

Foreword

Today, innovations are key to survival in many companies. As more and more innovations are IT-enabled, corporate IT departments have to cope with a growing number of IT projects proposed by different organizational units. At the same time, funds for new IT investments are typically very scarce. Thus, procedures and mechanisms for selecting the most valuable projects in alignment with the corporate and the IT strategy are required. In this context, other factors like mandatory projects and the risk at the portfolio level need to be considered as well. For this purpose, the concept of IT project portfolio management has received growing attention in recent years.

In the current thesis, Thorsten Frey demonstrates how companies are struggling with the right balance between local autonomy and centralized control in the context of IT project portfolio management. This struggle is reflected in the governance arrangements employed. Thus, the primary research objectives addressed in this dissertation are to describe governance arrangements for IT project portfolio management as they are employed in practice and to identify antecedents for and performance impacts of distinct governance arrangements on the composition of IT project portfolios in different contexts. In order to address these research objectives, Thorsten Frey employs qualitative empirical methods as well as a quantitative analytical approach.

The first part of this book contains a comprehensive summary and analysis of theoretical backgrounds for the two covered research disciplines. With regard to IT governance research, relevant terms and concepts from organizational theory are introduced. While previous research on IT governance is only briefly summarized due to the pervasiveness of existing reviews, the state-of-the-art of IT project portfolio management research is analyzed in detail. Based on an extensive review of scientific papers covering IT project portfolio management, Thorsten Frey identifies key concepts of IT project portfolio management research. He especially highlights the emergence of two different streams of research and the beginning merge of these two streams. Based on his structured analysis, he identifies opportunities for future research. Thereby, Thorsten Frey makes a significant contribution to the advancement of this important new research discipline.

The second part of this book focusses on the design of governance arrangements for IT project portfolio management. For this purpose, outcomes of a qualitative empirical study are presented. Based on an extensive analysis of governance arrangements in ten case companies, Thorsten Frey identifies major concepts that are combined into a comprehensive framework. This framework explains relationships between different contingency factors and different governance designs for IT project portfolio management. Impacts of distinct governance

arrangements on the composition of IT project portfolios are also analyzed. Based on insightful descriptions and citations, Thorsten Frey vividly demonstrates why different governance arrangements for IT project portfolio management exist in practice and how companies cope with the inherent conflict between local autonomy and centralized control. The developed framework provides an important instrument for governance experts in order to evaluate the appropriateness of distinct kinds of governance arrangements in a given context.

In the third part of this book, coordination mechanisms for budget allocation and IT project portfolio management are investigated based on a mathematical analytical conception. This general conception allows for an analysis of the impact of various factors influencing the composition of IT project portfolios. In particular, the impact of different governance designs on synergy exploitation is formally analyzed in the current dissertation. This is of high relevance for IT project portfolio management research due to the pervasiveness of different kinds of interdependencies between IT projects. The conception is also of high relevance for practitioners as it can be used in order to analyze the appropriateness of a particular governance arrangement in a given organizational context. Thereby, costly failures of reorganization projects can be avoided.

In the final part of the thesis the practical use of the findings and the theoretical frameworks described in the previous parts of the book are discussed. In this context, Thorsten Frey also outlines the steps IT governance experts should take in order to design appropriate governance arrangements for IT project portfolio management.

Due to the provisioning of a comprehensive framework for governance arrangements for IT project portfolio management, the presentation of insightful examples from practice and the development of an adaptable analytical approach, this dissertation is of high value for researchers and practitioners alike. Therefore, I hope that this book will find a wide circulation in research and practice.

Darmstadt, January 2014

Prof. Dr. Peter Buxmann

Governance Arrangements for IT Project Portfolio
Management

Qualitative Insights and a Quantitative Modeling
Approach

Frey, T.

2014, XXIV, 272 p. 31 illus., Softcover

ISBN: 978-3-658-05660-5