

**Mercury IT Governance Center™**

**Mercury Portfolio Management™  
Configuration Guide**

Version: 7.0



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# Table of Contents

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<b>List of Figures</b> .....	<b>vii</b>
<b>List of Tables</b> .....	<b>ix</b>
<b>Chapter 1: Getting Started with Mercury Portfolio Management Configuration</b> .....	<b>11</b>
Introduction to Mercury Portfolio Management.....	12
Overview of Configuring Mercury Portfolio Management.....	12
Related Information.....	13
<b>Chapter 2: Configuring Global Portfolio Management Settings</b> .....	<b>15</b>
Overview of Configuring Global Portfolio Management Settings.....	16
Setting Your Financial Metric Tracking Preferences .....	16
Setting Your Categorization Preferences.....	17
<b>Chapter 3: Customizing Mercury Portfolio Management Entities</b> .....	<b>19</b>
Overview of Customizing Mercury Portfolio Management Entities .....	20
Mercury Portfolio Management Entities.....	20
Proposal .....	20
Customization Considerations .....	22
Project.....	24
Customization Considerations .....	25
Asset .....	26
Customization Considerations .....	27

---

Creating Your Own Mercury Portfolio Management Entities.....	28
General Customization Considerations .....	28
Copying and Revising Mercury Portfolio Management Entities.....	28
Using Mercury Portfolio Management Field Groups .....	29
Adding Mercury Portfolio Management Field Groups to a Request Type.....	31
<b>Chapter 4: Customizing Mercury Portfolio Management Processes .....</b>	<b>33</b>
Overview of Customizing Mercury Portfolio Management Processes.....	34
Mercury Portfolio Management Processes.....	34
PFM - Proposal Workflow .....	34
Customization Considerations .....	36
PFM - Project Workflow.....	37
Customization Considerations .....	38
PFM - Asset Workflow .....	39
Customization Considerations .....	40
Process Customization Considerations.....	40
Request Statuses and Workflow Steps.....	41
Automatically Creating a Project from a Proposal.....	42
Automatically Creating an Asset from a Project .....	43
<b>Chapter 5: Configuring a Custom Financial Metric.....</b>	<b>45</b>
Overview of Configuring a Custom Financial Metric .....	46
Configuring a Custom Financial Metric.....	46
Example Custom Financial Metrics.....	49
<b>Chapter 6: Adjusting the Scoring Key.....</b>	<b>51</b>
Overview of Adjusting the Scoring Key .....	52
Scoring Key Structure.....	52
Scoring Key Validations.....	54
Scoring Key Formulas (Rules).....	55
Adjusting the Scoring Key .....	56
Changing Criterion Properties.....	56
Changing a Criterion Name .....	59
Adding a New Criterion.....	60
<b>Chapter 7: Configuring Licenses, Security Groups, and Access Grants .....</b>	<b>67</b>
Overview of License, Security Groups, and Access Grants .....	68
Portfolio Management License .....	69

---

Security Groups .....	69
Associating Security Groups with Process Steps.....	69
Setting Security for Mercury Portfolio Management Entities.....	70
Setting Security for Proposals and Assets .....	70
Setting Security for Projects .....	71
Access Grants.....	71
Portfolio Management Access Grants.....	72
Budget Access Grants.....	73
Staffing Profile Access Grants .....	74
Financial Benefit Access Grants .....	75
<b>Appendix A: Financial Metrics .....</b>	<b>77</b>
Return on Investment (ROI).....	78
Net Present Value (NPV) .....	78
Example of a Future Project.....	79
Example of a Project That Is Underway .....	79
<b>Index .....</b>	<b>81</b>



## List of Figures

---

Figure 4-1	PFM - Proposal workflow.....	35
Figure 4-2	PFM - Project workflow .....	37
Figure 4-3	PFM - Asset workflow.....	39
Figure 4-4	Request Type window - Request Status tab.....	41
Figure 4-5	Workflow Step window - Properties tab.....	42
Figure 6-1	Qualitative scoring key .....	53
Figure 6-2	Scoring key criterion ready for modification .....	54





## List of Tables

---

Table 3-1	Selected default proposal fields.....	21
Table 3-2	Selected default project fields .....	24
Table 3-3	Selected default asset fields .....	26
Table 3-4	Mercury Portfolio Management request type field groups .....	29
Table 7-1	Scenario comparison access grants.....	72
Table 7-2	Other Portfolio Management access grants.....	72
Table 7-3	Budget access grants .....	73
Table 7-4	Staffing profile access grants .....	74
Table 7-5	Financial benefit access grants .....	75
Table A-1	Example for NPV calculation.....	79



**Chapter**

**1**

# Getting Started with Mercury Portfolio Management Configuration

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In This Chapter:

- *Introduction to Mercury Portfolio Management*
  - *Overview of Configuring Mercury Portfolio Management*
  - *Related Information*
-

## Introduction to Mercury Portfolio Management

Mercury Portfolio Management™ provides a real-time view of your organization that supports your strategic, financial, functional, and technical governance requirements. Mercury Portfolio Management helps you align your IT portfolio—the collection of proposals, current projects, and established assets—with your business strategy and thereby maximize the portfolio's value, for both new initiatives to expand and transform your business and existing applications that run your business.

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

Chapter 1, *Getting Started with Mercury Portfolio Management Configuration*, on page 11 (this chapter) provides an introduction to configuring Mercury Portfolio Management and a list of other information related to Mercury Time Management.

## Overview of Configuring Mercury Portfolio Management

Mercury Portfolio Management can be configured in the following ways:

- You can configure preferences that apply throughout Mercury Portfolio Management for the tracking of categorization by project class and asset class and for the tracking of financial metrics—return on investment (ROI), net present value (NPV), and a custom value, as described in [Chapter 2, \*Configuring Global Portfolio Management Settings\*, on page 15](#). (You define the custom value as described in [Chapter 5, \*Configuring a Custom Financial Metric\*, on page 45](#).)
- You can customize the proposal, project, and asset entities provided with Mercury Portfolio Management, and you can create new custom entities, as described in [Chapter 3, \*Customizing Mercury Portfolio Management Entities\*, on page 19](#).

- You can use the processes (workflows) provided with Mercury Portfolio Management, and you can customize them to suit your business needs, as described in [Chapter 4, \*Customizing Mercury Portfolio Management Processes\*, on page 33](#).
- You can define a custom financial metric of your choosing to measure the success of your portfolio, as described in [Chapter 5, \*Configuring a Custom Financial Metric\*, on page 45](#).
- You can use the qualitative scoring key provided with Mercury Portfolio Management to rate entities, and you can customize the scoring key to suit your business needs, as described in [Chapter 6, \*Adjusting the Scoring Key\*, on page 51](#).
- You can use licenses, security groups, and access grants to control the Mercury Portfolio Management capabilities provided to users, as described in [Chapter 7, \*Configuring Licenses, Security Groups, and Access Grants\*, on page 67](#).
- As described in [Chapter 2, \*Configuring Global Portfolio Management Settings\*, on page 15](#), you can specify whether to display return on investment (ROI) and net present value (NPV) in various contexts. [Appendix A, \*Financial Metrics\*, on page 77](#), provides details about how Mercury Portfolio Management calculates these values.

## Related Information

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

- *Mercury Portfolio Management User's Guide*
- *Mercury Demand Management Configuration Guide*
- *Mercury Project Management Configuration Guide*
- *System Administration Guide and Reference*
- *Security Model Guide and Reference*
- *Mercury-Supplied Entities Guide* (includes descriptions of all Mercury Portfolio Management portlets, request types, and workflows)



**Chapter**

**2**

## **Configuring Global Portfolio Management Settings**

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**In This Chapter:**

- *Overview of Configuring Global Portfolio Management Settings*
  - *Setting Your Financial Metric Tracking Preferences*
  - *Setting Your Categorization Preferences*
-

## Overview of Configuring Global Portfolio Management Settings

This chapter discusses general settings that must be configured before using Mercury Portfolio Management. In order to track the overall performance of your portfolio in the ways that are meaningful to your organization, you can configure your desired tracking preferences and categorization preferences.

### Setting Your Financial Metric Tracking Preferences

Select the financial information you would like Mercury Portfolio Management to track. You can track any combination of the following metrics related to your proposals, projects, and assets:

- **ROI (Return on Investment).** For a definition, see *Return on Investment (ROI)* on page 78.
- **NPV (Net Present Value).** For a definition, see *Net Present Value (NPV)* on page 78.
- **A custom value.** A custom value is a global value defined across the Mercury Portfolio Management installation that can be used in Mercury Portfolio Management visualizations. For more information on configuring the custom value, see *Configuring a Custom Financial Metric* on page 45.

The selected metrics are tracked and used for analyses throughout the Mercury Portfolio Management system. Only fields and graphics related to the selected metrics are displayed.

To specify the financial metrics to track in Mercury Portfolio Management:

1. Log on to Mercury IT Governance Center.
2. From the menu bar, select **Administration > Portfolio Management > Configure Portfolio Management**.

The Configure Portfolio Management page opens.



Configure Portfolio Management

Tracking Preferences

Track the following financial metrics:

Return On Investment

Net Present Value

Custom Field Value

Categorization Preferences

Proposals, Projects and Assets are categorized by:

Project Class

Asset Class

Done Cancel

3. Use the **Tracking Preferences** checkboxes to select the desired financial metrics.
4. Click **Done**.

## Setting Your Categorization Preferences

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

- Project Class
- Asset Class

The selected category is tracked throughout the Mercury Portfolio Management system. Only the filter fields and graphs related to the selected categories are displayed.

To specify the category to track in Mercury Portfolio Management:

1. Log on to Mercury IT Governance Center.
2. From the menu bar, select **Administration > Portfolio Management > Configure Portfolio Management**.

The Configure Portfolio Management page opens.

Configure Portfolio Management

Tracking Preferences

Track the following financial metrics:

Return On Investment

Net Present Value

Custom Field Value

Categorization Preferences

Proposals, Projects and Assets are categorized by:

Project Class

Asset Class

3. Use the **Categorization Preferences** checkboxes to select the desired categories.
4. Click **Done**.

**Chapter**

**3**

## **Customizing Mercury Portfolio Management Entities**

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### **In This Chapter:**

- *Overview of Customizing Mercury Portfolio Management Entities*
  - *Mercury Portfolio Management Entities*
    - *Proposal*
    - *Project*
    - *Asset*
  - *Creating Your Own Mercury Portfolio Management Entities*
    - *General Customization Considerations*
    - *Copying and Revising Mercury Portfolio Management Entities*
    - *Using Mercury Portfolio Management Field Groups*
-

## Overview of Customizing Mercury Portfolio Management Entities

This chapter describes the default Mercury Portfolio Management proposals, projects, and assets. It also provides instructions for customizing Mercury Portfolio Management entities for use by your company or business unit.



Proposals, projects, and assets are the main entities, but not the only ones, that Mercury Portfolio Management works with. Hereafter in this document, for brevity, often the term “entity” is used to mean a proposal, a project, or an asset, and “entities” are any combination of proposals, projects, and assets.

## Mercury Portfolio Management Entities

Mercury Portfolio Management supplies preconfigured entities for use in creating and maintaining your portfolio. These entities integrate with preconfigured life cycle processes also supplied with Mercury Portfolio Management, described in *Mercury Portfolio Management Processes* on page 34. They can be considered “best practice” and are ready to use. You can view and configure them using the Request Types Workbench.

### Proposal

A proposal collects information needed to propose a project, which will become part of the portfolio. The proposal is processed as described in *PFM - Proposal Workflow* on page 34. When the proposal is approved, a corresponding project is automatically created. Any budget, financial benefit, or staffing profile attached to the proposal is copied, and the copies are attached to the project. See *Project* on page 24 for more details on the project.

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

*Table 3-1* lists some of the default fields that are displayed for a proposal. You can use the Request Header Types Workbench to display other fields as needed by your company. For example, by default the **Net Present Value**, **Custom Field Value**, and **Discount Rate** fields are not displayed in the PFM - Proposal request header type (for definitions of these fields, see *Net Present Value (NPV)* on page 78; *Chapter 5, Configuring a Custom Financial Metric*, on page 45; and *Configuring a Custom Financial Metric* on page 46).

Table 3-1. Selected default proposal fields

Field Name (*Required)	Description
<b>Summary section</b>	
Business Unit	The business unit from which this proposal originated.
<b>Details section, Proposal Details subsection</b>	
*Proposal Name	The name of the proposed project.
Project Class	The class of project to which this proposal belongs (example: <b>Innovation</b> ).
Asset Class	The class of asset to which this proposal belongs (example: <b>Infrastructure</b> ).
Business Objective	The business objective with which the proposal is aligned.
<b>Details section, Business Case Details subsection</b>	
Budget	The proposed budget for the proposal.
Expected Benefit	The monetary benefit the proposal would provide.
Staffing Profile	The resource demand of the proposal.
Return on Investment	(Read only) The ROI for the proposal. (For a definition, see <a href="#">Return on Investment (ROI)</a> on page 78.)
Value Rating	(Read only) The total qualitative Value calculated for the proposal. (See <a href="#">Chapter 6, Adjusting the Scoring Key</a> , on page 51.)
Risk Rating	(Read only) The total qualitative Risk calculated for the proposal. (See <a href="#">Chapter 6, Adjusting the Scoring Key</a> , on page 51.)
Score Adjustment	The amount to adjust the calculated <b>Value Rating – Risk Rating</b> to obtain the <b>Total Score</b> . For more information, see <a href="#">Scoring Key Formulas (Rules)</a> on page 55.
Total Score	(Read only) The total score ( <b>Value Rating – Risk Rating + Score Adjustment</b> ) calculated for the project.
<b>Details section, Value Ratings subsection</b>	
See <a href="#">Value and Risk Ratings</a> on page 23.	
<b>Details section, Risk Ratings subsection</b>	
See <a href="#">Value and Risk Ratings</a> on page 23.	



You can adjust certain properties of these fields in the usual way using the Request Types window, but other properties (such as their tokens) are essential to the functioning of Mercury Portfolio Management and cannot be revised.

You can modify the rest of the fields in this entity to suit your business needs. See [Customization Considerations](#) and [Creating Your Own Mercury Portfolio Management Entities on page 28](#) for more information on customizing Mercury Portfolio Management entities.

## ***Customization Considerations***

The following sections contain recommendations on changing the fields of the default proposal. For general recommendations on changing Mercury Portfolio Management entities, see [General Customization Considerations on page 28](#).

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

### ***Proposal Details***

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

Consider the following:

- Your company might have additional general information to be tracked about a proposed project. You can create these fields and add them to the **Proposal Details** subsection, although you should add no more than five to ten new fields. For a case where Mercury Portfolio Management should be up and running very quickly, these new fields should be for information only and should not be used to drive process, as 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 their validations. Note that changes to these validations propagate to other parts of Mercury Portfolio Management, 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).
- The **Work Plan Template** field is disabled if your company has not installed Mercury Project Management™.

### *Business Case Details*

As the proposal goes through the proposal process, the detailed business case must be fleshed out. This includes details on the budget, the staffing profile, and the expected benefits. Certain requirements and justification documents can also be attached in this section. Finally, this subsection contains the calculated totals of **Risk Rating** and **Value Rating**, as well as a field to adjust the automatically calculated score.

Consider the following:

- This subsection 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 Mercury recommends that you keep them enabled. Do not delete them. Even if not required, these are important pieces of information that a business unit should start gathering to fully understand a project and its expectations before approving it. 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 51* for more detailed information.

### *Value and Risk Ratings*

This 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 51* for more detailed information.

## Project

This entity tracks information and progress on a project as it is executed. The project is processed as described in *PFM - Project Workflow* on page 37.

When the project is completed, a corresponding asset is automatically created. Any budget, financial benefit, or staffing profile attached to the project is copied, and the copies are attached to the asset. See *Asset* on page 26 for more details on assets.

### Note

To create projects from scratch, users must have the Project Management license. However, even if a user does not have a Project Management license, Mercury Portfolio Management can automatically convert his proposals to projects (see *Automatically Creating a Project from a Proposal* on page 42).

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

*Table 3-2* lists some of the default fields that are displayed for a project. They are among the fields that appear on a project's **Project Details** tab. You can use the Request Header Types Workbench to display other fields as needed by your company. For example, by default the **Net Present Value**, **Custom Field Value**, and **Discount Rate** fields are not displayed in the PFM - Project request header type (for definitions of these fields, see *Net Present Value (NPV)* on page 78; Chapter 5, *Configuring a Custom Financial Metric*, on page 45; and *Configuring a Custom Financial Metric* on page 46).

*Table 3-2. Selected default project fields (page 1 of 2)*

Field Name	Description
<b>Summary section</b>	
Business Unit	The business unit from which this project originated.
<b>Details section, Project Details subsection</b>	
Project Name	The name of the project.
Project Class	The class of project to which this project belongs (for example, <b>Innovation</b> ).
Asset Class	The class of asset to which this project belongs (for example, <b>Infrastructure</b> ).
Project Health	The status of the project.
Business Objective	The business objective with which the project is aligned.
Project Sponsor	The user sponsoring the project.



Table 3-2. Selected default project fields (page 2 of 2)

Field Name	Description
Project Manager	The manager of the project.
<b>Details section, Business Case Details subsection</b>	
Budget	The budget for the project.
Financial Benefit	The monetary benefit the project provides.
Staffing Profile	The resource demand of the project.
Return on Investment	The ROI for the project. (For a definition, see <a href="#">Return on Investment (ROI)</a> on page 78.)
Value Rating	The total qualitative Value calculated for the project. See <a href="#">Chapter 6, Adjusting the Scoring Key</a> , on page 51.
Risk Rating	The total qualitative Risk calculated for the project. See <a href="#">Chapter 6, Adjusting the Scoring Key</a> , on page 51.
Score Adjustment	The amount to adjust the calculated <b>Value Rating – Risk Rating</b> to obtain the <b>Total Score</b> . For more information, see <a href="#">Scoring Key Formulas (Rules)</a> on page 55.
Total Score	(Read only) The total score ( <b>Value Rating – Risk Rating + Score Adjustment</b> ) calculated for the project.

 Note

You can adjust certain properties of these fields in the usual way using the Request Types window, but other properties (such as their tokens) are essential to the functioning of Mercury Portfolio Management and cannot be revised.

You can modify the rest of the fields in this entity to suit your business needs. See [Customization Considerations](#) and [Creating Your Own Mercury Portfolio Management Entities](#) on page 28 for more information on customizing Mercury Portfolio Management entities.

## Customization Considerations

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

For general recommendations on changing Mercury Portfolio Management entities, see [General Customization Considerations](#) on page 28.

For more detailed information on creating and modifying request type fields, see the [Mercury Demand Management Configuration Guide](#).

## Asset

This entity tracks information on a portfolio asset, typically a maintenance activity rather than a straightforward project execution. The asset is tracked as described in *PFM - Asset Workflow* on page 39.

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

*Table 3-3* lists some of the default fields that are displayed for an asset. You can use the Request Header Types Workbench to display other fields as needed by your company. For example, by default the **Net Present Value**, **Custom Field Value**, and **Discount Rate** fields are not displayed in the PFM - Asset request header type (for definitions of these fields, see *Net Present Value (NPV)* on page 78; Chapter 5, *Configuring a Custom Financial Metric*, on page 45; and *Configuring a Custom Financial Metric* on page 46).

*Table 3-3. Selected default asset fields (page 1 of 2)*

Field Name (*Required)	Description
<b>Summary section</b>	
Business Unit	The business unit in charge of the portfolio that includes this asset.
<b>Details section, Asset Details subsection</b>	
*Asset Name	The name of the asset.
Asset Health	The status of the asset.
Project Class	The class of project to which this asset belongs (for example, <b>Innovation</b> ).
Asset Class	The class of asset to which this asset belongs (for example, <b>Infrastructure</b> ).
Business Objective	The business objective with which the asset is aligned.
Project	The project in Mercury Project Management that is associated with the asset.
<b>Details section, Business Case Details subsection</b>	
Budget	The budget for the asset.
Financial Benefit	The monetary benefit the asset provides.
Staffing Profile	The resource demand of the asset.
Return on Investment	The ROI for the asset. (For a definition, see <i>Return on Investment (ROI)</i> on page 78.)

Table 3-3. Selected default asset fields (page 2 of 2)

Field Name (*Required)	Description
Value Rating	The total qualitative Value calculated for the asset. See <a href="#">Chapter 6, Adjusting the Scoring Key</a> , on page 51.
Risk Rating	The total qualitative Risk calculated for the asset. See <a href="#">Chapter 6, Adjusting the Scoring Key</a> , on page 51.
Score Adjustment	The amount to adjust the calculated <b>Value Rating – Risk Rating</b> to obtain the <b>Total Score</b> . For more information, see <a href="#">Scoring Key Formulas (Rules)</a> on page 55.
Total Score	(Read only) The total score ( <b>Value Rating – Risk Rating + Score Adjustment</b> ) calculated for the project.



Note

You can adjust certain properties of these fields in the usual way using the Request Types window, but other properties (such as their tokens) are essential to the functioning of Mercury Portfolio Management and cannot be revised.

You can modify the rest of the fields in this entity to suit your business needs. See [Customization Considerations](#) and [Creating Your Own Mercury Portfolio Management Entities](#) for more information on customizing Mercury Portfolio Management entities.

## Customization Considerations

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

For general recommendations on changing Mercury Portfolio Management entities, see [General Customization Considerations](#).

For more detailed information on creating and modifying request type fields, see the [Mercury Demand Management Configuration Guide](#).

## Creating Your Own Mercury Portfolio Management Entities

Although Mercury Portfolio Management contains preconfigured proposals, projects, and assets, and life cycle processes that drive their resolution, you might want to create your own proposals, projects, or assets to use in Mercury Portfolio Management.

### General Customization Considerations

Consider the following when making changes to any entities:

- Any changes made to one entity's fields (such as the PFM - Proposal request type) should be made to the others (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. Mercury 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 default any other information. If used for such other purposes, they 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 51.

### Copying and Revising Mercury Portfolio Management Entities

Mercury Portfolio Management delivers preconfigured proposal, project, and asset entities that come ready to use. You can copy these entities using the Request Types 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 22.

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

The general process for creating your own Mercury Portfolio Management entities using this method is as follows:

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

The Workbench opens.

3. From the shortcut bar, select **Demand Mgmt > Request Types**.
4. In the Request Type Workbench, copy the desired entity.
5. Make the desired modifications to the copy.
6. In the copy's **Workflows** tab, make sure the appropriate Mercury Portfolio Management workflow is enabled for use with the request type.
7. Open the associated Mercury Portfolio Management workflow using **Configuration > Workflows** in the 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, use the menu bar in the standard interface to create a project type:

**Administration > Project Types & Templates > Create a Project Type**

In the **Request Types** policy, specify the **Portfolio Management Request Type** to use for this project type.

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

When these steps are completed, Mercury Portfolio Management should function with your new request type.

## Using Mercury Portfolio Management Field Groups

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 Mercury IT Governance Center. You can modify these request types for use with Mercury Portfolio Management by adding field groups. Mercury Portfolio Management (PFM) field groups are listed in *Table 3-4*.

*Table 3-4. Mercury Portfolio Management request type field groups*

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

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

The general process for modifying an existing request type for use in Mercury Portfolio Management is as follows:

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

The 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 Mercury Portfolio Management.
5. When the request type has been opened, examine the associated request header type.

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



Note

If this request header type is also associated with other request types, all of those request types will also become enabled for use in Mercury Portfolio Management by this procedure.

6. Determine the type of Mercury Portfolio Management entity (proposal, project, or asset) that the existing request type will be used as.
7. Link the appropriate Mercury Portfolio Management field group to the request header type used by the existing request type.

See *Adding Mercury Portfolio Management Field Groups to a Request Type* on page 31 for more detailed information.

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

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



When field groups are associated with existing request types (through the request header type definition), tables in the Mercury IT Governance database are updated to handle this new configuration. Because of the scope of database changes, you should rerun the database statistics on your Mercury IT Governance database. Instructions for this are included in the *System Administration Guide and Reference*. Contact your system administrator for help with this procedure.

### ***Adding Mercury Portfolio Management Field Groups to a Request Type***

In order to function in Mercury Portfolio Management, existing request types must have an associated Mercury Portfolio Management field group.

To associate a Mercury Portfolio Management field group with an existing request type:

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

The 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.

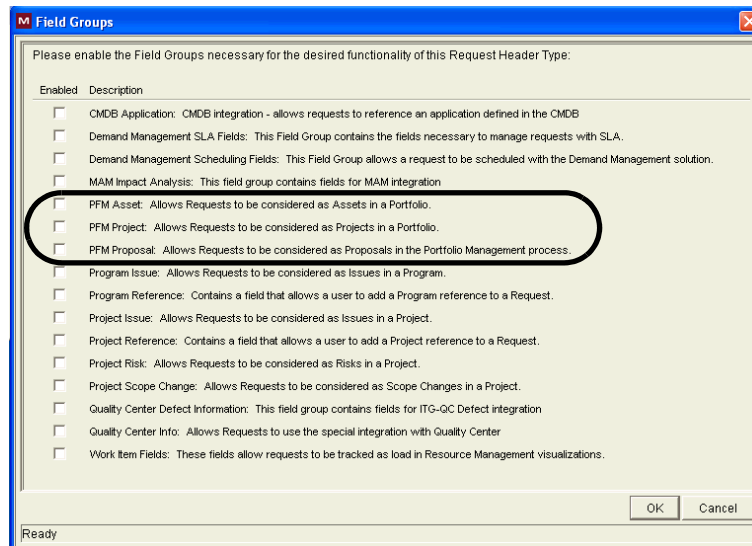
6. In the Request Type window, under the **Request Header Type** field, click **Open**.

The specified Request Header Type window opens.

Prompt	Display	Display Only	Transaction Hist.	Notes Hist.	On Search/Filter Page
[-] Summary					
[-] Request No.:	Y	Y	N	N	N
[-] Request Type:	Y	N	N	N	Y
[-] Created By:	Y	Y	N	N	Y
[-] Department:	Y	N	N	N	Y
[-] Sub-Type:	Y	N	N	N	Y
[-] Created On:	Y	Y	N	N	Y
[-] Workflow:	Y	N	N	N	Y
[-] Request Status:	Y	Y	N	N	Y

7. Click **Field Groups**.

The Field Groups window opens.



8. Select one of the following Mercury Portfolio Management field groups to attach to your request header type:

- **PFM Asset**
- **PFM Project**
- **PFM Proposal**



Note

Add only one Mercury Portfolio Management 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 made up to that point.

9. Click **OK**.

The selected field group appears on the request header type.

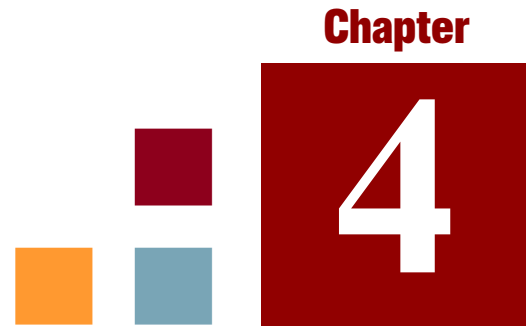
10. Save the request header type and the request type.



Tip

When field groups are associated with existing request types (through the request header type definition), tables in the Mercury IT Governance database are updated to handle this new configuration. Because of the scope of database changes, you should rerun the database statistics on your Mercury IT Governance database. Instructions for this are included in the *System Administration Guide and Reference*. Contact your system administrator for help with this procedure.





## Customizing Mercury Portfolio Management Processes

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### In This Chapter:

- *Overview of Customizing Mercury Portfolio Management Processes*
  - *Mercury Portfolio Management Processes*
    - *PFM - Proposal Workflow*
    - *PFM - Project Workflow*
    - *PFM - Asset Workflow*
  - *Process Customization Considerations*
    - *Request Statuses and Workflow Steps*
    - *Automatically Creating a Project from a Proposal*
    - *Automatically Creating an Asset from a Project*
-

## Overview of Customizing Mercury Portfolio Management Processes

This chapter discusses the preconfigured resolution processes delivered with Mercury Portfolio Management and provides technical considerations for customizing them. These processes are integrated with the preconfigured entities (proposals, projects, and assets) also supplied with Mercury Portfolio Management. 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.

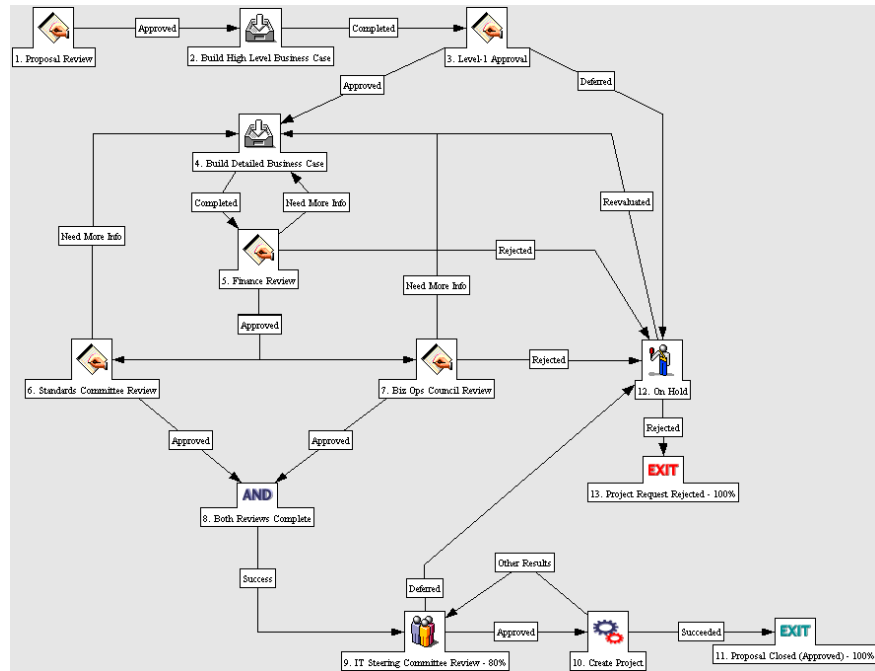
## Mercury Portfolio Management Processes

Mercury Portfolio Management features preconfigured resolution processes designed to integrate with the entities, as described in *Mercury Portfolio Management Entities* on page 20. You can view and configure these processes using the Workflows Workbench.

### PFM - Proposal Workflow

The PFM - Proposal workflow defines the life cycle of a proposal as its business case is built out and the proposal is rated and evaluated. *Figure 4-1* shows the workflow.

Figure 4-1. PFM - Proposal workflow



The default workflow steps are described as follows:

- 1. Proposal Review.** This is a quick review of the initial request to see if it 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 project budget, the resource requirements (staffing profile) and an estimated financial benefit.
- 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 ROI.
- 6. Standards Committee Review and 7. Biz Ops Council Review.** Once it 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. This committee looks at the proposal in the context of work already being performed and other proposals under consideration. They also look at relative ratings and rankings. They might also use the Mercury Portfolio Management scenario comparison functionality, including portfolio optimization, to do what-if analyses of different portfolio mixes.

**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.

### ***Customization Considerations***

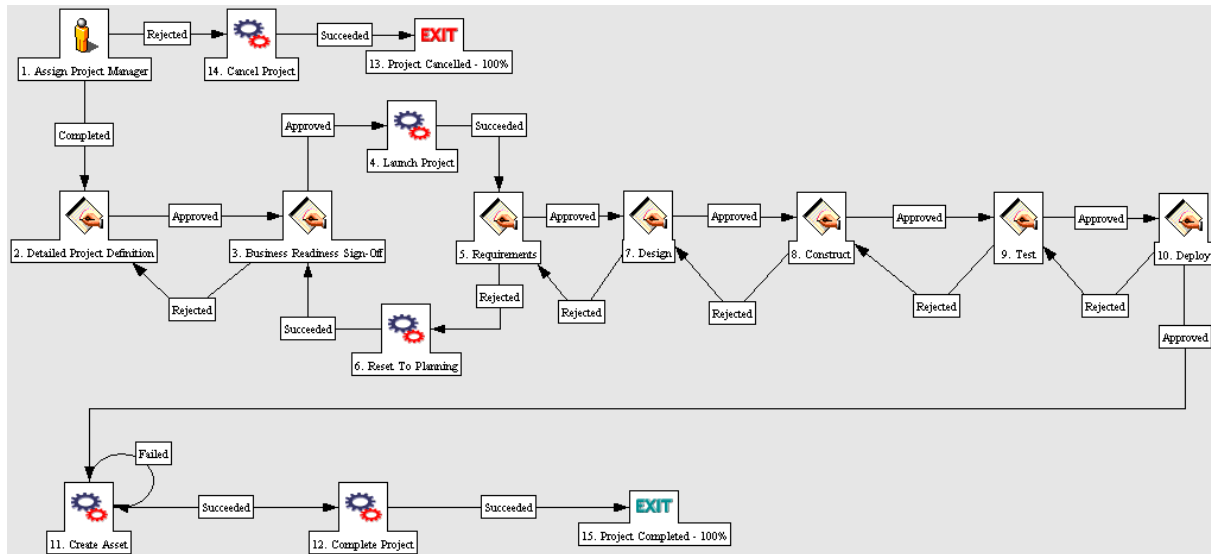
Consider the following when making changes to the PFM - Proposal workflow:

- The default process has many different committee reviews and approvals. These 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 41](#) for more detailed discussion of request statuses and workflows.
- You can also add steps, change step names, and modify notifications, although Mercury recommends that the proposal process be tracked at a high level, such as under fifteen steps. The Create Project and Proposal Closed (Approved) - 100% steps should be retained in the final workflow to take full advantage of Mercury Portfolio Management functionality. See [Automatically Creating a Project from a Proposal on page 42](#) for more details.
- 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 it. For more information on populating security groups, see [Associating Security Groups with Process Steps on page 69](#).

## 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* 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. This might include revisions to the staffing profile, budget, and financial benefit entries 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, budget, and financial benefit 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 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.

**11. Create Asset.** Following deployment of the project, an asset is automatically generated and begins moving along the asset workflow as the project is closed. The asset is responsible for tracking ongoing maintenance and other activities against the end result of the project.

**12. Complete Project.** This step marks the project and its associated staffing profile, budget, and financial benefit as Complete.

## ***Customization Considerations***

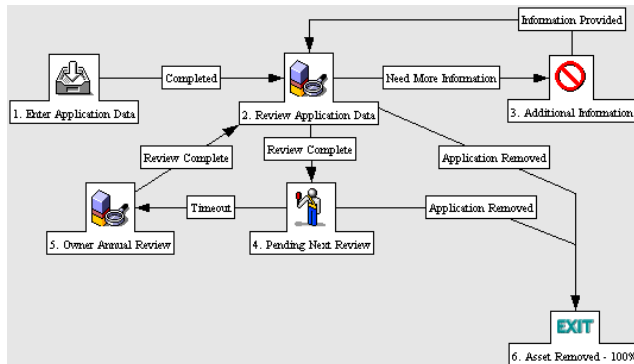
Consider the following when making changes to the PFM - Project workflow:

- 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 41](#) for more detailed discussion of request statuses and workflows.
- You can also add steps, change step names, and modify notifications, although Mercury recommends that the project stages be tracked at a high level, such as under fifteen steps; they are not meant to emulate a detailed work plan. The Create Asset step should be retained in the final workflow to take full advantage of Mercury Portfolio Management functionality. See [Automatically Creating a Project from a Proposal on page 42](#) for more details.
- 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 it. For more information on populating security groups, see [Associating Security Groups with Process Steps on page 69](#).

## PFM - Asset Workflow

The PFM - Asset workflow represents the annual entry and review cycle of an application asset. It is meant to cycle through the various 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* 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 budget, 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. It automatically moves to the next step at the configured time interval.
- 5. Owner Annual Review.** This 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 it, it should be evaluated on at least an annual basis, and perhaps updated in regard to financial benefit, budget, or 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* for more detailed discussion of request statuses and workflows.
- 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 it. For more information on populating security groups, see *Associating Security Groups with Process Steps* on page 69.

## **Process Customization Considerations**

You can customize the process delivered with Mercury Portfolio Management to suit any business procedure, using the Workflows Workbench. Before making any customizations, review the following sections:

- *Request Statuses and Workflow Steps* on page 41
- *Automatically Creating a Project from a Proposal* on page 42
- *Automatically Creating an Asset from a Project* on page 43



## Request Statuses and Workflow Steps

The preconfigured processes delivered with Mercury Portfolio Management integrate with the proposal, project, and asset entities that are provided. No special configuration is required to make them work together.

Each entity's request type contains statuses that are linked to steps in their associated workflows.

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 for use in Mercury Portfolio Management, using the Request Types Workbench. For more detailed information on creating your own Mercury Portfolio Management entities, see [Creating Your Own Mercury Portfolio Management Entities on page 28](#).

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. This is controlled from the **Request Status** tab in the Request Type Workbench. [Figure 4-4](#) 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. This is controlled from the **Properties** tab of the Workflow Step window in the Workbench. [Figure 4-5](#) shows the **Properties** tab with the **Request Status** field associated with PFM - Proposal workflow step 7, Biz Ops Council Review (see [Figure 4-1 on page 35](#)).

Figure 4-5. Workflow Step window - Properties tab

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

## Automatically Creating a Project from a Proposal

In the preconfigured PFM - Proposal workflow (see *PFM - Proposal Workflow on page 34*), 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, this special command automatically creates a work plan for the new project based on that template.

The budget, financial benefit, and staffing profile attached to the existing proposal are copied automatically and attached to the new project.

Removing the `ksc_create_project` special command from the PFM - Proposal workflow does not have an adverse effect on Mercury Portfolio Management itself, but it does prevent users from taking advantage of the automated functionality this special command provides.

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

If you are creating a new workflow from scratch for use with Mercury Portfolio Management 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 budget, financial benefit, and staffing profile and carries over the appropriate field data.

## Automatically Creating an Asset from a Project

In the preconfigured PFM - Project workflow (see [PFM - Project Workflow on page 37](#)), 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 budget, financial benefit, and staffing profile attached to the existing project are copied automatically and attached to the new asset.

If multiple request types have been configured for use in Mercury Portfolio Management as assets, make sure they are listed as choices in the **create\_request** step.

For example, if your company has configured two additional request types to be used as 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 does not have an adverse effect on Mercury Portfolio Management itself, but it does prevent users from taking advantage of the automated functionality this step provides.

If you reinstate the **create\_request** step in the PFM - Project workflow, no additional configuration is required for it to work correctly with Mercury Portfolio Management.

If you are creating a new workflow from scratch for use with Mercury Portfolio Management 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 automatically copies the appropriate budget, financial benefit, and staffing profile and carries over the appropriate field data.



**Chapter**

**5**

## **Configuring a Custom Financial Metric**

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**In This Chapter:**

- *Overview of Configuring a Custom Financial Metric*
  - *Configuring a Custom Financial Metric*
  - *Example Custom Financial Metrics*
-

## Overview of Configuring a Custom Financial Metric

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

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

- Return on Investment (ROI). For a definition, see *Return on Investment (ROI)* on page 78.
- Net Present Value (NPV). For a definition, see *Net Present Value (NPV)* on page 78.

Mercury 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 ROI and NPV. It also appears in Mercury Portfolio Management visualizations.

## Configuring a Custom Financial Metric



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

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

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

The Configure Portfolio Management page opens.

Configure Portfolio Management

Tracking Preferences

Track the following financial metrics:

Return On Investment

Net Present Value

Custom Field Value

Categorization Preferences

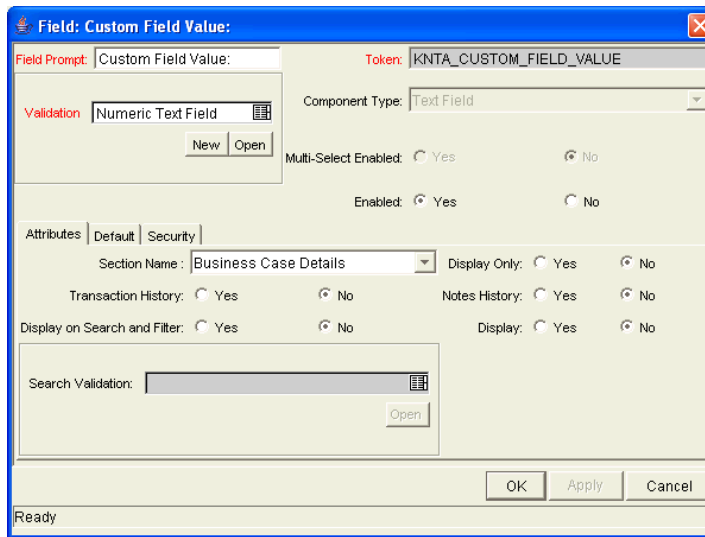
Proposals, Projects and Assets are categorized by:

Project Class

Asset Class

Done Cancel

- c. Select the **Custom Field Value** checkbox.
  - d. Click **Done**.
2. Enable the **Custom Field Value** for display:
- a. From the menu bar, select **Administration > Open Workbench**.  
The 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 the Mercury Portfolio Management request type (**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:
    - a. Open the Mercury Portfolio Management (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 page 49](#) for examples of rules used to govern the calculation of the **Custom Field Value**.

For more detailed information on creating request type rules, see the *Mercury Demand Management Configuration Guide*.
    - d. Save the request type.
  4. Repeat [step 3](#) for any other Mercury Portfolio Management request types that will use the **Custom Field Value**.

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



## Example Custom Financial Metrics

Some examples of **Custom Field Value** metrics that can be used with or instead of ROI and NPV include:

- **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 benefits and budget.
- **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 on each entity in order for the metric value to be calculated effectively.





Chapter  
6

## Adjusting the Scoring Key

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### In This Chapter:

- *Overview of Adjusting the Scoring Key*
  - *Scoring Key Structure*
    - *Scoring Key Validations*
    - *Scoring Key Formulas (Rules)*
  - *Adjusting the Scoring Key*
    - *Changing Criterion Properties*
    - *Changing a Criterion Name*
    - *Adding a New Criterion*
-

## Overview of Adjusting the Scoring Key

This chapter discusses the structure of the Mercury Portfolio Management qualitative scoring key and provides instructions for modifying it.

Proposals, projects, and assets can be evaluated and ranked according to qualitative criteria that are not tracked by purely numeric values of cost, resource requirement, and benefit. These qualitative rankings are tracked using other fields provided with the Mercury Portfolio Management entities. Each field is associated with a weighted value, and the total of all the weighted values yields a qualitative score for the given proposal, project, or asset.

The underlying scoring mechanism is set up using the scoring key and validations. A user with the correct level of access can modify these rankings 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. *Figure 6-1* shows the View Scoring Criteria window 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 window:

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

Users select text-based descriptions for an entity's criteria, typically at specific points in the life cycle of the proposal, project, or asset. Each selection for each criterion is associated with a weighted value, which is used to automatically calculate the **Total Score** for the given proposal, project, or asset. For more information, see *Scoring Key Formulas (Rules)* on page 55.



For each **Criterion**, users see only the text-based **Selections** (as drop-down lists). They do not see or control any numeric **Weight** associated with a **Criterion** or **Value** associated with a **Selection**.

Figure 6-1. Qualitative scoring key

View Scoring Criteria Done

Scoring Keys			
Risk Domain			
Weight	Criterion	Value	Selection
3	Technical Risk	0	No uncertainty.
		1	Very low uncertainty.
		2	Low uncertainty.
		3	Medium uncertainty.
		4	High uncertainty.
2	Architecture Risk	0	Utilizes standard architecture.
		1	Minor change to standard architecture.
		2	Medium change to standard architecture.
		3	Major change to standard architecture.
		5	No leverage of standard architecture.
2	Definition Risk	0	Requirements are firm. No changes.
		1	Requirements are moderately firm. Low probability of changes.
		2	Requirements are moderately firm. Medium probability of changes.
		3	Requirements are moderately firm. High probability of changes.
1	Infrastructure Risk	0	Uses existing systems and services.
		1	Small changes to existing infrastructure.
		2	Small changes and additions are expected.
		3	Moderate changes are expected.
		4	Moderate changes to multiple systems are expected.
1	Organization Risk	0	No risk.
		1	Low risk.
		2	Medium low risk.
		3	Medium risk.
		4	High risk.
10	Internal Rate of Return	0	Zero or less.
		1	1 - 5.99%.
		2	6 - 9.99%.
		3	10 - 14.99%.
		4	15% and above.
5	Competitive Advantage	0	No client or market impact.
		1	Improves operating efficiencies that affect competitive position.
		2	Improves operating efficiencies in strategic area.
		3	Provides some degree of outside access.
		4	Provides moderate degree of outside access.
5	Strategic Match	0	No impacted business goals.
		1	No impacted goal. Increases operational efficiency.
		2	No direct impact of goal, but prerequisite.
		3	Direct impact on a portion of a goal.
		4	Direct achievement of a goal.
2	Competitive Response	0	Can be postponed for 12 months with no effect on competitive positioning.
		1	Can be postponed for 12 months with minimal effect to competitive positioning.
		2	Can be postponed for 12 months with significant effect to competitive positioning.
		3	Postponement will result in loss of competitive positioning.
		5	Postponement will result in complete loss of competitive positioning.
2	Productivity	0	Decreased productivity.
		1	Less than 10% increase.
		2	11 - 30% increase.
		3	30 - 50% increase.
		5	51% or more increase.

Done

## 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 its values, selections, and weights in the scoring key itself. For more information, see [Adding a New Criterion](#) on page 60.



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

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

Scoring key validations, including sample values, are provided with Mercury Portfolio Management. You can revise each validation to suit your company's needs. [Figure 6-2](#) shows a criterion's values as accessed from the editable version of the scoring key. Procedures are described in [Adjusting the Scoring Key](#) on page 56.

*Figure 6-2. Scoring key criterion ready for modification*

Weight:

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"/>

Buttons: Done, Cancel



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 an entity. Criteria are in either of two domains:

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

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

$$\text{Risk Rating} = \text{Sum} (\text{Weight} * \text{Value} \text{ for each Risk Domain criterion})$$

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

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

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

$$\text{Value Rating} = \text{Sum} (\text{Weight} * \text{Value} \text{ for each Value Domain criterion})$$

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



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

The total qualitative score for an entity is calculated as:

$$\text{Total Score} = \text{Value Rating} - \text{Risk Rating} + \text{Score Adjustment}$$

where **Score Adjustment** is a field provided with each entity to allow automatic adjustment of the qualitative score. For example, an optimistic 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](#) on page 56.

## Adjusting the Scoring Key

You can adjust the scoring key directly in the Configure Scoring Criteria page. To add a new criterion, you first create a new validation in the Workbench and then modify its values using the Configure Scoring Criteria page.

The formulas that calculate the **Value Rating**, **Risk Rating**, and **Total Score** are provided with the entities in the form of request type rules.

- When making changes to the existing criteria provided with Mercury 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 Criterion Properties

You can revise the following properties of criteria in the scoring key by changing them in the Configure Scoring Criteria page:

- Weight
- Domain
- Value
- Selection

You can also add new values and selections.

To change the properties of a criterion in the scoring key:

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

The Configure Scoring Criteria page opens.



Configure Scoring Criteria

Save Cancel

Scoring Keys			
Risk Domain			
Weight	Criterion	Value	Selection
3	Technical Risk <a href="#">Edit</a>	0	No uncertainty.
		1	Very low uncertainty.
		2	Low uncertainty.
		3	Medium uncertainty.
		4	High uncertainty.
2	Architecture Risk <a href="#">Edit</a>	0	Utilizes standard architecture.
		1	Minor change to standard architecture.
		2	Medium change to standard architecture.
		3	Major change to standard architecture.
		5	No leverage of standard architecture.
2	Definition Risk <a href="#">Edit</a>	0	Requirements are firm. No changes.
		1	Requirements are moderately firm. Low probability of changes.
		2	Requirements are moderately firm. Medium probability of changes.
		3	Requirements are moderately firm. High probability of changes.
		4	Requirements are not firm.
1	Infrastructure Risk <a href="#">Edit</a>	0	Uses existing systems and services.
		1	Small changes to existing infrastructure.
		2	Small changes and additions are expected.
		3	Moderate changes are expected.
		4	Moderate changes to multiple systems are expected.
1	Organization Risk <a href="#">Edit</a>	0	No risk.
		1	Low risk.
		2	Medium low risk.
		3	Medium risk.
		4	High risk.
5	Extreme risk.		

Value Domain			
Weight	Criterion	Value	Selection
10	Internal Rate of Return <a href="#">Edit</a>	0	Zero or less.
		1	1 - 5.99%.
		2	6 - 9.99%.
		3	10 - 14.99%.
		4	15% and above.
5	Competitive Advantage <a href="#">Edit</a>	0	No client or market impact.
		1	Improves operating efficiencies that affect competitive position.
		2	Improves operating efficiencies in strategic area.
		3	Provides some degree of outside access.
		4	Provides moderate degree of outside access.
5	Strategic Match <a href="#">Edit</a>	0	No impacted business goals.
		1	No impacted goal. Increases operational efficiency.
		2	No direct impact of goal, but prerequisite.
		3	Direct impact on a portion of a goal.
		4	Direct achievement of a goal.
2	Competitive Response <a href="#">Edit</a>	0	Can be postponed for 12 months with no effect on competitive positioning.
		1	Can be postponed for 12 months with minimal effect to competitive positioning.
		2	Can be postponed for 12 months with significant effect to competitive positioning.
		3	Postponement will result in loss of competitive positioning.
		5	Postponement will result in complete loss of competitive positioning.
2	Productivity <a href="#">Edit</a>	0	Decreased productivity.
		1	Less than 10% increase.
		2	11 - 30% increase.
		3	30 - 50% increase.
		5	51% or more increase.

Save Cancel

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.

**MERCURY** Close Window X

Edit Criterion: Architecture Risk

Weight:

Domain: Risk 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."/>

Add New Selection:

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

Done Cancel

Close Window X

4. Make the desired changes to the criterion.

Suppose in this example that you want to add a value of 6 that represents “Negative impact to standard architecture.” Specify these values 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.

**MERCURY** Close Window X

Edit Criterion: Architecture Risk

Weight:

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"/> 6	<input type="text" value="Negative impact to standard architecture."/>

Add New Selection:

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

Close Window X

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

## Changing a Criterion Name

Changing the name of a criterion involves changing the validation name and revising some SQL. If you change the associated field's token, the request type rules must also be changed.

1. Log on to Mercury IT Governance Center.
2. From the menu bar, select **Administration > Open Workbench**.  
The Workbench opens.
3. From the shortcut bar, select **Configuration > Validations**.
4. Open the desired PFM Score - *<Criterion Name>* validation.
5. Change the value in the **Name** field.
6. In the **SQL** field, change the value in single quotes in the `WHERE` clause to correspond to the new value in the **Name** field.
7. Open the field associated with the changed criterion in the desired entity (proposal, project, or asset), and specify the changed PFM Score - *<Criterion Name>* validation as the field's validation. The entities are configured using the Request Types Workbench. For more detailed

information on configuring request type fields, see the *Mercury Demand Management Configuration Guide*.

8. (Optional) If you want, you can change the field's token to match the new criterion name. This is an optional step; the field will function as before without changing the token at all.

If you change the field's token, you must modify the appropriate request type rule to take into account the new criterion. The SQL for the rule should be modified to include the new token for the criterion's field.

## Adding a New Criterion

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

- Creating a new PFM Score - *<Criterion Name>* validation
- Adding to each affected entity a new field with the new validation and an associated token
- Defining the criterion's values in the Configure Scoring Criteria page
- Adjusting the request type rules for the entities that will use the new criterion



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.

This procedure is illustrated with an example in which a new criterion to be called PR Impact has been requested for the Value Domain. It 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

PR Impact 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 (see *Figure 6-1* on page 53).

To add a criterion to the scoring key:

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

The Workbench opens.

3. Create a new PFM Score - <Criterion Name> validation, which will hold the values for the new criterion:

- a. From the shortcut bar, select, select **Configuration > Validations**.



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

- b. Click **New Validation** to create a new drop-down list validation.
- c. For our example, enter the new validation name **PFM Score - PR Impact List**, and specify that it is to be validated by the following SQL:

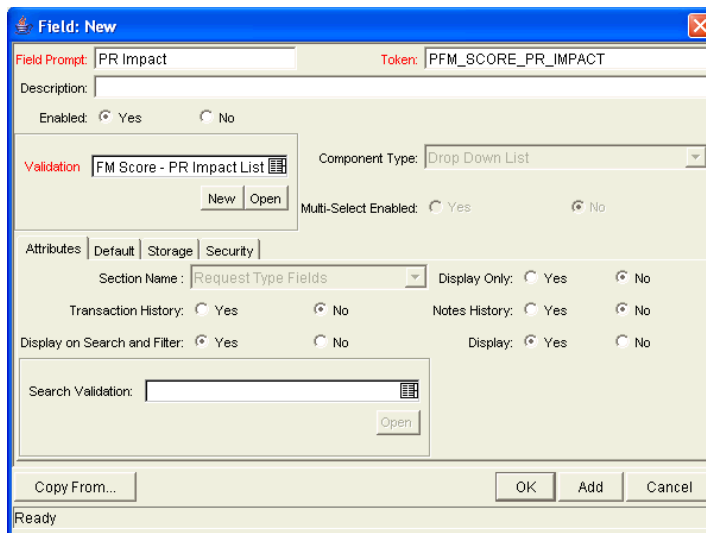
```
SELECT score_selection_id, score_selection_name
FROM kpfm_scoring_keys_v
WHERE criterion_name LIKE 'PR Impact List'
ORDER BY score_selection_value
```

- d. Click **OK** to save the validation.

4. For each affected entity, use the Request Types Workbench to create a new field that uses the new validation. For detailed information about configuring request type fields, see the *Mercury Demand Management Configuration Guide*.

For our example:

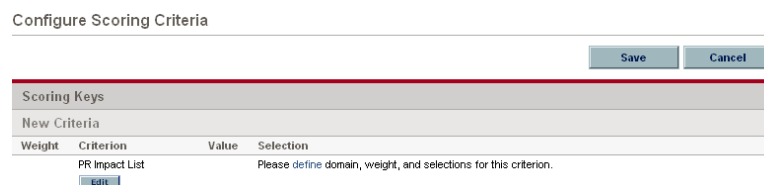
- a. From the shortcut bar, select **Demand Mgmt > Request Types**.
- b. Select and open a request type affected by the new criterion.
- c. On the **Fields** tab, click **New**.
- d. In the **Field Prompt** field, enter **PR Impact**.
- e. Select **PFM Score - PR Impact List** for the **Validation** field.
- f. Enter **PFM\_SCORE\_PR\_IMPACT** for the **Token** field.



5. Define the criterion's values in the Configure Scoring Criteria page:

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

In our example, the new **PR Impact List** criterion appears at the top of the page.



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

The Edit Criterion page opens.

- c. As previously described for our example:

i. In the **Weight** field, enter **4**.

ii. Set the **Domain** to **Value Domain**.

- iii. Under the **Add New Selection** heading, enter one of the five pairs of requested **Value** and **Selection** fields and click **Add**.

Repeat for each of the pairs of **Value** and **Selection** fields.

**MERCURY** Close Window X

Edit Criterion: PR Impact List

Weight:

Domain: Value Domain

Modify Selection Information		
	Value	Selection
<input checked="" type="checkbox"/>	<input type="text" value="0"/>	<input type="text" value="No impact"/>
<input checked="" type="checkbox"/>	<input type="text" value="1"/>	<input type="text" value="Slight benefit to existing customer base"/>
<input checked="" type="checkbox"/>	<input type="text" value="2"/>	<input type="text" value="Large benefit to existing customer base"/>
<input checked="" type="checkbox"/>	<input type="text" value="3"/>	<input type="text" value="Positive mindshare gain within industry"/>
<input checked="" type="checkbox"/>	<input type="text" value="4"/>	<input type="text" value="Positive mindshare gain across industry"/>

Add New Selection:

Value	Selection	
<input type="text"/>	<input type="text"/>	<input type="button" value="Add"/>

Close Window X

- d. Click **Done**.

The new criterion is added to the scoring key.

- e. Click **Save** to save the revised scoring key.

6. Edit the request type rules for the entities that will use the new criterion:

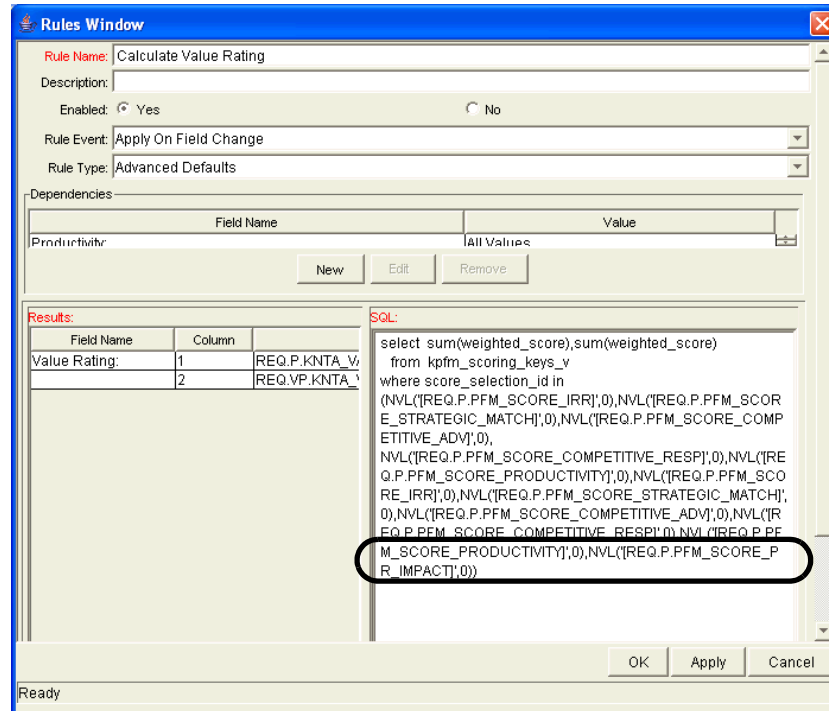
a. From the shortcut bar in the Workbench, select **Demand Mgmt > Request Types**.

b. Select and open a request type affected by the new criterion.

c. Click the **Rules** tab.

- d. Edit either the Calculate Value Rating rule or the Calculate Risk Rating rule, depending on the domain, by adding the new token to the SQL.

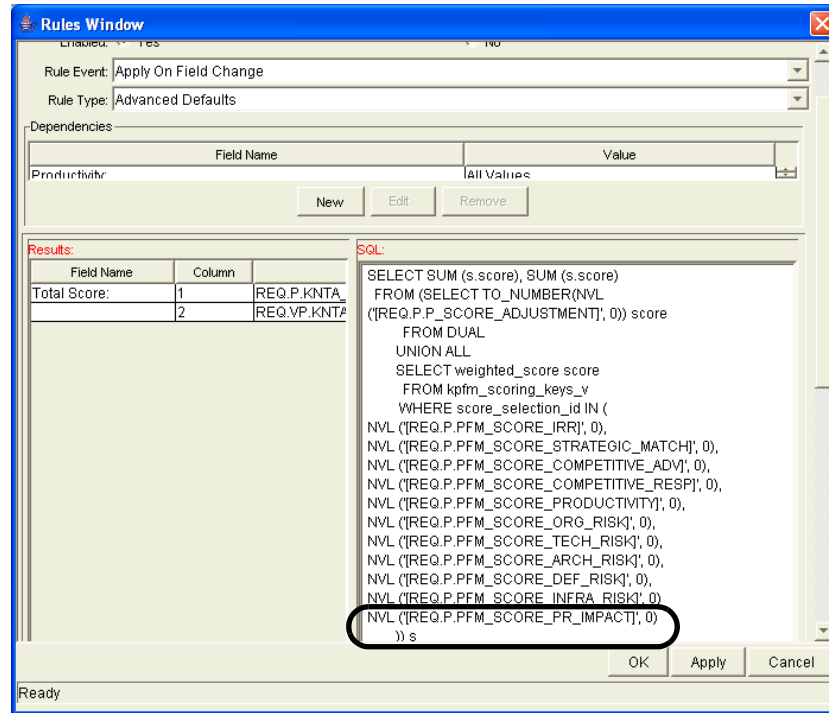
In our example, we add the token `PFM_SCORE_PR_IMPACT` at the end of the SQL for the Calculate Value Rating rule and click **OK**.





- e. From the **Rules** tab, similarly edit the Calculate Total Score rule by adding the new token to the SQL.

In our example, we add the token `PFM_SCORE_PR_IMPACT` at the end of the SQL for the Calculate Total Score rule and click **OK**.



Note

Rules must be modified individually for each entity that will use the new criterion.



## Chapter



# Configuring Licenses, Security Groups, and Access Grants

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### In This Chapter:

- *Overview of License, Security Groups, and Access Grants*
  - *Portfolio Management License*
  - *Security Groups*
    - *Associating Security Groups with Process Steps*
    - *Setting Security for Mercury Portfolio Management Entities*
  - *Access Grants*
    - *Portfolio Management Access Grants*
    - *Budget Access Grants*
    - *Staffing Profile Access Grants*
    - *Financial Benefit Access Grants*
-

## Overview of License, Security Groups, and Access Grants

This chapter describes how to enable Mercury IT Governance Center users to use Mercury Portfolio Management entities and processes, using the Portfolio Management license, security groups, and access grants.



Note

Licenses, security groups, and user accounts with access grants are assigned by the Mercury IT Governance Center administrator. Contact your application administrator for matters relating to the Mercury Portfolio Management license, security groups, and access grants.

A license is authorization granted to users of Mercury IT Governance Center to use one or more individual products. See [Portfolio Management License on page 69](#).



Note

Mercury Portfolio Management also requires Mercury Demand Management™. A user with a Mercury Portfolio Management license must also have a Mercury Demand Management license.

Security groups are constructed to provide a set of users with specific access to screens and functions within Mercury Portfolio Management. 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 entities the user can view or edit, which processes the user can use, and which process steps the user has authority to act on. Each Mercury Portfolio Management 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 within Mercury Portfolio Management. See [Security Groups on page 69](#).

At a more granular level, a Mercury IT Governance Center administrator uses access grants to provide individuals or groups or users with partial or total access to Mercury Portfolio Management features. Users are linked to access grants through the security groups to which they belong. If provided with the required access grants, users of Mercury Portfolio Management can use budgets, staffing profiles, and financial benefits. See [Access Grants on page 71](#).

In addition, individual users who create scenario comparisons can provide other users with various levels of access to viewing and editing those scenario comparisons, as described in the *Mercury Portfolio Management User's Guide*.

## Portfolio Management License

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

## Security Groups

Using security groups in Mercury Portfolio Management involves associating them with process (workflow) steps and potentially restricting user access to the Mercury Portfolio Management entities—proposals, projects, and assets.

### Associating Security Groups with Process Steps

Mercury Portfolio Management provides the following empty security groups that are preconfigured to work with the delivered Mercury Portfolio Management processes described in *Customizing Mercury Portfolio Management Processes* on page 33:

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

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

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

## Setting Security for Mercury Portfolio Management Entities

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

### *Setting 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 Mercury IT Governance Center.
  2. From the menu bar, select **Administration > Open Workbench**.
- The 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** checkbox 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 *Mercury Demand Management Configuration Guide*.

## ***Setting Security for Projects***

You can control access to projects with 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, as follows:

1. Log on to Mercury IT Governance Center.
2. From the menu bar, select  
**Administration > Project Types & Templates > Browse Project Types**.  
The Browse Project Types window appears, listing the project types.
3. Click the project type of interest.  
The Modify Project Type window appears.
4. Under the **Select a policy to configure** heading, select the **Project Security** policy.
5. To control who can view projects of this project type and their tasks, complete the fields as desired and click **Save**.

## **Access Grants**

To use Mercury Portfolio Management, users need appropriate access grants in the following categories:

- Portfolio Mgmt
- Financial Mgmt, for budgets
- Resource Mgmt, for staffing profiles
- Financial Mgmt, for financial benefits

## Portfolio Management Access Grants

The access grants regarding scenario comparisons are listed in [Table 7-1](#). If a user does not have the required access grant as described, he cannot view or edit a scenario comparison (or a portfolio optimization), regardless of whether he is authorized to do so on the scenario comparison's Configure Access page. For information about the Configure Access page, see the *Mercury Portfolio Management User's Guide*.

*Table 7-1. Scenario comparison access grants*

Access Grant	Description
Portfolio Mgmt: View Scenario Comparison	Allows the user to view any particular scenario comparison that also grants that user access on its Configure Access page ( <b>View Access</b> field or <b>Additional Editing Access</b> fields).
Portfolio Mgmt: Edit Scenario Comparison	Allows the user to view, edit, and delete any particular scenario comparison that also grants that user access on its Configure Access page ( <b>Additional Editing Access</b> fields). Also allows the user to create new scenario comparisons.
Portfolio Mgmt: Edit All Scenario Comparisons	Allows the user to view, edit, and delete all scenario comparisons in the system. Also allows the user to create new scenario comparisons.

Other Mercury Portfolio Management access grants are listed in [Table 7-2](#).

*Table 7-2. Other Portfolio Management access grants*

Access Grant	Description
Portfolio Mgmt: Configure Portfolio Management	Allows the user to set tracking options and configure the scoring key.
Portfolio Mgmt: Portfolio Manager	Allows the user to work with portfolio visualizations and scenario comparisons.



## Budget Access Grants

The access grants regarding budgets are listed in *Table 7-3*. Without these access grants, a user cannot view or edit a budget, regardless of whether that user is authorized to do so on the budget's Configure Access page.

*Table 7-3. Budget access grants*

Access Grant	Description
Financial Mgmt: View Budgets	Allows the user to view any particular budget that also grants that user view access on its Configure Access page ( <b>View Access</b> field or <b>Additional Editing Access</b> fields).
Financial Mgmt: View All Budgets	Allows the user to view any budget in the system.
Financial Mgmt: Edit Budgets	Allows the user to edit any particular budget that also grants that user edit access on its Configure Access page ( <b>Additional Editing Access</b> fields).
Financial Mgmt: Edit All Budgets	Allows the user to edit any budget in the system.
Financial Mgmt: Create Budgets	Allows the user to create new budgets. Supplemental to the Edit Budgets or Edit All Budgets access grant.
Financial Mgmt: Update Budget Status	Allows the user to update the budget status, but nothing else. Supplemental to the Edit Budgets or Edit All Budgets access grant.
Financial Mgmt: Approve Budgets	Allows the user to set the budget status to <b>Approved</b> , but nothing else. Supplemental to the Edit Budgets or Edit All Budgets access grant.

## Staffing Profile Access Grants

The access grants regarding staffing profiles are listed in *Table 7-4*. Without these access grants, a user cannot view or edit a staffing profile, regardless of whether that user is authorized to do so on the staffing profile's Configure Access page.

*Table 7-4. Staffing profile access grants*

Access Grant	Description
Resource Mgmt: View Staffing Profiles	Allows the user to view any particular staffing profile that lists that user on its Configure Access page.
Resource Mgmt: View All Staffing Profiles	Allows the user to view any staffing profile in the system.
Resource Mgmt: Edit Staffing Profiles	Allows the user to edit any particular staffing profile that also grants that user edit access on its Configure Access page.
Resource Mgmt: Edit All Staffing Profiles	Allows the user to edit any staffing profile in the system.
Resource Mgmt: Create Staffing Profiles	Allows the user to create new staffing profiles. Supplemental to the Edit Staffing Profiles or Edit All Staffing Profiles access grant.
Resource Mgmt: Update Staffing Profile Status	Allows the user to update the Profile Status, but nothing else. Supplemental to the Edit Staffing Profiles or Edit All Staffing Profiles access grant.
Resource Mgmt: Approve Staffing Profiles	Allows the user to set the Profile Status to <b>Approved</b> , but nothing else. Supplemental to the Edit Staffing Profiles or Edit All Staffing Profiles access grant.

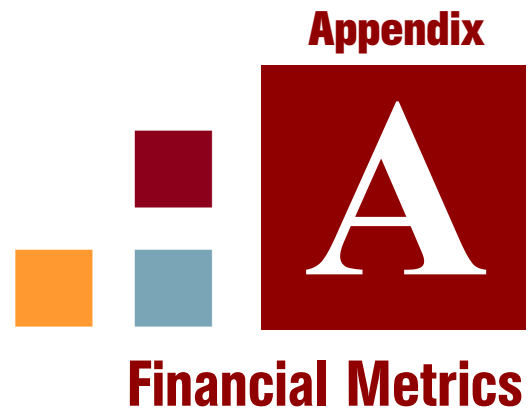
## Financial Benefit Access Grants

The access grants regarding financial benefits are listed in *Table 7-5*. Without these access grants, a user cannot view or edit a financial benefit, regardless of whether that user is authorized to do so on the financial benefit's Configure Access page.

*Table 7-5. Financial benefit access grants*

Access Grant	Description
Financial Mgmt: View Financial Benefits	Allows the user to view any particular financial benefit that also grants that user view access on its Configure Access page ( <b>View Access</b> field or <b>Additional Editing Access</b> fields).
Financial Mgmt: View All Financial Benefits	Allows the user to view any financial benefit in the system.
Financial Mgmt: Edit Financial Benefits	Allows the user to edit any particular financial benefit that also grants that user edit access on its Configure Access page ( <b>Additional Editing Access</b> fields).
Financial Mgmt: Edit All Financial Benefits	Allows the user to edit any financial benefit in the system.
Financial Mgmt: Create Financial Benefits	Allows the user to create new financial benefits. Supplemental to the Edit Financial Benefits or Edit All Financial Benefits access grant.
Financial Mgmt: Update Financial Benefit Status	Allows the user to update the financial benefit status, but nothing else. Supplemental to the Edit Financial Benefits or Edit All Financial Benefits access grant.
Financial Mgmt: Approve Financial Benefits	Allows the user to set the financial benefit Status to <b>Approved</b> , but nothing else. Supplemental to the Edit Financial Benefits or Edit All Financial Benefits access grant.



The graphic consists of four colored squares (orange, blue, maroon, and red) arranged in a 2x2 grid. The red square in the bottom right contains a white stylized letter 'A'. Above the squares is the word 'Appendix' and below them is 'Financial Metrics', both in a bold, dark red font.

**Appendix**

**Financial Metrics**

---

**In This Appendix:**

- *Return on Investment (ROI)*
  - *Net Present Value (NPV)*
    - *Example of a Future Project*
    - *Example of a Project That Is Underway*
-

## Return on Investment (ROI)

Return on investment is based on the attached budget and financial benefit.

$$\text{ROI} = \text{Total Benefit} - \text{Total Cost}$$

## Net Present Value (NPV)

Net present value (NPV) is return on investment (ROI), discounted to its current value, based on a specified discount rate and the time allowed for the ROI to be realized. It is based on the attached budget and financial benefit.

For any *particular* future month:

$$\text{NPV} = (\text{Benefit} - \text{Cost}) / (1 + i / 12)^n$$

where:

$n$  is the number of periods (months) from the current month.

*Benefit* and *Cost* are as specified for month  $n$ .

$i$  is 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.

Mercury Portfolio Management computes and reports *total* NPV, which is the sum of these values for all months—past, current, and future—using each month's particular Benefit and Cost, but with only future months discounted. In other words, past and current months use only their individual calculations of (Benefit – Cost) in the summation. Furthermore, actual rather than projected values are used where available for past months. NPV for past and current months is meaningful for projects that are underway.

## Example of a Future Project

For example, consider a 4-month project that has benefits and costs as shown in *Table A-1* 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	Benefit	Cost	Benefit – Cost
April 2007	\$100,000	\$90,000	\$10,000
May 2007	\$120,000	\$90,000	\$30,000
June 2007	\$140,000	\$40,000	\$100,000
July 2007	\$140,000	\$5,000	\$135,000

As of February 2007, two months before the project starts, the total NPV is the sum (rounding off to the nearest dollar) of:

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

For this example, the total NPV is \$269,155 (whereas the projected total Benefit – Cost 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 May and the project is underway, and assume that actual values for Benefit – Cost were as planned for April and May. As of May, the total NPV is the sum of:

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

Here, the total NPV is \$273,162.





## A

- access grants 68
  - budgets 73
  - financial benefits 75
  - Portfolio Management 72
  - Project Management 71
  - scenario comparison 72
  - staffing profiles 74
- adjusting scoring key 52
  - adding a criterion 60
  - changing a criterion name 59
  - changing criterion properties 56
  - procedure 56
- asset workflow
  - See* PFM - Asset workflow.
- assets 26
  - creating from projects 43
  - customization considerations 27

## B

- budgets, access grants 73

## C

- categorization preferences, configuring 17
- Configure Access page of scenario comparison 72

- configuring
  - assets 26
  - categorization preferences 17
  - custom financial metric 46
  - entities 20
  - global settings 16
  - Portfolio Management 12
  - processes 34
  - projects 24
  - proposals 20
  - request types, using field groups 29
  - scoring key
    - See* adjusting scoring key.
  - tracking preferences 16
- copying and revising entities 28
- creating
  - assets from projects 43
  - entities 28
  - projects from proposals 42
  - proposals, projects, and assets 41
- custom financial metric 46
  - configuring 46
  - examples 49
- customizing
  - See* configuring.

## E

entities, Portfolio Management 20  
  assets 26  
  copying and revising 28  
  creating 28  
  customizing 20  
  projects 24  
  proposals 20

## F

field groups, using for request types 29  
financial benefits, access grants 75  
financial metrics  
  *See also* custom financial metric.  
  configuring tracking preferences 16  
  definitions of ROI and NPV 77

## G

global settings 16

## L

license, Portfolio Management 68, 69

## M

Mercury Portfolio Management  
  *See* Portfolio Management.  
metrics, financial  
  *See also* custom financial metric.  
  configuring tracking preferences 16  
  definitions of ROI and NPV 77

## N

net present value 78  
NPV (net present value) 78

## P

PFM - Asset workflow 39  
  customization considerations 40

PFM - Project workflow 37  
  customization considerations 38  
PFM - Proposal workflow 34  
  customization considerations 36  
Portfolio Management 12  
  access grants 68, 72  
  assets 26  
  configuring 12  
  custom financial metric 46  
  entities, creating 28  
  entities, customizing 20  
  global settings, configuring 16  
  license 68, 69  
  processes  
    *See* processes.  
  projects 24  
  proposals 20  
  scoring key, adjusting 52  
  security groups 68, 69  
processes  
  assets 39  
  customization considerations  
    *See* workflow customization  
    considerations.  
  customizing 34  
  projects 37  
  proposals 34  
Project Management access grants 71  
project workflow  
  *See* PFM - Project workflow.  
projects 24  
  access grants 71  
  creating assets from 43  
  creating from proposals 42  
  customization considerations 25  
  security settings 71  
proposal workflow  
  *See* PFM - Proposal workflow.  
proposals 20  
  creating projects from 42  
  customization considerations 22

**R**

- request statuses in process customization 41
- request types, configuring using field groups 29
- return on investment 78
- ROI (return on investment) 78

**S**

- scenario comparison access grants 72
- scoring criteria 52
  - adding 60
  - changing a criterion name 59
  - changing properties 56
- scoring key 52
  - See also* scoring criteria.
  - adjusting 52
  - formulas (rules) 55
  - procedure to adjust 56
  - structure 52
  - validations 54
- security groups 68, 69
  - and process steps 69
  - proposals and assets 70
- security settings for projects 71
- staffing profiles, access grants 74

**T**

- tracking preferences, configuring 16

**W**

- workflow customization considerations 40
  - creating assets from projects 43
  - creating projects from proposals 42
  - request statuses 41
  - workflow steps 41
- workflow steps in process customization 41
- workflows
  - PFM - Asset 39
  - PFM - Project 37
  - PFM - Proposal 34

