A Portfolio Management Process & Structure for UCLA

Committee on IT Infrastructure (CITI)

May 27, 2008
CITI Agenda and Objectives

• **Agreement on the basic framework for a UCLA IT portfolio management structure and process**
  - Use Disney model
  - Major elements and objectives
    • Set long range vision
    • Portfolio management is a phased, iterative, on-going process

• **Agreement on initial steps and schedule**
  - More detailed plan in June meeting
  - Kinds of resources and commitments
Important Distinctions -- Governance, Project Management and Institutional Portfolio Mgmt

• **Governance**
  - Strategic Direction
  - Prioritization
  - Institutional Investment Portfolio

• **Project Management, Development & Maintenance**
  - Project Control
  - Schedules & Deliverables
  - Costs & Accountability
  - Successful implementation

• **Institutional Portfolio Management**
  - Balancing and diversifying investment decisions among academic, research and administrative
  - Alignment with campus strategic plan and long-term requirements
The specific governance path for each project is determined by a classification review.

Projects are identified through the Annual Strategic Planning Process and as they arise (Ad hoc).

Class 2 Projects are logged in the IT portfolio but just "stay on the radar".

Class 1 Projects go ahead – no additional IT Governance required.

OIT creates a “Project Bio” for every project and each project is classified.

Depending on the governance process “triggers”, a full or light PCD is created.

Governance entities participate according to their role in the process.

Options to fast track a project then circle back to governance.

Human Interaction (OIT, ITMG) is the first filter:
- Does project need outside funding?
- How is project aligned with strategic direction?
- What is the project motivation (is there a legal mandate?)
- What is the end user impact of the project?
- Is there a reason to fast track?
- Will the project be controversial?

Project Classes 2-5 are added to the Campus IT Portfolio.

The specific governance path for each project is determined by a classification review.
Preliminary Data on Campus Applications

- An initial cut of a consolidated list of campus applications was recently developed from the following sources:
  - 2003 Data Center Data Gathering Study
  - 2007 PII Interviews
  - 2005 Disaster Recovery Study
  - List of ISIS Supported System

- The data compiled is incomplete and requires formal validation and further refinement

- This initial effort resulted in some preliminary data that when validated can become useful information to form the basis of an institutional view of IT applications, systems and services
  - 31 Dean and Vice Chancellor Areas
  - 525 distinct campus applications (excluding medical enterprise) ... and counting
List of Campus Applications from Preliminary (Unvalidated) Data

Preliminary List of Campus Applications

- Administration + AIS: 25%
- CTS: 12%
- Libraries: 9%
- Other: 1%
- UNEX: 4%
- OIT: 9%
- Academic Units: 23%
- College: 4%
- Student Affairs: 9%
- External Affairs: 4%
- Other: 1%

N=525
Sample Information from Preliminary Data

- **Some examples of system summary:**
  - Reporting/documentation - 13 systems
  - Data and directories - 25 systems
  - Email/Calendar - 32 systems
  - Web/Portal services - 35 systems
  - Time keeping - 8 systems

- **Other noticeably repeated applications/systems**
  - Financial accounting
  - Registration
  - Course Management Systems
  - Project or Initiative Management systems
  - Inventory

"The purpose is not to just centralize but to have the information to ask the right questions"
Disney’s IT Strategy and Governance Model

Media Technology and IT Governance in Harmony at Disney…
and it seems to be working well!

Source: Presentation by Jeff Mirich, Enterprise Architect & CIO at Disney Studios
UCLA’s Programmatic IT and IT Infrastructure
(Modified from Disney Studios’ model)
Disney’s Institutional Approach to Portfolio Management

Business Processes

GoVERN & MANAGE IT INVESTMENT
rationalize, leverage, maximize, aggregate

EXTEND & LINK

Suppliers  Employees  Customers

Application Portfolio

ARCHITECT & INTEGRATE
simplify, standardize, modularize, integrate

ERP  Collaboration  ...  Publishing  CRM

Infrastructure

Platforms  Network  ...  Core Services  Infrastructure Management

Enterprise Architecture cannot succeed without a governance structure to promote and fund the “common interest”

Enterprise Architecture is the Glue that holds Applications and Infrastructure to a common destiny
Disney’s Cross Reference Across Business Units
Identify Leverage Opportunities and Cost

Governance of IT investment can be aligned around business process owners.

This analysis reveals costs by business process and informs where the IT investment is focused, business unit cross reference reveals leverage opportunities.
## Disney’s Cross Reference Across Business Units
Identify Leverage Opportunities and Cost

### Level 0 processes
- Create & manage products, services, media
- Market products & services
- Sell products & services
- Perform order management
- Manage supply chain ops
- Manage & support cust.
- Plan & manage performance
- Manage finances & accounting
- Manage human resources
- Manage Information resources
- Manage physical assets
- Manage support services

### Level 1 processes
- Perform research & design
- Develop marketing plan
- Capture orders
- Plan
- Establish & manage customer relationships
- Monitor external environment
- Process financial transactions
- Plan & manage employee HR policies & employee infrastructures
- Create & manage employee recruiting & training
- Create & manage enterprise architecture
- Acquire physical assets
- Provide legal services
- Provide security & safety
- Create/manage product/services and media information
- Implement marketing plan
- Manage orders
- Source
- Create & manage business plan
- Manage employee marketing
- Create & manage software solutions
- Maintain physical assets
- Perform admin. functions
- Create/manage product/services and media lifecycle
- Plan & manage budgets
- Create & manage business plan
- Manage infrastructure & operations
- Provide & manage facilities operations
- Perform physical assets

### Application examples
- Media Asset Mgmt.
- B2B Marketing
- Marketing Automation
- Campaign Mgmt.
- Point of Sale
- Online Sales
- Merchandise Licensing
- Reservations
- Ticketing
- Credit Card Processing
- Contract Mgmt.
- Catalog Order Mgmt.
- Advertising/Billing Mgmt.
- Warehousing Mgmt.
- Supply Chain Mgmt.
- Food & Beverage Supply Chain
- Customer Relationship Mgmt./Call Center/Customer Service
- Guest Data
- Guest Claims
- Operation Data Store
- Forecasts
- Customer Planning
- Operational Reporting
- Financial Transactions
- Budgeting
- Labor Forecasting
- Scheduling
- Deployment
- Time Tracking
- Compensations
- General HR
- Recruiting
- Document Mgmt.
- Authentication
- Reporting Tools
- Asset Mgmt.
- Costume Mgmt.
- Project Mgmt.
- Legal
- Risk Mgmt

### Front of House
- Point of Sale
- Online Sales
- Merchandise Licensing
- Reservations
- Ticketing
- Credit Card Processing
- Contract Mgmt.
- Catalog Order Mgmt.
- Advertising/Billing Mgmt.
- Warehousing Mgmt.
- Supply Chain Mgmt.
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### Back of House
- Point of Sale
- Online Sales
- Merchandise Licensing
- Reservations
- Ticketing
- Credit Card Processing
- Contract Mgmt.
- Catalog Order Mgmt.
- Advertising/Billing Mgmt.
- Warehousing Mgmt.
- Supply Chain Mgmt.
- Food & Beverage Supply Chain
- Customer Relationship Mgmt./Call Center/Customer Service
- Guest Data
- Guest Claims
- Operation Data Store
- Forecasts
- Customer Planning
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### Unique/Differentiating
- Media Asset Mgmt.
- B2B Marketing
- Marketing Automation
- Campaign Mgmt.
- Point of Sale
- Online Sales
- Merchandise Licensing
- Reservations
- Ticketing
- Credit Card Processing

### Non-Differentiating
- Financial Transactions
- Budgeting
- Labor Forecasting
- Scheduling
- Deployment
- Time Tracking
- Compensations
- General HR
- Recruiting
- Document Mgmt.
- Authentication
- Reporting Tools
- Asset Mgmt.
- Costume Mgmt.
- Project Mgmt.
- Legal
- Risk Mgmt

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**Note:** This diagram illustrates the cross-referencing of processes across business units, highlighting both unique/differentiating and non-differentiating processes. It aims to identify leverage opportunities and cost by mapping out key areas such as sales, marketing, operations, human resources, and technology management.
<table>
<thead>
<tr>
<th>Cross Reference Across Business Units</th>
<th>Identify Leverage Opportunities and Cost</th>
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</table>

<table>
<thead>
<tr>
<th>Create &amp; manage products, services, media</th>
<th>Market products &amp; services</th>
<th>Sell products &amp; services</th>
<th>Perform order management</th>
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<th>Manage human resources</th>
<th>Manage information resources</th>
<th>Manage physical assets</th>
<th>Manage support services</th>
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</table>

| ABC Network                              | $x.x                        | $x.x                     | $x.x                    | $x.x                    | $x.x                   | $x.x                     | $x.x                     | $x.x                     | $x.x                      | $x.x                     | $x.x                     |
| ESPN                                     | $x.x                        |                         |                         |                         |                        |                         |                         |                         |                          |                          | $x.x                     |
| ABC Cable                                | $x.x                        |                         |                         |                         |                        |                         |                         |                         |                          | $x.x                     | $x.x                     |
| ABC Radio                                | $x.x                        |                         |                         |                         |                        |                         |                         |                         |                          |                          | $x.x                     |
| ABC TV stations                          | $x.x                        |                         |                         |                         |                        |                         |                         |                         |                          |                          | $x.x                     |
| BVT                                       | $x.x                        |                         |                         |                         |                        |                         |                         |                         |                          |                          | $x.x                     |
| WDTVI                                     | $x.x                        |                         |                         |                         |                        |                         |                         |                         |                          |                          | $x.x                     |
| Total                                    | $x.x                        | $x.x                     | $xx.x                   | $x.x                    | $x.x                   | $x.x                     | $x.x                     | $x.x                     | $x.x                      | $x.x                     | $x.x                     |

| BVG                                       | $x.x                        |                         |                         |                         |                        |                         |                         |                         |                          |                          | $x.x                     |
| DCP                                      | $x.x                        |                          |                         |                         |                        |                         |                         |                         |                          |                          | $x.x                     |
| DCP – Int’l                              | $x.x                        |                          |                         |                         |                        |                         |                         |                         |                          |                          | $x.x                     |
| DDM                                      | $x.x                        | $x.x                    | $x.x                    | $x.x                    | $x.x                   | $x.x                     | $x.x                     | $x.x                     | $x.x                      | $x.x                     | $x.x                     |
| Disney Pub.                              | $x.x                        | $x.x                    | $x.x                    | $x.x                    | $x.x                   | $x.x                     | $x.x                     | $x.x                     | $x.x                      | $x.x                     | $x.x                     |
| Merch. Lic.                              | $x.x                        | $x.x                    | $x.x                    | $x.x                    | $x.x                   | $x.x                     | $x.x                     | $x.x                     | $x.x                      | $x.x                     | $x.x                     |
| Disney Store                             | $x.x                        | $x.x                    | $x.x                    | $x.x                    | $x.x                   | $x.x                     | $x.x                     | $x.x                     | $x.x                      | $x.x                     | $x.x                     |
| Total                                    | $x.x                        | $x.x                    | $xx.x                   | $x.x                    | $x.x                   | $x.x                     | $x.x                     | $x.x                     | $x.x                      | $x.x                     | $x.x                     |

| BVI                                       | $x.x                        |                         |                         |                         |                        |                         |                         |                         |                          |                          | $x.x                     |
| BVHE – Int’l                             | $x.x                        |                         |                         |                         |                        |                         |                         |                         |                          |                          | $x.x                     |
| BVHE – NA                                | $x.x                        |                         |                         |                         |                        |                         |                         |                         |                          |                          | $x.x                     |
| Filmed Ent.                              | $x.x                        | $x.x                    | $x.x                    | $x.x                    | $x.x                   | $x.x                     | $x.x                     | $x.x                     | $x.x                      | $x.x                     | $x.x                     |
| Total                                    | $x.x                        | $x.x                    | $xx.x                   | $x.x                    | $x.x                   | $x.x                     | $x.x                     | $x.x                     | $x.x                      | $x.x                     | $x.x                     |

| Corporate                                 | $x.x                        | $x.x                    | $x.x                    | $x.x                    | $x.x                   | $x.x                     | $x.x                     | $x.x                     | $x.x                      | $x.x                     | $x.x                     |
| Tomorrowland                             | $x.x                        | $x.x                    | $x.x                    | $x.x                    | $x.x                   | $x.x                     | $x.x                     | $x.x                     | $x.x                      | $x.x                     | $x.x                     |
| Total                                    | $x.x                        | $x.x                    | $xx.x                   | $x.x                    | $x.x                   | $x.x                     | $x.x                     | $x.x                     | $x.x                      | $x.x                     | $x.x                     |
| Grand Total                              | $xx.x                       | $xx.x                   | $xx.x                   | $xx.x                   | $xx.x                  | $xx.x                    | $xx.x                    | $xx.x                    | $xx.x                     | $xx.x                    | $xx.x                     |
Value of Disney’s Portfolio Management Process

- **Outcome of As-Is Analysis**
  - Revealed costs by business process
  - Informed the governance structure where the IT investments are focused
  - Revealed leveraging opportunities for IT services that cross business units
  - Created a basis for developing the technology decision framework
    - Identifying emerging, core and declining technologies for non-differentiated services/applications
    - Identifying specialized technologies as defined, justified, and unique business case for differentiated services
### Overview of Proposed Process

<table>
<thead>
<tr>
<th>Understand the Existing Environment “As Is”</th>
<th>Validate &amp; Refine Summary of Findings</th>
<th>Define new IT Portfolio Management Model</th>
<th>Conduct Gap and Capacity Analysis</th>
<th>Define Objectives, Priorities and Process Metrics</th>
</tr>
</thead>
</table>
| - Define information and analysis needs  
  - Collect information and data using normalized data / industry process classifications and models  
    - Interviews  
    - Baseline research  
    - Benchmarking  
    - Surveys  
    - Focus groups  
  - Develop an understanding of the problems and issues  
  - Level set on the definition, upper and lower limits, and parameters regarding value, cost and risk | - Summarize key findings  
  - Present initial findings to executive management  
  - Obtain concurrence on priorities and direction  
  - Seek additional data and information | - Develop the guiding principles and key objectives of a new IT portfolio management process | - Identify specific gaps that exist between the results of the assessment and the desired state as defined in the IT PM Model  
  - Assess capacity / capabilities to determine if adequate resources are currently available to address the gaps  
  - Identify options / resource requirements if current resources are lacking | - Develop a list of priorities and focus areas to allocate resources  
  - Evaluate importance and urgency of each key element  
  - Assure that defined objectives are traceable to business strategy  
  - Develop a plan that identifies the IT PM charter and communications plan |
Step One

Understand the Existing Environment “As Is”

- Define information and analysis needs
- Collect information and data using normalized data / industry process classifications and models
  - Interviews
  - Baseline research
  - Benchmarking
  - Surveys
  - Focus groups
- Develop an understanding of the problems and issues
- Level set on the definition, upper and lower limits, and parameters regarding value, cost and risk

Summer 2008
Information is Available to Begin

- **Existing and available resources / documentation for the three building blocks**
  - Business Processes
    - Documentation of UCLA’s core mission processes (4) and major supporting processes (15) by Coopers & Lybrand Study
  - Application Portfolio
    - Preliminary list of applications, systems and servers (with 847 line items)
  - Infrastructure
    - UTIPP / UTIPP 2 Reports
CITI Endorsement

- **Agreement with the basic framework & objectives for IT portfolio management**
- **Agreement to do “as-is” analysis**
  - Define information needs
    - Categories/thresholds for collecting applications information
    - What information will be collected in first iteration
  - Define Level 1 processes
    - Facilitated session
    - Subgroup of CAO
- **Agreement to review and approve a detailed plan at CITI’s June meeting**
  - Consult CITI subgroup
  - Summer start
  - Integrate with IT planning and cost review