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Portfolio Management Configuration Guide

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Contents

| | |
|---|-----------|
| Chapter 1: Getting Started with Portfolio Management Configuration .. | 6 |
| Introduction to Portfolio Management | 6 |
| Overview of Configuring Portfolio Management | 7 |
| Related Information | 8 |
| Chapter 2: Configuring Global Portfolio Management Settings | 9 |
| Overview of Configuring Global Portfolio Management Settings | 9 |
| Configuring Columns for Proposals/Projects/Assets Tabs and Scenario Comparisons | 9 |
| Setting Categorization Preferences for Scenario Comparisons | 11 |
| Setting Financial Metrics for Portfolios | 11 |
| Chapter 3: Customizing Lifecycle Entities | 13 |
| Overview of Customizing Lifecycle Entities | 13 |
| Customizing Lifecycle Entities | 13 |
| Proposal | 14 |
| Customization Considerations | 16 |
| Proposal Details | 16 |
| Business Case Details | 17 |
| Value and Risk Ratings | 18 |
| Project | 18 |
| Customization Considerations | 20 |
| Asset | 20 |
| Customization Considerations | 22 |
| Financial Summaries | 22 |
| Configuring User Data | 23 |
| Configuring Capitalized Costs | 23 |
| Creating Your Own Lifecycle Entities | 23 |
| General Customization Considerations | 24 |
| Copying and Revising Lifecycle Entities | 25 |
| Using Field Groups for Lifecycle Entities | 26 |
| Adding Field Groups to a Request Type | 27 |
| Chapter 4: Customizing Lifecycle Entity Processes | 29 |

| | |
|--|-----------|
| Overview of Customizing Lifecycle Entity Processes | 29 |
| Lifecycle Entity Processes | 29 |
| PFM - Proposal Workflow | 29 |
| Customization Considerations | 31 |
| PFM - Project Workflow | 32 |
| Customization Considerations | 33 |
| PFM - Asset Workflow | 34 |
| Customization Considerations | 35 |
| Workflow Customization Considerations | 36 |
| Request Statuses and Workflow Steps | 36 |
| Automatically Creating a Project from a Proposal | 38 |
| Automatically Creating an Asset from a Project | 39 |
| Chapter 5: Configuring a Custom Financial Metric | 41 |
| Overview of Configuring a Custom Financial Metric | 41 |
| Configuring a Custom Financial Metric | 41 |
| Example Custom Financial Metrics | 43 |
| Chapter 6: Adjusting the Scoring Key | 44 |
| Overview of Adjusting the Scoring Key | 44 |
| Scoring Key Structure | 44 |
| Scoring Key Validations | 45 |
| Scoring Key Formulas (Rules) | 46 |
| Adjusting the Scoring Key | 47 |
| Changing Existing Criteria | 48 |
| Adding a New Criterion | 50 |
| Chapter 7: Configuring Licenses, Security Groups, and Access Grants | 55 |
| Overview of License, Security Groups, and Access Grants | 55 |
| Licenses | 56 |
| Portfolio Management License | 56 |
| Portfolio Optimization License | 56 |
| Security Groups | 57 |
| Associating Security Groups with Workflow Steps | 57 |
| Configuring Security for Lifecycle Entities | 57 |
| Configuring Security for Proposals and Assets | 57 |

| | |
|---|-----------|
| Configuring Security for Projects | 58 |
| Access Grants | 59 |
| Appendix A: Financial Metrics | 63 |
| Total Nominal Return | 63 |
| Net Present Value (NPV) | 63 |
| Example of a Future Project | 64 |
| Example of a Project That Is Underway | 65 |
| Send documentation feedback | 66 |

Chapter 1: Getting Started with Portfolio Management Configuration

- ["Introduction to Portfolio Management" below](#)
- ["Overview of Configuring Portfolio Management" on the next page](#)
- ["Related Information" on page 8](#)

Introduction to Portfolio Management

Portfolio Management is an Project and Portfolio Management Center (PPM Center) application that provides a real-time view of your IT investments and supports your strategic, financial, functional, and technical governance requirements. Portfolio Management helps you align your IT proposals, current projects, and established assets with your business strategy and thereby maximize the value of both new initiatives to expand and transform your business and existing applications that run your business.

Portfolio Management allows business and IT stakeholders to collaboratively govern your IT investments with appropriate levels of review and approval. Portfolio Management monitors the lifecycles of entities—proposal justification and review, project initiation, execution, deployment, and benefits realization. Portfolio Management enables stakeholders to make better portfolio decisions by analyzing what-if scenarios using easy-to-build scenario comparisons, including running automated scenario optimizations according to objectives you specify.

You can configure various portfolios as sets of proposals, projects, assets, programs, and subportfolios you select.

Note: In this document, the term "lifecycle entity" is used to mean a proposal, a project, or an asset, and "lifecycle entities" are any combination of proposals, projects, and assets.

Each of these types of lifecycle entities can be created from scratch, but typically a proposal automatically becomes a project upon approval of the proposal and the project automatically becomes an asset upon completion of the project, depending on the configuration of the request types.

["Getting Started with Portfolio Management Configuration" above](#) provides an introduction to configuring Portfolio Management and a list of other information related to Portfolio Management.

Overview of Configuring Portfolio Management

Portfolio Management can be configured in the following ways:

- You can configure which of the PFM request fields users can display as columns on the **Proposals/Projects/Assets** tab in portfolios and in scenario comparisons, as described in ["Configuring Global Portfolio Management Settings" on page 9](#).
- You can configure which financial metrics—nominal return, net present value (NPV), and a custom field value—are shown in a portfolio on the Analyze Current Portfolio portlet and page, as described in ["Configuring Global Portfolio Management Settings" on page 9](#). (You define the custom field value as described in ["Configuring a Custom Financial Metric" on page 41](#).)
- You can configure preferences that apply to scenario comparisons for the tracking of categorization by project class and asset class, as described in ["Configuring Global Portfolio Management Settings" on page 9](#).
- You can customize the provided lifecycle entities, and you can create new custom lifecycle entities, as described in ["Customizing Lifecycle Entities" on page 13](#).
- You can use the lifecycle entity processes (workflows) provided by PPM Center, and you can customize them to suit your business needs, as described in ["Customizing Lifecycle Entity Processes" on page 29](#).
- You can define a custom financial metric of your choosing to measure the success of your portfolios, as described in ["Configuring a Custom Financial Metric" on page 41](#).
- You can use the qualitative scoring key provided with Portfolio Management to rate lifecycle entities, and you can customize the scoring key to suit your business needs, as described in ["Adjusting the Scoring Key" on page 44](#).
- You can use licenses, security groups, and access grants to control the Portfolio Management capabilities provided to users, as described in ["Configuring Licenses, Security Groups, and Access Grants" on page 55](#).
- As described in ["Configuring Global Portfolio Management Settings" on page 9](#), you can specify the options to display nominal return and net present value (NPV) in various contexts. ["Financial Metrics" on page 63](#), provides details about how PPM Center calculates nominal return and NPV.
- You must run a script to establish an appropriate set of periods that cover a range of fiscal years.

You can accommodate use of a fiscal year that differs from the calendar year or that uses retail calendars. Timelines in financial summaries and scenario comparisons in Portfolio Management

and calendars elsewhere in PPM Center are adjusted accordingly. See the *Generating Fiscal Periods* document.

Note: If PPM Center was upgraded from version 8.00, previously generated periods are preserved. The script can generate fiscal periods for multiple languages at the same time.

Related Information

The following documents also include information related to configuring Portfolio Management:

- *Portfolio Management User's Guide*
- Upgrade Guide
- Generating Fiscal Periods
- *Demand Management Configuration Guide*
- Project Management Configuration Guide
- *Installation and Administration Guide*
- *Security Model Guide and Reference*
- *HPE-Supplied Entities Guide* (includes descriptions of all portlets, request types, workflows, and reports)

Other more general information of interest is available in the *Getting Started* guide.

Chapter 2: Configuring Global Portfolio Management Settings

- ["Overview of Configuring Global Portfolio Management Settings" below](#)
- ["Configuring Columns for Proposals/Projects/Assets Tabs and Scenario Comparisons" below](#)
- ["Setting Categorization Preferences for Scenario Comparisons" on page 11](#)
- ["Setting Financial Metrics for Portfolios " on page 11](#)

Overview of Configuring Global Portfolio Management Settings

This section discusses general settings that must be configured before using Portfolio Management. To use scenario comparisons in the ways that are meaningful to your organization, you can configure your desired scenario comparison and categorization preferences. To track lifecycle entities in portfolios as desired, you can configure which PFM request columns users can display in the table on the **Proposals/Projects/Assets** tab of portfolios and which financial metrics are displayed.

Configuring Columns for Proposals/Projects/Assets Tabs and Scenario Comparisons

You can configure which PFM request fields users can display as columns on the **Proposals/Projects/Assets** tab in portfolios and in the Scenario Content table of any scenario comparison. The full set of fields that you can allow users to display is the combination of all the request fields in the PFM - Proposal, PFM - Project, and PFM - Asset request types. From this set, you configure (select) a subset of columns. From that subset, each user can choose to show or hide particular columns in particular portfolios and/or scenario comparisons, and those user choices persist across login sessions until the user changes them again.

In at least one of the PFM request types, fields that you want to make available for display must be configured (in the PPM Workbench) with both the **Display on Search and Filter** option and the **Display** option set to **Yes**.

Note: A field is made available even if it has different validation types in different request types. However, the data in the displayed column of the scenario comparison or portfolio might not be formatted consistently or as expected, so the validation types should at least be compatible. For example, displaying various types of text fields in a column might be acceptable. However, if inconsistent formatting of the data is unacceptable, you should check the field definitions in the request types and establish unique fields for them that each use appropriate validations so that they will appear as separate columns.

To configure which columns are available for display in the table on the **Proposals/Projects/Assets** tab and in the **Scenario Content** table of any scenario comparison:

1. Log on to PPM Center.
2. From the menu bar, select **Open > Administration > Portfolio Management > Configure Portfolio and Scenario Comparison Options**.

The Configure Portfolio and Scenario Comparison Options page opens.

3. In the **Columns on Portfolio Proposals/Projects/Assets Tabs and in Scenario Comparisons** section, in the **Available Columns** list on the left, use the arrow buttons to select up to 20 columns that you want users to be able to display, in addition to the columns they can already display on the tab and in scenario comparisons.

By default, only the **Name** column is initially selected, and it cannot be removed. HPE recommends that you also select at least **Project Health**, **Project Manager**, and **Project Status** as columns to be available for users to display.

The fields you select are the only request fields that users can display for the proposals, projects, and assets in any portfolio or the **Scenario Content** table of any scenario comparison. Users who have edit access to a portfolio can show or hide those fields in the **Proposals/Projects/Assets** tab of that portfolio. If a user does not have field-level security access to particular fields for particular lifecycle entities (proposals, projects, and assets), those fields (columns) will be blank for those lifecycle entities (rows).

Note: If you select **Nominal Return** and/or **Net Present Value** among the fields users can add to the **Proposals/Projects/Assets** tab of a portfolio and a user does add them, those fields will appear on the **Proposals/Projects/Assets** tab only if the user sets the **Fiscal Year** field on the tab to **Total** to display the sum of all years.

4. Click **Done**.

Setting Categorization Preferences for Scenario Comparisons

You can arrange proposals, projects, and assets in scenario comparisons according to the following categories:

- Project Class
- Asset Class

Only the filter fields and graphs related to the selected categories are displayed in scenario comparisons.

To specify the categories to track in scenario comparisons:

1. Log on to PPM Center.
2. From the menu bar, select **Open > Administration > Portfolio Management > Configure Portfolio and Scenario Comparison Options**.

The Configure Portfolio and Scenario Comparison Options page opens

3. Use the check boxes in the **Scenario Comparison Categorization Preferences** section to select the desired categories.
4. Click **Done**.

Setting Financial Metrics for Portfolios

Select the financial information you would like Portfolio Management to present in portfolios. You can track any combination of the following metrics:

- **Nominal Return.** For a definition, see ["Total Nominal Return" on page 63](#).
- **Net Present Value.** For a definition, see ["Net Present Value \(NPV\)" on page 63](#).
- **Custom Field Value.** A custom field value is a metric you define for use in portfolios. For more information on configuring the custom field value, see ["Configuring a Custom Financial Metric" on page 41](#).

The selected metrics become available to users as filters for which the users can specify ranges of values, and as the horizontal or vertical axis in the bubble charts of the Analyze Current Portfolio portlet and page. Only fields and graphics related to the selected metrics are displayed.

To specify the financial metrics to track in Portfolio Management:

1. Log on to PPM Center.
2. From the menu bar, select **Open > Administration > Portfolio Management > Configure Portfolio and Scenario Comparison Options**.

The Configure Portfolio and Scenario Comparison Options page opens.

3. Use the check boxes in the **Metrics Shown on Current Portfolio** section to select the desired financial metrics.
4. Click **Done**.

Chapter 3: Customizing Lifecycle Entities

- ["Overview of Customizing Lifecycle Entities" below](#)
- ["Customizing Lifecycle Entities" below](#)
- ["Creating Your Own Lifecycle Entities" on page 23](#)

Overview of Customizing Lifecycle Entities

This section describes the default lifecycle entities—proposals, projects, and assets—used by Portfolio Management. This section also provides instructions for customizing these lifecycle entities for use by your company or business unit.

Note: In this document, the term "lifecycle entity" is used to mean a proposal, a project, or an asset, and "lifecycle entities" are any combination of proposals, projects, and assets.

Each of these types of lifecycle entities can be created from scratch, but typically a proposal automatically becomes a project upon approval of the proposal and the project automatically becomes an asset upon completion of the project, depending on the configuration of the request types.

Customizing Lifecycle Entities

PPM Center supplies preconfigured lifecycle entities for use in creating and maintaining portfolios. These lifecycle entities integrate with preconfigured lifecycle processes—workflows—that are also supplied with PPM Center, as described in ["Lifecycle Entity Processes" on page 29](#). The supplied lifecycle entities and workflows can be considered "best practice" and are ready to use, but you can configure them as needed using the Request Type Workbench.

In particular, you can add fields for financial data tables to allow your company to track important data that should be separate from lifecycle entity financial summaries. PPM Center request types are not provided with fields for financial data tables by default.

To allow users to create financial data tables, use the PPM Workbench to add a field to the request type. When you configure the field, give it any appropriate name such as Indirect Costs, set its **Validation** to **CST - Financial Data Table**, and set its **Search Validation** to **CST - Search Financial**

Data on the **Attributes** tab. You can configure such financial data table fields wherever they are needed in the request, for example in the **Summary** section or in the **Details** section. For details on configuring request types, see the *Demand Management Configuration Guide*.

Note: When a financial data table has been established in a request, the financial data table field cannot be removed from its request type.

For details about financial data tables and financial summaries, see the *Financial Management User's Guide*.

Proposal

A proposal collects information needed to propose a project. The proposal is processed as described in "[PFM - Proposal Workflow](#)" on page 29.

When the proposal is approved, by default a corresponding project is automatically created and the project becomes part of the portfolio. The existing financial summary is retained for ongoing use by the project, and a snapshot of the financial summary is taken and marked as the Plan of Record. If a staffing profile is attached to the proposal, a copy of the staffing profile is attached to the project. See "[Project](#)" on page 18 for more details on the project.

For information about creating a proposal, see the *Portfolio Management User's Guide*.

"[Table 3-1. Selected default proposal fields](#)" below lists some of the default fields that are displayed for a proposal. You can use the Request Header Type Workbench to display other fields as needed by your company. For example, by default the PFM - Proposal request header type specifies that the **Net Present Value**, **Custom Field Value**, and **Discount Rate** fields are not displayed. (For definitions of these fields, see "[Net Present Value \(NPV\)](#)" on page 63; "[Configuring a Custom Financial Metric](#)" on page 41; and "[Configuring a Custom Financial Metric](#)" on page 41.)

Table 3-1. Selected default proposal fields

| Field Name (Table 3-1.*Required) | Description |
|---|---|
| Summary section | |
| Business Unit | Business unit from which the proposal originated. |
| Details section, Proposal Details subsection | |
| *Proposal Name | Name of the proposal. |
| Project Class | Class of project to which the proposal belongs (example: Innovation). |

Table 3-1. Selected default proposal fields, continued

| Field Name (Table 3-1.*Required) | Description |
|---|---|
| Asset Class | Class of asset to which the proposal belongs (example: Infrastructure). |
| Business Objective | Business objective with which the proposal is aligned. |
| Details section, Business Case Details subsection | |
| Staffing Profile | Resource demand of the proposal. |
| Nominal Return | (Read-only) Nominal return for the proposal. For a definition, see "Total Nominal Return" on page 63 . |
| Value Rating | (Read-only) Total qualitative Value calculated for the proposal. See "Adjusting the Scoring Key" on page 44 . |
| Risk Rating | (Read-only) Total qualitative Risk calculated for the proposal. See "Adjusting the Scoring Key" on page 44 . |
| Score Adjustment | Amount to adjust the calculated Value Rating – Risk Rating to obtain the Total Score . For more information, see "Scoring Key Formulas (Rules)" on page 46 . |
| Total Score | (Read-only) Total score (Value Rating – Risk Rating + Score Adjustment) calculated for the proposal. |
| Financial Summary | (Read-only) Name of the financial summary for the proposal, linked to the financial summary. |
| Associated Programs ^a | (Read-only) Programs that include the proposal. Only programs for which you have view or edit access are listed. For more information about associated programs, see the <i>Program Management User's Guide</i> . |
| Portfolio | Name of the portfolio, if any, that includes this proposal. If the user has view or edit access to the portfolio, its name is a link to open the portfolio. |
| Details section, Value Ratings subsection | |
| See "Value and Risk Ratings" on page 18 . | |
| Details section, Risk Ratings subsection | |
| See "Value and Risk Ratings" on page 18 . | |
| <p>a. Transaction History and Notes History cannot be enabled in the Associated Programs field of a proposal or a copy of a proposal by using Request Types Workbench. Selecting Yes or No does not enable these auditing features.</p> | |

Note: You can adjust certain properties of proposal fields using the Request Types Workbench. Other properties (such as their tokens) are essential to the functioning of Portfolio Management and cannot be revised.

You can modify the fields in the proposal lifecycle entity to suit your business needs. See ["Customization Considerations" below](#) and ["Creating Your Own Lifecycle Entities" on page 23](#) for more information on customizing lifecycle entities.

Customization Considerations

The following sections contain recommendations on changing the fields of the default proposal. For general recommendations on changing lifecycle entities, see ["General Customization Considerations" on page 24](#).

For more detailed information on creating and modifying request type fields, see the *Demand Management Configuration Guide*.

- ["Proposal Details" below](#)
- ["Business Case Details" on the next page](#)
- ["Value and Risk Ratings" on page 18](#)

Proposal Details

The **Proposal Details** subsection of the proposal provides summary information for the proposed project. Users should complete much of this subsection when the proposal is created. The subsection includes the sponsors of the project and the reasons the project should be done (the business objective, who will benefit, and so forth).

Note: If your PPM Center instance supports multiple languages, any business objective a user creates is defined in the language selected at logon (the session language). After the business objective is created, it can be modified only in its definition language. For more information, see the *Multilingual User Interface Guide*.

Consider the following:

- Your company might have additional general information to be tracked about a proposed project. You can create fields for this information and add them to the **Proposal Details** subsection, although you should add no more than five to ten new fields. If you want the proposal process to be

up and running very quickly, these new fields should be for information only and should not be used to drive a process, because process-oriented modifications involve changing the associated workflow and can take significant time to implement and test.

- Some of the default fields might not be relevant to the organization. For example, you might not need to know the vendors involved for a project. In such cases, the fields should be disabled, not deleted.
- The values for some of the fields (such as **Project Class**) might be changed to match the organization's current information by revising the field validations. Note that changes to these validations can propagate to other entities in PPM Center, such as the portlets.
- You can make additional fields required at any point throughout the process (the default request type keeps required fields to a minimum).

Business Case Details

As the proposal goes through the proposal process, the detailed business case must be fleshed out in the **Business Case Details** section. Details on the financial summary and the staffing profile must be specified. Certain requirements and justification documents can also be attached. This section contains the calculated totals of **Risk Rating** and **Value Rating**, as well as a field to adjust the automatically calculated score. Associated programs (programs that include the proposal) and the portfolio (if any) that includes the proposal are shown.

Consider the following:

- The **Business Case Details** section could have significant changes. The simplest of these changes would be to add or remove attachment fields if new or different documents are required for proposals.
- You can disable the business case fields if necessary, but HPE recommends that you keep them enabled. Do not delete them. Even if not required, business case fields are important pieces of information that a business unit should start gathering to fully understand a proposal and its expectations before approving the proposal. Additionally, certain portlets use the information in these fields and cannot be used if the information is not completed.
- You can add fields to further describe the business case, although such fields are for information only. You can create fields that contribute to automatic **Risk Rating** or **Value Rating** calculations. See ["Adjusting the Scoring Key" on page 44](#) for more detailed information.

Value and Risk Ratings

The **Value and Risk Ratings** section lets an organization (usually an IT/Business Ops Council) rate the proposed project on a set of business criteria. Questions here are focused on the expected results of the proposed project as well as its alignment to company goals.

While the default criteria represent best-practice categories in valuing a project, you might want to add other criteria, remove criteria, or change the set of available values of the current fields. You might also want to change the weighting factors of the criteria. See ["Adjusting the Scoring Key" on page 44](#) for more detailed information.

Project

A project lifecycle entity tracks information and progress on a project as the project is executed. The project is processed as described in ["PFM - Project Workflow" on page 32](#).

When the project is completed, by default a corresponding asset is automatically created. The existing financial summary is retained for ongoing use by the asset. If a staffing profile is attached to the project, the staffing profile is *not* copied to or shared with the asset. See ["Asset" on page 20](#) for more details on assets.

For information about creating a project, see the *Portfolio Management User's Guide* or the *Project Management User's Guide*.

["Table 3-2. Selected default project fields" below](#) lists some of the default fields that are displayed on the Project Details tab for a project that uses the PFM - Project request type. You can use the Request Header Type Workbench to display other fields as needed by your company. For example, by default the PFM - Project request header type specifies that the **Net Present Value**, **Custom Field Value**, and **Discount Rate** fields are not displayed. (For definitions of these fields, see ["Net Present Value \(NPV\)" on page 63](#); ["Configuring a Custom Financial Metric" on page 41](#); and ["Configuring a Custom Financial Metric" on page 41](#).)

Table 3-2. Selected default project fields

| Field Name (*Required) | Description |
|--|--|
| Summary section | |
| Business Unit | Business unit that sponsors the project. |
| Details section, Project Details subsection | |

Table 3-2. Selected default project fields, continued

| Field Name (*Required) | Description |
|--|--|
| *Project Name | Name of the project. |
| Project Class | Class of project to which the project belongs (for example, Innovation). |
| Asset Class | Class of asset to which the project belongs (for example, Infrastructure). |
| Project Health | (Read-only) Health of the project. |
| Business Objective | Business objective with which the project is aligned. |
| Project Sponsor | User sponsoring the project. |
| Benefits Manager | Manager of benefits on the project's financial summary. |
| Details section, Business Case Details subsection | |
| Staffing Profile | (Read-only) Resource demand of the project. |
| Nominal Return | (Read only) Nominal return for the project. For a definition, see "Total Nominal Return" on page 63 . |
| Value Rating | (Read-only) Total qualitative Value calculated for the project. See "Adjusting the Scoring Key" on page 44 . |
| Risk Rating | (Read-only) Total qualitative Risk calculated for the project. See "Adjusting the Scoring Key" on page 44 . |
| Score Adjustment | Amount to adjust the calculated Value Rating – Risk Rating to obtain the Total Score . For more information, see "Scoring Key Formulas (Rules)" on page 46 . |
| Total Score | (Read-only) Total score (Value Rating – Risk Rating + Score Adjustment) calculated for the project. |
| Financial Summary | (Read-only) Name of the financial summary for the project, linked to the financial summary. This field cannot be removed from PFM - Project requests. |
| Associated Programs ^a | (Read-only) Programs that include the project. Only programs for which you have view or edit access are listed. For more information about associated programs, see the <i>Program Management User's Guide</i> . |
| Portfolio | Name of the portfolio, if any, that includes this project. If the user has view or edit access to the portfolio, its name is a link to open the portfolio. |
| a. Transaction History and Notes History cannot be enabled in the Associated Programs field of | |

Table 3-2. Selected default project fields, continued

| Field Name (*Required) | Description |
|------------------------|---|
| | a proposal or a copy of a proposal by using Request Types Workbench. Selecting Yes or No does not enable these auditing features. |

Note: You can adjust certain properties of project fields using the Request Types Workbench. Other properties (such as their tokens) are essential to the functioning of Portfolio Management and cannot be revised.

You can modify the fields in the project lifecycle entity to suit your business needs. See ["Customization Considerations" below](#) and ["Creating Your Own Lifecycle Entities" on page 23](#) for more information on customizing lifecycle entities.

Customization Considerations

If you want to add other project milestone and planning information to the project, HPE recommends that you create a new section in the PFM - Project request type and add the new fields there.

For general recommendations on changing lifecycle entities, see ["General Customization Considerations" on page 24](#).

For more detailed information on creating and modifying request type fields, see the *Demand Management Configuration Guide*.

Asset

An asset lifecycle entity tracks information on an asset, which is typically a maintenance activity rather than a straightforward project execution. The asset is tracked as described in ["PFM - Asset Workflow" on page 34](#).

For information about creating an asset, see the *Portfolio Management User's Guide*.

["Table 3-3. Selected default asset fields" on the next page](#) lists some of the default fields that are displayed for an asset. You can use the Request Header Type Workbench to display other fields as needed by your company. For example, by default the PFM - Asset request header type specifies that the **Net Present Value**, **Custom Field Value**, and **Discount Rate** fields are not displayed. (For definitions of these fields, see ["Net Present Value \(NPV\)" on page 63](#); ["Configuring a Custom Financial Metric" on page 41](#); and ["Configuring a Custom Financial Metric" on page 41](#).)

Table 3-3. Selected default asset fields

| Field Name (*Required) | Description |
|--|--|
| Summary section | |
| Business Unit | Business unit that is the predominant user of the asset. |
| Details section, Asset Details subsection | |
| *Asset Name | Name of the asset. |
| Asset Health | Status of the asset. |
| Project Class | Class of project to which the asset belongs (for example, Innovation). |
| Asset Class | Class of asset to which the asset belongs (for example, Infrastructure). |
| Business Objective | Business objective with which the asset is aligned. |
| Project | Project that became the asset. |
| Details section, Business Case Details subsection | |
| Staffing Profile | Resource demand of the asset. |
| Nominal Return | (Read-only) Nominal return for the asset. For a definition, see "Total Nominal Return" on page 63 . |
| Value Rating | (Read-only) Total qualitative Value calculated for the asset. See "Adjusting the Scoring Key" on page 44 . |
| Risk Rating | (Read-only) Total qualitative Risk calculated for the asset. See "Adjusting the Scoring Key" on page 44 . |
| Score Adjustment | Amount to adjust the calculated Value Rating – Risk Rating to obtain the Total Score . For more information, see "Scoring Key Formulas (Rules)" on page 46 . |
| Total Score | (Read-only) Total score (Value Rating – Risk Rating + Score Adjustment) calculated for the project. |
| *Discount Rate | Discount rate being applied for the asset, if any. For a definition, see "Net Present Value (NPV)" on page 63 . |
| Financial Summary | (Read-only) Name of the financial summary for the asset, linked to the financial summary. |
| Associated Programs ^a | (Read-only) Programs that include the asset. Only programs for which you have view or edit access are listed. For more information about associated programs, see the <i>Program Management User's Guide</i> . |

Table 3-3. Selected default asset fields, continued

| Field Name (*Required) | Description |
|--|--|
| Portfolio | Name of the portfolio, if any, that includes this asset. If you have view or edit access to the portfolio, its name is a link to open the portfolio. |
| a. Transaction History and Notes History cannot be enabled in the Associated Programs field of a proposal or a copy of a proposal by using Request Types Workbench. Selecting Yes or No does not enable these auditing features. | |

Note: You can adjust certain properties of asset fields using the Request Types Workbench. Other properties (such as their tokens) are essential to the functioning of Portfolio Management and cannot be revised.

You can modify the fields in the asset lifecycle entity to suit your business needs. See ["Customization Considerations" below](#) and ["Creating Your Own Lifecycle Entities" on the next page](#) for more information on customizing lifecycle entities.

Customization Considerations

If you want to add other information to the asset, HPE recommends that you create a new section in the PFM - Asset request type and add the new fields there.

For general recommendations on changing lifecycle entities, see ["General Customization Considerations" on page 24](#).

For more detailed information on creating and modifying request type fields, see the *Demand Management Configuration Guide*.

Financial Summaries

All lifecycle entities and programs have financial summaries that can include forecast and actual costs and benefits in the **Cost Details** or **Benefit Details** sections. All lifecycle entities, programs, and organization units have financial summaries that can include approved budgets in the **Approved Budget** section. For more information, see the *Financial Management User's Guide*. The following sections describe configuration considerations for financial summaries.

Configuring User Data

In the User Data Workbench, you can add up to twenty entries of Forecast Line User Data for cost forecasts or up to twenty entries of Benefit Line User Data for financial benefits. Then, users can (or must) specify this user data to characterize the lines in more detail than the default line fields described in the *Financial Management User's Guide*. Only the five user data lines with the lowest numbers you define *and enable* among USER_DATA1 through USER_DATA20 can appear as columns in the **Cost Details** or **Benefit Details** section of financial summaries. For example, if only USER_DATA1 and USER_DATA4 are disabled, then USER_DATA2, USER_DATA3, USER_DATA5, USER_DATA6, and USER_DATA7 appear, if defined.

You can also add entries in the User Data Workbench for Forecast User Data and Financial Benefit User Data, at the level of costs and benefits as a whole, not at the line level.

Note: If your PPM Center instance supports multiple languages, any user data you create is defined in the language you selected at logon (your session language). After the user data is created, it can be modified only in its definition language. For more information, see the *Multilingual User Interface Guide*.

Configuring Capitalized Costs

Capitalized costs can be tracked and distinguished from operating costs in financial summaries for particular proposals, projects, and assets, and for program roll-up financial summaries and program editable financial summaries, as described in the *Financial Management User's Guide*. In all cases, the COST_CAPITALIZATION_ENABLED parameter in the server.conf configuration file must be set to true to track capitalized costs.

Note: The COST_CAPITALIZATION_ENABLED server.conf parameter can be changed only in server.conf parameters. However, HPE recommends not disabling cost capitalization if it has been enabled.

Creating Your Own Lifecycle Entities

Although PPM Center provides preconfigured proposals, projects, and assets, and lifecycle processes that drive their resolution, you might want to create your own types of proposals, projects, or assets.

General Customization Considerations

Consider the following when making changes to any lifecycle entities:

- Any changes made to the fields in one lifecycle entity (such as the PFM - Proposal request type) should be made to the field in the other lifecycle entities (the PFM - Project and PFM - Asset request types).
- You might choose to remove or add request statuses. If so, the changes must be made in the request type and in the workflow. HPE recommends that you keep things simple, keep high-level statuses in mind, and not have a unique status for every workflow step.
- Request type rules are used for the automatic calculation of qualitative scores, but not to provide defaults for any other information. If request type rules are used for such purposes as providing defaults, the rules should be used sparingly to limit the complexity and effort of configuration. Default rules for qualitative scoring calculation should not be modified except as described in ["Adjusting the Scoring Key" on page 44](#).
- You can configure fields to contain financial data tables for lifecycle entities. Financial data tables are described in detail in the *Financial Management User's Guide*.

If you configure the proposal request type and the project request type to have matching tokens for their financial data table fields, then when the proposal becomes a project, the following occur:

- By default any financial data table in the proposal, including forecasts and actuals, is copied to the project.
- Each project financial data table is editable and each proposal financial data table becomes non-editable.

Analogously, if you configure the project request type and the asset request type to have matching tokens for their financial data table fields, then when the project becomes an asset, the following occur:

- By default any financial data table in the project, including forecasts and actuals, is copied to the asset.
- Each asset financial data table is editable and each project financial data table becomes non-editable.

Copying and Revising Lifecycle Entities

PPM Center delivers preconfigured lifecycle entities—proposals, projects, and assets—that come ready to use. You can copy these lifecycle entities using the Request Type Workbench. You can then customize the copies, keeping in mind the limitations on changing certain fields as described (for proposals) in "[Customization Considerations](#)" on page 16.

For more detailed information on copying a request type and modifying the copy, see the *Demand Management Configuration Guide*.

In general, copy and modify a request type to create your own lifecycle entities, as follows:

1. Log on to PPM Center.
2. From the menu bar, select **Open > Administration > Open Workbench**.
The PPM Workbench opens.
3. From the shortcut bar, select **Demand Mgmt > Request Types**.
4. In the Request Type Workbench, copy the desired lifecycle entity request type. The names of the lifecycle entity request types begin with PFM.
5. Make the desired modifications to the copy.
6. In the copy's **Workflows** tab, make sure the appropriate workflow is enabled for use with the request type. Select a workflow with a name that begins with PFM.
7. Open the associated workflow using **Configuration > Workflows** in the PPM Workbench.
8. On the **Request Types** tab, make sure the copied request type is enabled for use in the workflow.
9. If you are customizing a copy of a project type, use the menu bar in the standard interface to create a project type as follows:
 - a. From the menu bar, select **Open > Administration > Project Types & Templates > Create Project Type**.
 - b. In the **Request Types** policy, specify the project process request type to use for the project type.

See the *Project Management Configuration Guide* for more information about configuring the project.

When these steps are completed, PPM Center should function with your new request type.

Using Field Groups for Lifecycle Entities

Your company might have developed its own processes for portfolio-related business matters, and these processes might have been implemented as workflows with associated request types in PPM Center. You can modify these request types by adding field groups. PFM field groups are listed in "Table 3-4. Field groups for lifecycle entity request types " below.

Table 3-4. Field groups for lifecycle entity request types

| PFM Request Type | Field Group |
|------------------|--------------|
| PFM - Proposal | PFM Proposal |
| PFM - Project | PFM Project |
| PFM - Asset | PFM Asset |

Note: The **Financial Summary** field and the **Associated Programs** field can be added to a request type *only* as part of one of the field groups listed in "Using Field Groups for Lifecycle Entities" above.

Multiple request types can be used with a single workflow. Multiple workflows can also be used with a single request type.

For more detailed information on copying and modifying request types, see the *Demand Management Configuration Guide*.

In general, to modify an existing request type:

1. Log on to PPM Center.
2. From the menu bar, select **Open > Administration > Open Workbench**.
The PPM Workbench opens.
3. From the shortcut bar, select **Demand Mgmt > Request Types**.
4. In the Request Type Workbench, open the existing request type that you want to modify for use with Portfolio Management.
5. In the open request type, examine the associated request header type.

Field groups are associated with request types through the request header type.

Note: If the request header type is also associated with other request types, this procedure

will enable all of those request types for use in Portfolio Management as well.

6. Determine the type of lifecycle entity (proposal, project, or asset) that the existing request type will represent.
7. Link the appropriate lifecycle entity field group to the request header type used by the existing request type.

See "[Adding Field Groups to a Request Type](#)" below for more detailed information.

8. In the existing request type's **Workflows** tab, make sure the workflow associated with the lifecycle entity you selected in [step 6](#) is enabled for use with the existing request type.
9. Open the workflow associated with the lifecycle entity you selected in and, in the **Request Types** tab, make sure the existing request type is enabled for use with the workflow.

When these steps are completed, PPM Center should function with your request type in place of or alongside the preconfigured PPM Center request type.

Note: The **Resources** tab on the PFM - Asset request type in the Request Type Workbench includes a check box to allow only resources in the staffing profile to log time on time sheets. This check box is enabled only if the **Use Time Management to track actuals** check box on the **Resources** tab is selected.

Tip: When field groups get associated with existing request types (through the request header type definition), tables in the PPM Center database are updated to handle the new configuration. Because of the scope of database changes, you should rerun the database statistics on your PPM Center database. See the *Installation and Administration Guide*, and contact your system administrator for help with this procedure.

Adding Field Groups to a Request Type

To serve as a lifecycle entity, a request type must have one of the PFM field groups enabled.

For more detailed information on modifying request types and request header types, see the *Demand Management Configuration Guide*.

To associate a PFM field group with an existing request type:

1. Log on to PPM Center.
2. From the menu bar, select **Open > Administration > Open Workbench**.

The PPM Workbench opens.

3. From the shortcut bar, select **Demand Mgmt > Request Types**.
4. In the Request Type Workbench, select or create a request type.
5. Open the request type.
6. In the Request Type window, under the **Request Header Type** field, click **Open**.

The specified Request Header Type window opens.

7. Click **Field Groups**.

The Field Groups window opens.

8. Scroll down or expand the window as needed to view the PFM field groups.
9. Select one of the following field groups to attach to your request header type:
 - **PFM Asset**
 - **PFM Project**
 - **PFM Proposal**

Note: Add only one PFM field group to the request header type. If you add multiple field groups, you cannot save the request header type and you will have to cancel out of the Request Header Type window, losing any modifications you made up to that point.

10. Click **OK**.

The selected field group appears on the request header type.

11. Save the request header type and the request type.

Tip: When field groups get associated with existing request types (through the request header type definition), tables in the PPM Center database are updated to handle the new configuration. Because of the scope of database changes, you should rerun the database statistics on your PPM Center database. See the *Installation and Administration Guide*, and contact your system administrator for help with this procedure.

Chapter 4: Customizing Lifecycle Entity Processes

- ["Overview of Customizing Lifecycle Entity Processes" below](#)
- ["Lifecycle Entity Processes" below](#)
- ["Workflow Customization Considerations" on page 36](#)

Overview of Customizing Lifecycle Entity Processes

This section discusses the preconfigured resolution processes delivered with PPM Center and provides technical considerations for customizing them. These processes are integrated with the preconfigured lifecycle entities (proposals, projects, and assets). Although these processes can be considered "best practice" and are ready to use, you can also modify or copy them to suit your business needs.

Lifecycle Entity Processes

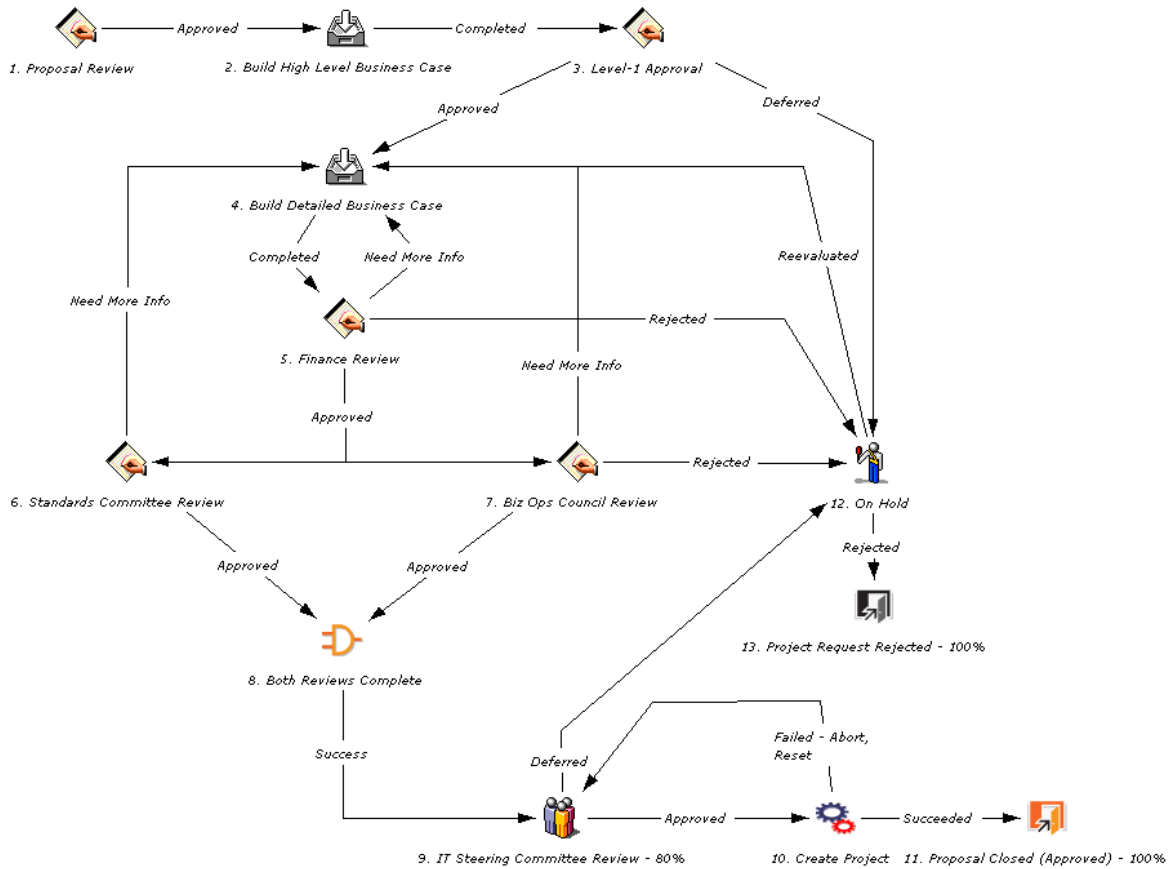
PPM Center provides preconfigured resolution processes—workflows— designed to integrate with the lifecycle entities, as described in ["Customizing Lifecycle Entities" on page 13](#). You can view and configure these workflows using the Workflow Workbench.

For more detailed information on modifying workflows, see the *Deployment Management Configuration Guide*.

PFM - Proposal Workflow

The PFM - Proposal workflow defines the lifecycle of a proposal as the proposal's business case is built out and the proposal is rated and evaluated. ["Figure 4-1. PFM - Proposal workflow" on the next page](#) shows the workflow.

Figure 4-1. PFM - Proposal workflow



The default workflow steps are described as follows:

- 1. Proposal Review.** This step is a quick review of the initial request to determine if the proposal even warrants going through the proposal process.
- 2. Build High-Level Business Case.** The high-level business case for the proposal is built here in preparation for the next step.
- 3. Level-1 Approval.** The high-level business case is reviewed before effort is spent building the proposal's detailed business case.
- 4. Build Detailed Business Case.** Here the designated owner of the proposal (usually an assigned business analyst) enters details for the project, including the high level forecasted costs, forecasted benefits, and resource requirements (staffing profile) for the project.
- 5. Finance Review.** After the business case has been built, either the formal finance group or the finance part of IT reviews the business case for overall validity and a sanity check in terms of nominal return.

6. Standards Committee Review and **7. Biz Ops Council Review**. Once the proposal passes the finance review, the proposal goes for a business review and a technical review by the appropriate committees. Both of these committees review the proposal and complete appropriate value and risk criteria.

9. IT Steering Committee Review. After passing business and technical reviews, the proposal goes to the IT Steering Committee. The committee looks at the proposal in the context of work already being performed and other proposals under consideration. The committee also looks at relative ratings and rankings. The committee might also use Portfolio Management scenario comparisons, including optimizations, to do what-if analyses of different combinations of proposals.

10. Create Project. If the proposal is approved by the steering committee, a project is automatically created, meaning that the project has been approved and is ready for planning and execution. The project begins moving along the project workflow as the proposal is closed. The proposal's financial summary is carried forward to the project, not copied to the project.

By default, this workflow step uses the `ksc_take_snapshot` special command to create a snapshot of the approved proposal's financial summary and to make that snapshot the Plan of Record snapshot. A field named **Approved Proposal Snapshot** is added to the **Business Case Details** section of the proposal, and the field's value links to the snapshot. You can modify the workflow to change this behavior as may be needed for your business processes.

Customization Considerations

Consider the following when making changes to the PFM - Proposal workflow:

- The default process has many different committee reviews and approvals, which can be removed if your company's review and approval process is simpler or more consolidated. Note that the request status changes in the default steps, and ensure that the reconfigured process goes through the desired request statuses. See "[Request Statuses and Workflow Steps](#)" on page 36 for more detailed discussion of request statuses and workflows.
- You can also add steps, change step names, and modify notifications, although HPE recommends that the proposal process be tracked at a high level, such as under fifteen steps. The Create Project step and the Proposal Closed (Approved) - 100% step should be retained in the final workflow to automatically generate a project when the proposal is approved. See "[Automatically Creating a Project from a Proposal](#)" on page 38 for more details.
- To reflect your business processes, you can use the `ksc_take_snapshot` special command at any appropriate step in the workflow to automatically take a snapshot of the financial summary and to optionally make that snapshot the Plan of Record.

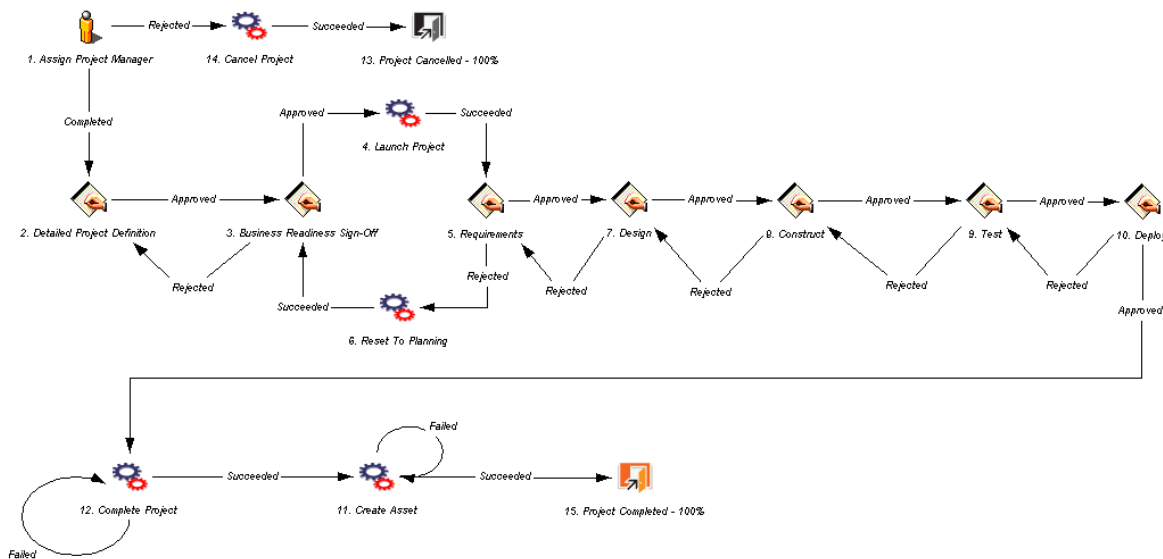
Note: Double quotes (") and brackets ([and]) are used to parse the special command for execution and must not be used in the default name assigned to the snapshot.

- Each step in the workflow is associated with a security group or groups. Users who are not part of the security group for a workflow step cannot act on that step. For more information on populating security groups, see "Associating Security Groups with Workflow Steps" on page 57.

PFM - Project Workflow

The PFM - Project workflow presents the very high level stages of a project being implemented. Steps are updated manually, either by the project manager to signal the completion of a stage, or by approvers who verify that the stage is complete. "Figure 4-2. PFM - Project workflow" below shows the workflow.

Figure 4-2. PFM - Project workflow



The default workflow steps are described as follows:

- 1. Assign Project Manager.** At this step, a project manager should be assigned to the project to manage and coordinate the remaining tasks and deliverables.
- 2. Detailed Project Definition.** During this step, the project manager works with the appropriate team members and stakeholders to build the detailed definition of the project, which might include revisions to the staffing profile and the forecasted costs and financial benefits for the project. A detailed work plan should be created at this step as well.

- 3. Business Readiness Sign-Off.** At this step, the appropriate stakeholders and IT management are required to sign off on the detailed project definition created in the previous step.
- 4. Launch Project.** If approved, the project is made active at this step.
- 5. Requirements.** At this step, members of the project team define what must be designed and built.
- 6. Reset to Planning.** If the project requirements were rejected, at this step the project and its associated staffing profile are reset to In Planning status.
- 7. Design.** Once the project is approved, members of the project team design the final output. This step is complete when the project team is ready to begin implementing the end solution of the project.
- 8. Construct.** This step indicates that the project is in implementation phase. This step is complete when the solution is ready for testing.
- 9. Test.** This step is the final system and integration testing phase. Rework is done here unless major changes must be made, in which case the process returns to implementation. Otherwise, when testing is done, the step is marked as completed (or approved).
- 10. Deploy.** During this step, the project outputs are released to production.
- 12. Complete Project.** This step marks the project and its associated staffing profile as Complete and takes a snapshot of the financial summary.
- 11. Create Asset.** Following completion of the project, an asset is automatically generated and begins moving along the asset workflow. The asset is responsible for tracking ongoing maintenance and other activities against the end result of the project. The project's financial summary is carried forward to the asset, not copied to the asset.

Customization Considerations

Consider the following when making changes to the PFM - Project workflow:

- You might want to significantly change the PFM - Project workflow to represent the major project phases at your company. You must make sure the request statuses are updated to be consistent with any project workflow changes. See ["Request Statuses and Workflow Steps" on page 36](#) for more detailed discussion of request statuses and workflows.
- You can also add steps, change step names, and modify notifications, although HPE recommends that the project stages be tracked at a high level, such as under fifteen steps. The steps are not meant to emulate a detailed work plan. The Create Asset step should be retained in the final workflow to automatically generate an asset at the end of the project. See ["Automatically Creating an Asset from a Project" on page 39](#) for more details.

- To reflect your business processes, you can use the `ksc_take_snapshot` special command at any appropriate step in the workflow to automatically take a snapshot of the financial summary and to optionally make that snapshot the Plan of Record.

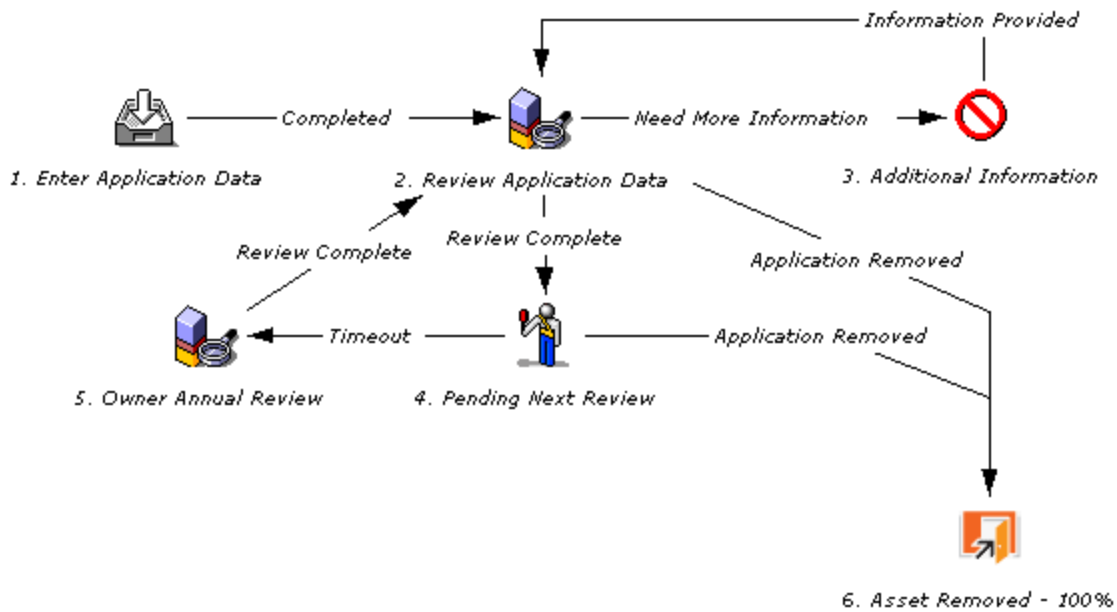
Note: Double quotes (") and brackets ([and]) are used to parse the special command for execution and must not be used in the default name assigned to the snapshot.

- Each step in the workflow is associated with a security group or groups. Users who are not part of the security group for a workflow step cannot act on that step. For more information on populating security groups, see "[Associating Security Groups with Workflow Steps](#)" on page 57.

PFM - Asset Workflow

The PFM - Asset workflow represents the annual entry and review cycle of an application asset. Your business can cycle through the workflow steps periodically until the application reaches the end of its life and is removed from production. Assets should be tracked at an aggregate level rather than for every single application (for example, ERP should be a single asset rather than tracking operations work at each individual module). You should have perhaps dozens of assets, but not hundreds. "[Figure 4-3. PFM - Asset workflow](#)" below shows the workflow.

Figure 4-3. PFM - Asset workflow



The default workflow steps are described as follows:

1. Enter Application Data. Initial asset information is entered, including forecasted costs, resource, and benefit information.

2. Review Application Data. The asset information is validated, resulting in a request for more information or sign off (Review Complete).

3. Additional Information. In this step, any additional information that is required for the asset is gathered.

4. Pending Next Review. An asset at this step has passed its last review and is simply waiting until the next review. The asset automatically moves to the next step at the configured time interval.

5. Owner Annual Review. An annual review encourages the owner of an asset to think about whether the asset continues to require maintenance. Even though the business unit might not be changing anything or running any projects against the asset, the asset should be evaluated on at least an annual basis, and perhaps updated in regard to its forecasted costs and financial benefits, approved budget, and staffing profile.

Customization Considerations

Consider the following when making changes to the PFM - Asset workflow:

- This process is very basic and might not require much change, but you might want to change time intervals between reviews.
- You can also add steps, change step names, and modify notifications, although you must make sure the request statuses are updated to be consistent with any asset workflow changes. See ["Request Statuses and Workflow Steps" on the next page](#) for more detailed discussion of request statuses and workflows.
- To reflect your business processes, you can use the `ksc_take_snapshot` special command at any appropriate step in the workflow to automatically take a snapshot of the financial summary and to optionally make that snapshot the Plan of Record.

Note: Double quotes (") and brackets ([and]) are used to parse the special command for execution and must not be used in the default name assigned to the snapshot.

- Each step in the workflow is associated with a security group or groups. Users who are not part of the security group for a workflow step cannot act on that step. For more information on populating security groups, see ["Associating Security Groups with Workflow Steps" on page 57](#).

Workflow Customization Considerations

You can customize the workflow to suit any business procedure, using the Workflow Workbench. Before making any customizations, review the following sections:

- ["Request Statuses and Workflow Steps" below](#)
- ["Automatically Creating a Project from a Proposal" on page 38](#)
- ["Automatically Creating an Asset from a Project" on page 39](#)

Request Statuses and Workflow Steps

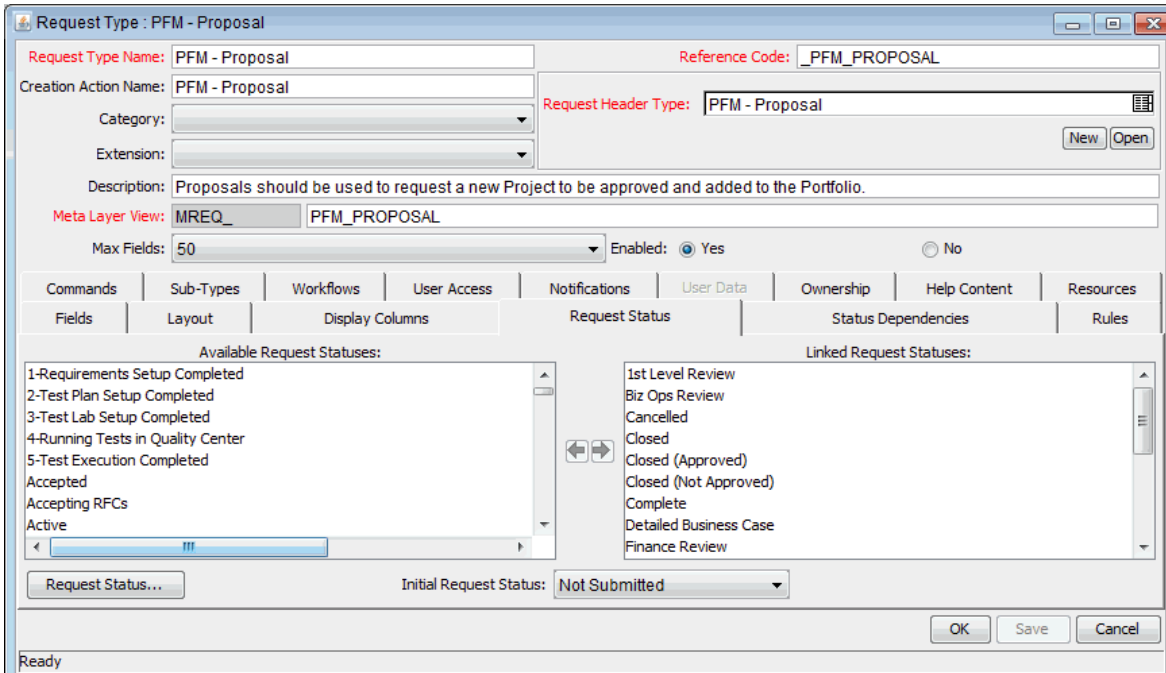
The preconfigured workflows integrate with the lifecycle entities that are provided. No special configuration is required to make the processes work together.

Each lifecycle entity's request type contains statuses that are linked to steps in the request type's associated workflow. For example, the PFM - Proposal request type contains statuses such as Biz Ops Review, Detailed Business Case, Finance Review, and Standards Review, which correspond to individual steps in the PFM - Proposal workflow.

You can create your own proposals, projects, or assets, using the Request Type Workbench. For more detailed information on creating your own lifecycle entities, see ["Creating Your Own Lifecycle Entities" on page 23](#).

If you are going to use a custom request type for a particular workflow, make sure the request type contains the statuses necessary for each workflow step on the **Request Status** tab in the Request Type Workbench. ["Figure 4-4. Request Type window - Request Status tab" on the next page](#) shows the **Request Status** tab.

Figure 4-4. Request Type window - Request Status tab



Alternatively, you could make the workflow steps link to the statuses already in the target request type, using the **Properties** tab of the Workflow Step window in the Workflow Workbench. "Figure 4-5. Workflow Step window - Properties tab" on the next page shows the **Properties** tab with the **Request Status** field value of **Biz Ops Review**, associated with PFM - Proposal workflow step 7, Biz Ops Council Review (see "Figure 4-1. PFM - Proposal workflow" on page 30).

Figure 4-5. Workflow Step window - Properties tab

Workflow Step

Properties | Security | Segregation of Duties | Notifications | Timeout | User Data | Results | Display Settings...

Step Number: 7

Step Name: Biz Ops Council Review

Action Summary:

Description:

Source Type: Decision

Source Name: PFM - Review Step

Enabled: Yes No

Display: Always

Workflow Parameter: NONE

Avg Lead Time:

Request Status: Biz Ops Review

Current % Complete:

Parent Assigned To User: Edit Clear

Parent Assigned To Group: Edit Clear

Workflow Step Information U

Authentication Required: None

OK Apply Cancel

Ready

For more information on workflow steps and request statuses, see the *Demand Management Configuration Guide*.

Automatically Creating a Project from a Proposal

In the preconfigured PFM - Proposal workflow (see "[PFM - Proposal Workflow](#)" on page 29), the Create Project step creates a project. The execution step for creating a project from a proposal uses an **Execution Type** of **Workflow Step Commands** and the special command `ksc_create_project`.

If the proposal specifies a work plan template, the special command automatically creates a work plan for the new project, based on that template.

The existing financial summary is retained for the project and a snapshot of that financial summary is taken and marked as the Plan of Record. If a staffing profile is attached to the proposal, the staffing profile is copied and attached to the project.

Removing the `ksc_create_project` special command from the PFM - Proposal workflow prevents users from taking advantage of the automated capability the special command provides, but removing the special command has no other adverse effect.

If you reinstate the `ksc_create_project` special command in the PFM - Proposal workflow, no additional configuration is required for the command to work correctly.

If you are creating a new workflow from scratch and you want to incorporate a `ksc_create_project` special command that will create a new project, no additional configuration is necessary beyond specifying the correct request types to choose from. When in use, the `ksc_create_project` special command automatically copies the appropriate staffing profile and carries over the appropriate field data.

When a proposal is approved, the PFM - Proposal workflow uses the `ksc_take_snapshot` special command to automatically take a snapshot of the proposal's financial summary and to make that snapshot the Plan of Record. You can use the special command to take a snapshot and to optionally make that snapshot the Plan of Record at any step in a proposal, project, or asset workflow that is appropriate for your business process.

The existing financial summary is retained for the project.

Automatically Creating an Asset from a Project

In the preconfigured PFM - Project workflow (see "[PFM - Project Workflow](#)" on page 32), the Create Asset step creates an asset. The execution step for creating an asset from a project uses an **Execution Type of Built-In Workflow Event** and a **Workflow Event of create_request**.

The existing financial summary is retained for the asset.

If multiple request types have been configured as assets, make sure the request types are listed as choices in the **create_request** step.

For example, if your company has configured two additional request types to represent asset requests, enable these request types in the PFM - Project workflow's Create Asset step.

Removing the **create_request** step from the PFM - Project workflow prevents users from taking advantage of the automated capability the step provides, but removing the step has no other adverse effect.

If you reinstate the **create_request** step in the PFM - Project workflow, no additional configuration is required for the step to work correctly.

If you are creating a new workflow from scratch and you want to incorporate a **create_request** step that will create a new asset, no additional configuration is necessary beyond specifying the correct request types to choose from. When in use, the **create_request** step retains the financial summary for the asset.

Chapter 5: Configuring a Custom Financial Metric

- ["Overview of Configuring a Custom Financial Metric" below](#)
- ["Configuring a Custom Financial Metric" below](#)
- ["Example Custom Financial Metrics" on page 43](#)

Overview of Configuring a Custom Financial Metric

This section discusses how to configure the **Custom Field Value** for use in Portfolio Management.

Portfolio Management provides preconfigured fields that show the following industry-standard measurements of project success:

- **Nominal return.** For a definition, see ["Total Nominal Return" on page 63](#).
- **Net Present Value (NPV).** For a definition, see ["Net Present Value \(NPV\)" on page 63](#).

Portfolio Management also provides a blank **Custom Field Value** that can be used to measure proposal, project, and asset performance instead of or in addition to nominal return and NPV. The custom field also appears in Portfolio Management visualizations.

Configuring a Custom Financial Metric

Tip: HPE recommends that the **Custom Field Value** be a numeric text field. Fields of other types might not appear in Portfolio Management visualizations.

To enable the **Custom Field Value** for use in Portfolio Management:

1. Activate the **Custom Field Value** using the Configure Portfolio Management page:
 - a. Log on to PPM Center.
 - b. From the menu bar, select **Open > Administration > Portfolio Management > Configure**

Portfolio and Scenario Comparison Options.

The Configure Portfolio and Scenario Comparison Options page opens.

- c. Select the **Custom Field Value** check box.
- d. Click **Done**.
2. Enable the **Custom Field Value** for display as follows:
 - a. From the menu bar, select **Open > Administration > Open Workbench**.
The PPM Workbench opens.
 - b. From the shortcut bar, select **Demand Mgmt > Request Types**.
 - c. Click **List**.
The **Results** tab lists the available request types.
 - d. Open one of the request types (**PFM - Asset**, **PFM - Project**, or **PFM - Proposal**) that will use the **Custom Field Value**.
 - e. Click **Open** under the **Request Header Type** field.
The specified Request Header Type window opens.
 - f. In the **Fields** tab, under **Business Case Details**, select the **Custom Field Value** field and click **Edit**.
The Field window opens.
 - g. In the **Attributes** tab, set the **Display** field to **Yes**.
 - h. In the top section of the window, change the **Field Prompt** to the desired field name.
 - i. Click **OK**.
3. Configure a request type rule that will populate a value into the **Custom Field Value** field as follows:
 - a. Open the PFM request type that will use the **Custom Field Value**.
 - b. Click the **Rules** tab.
 - c. Click **New** to define a request type rule for the **Custom Field Value** field.
See "[Example Custom Financial Metrics](#)" on the next page for examples of metrics used to govern the calculation of the **Custom Field Value**.

For more detailed information on creating request type rules, see the *Demand Management*

Configuration Guide.

- d. Save the request type.
4. Repeat [step 3](#) for any other PFM request types that will use the **Custom Field Value**.

The **Custom Field Value** is ready to use and appears in the appropriate visualizations and analyses.

Example Custom Financial Metrics

Some examples of **Custom Field Value** metrics that can be used with or instead of nominal return and NPV include the following:

- **Payback Period.** This metric calculates how long it takes for a proposal, project, or asset to start having positive cost/benefit values, based on its forecasted and actual costs and benefits.
- **Productivity Index.** This metric is a financial ranking approach that takes into account expected commercial value, technical risk, and research and development expenditures.
- **Expected Commercial Value.** This metric leverages probabilities and resource constraints to arrive at its answer.

Note: Depending on the business unit deploying them, these example metrics might employ one of several different formulas in their calculation. Consult the appropriate business lead or team for the metric and formula you want to implement.

Additionally, configuring a custom metric might require knowledge of SQL or the creation of additional custom fields for each lifecycle entity so that the metric value can be calculated effectively.

Chapter 6: Adjusting the Scoring Key

- ["Overview of Adjusting the Scoring Key" below](#)
- ["Scoring Key Structure" below](#)
- ["Adjusting the Scoring Key" on page 47](#)

Overview of Adjusting the Scoring Key

This section discusses the structure of the Portfolio Management qualitative scoring key and provides procedures to modify it.

Lifecycle entities (proposals, projects, and assets) can be evaluated and ranked according to qualitative criteria that are not tracked by purely numerical values of cost, resource requirement, and benefit. These qualitative rankings are tracked using fields provided with the lifecycle entities. Each field is associated with a weighted value, and the total of all the weighted values yields a qualitative score for the given lifecycle entity.

The underlying scoring mechanism is set up using the scoring key and validations. A user who has the Configure Portfolio Management access grant can modify scoring criteria or add custom criteria based on specific requirements, by revising the scoring key and using the correct validation for a field.

Scoring Key Structure

Scoring criteria can include such considerations as how much technical risk exists, what the strategic match for a given project is, and how much competitive advantage would be gained. ["Scoring Key Structure" above](#) shows the View Scoring Criteria page with the default scoring key, which includes scoring criteria such as **Technical Risk** in the **Risk Domain** and **Internal Rate of Return** in the **Value Domain**.

To access the View Scoring Criteria page:

1. Log on to PPM Center.
2. From the menu bar, select **Open > Administration > Portfolio Management > View Scoring Criteria**.

For each **Criterion**, users view a drop-down list containing the set of text values shown as the **Selection** for that **Criterion**. Each **Criterion** has a **Weight** and each **Selection** for the criterion has a **Value**. The weighted values are used to automatically calculate the **Total Score** for a lifecycle entity. For more information, see ["Scoring Key Formulas \(Rules\)" on the next page](#). Users do not view or control any **Weight** associated with a **Criterion** or any **Value** associated with a **Selection**.

Scoring Key Validations

For each criterion in the scoring key, there is a validation named PFM Score - <Criterion Name> (for example, PFM Score - Architecture Risk).

To add a new criterion, you must create a new validation, but you specify the criterion's values, selections, and weight in the scoring key itself. For more information, see ["Adding a New Criterion" on page 50](#).

Note: The PFM Score - <Criterion Name> validation can be a drop-down list or a single-select autocomplete list, and it must be validated by SQL.

For details on the relationship between request type fields and validations, see the *Demand Management Configuration Guide*.

Scoring key validations, including sample values, are provided with Portfolio Management. You can revise each validation to suit your company's needs. ["Figure 6-2. Scoring key criterion ready for modification" on the next page](#) shows the Architecture Risk criterion's values as accessed from the editable version of the scoring key. Procedures are described in ["Adjusting the Scoring Key" on page 47](#).

Figure 6-2. Scoring key criterion ready for modification

Edit Criterion: Architecture Risk

*Weight: *Criterion Name:

*Domain:

Modify Selection Information

| | Value | Selection |
|-------------------------------------|--------------------------------|--|
| <input checked="" type="checkbox"/> | <input type="text" value="0"/> | <input type="text" value="Utilizes standard architecture."/> |
| <input checked="" type="checkbox"/> | <input type="text" value="1"/> | <input type="text" value="Minor change to standard architecture."/> |
| <input checked="" type="checkbox"/> | <input type="text" value="2"/> | <input type="text" value="Medium change to standard architecture."/> |
| <input checked="" type="checkbox"/> | <input type="text" value="3"/> | <input type="text" value="Major change to standard architecture."/> |
| <input checked="" type="checkbox"/> | <input type="text" value="5"/> | <input type="text" value="No leverage of standard architecture."/> |

Add New Selection:

| Value | Selection |
|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> |

Note: Depending on the level of revision involved, the request type rule that governs the calculation of the **Total Score** might need to be revised.

Scoring Key Formulas (Rules)

The weights and values associated with criteria are used to calculate the total qualitative score for a lifecycle entity. Criteria are in either of the following two domains:

- **Risk Domain.** Criteria used to measure a lifecycle entity's potential risk.

All lifecycle entities have a read-only field called **Risk Rating**. Its value is calculated automatically using the formula:

Risk Rating = Sum (**Weight** * **Value** for each **Risk Domain** criterion)

where **Value** is the number associated with the user's choice of **Selection** from a drop-down list.

- **Value Domain.** Criteria used to measure a lifecycle entity's potential value.

All lifecycle entities have a read-only field called **Value Rating**. Its value is calculated automatically using the formula:

Value Rating = Sum (**Weight** * **Value** for each **Value Domain** criterion)

where **Value** is the number associated with the user's choice of **Selection** from a drop-down list.

Tip: The visualization seen when you analyze a portfolio can be filtered by **Risk Rating** or **Value Rating**. See the *Portfolio Management User's Guide* for more detailed information.

The total qualitative score for a lifecycle entity is calculated as:

Total Score = **Value Rating** – **Risk Rating** + **Score Adjustment**

where **Score Adjustment** is a field provided with each lifecycle entity to allow automatic adjustment of the qualitative score. For example, a confident project sponsor might enter 10 in the **Score Adjustment** field, raising the **Total Score** by 10 points. Someone who thinks the project is somewhat riskier than the calculations indicate might enter -5, lowering the **Total Score** by 5 points.

For information about changing or adding criteria for the scoring key, see ["Adjusting the Scoring Key" below](#).

Adjusting the Scoring Key

You can adjust the scoring key (scoring criteria) from the Configure Scoring Criteria page. To add a new criterion, you first create a new validation in the PPM Workbench. Then you can modify the criterion values from the Configure Scoring Criteria page.

The formulas that calculate the **Value Rating**, **Risk Rating**, and **Total Score** are provided with the lifecycle entities in the form of request type rules. Consider the following when changing scoring criteria:

- When you change existing criteria provided with Portfolio Management, no changes to the rules are necessary.
- If a criterion name is changed *and* the associated field's token is changed, the SQL for the appropriate rules must be modified to include the new token for the changed criterion's field.
- If a new criterion is created, the SQL for the appropriate rules must be modified to include the token for the new criterion's field.

Changing Existing Criteria

Starting from the Configure Scoring Criteria page, you can change the properties of existing criteria in the scoring key and you can add new values and selections.

Note: If your PPM Center instance supports multiple languages, all scoring criteria must be defined in the same language. To change existing criteria, your session must be in that language. For more information, see the *Multilingual User Interface Guide*.

To change the properties of an existing criterion in the scoring key:

1. Log on to PPM Center.
2. From the menu bar, select **Open > Administration > Portfolio Management > Configure Scoring Criteria**.

The Configure Scoring Criteria page opens.

3. Locate the criterion whose value you want to change and click the **Edit** button below its name.

The Edit Criterion page opens.

Suppose, for example, that you want to edit the Architecture Risk criterion.

Edit Criterion: Architecture Risk

*Weight: *Criterion Name:

*Domain:

Modify Selection Information

| | Value | Selection |
|-------------------------------------|--------------------------------|--|
| <input checked="" type="checkbox"/> | <input type="text" value="0"/> | <input type="text" value="Utilizes standard architecture."/> |
| <input checked="" type="checkbox"/> | <input type="text" value="1"/> | <input type="text" value="Minor change to standard architecture."/> |
| <input checked="" type="checkbox"/> | <input type="text" value="2"/> | <input type="text" value="Medium change to standard architecture."/> |
| <input checked="" type="checkbox"/> | <input type="text" value="3"/> | <input type="text" value="Major change to standard architecture."/> |
| <input checked="" type="checkbox"/> | <input type="text" value="5"/> | <input type="text" value="No leverage of standard architecture."/> |

Add New Selection:

| Value | Selection |
|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> |

4. Make the desired changes to the criterion. You can change any of the following fields:

- **Weight**
- **Domain**
- **Criterion Name**
- Any **Value**
- Any **Selection**

You can also add values and selections to the criterion.

Suppose in this example that you want to add a value of 7 that represents "Negative impact to standard architecture." Type these entries in the **Value** and **Selection** fields under the **Add New Selection** heading, and click **Add**.

The new **Value** and **Selection** are added to the list.

Edit Criterion: Architecture Risk

*Weight: *Criterion Name:

*Domain:

Modify Selection Information

| Value | Selection |
|---------------------------------------|--|
| <input checked="" type="checkbox"/> 0 | <input type="text" value="Utilizes standard architecture."/> |
| <input checked="" type="checkbox"/> 1 | <input type="text" value="Minor change to standard architecture."/> |
| <input checked="" type="checkbox"/> 2 | <input type="text" value="Medium change to standard architecture."/> |
| <input checked="" type="checkbox"/> 3 | <input type="text" value="Major change to standard architecture."/> |
| <input checked="" type="checkbox"/> 5 | <input type="text" value="No leverage of standard architecture."/> |
| <input checked="" type="checkbox"/> 7 | <input type="text" value="Negative impact to standard architecture."/> |

Add New Selection:

| Value | Selection |
|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> |

5. Click **Done**.
6. Click **Save** to save the changes made to the scoring key.

Adding a New Criterion

Adding a new criterion to the scoring key involves the following major steps:

- Creating a new validation. For detailed information on creating validations, see the *Commands, Tokens, and Validations Guide and Reference*.
- Adding to each affected lifecycle entity a new field with the new validation and an associated token.
- Adjusting the request type rules for the lifecycle entities that will use the new criterion.
- Defining the criterion's values in the Configure Scoring Criteria page.

Note: If your PPM Center instance supports multiple languages, all scoring criteria must be defined in the same language. To add new criteria, your session must be in that language. For

more information, see the *Multilingual User Interface Guide*.

Note: Making adjustments to the scoring key requires knowledge of SQL, which is used in the request type rules that govern the calculation of the **Value Rating**, **Risk Rating**, and **Total Score** fields.

Using an example, this section illustrates the procedure to add a new criterion. A new criterion named "PR Impact" has been requested for the Value Domain. The new criterion should have the following entries for the **Value** and **Selection** fields:

- 0 - No impact
- 1 - Slight benefit to existing customer base
- 2 - Large benefit to existing customer base
- 3 - Positive mindshare gain within industry
- 4 - Positive mindshare gain across industry

The new PR Impact criterion should have a weight of 4, as it is thought to be almost as important as Competitive Advantage or Strategic Match, each of which has a weight of 5.

To add a criterion to the scoring key:

1. Log on to PPM Center.
2. From the menu bar, select **Open > Administration > Open Workbench**.

The PPM Workbench opens.

3. Create a new validation for the values for the new criterion:
 - a. From the shortcut bar, select **Configuration > Validations**.

Note: The validation can be a drop-down list or a single-select autocomplete list, and it must be validated by SQL.

- b. Click **New Validation** to create a new drop-down list validation.
 - c. To specify the validation fields for the example:
 - i. In the **Name** field, type the new validation name PR Impact.
 - ii. Click out of the validation's **Name** field.

Notice that the **Reference Code** field automatically defaults to a value (**PR_IMPACT** in the example) that is related to the validation name. Compared to the **Name** field, all

letters in the **Reference Code** field are capitalized and all spaces and hyphens (-) are converted to underscore characters (_).

Note: All reference codes for validations used for scoring criteria must begin with **PFM_SCORE_**.

- iii. To enable the validation as a scoring criterion, add **PFM_SCORE_** to the beginning of the reference code. In the example, the value of the **Reference Code** field becomes **PFM_SCORE_PR_IMPACT**.
- iv. For the **Component Type** field, select **Drop Down List**.
- v. For the **Validated By** field, select **SQL**.
- vi. Specify the following SQL:

```
SELECT score_selection_id, score_selection_name
FROM kpfm_scoring_keys_v
WHERE validation_reference_code='PFM_SCORE_PR_IMPACT'
```

- d. Click **OK** to save the validation.
4. For a lifecycle entity you want to be affected by the new criterion, use the Request Type Workbench to create a new field that uses the new validation. For detailed information about configuring request type fields, see the *Demand Management Configuration Guide*.

To specify the new request type field for the example:

- a. From the shortcut bar, select **Demand Mgmt > Request Types**.
 - b. Click **List** and select and open a request type, such as PFM - Proposal, that is affected by the new criterion.
 - c. On the **Fields** tab, click **New**.
The Field: New page opens.
 - d. In the **Field Prompt** field, type PR Impact.
 - e. Select **PR Impact** for the **Validation** field.
 - f. Type PFM_SCORE_PR_IMPACT in the **Token** field.
 - g. Click **OK** on the Field: New page.
 - h. Click **Save** on the Request Type page.
5. For the lifecycle entity to be affected by the new criterion, use the Request Type Workbench to edit the request type rules.

- a. Click the **Rules** tab on the request type.
- b. Edit either the Calculate Value Rating rule or the Calculate Risk Rating rule, depending on the domain of the new criterion, by adding the new token to the SQL.

In the example, to add the PFM_SCORE_PR_IMPACT token to the Calculate Value Rating rule:

- i. Edit the Calculate Value Rating rule. Expand the Rules window as necessary to see the fields in the **Dependencies** section of the rule. In the **Dependencies** section, click **New**, select **PR Impact** as the **Field**, select **contains any value** as the **Condition**, and click **OK**.
 - ii. Add the following SQL immediately before the last close parenthesis in the existing SQL:


```
, NVL( '[REQD.P.PFM_SCORE_PR_IMPACT]' , 0)
```
 - iii. Click **OK**.
- c. From the **Rules** tab, similarly edit the Calculate Total Score rule by adding the new token to the SQL.

In the example, to add the PFM_SCORE_PR_IMPACT token to the Calculate Total Score rule:

- i. Edit the Calculate Total Score rule. Expand the Rules window as necessary to see the fields in the **Dependencies** section of the rule. In the **Dependencies** section, click **New**, select **PR Impact** as the **Field**, select **contains any value** as the **Condition**, and click **OK**.
 - ii. Add the following SQL just before the last `)`s in the existing SQL:


```
, NVL( '[REQD.P.PFM_SCORE_PR_IMPACT]' , 0)
```
 - iii. Click **OK**.
- d. Click **OK** on the Request Type page.
6. Repeat [step 4](#) and [step 5](#) for each lifecycle entity that will use the new criterion.

7. To define the criterion's values in the Configure Scoring Criteria page:

- a. In the menu bar of the standard interface, select **Open > Administration > Portfolio Management > Configure Scoring Criteria**.

In the example, the new criterion, **PR Impact**, appears at the top of the Configure Scoring Criteria page.

- b. Click the **Edit** button below the new criterion.

The Edit Criterion page opens.

- c. To specify the previously described criterion for the example:
 - i. Verify that the **Criterion Name** is **PR Impact**.
You can edit the **Criterion Name** field as needed.
 - ii. In the **Weight** field, enter 4.
 - iii. Set the **Domain** to **Value Domain**.
 - iv. Under the **Add New Selection** heading, enter one of the five pairs of requested **Value** and **Selection** fields and click **Add**.
Repeat this step for each of the pairs of **Value** and **Selection** fields.
- d. Click **Done**.
The new criterion is added to the scoring key.
- e. Click **Save** to save the revised scoring key.

Chapter 7: Configuring Licenses, Security Groups, and Access Grants

- ["Overview of License, Security Groups, and Access Grants" below](#)
- ["Licenses" on the next page](#)
- ["Security Groups" on page 57](#)
- ["Access Grants" on page 59](#)

Overview of License, Security Groups, and Access Grants

This section describes how to configure the Portfolio Management licenses, security groups, and access grants so that the intended users can set Portfolio Management options and use scenario comparisons, portfolio optimizations, and hierarchical portfolios. This section also describes how to restrict access to proposals and assets to particular security groups and how to restrict access to view projects on the basis of project type.

Note: Licenses, security groups, and user accounts with access grants are assigned by the PPM Center administrator. Contact your application administrator for matters relating to licenses, security groups, and access grants.

A license is authorization granted to users of PPM Center to use one or more individual products. See ["Licenses" on the next page](#).

Note: To have an Portfolio Management license, a user must also have an Demand Management license.

Security groups are constructed to provide a set of users with specific access to screens and functions within PPM Center. Each security group is configured with a set of access grants that enable specific access. Users are then associated with one or more security groups.

A user's security group memberships determine which lifecycle entities the user can view or edit, which workflows the user can use, and which workflow steps the user has authority to act on. Each user can be a member of multiple security groups. The collection of security groups to which a user belongs defines that user's role and access. See ["Security Groups" on page 57](#).

At a more granular level, a PPM Center administrator uses access grants to provide individuals or groups of users with partial or total access to Portfolio Management features. Users are linked to access grants through the security groups to which they belong. See ["Access Grants" on page 59](#).

In addition, individual users who create scenario comparisons or hierarchical portfolios can provide other users with access *rights* to view and edit those scenario comparisons or hierarchical portfolios, as described in the *Portfolio Management User's Guide*.

Licenses

As described in the following sections, the following licenses are associated with Portfolio Management:

- Portfolio Management license
- Portfolio Optimization license

Portfolio Management License

The Portfolio Management license provides access to general Portfolio Management functionality and to configuration of general Portfolio Management settings. All Portfolio Management users must have a Portfolio Management license (and a Demand Management license).

Portfolio Optimization License

The Portfolio Optimization site license allows all users who have Portfolio Management licenses to configure and run scenario optimizations and to generate the efficient frontier graph. For more information, see the *Portfolio Management User's Guide*. Users must have a Portfolio Management license to use portfolio optimization.

For each user, access to portfolio optimization functionality is consistent with access to other Portfolio Management functionality.

Security Groups

Using security groups involves associating them with workflow steps and potentially restricting user access to the lifecycle entities—proposals, projects, and assets.

Associating Security Groups with Workflow Steps

PPM Center provides the following empty security groups that are preconfigured to work with the delivered workflows described in ["Customizing Lifecycle Entity Processes" on page 29](#):

- PFM - Finance Review Board
- PFM - IT Steering Committee
- PFM - Standards Committee

These security groups must be populated with the correct users before the workflows can be used. For more information on adding users to security groups, see the *Security Model Guide and Reference*.

Using the Workflow Workbench, you can revise the mapping of security groups to workflow steps to suit your business needs. For more information on configuring workflow steps, including setting security, see the *Demand Management Configuration Guide*.

Configuring Security for Lifecycle Entities

Setting security for proposals and assets differs from setting security for projects, as described in the following sections.

- ["Configuring Security for Proposals and Assets" below](#)
- ["Configuring Security for Projects" on the next page](#)

Configuring Security for Proposals and Assets

By default, all users can create, view, and edit proposals and assets. You can restrict access to proposals and assets to particular security groups. For example, to restrict creation of proposals or

assets to users in a particular security group:

1. Log on to PPM Center.
2. From the menu bar, select **Open > Administration > Open Workbench**.

The PPM Workbench opens.

3. From the shortcut bar, select **Demand Mgmt > Request Types**.
4. Click **List**.

The **Results** tab lists the available request types.

5. Open the **PFM - Proposal** or **PFM - Asset** request type.

The Request Type window opens.

6. Click the **User Access** tab.
7. Deselect the **Create** check box for **All Users**.
8. Click **New**.

The Participant Security window opens.

9. Select users at the security group level.
10. Click **OK** in the Participant Security window.
11. Click **OK** in the Request Type window.

For more information on setting request type security, see the *Demand Management Configuration Guide*.

Configuring Security for Projects

You can control access to projects if you have the following access grants:

- Project Mgmt: View Projects
- Project Mgmt: Edit Projects
- Project Mgmt: Edit All Projects

For more information, see the *Security Model Guide and Reference*.

If you have the Edit Projects or the Edit All Projects access grant, you can control who can view all projects that use a particular project type. To do so:

1. Log on to PPM Center.
2. From the menu bar, select **Open > Administration > Project Types & Templates > Manage Project Types**.

The Manage Project Types page appears, listing the project types.

3. Click the project type of interest.

The Modify Project Type page appears.

4. Under the **Select a policy to configure** heading, select the **Project Security** policy.
5. To control who can view the projects of this project type and their project tasks, complete the fields as desired and click **Save**.

Access Grants

To use Portfolio Management, users need appropriate access grants in the Portfolio Mgmt category.

The Configure Portfolio Management access grant in the Portfolio Mgmt category is described in "[Table 7-1. Configure Portfolio Management access grant](#)" below. This access grant affects user capabilities in both hierarchical portfolios and scenario comparisons.

Table 7-1. Configure Portfolio Management access grant

| Access Grant | Description |
|--------------------------------|--|
| Configure Portfolio Management | <p>Allows the user to do the following:</p> <ul style="list-style-type: none"> • On the Configure Portfolio Management page, select which PFM request fields are made available for users to view in the Proposals/Projects/Assets tab of hierarchical portfolios and in the Scenario Content table of scenario comparisons. See "Configuring Columns for Proposals/Projects/Assets Tabs and Scenario Comparisons" on page 9. • On the Configure Portfolio Management page, set categorization preferences for scenario comparisons. See "Setting Categorization Preferences for Scenario Comparisons" on page 11. • On the Configure Portfolio Management page, set financial metrics for portfolios. See "Setting Financial Metrics for Portfolios" on page 11. • Configure the scoring key. See "Adjusting the Scoring Key" on page 44. |

The access grants in the Portfolio Mgmt category related to hierarchical portfolios are listed in "[Table 7-2. Portfolio Mgmt hierarchical portfolio access grants](#)" on the next page.

Table 7-2. Portfolio Mgmt hierarchical portfolio access grants

| Access Grant | Description |
|---------------------|---|
| Edit All Portfolios | <p>Allows the user to do the following:</p> <ul style="list-style-type: none"> • View the portfolio hierarchy • View all portfolios in the system • Create new portfolios • Delete empty portfolios • Edit all portfolios in the system, including changing portfolio names, adding and removing portfolio managers, and editing portfolio access rights on the Configure Access page • View and edit the Analyze Current Portfolio page and the following portlets: <ul style="list-style-type: none"> Capitalized Project Breakdown Capitalized Project Timelines Analyze Current Portfolio Impairment Risks Portfolio by Category Total Exposure • Create and edit business objectives |
| Edit Portfolio | <p>Allows the user to do the following:</p> <ul style="list-style-type: none"> • View the portfolio hierarchy. • View the portfolios for which the user also has the View Portfolio or Edit Portfolio access right on the Configure Access page. • Edit the portfolios for which the user also has the Edit Portfolio access right on the Configure Access page. However, having the Edit Portfolio access grant and the Edit Portfolio access right is not sufficient to allow the user to edit a portfolio's access rights or portfolio managers. • Be available for selection in the Portfolio Manager autocomplete field in all portfolios. Then, if selected as a portfolio manager for a portfolio, the user can edit that portfolio and specify other portfolio managers for that portfolio. • Be available for addition to the Configure Access page to be given the View Portfolio and Edit Portfolio access rights. |
| View All Portfolios | <p>Allows the user to do the following:</p> <ul style="list-style-type: none"> • View the portfolio hierarchy |

Table 7-2. Portfolio Mgmt hierarchical portfolio access grants, continued

| Access Grant | Description |
|--------------|---|
| | <ul style="list-style-type: none"> • View all portfolios in the system • View and edit the Analyze Current Portfolio page and the following portlets: <ul style="list-style-type: none"> Capitalized Project Breakdown Capitalized Project Timelines Analyze Current Portfolio Impairment Risks Portfolio by Category Total Exposure |

For information about specifying access *rights* on a portfolio's Configure Access page and specifying portfolio managers as mentioned in "[Table 7-2. Portfolio Mgmt hierarchical portfolio access grants](#)" on the [previous page](#), see the *Portfolio Management User's Guide*.

To edit a particular portfolio, a user must be configured to have at least one of the following:

- Edit All Portfolios access grant
- Edit Portfolio access grant, *and* Edit Portfolio access right on that portfolio's Configure Access page
- Edit Portfolio access grant, *and* configuration as one of that portfolio's portfolio managers

To view a particular portfolio, a user must be configured to have at least one of the following:

- Edit All Portfolios access grant
- View All Portfolios access grant
- Edit Portfolio access grant, *and* View Portfolio access right on that portfolio's Configure Access page

The access grants in the Portfolio Mgmt category related to scenario comparisons are listed in "[Access Grants](#)" on [page 59](#). If a user does not have the required access *grant* as described, the user cannot view or edit a scenario comparison (or a portfolio optimization), even if the user is authorized to do so in an access *right* on the scenario comparison's Configure Access page. For information about specifying access *rights* on a scenario comparison's Configure Access page as mentioned in "[Table 7-3. Portfolio Mgmt scenario comparison access grants](#)" on the [next page](#), see the *Portfolio Management User's Guide*.

Table 7-3. Portfolio Mgmt scenario comparison access grants

| Access Grant | Description |
|-------------------------------|--|
| Edit All Scenario Comparisons | Allows the user to do the following: <ul style="list-style-type: none">• View, edit, and delete all scenario comparisons in the system• Create new scenario comparisons |
| Edit Scenario Comparison | Allows the user to do the following: <ul style="list-style-type: none">• View, edit, and delete any scenario comparison that also grants that user access on its Configure Access page (Additional Editing Access fields)• Create new scenario comparisons |
| View Scenario Comparison | Allows the user to view any scenario comparison that also grants that user access on its Configure Access page (View Access field or Additional Editing Access fields) |

Appendix A: Financial Metrics

- "Total Nominal Return" below
- "Net Present Value (NPV)" below

Total Nominal Return

Monthly planned and actual nominal return are based on monthly planned and actual costs and benefits. The nominal return for any particular month is the difference between the benefit total for that month and the cost total for that month:

$$\text{Nominal Return} = \text{Benefit} - \text{Cost}$$

The **Nominal Return** and **Total Nominal Return** fields used in financial summaries and scenario comparisons are calculated from planned and actual costs and benefits over all the months that have any data. To determine *total* costs and *total* benefits over the entire time range, monthly contributions are based on values for each individual month, as follows:

- **For each previous month**, actual cost is used wherever it has been reported, that is, wherever the value is not blank or zero, otherwise forecast cost is used. Similarly, actual benefit is used wherever it has been reported, otherwise forecast benefit is used.
- **For the current month**, the *higher* of forecast and actual costs is used. Similarly, the *higher* of forecast and actual benefits is used.
- **For each future month**, forecast costs and forecast benefits are used.

These monthly amounts are summed to determine total benefits and total costs, and total nominal return is the difference:

$$\text{Total Nominal Return} = \text{Total Benefits} - \text{Total Costs}$$

Net Present Value (NPV)

Net present value (NPV) is total nominal return, discounted to its current value, based on a specified discount rate and the time allowed for the nominal return to be realized.

NPV is based on the financial summary. NPV is calculated using actual and forecast costs and benefits from all the months of the financial summary as described in ["Total Nominal Return" on the previous page](#).

For any *particular future* month:

$$\text{NPV} = (\text{Nominal Return}) / (1 + i/12)^n$$

where

| | |
|----------------|---|
| n | represents the number of periods (months) from the current month. |
| Nominal Return | is calculated for month n as described in "Total Nominal Return" on the previous page . |
| i | represents the annual discount rate. For example, if the Discount Rate field (which by default is disabled) is specified as 6 to represent a 6% annual rate, the formula uses 0.06 for the value of i, then divides that by 12 to reflect the 12 months in a year. |

PPM Center computes and reports *total* NPV, which is the sum of these values for all months—previous, current, and future—using each month's particular Nominal Return.

NPV for past and current months is meaningful for projects that are underway.

Only future months are discounted. Previous and current months use their Nominal Return values in calculating the sum.

Example of a Future Project

For example, consider a four-month future project that has forecast benefits and costs as shown in ["Table A-1. Example for NPV calculation" below](#) and an annual discount rate of 6%, equivalent to a monthly rate of 0.5% or .005.

Table A-1. Example for NPV calculation

| Month | Forecast Benefit | Forecast Cost | Forecast Benefit – Forecast Cost (Forecast Nominal Return) |
|-------------|------------------|---------------|--|
| May 2012 | \$100,000 | \$90,000 | \$10,000 |
| June 2012 | \$120,000 | \$90,000 | \$30,000 |
| July 2012 | \$140,000 | \$40,000 | \$100,000 |
| August 2012 | \$140,000 | \$5,000 | \$135,000 |

As of March 2012, two months before the project starts, the total NPV is the sum of the following amounts (rounding off to the nearest dollar):

- $\$10,000 / (1.005)^2 = \$9,901$ for May
- $\$30,000 / (1.005)^3 = \$29,554$ for June
- $\$100,000 / (1.005)^4 = \$98,025$ for July
- $\$135,000 / (1.005)^5 = \$131,675$ for August

For this example, the total NPV is \$269,155.

The total forecast nominal return for the four project months is \$275,000.

Example of a Project That Is Underway

Now consider the same example when the current month (month 0) is June and the project is underway. Assume that the actual value for Benefit – Cost was as forecast for May and that, thus far in June, actual costs and actual benefits are lower than forecast costs and forecast benefits, so that the forecast data is used for June. Then, as of June, the total NPV is the sum of the following amounts (rounding off to the nearest dollar):

- \$10,000 for May
- \$30,000 for June
- $\$100,000 / (1.005)^1 = \$99,502$ for July
- $\$135,000 / (1.005)^2 = \$133,660$ for August

For this example, the total NPV is \$273,162.

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Feedback on Portfolio Management Configuration Guide (Project and Portfolio Management Center 9.40)

Just add your feedback to the email and click send.

If no email client is available, copy the information above to a new message in a web mail client, and send your feedback to your_IE_team_PDL@hpe.com.

We appreciate your feedback!