Introduction to Standard Portfolio Management

Quick Reference Guide

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What is a Portfolio?

- A collection of Demands and Projects aggregated for decisioning and/or budgeting.

- Should be set up so that a single individual or committee can make decisions about priority and/or budget allocations (eg: strategic goal, business unit/sponsor or governance committee)

- May consist of past, current, and future investments.

- Gives visibility into all program and project work by Portfolio including costs, resources, and schedule.

- Continually evolving with approved investments changing as new strategic priorities are identified.

- An organization may have more than one Portfolio, each addressing unique organizational needs.

- A Demand or Project can only be assigned to one Portfolio.

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Overview of Portfolio Management

The Portfolio Management application provides several capabilities to the Portfolio manager:

- Create a Portfolio by adding related programs, projects, and demands.

- Perform annual Portfolio planning by selecting demands, projects, and programs.

- Track the progress and status of all the programs, projects, and demands that are part of the Portfolio.

- Track the costs, resources, schedules, risks, and issues.

Scope of the portfolio
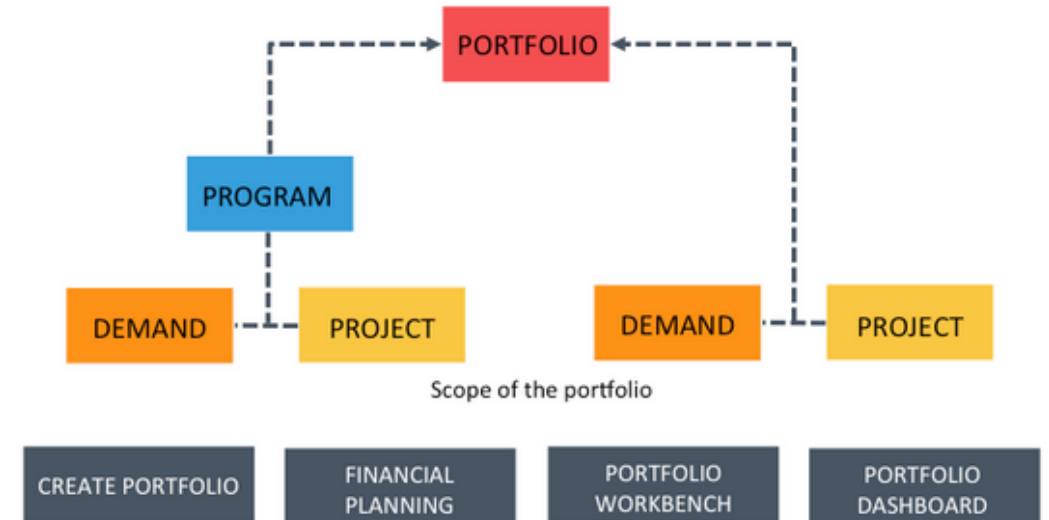
Portfolio Planning Process Within ServiceNow

There are two types of Portfolio Planning in ServiceNow: Standard and Advanced.
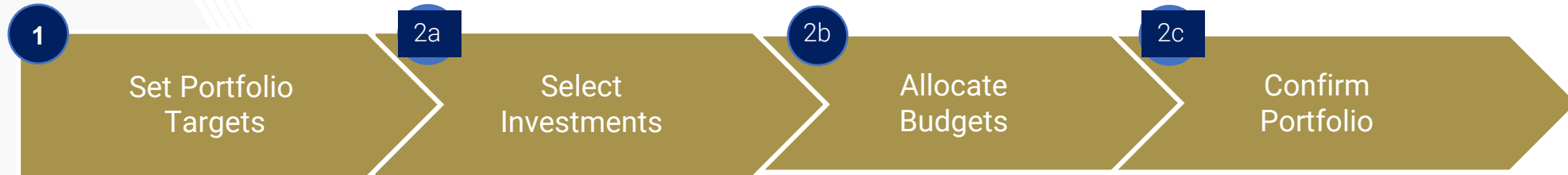
Standard Planning:

- Fully contained in the PPM Module

- Allows for the selection of Portfolio investments and allocation of budgets by fiscal year

- Reflects the current state only (no snapshot capability)

Due to the complexity of Advanced Planning, this training will focus on Standard Planning. Advanced will be covered in the *Portfolio Management with Financial Planning* materials

Advanced Planning:

- Uses the Financial Planning module

- Allows for the selection of Portfolio investments and allocation of budgets by fiscal year

- Requires promoting annual budgets and period forecasts to the Financial Planning module for review and approval

- Creates a snapshot of annual budget and period forecasts to track and analyze changes to planned and budgeted amounts throughout the fiscal year

- Requires the implementation of detailed financials including GL Accounts

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Standard Portfolio Planning Process

1 Set Portfolio Targets

2a Select Investments

2b Allocate Budgets

2c Confirm Portfolio

Set the initial Capex and Opex targets for the Portfolio in the given FY

Determine the Investments to include by prioritizing, performing what-if analysis and other decisioning methods both inside ServiceNow or externally

Adjust underlying Cost Plans to update the Investment planned costs as needed

Enter the capital and operational budgets allocated to the selected Investments

Update the Target amounts as necessary

Click the Confirm button to finalize the Portfolio and begin tracking

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Step 1: Set Portfolio Targets

Prerequisites

Activities

Outcomes

- None

- Set the overall Capex and Opex targets for the Portfolio for the given FY

- Targets set within ServiceNow

- Enables Portfolio Workbench and selection of investments

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Step 2a: Select Investments

Prerequisites

- Step 1 Complete
- Demands/ Projects associated with the Portfolio
- Cost Plans created on the Demands and Projects
- Project dates are within the fiscal year being planned
- Demand is in a **qualified** or **approved** state and have dates within the fiscal year being planned

Activities

- Review the Demands and Projects
- Determine the Investments to include by prioritizing, performing what-if analysis and other decisioning methods both inside ServiceNow or externally
- Update Cost Plans as necessary to change Planned Costs
- Mark the included investments by selecting the "Planned" checkbox

Outcomes

- Set of selected Investments for the given portfolio and fiscal year

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Step 2b: Allocate Budgets

Prerequisites

- Steps 1 and 2a Complete
- Approved Investments have accurate planned costs

Activities

- Enter the capital and operational budgets allocated to the selected Investments via the Portfolio Workbench (should match Planned amounts at annual planning)

- Update the Target amounts as necessary (Targets should match Planned/Budget amounts)

Outcomes

- Budget allocated to Investments for fiscal year

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Step 2c: Confirm Portfolio

Prerequisites

- Steps 1, 2a, 2b complete

Activities

- Click the **Confirm** button

- Select if you want to approve all included Demands

- Select if you want to confirm all associated Resource Plans for the selected Investments

Outcomes

- Portfolio Tracking enabled

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