

Investment Analyser Version 2 and Portfolio Analyser Version 2

This report covers the Silver Stage assessment of Investment Analyser Version 2 and Portfolio Analyser Version 2, complementary applications from Proving Services Ltd., that I conducted during November and December 2004.

Investment Analyser has been designed to evaluate the viability of investing in individual projects. Initially it requires users to input some detailed information about the business strategy and objectives of their organisation and the benefits anticipated from a particular project. As a preliminary, the anticipated benefits are aligned with the overall strategy and objectives and their relevance to these is measured.

The next step involves answering a series of questions drawn from a library of 1750 questions that can be delivered in more than 26,000 combinations. The answer given to each question determines which subsequent questions are asked. This questioning can be rigorous and answers often require supporting evidence to be given. On average about 320 questions are asked during a full Business Case review - dependant on the number of benefits, objectives and strategic drivers in the project.

Following analysis, the program delivers a verdict on the achievability of the project and its attractiveness when measured against the organisation's strategy, objectives and benefits required.

Portfolio Analyser takes the Investment Analyser results of the various projects in the organisation's portfolio and compares them one against the other. It delivers a series of reports that detail the comparative benefits anticipated from each project and highlights the most and least achievable and attractive projects in the portfolio.

Once a Business Case has been approved, the system provides a monitoring function. The original proposal can be baselined and the project's performance against the baseline can be tracked.

The first part of my Silver Stage assessment involved reviewing (in greater detail than was performed at the Bronze Stage) the way the products actually work; what processes the user needs to follow; what information needs to be entered into the software and what it produces. As far as the process and information input is concerned, the software leads the user through the process and specifies, usually in the form of questions, the information it requires. My initial impression, at the Bronze Stage, was that someone who had received the appropriate training would find the system straightforward to use. I have not revised this opinion although information I acquired during the second part of my assessment has led to my forming an opinion on the best way to use the tool - but I will enlarge upon this later in my report.

I have been impressed with the quality of the reports produced by these applications - both on-screen and output as hard copy. They present the results of the investigations in a crystal-clear and unambiguous way that require little effort to understand. Many of the reports are illustrated with charts of particularly high quality.

The second part of my assessment involved observing a Proving Services consultant using their method to gather information about two (real) projects, which were both at the concept

stage, and making an initial assessment of their viability. The consultant explained to me that experience had taught her that information gathering interviews worked better if she was not obviously using the tool. She had sufficient experience in using Investment Analyser not to require its prompting to take her through every stage of the question and answer process and had prepared some notes to help her gather the required information. She conducted the face-to-face interviews with the project personnel, making notes on paper as she went. Her questioning was probing and, where statements were made, she frequently asked for evidence to back them up, as the system requires. It became clear, during these interviews, that not enough work had yet been done to enable the preparation of useful business cases.

At the conclusion of the interviews, she ran Investment Analyser on a laptop and, with reference to her notes, answered the questions posed. The reports that were subsequently produced showed, with stark clarity, those areas where more work needed to be done if business cases that stood any chance of convincing a Board of the projects' viability were to be produced. At this early stage, the system showed that the proposed projects did not make a significant contribution to the organisation's strategic drivers and stood less than a 50 percent chance of being achieved.

After observing the system in use, it has become apparent to me that the more familiar and practised the user is at conducting information gathering interviews with the managers and stakeholders concerned, the more useful the information obtained, and consequently the results obtained, will be.

Any tool performs better in the hands of a craftsman, and I think that this tool is likely to give the best results if it's placed in the hands of someone with an enquiring mind, who is able to cut a path through any obfuscation placed before them by people possibly following their own agenda. An organisation could, for example, place the tool with a 'Centre of Excellence' section. This section, operating from a central location, would then be able to acquire familiarity with the tool and approach the information gathering process with an enquiring, independent and open-minded outlook wherever projects were proposed and business cases being developed.

Such a section would also be able to provide the monitoring function and would build up a useful store of knowledge about the accuracy of the information provided by all the individuals concerned. If any individual was found to consistently supply under or over-optimistic information then the value placed on their responses could be weighted accordingly.

I have already established, during the course of preparing the Bronze Assessment report on these products, that their design and use falls within the field of guidance offered by the OGC Business Change Guidance documents covering Business Case Development, Benefits Management, Portfolio Management and Risk Management. I now confirm that opinion and can confidently state that by using the Proving Service's system in the way that it has been designed to operate will greatly assist compliance with the appropriate guidelines.

Proving Services provided me with copies of the documentation produced to support new users. This comprises an Installation Guide, an Investment Analyser User Guide and some Investment Analyser courseware. Both the guides were clearly written and liberally illustrated with screenshots. The courseware consisted of a series of PowerPoint slides which appeared to be suitable for their purpose. Without actually attending a course I don't feel

able to comment further on Proving Services training operation other than to add that I have been told that the company is happy to provide one-to-one support while a new user is finding his or her feet and have no reason to suppose that their training is less than adequate. This would be a point to take up with users at the Gold Assessment Stage.

The publicity material submitted with this application consisted of a document entitled 'Key Benefits of the Proving Process, Investment Analyser & Portfolio Analyser', two 'Application Datasheets' - one for each product, and copies of two PowerPoint presentations, one entitled 'Introduction to Proving Services' and the other 'Proving Services & O2'.

I have studied each of these documents. I didn't find any claims or statements that could be construed as misleading and consider that these documents fairly represent the capabilities of the products.

I also visited the Proving Services Web site at www.provingservices.co.uk and found that reference to these two products there followed much the same pattern as the documentation already mentioned. Indeed, some of the same documentation is available on the site.

Consequently, I recommend that Investment Analyser Version 2 and Portfolio Analyser Version 2 be given the Silver Award and suggest that this assessment should now proceed to the Gold Stage. I suggest that Proving Services be invited to supply details of two clients who have been using these two applications during the course of their business for a sufficient period to become well versed in the way they work. My intention is to interview the people who use this software and discover whether they are of the opinion that it works as it should.

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24 December 2004