

# IT Portfolio Management

Organizations must ensure they maximize the value of a finite set of IT resources. However, determining the optimal mix of investments by understanding interdependencies among systems, monitoring portfolio performance, and minimizing risk in a dynamic environment can be challenging. Although traditional financial portfolio management techniques can be applied, they fail to address unique challenges related to IT, such as how to value IT investments and handle illiquid IT assets.

### The Booz Allen Advantage

Booz Allen Hamilton, a global strategy and technology consulting firm, partners with clients to address the complex challenges of IT portfolio management, making it possible for IT to become the critical enabler of an organization’s strategy that it should be. We apply an IT portfolio management methodology that is flexible and customizable to a client’s needs and current processes. We ensure staff have the requisite skills, decision rights are well-defined and managed within a governance structure, and portfolio analysis is automated to facilitate real-time decision making.

Our advantages include:

- **Proven Methodology With Demonstrated Results:** We provide a structured and repeatable set of processes, work products, and templates that we have successfully applied and refined. We understand potential pitfalls and bring best practices from across industry and government.
- **Multidisciplinary Approach:** Booz Allen can deploy the right resources to our clients at the right times. Our IT portfolio delivery professionals are experts in strategy, architecture, economic analyses, and IT portfolio tools and have deep client domain knowledge.
- **Integration With Other IT Decision-Making Functions:** Booz Allen believes IT portfolio management is not a stand-alone function. We demonstrate how IT strategy, enterprise architecture, and IT governance are integrated with IT portfolio management to ensure an organization makes optimal IT management decisions.
- **Adaptable Framework:** We can easily adapt our methodology and framework to various portfolio types and scenarios.

### The Value of Our Approach

Our methodology balances the appropriate level of process and analytic focus through a transparent, repeatable, and justifiable process to ensure we achieve the best value of IT spend. Our methodology recognizes that successful, ongoing portfolio management requires a foundational capability.

Booz Allen’s IT portfolio methodology facilitates in-depth tradeoff analysis to support IT project prioritization and investment decisions. We help our clients develop multiple “views” of their IT portfolio and then compare proposed investments against predefined criteria. We conduct alignment, risk, payback, and financial impact analyses on our clients’ IT portfolios to help them make informed IT decisions or determine where they should spend their next IT dollars.

#### About Booz Allen Hamilton

Booz Allen Hamilton has been at the forefront of management consulting for businesses and governments for more than 90 years. Providing consulting services in strategy, operations, organization and change, and information technology, Booz Allen is the one firm that helps clients solve their toughest problems, working by their side to help them achieve their missions. Booz Allen is committed to delivering results that endure.

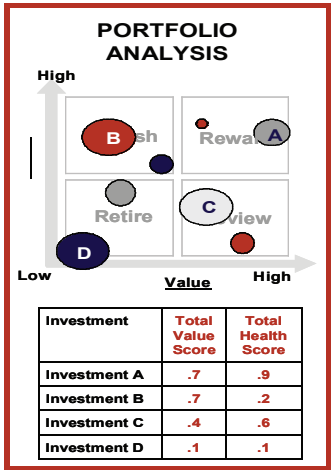
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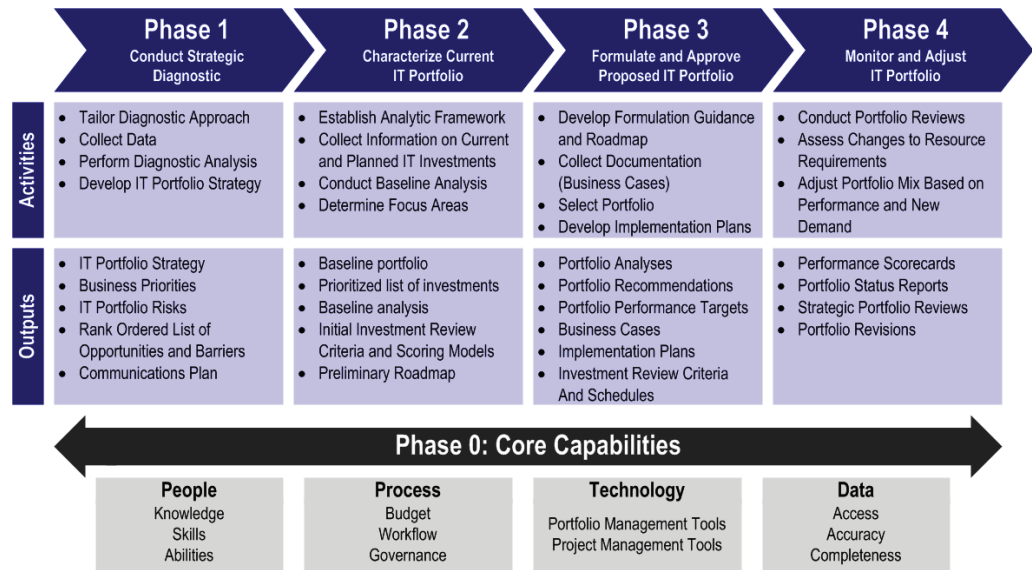
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## Conducting Strategic Portfolio Reviews



Booz Allen has pioneered strategic portfolio reviews (SPR) as a means to facilitate enterprise-wide strategic portfolio analyses through the integration of investment management and enterprise architecture information. These reviews are designed to not only ensure ongoing alignment of the IT portfolio to the organization’s business needs but also monitor overall portfolio performance.

- SPRs use a “mutual fund” financial report look and feel to communicate critical alignment of IT spend to business lines and services.
- By using lines of business or common functions as the overall structure, SPRs help identify potential opportunities for collaboration or reduce unnecessary redundancy.
- SPRs also help identify shared services opportunities and leverage service-based architectures in the framework of an overall IT portfolio management approach.

Booz Allen’s IT portfolio management experts have helped numerous government and commercial clients develop and manage their IT portfolios. Our services include:

- IT portfolio strategic diagnostics assessment and characterization
- IT investment governance and decision-making processes and procedures
- IT portfolio analysis, including prioritization, payback, return on investment (ROI) analyses, and trade-space analyses
- Application rationalization and normalization
- IT portfolio improvement recommendations
- Business case development, cost-benefit analysis, and ROI analysis
- Business alignment analysis
- IT portfolio tool assessment and implementation
- Ongoing management and monitoring of the IT portfolio

