



**FACULTY OF MANAGEMENT
EXAMINATION JULY 2016**

DEPARTMENT OF BUSINESS MANAGEMENT

MODULE : IT PORTFOLIO AND PROGRAMME MANAGEMENT
CODE : BMI9X02
DATE : JULY 2016 SUPPLEMENTARY
DURATION : 3 HOURS
TIME : 08:30 – 11:30
TOTAL MARKS : 100

EXAMINER(S) : MR G.T. WOODS MBA, HONRSCM
(EXTERNAL) MODERATOR: PROF AC LEONARD (NWU)
NUMBER OF PAGES : THREE PAGES

INSTRUCTIONS TO CANDIDATES:

- Read the following case study
- Please answer all the questions.
- Question papers must be handed in.
- This is an open book assessment.
- Read the questions carefully and answer only what is asked.
- Number your answers clearly.
- Write neatly and legibly.
- Structure your answers by using appropriate headings and sub-headings.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.
- Remember to answer at a strategic level as discussed in the lectures and written assignments.

QUESTION 1

Within the ambit of a project manager's oversight there are three factors that would determine the success or failure of a project. What are those factors and how would you measure them?

[25]

QUESTION 2

Risk management is a key knowledge area within project management, name two risk measurement tools at your disposal as a project manager and how you would apply them?

You can use your study guide for guidance here.

[25]

QUESTION 3

You have the SDLC lifecycle as a resource available to you. Considering the Cost to Income reduction strategy noted in the business case. What delivery factors would you consider important to note in the construct of an IT portfolio of projects, here noting specific consideration of the SDLC lifecycle, dependency management and benefits realisation.

[25]

QUESTION 4

If you had to determine a benefits realisation model, what are the factors you would consider and why?

[25]

Total: [100]

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The case of a cost to income reduction strategy as means of business survival.

Strategy 2015 – Cost to income reduction from 64.5% to 49%

In 1881 a new bank was setup in Australia established primarily to facilitate funding of venture capital mining prospectors. The bank prospered and developed to its present day status as one of the largest full service banks in the southern hemisphere. The full spectrum banking currently incorporates Retail Branches, Corporate and Investment banking services too.

In this bank named **Society Bank of Australia (SBA)** it has evolved from primarily a mining prospector's bank to a fully fledged contributor to the national payments grid of Australia.

Through this evolution the bank has invested heavily in information technology systems and processes ranging from home-grown systems to bought applications as well as large cumbersome payments processing systems.

This proliferation of disparate technology has been necessary but has added to the cost base of the organisation. Effectively what this means is that the organisations cost to income ratio has been inflated above the industry and best practice norms.

Thus for every Australian Dollar generated by the **(SBA)** bank 64.5c or 64.5% is pure cost and this means the banks technology expense line is 15% which is above the industry norm. This cost contributor of 15% is for people and technology associated with the systems note previously.

(SBA) therefore has to find ways to reduce the cost base. The strategy consultants despatched to the organisation have recommended a five year Information Technology System Rationalisation Programme which should bring the IT costs back in line with industry norm which should be 8% of the total cost to income line and not 15%.

By way of industry context the total cost to income norm should then be between 45% - 49% as a measure of best practice. The 64.5% is thus not acceptable and a short, medium and long term cost reduction strategy should be acted upon.