

Developing a Business Case for Corporate Portals

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1. Introduction

The methodology for the development of a business case for a corporate depends to a large extent on how the corporate portal implementation is positioned:

- ✓ Is it part of a strategic blueprint for the evolution of an organization's e-business platform/infrastructure?
 - Cost-avoidance
 - Reduction of Integration Costs
 - Speed of development of new solutions
 - Improved security
- ✓ Is it being justified as a set of specific projects with known value propositions?
 - Revenue-enhancement
 - Cost-savings
 - Quality of customer service
 - Etc.

Which of the two sets of benefits will be emphasized in a corporate portal implementation depends to a large extent on the specific software solution that is being adopted. Some portal solutions clearly offer more out-of-the box solutions, while others (usually more application server centric) tend to offer stronger development and integration tools. Clearly the former tend to produce better short-term returns, while the latter, better returns later on when deep integration of applications and legacy systems are developed.

The other aspect of estimating the return of a corporate portal implementation is user community involvement. A corporate portal by definition is aimed at increasing access to information and productivity to a large user segment in an organization. Therefore, if the user community does not get involved, does not learn how to use the new wave of tools and the organization as whole does not develop a good governance model, the implementation might not produce all the potential benefits.

Following the discussion above, a typical business case for corporate portal will include the following items:

1. The Vision

How the corporate portal will support the vision set by top management. Often times, organizations miss this important and critical link. Corporate portals can touch almost every aspect of the delivery of services in the financial sector. Therefore, it is of utmost importance that the corporate portal initiative to be framed within the corporate strategy. Typical issues here are related to the deliver of advanced services to customers, speed to market of new IT systems, synergy among different business units, higher levels of security, employee morale, productivity and continuous learning.

2. High-Level Impact on Different Community of Users

While the corporate portal is a pervasive infrastructure solution that has the potential to impact how everyone (including external partners, clients and so forth) access critical information, applications and collaborate, it is clear that some user segments or business units will more clearly and more rapidly benefit from the portal implementation.

Thus, in many cases, a detailed analysis of benefits across user segments is highly recommended. Some benefits will easier to quantify, while others will have a more qualitative aspect.

AUDIENCE	QUANTITATIVE BENEFITS	QUALITATIVE BENEFITS	Observations
Top Management	▪	▪	▪
Prod. Development	▪	▪	▪
Risk Management	▪	▪	▪
HR Professional	▪	▪	▪
Tellers	▪	▪	▪
Customers	▪	▪	▪

This kind of analysis is very important for stakeholder alignment, support and eventually for effective deployment and use of the corporate portal infrastructure.

3. Evolution of the e-business infrastructure

A horizontal corporate portal deployment will eventually affect how all data sources and applications are linked, processed and presented. It is the blueprint for how IT supports business processes and goals. The establishment, therefore, of a blueprint for the evolution of an organization e-business infrastructure needs to be tightly linked to the choice and deployment of a corporate portal. In particular, the following components of an e-business blueprint architecture will need to be laid out:

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- ✓ User Access Standards and Strategies
- ✓ Security
- ✓ Identity and Role Management
- ✓ Search
- ✓ Taxonomy
- ✓ Collaboration & Workflow
- ✓ Access to Structured and Unstructured Information and Applications
- ✓ Access to Web Services
- ✓ Enterprise Application Integration
- ✓ Standards for Development Environment
- ✓ Network Management

4. Required Investment

Based on the vision for the evolution of the e-business infrastructure, a few scenarios must then be developed to estimate the investment and on-going costs related to the corporate portal implementations. Investment and costs will generally escalate with breadth and depth of the portal.

The key variables that impact the investment side of a portal implementation and that need to be taken into consideration are:

- ✓ Volumes
 - # of users
 - # of business units with unique requirements (in terms of interface and specific integration of applications)
 - # of distribution channels
 - # of device types for rendering the portal services
 - Volume of content
- ✓ Ease and Speed of Integration
 - Unfamiliar development environment
 - Small number of native applications within the corporate portal solution
 - Deep integration of existing applications & legacy systems
 - # of E-business services to be integrated that are out-of-the box
 - # of E-business services to be integrated that required deep customization
- ✓ Performance
 - Speed, caching, load balancing, uptime requirements
 - Security Level required
- ✓ Readiness Level
 - Lack of good & organized corporate directory
 - Level of non-audited content spread in different departments and business units
 - Lack of content management software and processes in place

5. The Imperative for a Corporate Portal Implementation

While it is hard to argue that in the medium and long-term all major organizations will implement a corporate portal infrastructure, it is critical to highlight the most pressing needs for a corporate portal implementation. Cost avoidance, rework, integration decisions and speed to market tend to be typical issues that are closely related to making a decision about a corporate portal solution.

In this regard, in the process of developing a business case for a corporate portal, the project team needs to focus on a few items that will clearly demonstrate the quantifiable return of a corporate portal implementation. The most typical issues and opportunities that will need to be examined are the following:

- ✓ Current costs, organization and infrastructure for web publishing, UI development, etc;
- ✓ On-going application development that may present future integration costs;
- ✓ Accuracy, efficiency and speed of information delivery and employees access to critical information and applications;
- ✓ Improve use and leverage of previous investments on business intelligence applications;
- ✓ Opportunities for streamlining IT services and corporate communications
- ✓ Development of more efficient push and pull e-learning strategies based on role-based customization and employee's preferences;
- ✓ Training costs of developers and users of applications;
- ✓ On-going integration costs of data, information and applications;
- ✓ Relevant security issues;
- ✓ Opportunities for immediate cost saving through out-of-the-box functionality and self-service administrative process savings:
 - New-hires
 - Employee move-add-change transactions
 - eHR and administrative tasks (performance review, compensation planning, learning management, travel and expense, etc.)
 - Training
 - Printing & distribution costs
 - Help desk and related support usage
 - Reduced costs with other systems that become redundant
 - Reduced use of emails with heavy attachments (reduced network and storage costs) and "broadcast" emails
 - Reduced telecommunications costs (phone bills and private networks)

6. ROI Estimates

An ROI estimate in a detailed spreadsheet should be developed to take into account all potential and measurable benefits. These calculations should take into account different software solutions and a number of assumptions related to the variables highlighted in item 4. Thus, the ROI estimates will be

tied to a few scenarios and migration paths that will be strategically proposed. It will include estimates for:

- ✓ Hardware and software investments;
- ✓ Development & maintenance costs.;
- ✓ Direct cost savings;
- ✓ Cost savings related to estimated productivity gains;
- ✓ Revenue enhancement opportunities.
- ✓ Calculations of ROI, IRR and Payback.

It is important, however, to highlight that the decision to implement a corporate portal will be increasingly seen as the “cost of doing business”. This is the same concept as cost of PABX, email, etc. Without a robust corporate portal solution organizations will face serious impediments to collaborate internally and externally in an effective manner. In the emerging age of Collaborative Commerce and Knowledge and Intellectual Capital Management, this could be an important competitive disadvantage.

7. Strategic Opportunities

A corporate portal that is implemented within a broader strategic e-architecture will most likely reduce the often hidden costs of complexity: it will provide permanent reductions in IT budgets due to integration, maintenance, developers’ training and development costs. It can also be strongly argued that it will provide the critical foundation for the rapid development of future e-business applications in a scalable and secure environment.

There are also a number of strategic opportunities that are, sometimes, harder to quantify, but equally or even more important than short-term gains and cost reductions. A few examples of strategic opportunities that might be highlighted and/or investigated in more detail (if time and budget allow) are the following:

- ✓ Reduced costs due to centralization of certain operations to lower-cost locations;
- ✓ Increased Sales due to reduced time to market (leveraging intelligence and know-how – speed of roll-out of new applications);
- ✓ Implementation of a broad knowledge management initiative and growth in number and reuse of documents and knowledge objects;
- ✓ Better brand management (internally and externally) ;
- ✓ Provide a solid and secure infrastructure to extend and improve critical relationships with suppliers, partners and clients. Thus, creating the conditions for the development new business models centered on much deeper levels of collaboration with external entities.
- ✓ Readiness level for integration of independent businesses – critical for success of mergers and acquisitions. Corporate Portals can make it much easier to integrate disparate systems both on the presentation layer (more easily) and on the back-end (true data integration).