

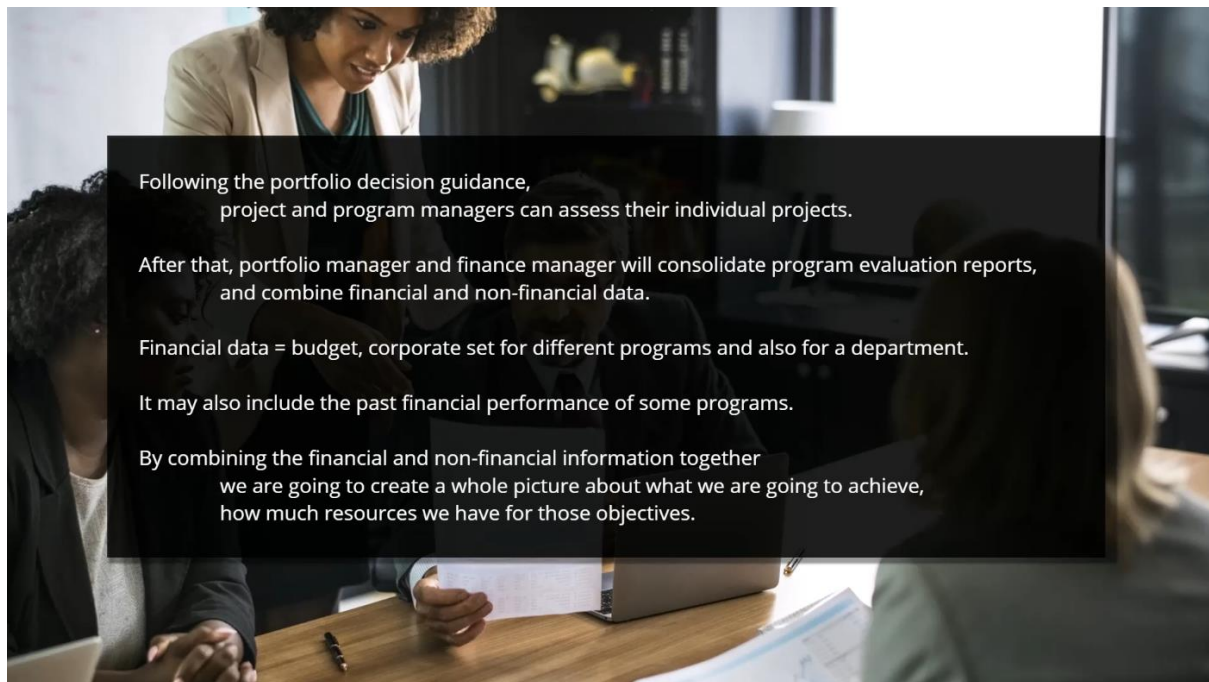
M5L25. Ford Motor EV Portfolio Assessment

Slide #1



In this topic, we will finish the Ford Motor Electric Vehicle Division example with an explanation of portfolio assessment.

Slide #2



Following the portfolio decision guidance, project and program managers can assess their individual projects.

After that, portfolio manager and finance manager will consolidate program evaluation reports, and combine financial and non-financial data.

Financial data = budget, corporate set for different programs and also for a department.

It may also include the past financial performance of some programs.

By combining the financial and non-financial information together we are going to create a whole picture about what we are going to achieve, how much resources we have for those objectives.

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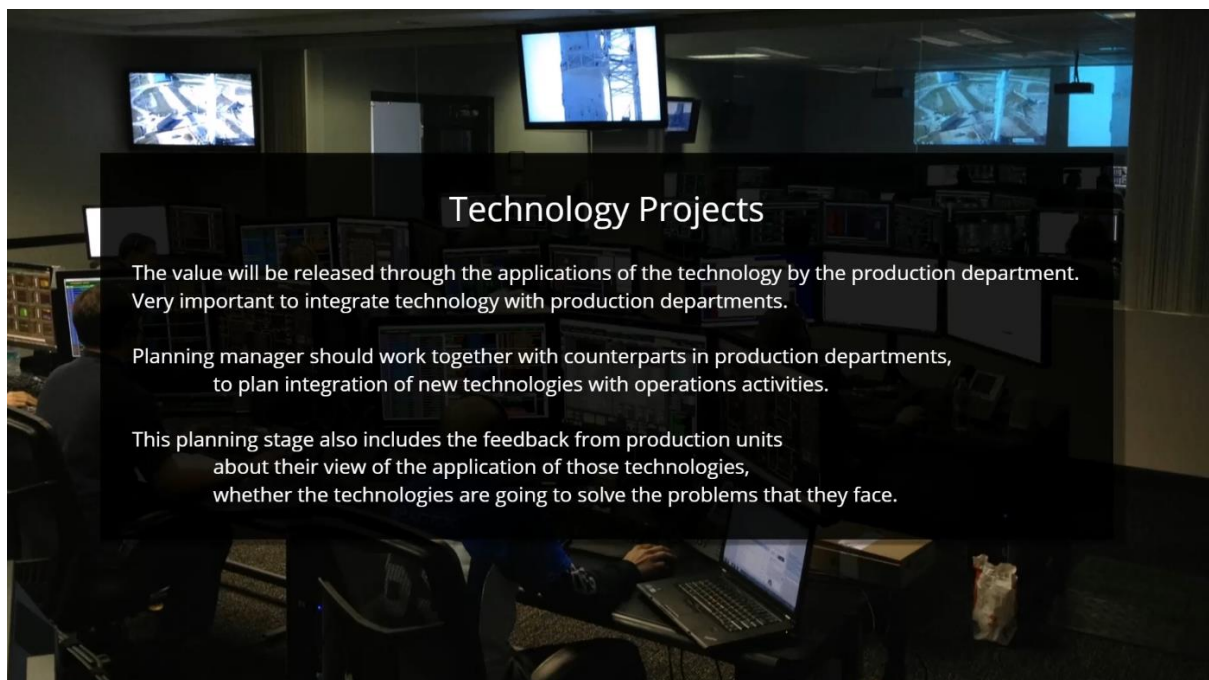
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Slide #3



Technology Projects

The value will be released through the applications of the technology by the production department.
Very important to integrate technology with production departments.

Planning manager should work together with counterparts in production departments,
to plan integration of new technologies with operations activities.

This planning stage also includes the feedback from production units
about their view of the application of those technologies,
whether the technologies are going to solve the problems that they face.

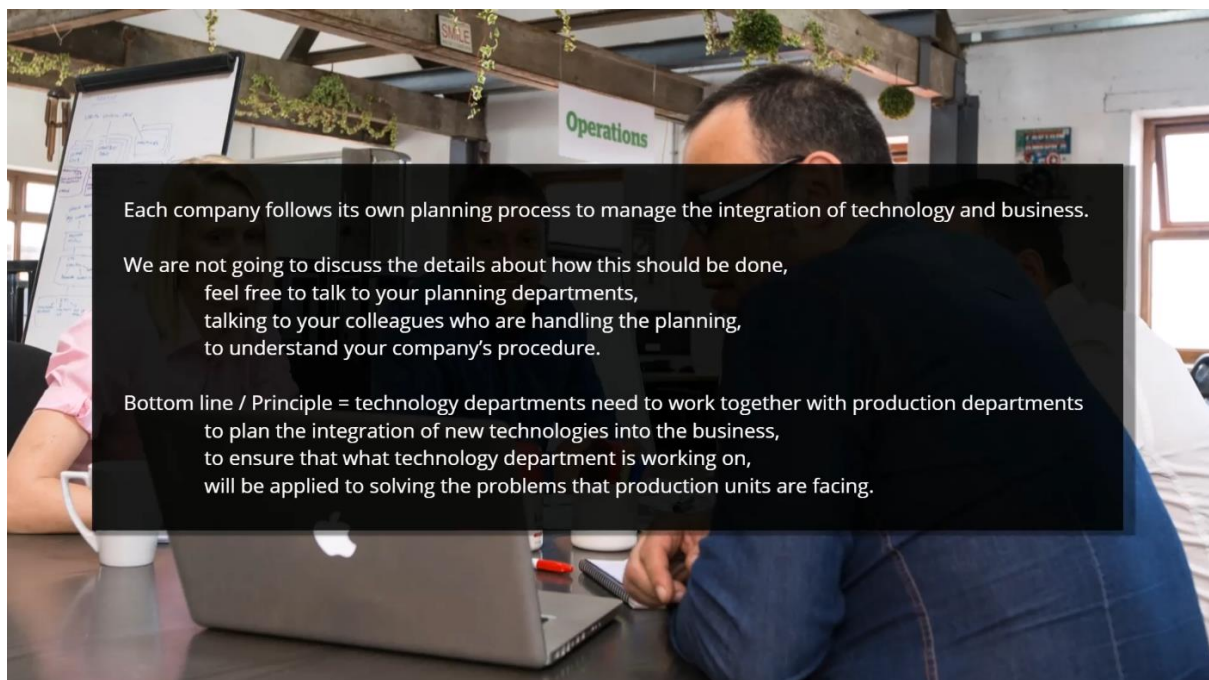
Particularly for technology projects, the value of those projects will be released through the applications of the technology by the production department.

So it is very important to integrate technology with the production departments.

So the planning manager should work together with their counterparts in the production departments to plan the integration of new technologies with operations activities.

This planning stage also includes the feedback from production units about their view of the applications of those technologies, whether the technologies are going to solve the problems that they face.

Slide #4



Each company follows its own planning process to manage the integration of technology and business.

We are not going to discuss the details about how this should be done,
feel free to talk to your planning departments,
talking to your colleagues who are handling the planning,
to understand your company's procedure.

Bottom line / Principle = technology departments need to work together with production departments
to plan the integration of new technologies into the business,
to ensure that what technology department is working on,
will be applied to solving the problems that production units are facing.

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We are not going to discuss the details about how this should be done, but please feel free to talk to your planning departments and colleagues who are handling the planning to understand your company's procedure.

But the bottom line, the principle, is that technology departments need to work together with production departments to plan the integration of new technologies into the business, to ensure that what the technology department is working on will be applied to solving the problems that production units are facing.

Slide #5

After developing the portfolio objective weighting system and evaluation criteria, we will ask each project manager to score their project against those objectives.

This slide shows an example of consolidated project evaluation report that will be used to help business unit leadership members make resource decisions.

	Support core business priority	Create advantage against competitors	Generate intellectual property	Reduce scale-up complexity	Partner with production units to accelerate fit-for-purpose applications	Accelerate technology development	Standardize technology for multiple products	Generate above-average return on investment	Leverage design, volume, manufacturing and purchasing power in the ecosystem	Promote EV brand value
Project										
Weight	15%	10%	10%	10%	10%	10%	10%	15%	5%	5%
P1	5	3	5	1	3	3	5	3	3	3
P2	3	3	3	3	5	3	3	5	1	1
P3	3	1	5	3	3	1	3	5	1	3
P4	1	1	3	5	3	3	3	1	3	5

After developing the portfolio objective weighting system and evaluation criteria, we will ask each project manager to score their project against those objectives.

This slide shows an example of the consolidated project evaluation report that will be used to help business unit leadership members make resource decisions.

The first row represents the portfolio decision objectives.

Each objective of the technology portfolio is listed on top of the evaluation report.

The weight of each objective is also listed right under each objective.

The clear definition and presentation of portfolio objectives, as well as their weights, provide a transparent guide for everyone in the department to evaluate their projects, present the value of their project with others, and make decisions.

The project managers give scores to their project against each objective listed on top of this report, and the score of each project from different perspectives are also consolidated, presented in one report.

To visualize the report, we can also color code the score.

We can give different colors to different scores.

For example, dark green means a score of 5, light green means a score of 3, and yellow means a low score of 1.

So, the visualization will give people an easy way to interpret the report and analyze the project information.

I used a similar report for the portfolio management of two major oil companies that I worked for, and this kind of report was greatly appreciated by the executives of my company.

I think it would also be welcomed by the executives of your company.

Slide #6

Visualize the Weighted Score and Ranking of Projects



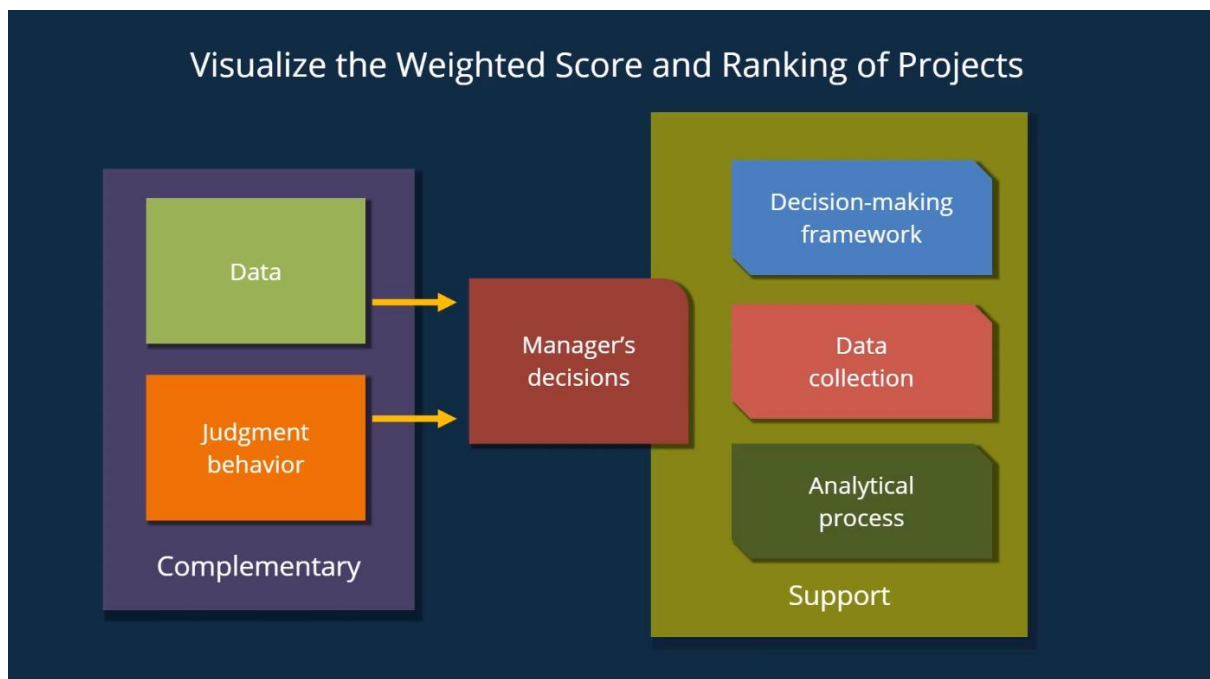
It is very clear with project provides more value or ranks higher than others.

We can further visualize the weighted score and ranking of projects with Microsoft Excel.

This chart shows the overall score, the weighted score, and the ranking of four projects.

It is very clear which project provides more value or ranks higher than others.

Slide #7



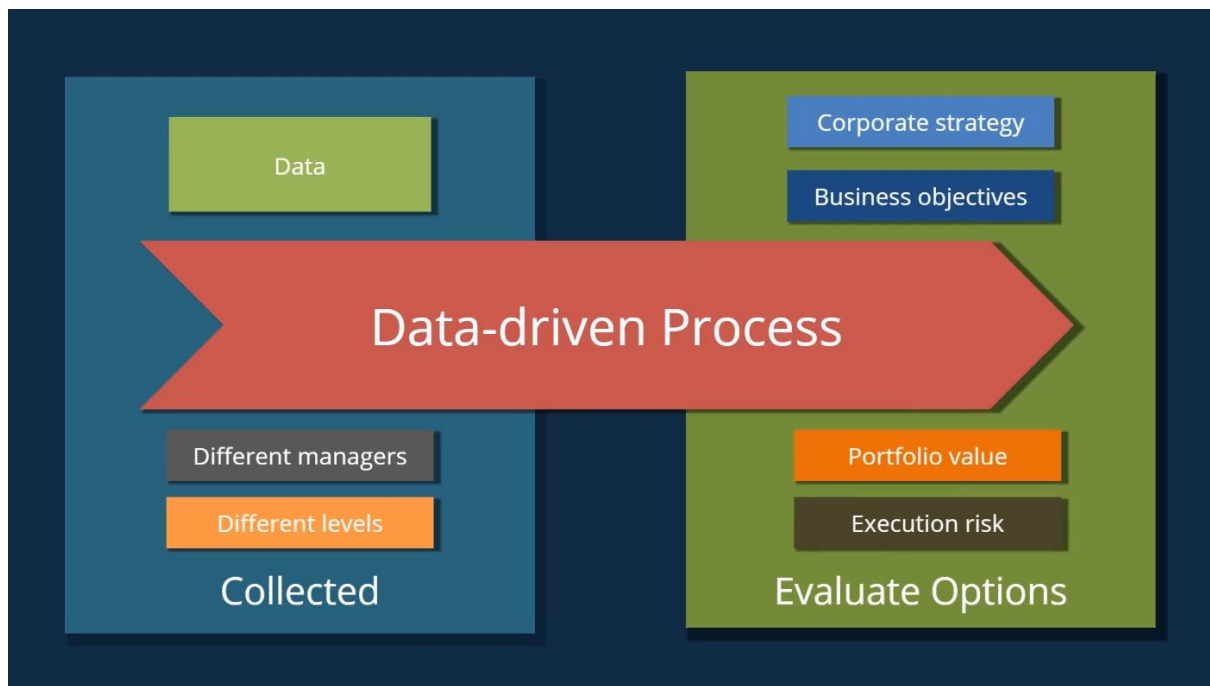
The data provides objective support to managers decisions.

We need to point out that when decision makers make their judgment calls, they are still subject to the judgment behavior that we discussed in previous models.

The data-driven decision-making and judgment are complementary to each other.

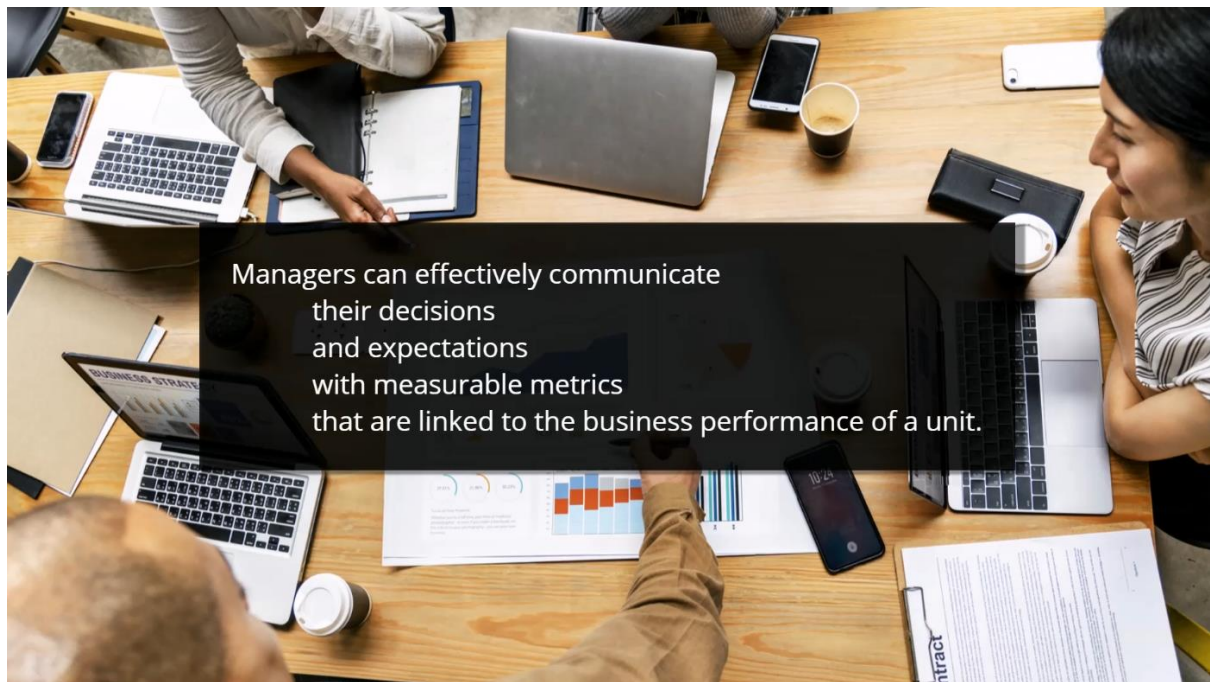
The decision-making framework, data collection, and analytical process provide solid support for managers who make their decisions.

Slide #8



The data-driven process and data collected by different managers and the different levels of the company can help the organization and executives to evaluate options in the light of corporate strategy, business objectives, portfolio value, and execution risk.

Slide #9



Also, managers can effectively communicate their decisions and expectations with measurable metrics that are linked to the business performance of a union.