



CASE STUDY

Leading Materials Science Company Optimizes Their Capital Portfolio by Improving Strategic and Financial Returns

CUSTOMER:

Leading Innovator in Materials Science

INDUSTRY:

Technology

GEOGRAPHIES:

Global

EMPLOYEES:

50,000+

PLANVIEW PRODUCTS:



PLANVIEW SOLUTION:

Strategic Portfolio Management

CHALLENGE

One of the world's leading innovators in materials science needed to prioritize global capital investment requests based on the highest priority items but was lacking the data or processes needed to quickly make strategic decisions.

SOLUTION

This maker of industry-leading products chose Planview® Portfolios for its robust strategic portfolio investment planning functionality to help the company prioritize and invest in items with the highest return.



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– MANUFACTURING MANAGER – LEADING MATERIALS SCIENCE COMPANY

CHALLENGE: MAXIMIZING PORTFOLIO INVESTMENTS WITH THE HIGHEST RETURNS

This leading innovator in materials science established their capital management initiative in 2016, restructuring their capital investment process to drive stakeholder value and invest in growth. The focus was on their portfolio, looking to invest in projects with the highest returns.

The company established a Center of Excellence (CoE) responsible for the capital management initiative. They faced several challenges:

- Increasing strategic and financial returns from their more than \$1B in annual capital investments.
- Addressing the inefficient processes of the capital management group.
- Deploying 10 Capital Excellence Capabilities, such as portfolio optimization and stage gate tools.

"We have an incredibly complex worldwide footprint," says the Manufacturing Manager in the CoE. "We had to make sure all 12 divisions and over 70 global manufacturing facilities were involved in whichever portfolio optimization tool we chose."

SOLUTION: UNDERSTANDING INVESTMENT PRIORITIES AT EVERY LEVEL

The company chose Planview® Portfolios primarily for its strategic portfolio management capabilities. "We had strict information security requirements and Planview was one of the few vendors that was able to offer a cloud solution that met our needs," says the Manufacturing Manager. "Being in the Gartner Magic Quadrant and the cost for the tool, given its functionality, was a real win."

With the goal to improve strategic and financial returns, the CoE utilizes a Portfolio Maturity Model to drive decisions. Their benchmarking indicated they could experience up to 10% in savings by maturing their portfolio processes. Using Planview® capabilities, they have been able to optimize the portfolio at the division level, compare projects of different sizes to determine the rate of return per dollar spent, and analyze scenarios to see where they should invest dollars.

Now that they have progressed to Level 3, the CoE has realized a number of benefits. With access to trusted data, executives are more engaged with comprehensive dashboards and reports, and the CoE can conduct rigorous, straightforward portfolio reviews. The team uses the PV/I ratio of benefit to cost to rank portfolio investments and make intelligent, data-driven decisions. The solution is increasingly leveraged across the enterprise as departments recognize the value and want to be a part of the journey.

"We are unrelenting in our pursuit of quality data in our system, and Planview Portfolios gives us that assurance," says the Manufacturing Manager. "We first build the portfolio with solid data validation, then optimize it, track and update the portfolio with forecast and actuals, and then make sure we have good portfolio reviews for a 'living' portfolio that reflects our current business."

The company uses Planview's strategic portfolio management solution to plan, model and optimize portfolios and scenarios. Each portfolio investment is ranked using various financial formulas and analyzed using scenario modeling to see their impact on the overall portfolio. If an investment is over budget, users can easily model how an investment timing shift would impact the portfolio, without editing the financial plan. Leaders are then able to evaluate and analyze scenarios to understand how tradeoffs effect capital investments. This detailed portfolio data fuels change management practices that are more disciplined, standardized, and transparent.

RESULTS: TRUSTED DATA FACILITATES FASTER DECISIONS

With trusted data, the CoE provides executives visibility through PowerBI dashboards and reports. Planview Portfolios has become the source of record for the organization. "We've been able to make capital decisions faster and with more data than ever before," says the Manufacturing Manager. "One of the biggest victories was utilizing the Planview solution to respond more quickly to the COVID-19 crisis; we never would have been able to do this with our spreadsheets. The system provided company-wide visibility and allowed us to make smart decisions instead of slashing all divisions by the same amount to reduce cash spend. This rapid response proved the value of the system to leadership and increased leadership support. It even earned us a personal note from our CEO!"

FUTURE: EXPANDING PLANVIEW CAPABILITIES BEYOND THE COE

The CoE's success with Planview's strategic portfolio management offering has led to the adoption of Planview's platform of solutions as they continue their journey. The CoE recently deployed Planview AgilePlace to track their capital savings in real-time. Their next endeavor is to roll out project portfolio management capabilities for company-wide capital projects and test the platform for resource management.

"A lot of groups have seen the power of Planview Portfolios One and are interested in having their portfolios and project management in the tool, even those departments outside of the capital space," says the Manufacturing Manager. "We will be busy partnering with other groups to implement further Planview capabilities."

See what Planview solutions can do for your organization. View demos on demand at [Planview.com/demos](https://www.planview.com/demos).

