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Engineered to Work Together

Insight Impact Series

Optimize Corporate Investments in Information Technology

Prioritizing Your IT Investment Portfolio



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Results-oriented organizations know that support from IT is imperative for implementing business strategies and successfully achieving business goals. But when demand for IT support exceeds supply, organizations need a better way to determine which IT projects will bring the most value to the enterprise.

Executive Overview

Information technology (IT) plays a vital role in helping organizations in every industry achieve their business objectives. To be successful, these organizations need the goals and priorities of their IT group to reflect and be aligned with the goals and priorities of the business. Over the years, the process of prioritizing IT investment portfolios has become increasingly complex because of globally distributed teams, more-stringent governance requirements, and the need for greater transparency. Not every IT project can be funded, so how can organizations make good decisions about which projects to fund, which projects to delay, and which ones to cancel?

With a tight focus on Oracle's history of acquisitions and with the goal of reducing the company's selling, general, and administrative (SG&A) expenses, executives and managers from Oracle Finance embarked on a journey to prioritize their portfolio of IT projects so they could make better decisions about which projects to fund. Their journey would require an improved understanding of where and how funds were allocated for the internal IT investments that supported finance operations. It would also require an understanding of the financial and strategic effects that the investments would have on the company's bottom line.

From the information gathered during this effort, Oracle Finance redefined their IT project selection and management lifecycle processes. They leveraged four key tenets already being used by Oracle's business engineering groups (simplify, standardize, centralize, and automate), and they adopted Oracle's Primavera Portfolio Management to implement the new processes. The result is a highly efficient and effective IT capital investment lifecycle that spans the global lines of business.

Since the adoption of the modified processes, Oracle Finance has ensured that IT funds are allocated to projects with high strategic and financial benefits. For example, just by implementing the improved lifecycle process, the team eliminated manual and redundant activities and achieved an 80 percent gain in efficiency. In addition, greater transparency, increased oversight, and enhanced critical analysis have led to improved agility and flexibility across the organization.

FACT: Before the acquisition of Sun, Oracle Finance had a portfolio of more than 300 potential IT projects that would support automation and process improvements for their organization.



“Demand will always outstrip supply. Therefore, demand management is a crucial discipline for managing the gap between IT supply and demand.”

Hackett Group,
“Demand Management:
A Top-Priority IT Issue in 2009,”
January 2009

Industry Trends

To achieve a strategic balance between cost cutting and strategic growth, organizations continually strive to innovate and improve. They work to increase efficiency and transparency across business operations and to increase accountability for successes and failures, but the imbalance between project demand and resource supply is an ongoing challenge.

Given economic conditions that are constantly in flux, the mantra “do more with less” has been replaced with “do more—faster—and with *much* less.” As a result, decisions about funding and managing IT projects can no longer be based solely on limited analysis or gut instinct. Economic uncertainty adds to the pressure on organizations to do a better job of executing their projects—especially when the projects are new or different, or when they affect the operations of the entire company.

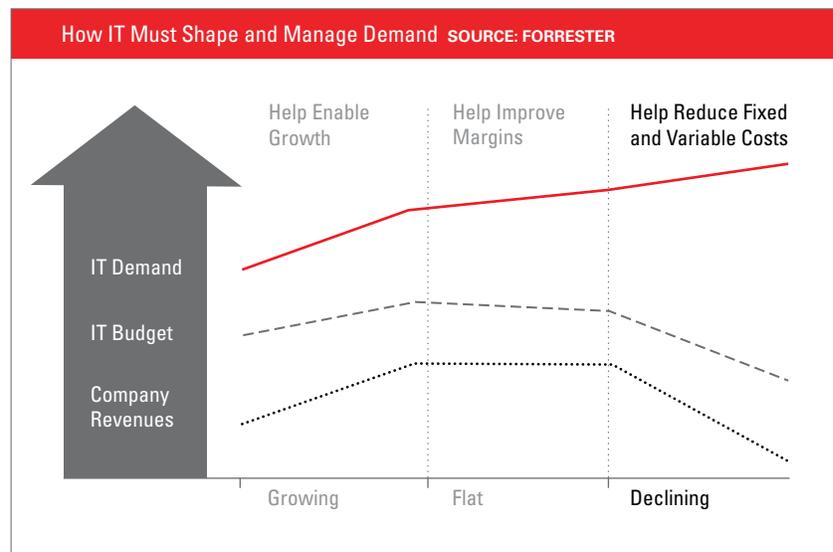


Figure 1. To ensure the best outcome for the business, organizations must manage the balance between demand for new IT projects and the supply of available resources. (Forrester, “How IT Must Shape and Manage Demand,” June 2006)

FACT: Oracle's aggressive acquisitions strategy and the organization's accompanying growth emphasized the importance of quickly connecting new employees with the IT services and support they needed to be successful in their new position.

As organizations struggle to respond quickly to fluctuating markets and changing business demands, executives are requiring more visibility and more communication about project portfolio performance. Projects that support business operations are becoming increasingly complex, and, throughout the project lifecycle, globally distributed teams require around-the-clock collaboration and coordination along with the ability to successfully navigate change.

To ensure long-term success and a healthy bottom line, organizations need streamlined project planning solutions that provide precise information about each project. Choosing the right projects and assembling the best project portfolios requires sound portfolio management and governance to effectively prioritize the projects and ensure that investments pay off.

Challenges

The Challenge of Success

For more than six years, Oracle had successfully strengthened its product offerings through the acquisition and integration of more than 60 companies. However, this successful strategy, along with a downturn in the global economy, presented a variety of challenges to the executives and managers of Oracle Finance who were responsible for managing the growing portfolio of finance IT projects.

Ideas and requests for IT projects that would support the operations of Oracle Finance came from the finance organization as well as from other groups in the company, but it was up to the finance team to decide which projects represented the best investments for the company.

Executives and managers in Oracle Finance needed an enterprisewide perspective of all the IT projects—both existing and planned—that supported the finance organization and its function throughout the company. This perspective would be possible only with an improved process for prioritizing projects that addressed these overarching challenges.

- Focus on the right IT projects for the company
- Respond effectively to the increasing demand for IT resources
- Increase the collaborative environment between stakeholders
- Manage Oracle's continued acquisitions in light of current economic conditions

"In this [volatile economic] climate, applications professionals need to be smarter than ever about their project and application portfolios, as smart moves can mean the difference between a productive year ahead and a year spent with too few resources to make a difference."

Forrester Research,
"Four Steps to Optimize
Your Application and Project
Portfolios in Volatile Economic
Times", January 2009

FACT: Starting more than 10 years ago, Oracle had IT projects that provided self-service capabilities for Oracle employees. Today, with more than 100,000 employees, 84 percent of human resource processes, 85 percent of travel planning, 78 percent of online support requests, and 100 percent of expense reporting are self-service.

ORACLE CORPORATION AT A GLANCE

Oracle provides the world's most complete, open, and integrated business software and hardware systems.

- US\$26.8 billion total GAAP revenue in FY10
- More than 370,000 customers worldwide
- More than 104,500 employees, including
 - 29,000 developers and engineers
 - 15,500 support personnel
 - 20,000 consulting experts

Oracle technologies manage information, streamline business processes, and reduce the costs and complexity of managing IT infrastructures. Starting with Oracle's flagship database software and followed by packaged enterprise applications and middleware, Oracle provides its customers with software solutions that are complete, open, and integrated.

With the addition of Sun servers, storage, SPARC, and software technologies such as Solaris, MySQL, and Java, Oracle is delivering open and integrated systems in which all the pieces—from applications to disk—are engineered to work together. Customers can choose a complete Oracle system or purchase individual hardware and software components to meet their specific needs.

The Economic Challenges

In spite of its successes, Oracle—like many other organizations—was challenged by the realities of a changing economy. In addition to addressing the steady stream of IT projects resulting from Oracle's continued acquisition strategy, the finance team needed a clear understanding of how economic conditions would affect both current and planned IT projects so they could react quickly to both internal and external forces. The organization was constrained by

- **Limited information.** Oracle Finance had visibility into internal projects already underway, but these projects were captured and reported using only spreadsheets. The spreadsheets did not provide the CFO's office with the transparency and depth of analysis needed to make fast, well-informed decisions.
- **Limited analysis.** The project selection and management process was also manually tracked with spreadsheets and was based on inconsistent processes and guidelines. A lack of standardization made it difficult for the executives in Oracle Finance to make effective decisions at the enterprise-approval level. Without a more effective way to prioritize projects, Oracle's ability to execute effective strategy was limited.
- **Limited hiring.** One of the more common outcomes of the economic downturn was the restriction on hiring. Because of this limitation, Oracle was unable to hire the additional IT resources needed to work on internal projects, and the demand for IT professionals soon outpaced the supply.
- **Limited collaboration.** Working with the Oracle IT group on projects from initiation through closure provided significant benefits. However, too often project objectives between finance and IT were misaligned, causing unclear answers to questions of project ownership, project success, and accountability.

Asking the Hard Questions

The members of the finance team quickly realized that before they could identify an innovative solution that would grow with the business, they needed to understand the specific underlying challenges and opportunities in the IT projects proposed for finance. To get this level of information, the team asked the following key questions.

Overall, how much should we invest in IT projects?

Before the acquisition of Sun, Oracle Finance had a portfolio of more than 300 potential IT projects that would support automation and process improvements, including transaction automation, compliance, self-service, data aggregation, and reporting. Each of these projects had varying degrees of stated benefits associated with it, but the team knew that identifying *potential* benefits (such as rates of return) would also help answer the question of how much to invest.

Which IT projects should we fund?

As long as demand for projects exceeds the supply of available resources, there will be internal competition for the finite pool of resources. To answer these questions, the finance team needed specific information about each project in the portfolio. Only then could it prioritize the projects intelligently.

- Which projects are mandatory and must be completed?
- Which projects are discretionary?
- What is the expected return on investment (ROI) for each project?
- What is the expected ROI for the portfolio as a whole?
- Which project offers the greatest risk-adjusted return?
- What are the underlying operational challenges for each project?

How can we ensure that the stated project benefits are realized?

Potentially, every project is important and critical. Each project proposal has merit, but not all projects can be funded. Given a limited pool of available resources, the finance team needed to ensure that the individual lines of business sponsoring the projects would be held accountable for the stated benefits they claimed.

How can we hold IT accountable for promised costs, quality, and speed?

While holding business users accountable was critical to managing the benefits of the various projects, holding IT managers accountable for the delivery of the projects was equally important. Only by ensuring that both groups kept their commitments could a project be successful.

What is the process for recommending a potentially promising IT project?

To ensure consistency in project definitions and scoring, the finance team needed to develop a single, standard process for project sponsors to use when submitting projects. In addition, management needed to require that all projects be submitted using the standard process.

How can interested individuals track the status of a project?

Employees throughout the organization wanted to be able to track the status of their project at any time. They also wanted to know where the project stood in terms of approval, priority, and schedule. The new process had to support a high level of transparency so that project stakeholders across the organization—as well as associated business partners outside the organization—could get updates on their projects.



FACT: For more than a decade, Oracle had focused on reducing operational costs as a percentage of revenue. A key strategy was to move from multiple instances to a single instance of the same planning application, including enterprise resource planning (ERP), customer relationship management (CRM), and business intelligence (BI) applications.



“Automation of the project prioritization process allowed analysis, optimization, and related metrics to be established for any investment in our portfolio and be readily available for both senior management and project management.”

Loren Mahon, Vice President,
Global Business Services, Oracle

Solutions

The team from Oracle Finance engaged the Oracle Insight team of industry and strategy experts to redefine the approach for selecting IT projects to fund. The Oracle Insight team decided to leverage the four-step framework of a strategy already being used by Oracle’s business engineering groups.

- Simplify the process. Move from the “old way” to the “best way.”
- Standardize the activities. Move from many ways to one way.
- Centralize the governance. Move from many locations to fewer locations.
- Automate all of the steps. Transition from manual to automated processes.

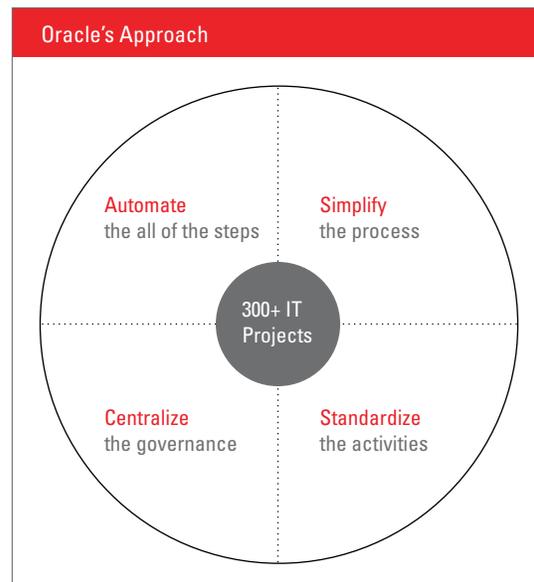


Figure 2. The Oracle Insight team used an approach for prioritizing projects that was based on the strategy being used by Oracle’s business engineering groups.

Simplify: Establish a Single Scoring Process for All Projects

Mandated Accountability

The end goal of every IT project has a direct impact on the top or bottom line, so the manager proposing a project must be held accountable for the projected benefits of the project. For example, if a manager estimates that a certain project would reduce costs by 10 percent, then the manager's budget should be reduced by that amount. Mandating this level of accountability ensures that people propose only those projects that they believe will deliver financial benefits.

Weighted Criteria for Scoring

Finance executives needed to agree on a common set of criteria and values to be used in evaluating all proposed projects. After developing a set of actionable criteria against which to judge all projects, the projects were scored and weighted against the criteria. For Oracle Finance, the criteria included business value, risk, strategic value, and mandated or legal initiatives.

Criteria	Weighted Value (percent of whole)
Business value	70
Risk	20
Strategic value	10
Mandatory/Legal	N/A

Table 1. Using the same criteria to evaluate all proposed projects helped management decide which projects to fund. The criteria were weighted to reflect the values of Oracle Finance; criteria in other organizations might be weighted differently.



A COMMON PROCESS FOR SUBMITTING PROJECT PROPOSALS

Standardizing on a common process to submit all proposals ensures that all projects have the same level of information.

STEP 1: SUBMIT PROPOSALS BASED ON BUSINESS VALUES

- Executive summary. A clear summary of the business problem addressed by the proposed project.
- Return on investment. Quantifiable benefits to the organization as a result of the successful execution of the project. Includes the estimated costs of IT applications as well as other business costs.
- Overall project score. A comprehensive view of both the quantitative and qualitative scores used to prioritize the projects.

STEP 2: APPROVE AND PRIORITIZE

- Monthly project uptake. The Project Management Office (PMO) reviews new project requests for completeness of data and then requests clarification as needed.
- Quarterly management review. The strategic process owners (SPOs) and the PMO review and prioritize new project requests.
- Quarterly review of the roadmap. The PMO updates business owners and AIT project owners about new projects and about other changes to the roadmap.

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Standardize: Enforce the Common Process for All Projects

Consistent Templates

Once the process itself was simplified, the finance team took on the recommended task of standardizing the project submission process. This task included using a consistent ROI template designed to capture project specifics at the beginning of the submission phase. The template allowed information to be more easily reported and evaluated. The final template—along with the guidelines, descriptions, criteria, and objectives for project submissions—was analyzed and agreed upon by line of business (LOB) managers.

Business Ownership of Project Proposals

Securing LOB management's commitment to deliver the financial benefits related to their projects was critical. After working with senior management to reach an agreement on the scoring criteria and weighting, the finance team established a standard process.

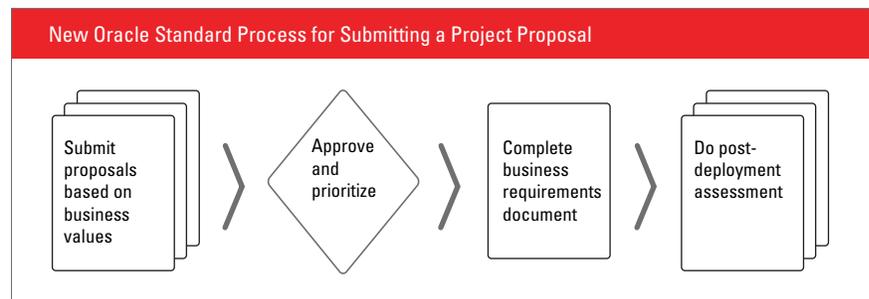


Figure 3. The steps in the new standard process for submitting a project proposal evolved with collaboration and input from Oracle Finance executives and managers as well as from LOB managers.

Centralize: Deliver Complete Transparency for Teams

One Repository for All Projects

Once projects were submitted using the standard template and process, the finance team could create a single repository of all projects so the projects could be consistently reported, compared, and analyzed across multiple dimensions.

Communication Portal

The team also developed a communication portal to make status information available to all stakeholders. The portal provided a comprehensive view of both current and planned projects included in the IT roadmap.

Automate: Institutionalize Dynamic Processes with Technology

Adopting a Portfolio Management Technology Solution

The Microsoft Excel spreadsheets being used to collect data about projects could no longer keep up with the dynamic processes needed to track the projects. In addition, the spreadsheet could not scale to accommodate the increasing number of projects. Other problems with using the spreadsheet included

- Multiple versions of the truth
- Easily manipulated data
- Low confidence in the accuracy and timeliness of the data
- Limited traceability and drill-down capabilities
- Esoteric rules and reports

To solve these problems, the finance team used Oracle's Primavera Portfolio Management. The initial setup and prioritization of projects was completed in six weeks; the entire project portfolio was fully processed in less than six months.



Figure 4. Primavera Portfolio Management offered the capabilities needed to manage the IT project portfolio for Oracle Finance.

A COMMON PROCESS FOR SUBMITTING PROJECT PROPOSALS

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STEP 3: COMPLETE BUSINESS REQUIREMENTS DOCUMENT

- Complete business requirements document (BRD) with revised business and AIT resource requirements.
- Technical feasibility review and approval. The applications and technical infrastructure teams review feasibility of solutions.
- Complete project. Solution design, build and test, user acceptance, deployment, and production.

STEP 4: DO POSTDEPLOYMENT ASSESSMENT

- Project scope and objectives. Summary of successes and failures in meeting original project objectives.
- Measurable benefits. Approach and plan for measuring immediate and ongoing benefits. (To be reviewed with department leaders and SPO.)
- Production support. Upon completion, project moved to standard production support model unless otherwise determined by project team and AIT.

FACT: Oracle customers include 20 of the top 20 retailers, 20 of the top 20 insurance companies, 20 of the top 20 pharmaceutical companies, and 20 of the top 20 automotive manufacturers.



"We also automated the project management process by replacing Excel with Oracle's Primavera Portfolio Management—a solution that was easy to deploy and helped us manage the portfolio and track benefits against goals. Today, our team uses it to hold managers accountable for delivering promised benefits."

Jeff Epstein, CFO, Oracle

Streamlining a Dynamic Process

Using the analytic dimensions that were most important to Oracle Finance and a set of key data points, the finance team created a content-rich snapshot of their portfolio of IT projects. They also created dashboards and analyses to provide the CFO and other executives with visibility across the complete portfolio. Now the finance team could quickly incorporate IT projects associated with recent acquisitions.

Fostering Confidence in Performance

Using the new application solution, project managers systematically updated project templates with current project information. That information—automatically integrated across the portfolio—provided an accurate status and increased the level of confidence in project information. Executives and stakeholders across the enterprise could use dashboards to drill down for up-to-date information, analyses, and reports.

Eliminating Esoteric Rules and Reports

The old, Excel-driven project lifecycle process limited visibility into targeted costs and execution time frames. By automating the process, making it transparent, and using the same methodology across the finance organization, the finance team was able to eliminate the collection of individual rules and reports that had slowed the process.

Using a simple, automated, online template also eliminated ambiguity and minimized the time-consuming task of aggregating project data. The template made obsolete the task of maintaining an extensive set of Excel rules for reports and analysis (a system that had become almost impossible to keep current).

FACT: 10 of the top 10 communications companies and 10 of the top 10 banks run Sun SPARC servers with Oracle Solaris.

Successfully Addressing Challenges

Using the four-step framework (simplify, standardize, centralize, and automate), the finance team implemented a portfolio management solution that addressed the challenges of creating a new process for managing IT project proposals. The table below highlights how Primavera helped with those challenges.

CHALLENGES				
	Focus on the Right Projects	Respond Effectively to Increased Demand for Resources	Increase Collaborative Environment	Manage Continued Acquisitions Through Economic Conditions
CAPABILITIES				
Simplify	Use an embedded, single scoring process for all projects	Enter data once and streamline the effort to collect relevant project data	Create role-based assignments to enable process and project governance	Implement workflow beginning with project submission, prioritization, and execution
Standardize	Use a standard project template at the front-end Web portal	Drill down to identify resources with specific skill sets	Use the same actionable scoring criteria across all projects	Use standard data for uniformity when performing impact analysis
Centralize	Access a single repository for all current and proposed projects	Identify required resources and project specifics via queries to a single repository	Keep track of key milestones with weekly, monthly, and ad hoc queries and comparative reporting	Display project portfolio with easy-to-read roadmap
Automate	Employ dynamic scenario modeling for the project portfolio that includes predictive analysis and dashboards	Access high-level resource scheduling and oversight to optimize resources	Review project status and agreed-upon scoring criteria to hold managers accountable	Get real-time access to user-defined project criteria and project portfolio

Table 2. Portfolio management software helped the team address the challenges of prioritizing IT projects for Oracle Finance.



ABOUT ORACLE'S PRIMAVERA PORTFOLIO MANAGEMENT

Oracle's Primavera Portfolio Management helps you strategically and predictably plan your investments (such as projects and programs) to give them the best opportunity for success. With Primavera, you can choose portfolios with the highest risk-adjusted returns and accurately forecast costs, schedules, and resource demands.

For more information about Oracle's Primavera Portfolio Management, visit oracle.com/primavera



“Now that the process is coming together, we see the big-picture implications, and hope to replicate this process for other parts of the organization.”

Carey Steffee, Senior Director, Finance Systems Program Management, Oracle Finance

Benefits

The finance team adopted a global portfolio governance process that was enabled by their new portfolio management solution. The benefits achieved from modifying the process of prioritizing IT projects were significant and included millions of dollars in cost savings, as well as a more agile, more resilient organization.

Overarching Challenges		Benefits
Focusing on the right projects		Greater portfolio returns
Responding effectively to increased demand for IT resources		Improved demand management process
Increasing the collaborative environment between Oracle Finance and IT		Enforced accountability
Managing continued acquisitions in light of current economic conditions		Increased agility and flexibility

Table 3. Prioritizing their IT projects helped Oracle Finance make better decisions about which projects to fund and helped them maximize the associated benefits.

Greater Portfolio Returns

Focusing on the right projects has resulted in greater returns that are realized faster. Projects that the process identified and scored as “high” have a projected ROI that is 2.8 times greater than projects scored as “medium.” Finance executives can view projects comprehensively by portfolio type, and then measure the progress of the project against a variety of evaluation criteria. For example, by comparing the ROI of the “high” projects with the next tier of projects (scored as “medium”), finance executives could focus on projects with a higher ROI.

The Shift from Reporting to Analysis

Reports from the project portfolio have evolved from flat reports to multidimensional analyses. For example

- Static, history-based reports have now become automated preproject and postproject ROI comparisons with predictive analyses that include project and portfolio metrics displayed on management dashboards
- Scenario planning uses multidimensional analysis capabilities that are available in real time and offer easy-to-use “what-if” analysis

Reports identify the progress of projects using exceptions, trends, and predictive indicators. The ability to analyze alternative scenarios side by side helps narrow options for key finance processes. For example, side-by-side analysis is extremely helpful for comparing the benefits of outsourcing specific business activities to the benefits of keeping those activities in-house

Better Data, Better Decisions

Decisions made across the IT project portfolio are based on the data collected from each project. The centralized, standardized, and consistent process of analyzing project information increases stakeholder confidence in the data. Analysts can use real-time data for their analyses and reduce their reliance on manually transcribed data.

Improved Cost Management

The previous process for managing IT investments and projects was based on exchanging static spreadsheets sent by e-mail. By reducing cumbersome collaborations and iterative spreadsheet updates significantly improves efficiency and effectiveness across the organization. Oracle Finance realized an 80 percent reduction in the time spent crunching numbers. (The time savings have been reallocated to additional scenario planning and strategic analysis of the portfolio.)

Maximized Synergies from Acquisitions

Oracle Finance and the IT group could reasonably predict how integrating Sun into Oracle would affect internal projects—both those that were being planned and those already underway. The roadmap functioned as a baseline from which analysts could easily identify, assess, reconcile, and integrate the Sun IT acquisition initiatives.

Based on this information, Oracle Finance adjusted its plan and—taking advantage of available synergies—combined some of the IT projects. For example, Oracle created a single, simplified process for ordering both software and hardware.



UPDATING THE PROCESS: BENEFITS AT A GLANCE

- Projects scored as “high” had a projected ROI that was 2.8 times greater than projects that were scored as “medium.”
- More than 90 percent of the IT projects for Oracle met or exceeded financial projections.
- One of the most significant efficiencies of the IT optimization study was that fewer resources were assigned to low-value projects.
- After the new project selection process was implemented, the average return for projects ranged from 5 to 9 times the investment.
- With the new project selection process, gathering project data was 80 percent more efficient.

FACT: After developing a new process for selecting which projects to fund, the team from Oracle Finance reports that more than 90 percent of the projects in the IT project portfolio meet or exceed their financial projections.



“The Oracle Insight team not only solved our immediate portfolio prioritization challenge, but it also put in place a sustainable process that will add a great deal of value to Oracle Finance this year and for many years to come.”

Jeff Epstein, CFO, Oracle

Improved Demand Management Process

By creating a process for prioritizing IT projects, the finance team could better manage how resources were assigned. With the new process, the team could assign the most highly skilled IT professionals to the most critical projects, further ensuring the chances of delivering selected projects successfully.

Fewer Mandatory Projects

Before the revised process was implemented, IT projects had initially been identified either as mandatory or nonmandatory (discretionary). This legacy activity allowed approximately 50 percent of the projects to be identified as mandatory and to remain in the portfolio. Since the adoption of more-consistent scoring criteria, the number of truly mandatory projects has decreased significantly.

All Projects on the Roadmap

Today, 100 percent of the IT projects for Oracle Finance are on the IT project portfolio roadmap, providing complete visibility into the use of resources across the organization. Consistent, comprehensive investment information is captured for every project, offering improved transparency. The roadmap shows projects and priorities through an online portal that is accessible to all stakeholders. The portal offers drill-down capabilities that provide transparency using evaluation criteria such as ROI or resource utilization rates. Users can also do comparisons with other projects.

Enforced Accountability

Enforced accountability enables a more collaborative environment for Oracle Finance and the IT group. Portfolio performance is reviewed against the evaluation criteria on a quarterly basis to ensure that each project continues its progress toward established targets. Increased accountability—both for business owners and for the IT group—was a driving factor for prioritizing the IT project portfolio in Oracle Finance, and the accountability has paid off: More than 90 percent of the projects in the finance IT portfolio now meet or exceed financial projections.

Delay or Cancel Low-Performing Projects

Every quarter, projects are evaluated against other projects in the portfolio. If a particular project is not meeting its IT or business benefits milestones, it may be re-evaluated and reprioritized.

Increased Agility and Flexibility

Understanding the impact of current and planned IT operations lets Oracle Finance react quickly to internal and external forces such as acquisitions or changes in economic conditions. The new process and the Oracle Finance and IT roadmap give Oracle Finance more information about the most important IT projects, and they help finance executives make quick decisions about where to dedicate limited resources and funding.

For example, quickly and effectively integrating acquired assets is critical to Oracle's continued growth. With the Sun acquisition, Oracle Finance was able to quickly integrate Sun projects into the IT project portfolio. They could then recalculate project priorities with confidence, knowing that their decisions were made with complete and up-to-date information.



ABOUT ORACLE INSIGHT

The Oracle Insight program brings Oracle's deep industry experience, technical skills, and extensive knowledge of business and IT issues directly to customers in a one-on-one, collaborative setting.

Through Oracle Insight, Oracle helps customers identify the critical objectives and challenges for their unique business needs and understand how technology can address them.

For more information, visit oracle.com/insight

FACT: The entire process of changing how Oracle Finance selected IT projects to fund and implementing the technology took six months from beginning to launch.

PRIORITIZING IT PROJECTS: PROCESS HIGHLIGHTS

- Initially reviewed more than 300 finance IT projects; continued to review approximately 300 projects per quarter.
- Involved Oracle Insight for a six-week engagement. (Oracle Insight is a complimentary service for Oracle customers.)
- Secured executive alignment around scoring of projects.
 - Created a standard template based on ROI.
 - Created a project scoring template that identified ROI, risk, strategic value, and other criteria.
- Wrote business requirements documents.
- Scored, prioritized, and scheduled all projects. (Some project scores were modified when reviewed by the teams.)
- Used Primavera Portfolio Management to manage the project portfolio.
- Completed process (including implementation of technology) in six months from beginning to launch.

Conclusion

By systematically addressing the challenges of implementing their IT projects, the executives and managers from Oracle Finance were able to create a sustainable and consistent process that helped them prioritize their internal IT project portfolio and make well-informed decisions about which projects to fund. The team from Oracle Finance used Oracle's Primavera Portfolio Management to simplify, standardize, centralize, and automate the process of prioritizing projects. The team was also able to

- Adopt strategy-based governance
- Plan capacity expectations and set benefit expectations
- Build and prioritize business cases
- Conduct dynamic portfolio analysis
- Evaluate alternatives to confirm decisions
- Propose, prioritize, and select new project investments
- Execute the plan to target
- Drive organizational transparency
- Ensure accountability for targeted benefits

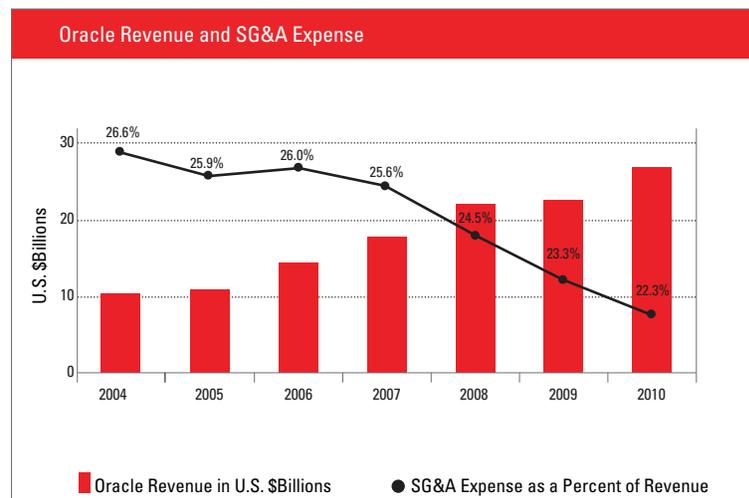


Figure 5. After Oracle Finance updated the process of prioritizing its internal IT projects, Oracle's SG&A expenses decreased—even though company revenues increased.

By improving the process of prioritizing IT projects, Oracle Finance was able to make sure that only those projects that met operational and strategic criteria were selected for funding. This resulted in improved transparency and enforced accountability, which helped drive increased ROI and a more effective use of resources across the portfolio.



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