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POINT OF VIEW

A STRATEGIC APPROACH TO SIMPLIFYING PORTFOLIO COMPLEXITY

Deloitte and ServiceNow's Strategic Portfolio Management offering

Business leaders today have more tools, requirements, and data than perhaps ever before, which creates a unique challenge: strategically managing their full portfolio, or collection of work, from start to finish. This is challenging not because teams are ill-equipped, but because the solutions that individually aim to solve problems and reduce complexity have created silos that make it almost impossible to track all planned and in-flight work, resource capacity, and financials, then use that information to make decisions.

Consider the example of a national utility organization with significant acquisition activity, which led to a total of 2,500+ technology applications and an IT budget of over \$1 billion. Without the right tools and processes, leaders couldn't understand the cost and corresponding value of their IT spend or identify redundancies in their technology portfolio.

Though this real-life example may sound extreme, organizations of all sizes struggle to manage their strategies, goals, demands, and projects. Why? Often because they either (1) lack people-centric processes and fit-for-purpose tools so they rely on spreadsheets and email, or (2) deploy best-in-class tools with poorly thought out integrations and accompanying processes. This can lead to:



Frustrated technology leaders who cannot easily or accurately gauge the realized value of their technology investments



Executives who can't understand how work execution aligns with organizational strategy



Desires to replace existing SPM/Portfolio Management platforms, though the tools may not be the cause of portfolio management challenges



Low adoption and perceived value of portfolio management tools and processes

Tired of these barriers to portfolio management, savvy business leaders are getting serious about SPM.

According to Gartner,

“ by 2026, 30% of organizations will embrace effective SPM, and invest in talent and enabling technology to become industry leaders. By 2027, 75% of organizations will enrich business architecture by connecting financial benefits to digital investment decisions. ”

Organizations that don't begin SPM improvement initiatives soon may find themselves left behind.



Why SPM is important

SPM helps connect an organization's strategy to delivery and spans the cycle from demand generation to solution delivery. It also provides visibility into portfolios to drive strategic decision-making.

Organizations that do SPM well stay competitive, grow their business, reduce risk, improve compliance, and have a positive impact on their employee experience. One key to effective SPM is having the right tools and processes in place. For many enterprises, ServiceNow's SPM solution is a great choice to help manage their strategies, goals, demands, and projects.

Research from Forrester recently measured the Total Economic Impact (TEI) of ServiceNow's SPM solution and the results are impressive. Over a three-year period, a global organization with a revenue of about \$8 billion annually could anticipate:

Reduction in nonproductive investment spending, valued at

\$10.2 million

Quicker agile sprint cycle documentation, valued at

\$4.5 million

More efficient planning, reporting, and resource management, valued at

\$1.8 million

Faster senior management review and initiative approval, valued at

\$1.6 million

and more

In total, ServiceNow SPM was found to deliver an ROI of 365%, net present value (NPV) of \$22.68 million, and payback in less than 6 months. When coupled with Deloitte's deep industry knowledge and SPM experience, our SPM offering—powered by ServiceNow—can help expand those figures to further improve spend control, decision-making, and relationships between business, technology, and finance leaders.



How it works

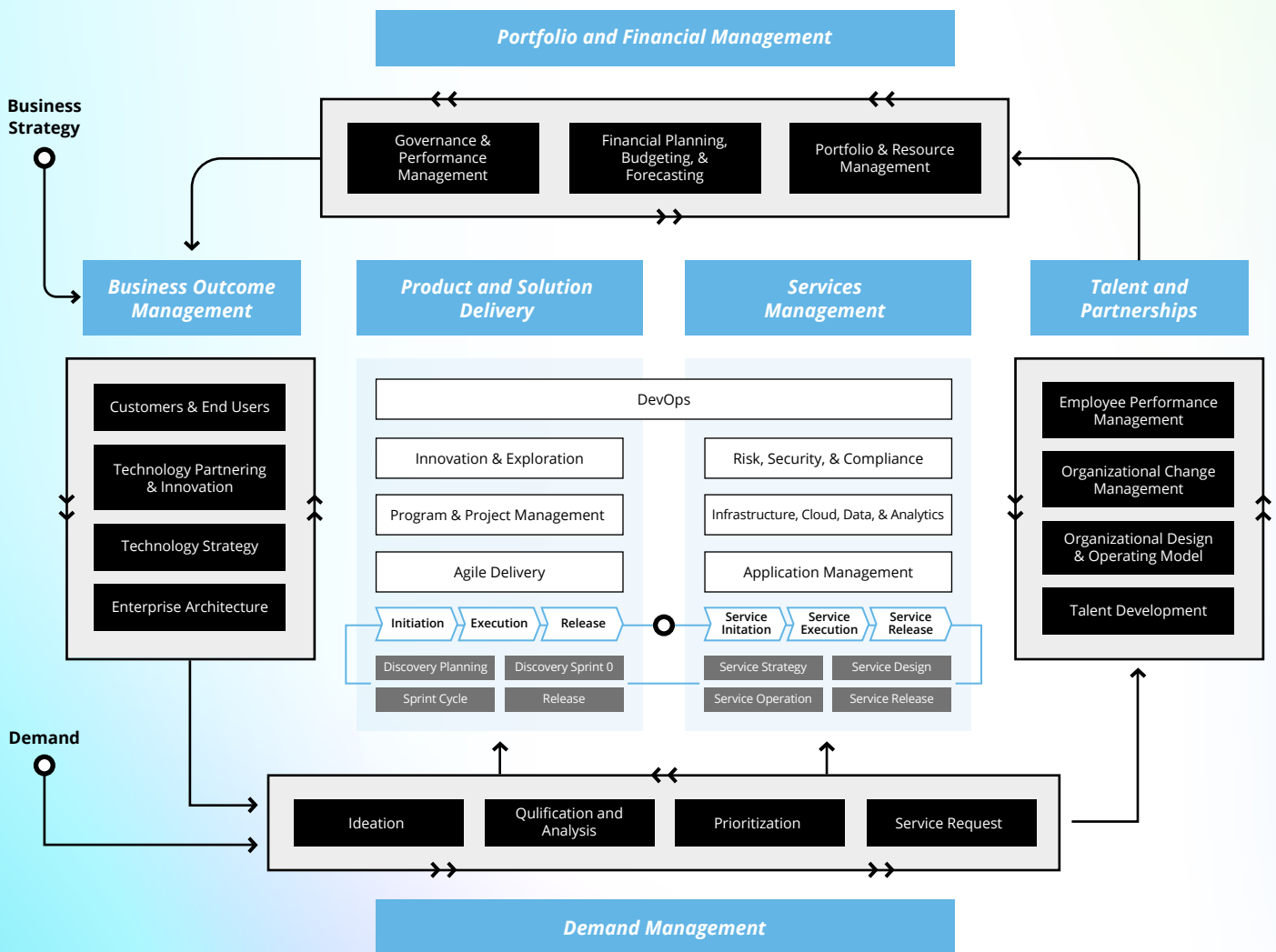
ServiceNow's SPM solution is designed to close the gap between operations and strategy, empowering an organization to deliver the most valuable outcomes. The tool allows an enterprise to manage their business of technology with robust capabilities built into the powerful ServiceNow platform to develop strategic roadmaps, align investments to strategies, and deliver work in a multi-modal environment.

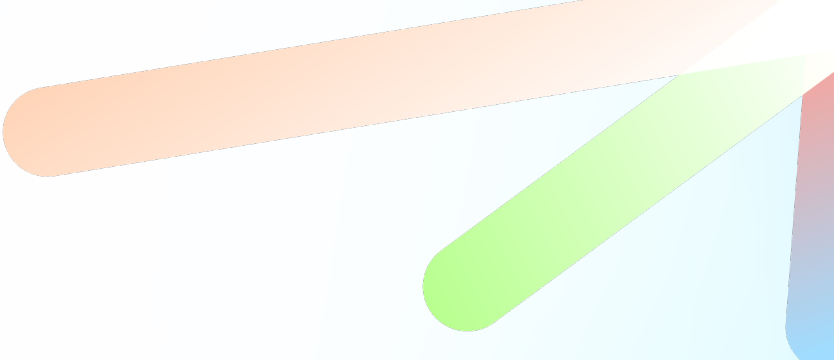
ServiceNow's core SPM capabilities include Strategic Planning (SP), Project Portfolio Management (PPM), and Enterprise agile (Ent Agile). The solution's ability to integrating these with other core platform capabilities—such as IT Service Management, Application Portfolio Management, CMDB, and Integrated Risk Management— can help ensure all the data needed to make strategic decisions is available in one platform. This grants executives virtually unparalleled control of their entire technology portfolio.

However, that integration of many powerful capabilities can leave some teams unsure of how to leverage the solution to its full capabilities, therefore limiting SPM effectiveness.

For decades, Deloitte has worked closely with ServiceNow and clients to help enterprises quickly maximize value using this market-leading SPM solution.^{1,2} Deloitte's deep technology experience and industry knowledge empowers us to understand client's needs and design SPM processes that effectively integrate capabilities and give leaders better command of their technology portfolio, so they can make better decisions.

The primary foundational component to our SPM method is the diagram our clients have affectionately named, "the racetrack". See Figure 1.





The racetrack depicts our perspective of how SPM capabilities should complement one another through a cyclical flow of information. Our closed-loop illustration of SPM has evolved over two decades from its Project Portfolio Management (PPM) origins and has stood the test of time. Our clients have described it as simple, usable, and complete.

But Deloitte's SPM solution doesn't end at technology enhancements. After reviewing a client's unique needs, we offer services and tools for:

ASSESS

Through stakeholder interviews and analysis of processes, tools, and data, Deloitte's team conducts a comprehensive current state assessment. This leads to the creation of an actionable future state roadmap to deploy a holistic SPM solution. Assessment takes 6 to 8 weeks on average.

IMPLEMENT

We deliver ServiceNow SPM system implementations using Deloitte accelerators, agile methodology, and organizational change management (OCM) to rapidly deliver value and drive customer adoption. Implementations take 6 to 18 months.

OPERATE

Deloitte offers ServiceNow platform hosting, administration, strategic advice for process improvement, and complete monitoring and maintenance services. Our operate services may span from 6 months to 3 years or more.

MANAGED SERVICES

Deloitte's pre-configured ServiceNow solution is empowered by industry-leading practices and provides annual upgrades and monthly enhancements. We can deploy our Managed Service Offering within 8 to 12 weeks to facilitate swift utilization of ServiceNow's SPM platform.

The impact of truly strategic portfolio management

For a \$43 billion national utility organization with a tech spend of over \$1 billion, Deloitte helped our client approach their technology portfolio as a connected enterprise. We leveraged ServiceNow SPM's broad platform capabilities and integrated data to reshape the IT portfolio and produce a comprehensive playbook that outlined roles and responsibilities across IT, finance, and the business.

By establishing a repeatable process and corresponding toolset, the IT organization dramatically improved transparency, immediately reduced costs by \$50 million, and identified \$200 million in savings over a 3-year period.

This is just one outcome we've seen over more than 20 years of tailoring SPM to real companies' business strategies. Our deep knowledge across many different industries makes Deloitte uniquely able to make recommendations and adapt our solutions to meet each organization's specific needs. We've served enterprises in financial services, life sciences and healthcare, consumer industries, energy, resources, and industrials, technology media and telecom, and more.

Deloitte's deep experience, solutions, and repeatable processes have helped our clients save or reallocate up to 30% of technology spend while making more informed, agile business decisions.

Begin your SPM improvement journey

Deloitte has helped numerous organizations overcome common blockers to effective SPM, such as:



Approaching SPM as a technology implementation and failing to pay adequate attention to people and process



Inadequate support from leaders and organizations due to unclear value proposition



Selecting a technology that may be the best in the marketplace for a few aspects of SPM, but takes years to integrate with systems and realize value



Not knowing where to begin or what's possible—some may already have excellent SPM tools but not know how to leverage them



Resistance to change

***Do any of these challenges sound familiar?
We're here to help you connect strategy to delivery, gain better visibility into project portfolios, and empower strategic decision-making.***

To take the next step in improving SPM, please contact us.

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¹<https://reprints2.forrester.com/#/assets/2/598/RES180733/report>

²<https://www.idc.com/getdoc.jsp?containerId=US49436523>

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