

## Problem Statement

Resources are insufficient to do everything at once. A well-designed project priority system identifies which projects to fund now, which to postpone, and which to scale back or eliminate.

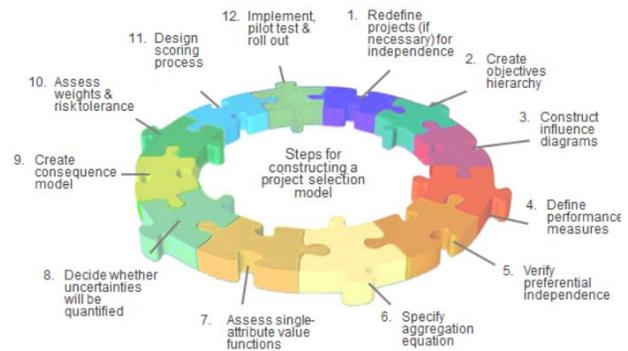
As you review available project portfolio management (PPM) tools, be aware that project prioritization is, from a technical perspective (as well as from a practical standpoint), a difficult and complex decision problem. Providing accurate recommendations requires a tool grounded in real decision science, not simplistic heuristics. In addition to being logically sound, the prioritization tool must be practical, easy to use, and as objective as possible.

## Philosophy

- Maximizing the value of the project portfolio is the end goal of PPM. The value-maximizing portfolio may be found by ranking independent projects based on the ratio of value to cost.
- The value of candidate projects depends on the estimated impact the project will have on the achievement of organizational objectives. Projects estimated to produce large, positive impacts to objectives create the most value.
- In addition to impacting short- and medium term financial objectives, objectives that may be impacted by projects include corporate image, customer relations, and the organization's specific strategic objectives, to name just a few.
- Project value also depends on risk, urgency, and the time required before the project begins to generate benefits.
- Estimating value requires incorporating the best professional judgement of individuals who are knowledgeable about candidate projects and the needs they will address.
- The successful implementation of PPM may require building understanding of project valuation methodology and establishing effective processes for obtaining unbiased technical judgments as well as choosing weights and making other necessary value judgments.

## Experience

For more than a quarter century I have been creating tools and designing processes for project portfolio management. I was a cofounder of Folio Technology, a provider of web-based, portfolio optimization software used by government agencies to manage billion-dollar project portfolios. For the past five years, however, I've refocused my efforts on providing prioritization tools to commercial organizations unwilling, or unable, to purchase PPM tools with five-figure price tags.



## MODA - Multi-Objective Decision Analysis

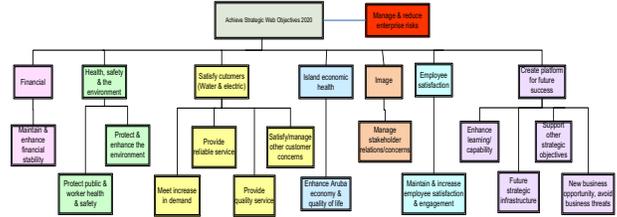
MODA is the best practice methodology for quantifying project value. Until now, due to the analytic complexity of MODA and the need to heavily customize MODA models, only very few PPM tools based on MODA have been available.

## Advancement in Priority System Design

Within the past year, working with S. Chapel Associates, we have devised a significantly different tool design that greatly simplifies and largely automates the requirement to customize a MODA value model to fit the client organization and types of projects in the project portfolio. Our PPM tool is fully consistent with MODA requirements and simplifies and automates necessary MODA-model customization.

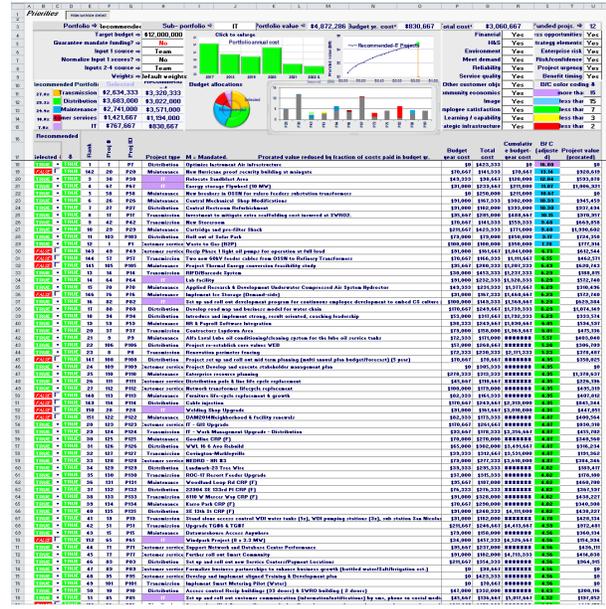
Our Excel-based project prioritization tool represents the culmination of decades of experience providing organizations with highly defensible, best-practice applications of decision science to the optimization of the project portfolios. We are providing our new product as a low-cost, analytically sophisticated Excel application.

Allows up to 15 organization-specific objectives structured per MODA requirements



**Features**

Built on the familiar Excel platform



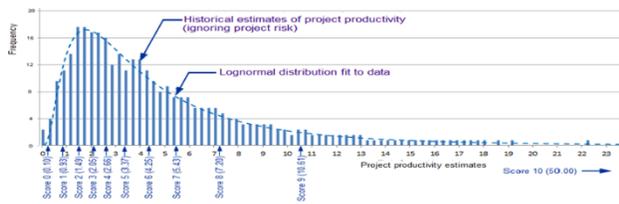
Computes optimal allocations across up to 5 user identified sub-portfolios.

Recommended Portfolio	Selected	Recommended	Budget allocations
27.8%	Transmission	\$2,634,333	\$3,320,333
25.3%	Distribution	\$3,683,000	\$3,022,000
29.3%	Maintenance	\$2,741,000	\$3,571,000
10.0%	Customer services	\$1,421,667	\$1,194,000
7.0%	IT	\$767,667	\$830,667

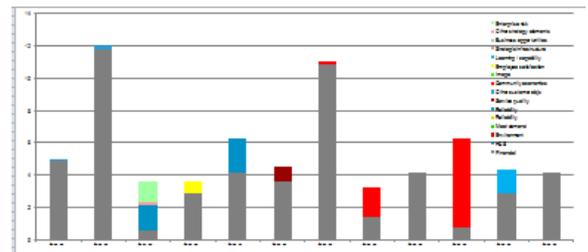
Computes placement of any user-specified project portfolio relative to the efficient frontier



Project productivity estimates grounded in data



Identifies component values for each project



Easily accommodates up to 200 projects

Proj #	Proj ID	Project Name	Contact	Project type
1	P1	Waste to Gas (B2P)	Joe Walsh	Customer services
2	P2	Special water tariff for farmers on Aruba	Sam Edwards	Distribution
3	P3	IGMS I Load sharing	Sandra Baxant	Distribution
4	P4	Aruba Vespomping Project: Variable speed divers/pumps at distribution net	Sam Edwards	Transmission
5	P5	Lab facility	John Bigham	Maintenance
6	P6	Windpark Project (8 x 3.3 MW)	Josh Morgan	Maintenance
7	P7	Optimize Instrument Air infrastructure	John Bigham	Distribution
8	P8	Renovation perimeter fencing	John Campbell	Transmission
9	P9	Alfa Laval Lub oil conditioning/gleaning system for the lube oil service tanks	John Bigham	Maintenance
10	P10	Access control Recip buildings (33 doors) & SWRD building (2 doors)	Fred Thompson	Distribution
11	P11	Railing Installation Central Kameel Roof & Repair face board	Sam Edwards	Transmission
12	P12	WEB Electrical Area Classification	John Bigham	Maintenance
13	P13	Alarm sites WEB plant area (1st)	John Bigham	Distribution

See my website, [www.prioritysystem.com](http://www.prioritysystem.com). Contact us for more information.

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