

## REPORT REPRINT

# CA's latest project, portfolio management tool may help drive its strategy

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The company is in a metamorphosis, and hoping to emerge as a strategic leader in the cloud, DevOps and security markets. Its recent big steps include new executives, while recent little steps enhance its tried-and-true offerings.

### SECTORS

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CA Technologies recently released CA Project and Portfolio Management (CA PPM) version 14.3. Enhancements extend analytics to mobile devices, provide integration with the agile app-dev platform CA Rally, and add RESTful APIs to facilitate integration with other applications.

This year, CA also added to its executive ranks with new leadership in charge of technology and products. We believe that CA PPM can potentially help craft CA's emerging market and product strategies by using its PPM customer base as a learning laboratory.

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## THE 451 TAKE

CA's new marketing moniker is to 'drive competitive advantage in the applications economy.' So what does that really mean? Competitive advantage is achieved when a firm does the same thing, but differently from its rivals, and/or does different things. 'Different' means better, cheaper and faster. When customers recognize such differences, and agree they are superior to rivals and subsequently buy, competitive advantage is achieved. So how does CA plan to do this? Building out a better app-dev and DevOps portfolio can help, but its rivals are doing the same, and CA admittedly is playing catch up. Perhaps CA would be better off getting closer to the strategic planning table of its customers to understand how they intend to create competitive advantage, and then serve those needs. The best tool CA has to do this is PPM - because 1,500 companies use it, and more importantly, half of those customers are not in IT departments. Indeed, the new management team has its hands full, but CA's PPM deployments are a learning laboratory that could help discover what is needed for CA become a leader in the so-called 'applications economy.'

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## CONTEXT

CA is in the midst of a metamorphosis. Since arriving in early 2013, new CEO Michael P. Gregoire has played catch up with the latest digital trends, and is trying to speed the company's development pace to bring products to market faster. CA has streamlined its product strategy to strengthen its offerings across three core domains: management cloud, DevOps and security.

It recently added to its security portfolio, acquiring Xceedium and IdMlogic. Its DevOps strategy is to bring value to the software-development processes of enterprises. This June, it acquired Grid-Tools for test data management, and in May, it acquired agile software development firm Rally Software. These added to earlier picks in 2013 of Nolio for application-release automation and of Layer 7 Technologies for API management.

Also this year, CA brought on two new key executives who will be charged with picking up the pace of internally developed innovations and key acquisitions. Ayman Sayed joined CA from Cisco in August as its new chief product officer. He will drive the strategy and development of CA's product portfolio. Otto Berkes came on board in June as CTO. Hailing from HBO, he is now responsible for technical leadership and innovation to build out CA's technical community and align the company's software strategy, architecture and partner relationships. Meanwhile, CA forges on with the strategic evolution of several of its tried-and-true offerings, one of which is CA PPM.

## PRODUCTS

CA PPM is a software platform that enables enterprise planners to create and manage portfolios of strategic assets such as services, projects, products, people and financials. It uses portfolio management techniques and analytics software to align strategic investments with corporate goals. Formerly known as CA Clarity, it is a mature technology with more than 10 years of evolution that embodies real-world project and portfolio management experience across a broad range of use cases.

The recent 14.3 release strengthens its integration with Jaspersoft (business-intelligence software from TIBCO), and adds capabilities to extend analytics and business intelligence to mobile devices (e.g., iOS and Android platforms). In its earlier 14.2 release, CA added data-warehouse technology to CA PPM to simplify the effort and extend the capabilities needed to aggregate data required for planning and analytics across an enterprise. Version 14.3 also supports agile development initiatives via an 'out of the box' integration between CA PPM and CA Rally for application lifecycle management. The combination affords product and program managers a better understanding of how agile work is executed in parallel with traditional development work - helping ensure that governance and funding is properly managed across all projects. PPM has also been wrapped with a set of RESTful APIs to simplify data and application integration with other applications. A new capability called Accelerated Application Portfolio Management (APM) enables better visibility and analysis of application portfolios. It is equipped with a tool called APM Accelerator that includes application templates, and enables portfolio managers to quickly understand and intelligently rationalize the breadth and value of their application portfolios. Perhaps the most notable addition to the 14.3 version is its integration with the Rally Software acquisition, which links the PPM capabilities of both platforms. This helps assure that business strategy can guide the proper direction of various application development projects, and align projects to better support overall enterprise business objectives.

This is neat stuff technically, but still requires managerial discipline. Many industry-leading enterprises have organized as much within structured enterprise architecture programs, driven by committed leadership that holds named enterprise architects accountable for business outcomes. Companies engaged in EA initiatives will find the PPM Rally integration to be useful for future application projects, as well as for overall application portfolio management and rationalization. We believe CA would benefit from adding business-process orchestration capabilities to the PPM Rally framework.

Process orchestration across distributed hybrid multi-cloud infrastructure is becoming a concern and challenge for next-generation applications born of agile and DevOps programs. Indeed, 14.3 also includes some internal workflow improvements for demand and financial planning, but PPM shouldn't be considered a workflow or business process management (BPM) platform. Perhaps the acquisition of a workflow vendor or BPM suite by CA is on the horizon.

## CUSTOMERS

CA reports more than 1,500 paying PPM customers globally, 400 of which are now using the SaaS version, and SaaS subscriptions are outpacing on-premises licenses. The firm does not report revenue or growth figures for PPM other than to say that recent year-over-year growth in revenue and customers has been deep into the double digits.

What we find most interesting about CA's stable of PPM customers is its user mix. CA reports that half of its PPM customers are IT organizations using it for things like application-portfolio rationalization. The other half represents a diverse set of business professionals that use PPM for enterprise planning and resource management/rationalization. This presents CA with an excellent opportunity to learn the strategic initiatives of its customers, and thus helps it craft its product strategy going forward.

## COMPETITION

The market for project and portfolio management software and services is mature. Several rivals have historically competed by targeting IT organizations and catering to their need to better manage multiple application-development projects and IT assets. Such early technology gradually evolved to include more comprehensive analytics across various portfolios. This helped align projects with financial goals and investment strategy.

Historical rivals to CA PPM in this traditional market include HP's Project and Portfolio Management Center, EOS Software's Integrated IT Portfolio Management and ChangePoint. However, we believe that CA PPM has the potential to act more broadly as part of an enterprise architecture program within companies. The overall analytics tools in PPM and the data-warehouse capability added to the earlier 14.2 release make this possible. These technologies are similar to the repository designs and analytic tools of enterprise architecture management (EAM) software vendors. Their respective offerings aggregate data to create an 'enterprise meta-model' that is then used as a common reference for strategic planning and analysis.

EAM has emerged in recent years as a planning and managerial framework that helps analyze and manage the complexity of IT infrastructure and strategic business transformation. It provides 'enterprise architects' with tools and techniques to design, structure and synchronize the assets and resources (organizational structure, workforce behavior, process design, performance management and IT infrastructure) needed for a chosen business strategy.

In this regard, CA PPM can compete with EAM software vendors. Some EAM vendors are still more tactical, and remain too focused on IT portfolio management, such as IBM's Rational Systems Architect, SAP's Sybase PowerDesigner and Oracle's Enterprise Performance Management tooling. Others are strategically focused, and address ways to capture and analyze business strategy and strategic initiatives, such as BiZZdesign.

Most EAM vendors do a pretty good job of addressing both ends of the spectrum. Planview (which acquired Troux) falls into this category, along with rivals Avolution (ABACUS), MEGA, Casewise, Orbus and OpenText (ProVision).

Perhaps the rival that best reflects CA's emerging strategy to strengthen DevOps and PPM overall is Software AG with its webMethods (app dev, DevOps), ARIS (process orchestration) and Alfabet (EAM) platforms. Moreover, Software AG just announced its new Agile Process Platform, lending credence to the argument that process orchestration is imperative and can benefit both EAM and PPM offerings.

## SWOT ANALYSIS

### STRENGTHS

CA PPM is a mature technology with more than 10 years of evolution that embodies real-world project and portfolio management experience across a broad range of use cases.

### WEAKNESSES

Business process orchestration is emerging as a critical issue as workloads shift across hybrid IT architecture and multi-clouds. CA could benefit from improving such capabilities in future versions of CA PPM.

### OPPORTUNITIES

CA PPM enjoys a broad and diverse customer base, half of which is not the IT department. This affords CA the ability to learn how its customers seek and develop competitive advantage, and use that knowledge to influence CA's emerging strategic direction.

### THREATS

CA PPM will increasingly be compared to other enterprise architecture management suites that can also look at business processes as a portfolio class, and are capable of enabling process orchestration across hybrid IT architectures.