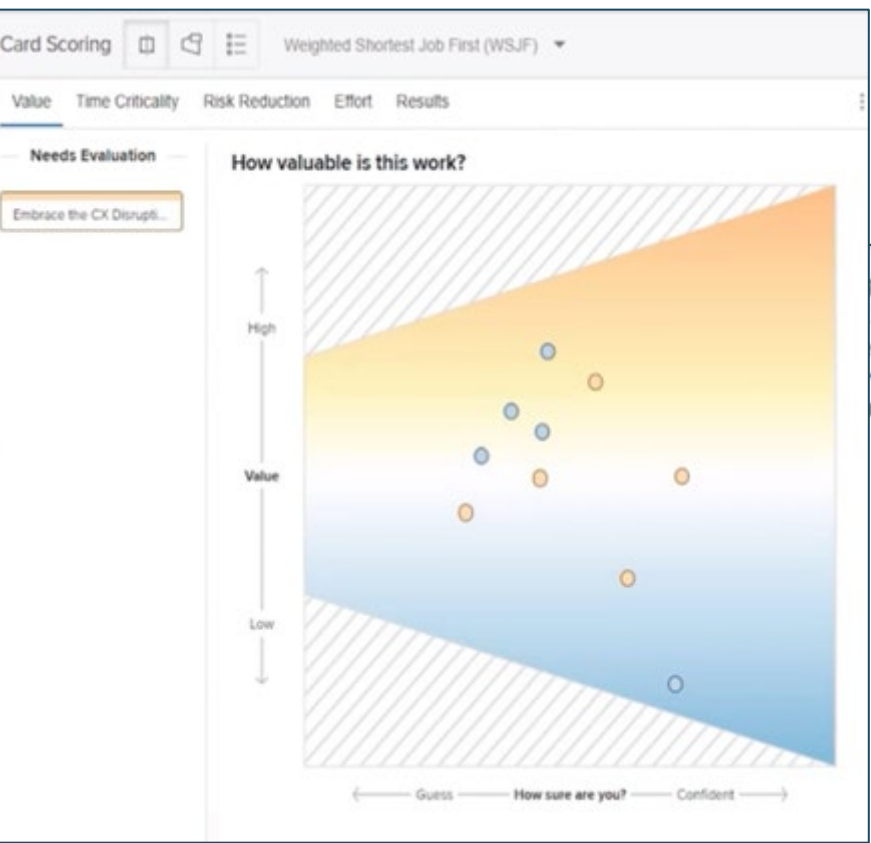
Gate 3

6.50

Gate 6

(Blank)

Sequencing Initiatives by Value, Time Criticality, Risk



Benefits and Drawbacks of Typical PPM Tools

Pros

Spreadsheet like view with sort, group, filter, sum, and average
What-if scenarios
Lots of metadata
CapEx \$
OpEx \$
RGT Type (Run | Grow | Transform)
Funding Source
Line of Business
Sponsor
Projected Costs
Projected Benefits
Return on Investment
Cost Variance
Risks
Current Status (Red | Yellow | Green)

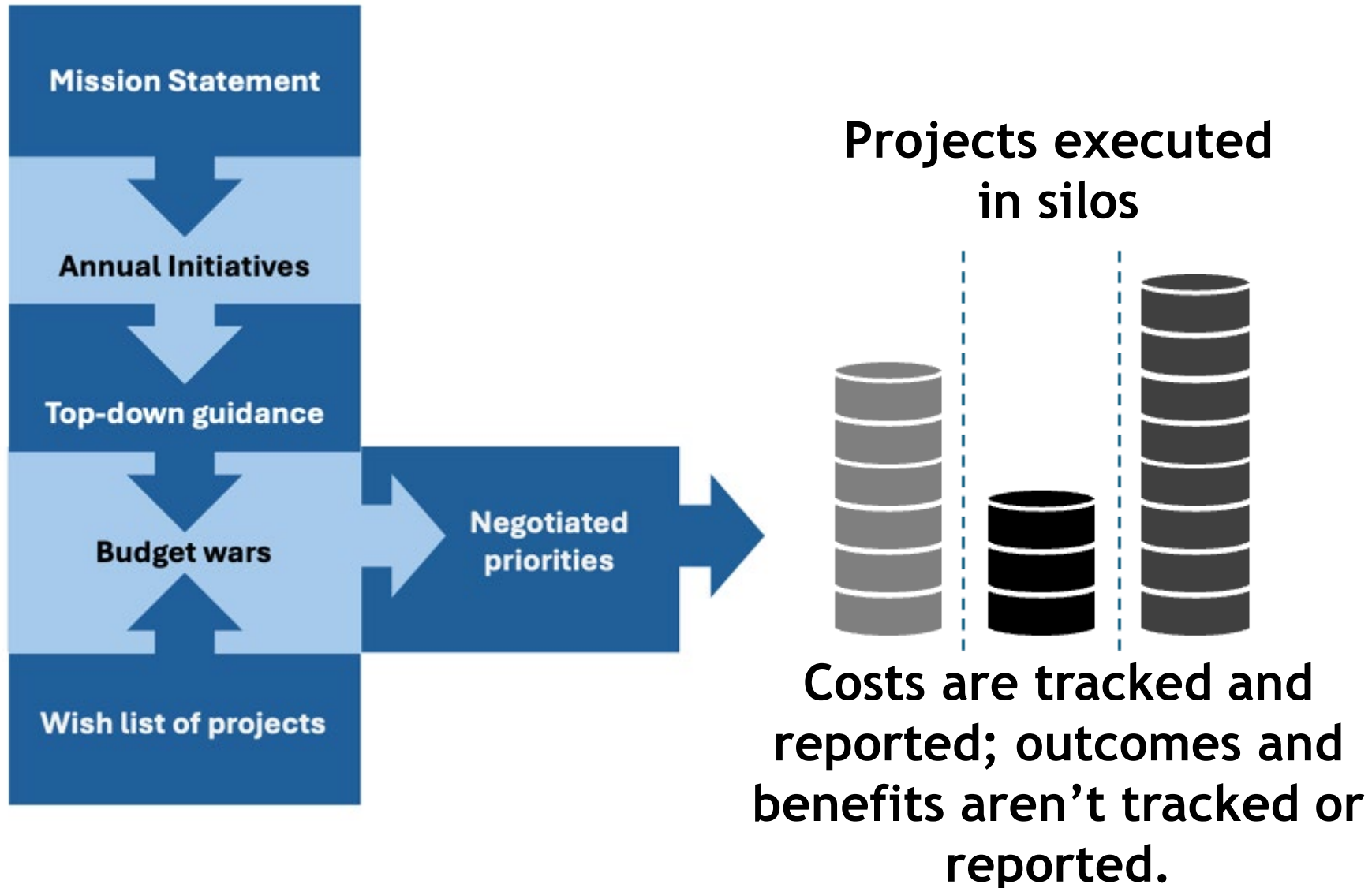
Cons

Financial Projections are highly suspect
Status values are highly suspect
Risk Numbers are pure fantasy
No tracking of outcomes
No focus— we are trying to address every strategic objective
Extremely high maintenance— questionable value for traceability

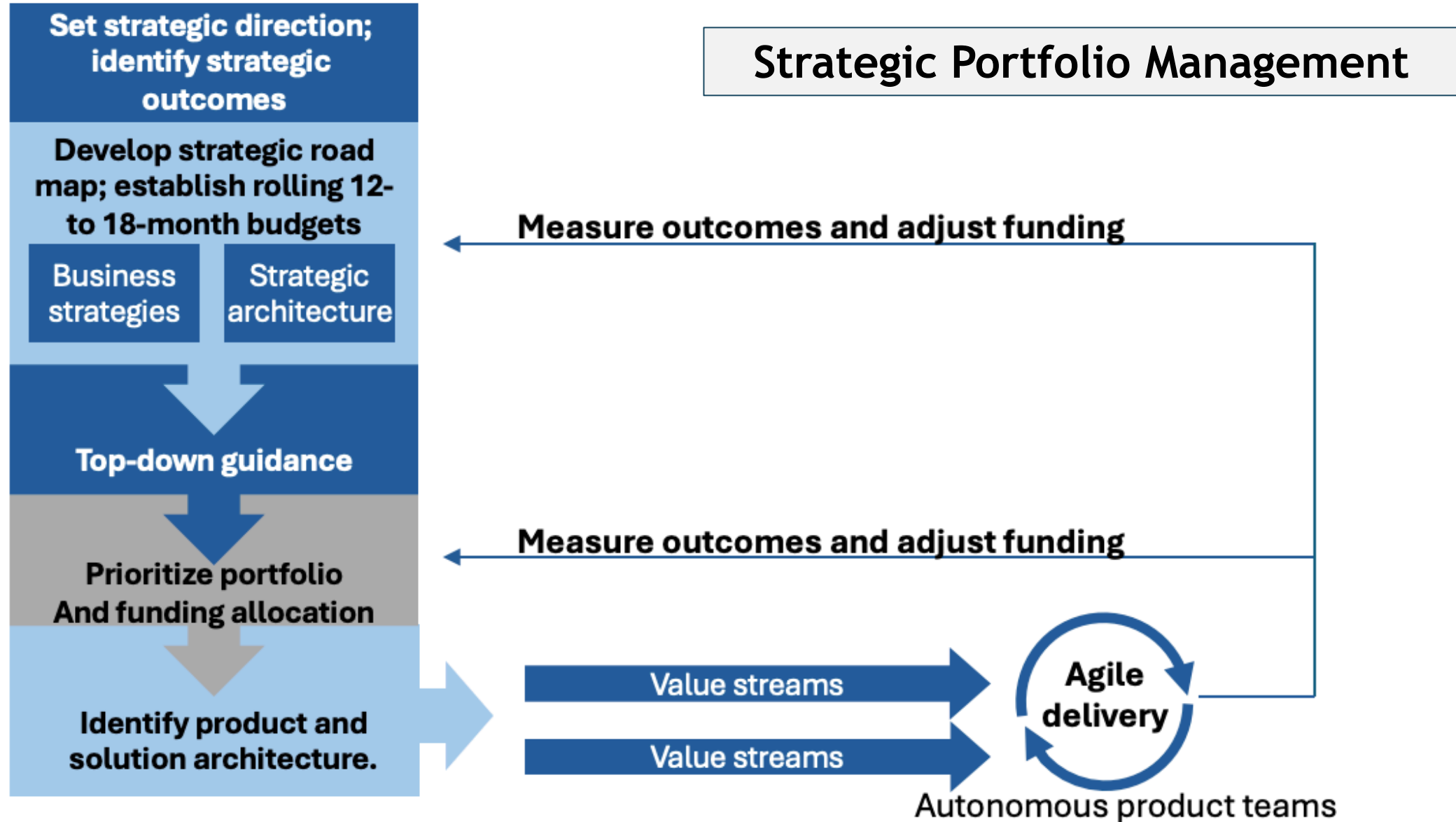
Gartner developed the run-grow-transform model to support IT portfolio planning

Run	operate and maintain (business as usual, keep the lights on)
Grow	enhance and expand (organic growth, existing products)
Transform	innovate and drive (new business capabilities)

PPM Tools are built for Traditional Planning



Agile Portfolio Planning focuses on Outcomes



My Dream Strategic Portfolio Management Tool

Managing Constraints

Budgeting
Resourcing
Organizational Constraints
Sequencing Initiatives
Financial Reporting

Decision Analysis

Monte Carlo Tools
Historical Project Information
Risk Analysis
Alternatives Analysis
Forecasting

Strategic Alignment

OKRs
Outcomes
Indicators
Context
FLSA Big Picture
Linked Flight Levels

Enterprise Architecture

Application Portfolio
Rationalization
Technology Inventory
Asset Management
Vendor Management

My Dream Strategic Portfolio Management Tool

Managing Constraints

Budgeting
Resourcing
Organizational Constraints
Sequencing Initiatives
Financial Reporting

Strategic Alignment

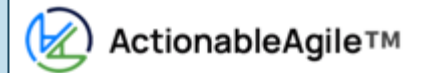
OKRs
Outcomes
Indicators
Contextual Stories
FLSA Big Picture
Linked Flight Levels

FL2 / FL3 Tool



Decision Analysis

Monte Carlo Tools
Historical Project Information
Risk Analysis
Alternatives Analysis
Forecasting



Enterprise Architecture

Application Portfolio
Rationalization
Technology Inventory
Asset Management
Vendor Management



Plugins

Summary

- ▶ Traditional PPM tools suffer from numerous drawbacks
 - Numbers are highly suspect; only sunk costs can be relied on
 - No outcomes; projected benefits are never analyzed
- ▶ Nevertheless, FL3 tools can learn from them
 - Measuring budgets and spend is a MUST. No tool will be taken seriously without this.
 - Don't reinvent language if its not necessary (RGT model)
 - What-If scenarios: impact analysis for proposed changes
 - Plugin to application portfolio rationalization tools
- ▶ Untapped Areas
 - Statistically valid methods for forecasting
 - Statistically valid methods for measuring multi-variate risk
 - Repository of historical project information to seed the Monte Carlo simulations

Thank you!



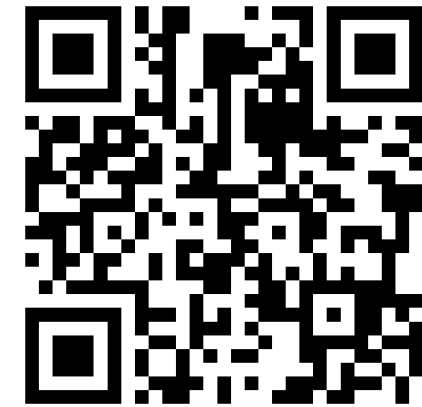
ABOUT
ARIEL



UPCOMING
TRAINING



FLIGHT LEVELS &
ENTERPRISE KANBAN



<https://www.arielpartners.com/capabilities-statement>

<https://www.arielpartners.com/upcoming-courses>

<https://www.arielpartners.com/flight-levels>