

IMPLEMENTATION OF A PROJECT PORTFOLIO MANAGEMENT IN NOVO NORDISK PRODUCT SUPPLY

Transparency and improved investment portfolio management with PPM Clarity

Product Supply (PS) strives to continue to be a reliable supplier of high quality products in regulatory compliance, at a competitive cost, and in an environmentally sound and socially responsible way. To fulfil this mission it is vital to have an overview of the investment portfolio to make sure that the executed projects are aligned with the strategy and executed in an optimal way.

In spring 2007 PS decided to improve how the investment portfolio was being managed. Product Supply was looking for ways to create more transparency and present reliable up-to-date information within a single system accessible to all. "In the past we based our knowledge of the portfolio status upon different spreadsheets, which were often not fully aligned," explains Thomas Zakarias, initiator and project manager of the Project Portfolio Management (PPM) project.

THE CHALLENGE

After a market screening of the PPM IT system available on the market and a bidding process Clarity from CA was selected as the PPM solution to be used within PS.

! *"The PPM Clarity system has successfully become an integrated part of our daily business routines as all new projects are initiated and governed in PPM Clarity. Even though some of the benefits still remain to be completely unfolded we already experience an enormous effect of the system. In short, we have obtained a significantly improved control and transparency of our portfolio."*

**THOMAS ZAKARIAS, SENIOR PROJECT MANAGER,
GLOBAL PORTFOLIO MANAGEMENT.**

The next step was to gather requirements from the organisation and design the system. "This was not an easy task as processes were not fully aligned across PS - we therefore needed to align business processes across the four business areas while at the same time designing a solution with minimal customisation," explains Malene Vestergaard Petersen from NNIT Business Consulting. Representatives from the organisation were therefore heavily involved in the design of the solution as well as the roll-out activities.

Parallel to the PPM Clarity initiative a five-phased project execution model (called PEM) and a common governance set-up covering all investment projects was designed and implemented across PS.

NNIT Business Consulting assisted Global Portfolio Management with both initiatives aiming to incorporate existing best practices from the different business areas.

THE SOLUTION

The PPM Clarity system supports the entire project life cycle from registration of an investment idea to realising the benefits. The solution also provides gate approval workflows to support the PEM governance model.

The system creates transparency and optimises the investment portfolio by allowing users to build and analyse a collection of projects i.e. a portfolio. Besides portfolio analysis and monitoring, PPM Clarity offers a number of project management functionalities such as standardised issue and risk management, change order history, and milestone planning. Furthermore, a SAP interface with key financial data and an automated and standardised investment approval workflow is incorporated.

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THE RESULT

The PPM Clarity and the PEM model have been successfully received by the users. Evaluation of the user training gave an average score of 4.3 (on a 1-5 scale) to the following question: "The implementation of the PPM system and the PEM model adds value to Product Supply".

All PS business areas have used PPM Clarity in budget rounds in both 2009 and 2010 and the feedback from the portfolio managers and PS management has been very positive. PPM Clarity has provided Product Supply transparency of the investment portfolio and thereby created the ability to prioritise projects and to ensure that the right projects are executed in the right manner.

The portfolio management tool and the project execution model have provided common processes and governance across the four business areas in PS. It is mandatory to use PPM Clarity for all investment projects and the system plays a key role in the anchor budgeting process and activities related to follow up upon the investment budget.

NNIT's experience with portfolio management

Over the past 10 years, project portfolio management has been a focus area for NNIT. We are involved in implementing project portfolio management processes, assisting clients in managing large project portfolios. Over the past 3 years we have headed implementations of CA's market leading portfolio management application; Clarity.

ABOUT NOVO NORDISK

Novo Nordisk is a healthcare company and a world leader in diabetes care. In addition, Novo Nordisk has a leading position within areas such as haemostasis management, growth hormone therapy and hormone replacement therapy.

Novo Nordisk manufactures and markets pharmaceutical products and services that make a significant difference to patients, the medical profession and society. With headquarters in Denmark, Novo Nordisk employs more than 29,000 employees in 81 countries, and markets its products in 179 countries.

ABOUT THE PPM CLARITY PROJECT

NNIT was involved from the initiation of the project, through analysis and execution, to go-live. The system went live in June 2008 and NNIT continues to support Novo Nordisk with system operation, user support and application maintenance to ensure that the solution continues to fit the user's needs and expectations.

Key NNIT deliverables include:

- Vendor screening and RFP
- Conduct of design workshops with key stakeholders
- Establishment of super-user network
- Training material and training execution
- Go-live support And user surveys
- Design and implementation of improvements
- Sparring and PPM best practices

For further information

Please contact us at nnitcontact@nnit.com to learn more about the case or our portfolio management services.

ABOUT NNIT

NNIT is an international IT service provider offering IT consulting and the development, implementation and outsourcing of IT services for regulated industries. We create value for our clients by treating their IT as if it were our own. We use IT to support our clients' daily operations and help them achieve their business goals. Owned by Novo Nordisk, NNIT employs nearly 1,400 people. In 2008, our turnover exceeded €185 million.