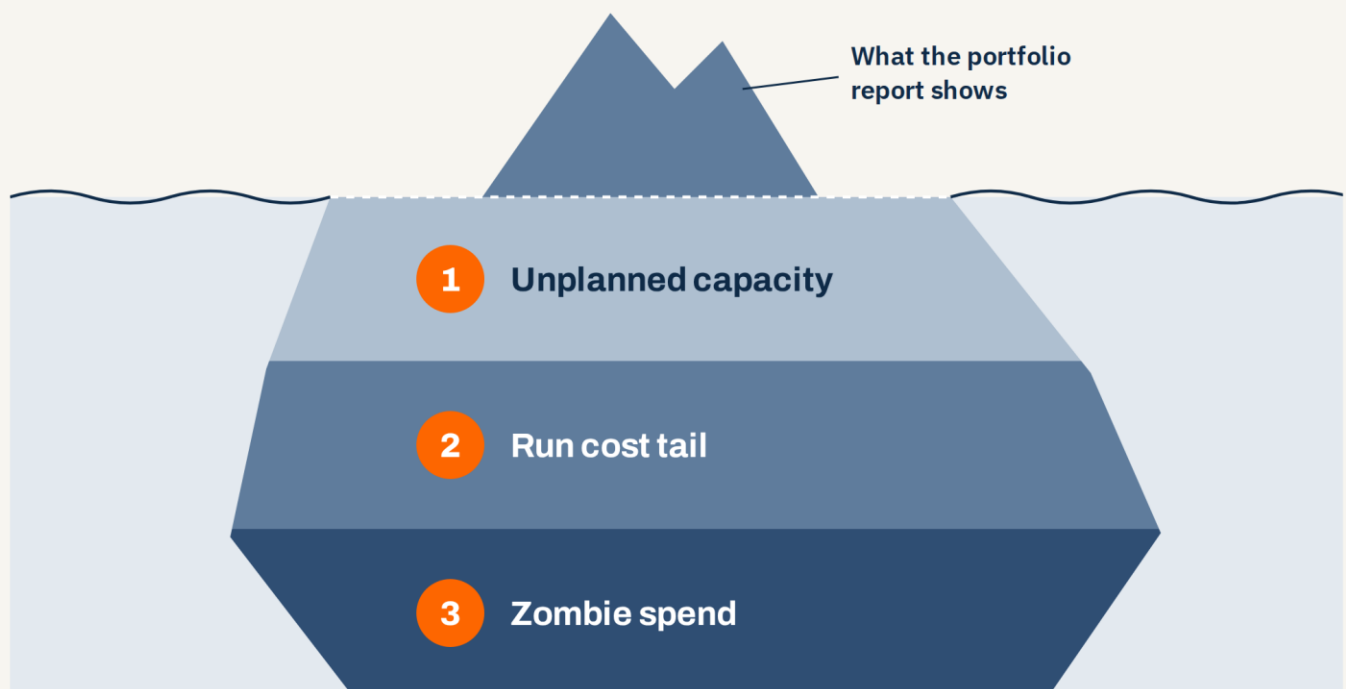


## IT PORTFOLIO MANAGEMENT

# What CIOs Get Wrong About IT-PPM

Three anti-patterns that quietly inflate your IT spend, and how to dismantle them

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## EXECUTIVE SUMMARY

# Your IT spend is not out of control. It is out of sight.

Most IT budgets do not overrun because of one failed megaproject. They inflate quietly, through decisions that each look reasonable on their own.

This paper describes three anti-patterns that are common in IT portfolio management (IT-PPM). None of them shows up as a red line in a status report. Together, they tie up people, lock in costs and keep money flowing to work the business no longer needs.

**1**

**Approving demand without capacity**

**2**

**Governing change, ignoring run**

**3**

**Funding once, reviewing never**

For each anti-pattern we describe what it looks like, why capable organizations fall into it, where the money leaks, and what to build to dismantle it without a multi-year transformation program.

### THE CORE MESSAGE

**IT-PPM is not a reporting system for projects. It is how the organization decides what IT spends its money and its people on.**

The paper closes with a self-diagnostic you can run with your leadership team, a 90-day plan and a practical view of how PPM-Factory supports each step.

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## WHY IT MATTERS

# How IT spend inflates quietly

Overspend rarely appears as a single line item. It hides in capacity nobody planned, costs nobody forecast and projects nobody stopped.

Portfolio reports are built to answer one question: are approved projects on track? They are much weaker at answering the questions that drive cost: can we staff what we approved, what will it cost to run once delivered, and should we still be doing it at all?

## FOUR PLACES THE MONEY LEAKS

|                                                                                                                                   |                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>Context switching</b><br>People split across too many projects deliver all of them later, while fixed team costs keep running. | <b>Contractor backfill</b><br>Gaps in overcommitted teams are filled with external staff, bought at short notice and at premium rates. |
| <b>Run cost tail</b><br>Every delivered project adds licences, infrastructure and support that outlive the business case.         | <b>Zombie spend</b><br>Projects that no longer serve the strategy continue, because stopping them needs a decision nobody schedules.   |

## WHY NOBODY SEES IT

**Every project can be green while the portfolio bleeds. The leaks sit between projects, between budgets and between budget cycles.**

The three anti-patterns that follow map onto these leaks. Each one is a governance habit rather than a technology gap, which is why a new tool on its own rarely fixes it.

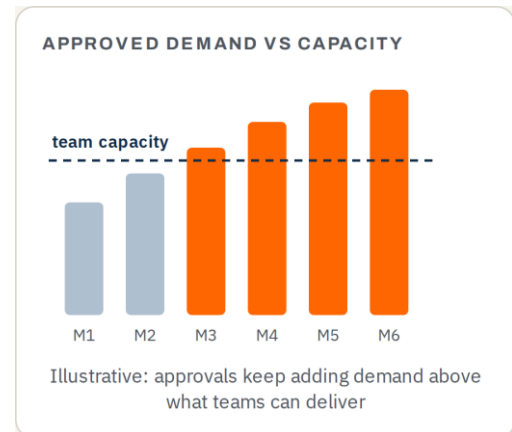
## ANTI-PATTERN 1 OF 3 · THE YES MACHINE

# Approving demand without capacity

Projects are approved on business value alone. Whether anyone can deliver them is discovered later, in delivery.

### WHAT IT LOOKS LIKE

- The approval forum sees business cases, not a capacity view.
- Key experts are named on more projects than they can work on.
- Start dates slip, but the number of active projects keeps growing.
- Contractors are hired to fill gaps nobody planned for.



### WHY SMART ORGANIZATIONS FALL INTO IT

Saying no is politically expensive and saying yes looks free, because capacity is invisible at the moment of decision. Resource plans live in team spreadsheets, if they exist, and are consulted after approval rather than before it.

### WHERE THE MONEY LEAKS

|                                                                                            |                                                                                    |                                                                                                |
|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <b>Longer durations</b><br>Fixed team and overhead costs run for more months than planned. | <b>Premium backfill</b><br>External capacity is bought late, at the highest price. | <b>Delayed benefits</b><br>Every month of delay is a month of value the business does not get. |
|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|

**Approving a project nobody can staff does not start it. It only slows down everything else.**

## DISMANTLING ANTI-PATTERN 1

# Plan capacity before you approve demand

From "can we afford it?" to "can we deliver it?"

The goal is not a perfect resource plan. It is a capacity view good enough to make every approval an explicit trade-off.

### WHAT TO BUILD

|                                                                                                                  |                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| <b>01</b><br><b>A capacity baseline</b><br>Availability of key skills and teams, net of run and support work.    | <b>02</b><br><b>Demand in one queue</b><br>All requests, projects and major changes visible against the same capacity.    |
| <b>03</b><br><b>A capacity check at approval</b><br>No Go without named or planned resources for the next phase. | <b>04</b><br><b>A limit on work in progress</b><br>A cap on active projects per team, so finishing comes before starting. |

### HOW TO START WITHOUT A BIG-BANG RESOURCE PLAN

- **Start with the bottleneck skills.** Model the roles that really constrain delivery, not every person.
- **Plan teams, not hours.** Monthly team-level capacity is precise enough for portfolio decisions.
- **Make the trade-off explicit.** A new Go when capacity is full names what slows down or stops.

### SIGNAL IT WORKS

Every approval shows its impact on capacity, and active projects stay within what teams can staff.

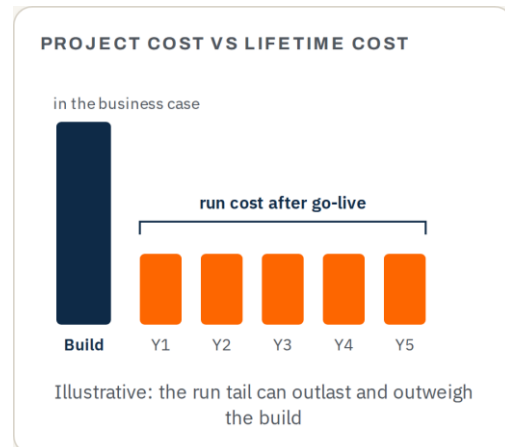
## ANTI-PATTERN 2 OF 3 · THE INVISIBLE TAIL

# Governing change, ignoring run

Portfolio governance focuses on projects, while the cost of running what those projects deliver grows outside any portfolio decision.

### WHAT IT LOOKS LIKE

- Business cases stop at go-live; operating costs are someone else's budget.
- Applications are added faster than they are retired.
- Licence, cloud and support costs are managed per contract, not per capability.
- The share of budget available for new initiatives shrinks year after year.



### WHY SMART ORGANIZATIONS FALL INTO IT

Run costs are spread across infrastructure, licences, support contracts and internal teams. No single owner sees their total, and no portfolio forum decides on them. Each project adds a little, and almost none of it is ever reversed.

### WHERE THE MONEY LEAKS

|                                                                                                   |                                                                                                |                                                                                        |
|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| <b>Costs outside the case</b><br>Run costs are real but were never part of the approval decision. | <b>Overlapping applications</b><br>Several tools serve the same need because none was retired. | <b>Squeezed innovation</b><br>Growing run costs leave less room for change every year. |
|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|

**Every project you deliver is also a commitment to pay for it, year after year.**

## DISMANTLING ANTI-PATTERN 2

# Put run costs into portfolio decisions

Decide on lifetime cost, not project cost

Change and run are one budget seen from two sides. Bringing them into the same portfolio view is what makes retirement decisions possible.

### WHAT TO BUILD

|                                                                                                                                        |                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>01</b><br><b>Lifetime cost in every business case</b><br>Project cost plus the run cost of what it delivers, over a defined period. | <b>02</b><br><b>An application inventory</b><br>Every application with its owner, annual cost and the capabilities it supports. |
| <b>03</b><br><b>CAPEX and OPEX in one view</b><br>Budget, forecast and actuals for change and run, side by side.                       | <b>04</b><br><b>Retirement targets</b><br>Every new application names what it replaces, with a retirement date.                 |

### HOW TO START WITHOUT A FULL AUDIT

- **Start with the largest items.** The biggest applications and contracts first, not a complete inventory.
- **One owner per application.** Ownership is the precondition for any retirement decision.
- **Fund retirement explicitly.** Decommissioning is a project: give it a budget and a slot in the portfolio.

### SIGNAL IT WORKS

Each new initiative shows its run-cost impact, and retirements appear in the portfolio as often as launches.

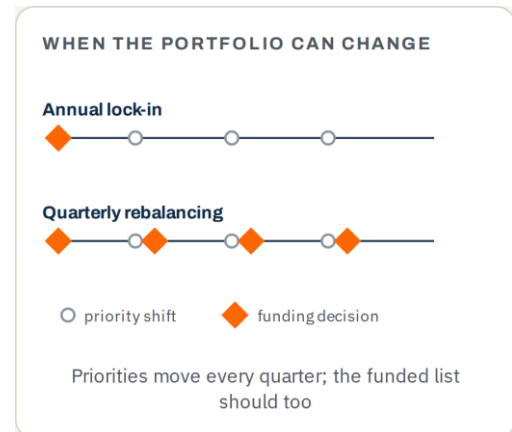
## ANTI-PATTERN 3 OF 3 · THE ANNUAL LOCK-IN

# Funding once, reviewing never

The portfolio is decided in the annual budget cycle. After that, priorities change every quarter, but the list of funded projects does not.

### WHAT IT LOOKS LIKE

- Projects are funded for the full year at approval.
- Portfolio reviews report status; they rarely change priorities.
- Stopping a project is seen as a failure, not a decision.
- Benefits are promised in the business case and never measured.



### WHY SMART ORGANIZATIONS FALL INTO IT

Annual budgeting rewards asking for everything up front, and re-planning mid-year is slow and political. Once funded, a project has more defenders than challengers, and the evidence needed to stop it is rarely collected.

### WHERE THE MONEY LEAKS

|                                                                              |                                                                                                    |                                                                                                  |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>Zombie projects</b><br>Work continues after its business reason has gone. | <b>Missed opportunities</b><br>New priorities wait a year because the budget is already allocated. | <b>Unproven value</b><br>Without benefits data, next year's budget repeats the same assumptions. |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|

**A budget approved in January is a forecast about December. Treat it like one.**

## DISMANTLING ANTI-PATTERN 3

# Fund in stages, rebalance every quarter

Keep the envelope, free the allocation

Adaptive funding does not mean abandoning the annual budget. It means deciding the allocation more than once a year, on evidence.

### WHAT TO BUILD

|                                                                                                                           |                                                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <b>01</b><br><b>Stage-based funding</b><br>Release budget phase by phase, with a gate decision at each step.              | <b>02</b><br><b>A quarterly portfolio review</b><br>A forum that can start, stop, pause or reshape initiatives, not just read status. |
| <b>03</b><br><b>Strategy links</b><br>Every initiative linked to a strategic objective or OKR, so priorities are visible. | <b>04</b><br><b>Benefits tracking</b><br>Expected benefits recorded at approval and measured after delivery.                          |

### HOW TO ADAPT FUNDING WITHOUT FIGHTING FINANCE

- **Keep the annual envelope.** Finance sets the total once a year; the portfolio decides its allocation each quarter.
- **Reserve room for change.** Hold back part of the budget for priorities that emerge during the year.
- **Celebrate good stops.** A project stopped early on evidence is governance working, not failing.

### SIGNAL IT WORKS

The portfolio changes during the year, and stopped projects release budget to higher priorities within one quarter.

## SELF-DIAGNOSTIC

# How exposed is your portfolio?

Tick each statement that is true for your organization today. Run it with your IT leadership team, IT finance and the PMO; it takes under an hour.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Anti-pattern 1</b><br/><b>Approving demand without capacity</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The approval forum sees a capacity view before deciding.</li> <li><input type="checkbox"/> Key roles are planned across all projects, not per project.</li> <li><input type="checkbox"/> Active projects are limited per team.</li> <li><input type="checkbox"/> Contractor spend is linked to planned demand.</li> </ul> | <p><b>Anti-pattern 2</b><br/><b>Governing change, ignoring run</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Business cases include run costs after go-live.</li> <li><input type="checkbox"/> Every application has an owner and a known annual cost.</li> <li><input type="checkbox"/> CAPEX and OPEX are tracked in one portfolio view.</li> <li><input type="checkbox"/> Retirements are planned and funded like projects.</li> </ul> |
| <p><b>Anti-pattern 3</b><br/><b>Funding once, reviewing never</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Priorities are reviewed at least every quarter.</li> <li><input type="checkbox"/> Projects are funded stage by stage.</li> <li><input type="checkbox"/> Initiatives are linked to strategic objectives.</li> <li><input type="checkbox"/> Benefits are measured after delivery.</li> </ul>                                    | <p><b>Reading your result</b></p> <p>Fewer than two ticks in a group marks your most expensive anti-pattern. Start there.</p> <p>Different answers from IT, finance and the business are a finding in themselves: they show where the portfolio is not yet shared.</p>                                                                                                                                                                                              |

## GETTING STARTED

# Where to start: a 90-day plan

Dismantling these anti-patterns does not need a multi-year program. It needs visibility first, then a few real decisions made differently.

| Days 1–30<br><b>See</b>                                                                                                                                                                                              | Days 31–60<br><b>Decide</b>                                                                                                                                                                                          | Days 61–90<br><b>Embed</b>                                                                                                                                                                                          |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <ul style="list-style-type: none"> <li>One inventory of projects, requests and major applications.</li> <li>Capacity of the key roles that constrain delivery.</li> <li>Change and run costs in one view.</li> </ul> | <ul style="list-style-type: none"> <li>First approvals checked against capacity.</li> <li>Lifetime cost required in new business cases.</li> <li>First quarterly portfolio review with the power to stop.</li> </ul> | <ul style="list-style-type: none"> <li>First application retirement planned and funded.</li> <li>First project stopped or paused on evidence.</li> <li>Portfolio dashboards used directly by leadership.</li> </ul> |  |

## MILESTONES TO SHOW THE EXECUTIVE BOARD

- Day 30** One page showing demand against capacity, and change against run.
- Day 60** A portfolio decision that would not have been made before: a pause, a stop or a declined request.
- Day 90** Budget released from a stopped project or a retired application, reallocated to a higher priority.

## THREE PITFALLS TO AVOID

|                                                                                                                  |                                                                                                                     |                                                                                                                |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <b>Buying a tool first</b><br>A platform without changed decisions produces better reports of the same problems. | <b>Modelling everything</b><br>Complete resource and cost models take months. Start with what drives the decisions. | <b>Leaving finance out</b><br>Adaptive funding and run-cost visibility only work with IT finance at the table. |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|

**The first stopped project is the moment the organization learns that the portfolio is real.**

## HOW PPM-FACTORY HELPS

# One platform to see, decide and rebalance

PPM-Factory helps CIOs, IT finance leaders and PMOs across DACH and Italy bring demand, capacity, costs and strategy into one portfolio view, on the Triskell platform. Each anti-pattern in this paper maps onto a capability.

|                      |                                                                                                                                                                        |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1 · Capacity</b>  | Resource planning with budgeted, planned and capacity views of key roles across the portfolio, and demand scoring on business, technical, financial and risk criteria. |
| <b>2 · Run costs</b> | Finance tracking of CAPEX and OPEX, with budget, planned and actual costs side by side at project and portfolio level.                                                 |
| <b>3 · Funding</b>   | Stage gates with go and stop decisions, links from initiatives to strategic objectives and OKRs, and KPI dashboards for quarterly reviews.                             |

### PPM-Factory Ready

Pre-packaged, best-practice IT-PPM configuration.

#### BEST FIT

Getting capacity, cost and portfolio visibility quickly, starting with one portfolio.

### PPM-Factory Adapt

Configured to your processes, funding model and culture.

#### BEST FIT

Adaptive funding, run-cost allocation and strategy links that reflect how your organization decides.

## NEXT STEPS

- 1 Diagnose.** Run the self-diagnostic with IT leadership and IT finance.
- 2 Focus.** Pick the anti-pattern with the fewest ticks.
- 3 Pilot.** Talk to PPM-Factory about a 90-day pilot on one portfolio.

## ABOUT THE AUTHOR



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## See the spend. Then decide on it.

Start with one portfolio and one real decision.

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