SAP Portfolio and Project Management
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Business Challenges when Running Projects

Pain Points
- Lack of insight into project pipeline
- Decision making process is not transparent
- Limited project resources
- Inaccurate project / resource forecasts
- Lack of focused resources on high-value projects
- Lack of project / capacity visibility
- Missing cost control and plan profitability on a portfolio level

Goals and Needs
- Reduction of project failure rate
- Align projects with portfolio strategy
- Portfolio-based decision making support for new projects
- Monitoring of running projects on a portfolio level
Agenda

Enterprise Project Portfolio Management
  • Overview and Processes

SAP Portfolio and Project Management 5.0
  • Current Status and Enhancements

SAP Enterprise Project Connection
  • Current Status and Enhancements

SAP Rapid-deployment of Portfolio and Project Management
Enterprise Project Portfolio Management

Overview and Processes
Enterprise Portfolio and Project Management by SAP

Manage and monitor the portfolio & programs
Portfolio Level

Project management and execution
Project Level

Core enterprise processes & activities
Operations - Level

Enterprise Portfolio and Project Management

SAP Project Mgmt

Initiate

Portfolio Management

Aggregate

Portfolio Analytics

Logistics
- PP
- MM

Resources
- HR
- Time

Financial data
- Project System
- FI/CO
SAP Project Portfolio Management – building blocks from SAP

**Portfolio Management**

**Objective**
Optimal portfolio decisions and project execution, align project portfolio to support growth and strategy

**Best practice solution**
Assess investment opportunities regarding risk and priorities and govern the execution of the projects

**Project Management**

**Objective**
Efficient delivery of high quality projects in time, budget and scope

**Best practice solution**
Execute in a consistent way that ensures that expectations for quality, timeliness and costs are met, or even exceeded

**Resource Management**

**Objective**
Effectively allocate resources to projects

**Best practice solution**
Drive optimization of the talent supply chain through superior planning, execution and alignment of demand with supply

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Typical Scenarios for Advanced PPM

**Capital**

- Manage and control enterprise wide, project related investments
  - Process, Utilities, Oil & Gas, Mining
  - Modifications of Assets; “Greenfield projects”, etc.

**Innovation**

- Optimize strategic resource & financial management of the innovation process
  - Consumer Products, High Tech, R&D in General
  - Innovation Pipe, Resource planning, Budget allocation

**IT**

- Help IT organizations to align activities & resources with business strategy
  - All industries
  - Demand- and Resource Mgmt., PMO-Support, etc.

- Alignment of capital / operational spend and strategic intent
- Effective stage/gate control for projects
- Auditable planning and budgeting process
- Early identification of opportunities, bottlenecks and risks
- Improved visibility and management of the portfolio
- Link between business case and actual spend
- Agile process of reviewing and adapting the portfolio

Selection of customers case studies, presented during Sapphire 2005 - 2007
SAP Portfolio and Project Management
Value Proposition

**Long Term Planning**

*Initial Situation*
- Customer uses SAP PS for project planning and execution
- No visibility of the project proposals and their resource demand
- Long-Term planning and operational execution not aligned

*Solution Approach*
- SAP PPM for long term planning of the project pipeline
- Long Term Planning for optimizing capital, resources, risk
- Synchronize and automate long term planning and execution

**Project and Investment Controlling**

*Initial Situation*
- SAP ERP for (project) accounting, resource data
- Manual reporting from one or multiple sources with high effort
- No or limited visibility into KPI’s and ongoing projects

*Solution Approach*
- Monitor the investment approval process with SAP PPM
- Provide real-time visibility into Portfolio and Project status
- Consolidate the portfolio view from one or multiple systems

**Project Planning and Execution**

*Initial Situation*
- Project execution disconnected from Enterprise Systems
- No reliable status information regarding timeline, scope, costs
- No integration between project plans and operations (Procurement, HR, Logistics, Maintenance)

*Solution Approach*
- SAP ERP Operations (PS) for project planning and execution
- SAP PPM for execution if low- to medium integration required
- SAP ERP if a non-SAP PM Tool (Primavera) should be used

**Resource Management**

*Initial Situation*
- SAP PS for capacity planning (based on work centres)
- Resource planning for single resources needed
- Long-Term visibility of upcoming resource demand critical

*Solution Approach*
- Derive long-term resource demand from the portfolio plan
- Plan Resource demand with SAP PPM
- Match demand and resources based on availabilities, skills, etc.

* plus: SAP Human Capital Management, SAP MRS / SAP Workforce Scheduling by ClickSoftware
Which components for which Use Case?

Use Case 1
Phase-driven Project Planning and Execution

Use Case 2
Phase-drive Project Planning, Execution and Controlling

Use Case 3
Planning, Execution and Controlling of complex project-based processes
Use Case 1
Phase-driven Project Planning and Execution

Components
• SAP Portfolio and Project Management

Requirements
• Manage Goals, Schedule and Responsibilities
• Clearly defined standards in Project Management
• Cross-organizational Resource Management
• Low integration into Logistics and Financial Controlling required

Typical Scenarios
• NPDl-Projects e.g. in Automotive, Media, Consumer Product or High Tech
• Focus on Deliverables (typical project size <= 500 project elements*)

*) using multiproject management capabilities for larger projects
Use Case 2
Phase-drive Project Planning, Execution and Controlling

Components
- SAP Portfolio and Project Management
- SAP Project System for Controlling

Requirements
- Project Management as in Use Case 1 + Project Controlling based on SAP Project System
- Cost Calculation based on Project Resource Planning
- Monitor Project Financials directly in Project Management UI
- Low integration into Logistics required

Typical Scenarios
- Professional Service Projects focusing on Resource Planning
- IT projects
- Product Development or Consulting projects requiring a hierarchical cost controlling
Use Case 3
Planning, Execution and Controlling of complex project-based processes

Components

• SAP Project System
• SAP Portfolio and Project Management (for Portfolio Monitoring)

Requirements

Hierarchical Project Controlling

• Support of different types of Cost and Revenue Planning
• Hierarchical Budgeting and integrated checks
• Project specific planning and controlling of payments
• Milestone and Resource-related Billing
Use Case 3
Planning, Execution and Controlling of complex project-based processes

Requirements

Logistics Integration
- Capacity Planning based on work centers
- Integration scenarios for maintenance projects
- Integration into procurement processes in purchasing and production
- Support of project specific stock and material valuation

Typical Scenarios
- Investment and Controlling projects without detailed schedule and resource planning
- Customer specific development or construction projects
- Capital Projects
- Maintenance Projects
- Professional Service projects focusing on controlling and sales integration
SAP Portfolio and Project Management 5.0

Current status and enhancements
## SAP Portfolio and Project Management

### Portfolio Management

<table>
<thead>
<tr>
<th>Manage Your Portfolio</th>
<th>Manage Your Resources</th>
<th>Increase Visibility</th>
<th>Execution Tracking</th>
<th>Decision Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible Portfolio Hierarchies</td>
<td>Strategic Financial Resource Distribution</td>
<td>Portfolio Dashboards</td>
<td>Phase and Gate Process Management</td>
<td>Fact Sheet for Portfolio Item and Initiative</td>
</tr>
<tr>
<td>Portfolio Items</td>
<td>Strategic Resource Demand Planning</td>
<td>Portfolio Analytics</td>
<td>Phase and Decision Point Dashboard</td>
<td>Portfolio Reviews</td>
</tr>
<tr>
<td>Versioning</td>
<td>Project Demand generation</td>
<td>Financial Reporting Cockpit</td>
<td>Checklist Item</td>
<td>What-If Scenarios</td>
</tr>
<tr>
<td>Change Documents</td>
<td>Staffing via Fast-Entry Screen</td>
<td>Date and Role Synchronization</td>
<td></td>
<td>Questionnaires</td>
</tr>
<tr>
<td>Portfolio Dashboard</td>
<td>Extended Resource Search and Staffing</td>
<td></td>
<td></td>
<td>Scoring Models</td>
</tr>
<tr>
<td>Dependencies Between Items</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manage Your Projects</td>
<td>Manage Your Resources</td>
<td>Increase Visibility</td>
<td>Execute and Track your Projects</td>
<td>Best Practice Scenarios</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>----------------------------------------------------------------</td>
<td>--------------------------------------------------------------</td>
<td>-----------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>Multi-Project Monitor</td>
<td>Resource Charts</td>
<td>Integration</td>
<td>Status Reports and Versions</td>
<td>Six Sigma Support</td>
</tr>
<tr>
<td>Multi-Project Filter</td>
<td>Vacant Role Search</td>
<td>Microsoft Project Integration</td>
<td>Approval Protected Phase Gates</td>
<td>Advanced Product Quality Planning (APQP)</td>
</tr>
<tr>
<td>Project Templates</td>
<td>Availability Sensitive Staffing</td>
<td>Project Roles</td>
<td>CATS Integration</td>
<td>Milesstones</td>
</tr>
<tr>
<td>Gantt Diagram</td>
<td></td>
<td>Comprehensive Authorization</td>
<td>Task Confirmation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Web Interfaces</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Object Links for Roles</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Increase Visibility
- Integration
- Microsoft Project Integration
- Project Roles
- Comprehensive Authorization
- Web Interfaces
- Object Links for Roles

Execute and Track your Projects
- Status Reports and Versions
- Approval Protected Phase Gates
- CATS Integration
- Task Confirmation

Best Practice Scenarios
- Six Sigma Support
- Advanced Product Quality Planning (APQP)
- Milesstones
SAP Portfolio and Project Management 5.0

User Interface
- Harmonized UI for SAP Portfolio and Project Management
- New navigation
- Usage of Floor Plan Manager
- Additional views on portfolios (classification)

Portfolio Management
- Financial planning enhancements
- Process change
- Usability improvements
- Version comparison in graphic

Project Management
- Simplification of task confirmation
- Consolidated resource views
- Usability improvements
- Object links to (available with SAP ERP 6.0 EhP 5)
  - SAP Project System Project
  - Material, …
- Extended Financial Mapping

Integration
Easier and faster navigation

- Alignment of technology stack to ABAP Web Dynpro
- Usage of standard floor plan-based User Interface; same look and feel in portfolio and in project Management
- Usage in SAP NetWeaver Portal or in SAP NetWeaver Business Client
- New Navigation Paradigm: Object details open in a new window for easier comparison of two objects
Configuration Options

- Toolbar and You Can Also area configurable via customizing
- Header fields configurable as in SAP RPM 4.5
- Tabs configurable in Customizing (add, hide, change sequence)
  - Modify field labels and captions
  - Hide fields
  - Set to mandatory or read-only
- Add custom fields to dedicated area General Data or Additional Data tab
Overview Functional Enhancements SAP PPM 5.0

Capital Project Portfolio Management
- Financial Planning and Integration
- Transfer Budget
- Enhanced Mapping Scenarios between Portfolio and operational Project Management Systems

Resource Management
- Enhanced Selection Criteria for Fast Entry Screens
- Assign Capacity to Buckets
- Reporting in Project Management: Compare Actual Times (from CATS) to planned values

Cross Topics
- Business Objects Explorer Integration for Portfolio and Project Dashboards
- Enhanced Excel Import: Create Portfolios, Buckets and Projects
- Document Check in/Checkout
- Easy Create Version
SAP Enterprise Project Connection

Status and Update
Enterprise Portfolio and Project Management
3rd party scheduling tool integration

Portfolio Management
- Define Strategy
- Identify Opportunities
- Analyze Risk and Rank Opportunities
- Create and Approve Budgets
- Initiate Project
- Monitor Portfolio

Project Management
- Structure Project
- Plan Resources, Cost Assign Budget
- Procure Materials and Services
- Collect Actuals
- Monitor Project

Scheduling tool
- Establish Master Schedule Structure
- Detailed Activity List and Resource Planning
- Scheduling, Resource Allocation, and Levelling
- Status and Progress Updating
- Tracking and Monitoring

SAP Enterprise Project Connection
"realtime"
SOA Logix Acquisition

Project and Portfolio Management is not about the best Gantt chart, but about informed decision making, for which access is required to all of the pertinent project data - in context

SAP acquired SOALogix in December 2009 to provide the integration to Primavera and SAP Project System and SAP Plant Maintenance

Embedded integration capabilities of the SOALogix allow SAP customers to more effectively manage the full portfolio of projects via a ‘true’ bi-directional synchronization with Primavera.

SAP Enterprise Project Connection name for the SOALogix’ product formerly known as Confero EPM

Right Information, Right People, Right Systems, Right Time, Right Decisions
Solution Overview
Static Project Management

Manual entry of project data creates issues with:
- Timeliness
- Accuracy
- Incomplete information

Lack of automation/integration between applications
- No single source of truth
- Unproductive human intervention in planning/scheduling process
- Delayed visibility into project and schedule cost variances
- Insufficient insight into resource availability and utilization
Solution Overview
Dynamic Project Management

Automated “in-context” bi-directional interface

- Built-in “best practice” project management methodologies
- Eliminates double data entry and data entry errors
- Establishes single source of truth in critical ERP backend
- Enables timely and accurate reporting
- Reduces the risk of major schedule and cost variances
- Creates platform for efficient resource management

SAP Enterprise Project Connection

Operational Project Management
- Operational Resource Management
- Planning
- Scheduling
- Execution
- Billing
- Monitoring
- Multilevel Controlling

Project System / Plant Maintenance
- Project Management
- Resource Scheduling

Integrate
## Solution Overview

### Solution highlights

<table>
<thead>
<tr>
<th>Out-of-the-box integration for SAP applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-built for SAP PM &amp; SAP PS</td>
</tr>
</tbody>
</table>

**Open architecture**
- Leverages Service Oriented Architecture
- “Information-driven”
- Powered by SAP NetWeaver

**PPM integration best practices**
- Years of PPM integration experience “baked in”
- Broad Fortune 100 customer successes

### Key benefits

- Complete and timely information in context
- Optimized end-to-end business processes rather than “static integration”
- Higher productivity and reduced risks caused by schedule and cost variance
- Lower Total Cost of Ownership through replacement of manual inefficiencies and reduced maintenance overheads

Faster, lower cost integrations of SAP PS/PM and Primavera
Rapid-Deployment of SAP PPM

Rapid-deployment of SAP Portfolio and Project Management for Portfolio Monitoring
SAP Rapid Deployment Solutions
Meets the needs of IT Teams and Lines of Business Leaders

Value
- Combines preconfigured software, services, and content
- Low service-to-software cost reducing total cost and pulling in the time-to-value to “immediate”
- Incremental, modular, and “future-proofed” enable continuous progress toward your IT vision

Solution components
- SAP SOFTWARE
- SAP PREDEFINED SERVICES
- PRE-CONFIGURATION
- ENABLEMENT CONTENT

Features
- **Fixed Scope and Fixed Price**
  - Reduced time to determine expected outcomes
  - Predetermined price for software and services

- **Complete**
  - Modular SAP software integrates to future and current landscape

- **Relevant**
  - SAP Best Practice processes included

- **Quick**
  - Up and running in less than 90 days

- **Superior**
  - Significantly reduced service to software
  - 20% Total Cost of Ownership reduction
  - Supported by traditional license or subscription
Solution At-a-Glance
SAP PPM Rapid-Deployment Solution

Business Requirement

What is my pain?
- Lacking insight into project pipeline
- Decision making process is not transparent
- Limited project resources
- Inaccurate project / resource forecasts
- Lack of focused resources on high-value projects
- Lack of project / resource visibility
- Missing cost control and plan profitability on a portfolio level

What are my needs?
- Align projects to goals
- Portfolio-based decision making support for new projects
- Monitoring of running projects on portfolio and program level

What will excite me?
- Accelerated and fact-based project-driven investment approval process
- Reduced time-to-market for innovation portfolios
- Improved resource utilization

Business KPIs
- Time-to-market
- On-time delivery completion
- Resource utilization
- Lower project costs

Solution Description
This SAP Rapid Deployment solution provides an easy monitoring and decision making support for operative projects running in SAP Project System (PS). Monitoring capabilities include, e.g., financial integration as well as standard analytics via SAP BusinessObjects Explorer and Business Context Viewer.

Business Processes
- Portfolio planning
- Portfolio monitoring

Technical Components
SAP Portfolio and Project Management 5.0 SP4 / Business Suite Foundation 7.02 / SAP NetWeaver® 7.02

Target Market

Industry
- Customers in asset intense industries to managing their portfolio of capital projects
- Customers across all industries e.g. to manage their IT-project portfolio
- Customers in manufacturing industries, especially CPG, High Tech to manage their product development portfolio

Type of Customer/Prerequisite
- Installed base using SAP ERP Project System
- Net new customers

Target Geography
- Global

General Availability
- Q1/2011

SAP Contact
rapid.deployment@sap.com
The Business Challenge

Customer Pain Points
- Lack of insight into project pipeline
- Decision making process is not transparent
- Limited project resources
- Inaccurate project / resource forecasts
- Lack of focused resources on high-value projects
- Lack of project / capacity visibility
- Missing cost control and plan profitability on a portfolio level

Customer Goals/Needs
- Reduction of project failure rate
- Align projects with portfolio strategy
- Portfolio-based decision making support for new projects
- Monitoring of running projects on a portfolio level
The Solution: SAP Portfolio and Project Management rapid-deployment solution for portfolio monitoring

The SAP Portfolio Monitoring rapid-deployment solution enables organizations to **align their projects to their portfolio strategy** and allows:

- Portfolio-based decision making support for new projects running in SAP Projects System (PS)
- Monitoring of running projects (in SAP PS) on a portfolio level including financial integration and standard analytics via the Business Context Viewer
Target Process for Portfolio and Project Management rapid-deployment solution

This SAP Rapid Deployment solution provides an easy monitoring and decision making support for operative projects running in SAP Project System (PS).

**Pre-configured functionality, out-of-the-box**
- Portfolio planning
- Portfolio monitoring

### Portfolio Management (in scope of RDS)
- Portfolio Planning
- Monitor Portfolio

### Project Management (with SAP PS, out of scope of RDS)
- Structure Project
- Plan Resource Requirements / Costs
- Procure Materials and Services
- Collect Actuals
- Monitor Project
A compelling Portfolio and project management solution delivered quickly and affordably

What’s in SAP Portolio and Project Managment rapid-deployment solution for portfolio monitoring?

Foundation and Scope Items including:
- Portfolio Planning
- Portfolio Monitoring

SAP Rapid Deployment solutions value profile
- Preconfigured software - eliminates guesswork
- Rapid and affordable, flexibly priced solution
- Short implementation time, average 13 weeks
- Faster time to value than comparative solutions
- Low cost implementation, fixed scope-fixed price
- Simple buying process
- A clear path to your full portfolio and project management vision

Benefits
- Accelerated and fact-based project-driven investment approval process
- Reduced Time-to-Market for Innovation Portfolios
- Improved Resource Utilization
SAP Portfolio and Project Management Rapid Deployment Solution for Portfolio Monitoring

Benefits

- **Integration** of project management with business processes such as development, manufacturing, and purchasing improves operational efficiency.

- **Progress monitoring** facilitates project tracking in real time and helps pinpoint the right moment to correct your course to avoid cost and time overruns.

- **Decision support** through real-time monitoring of business performance that highlights opportunities and lets you make sound choices more quickly.

- **Reliable visibility** into actionable information from any level, from executive summaries through portfolio outlines to project activities.
Immediate Value From Pre-configured Content
You Get What You Need to Run Your Business ‘Out-of-the-box’

Value Adding
- Powerful solution for portfolio monitoring delivered ‘out-of-the-box’ based on leading SAP Portfolio and Project Management
- Start fast, with what’s most important, and expand later
- Seamless access to ERP back-office information

Quick and Lean
- Clearly defined scope
- Includes pre-configuration content and knowledge transfer to key users
- Fast-track implementation methodology
- Enables you to go live in 13 weeks

Cost-effective
- Flexible pricing – ‘only pay for what you need’
- Attractive fixed-price services
- Reduced resource requirement from Business and IT
Thank You!