Product portfolio management template

User guide

IBM Rational Focal Point version 6.5

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Introduction

The product portfolio management template

The IBM® Rational® Focal Point product portfolio management template contains a pre-defined configuration setup that you can use to manage your product portfolio. The template provides a library of tools that you can use to follow the best practices to manage a portfolio.

You can use the product portfolio management template to meet the following objectives:

- Capture innovative ideas for new products and features
- Provide visibility for your products and projects
- Align products with strategy
- Create product business cases, including product risks and financials
- Analyze your markets and your position in those markets
- Create market plans
- Understand your competition
- Do win or loss analysis to understand how your products are perceived and can be improved
- Plan projects to implement the products
- Define and manage the project scope
- Review your product portfolio to make the right investments
- Increase the value of your product portfolio
- Balance your product portfolio
- Monitor the state of your portfolio
- Gather objective decision support to replace or retire failing products

Getting started

Before you begin managing your portfolio, you must create your own workspace based on the template. Instructions to create the workspace are in the IBM Rational Focal Point Information Center.

In the product portfolio management template, each user has a specific role. When users log in, they see their home pages, which include role-specific information. The home pages contain the information that each user needs to do their work. For example, executive stakeholders can see the products that are not performing as expected. The products might have a negative net present value (NPV) or might have gaps between the actual and target values for revenue and cost. Portfolio managers can see risk assessment scorecards for the products in the portfolio that they are responsible for. Project managers can see a list of all the ongoing projects. Users can personalize their home pages.

Roles

Main roles

All members of the workspace must belong to a certain role. Administrators can assign roles to users by placing users in role folders on the Members page of the **Members** menu. Only workspace administrators and users who have the Permissions attribute set to Members can manage users and roles.

The pre-defined roles are on the Members page of the **Members** menu. You can also create and configure roles. To change a person's role, drag the user from one folder to another. The access rights for that user are automatically updated. The following roles are pre-defined in the product portfolio management template.

Executive stakeholder

Any person who has an executive role can be an executive stakeholder. This role provides access to views of ideas, products, portfolios, competitors, customers, projects, and strategic objectives. However, a person who only has this role cannot play an active part in turning an idea to a real product. The focus of this role is to monitor progress and provide feedback about strategy and direction.

Finance

People who work with finances in the company might have this role. This role provides access to views of ideas, products, and customers. People with this role can edit the financial attributes of the product and the internal rate only. T

Idea dispatcher

The idea dispatcher views all submitted ideas and examines them. If the idea has potential, it is allocated to be investigated. The idea dispatcher can edit ideas, but has mainly read access to products, projects, markets, customers, and other information.

Internal stakeholder

An internal stakeholder is a person who must access the workspace, but who does not necessarily have one of the other defined roles. People who need to use the information about the portfolio might use this role. Typically, internal stakeholders are sales persons, development managers, internal

investigators or analysts, business developers, or designers. This role can edit ideas, and has read-access to products, projects, markets, customers, and other information.

Marketing

This role can be assigned to people who work in marketing in the company. This role provides access to ideas, products, the product road map, competitor products and competitors, market plans, win/loss reports, and projects. If you have the marketing role, you can edit marketing-related attributes.

Portfolio manager

A portfolio manager is responsible for one or several portfolios, and allocates new product proposals to be investigated by a product proposal investigator. This role provides access to ideas, products, the product road map, portfolios, customers, competitors, and other information. Portfolio managers can monitor the progress of products in their portfolios.

Product portfolio committee

The product portfolio committee plays a central role in this workspace. This group decides to invest in or replace and retire product proposals and products. This role provides access to ideas, products, the product road map, customers, competitors, and other information. With this role, you can edit the internal rate and update the strategic objectives. On the home page for this role, you can monitor products that have high risk scores, negative NPVs, and red or yellow traffic lights for revenue and cost.

Product manager

A product manager is responsible for the content of one or more products, and plays an active role during the implementation of a product. This role works closely with members of the product portfolio committee and with project managers. Product managers can complete many activities, including updating information about products that they manage, creating and monitoring road maps and projects, creating win/loss reports, updating market information, and analyzing and planning business needs.

Project manager

The project manager is responsible for one or several projects. This role makes sure that the projects are implemented by the right resources on time

and within budget. This role can add new projects and monitor their progress, view the product road map, and plan and update business needs.

Secondary roles

Secondary roles exist so that people with main roles can complete certain tasks that are outside the scope of their main roles. The product portfolio template contains three pre-defined secondary roles. All of these roles are necessary to support the product portfolio management process.

In addition, a user can have a main role as a secondary role. For example, a user who has the main role of portfolio manager might have the secondary role of product portfolio committee. This user has the combined access rights for both roles. To manage secondary roles, administrators can click **Members** > **Members** > *Member name* > **Secondary Roles**.

Idea approver

Apart from their main roles, people who have this role scan ideas and approve or reject them. They can also mark ideas as duplicates or request clarification.

Idea investigator

Apart from their main roles, people who have this role investigate ideas. The investigation involves studying the business value, cost, possible implementation, feasibility, and other information.

Product proposal investigator

Apart from their main roles, people who have this role investigate product proposals. The investigation involves creating a high-level business case, which might include the strategic fit, a SWOT analysis, the identification of markets and competitors, and revenue and cost estimations. When the product portfolio committee prioritizes the product proposal, if it receives a high score, the product proposal investigator creates a full business case. The full business case includes the product vision, a full market and competitor analysis, and a risk assessment.

Modules

Each type of information is stored in a different module. For instance, one module might contain ideas, while another contains the products, and another contains the projects. Each idea, product, project, or other type of information is stored as a separate record in the database. Those records are called elements. You can use attributes to record information about elements.

The workspace administrator can access all elements and attributes in a module. Other users can access data by using specific views. The specific attributes for each element depend on which module the element is stored in. The attributes are organized in sections, such as General Information, Positioning, and Market Analysis.

The product portfolio management template contains 16 modules. You can find the modules on the Modules page of the Configure menu.

Ideas

This module is repository for ideas. In this module, new ideas are added, investigated, and analyzed. If an idea is approved, it is then handled as either a product proposal or business need.

Products

The Products module contains the whole product portfolio, from new product proposals to retired products. A product is a service or object that can be offered to a market to satisfy a business need. The Products module supports the use of both high- and detailed-level business cases and retirement plans. A folder in this module contains all competitor products so that you can compare those products to your products.

Portfolios

A portfolio is a group of products. This module organizes the products, and links to the Products module.

Market Plans

The Market Plans module contains the documents that describe the actions to achieve marketing objectives. Market plans might cover a product, a market,

or a project and might be created for one or several years, such as a five year plan.

A market plan can be part of an overall business plan. Solid marketing strategy is the foundation of a well-written market plan.

Customers

A customer is someone who uses or receives products. In the product portfolio management template, the customer can be either an individual or an organization or retailer, depending on the products you develop. In the template, you can differentiate customers as being active or prospective so that you can include both customers and people who chose not to be customers, but who offered significant business needs that you want to consider. When a prospective customer either becomes a customer or decides not to be a customer, they are linked to win/loss reports.

The Customers module contains information about your customers. You can also create login accounts for your customers. Customers who have login accounts are external stakeholders. To assign customers to be external stakeholders, you must create a role for that purpose.

Competitors

The Competitors module contains information about the companies that develop products that compete with your products. You can add competitor products to the Products module so that you can capture competitive intelligence at the product and the company levels. Through this association, you can compare your products against the competition's products and understand the value that each provides to particular markets.

Win/Loss Reports

Win-loss analysis is the identification and analysis of the reasons why a prospective customer was or was not persuaded to buy a product. Product managers use this information to improve marketing, development, and sales efforts and to better satisfy the needs of potential customers.

Projects

A project is created to support a process for a product in which you must create a schedule for different tasks and record cost and hours worked. For

example, a project might support the implementation of a product or its retirement process. Each project uses a certain amount of resources, depending on its content and when it must be completed. The content is typically specified in one or more business needs.

Business Needs

The Business needs module stores all business needs for products in the portfolio. Typically, the product manager prioritizes business needs and plans for them to be implemented in a certain project.

Criteria

The Criteria module stores the criteria that is used to prioritize and visualize elements. This module also contains the geographical markets that are targeted and the list of strategic objectives.

Checkpoints

This administrative module contains the checkpoints against which you review elements. Checkpoints are used only in the Review feature in Rational Focal Point. For example, you might use checkpoints to review a project to ensure that all deliverables are ready before you approve the project.

Images

This administrative module contains the images in the workspace.

Use Cases

This module contains the typical user scenarios for product portfolio management and descriptions of how they can be implemented in the template. Workspace administrators use the Use Cases module to understand how different use cases are related to different parts of the configuration; for example, the process workflow, attributes, roles, and views.

Supporting Module

By default, this module contains only one element, Internal Rate. The value of the Float attribute for the Internal Rate element is used to calculate NPV in the Products module.

Market Shares

This module supports the market share information in the Products module.

Market Sizes

This module supports the market analysis information in the Products module.

The product portfolio management process

The general process to manage product portfolios by using the template is shown in Figure 1. That image is also included on the home page of each role. The diagram shows the process to add a new idea, investigate it, and approve it to be either a product proposal or a business need for an existing product. Product proposals are prioritized against strategic objectives or other criteria. For the proposals that score the highest in the prioritization, business cases are created.

The product portfolio is reviewed routinely. The portfolio contains proposals that have business cases and the products that are already in the product life cycle. If a product is in the product life cycle, it has been delivered to the market or is under development. The outcome of the review is a decision to either invest in the product or remove it from the market by retiring or replacing it. If the company invests in a product, a development plan is created. If the company retires or replaces the product, a retirement plan is created. When a development plan is completed, funding decisions are made. Development can start only after the plan is approved.

The process image also shows how the products, or product proposals, are validated against the company strategy and how that strategy influences the product portfolio. For example, if the strategic objectives change, the product portfolio must be reviewed again so that it aligns with the new strategy.
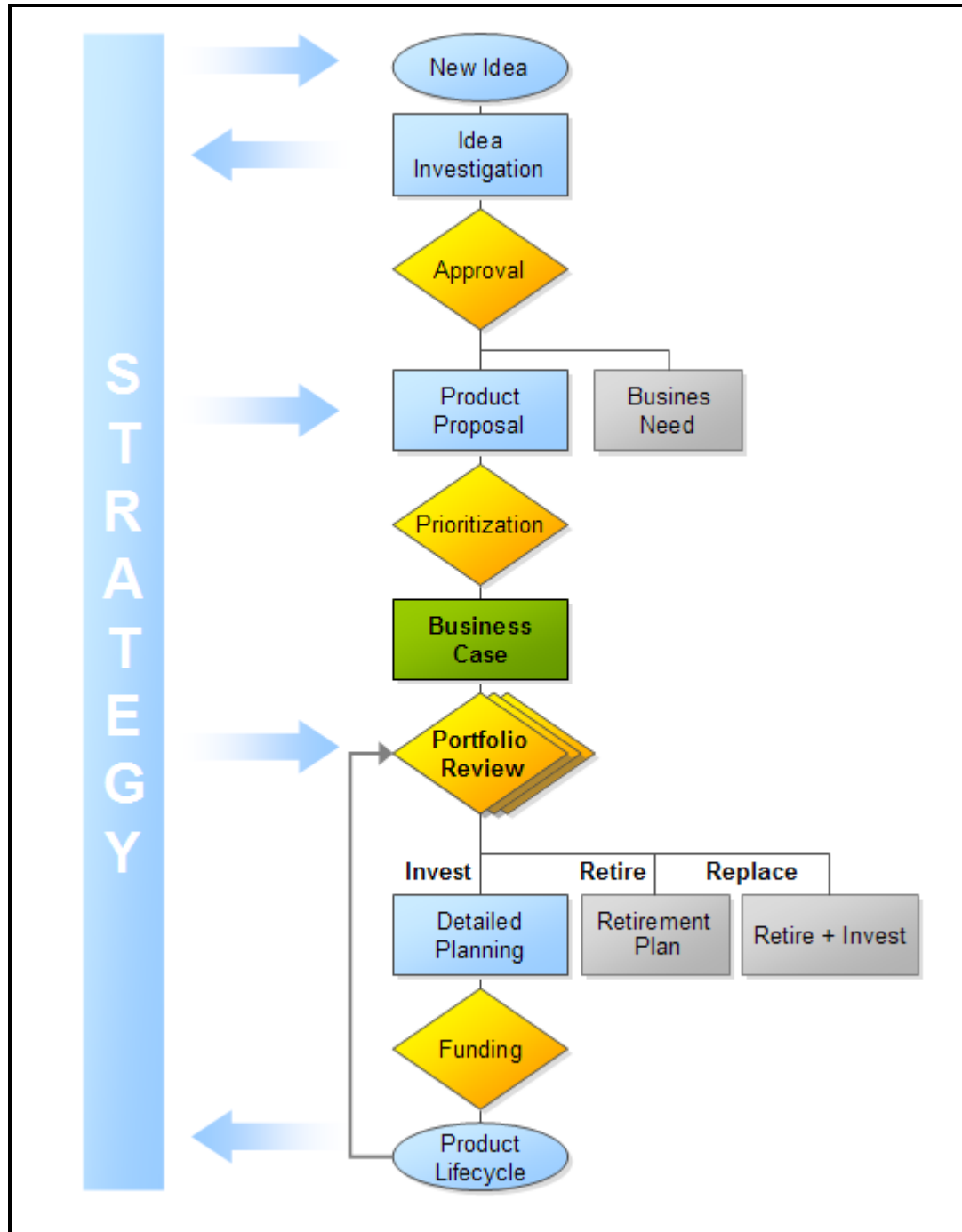
Figure 1. The product portfolio management process

The following section contains images of the process, divided into each process step. The images also include the role by which every step is completed. The workflow is based on the Status attribute in different modules.

Each state has its own icon. The icons identify the state of each idea, product, and business need.

In the following detailed process images, the roles that handle each state are on the left. The yellow diamonds represent a stage gate, in which an approval is needed to move the idea, product proposal, or business need to the next step in the process. The grey boxes are alternative states to the main process states.

Idea management

The idea management phase of the process is configured in the Ideas module. The image below shows which states are available for ideas.

The Delete status is used for soft delete. Use this status to indicate to the workspace administrator the ideas to delete. Until the ideas are physically deleted, they are marked to be deleted and are not visible in most views.
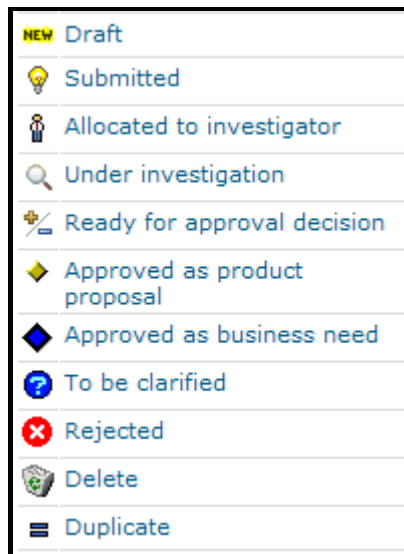
Figure 2. Icons for the states of ideas

The following image shows the workflow for an idea from the Draft state to becoming an approved product proposal or business need.
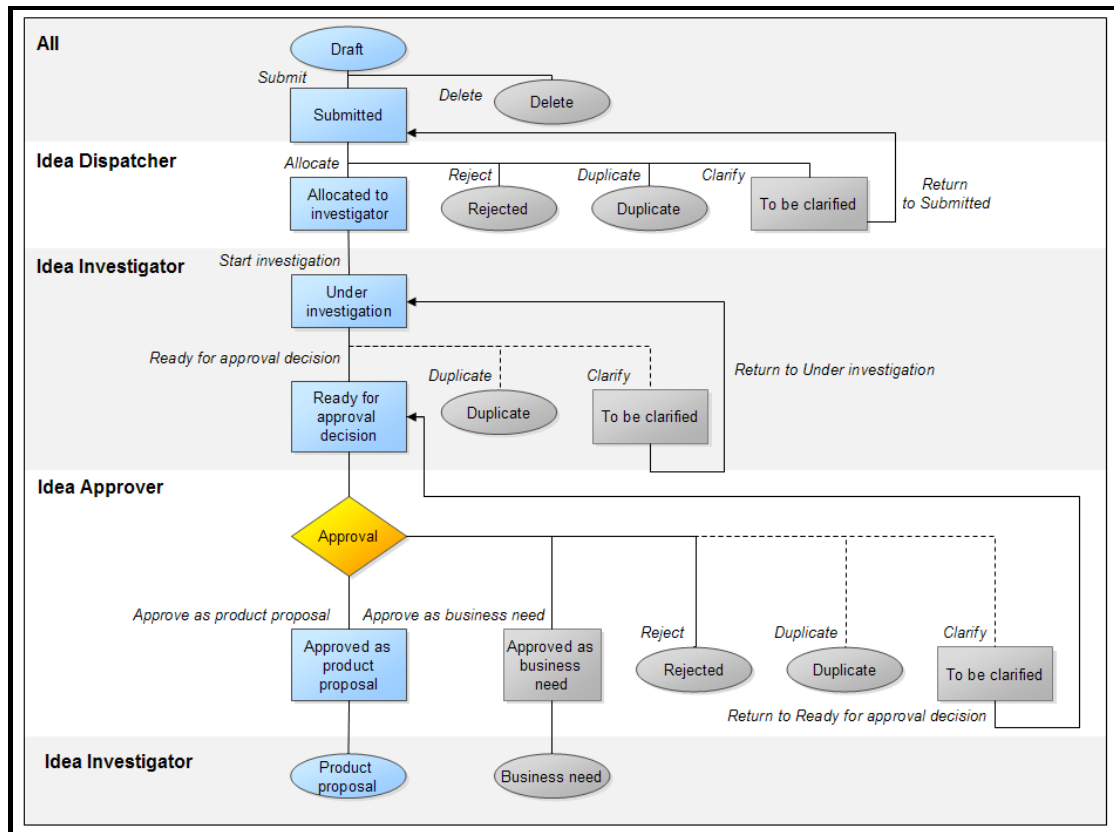
Figure 3. Workflow from a draft idea to an approved product proposal or business need

The following table provides more details about the process to move an idea from the Draft state to becoming an approved proposal or business need.

Role	Description	Input State	Output State	Alternative Output State	Views
All members	Add a new idea	-	Draft	-	**Add > Idea**
All members	Submit idea	Draft	Submitted	Delete	**Display > My Draft Ideas**
Idea Dispatcher	Allocate idea for investigation	Submitted	Allocated to investigator	Rejected, Duplicate, or To be clarified	**Display > Submitted Ideas**
Idea Investigator	Start investigation	Allocated to investigator	Under investigation	-	**Display > Ideas For Me to Handle**
Idea Investigator	Finish investigation;	Under investigation	Ready for approval	Duplicate or To be	**Display > Ideas For**

	feasibility study		decision	clarified	**Me to Handle**
Idea Approver	Approval decision	Ready for approval decision	Approved as product proposal	Approved as business need, Rejected, Duplicate, or To be clarified	**Display > Ideas Ready for Approval Decision**
Idea Investigator	Add product proposal or business need	Approved as product proposal or Approved as business need	New Product proposal or New business need	-	**Display > Ideas For Me to Handle, Add > Product Proposal, Add > Business need**

Product proposals

Product proposals are managed in the Products module. The image below shows the states that are available for products. The states that are highlighted are included in the following process image.

Although the competitor products are in the same module as your products, they do not follow the product portfolio management process, so they are not associated with a state. Instead, competitor products are identified by a hyphen (-).

Figure 4. The states for a product proposal

The following image shows the workflow from a new product proposal to one that is ready for review.

Figure 5. Workflow from a new proposal to a proposal that is ready to review

 The following table provides more details about the process to move a product proposal from the Allocated to investigator state to the Ready for review state.

Role	Description	Input State	Output State	Alternative Output State	Views
Portfolio Manager	Allocate product proposal to be investigated	Product proposal	Allocated to investigator	-	**Display > New Product Proposals**
Product Proposal Investigator	Start investigation of product proposal	Allocated to investigator	Under investigation	-	**Display > Product Proposals For Me to Handle**
Product Proposal Investigator	Finish product proposal investigation (high level	Under investigation	Ready for prioritization	To be clarified	**Display > Product Proposals For Me to Handle**

	business case); SWOT analysis, identify markets and competitors				
Product Portfolio Committee	Prioritize product proposals against strategic objectives	Ready for prioritization	Approved for business case creation	Ready for prioritization or Rejected	**Prioritize** > **Product Proposals to Prioritize**, **Visualize** > **Product Proposals to Prioritize**
Product Proposal Investigator	Start the business case creation	Approved for business case creation	Finalize business case	-	**Display** > **Product Proposals For Me to Handle**
Product Proposal Investigator	Finish business case. Analyze the market, competitors, and finances. Assess risks.	Finalize the business case	Ready for review	Rejected	**Display** > **Product Proposals For Me to Handle**

Portfolio review and development

Product proposals that have detailed business cases, products that are under development, and products that are on the market are managed in the Products module. The image below shows which states are available for products. The states that are highlighted are included in the process image below.
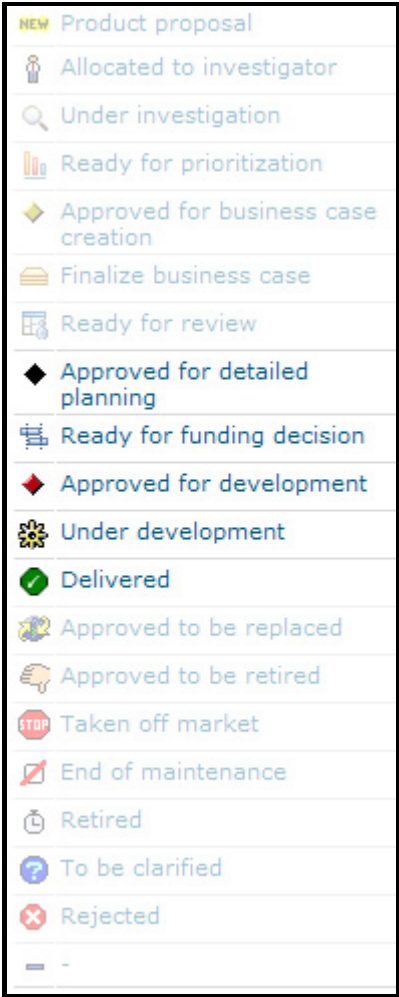
Figure 6. States for products that are under development, delivered, or that have detailed business plans

The following image shows the workflow for product proposals that are ready for review. When a product is ready to review, it has a detailed business case and can enter the product life cycle.
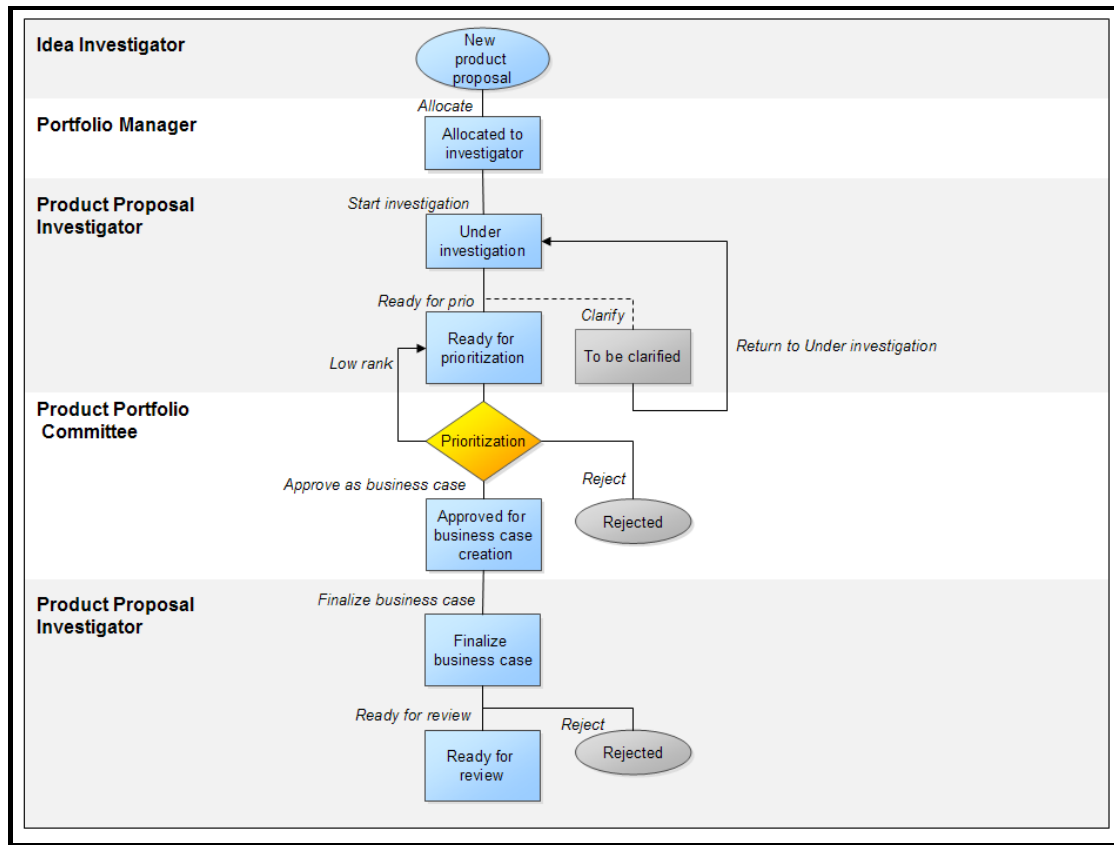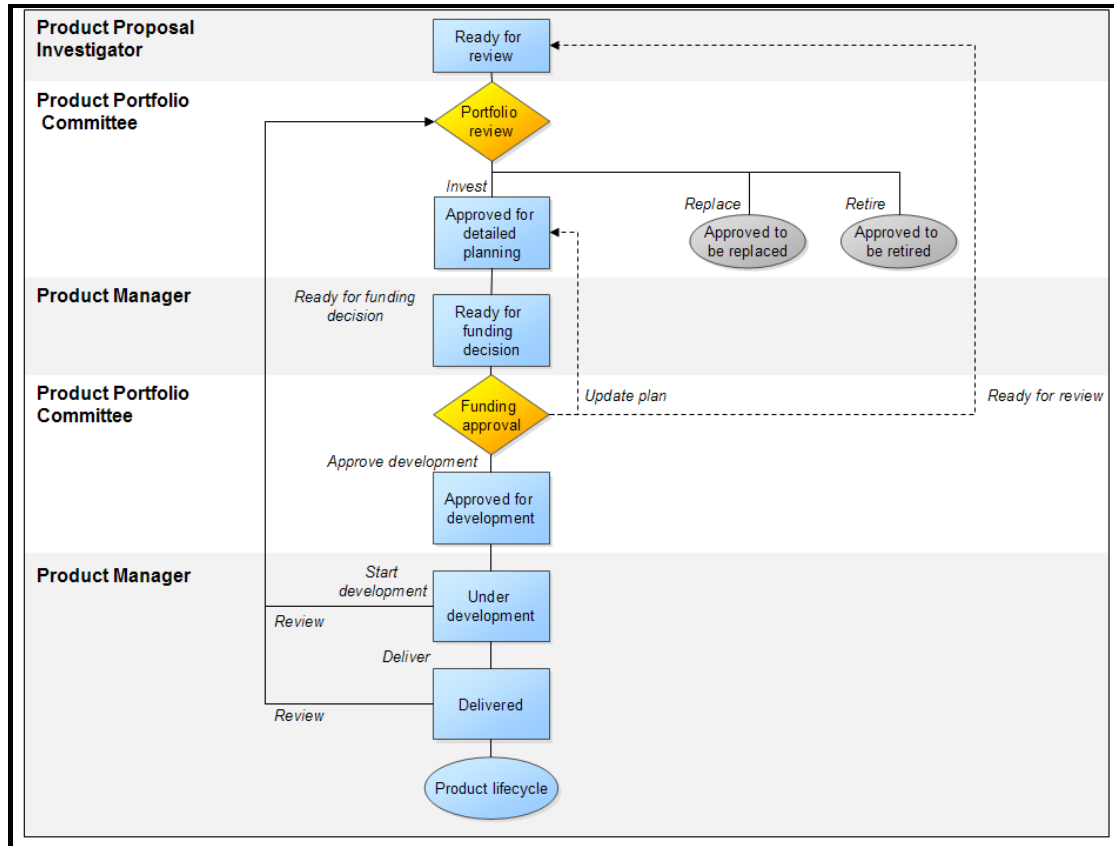
Figure 7. Workflow for products that are ready to review

The following table provides more details about the process to move a product proposal from the Ready for review state to the Delivered state.

Role	Description	Input State	Output State	Alternative Output State	Views
Product Portfolio Committee	Review the product portfolio. Invest in, retire, or replace products.	Ready for review	Approved for detailed planning	Approved to be replaced or Approved to be retired	**Display > Products (Proposals) Ready For Review**
Product Manager	Plan the development project, including the content, schedule, and resources.	Approved for detailed planning	Ready for funding decision	-	**Display > My Products To Manage**, **Display > Projects**

Product Portfolio Committee	Review the development plan and approve or reject development	Ready for funding decision	Approved for development	Approved for detailed planning or Ready for review	**Display** > **Products (Proposals) Ready For Funding Decision**
Product Manager	Start development of the product	Approved for development	Under development	-	**Display** > **My Products to Manage**, **Display** > **Ongoing projects**, **Display** > **Business Needs**, **Display** > **My Projects**
Product Manager	Deliver and enable the product	Under development	Delivered	-	**Display** > **My Products To Manage**

Business needs

Manage business needs in the Business needs module. The image below shows which states are available for business needs.

The Delete status is used for soft delete. Use that state to indicate to the workspace administrator which business needs to delete. Until the business needs are physically deleted, they are marked to be deleted and are not visible in most views.
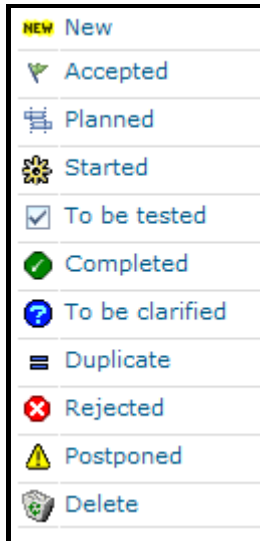
Figure 8. States for business needs

Business needs are gathered either as ideas (see the idea management process image in Figure 3) or from communication with the Product Manager, who adds the needs to Rational Focal Point. The following image shows the process to transition new business needs to be completed.
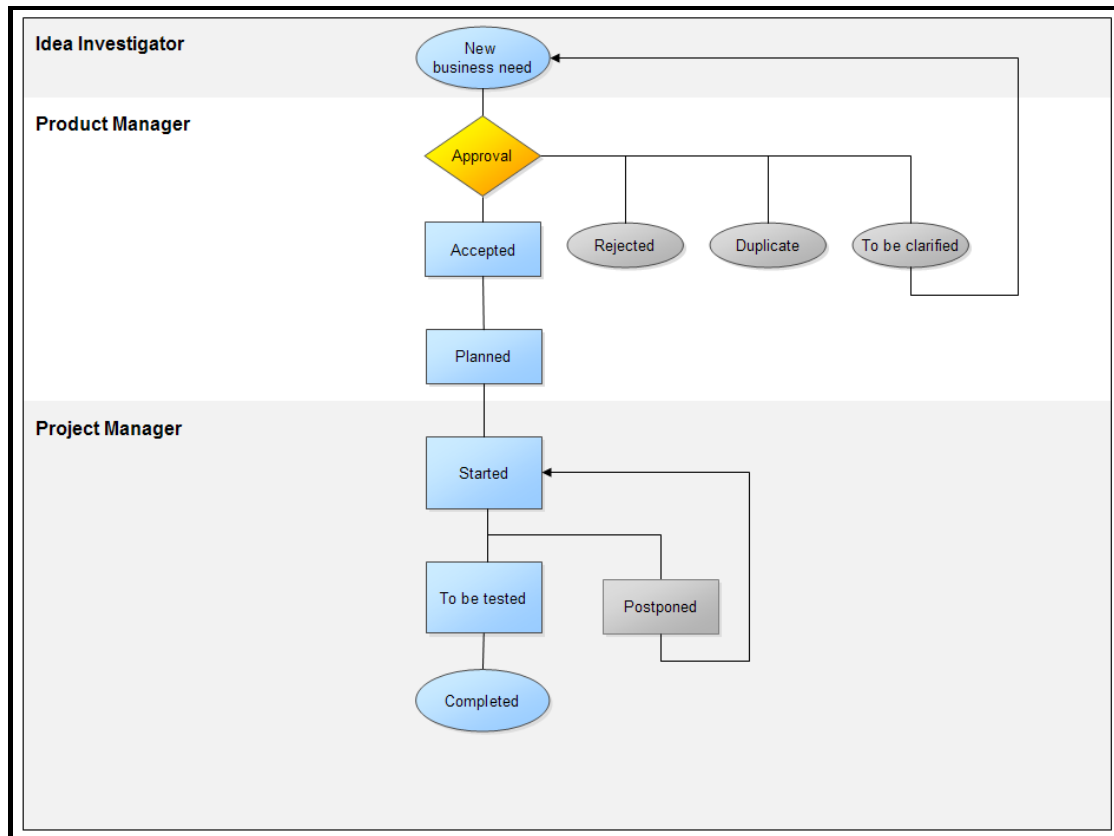
Figure 9. Workflow for a business need from new to completed

The following table provides more details about the process to move a a business need from the New state to the Completed state.

Role	Description	Input State	Output State	Alternative Output State	Views
Product Manager	Review new business needs for validity and feasibility	New	Accepted	Rejected, Duplicate, or To be clarified	**Display > Business Needs**
Product Manager	Plan business needs to a project	Accepted	Planned	-	**Display > Business Needs**
Project Manager	Start development of the business needs	Planned	Started	-	**Display > Business Needs**
Project Manager	Implement business	Started	To be tested	Postponed	**Display > Business**

	needs and managing the project				**Needs**
Project Manager	Test the business needs to ensure that they have been implemented correctly	To be tested	Completed	-	**Display > Business Needs**

Retirement and replacement

The process to retire and replace products is completed in the Products module. The image below shows which states are available for products approved for retirement or replacement. The states that are highlighted are included in the process image.

Figure 10. States for retiring and replacing products

The following image shows the workflow from approving a product to be replaced or retired to retiring the product.
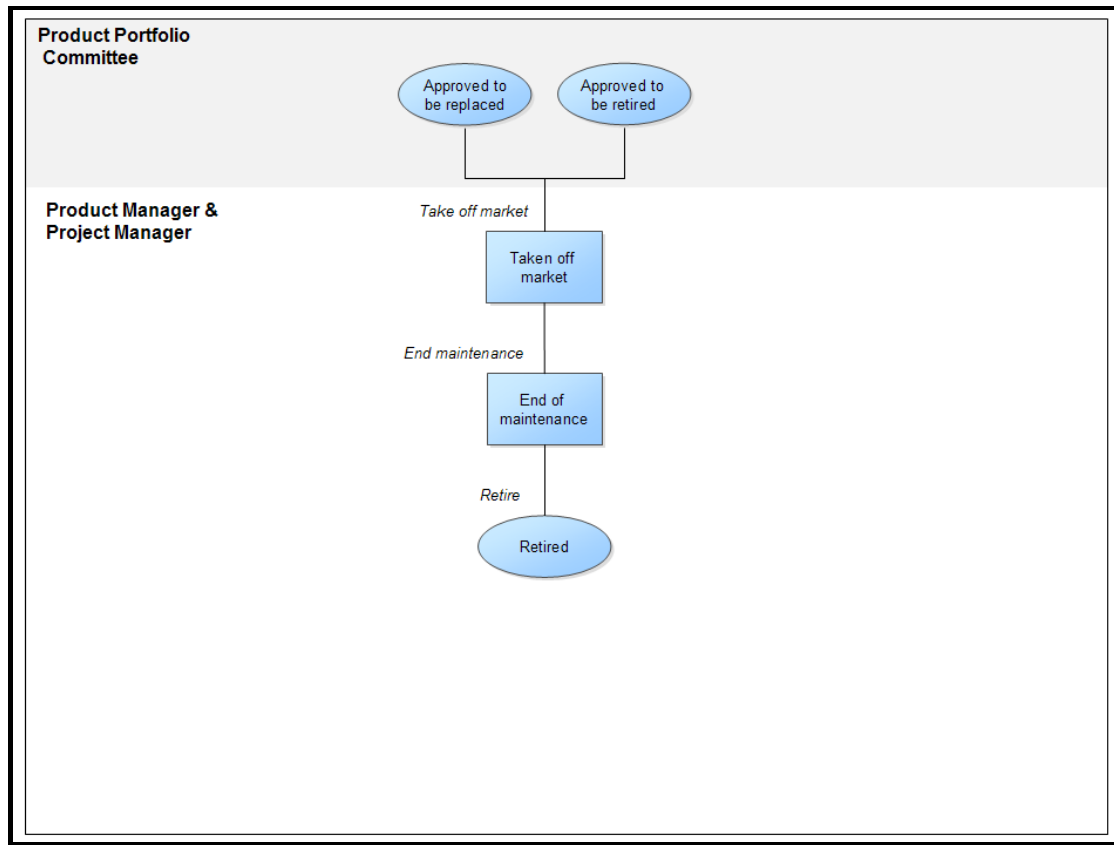
Figure 11. Workflow from approving a product to be retired to retiring the product

The following table provides more details about the process to move a product from the Approved to be replaced state or Approved to be retired to the Retired state.

Role	Description	Input State	Output State	Alternative Output State	Views
Product Manager and Project Manager	Plan and execute retirement or replacement project to take the product off market.	Approved to be retired or Approved to be replaced	Taken off market	-	**Display > My Products to Manage, Display > Products To Be Retired**
Product Manager and Project Manager	Execute the retirement or replacement project to end maintenance of the	Taken off market	End of maintenance	-	**Display > My Products to Manage, Display >**

	product.				**Products To Be Retired**
Product Manager and Project Manager	Execute the retirement or replacement project to end the life of the product.	End of maintenance	Retired	-	**Display > My Products to Manage**, **Display > Products To Be Retired**

Features for managing product portfolios

Adding an idea

The Add form is the quickest way to add an idea, or any other element such as a, product, business need, or competitor. To add an idea, from the **Add** menu, select Add > Idea. The Add form opens. In the Add form, edit the attributes for the idea. In the fields with asterisks, you must enter information.

Figure 12. The Add form for an idea

In addition, you can add multiple ideas simultaneously by importing them from a spreadsheet. Each column in the spreadsheet can be mapped to an attribute in the product portfolio management workspace. You can also import pre-existing or heritage data into the workspace.

Filtering ideas

When you want to display only a subset of ideas, you can use filters. To create a filter:

1. Click the **Filter** icon.

Figure 13. Filter icon

2. Select which ideas to display by specifying rules; for example, `Status should be Allocated to investigator, Under investigation, or Ready for approval`.

3. In the Visible in Filter column, select which attributes are visible by selecting or clearing the check boxes.

Figure 14. Creating a filter

When a filter is applied, the **Filter** icon is green. When you display ideas in a table mode, you can see both a subset of the ideas and a subset of the

attributes that define each idea. You can use filters to filter subsets of any type of element.

Tracking history and versions

For attributes that have the **History** icon, you can view an automated log of all events that have occurred for a particular attribute or idea, product, customer etc.

Figure 15. History icon

To see the change history log for an attribute, click the **History** icon. You can revert to a previous version of an attribute at any time.

In the Element Information section for an idea, product, customer etc, you can view the following attributes to track the history of the element:

- Version, which automatically increases as the attributes change

- Parent Folder

- Creator

- Created Date

- Last Changed By

Displaying statistics

The Attribute Statistics mode is a display mode. To use this mode, in a Display view, click the **Attribute Statistics** icon.

Figure 16. Attribute statistics icon

You can perform quick calculations and display statistics on different levels; for example:

1. Click **Display** > **Our Product Portfolio (r/-)**.

2. Specify the settings to display how many products are in each state:

     a. From the **Row** list, select **Status**.

     b. From the **Cell** list, select **Number of Elements**.

3. From the **Column** list, select **Strategic Objectives**. If you click the Plain text box, you can see the number of products in each state and which strategic objectives are targeted.

		Strategic Objectives						
	-	Become the market leader in Asia/Pacific	Deliver green products	Focus on innovative products	Increased awareness of our brand among...	Increased cross-selling of products	Internal efficiency	Provide clever household machines
Status								
Product proposal	3							
Allocated to investigator	4							
Under investigation	2		1	1		1		
Ready for prioritization	3	1			1			1
Approved for business case creation	3							
Finalize business case	7							
Ready for review	6	1	2	1	1			2
Approved for detailed planning	3		1		1		1	
Ready for funding decision	3	1			1			1
Approved for development	3			1	1			1
Under development	3							
Delivered	5		3	8	4	2	1	4
Approved to be replaced	1		1		1	1		1
Approved to be retired	2	1	1					
Taken off market								
End of maintenance								
Retired	1			1	1			
To be clarified	1							
Rejected								
-								

Figure 17. The status of products and their strategic objectives

4. View the number of products that target each geographic market and the total NPV for each market:

     a. From the **Row** list, select **Geographic Markets**.

     b. From the **Cell** list, select **Sum: NPV**.

     c. From the **Column** list, select **None**.

Geographic Markets	Quantity	Sum: NPV	Share
-	23	3 844 000	1,0%
Asia	29	92 281 000	24,2%
Europe	34	113 307 000	29,7%
North America	31	106 273 000	27,8%
South America	20	66 285 000	17,4%

Figure 18. Data about geographic markets and NPVs

By balancing the values in the **Row**, **Column**, and **Cell** lists, you can retrieve information to support your work with the product portfolio.

Use cases

Process-related use cases

Add a new idea

Sam has a new product idea that he wants to analyze for feasibility. After Sam logs in to Rational Focal Point, he opens and completes an Add form for the idea. Sam further defines his idea to make it as clear as possible. When he is finished, he submits the idea to be analyzed by an idea investigator.

To add an idea, Sam takes these steps:

1. Click **Add** > **Idea**.

2. In the Add form, specify the attributes for the idea, such as the Title, Description, Attachments, Comments, Strategic Objectives, and Related Ideas.

3. Click **OK**. The new draft idea is displayed.

4. Click **Display** > **My Draft Ideas**.

5. Update the relevant attributes, such as Title, Description, Attachments, Comments, Strategic Objectives, and Related Ideas.

6. Click **Submit**.

7. Specify the submission date and submitter and click **OK**. The idea transfers to the next state.

Note: By default, the person who submits the idea is selected as the submitter. If the submitter and the creator are not the same person, you can select another user to be the submitter.

Allocate an idea

Several new ideas were submitted recently, and someone must analyze the ideas for feasibility. Chris, who is the idea dispatcher, views the list of new ideas. Chris can allocate ideas to an investigator, reject ideas, and mark them as duplicates of other ideas. If an idea is too vaguely described, Chris can ask the submitter for clarification.

To review and dispatch ideas, Chris follows these steps:

1. Click **Display** > **Submitted Ideas**.

2. Read the submitted ideas.

3. Transfer an idea to the next state by clicking a transition:

   - Allocate to investigator
   - Reject
   - Duplicate
   - Clarify

Note: When an idea is allocated to investigator, the investigator is selected in the Responsible attribute of the idea.

Investigate ideas

An idea was allocated to Laura, an idea investigator. She takes ownership of the idea by transferring the idea to the "Start investigation" state. She edits several attributes that support her investigation. In the investigation, she analyzes the benefits and costs of implementing the idea, creates a feasibility and risk scorecard, and determines when, how, and why the idea is to be implemented. Laura can also mark the idea as a duplicate of another idea or ask the submitter for clarification.

To investigate ideas, Laura follows these steps:

1. Click **Display** > **My Ideas to Handle**.

2. Take ownership of the idea by transferring the idea to the "Start investigation" state. More attributes are visible and editable.

3. Complete the investigation by specifying information about the following attributes:

   - Comments
   - Business Mechanism
   - Implementation
   - Time of Availability
   - Level of Effort (hrs)

- Market Feasibility, Business Feasibility
- Technical Feasibility
- Commercial Risk

4. Optional: If the idea is unclear, ask the submitter to elaborate by entering a comment and clicking **To be clarified**.

5. Optional: If the idea is a duplicate of another idea, enter a comment, link the duplicate idea to the original idea, and click **Duplicate**.

6. Click **Ready for approval decision**.

Idea approval

John has the idea approver role. He approves or rejects the ideas that have been investigated for feasibility. John can approve an idea as a new product proposal, approve an idea as a new business need, or reject an idea.

To approve or reject ideas, John follows these steps:

1. Click **Display** > **Ideas Ready for Approval Decision**.

2. Transfer an idea to the next state by clicking a transition:

- Approve as product proposal
- Approve as business need
- Reject

3. Optional: If the idea is unclear, ask the submitter to elaborate by entering a comment and clicking **To be clarified**.

4. Optional: If the idea is a duplicate of another idea, enter a comment, link the duplicate idea to the original idea, and click **Duplicate**.

Add a product proposal

John, the idea approver, approved a few ideas to be product proposals. Laura, the idea investigator, is responsible for these ideas. Laura must create product proposals for the approved ideas. The product proposal must reflect the original idea and the result of its feasibility study.

To create a product proposal, Laura follows these steps:

1. Click **Display** > **Ideas For Me to Handle**.

2. In the lower frame, click **Add Product Proposal**. An Add form opens.

3. In the Add form, specify the product name, the portfolio, a description, and comments.

4. Click **OK**. A link between the idea and the new product proposal is created automatically.

Allocate a product proposal to an investigator

A new product proposal was created and must be investigated further. Annie, who is a portfolio manager, reads the proposal and realizes that the proposal is to develop a new product in the portfolio that she manages. She allocates the proposal to be investigated by Bruce. Bruce must create a high-level business case for the product proposal.

To review and allocate the proposal, Annie follows these steps:

1. Click **Display** > **New Product Proposals**.

2. Select a proposal and click **Allocate**.

3. Select the investigator by setting a link in the Product Proposal Investigator attribute.

4. Optional: Add comments.

Investigate the product proposal

Bruce is the product proposal investigator and is responsible for writing and completing the business case for product proposals. First, Bruce investigates new product proposals and create high-level business cases for them. For each proposal, Bruce describes the problem that the potential new product can solve, does a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, estimates the revenue and cost per year, and identifies markets and competitors. When Bruce is finished, he sends the proposal to the product portfolio committee so that it can prioritize the proposal against other proposals.

To investigate a proposal and create a business plan for it, Bruce follows these steps:

1. Click **Display** > **Product Proposals For Me to Handle**.

2. To take ownership of the product, transfer it to the "Start investigation" state. More attributes are visible and editable.

3. Create a high-level business case by updating the following attributes:

   - Strategic Objectives
   - Problem
   - Solution
   - Geographic Markets
   - Strengths
   - Weaknesses
   - Opportunities
   - Threats
   - Competing Companies
   - Competing Products
   - Target Revenue
   - Estimated Costs

4. Optional: If the product proposal unclear, ask the creator to elaborate by entering a comment and clicking **To be clarified**.

5. Click **Ready for prio**.

Prioritize product proposals

The product portfolio committee is a team of executives and managers who makes strategic decisions about the product portfolio. They meet regularly to evaluate which product proposals have the most potential to be business cases and, eventually, successful products. The committee prioritizes product proposals against the strategic objectives of the company. The proposals that score the highest are sent to a product proposal investigator who must create full business cases for the proposals.

To prioritize proposals, the committee follows these steps:

1. Click **Prioritize** > **Product Proposals to Prioritize**.

2. Select the first criterion and complete the recommended number of comparisons.

3. Complete the comparisons for all criteria.

4. Click **Visualize** > **Product Proposals to Prioritize**. Click the **stacked bar chart** icon.

Figure 19. Stacked bar chart icon

5. Analyze the results. Transfer the highest scoring product proposals to the "Approved for business case creation" state.

    a. Select the products to transfer.

    b. In the chart, right-click and select **Edit all checked elements**.

    c. Edit the Status attribute and select **Approved for business case creation**.

6. Optional: If a product proposal that will never be approved, enter a comment to explain why it is not be approved and transfer it to the Rejected state.

7. If a product proposal has a low score but might be considered in the next prioritization session, move it to the "Ready for prioritization" state.

Finalize a business case

Bruce, the product proposal investigator, must create detailed business cases for product proposals that the product portfolio committee agreed to investigate further. Bruce views his list of product proposals to investigate and when he is ready to start the investigation, he takes ownership of the proposals by transferring them to the "Finalize business case" state. When proposals are in this state, Bruce can edit more attributes.

In addition to the details of the high-level business case that Bruce already created, he specifies the product vision and completes the market and competitor analysis, a risk assessment, and a financial analysis. When he is finished, Bruce sends the case to the product portfolio committee for review.

To finalize a business case, Bruce follows these steps:

1. Click **Display** > **Product Proposals For Me to Handle**.

2. Take ownership of the business case by transferring it to the "Finalize business case" state. More attributes are visible and editable.

3. Update the following attributes:

    *   Tier
    *   Market Share
    *   Analyst Input
    *   References
    *   Market Interest
    *   Market Maturity
    *   User/Consumer Understood
    *   Risk of Commercial Failure
    *   Risk of Technical Failure
    *   Complexity

4. Optional: If the business case for the product proposal is not satisfactory, transfer the proposal to the Rejected state.

5. Transfer the business case to the "Ready for review" state.

Review the product portfolio

On regular basis, the product portfolio committee meets to review the product portfolio to ensure that the right products are provided at the right time to the right markets. The committee reviews the products that are currently available on the market, the products that are being developed, and the products that have detailed business cases. The committee decides whether to invest in a product, retire it, or replace it with another product.

The home page of a committee member shows information about poorly performing products, including negative net present values (NPVs), red or yellow thresholds for actual versus target values, and high total risk scores.

To review the product portfolio, the committee follows these steps:

Note: Because the home page for the committee contains the products that might be performing poorly, use the home page as a starting point for the portfolio review.

1. Click **Display** > **Products (Proposals) Ready For Review**.

2. View the business case for each product.

3. Transfer a product to the next state by clicking a transition:

   - Approved for detailed planning
   - Approved to be retired
   - Approved to be replaced

Plan the development project

Frida is the product manager for a product that has been approved for development by the product portfolio committee. The new product will be launched in one and a half years. Frida creates a project for the development of the new product, in which she plans different milestone dates, estimates the resources to use, and determines the content of the release, in the form of business needs.

To plan the project, Frida follows these steps:

1. Click **Display** > **My Products to Manage**.

2. Select the product proposal for which to create a development project.

3. In the lower frame, click **Add Project**. An Add form opens.

4. In the Add form, specify information about the following attributes:

   - Title
   - Description
   - Project Manager
   - Project Type
   - Target Start Date
   - Planned Start Date
   - Target Concept Date

- Planned Concept Date

- Target Development Date

- Planned Development Date

- Target End Date, Planned End Date

- Delivery Date

- Budgeted Time

- Project Management

- Implementation

- Marketing

- Services.

5. Click **OK**.

6. Click **Display** > **Projects**.

7. Select the development project that you created.

8. Edit the Business Needs attribute and add all business needs to implement in the project.

Note: Defining the business needs might take a long time. For example, you must describe each business need and estimate its cost. The activities to define business needs are not described in this use case.

9. Click **Display** > **My Products to Manage**.

10. Transfer the product proposal to the "Ready for funding decision" state.

Review the development plan

Frida, the product manager for the new product to be developed, created a development project for that product. The product portfolio committee reviews the plan. In particular, it views the time and resources needed to implement it and the cost of development. The committee agrees that the plan is good, and approves funding.

To review the development plan, the committee follows these steps:

1. Click **Display** > **Products (Proposals) Ready For Funding Decision**.

2. Click the link of the development project to review.

3. Analyze the business needs, the estimated time, and the resources needed for project management, implementation, marketing, and services.

4. To approve the project plan, transfer the product proposal to the "Approved for development" state.

5. Optional: If the project plan must be updated, in the Comments attribute, request the required update and transfer the product proposal to the "Approved for detailed planning" state.

6. Optional: If the product portfolio committee does not make a decision about the product proposal, it remains in the "Ready for review" state so that it can be considered in the next review meeting.

Start development

The product portfolio committee has given Frida, a product manager, the approval to develop a new product. Frida works with the project manager, Miguel, to start the development phase based on the project plan. As development implements the business needs, they send Miguel updates, and Miguel updates the business needs in the plan. After the project is completed, Frida reviews the project deliverables. She accepts what has been delivered and updates the project status to Approved.

Product managers complete these tasks while a project is being developed:

1. Change the status of the project:

   a. Click **Display** > **My Products To Manage**.

   b. Select the project and transfer it to the "Under development" state.

2. In the development project that is related to the product, monitor the implementation of the business needs.

3. When the development project has the Completed status, review the project deliverables. Either set the status of the project to Approved or set the status to Started and provide the project manager with feedback.

Project managers complete these tasks while a project is being developed:

1. Click **Display** > **My Projects**.

2. Select the development project, and set its status to Started.

3. Enter the actual start date.

4. Throughout development, update the business needs to reflect progress. For example, update the actual cost (hrs) and status.

5. When the implementation of the related business needs is complete, enter the actual development date and change the status of the project to Completed.

Deliver the product

The new product is developed and is ready to be delivered. Frida, the product manager of the product, approved the development project and works with marketing and sales to launch the product. After the product is delivered, the product status is updated to Delivered.

To deliver the product, Frida follows these steps:

1. Click **Display** > **My Products To Manage**.

2. Select the product.

3. Make sure that the related development project is in the Approved state.

4. Transfer the project to the Delivered state.

Retire a product

The product portfolio committee sees that a product is not performing well anymore and decides to retire the product. The product manager for that product, Nathan, updates the retirement plan for the product and creates a retirement project to implement the retirement. Rebecca is the project manager for the retirement project. She collaborates with marketing, sales, and other stakeholders to withdraw the product from the market and guide it through end of maintenance and end of life.

The product portfolio committee completes these steps to retire a product:

1. Click **Display** > **Products (Proposals) Ready For Review**.

2. Select the product.

3. Transfer the product to the "Approved to be retired" state.

Product managers complete these steps to retire a product:

1. Click **Display** > **Products To Be Retired**.

2. Select the product.

3. Update the retirement plan for the product.

4. In the lower frame, click **Add Project**. An Add form opens.

5. Create one or more retirement projects by completing Add forms. You might use one plan to manage the retirement or use several plans to manage different parts of the retirement in phases and projects.

6. Click **OK**. A link between the retirement project and the product is created automatically.

7. Click **Display** > **Projects**.

8. Select the retirement project that you created.

9. Edit the Business Needs attribute and add the business needs that must be implemented in the project.

Note: By default, the tasks in a retirement project are considered to be business needs. If necessary, you can add a Tasks module to separate retirement tasks from the other business needs.

10. Throughout the retirement process, monitor the progress of the project. Update the project and the product to reflect the progress. For example, update the actual dates and status.

11. When you reach the Take Off Market date for the product and the tasks to take the product off market are complete, click **Display** > **My Products To Handle**.

12. Transfer the product to the "Take off market" state.

13. When you reach the End of Maintenance date for the product and when the tasks to end maintenance are complete, click **Display** > **My Products To Handle**.

14. Transfer the product to the "End of maintenance" state.

15. When you reach the End of Life date for the product and the tasks to end the product are complete, click **Display** > **My Products To Handle**.

16. Transfer the product to the "End of life" state.

17. Optional: View the retired products on the "Retired Products (r/-)" page of the **Display** menu.

Project managers complete these steps to retire a product:

1. Click **Display** > **My Projects**.

2. Monitor and control the progress of the retirement project.

3. Throughout the process, update the business needs, the project, and the product to reflect the progress of the retirement. For example, update the actual time, actual dates, and status.

Replace a product

The product portfolio committee identifies a product that is not performing well and decides to replace it with another product. The product manager for that product, Nathan, updates the retirement plan for the product and includes an analysis of the alternative product. Then, Nathan creates a retirement project.

At the same time that the product is withdrawn from the market, the alternative product is introduced. The product to be retired eventually reaches end of maintenance and finally end of life. Rebecca is the project manager for the retirement project. She collaborates with marketing, sales, and other stakeholders to complete the project.

The product portfolio committee follows these steps to replace a product:

1. Click **Display** > **Products (Proposals) Ready For Review**.

2. Select the product.

3. Transfer the product to the "Approved to be replaced" state.

4. After the product manager completes the development plan for the alternative product, review that plan. For more information, see the "Review the development plan" use case.

Product manager follows these steps to replace a product:

1. Click **Display** > **Products To Be Retired**.

2. Select the product.

3. Update the retirement plan for the product.

4. In the bottom frame, click **Add Project**. An Add form opens.

5. Create one or more retirement projects by completing Add forms. You might use one project to manage the retirement or use several to manage different parts of the retirement in phases and projects.

6. Click **OK**. A link between the retirement project and the product is created automatically.

7. Click **Display** > **Projects**.

8. Select the retirement project you created.

9. Edit the Business Needs attribute and add all business needs that must be implemented in the project.

Note: By default, the tasks in a retirement project are considered to be business needs. If necessary, you can add a Tasks module to separate the retirement tasks from the other business needs.

10. Create a development project and plan for the alternative product. For more information, see the "Plan the development project" use case.

11. Monitor the progress of the retirement project.

12. Begin the development of the alternative product. For more information, see the "Start development" use case.

13. Throughout the retirement process, update the retirement project and the product to reflect the progress. For example, update the actual dates and status.

14. When you reach the Take Off Market date for the product and the tasks to take the product off market are complete, click **Display** > **My Products To Handle**.

15. Transfer the product to the "Take off market" state.

16. When you reach the End of Maintenance date for the product and the tasks to end maintenance are complete, click **Display** > **My Products To Handle**.

17. Transfer the product to the "End of maintenance" state.

18. When you reach the End of Life date for the product and the tasks to end the life of the product are complete, click **Display** > **My Products To Handle**.

19. Transfer the product to the "End of life" state.

20. Optional: View retired products on the "Retired Products (r/-)" page of the **Display** menu.

Project managers complete these steps to replace a product:

1. Click **Display** > **My Projects**.

2. Monitor and control the progress of the retirement project.

3. Start the development of the alternative product. For more information, see the "Start development" use case.

4. Throughout the process, update the business needs, retirement project, and product to reflect the progress of the retirement. For example, update the actual time, actual dates, and status.

Independent use cases

Update the market analysis

Marketing and finance personnel received information about the market for a product. Amanda, who is in marketing, received market feedback. Makiko,

who is in finance, received an update about market shares. In the business case for the product, Amanda and Makiko update the market analysis information:

1. Click **Display** > **Our Product Portfolio (r/w)**.

2. Select the product.

3. In the Market Analysis section, update the attributes.

   a. For market share information, update the existing Market Share and Market Size ($k).

   b. For analyst information, update the Analyst Input and References.

   c. For the market scorecards, update the Market Interest, Market Maturity, and User/Consumer Understood.

   d. For market feedback, update the Market Perception and Satisfaction Levels.

4. Optional: Add another geographic market and its corresponding market size:

   a. Edit the Geographic Markets attribute and add the additional market.

   b. In the lower frame, click **Add Market Share**.

   c. Select the portfolio and geographic market by setting a link in the Market Size Link attribute. The total market size is calculated automatically.

   d. Specify the Market Share (%) and Trend information.

   e. Click **OK**. The Markets graph for the product is redrawn and a new link is displayed in the Market Share section.

Analyze competitors

Amanda in marketing received information about a new competitor on the market. She adds the new competitor product to Rational Focal Point and

analyzes the advantages of the product. She then updates the product portfolio to indicate which product the competitor product competes with.

1. Click **Add** > **Competitor Product**. An Add form opens.

2. In the Add form, specify information about the attributes for the new competitor product, and click **OK**.

3. Optional: Click **Add** > **Competitor**. An Add form opens. Specify information about the attributes for the new competitor company and click **OK**.

4. Click **Display** > **Our Product Portfolio (r/w)**.

5. For the products that compete with the new competitor product, update the Competing Products attribute. If necessary, also update the Competing Companies attribute.

Update the actual values for revenue and cost

Makiko in finance collected the actual values for revenue and cost for a year. In the product business cases, she updates the Revenue and Cost areas:

1. Click **Display** > **Our Product Portfolio (r/w)**.

2. For each product, update the actual values for the year:

   - Actual Revenue > Yr X

   - Actual Costs > Yr X

Review and update the product road map

Annie, a portfolio manager, views the product road map for products in her portfolio and sees that the products are not evenly distributed over time. Too many products are being launched during the upcoming year and very few products are being launched in the following years. Annie suspects that because of the uneven distribution, products will lack sufficient resources for development. She also worries that her products will eventually fall behind competitors because of the lack of future product launches. To improve the road map, Annie completes the following steps:

1. Click **Display** > **Product Roadmap**.

2. In the right frame, select these dates:

   - Target General Availability

   - Take Off Market

   - End of Maintenance

   - End of Life

3. Clear the links and values, and click **Edit**.

4. Drag the products to different points in time until the road map is satisfactory.

5. Click **Save**. The dates update automatically to reflect the changes in the road map.

Call a customer to record win or loss information

Frida, product manager, calls a customer that is a retailer of her products. She has learned from a sales representative that the customer plans to sell a competitor's product next year. Frida wants to capture the reasons for this change in order to learn and improve.

To specify the information from a win or loss call, Frida follows these steps:

1. Click **Add** > **Win/Loss Report**. An Add form opens.

2. Specify information for each of the attributes in the form. The attributes that begin with numbers are questions that the customer must answer.

3. Click **OK**.

Change the strategic objectives

To better compete in the market and to address internal issues, company executives changed the strategic objectives. After the new strategic objectives are described and communicated, the product portfolio is reviewed to ensure that the company is focusing on the right products.

To change the strategic objectives, Frida follows these steps:

1. Click **Display** > **Strategic Objectives**.

2. Update the strategic objectives.

3. Optional: To add strategic objectives, Click **Add** > **Strategic Objective**.

4. Click **Display** > **Products (Proposals) Ready For Review**.

5. Review the product portfolio based on the updated strategic objectives. For more information, see the "Review the product portfolio" use case.

Create and manage the project plan

Rebecca, a project manager, is responsible for a project to develop a new product. The content has been defined by Frida, the product manager, in a set of business needs to be implemented. Rebecca manages the project in Microsoft® Project™ and sets up an integration between that product and Rational Focal Point.

In the project file, she plans the details, for each business need she plans start and end dates, resource, duration etc. She synchronizes the data in the Microsoft Project file to Rational Focal Point. As the project progresses, Rebecca synchronizes the data in order to keep Frida, the product manager, and other stakeholders updated on the project status.

To synchronize data from Microsoft Project with Rational Focal Point, Rebecca follows these steps:

Note: To complete the following steps, you must have the Microsoft Project add-on for Rational Focal Point installed on your computer.

1. Open Microsoft Project.

2. Click **Set up Rational Focal Point integration**.

3. Enter the Web Services URL; for example, https://*example.com*/fp/services, where *example.com* is your Rational Focal Point domain.

4. Enter your login name and password.

5. Click **Log In**.

6. Select **Workspace: Product Portfolio Management**.

7. Select **Projects View: My Projects**.

8. Select **Project Element:** *Project*, where *Project* is the name of the project to synchronize with.

9. Map the properties in Microsoft Project with the attributes in Rational Focal Point. The following table provides some examples of properties that might map to attributes.

Microsoft Project properties	Direction of synchronization	Rational Focal Point attributes
Name/Title	<->	Title
Start Date	->	Planned Start Date
Finish Date	->	Planned End Date
Responsible	<-	Project Manager
Tasks	<->	Business needs
Estimated Cost	->	Total Estimated Time
Actual Cost	->	Total Actual Time

10. Click **Next**.

11. Select **View: Business needs**.

12. Map the fields in Microsoft Project with the attributes in Rational Focal Point. The following table provides examples of fields that might map to attributes.

Microsoft Project fields	Direction of synchronization	Rational Focal Point attributes
Name	<->	Title
Responsible	<-	Responsible
Start Date	->	Start Date
Finish Date	->	Finish Date
Actual Cost	->	Actual Cost (hrs)
Estimated Cost	->	Cost Estimate (hrs)
Milestone	<->	Milestone

13. Click **Finish**.

14. Click **Yes** to synchronize the project file with Rational Focal Point.

15. Update the project file with the plan.

16. When the project file is updated, in Microsoft Project, click **Synchronize with Rational Focal Point**.

17. Click **Display** > **My Projects**. The project is updated with the information from the project file.

Product portfolio and product management

You can include product management activities within or in combination with the product portfolio management template. If you use both types of management templates, you can configure workspaces in several ways. For example, you might have one product portfolio management workspace and several product management workspaces. Alternatively, you might have additional modules for product management in the product portfolio management workspace.

This user guide does not contain descriptions of each configuration to use both the product and product portfolio management workspaces. However, if you use both workspaces, you might make these configurations to support your processes:

- Add a Tests module to contain the test cases that support the implementation of the business needs.

- Add roles, such as developer and tester.

- Add attributes to support various processes. For example, you might add attributes to support linking and aggregation of cost and resources.

- Configure your process to be more elaborate and detailed.

- Create a more elaborate prioritization process for business needs.

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