

## CASE STUDY



# Portfolio Management brings major benefits to a strategic MOD Directorate

A key organisation within the British Defence establishment, the Development, Concepts and Doctrine Centre (DCDC), has successfully implemented commercial business processes, based on internationally recognised best practice, to dramatically improve its planning, decision making and output delivery.

To support the initiative and provide a Defence wide model, a commercial portfolio management system was introduced from Planview, a global market-leading supplier in this field.

The initial investment value has proved significant. Already, a number of major benefits have been evidenced, which is good news for the taxpayer as well as helping the UK Armed Forces to operate more effectively. By 2010 the high level of co-ordination and coherence the business model is delivering will become available across a network of 300,000 users

The DCDC is a Defence centre of excellence, formed in response to the 1998 Strategic Defence Review. It is a truly Joint organisation, with staff from all three Armed Services and the Civil Service. Its mission is to provide the intellectual bases that inform coherent decisions in UK Defence policy, capability development and operations, both now and into the future. This is a key and highly demanding responsibility on behalf of HM Government.



*The UK's flagship Joint organisation Headquarters at Shrivenham, Wiltshire*

At the operational level, the DCDC calls on its own intellectual capital, academia and open source material both inside and outside Defence. Those employed at the Centre

bring general staff skills and subject matter expertise to bear in a fully-developed matrix-managed environment. The Director General, Rear Admiral Chris Parry CBE, receives his direction from the Vice-Chief of the Defence Staff.

### The need for change

Set against this challenge, the need to achieve effective visibility, co-ordination and coherence of activity across the organisation in achieving its mission was compelling. Matters were further complicated by data and information associated with this output activity being located in different IT systems and networks.

***"Whether you are a General or a Corporal, it is your role within a formal Business Model that is pivotal."***

**Staff Officer Plans**  
DCDC  
MOD Shrivenham

Lieutenant Commander J H Reed Royal Navy, is Staff Officer Plans at the DCDC, located at MOD Shrivenham, near Swindon in Wiltshire. Before even thinking about governance and process automation, "DCDC needed a new business model that would facilitate effective high-level planning, scheduling and resourcing to optimise output and afford flexibility to adjust to changing priorities."

In defining the DCDC vision, Reed said: "we needed a body of best practice that would bring real coherence across the Defence Concept-to-Capability process, from start to finish; we needed clear visibility of issues at a programme level and be able to manage risk effectively to avoid time and cost overruns; and we needed to capitalise on the work ethic of those charged with delivering the intellectual and scientific rigour in our future military capability that the UK taxpayer rightly expects."

### Realising the vision

After thorough investigation, analysis and specification, a new fully-developed matrix-managed Project Portfolio Management (PPM) business model evolved. However, it was clear that any automated solution to support this new approach would require more than existing project management tools could provide.

Rather than commission a costly, unique or bespoke solution, and driven by the need for rapid results at least cost, the DCDC decided to look for a reputable and reliable,

off-the-shelf commercial system. It would be far less expensive, be quicker to procure and implement, and mean the DCDC could start realising benefits far sooner than the bespoke alternative. The latter might have taken years to design, build and implement.

The DCDC Programme Management Office searched for an option that would be easy to use, wholly configurable to Defence business and scalable [remember the vision!], without the need for burdensome training or expensive support. A number of suppliers were identified, which appeared in the reports produced by leading market research firm, Gartner, and its Magic Quadrant listing.

***“If portfolio management is adopted as a formal business model it will overcome the silo culture, without the need for organisational change”.***

Planview was finally selected because its suite of products best matched the key functions required, it had considerable experience in both the public and private sectors, was a growing and reputable business and was certified, including the highly distinctive rating awarded by the APM Group: Office of Government Commerce Silver Status. This is awarded to software which is fully aligned to, and consistent with, the full principles of the OGC’s operational guidance for Business Change. PlanView was the only company in the market to possess this important recognition and is now pursuing Gold status. The negotiations and proof of concept that followed confirmed the selection as a wise investment.

“We chose PlanView because the solution did everything we needed straight out of the box”, said Reed, who continued, “another factor singled the company out above others - it keenly understood the cultural challenges underlying Defence business, not just the technological issues.”

Currently, seventeen project managers are driving output focused programme portfolios, with 100 users due to interact with the Portfolio Management model according to a staged implementation programme, designed to overcome familiar cultural adoption challenges. By 2010 around 300,000 users will have access to PlanView on the fully integrated Defence Information Infrastructure (Future), or DII(F).

Reed offers a realistic interpretation of the business discipline required to achieve success: “Whether you are a General or a Corporal, it is your role within a formal Business Model that is pivotal”.

### **Better value for the taxpayer**

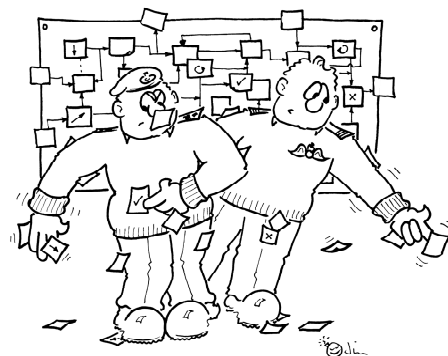
But what of the benefits being gained from the DCDC’s investment in Portfolio Management ? Already, the benefits are tangible and with significant potential to the wider Defence community: “If portfolio management is adopted as a formal business model it will overcome the silo culture, without the need for organisational change”.

Matrix-based Portfolio Management has introduced effective visibility and co-ordination; an increase in staff utilisation efficiency; an increase in scheduled output; a reduction in process overhead; a more focused workforce; accurate traceability, accountability, auditing & risk management and better value for money.

Reed points out that the model and its automation alone would not have realised these benefits, visionary leadership is also essential. He attributes much of the project’s success to sponsorship from the very top of the organisation, where Admiral Parry’s committed interest and influence enabled the cultural adoption challenges associated with such a venture to be overcome.

***“My people remain appropriately employed, valued and, above all, happy”***

So successful has been the implementation, development and use of Portfolio Management at the DCDC, that Lieutenant Commander Reed has been voted onto the supplier’s European Advisory Board. The independent Board meets regularly and hosts events sponsored by the company throughout Europe, the aim being to drive international best practice in Portfolio Management. Other Board members include senior project Directors of BP, DHL Global Logistics, Astra Zeneca, EDF Energy, Price Waterhouse Coopers, and Royal Bank of Scotland. He has also been invited to speak to industry providers and customers at international conferences in Brussels, Geneva and Austin, Texas.



***“I’m not sure what ‘portfolio management’ is, but I think we need some...”***

The vision and initiative shown by the DCDC are evidence to others in the Public Sector considering the adoption of Portfolio Management, that a value-for-money, off-the-shelf solution (such as the one supplied by PlanView), together with disciplined, leading-edge business practice can make a significant contribution to efficient output delivery and best use of taxpayers’ money.

In summarising this successful implementation, Admiral Parry concludes: “In order to make the most of our intellectual capital and resources, it was essential for us to maximise our latent potential through a disciplined approach to asset management and exploitation. The combination of networked, synthetic tools and an intuitive approach to programming allows my organisation to be highly agile in response to demand while ensuring that my people remain appropriately employed, valued and, above all, happy”.

For further information on this extremely successful implementation and its potential for further public sector use, please contact Andrew Maslakiewicz of Planview or Lieutenant Commander J H Reed of DCDC.

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