Microsoft IT Cuts Costs, Gains Greater Consistency with Project Planning Software

Overview

Country or Region: United States
Industry: Professional services—IT services

Customer Profile
Microsoft, based in Redmond, Washington, is a software giant ranked number 36 in the 2010 Fortune 500. Microsoft IT provides strategic guidance and hands-on support services to the company's global staff of 89,000.

Business Situation
Microsoft IT wanted to consolidate project planning tools, simplify processes, save time, improve data tracking, and cut costs.

Solution
Microsoft IT, assisted by Microsoft Services consultants, implemented Microsoft Project Server 2010.

Benefits
- Reduced costs
- Improved portfolio planning
- Better tracking from demand to execution
- Easy reporting with a single source of truth

> "My number-one benefit is cost reduction. Using Project Server 2010 to simplify our toolset, we have been able to reallocate our training budget for next year."
>
> Katherine Olson, Program Manager II, Microsoft IT

Microsoft IT, which manages technology resources for the global software company, wanted to improve the consistency of decision-making processes across planning governance bodies. Assisted by Microsoft Services consultants, Microsoft IT implemented Microsoft Project Server 2010. It used Project Server 2010 to plan its fiscal year 2011 new-program budgets and will expand that scope. It is also building workflows, dashboards, and other customizations using Microsoft SharePoint Server 2010 and complementary technologies. With Project Server 2010, Microsoft IT is consolidating its toolset to reallocate training budgets and cut support costs. It is also improving the quality and visibility of its IT project portfolio planning, more effectively tracking benefits through projects' life cycles, and establishing a single source of truth for reporting on project management data.

Microsoft
Project Server 2010

Situation

Microsoft Information Technology (Microsoft IT) provides application development resources and technical support to the Microsoft work force of about 89,000 employees in 106 countries. As the organization responsible for managing the companywide deployment and use of technology resources, Microsoft IT plans and executes 300–400 projects per year.

"Some of our lines of business have planning budgets of up to $200 million," says Katherine Olson, Program Manager II at Microsoft IT. "The scope and size of our projects can vary from small, ultralight, agile projects to full-blown software development efforts, and we also do some bricks-and-mortar projects such as building and managing data centers."

To make decisions about which of these projects to pursue, Microsoft IT has traditionally used a variety of processes. "There was not enough consistency in how we did our planning," Olson says. "Different planning governance bodies made decisions in different ways. None of their methods was arbitrary—each set of processes was highly developed and sophisticated. But they tended to exist in silos."

In selecting projects during the annual planning cycle, many managers would use Microsoft Office Project Portfolio Server 2007 in conjunction with processes such as meetings where executives would hash out dependencies among projects. "Some of our projects might be dependent on a project in another organization with a different funding model and different strategic investments. Because these varying decision-making methods made integration difficult, many portfolio planning decisions still had to be made

manually," Olson says. After planning was completed, project management and execution were run through the Microsoft IT Lifecycle (ITLC) framework, a set of customized software applications including a program and project status reporting solution, a financial management solution, and scheduling templates in Microsoft Office Project Server 2007.

The different processes, stand-alone tools, and customizations frequently cost users time. For example, employees lacked a centralized location to look up a project's status. "People had to go back into emails and other sources to find old data and repurpose it," says Michael Greene, Solution Manager at Microsoft IT. "We wanted to simplify our toolset, both to reduce the costs of the tools themselves and to save time for people using them."

Reporting was another concern. Reports to executives were often prepared manually— a time-consuming process. Also, executives sometimes complained that using a variety of applications might result in multiple versions of the truth. "Nothing is more frustrating to an executive than drilling down in an attempt to better understand a problem—and seeing that different applications show different versions of a project's status," Greene says.

Finally, Microsoft IT wanted to improve its ability to track benefits. "We were putting a lot of effort into estimating benefits during planning," says Olson. "But because we used many different project planning and management tools, we sometimes lost the connections between planning assumptions and execution realities. We wanted a better end-to-end big picture that would help us more effectively measure actual return on investment."

Microsoft IT was looking for a project management solution that could help it consolidate software, simplify processes, save time, reduce costs, and integrate data for tracking, measurement, and reporting.

Solution

Microsoft IT was invited to become an early adopter of Microsoft Project Server 2010, the next generation of project management software from Microsoft. Project Server 2010 incorporates and enhances the functions of Office Project Portfolio Server 2007, improves on reporting and workflow features, and interoperates with other Microsoft applications.

"The development team was thrilled to have Microsoft IT as early adopters of our software," says Luke Humphrey, Program Manager on the Project Server 2010 development team at Microsoft. "With its large user base, we got great feedback on quality and design. On another level, we were pleased that such a large and complex organization chose Project Server 2010 as a tool to help reduce costs, make smart investment decisions, and track those decisions efficiently."

Because the solution involved several different beta versions of the evolving software, Microsoft IT worked with Microsoft Services consultants to deploy the solution on a stable environment, tune performance, and maximize the reach of business intelligence reporting solutions that come as part of Microsoft SharePoint Server 2010. "Microsoft Services really helped us negotiate some of the common issues and pitfalls," Olson says.

At Microsoft IT, Project Server 2010 runs on a combination of HP ProLiant DL380 G5 and virtual server computers. Project Server 2010 works in tandem with Microsoft SQL Server 2008 Enterprise data management

software. Additionally, Microsoft IT uses several features built on SharePoint Server 2010, including workflows, custom fields, project details pages (PDPs), and project workspaces. Because Microsoft IT has many SharePoint applications, the Project Server 2010 interface is familiar to users.

Although Project Server 2010 comes with a simple workflow out of the box, Microsoft IT chose to build a custom Project Server 2010 workflow to serve as a series of gateways between the five stages of its planning cycle. The workflow was developed using the Microsoft Visual Studio Team System 2008 Team Suite development system and is executed in SharePoint Server 2010. "The workflow ensures that data is complete and correct and has all required approvals," says Olson. "Because Project Server 2010 interoperates so well with other Microsoft products, it was easy to develop, and because users are comfortable with SharePoint Server 2010, it is simple and effective to use."

In a pilot project, Microsoft IT used Project Server 2010 for demand capture, business-case analysis, and portfolio optimization for all of its fiscal year 2011 new-program budgets for the IT portion of all lines of business. Almost 500 employees used the web client, Microsoft Project Web App, to perform planning tasks in five distinct steps: capturing demand, triaging demand, creating business case analyses, optimizing the portfolio, and managing funded programs. As Microsoft IT expands the pilot, it expects to double the user base.

"We're now rounding out the pilot," Olson said in late June 2010. "Next we want to get our users actually managing their portfolios in Project Server 2010 year-round. In other words, we want to do 'evergreen' planning—planning continuously throughout the year and comparing the

execution to the plan." Microsoft IT is also encouraging each individual line of business to develop and mature its strategic drivers for planning, and incorporate them earlier in the process, to improve consistency and visibility.

Microsoft IT runs several key reports from Project Server 2010, using Microsoft SQL Server 2008 R2 Reporting Services and Excel Services in Microsoft SharePoint Server 2010. One short report, easily transferred to a slide in the Microsoft PowerPoint 2010 presentation graphics program, presents a formatted analysis of the business case for a specific potential project. Another report is published to Microsoft Word 2010 as an artifact of planning, showing high-level information for each project. "Creating the reports is an easy process," Olson says. During the planning cycle for fiscal year 2012, she plans to augment the formal reports by using PerformancePoint Services in Microsoft SharePoint Server 2010 to create dashboards geared toward the needs of executives. "With PerformancePoint Services in Microsoft SharePoint Server 2010, we can develop and manage scorecards that can be integrated into dashboards," says Olson.

Microsoft IT has ambitious plans for Project Server 2010. Next year, it intends to use the software to handle an expanded scope of portfolio optimization and to manage dependencies. "We expect to be able to use the capabilities of Project Server 2010 to be able to click a single button and make sure that all of our dependencies are covered," Olson says.

Additionally, Microsoft IT plans to deploy a connector between Project Server 2010 and Microsoft Visual Studio Team System 2008 Team Foundation Server, which programmers currently use for task

management of application development projects. It plans to eventually expand its use of Project Server 2010 to include the management of project execution currently handled by the ITLC framework.

As Microsoft IT invests more of its project management processes in Project Server 2010, it will retire some of its stand-alone applications. It retired Office Project Portfolio Server 2007 in June 2010 and will retire several disparate reporting solutions that have now been centralized into Project Server 2010 and SharePoint Server 2010.

Benefits
Microsoft IT is using Project Server 2010 to cut training and support costs by consolidating tools. It is improving the quality and visibility of its portfolio planning process, tracking benefits through projects' life cycles, and establishing a single source of truth for sharing project management data.

Reduced Costs
Because Microsoft IT can use Project Server 2010 to perform a range of project management functions, it can retire some of its older project management tools, thereby saving money.

Furthermore, because Project Server 2010 has a familiar look and feel, Microsoft IT can re-allocate the money it used to spend on familiarizing employees with the user interface of a project management software solution. "My number-one benefit is cost reduction," says Olson. "Using Project Server 2010 to simplify our toolset, we have been able to reallocate our training budget for next year, because we employ the consistent SharePoint user interface across many applications."

Consolidating tools also reduces support costs. "With Project Server 2010, we can

> "With all of our project data available in Project Server 2010, we save people time when they're looking for information."
>
> Michael Greene, Solution Manager, Microsoft IT

move from a support model where we have custom teams supporting each of our stand-alone applications to a platform support model, with a single team to support Project Server 2010," Olson says.

IT Portfolio Planning That Ties to Corporate Strategy

By running portfolio planning activities through Project Server 2010, Microsoft IT makes that planning more robust and consistent. "Our pilot project started us down the path to effective optimization, and we're looking forward to maximizing these benefits in the future," Olson says. "The more that individual lines of business mature their strategic drivers, the more rigor they can apply to ranking and selecting their programs with Project Server 2010."

Identifying strategic drivers early in the planning cycle will improve not only the quality of decisions at Microsoft IT, but also their visibility. "With Project Server 2010, when you agree to the drivers up front, people understand the criteria for funding and choosing programs even before the optimization process begins," Greene says. "So all employees can use Project Server 2010 to see the strategy more easily—to see why certain programs are chosen, and how each program benefits each line of business."

Tracking Benefits from Demand to Execution

Microsoft IT will use Project Server 2010 to track benefits throughout projects' life cycles. "Our long-term goal is an end-to-end project ecosystem in which we can track a project from an idea in somebody's head all the way through the benefits we get from it five or six years down the road," says Olson. "That requires software and processes that connect strategy, planning, execution, and application management.

Project Server 2010 gives us the capabilities to get there—to drill down from strategic investments, examine related portfolios, and dive into project performance and defect management."

Easy Reporting with a Single Source of Truth

Microsoft IT uses Project Server 2010 to easily prepare and distribute useful reports based on a unified set of data that provides a single source of truth. "With all of our project data available in Project Server 2010, we save people time when they're looking for information," says Greene. And because different types of data—such as project status and financials—come from the same place, there is never conflict between them. Creating reports on that data is easy. "The reporting features in Project Server 2010 show us where we're allocating funds and how much each program is spending," Greene says.

However, as Microsoft IT moves more toward dashboards, it expects formal reports to be less necessary. "We're able to do a real-time, one-click refresh to show executives the views they need of our data," Olson says. "We're getting to the point where executives don't need manually generated reports—they can just click a button to get a real-time view of the projects and organization."

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers in the United States and Canada who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to:
www.microsoft.com

Microsoft Project Server 2010

Microsoft Project Server 2010 brings together the business collaboration platform services of Microsoft SharePoint Server 2010 with structured execution capabilities to provide flexible work management solutions. Project Server 2010 unifies project and portfolio management to help organizations align resources and investments with business priorities, gain control across all types of work, and visualize performance through powerful dashboards.

For more information about Microsoft Project Server 2010, go to:
www.microsoft.com/project/2010

Software and Services

- Microsoft Server Product Portfolio
  − Microsoft Project Server 2010
  − Microsoft SharePoint Server 2010
  − Microsoft SQL Server 2008 Enterprise
- Microsoft Office
  − Microsoft PowerPoint 2010
  − Microsoft Word 2010
- Microsoft Visual Studio
  − Microsoft Visual Studio Team System 2008 Team Foundation Server
- Services
  − Microsoft Services

- Technologies
  − Excel Services in Microsoft SharePoint Server 2010
  − Microsoft Project Web App
  − Microsoft SQL Server 2008 R2 Reporting Services
  − PerformancePoint Services in Microsoft SharePoint Server 2010

Hardware
- HP ProLiant DL380 G5 and virtual server computers

Microsoft®