SAP Solution in Detail
SAP Product Lifecycle Management

SAP® PORTFOLIO AND PROJECT MANAGEMENT

PLAN WELL AND MANAGE EFFICIENTLY WITHIN BUDGET AND ON TIME

Profitable product and service development in today's market depends on maximum leverage of resources and minimum time to market. The SAP® Portfolio and Project Management application can help you invest the right resources in the right projects to advance your strategies – while completing quality work on schedule and within budget. With this application, you can synchronize portfolio and project management with corporate strategy; monitor performance; and analyze activities, costs, and risks. The application helps keep you on track downstream in the product lifecycle as well and collects feedback to power future innovation initiatives.

THE BEST-RUN BUSINESSES RUN SAP™

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CLARIFY PORTFOLIO STRATEGY AND STREAMLINE PROJECT PROCESSES

INTEGRATING FOR SPEED AND RELIABILITY

In this volatile business climate, enterprises in all industries ultimately face the challenge of responding to a market evolving at Internet speed with resources bound to old-fashioned clocks. You need to choose among a wealth of available initiatives and pursue the right projects to advance your strategies. And you must manage each chosen project tightly – to optimize use of cash reserves, capital assets, and human talents, and to speed delivery of new offerings to seize fast-moving opportunities. Companies everywhere need software solutions that provide solid management methods for controlling projects, refining processes, managing portfolios, and monitoring performance. When you can reliably monitor and quickly adjust ongoing projects, you can complete them in less time and with lower cost. At the same time, you can improve the quality of the assets and goods you create or the services you offer.

With the SAP® Portfolio and Project Management application, you can efficiently synchronize your strategic and operational portfolio and project management goals. You gain a highly integrated solution combining portfolio management, project management, and resource management, along with reliable performance monitoring and flexible analytics.

Track Processes, Products, and Services Across the Lifecycle

With SAP Portfolio and Project Management, you can define and display portfolios composed of a wide range of content types – including product innovations, value-added services, capital assets, and technology initiatives. You have direct control of your projects, processes, products, and services, so that you can make sure they continue to contribute optimally to the corporate bottom line as they evolve. You have a rich overview of the entire lifecycle and visibility into the status, trends, and key financial indicators related to each task.

Furthermore, the application makes it easier for you to standardize and improve your project management activities, thus ultimately reducing your administrative overhead and system costs. Figure 1 illustrates an example portfolio dashboard detailing the status of various tasks along the dimensions of budget, schedule, and staffing.

You can implement SAP Portfolio and Project Management as a stand-alone application or integrated with your existing SAP or non-SAP back-office software. Because the application offers standardized interfaces to the SAP ERP application, you can use the combination for plant maintenance, accounting, human capital management, and document management.

Build Better Products and Services in a Strong Framework

In addition to planning, executing, and controlling the portfolio and project management processes crucial to your success, you can manage projects that are structured in phases. Helpful templates let you address a wide variety of portfolios, such as those consisting of capital projects, product development efforts, customer-facing services, IT initiatives, and investment proposals.

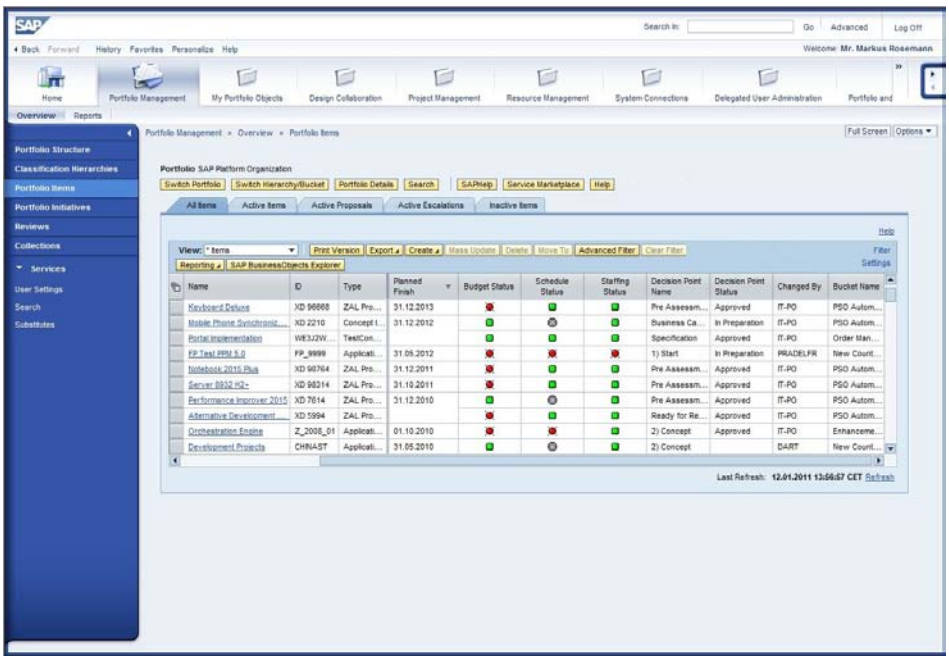

Figure 1: Sample Status Report on Project Tasks

MONITOR PORTFOLIOS, PROJECTS, RESOURCES, AND ANALYSIS

PLANNING FOR SUCCESS IN ANY INDUSTRY

Companies are reporting multiple benefits from implementing SAP Portfolio and Project Management in industries as diverse as utilities, oil and gas, engineering and construction, automotive manufacturing, pharmaceuticals, banking, and the public sector. Three typical scenarios further illustrate the breadth of the application:

- **Product development**, for optimizing strategic resource allocation and financial management in the innovation process and analyzing the impact of product innovation investments on overall business performance
- **IT portfolio management**, for making well-calibrated investments in the most promising IT solutions, monitoring portfolio performance for agility and speed, and significantly reducing operating costs through efficient resource allocation and sourcing
- **Capital portfolio and project management**, for assessing risks in investment opportunities, setting priorities among initiatives, and governing the execution of projects

Figures 2 and 3 summarize the features of the application. Across all industries, you can perform four principal activities: portfolio management, resource management, project management, and analysis using dashboards.

Manage Your Portfolio	Manage Your Resources	Increase Visibility	Track Execution	Provide Decision Support
▪ Flexible portfolio hierarchies ▪ Portfolio items ▪ Versioning ▪ Change documents ▪ Portfolio dashboard ▪ Dependencies between items	▪ Strategic financial resource distribution ▪ Strategic resource demand planning ▪ Project demand generation ▪ Staffing via fast-entry screen ▪ Extended resource search and staffing	▪ Portfolio dashboards ▪ Portfolio analytics ▪ Financial reporting cockpit ▪ Date and role synchronization	▪ Phase and gate process management ▪ Phase and decision point dashboard ▪ Checklist items	▪ Fact sheet for portfolio items and initiatives ▪ Portfolio reviews ▪ What-if scenarios ▪ Questionnaires ▪ Scoring models

Figure 2: Portfolio Management Features of SAP® Portfolio and Project Management

Manage Your Projects	Manage Your Resources	Increase Visibility	Execute and Track Your Projects	Use Best-Practice Scenarios
▪ Multiproject monitor ▪ Multiproject filter ▪ Project templates ▪ Gantt diagram	▪ Resource charts ▪ Vacant role search ▪ Staffing based on availability of resources	▪ Microsoft Project integration ▪ Project roles ▪ Comprehensive authorization ▪ Web interfaces ▪ Object links for roles	▪ Status reports and versions ▪ Approval-protected phase gates ▪ Integration of cross-application time sheet ▪ Task confirmation	▪ Six Sigma support ▪ Advanced product quality planning ▪ Milestones

Figure 3: Project Management Features of SAP® Portfolio and Project Management

Portfolio Management

Portfolio management forms the strategic and operational cornerstone of what you can do with the application, facilitating tighter control of projects, processes, products, and services. Through the real-time integration of data from software supporting project management, HR, and financial processes, you have a quick and reliable overview of your entire product portfolio in a few keystrokes. You can readily gauge resource utilization and make informed decisions to promote optimal distribution of valuable assets among offerings in a portfolio or among portfolios.

Resource Management

Resource management is an important planning tool for boosting effective utilization of all your human, capital, and equipment assets. This function particularly supports efficient resource deployment, helping you assign resources to projects or initiatives in accordance with needs, qualifications, and availability.

Project Management

The project management functionality enables you to plan, implement, and control project processes across your enterprise. It supports structuring, scheduling, and visualization, as well as operational and financial planning and execution.

In this volatile business climate, enterprises in all industries ultimately face the challenge of responding to a market evolving at Internet speed with resources bound to old-fashioned clocks. You need to choose among a wealth of available initiatives and pursue the right projects to advance your strategies. And you must manage each chosen project tightly – to optimize use of cash reserves, capital assets, and human talents, and to speed delivery of new offerings to seize fast-moving opportunities.

Analysis Using Dashboards

Sophisticated reporting and flexible dashboards in the application help you keep a close eye on all activities, through a detailed view for field managers and a summary view for top executives. Among available displays are those for drilling down to the project status and comparing planned and actual budgets and deadlines. Dashboards in SAP Portfolio and Project Management facilitate staffing tasks and cost and risk analysis and support earned value management by helping you calculate expected commercial value.

TARGET YOUR INVESTMENTS FOR MAXIMUM PROFIT

GETTING THE MOST FROM PRECIOUS RESOURCES

You no doubt already recognize the optimal use of resources as a requirement for success when planning investments. SAP Portfolio and Project Management helps you satisfy this requirement by synchronizing your ongoing activities and project budgets with your corporate objectives, so that you use all capital and human resources available across your value chain to greatest advantage. The benefits include:

- **Decision support** through real-time monitoring of business performance that highlights opportunities and lets you make sound choices more quickly
- **Integration** with SAP ERP, the SAP NetWeaver® technology platform, and multiple non-SAP solutions, so you can quickly view the current costs, forecasts, and baselines for an entire portfolio
- **Rich context** in the business context viewer illustrated in Figure 4, which includes overviews of available resources and related data within the embedded analytics
- **Agility** to adapt your business processes to evolving market demands, through a data and process model that builds in scalability
- **Risk mitigation** via flexible modeling of compliance requirements, standards, and best practices, which preserves your ability to react nimbly to regulatory changes

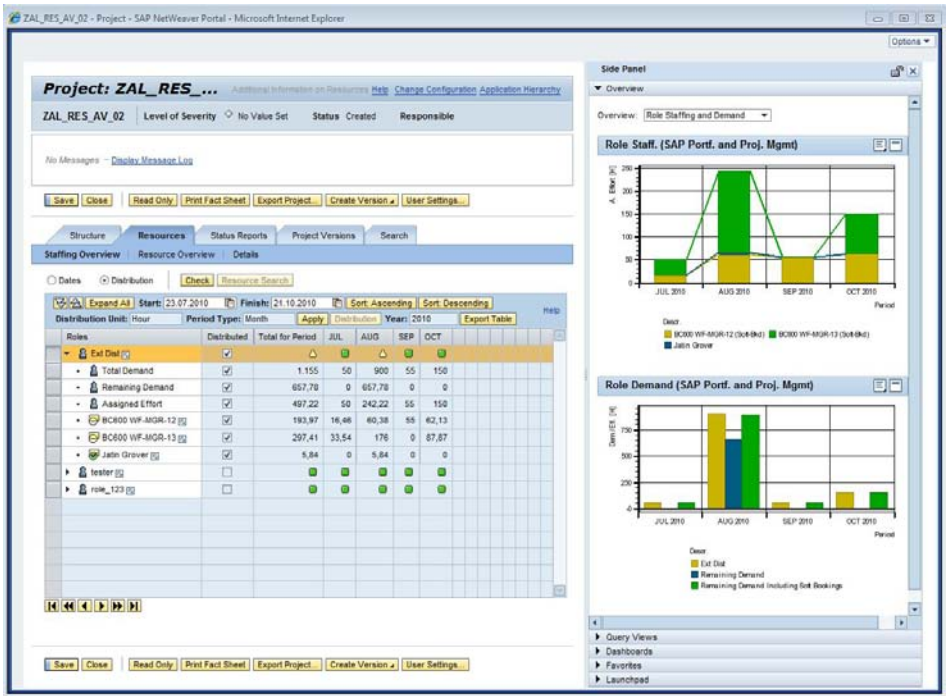

Figure 4: Business Context Viewer for Resource Management

Help Ensure Timeliness and Affordability

SAP Portfolio and Project Management helps you achieve transparency across all projects in each portfolio and all activities in each project, including cross-project collaboration with internal and external parties. This breadth and depth of visibility gives you an end-to-end overview of project performance against which to fine-tune project coordination and resource allocation. A number of key factors contribute to helping you reach your goals on time and within budget:

- **Integration** of project management with business processes such as development, manufacturing, and purchasing improves your operational efficiency.
- **Scalability** of the software components lets you use a wide range of workflows in several languages and helps ensure adaptability as your organization grows and diversifies.
- **Progress monitoring** facilitates project tracking in real time and helps pinpoint the right moment to correct your course to avoid cost and time overruns.

LEAD WITH WELL-INFORMED PROJECT INTEGRATION

SYNCHRONIZING DATA

Effective portfolio management clearly requires a holistic view across all relevant project information in your ecosystem. This overview should include information from back-office enterprise resource planning software supporting processes for financial operations and management of human capital, materials, and assets, along with relevant external applications.

In the past, companies like yours have been forced to rely on manual processes or point-to-point integration solutions to aggregate information held in the disparate applications that glued your ecosystem together. Those solutions simply replicated data among applications rather than addressing what we now view as a requirement for end-to-end business process integration. In response, the SAP software supports best practices gained from thousands of projects with a single, rapidly deployable, user-friendly, integrated solution.

Synchronize Even External Information from Start to Finish

It's true that schedulers and planners often select non-SAP project management applications – for example, Oracle Corporation's Primavera P6 – for use within the portfolio and project management lifecycle. But their preferences in no way limit your ability to implement efficient processes across the ecosystem. With the SAP Enterprise Project Connection application, a separately licensed product, you can freely exchange project data among these external applications, SAP ERP, and SAP Portfolio and Project Management. This exchange provides timely, in-context analytics on which you can base strategic and tactical decisions.

The benefits of implementing SAP Enterprise Project Connection with SAP Portfolio and Project Management include:

- **Reduction in administrative overhead**, due to automatic synchronization of externally prepared project information, which bypasses costly errors and delays associated with manual data entry
- **Lower total cost of ownership**, through customizable processes specifically designed for integrated enterprise project management environments to replace hard-to-maintain point-to-point solutions
- **Timely, accurate, effective planning and scheduling** based on information-powered project integration that enables you to view key metrics on demand across the value chain

With SAP Portfolio and Project Management, you can define and display portfolios composed of a wide range of content types – including product innovations, value-added services, capital assets, and technology initiatives. You have direct control of your projects, processes, products, and services, so that you can make sure they continue to contribute optimally to the corporate bottom line as they evolve. You have a rich overview of the entire lifecycle.

TALLY THE BUSINESS BENEFITS

THE CASE FOR SAP PORTFOLIO AND PROJECT MANAGEMENT

No matter what industry you operate in or what kinds of products and services you provide, you can gain the following benefits:

- A single integrated solution for project and portfolio management across all businesses and functions in your enterprise
- Reliable visibility into actionable information from any level, from executive summaries through portfolio outlines to project activities
- Reduced total cost of ownership through integration with SAP and third-party applications
- Improved efficiency using dashboards and comprehensive benchmarking against key performance indicators to help you ensure that projects are completed as planned

For More Information

To find out more about controlling projects, refining processes, managing portfolios, and monitoring performance with the SAP Portfolio and Project Management application, call your SAP representative or visit us on the Web at www.sap.com/solutions/business-suite/plm/portfolio-and-project-management-software/index.epx.

Companies are reporting multiple benefits from implementing SAP Portfolio and Project Management in industries as diverse as utilities, oil and gas, engineering and construction, automotive manufacturing, pharmaceuticals, banking, and the public sector.

QUICK FACTS

www.sap.com/contactsap

Summary

To implement an effective enterprise portfolio and project management strategy, you must align product and service portfolios with your vision and initiate new projects where you find discrepancies. And you must underpin decisions to take action with reliable analytics and integrated processes that support quality work on time and within budget. The SAP® Portfolio and Project Management application helps you address these challenges.

Business Challenges

- Synchronize portfolio and project activities with enterprise strategy
- Choose the most profitable initiatives to execute
- Integrate existing portfolio and project management processes to minimize manual data entry
- Maintain a single overview of project tasks to control schedule and budget
- Be ready to adapt nimbly to market changes and corporate growth and diversification

Key Features

- **Portfolio management** – Integrate information from project management, HR, and accounting to analyze resource requirements in portfolios
- **Resource management** – Assign resources among initiatives to match needs to availability and features or qualifications
- **Project management** – Plan, implement, and monitor project processes for effective operational and financial execution across the value chain
- **Analytics** – Use dashboards to display detailed and summary views, including drill-down status reports and comparisons of planned and actual costs and timelines

Business Benefits

- **Enhanced efficiency** through process integration, which helps ensure maximum continuity among functions and best enterprise performance
- **Improved decision support** based on powerful analytics drawn from a comprehensive real-time view of current portfolios and projects
- **Tighter risk mitigation** through flexibility to adjust operations to changing client demand and government and industry regulations
- **Adaptability** through scalable processes that smoothly accommodate changes in volume and direction

For More Information

Call your SAP representative, or visit us on the Web at www.sap.com/solutions/business-suite/plm/portfolio-and-project-management-software/index.epx.

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