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# Too Much Portal, Not Enough Portal Strategy

by Matthew Brown

BEST PRACTICES

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by **Matthew Brown**

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### EXECUTIVE SUMMARY

First-generation corporate portals aspired to be enterprisewide solutions to a broad and diverse set of departmental problems. Initially, IT stared down a fire hose of features and back-end integrations offered by portal vendors. But it quickly found that “out of the box” meant six-to-12-month implementations, leading to questionable economic return and unmet expectations. It’s difficult to make portals and even harder to justify them. To avoid the painful lessons of first-generation portals, enterprises should follow five steps in defining a portal strategy that focuses on what counts: the right leadership, business context, user needs, prioritization, and actively managing change.

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Forrester interviewed portal project leaders and steering committee members.

#### **Related Research Documents**

[“Portal Projects In Search Of A Purpose”](#)  
April 21, 2004, Trends

[“Best Practices For Employee Portal Design”](#)  
June 16, 2003, Report

[“Enterprise Portal Implementation Framework: Crossing Boundaries And Delivering Value”](#)  
January 7, 2003, Planning Assumption

## DEVELOP A PORTAL STRATEGY TO CREATE VALUE

Portals became popular six years ago as a way to consolidate IT infrastructure and reduce costs in enterprises littered with intranet sites. Most often, portals faced internal employees — for accessing HR benefits information, IT help desks, corporate communications, collaborative workspaces, and departmental information. Now, companies face difficulty justifying further investments in these internal projects as tech-wary businesses question the value of “better access to information.”

However, a key lesson from past portal projects suggests that organizations can overcome the portal value hurdle. A focused portal strategy helps companies build consensus among business stakeholders, ensure downstream adoption of portal applications, and ultimately avoid overspending on portal implementations. Successful companies invest more in upfront portal strategy and focus business cases on high-value opportunities for portal technology — like fostering closer relationships with partners, reducing costs to serve existing customers, and opening up new potential revenue streams.

## FIVE STEPS TO DEFINING A PORTAL STRATEGY

This year, 38% of North American firms and 19% of European firms will either purchase or upgrade portal software.<sup>1</sup> However, companies purchasing or upgrading portals can't afford the high implementation costs, low employee adoption rates, and questionable business cases that characterized first-round portal implementations.<sup>2</sup> Taking corporate portals beyond an expensive bunch of intranet links requires selecting the right program leader, understanding the business context in which the portal operates, and taking a balanced approach to prioritization and change management.

### Step 1: Build A Multifunctional Team, Recruit A Multifunctional Leader

Portals are no longer solely the domain of the IT department. But setting up a portal governance structure and hoping that cross-functional representation happens does not ensure successful outcomes. In general, portal governing bodies and steering committees should:

- **Focus on the strategic, and delegate the tactical.** Portal committees are challenged with finding the right level of involvement. For example, should they remove project barriers, act as gatekeepers and timekeepers by doing stage-gate-style project reviews, or both? When companies put excessive focus on the committee, decision-making becomes overly bureaucratic and slows the program's progress. Portal decisions include everything from strategic direction to feature design, systems architecture, user interface design, and rollout planning. A central committee can't realistically engage in and add value to all of the decisions necessary during the course of a portal program.

But as one highly decentralized professional services firm recently learned, portal steering committees can provide much needed visibility and influence across the company. When it came time to marshal resources for managing portal content, senior committee members facilitated important personal connections between the portal team and the rest of the company. This resulted in a distributed team of more than 80 content managers who actively managed the quality, timeliness, and accuracy of content within the portal as part of their jobs. This project was successful despite the remote content managers' lack of a direct reporting relationship to the portal committee itself.

- **Limit steering committee membership changes.** “In the course of a five-year period, six senior leadership members rotated through the portal steering committee,” an IT manager recently told Forrester. Frequent portal leadership changes lead to widely differing views on the strategic direction of the program. Personalities and individual likes and dislikes have a habit of overshadowing sound business analysis. In addition, portal program members waste valuable time getting new committee members up to speed on prior decisions. To maintain consistency of vision and strategic direction, organizations should try to limit committee membership change to special circumstances — such as employee departures or major reorganizations.

Considering that nearly 40% of portal programs take one to two years just to implement, companies should target a two-to-three-year minimum tenure for steering committee members.<sup>3</sup> This allows time for upfront portal business cases to be developed, tested, and measured against real outcomes that can be used to improve the portal implementation over time.

- **Find a heavyweight program manager with cross-functional knowledge.** Steering committees are important for setting priorities, ensuring ongoing sponsorship, and removing organizational road blocks.<sup>4</sup> However, portal programs must find a “heavyweight” program manager with cross-functional knowledge to help catalyze change effectively. This heavyweight manager must drive not only the thinking (e.g., should we do it?) but also the process (e.g., how do we do it?). When considering candidates, look for a balance of soft skills — like conceptual problem solving, influence, team management, and communications — and harder skills — like basic financial analysis, market research, and systems design.<sup>5</sup> The best candidates will have experience working in one or more business lines, general portal technology knowledge, and a trusted relationship with the IT team responsible for the portal.

## Step 2: Assess The Current Macro- And Micro-Level Portal Context

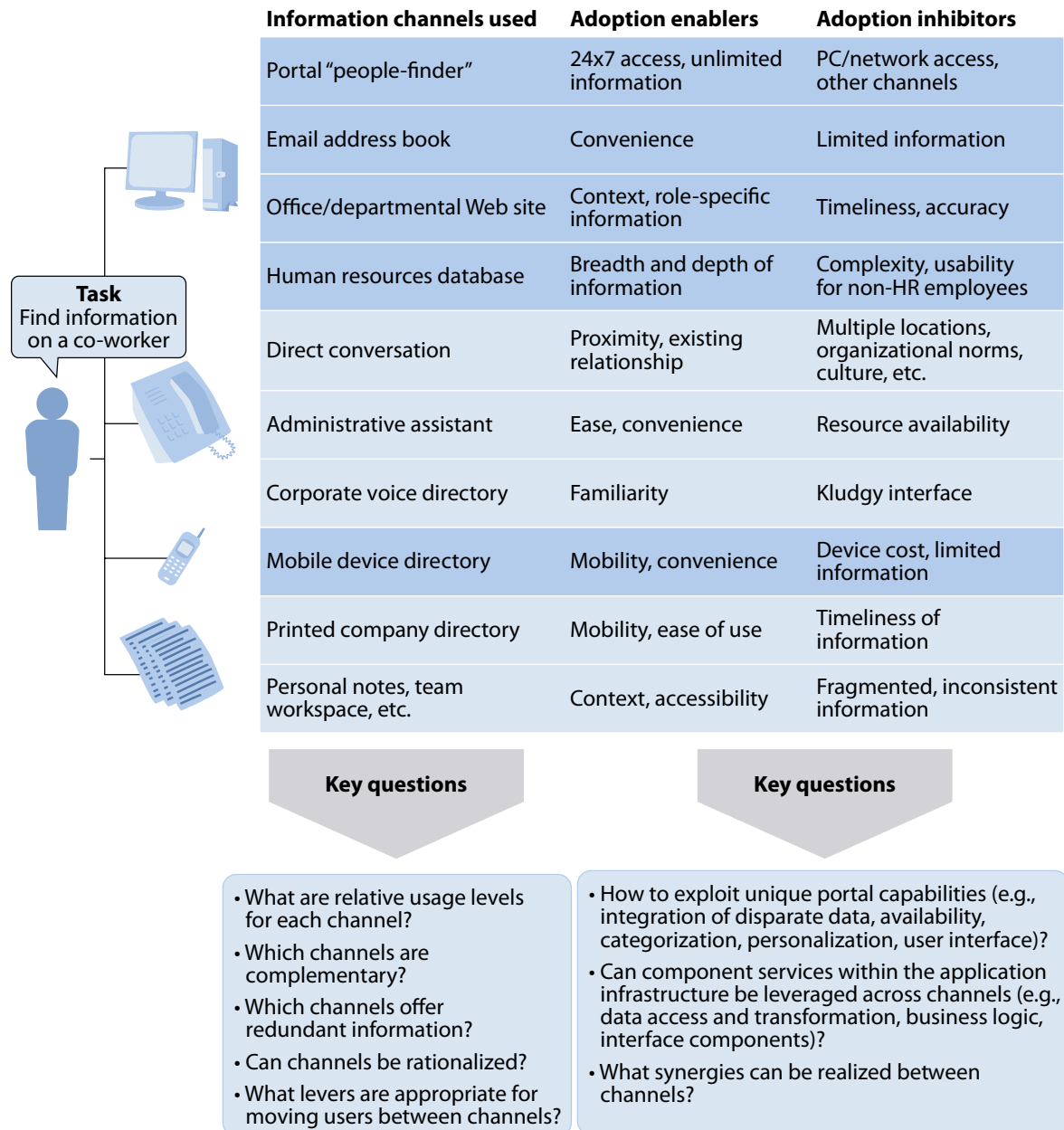
The portal team should understand both macro-level issues — like business, market, and competitive factors — and micro-level issues — like which departments require access to which applications and the types of content that will drive usage metrics upward. Understanding the working context requires balancing between these extremes. At a macro-level, the portal team should seek to:

- **Start with three basic questions.** Who is the portal intended to serve? What are their goals, business activities, and motivations? And how can the portal help them achieve these goals? These basic questions start to tease apart who are the primary constituent groups that the portal will serve. The answers should drive decisions regarding how content and features get targeted to each group and which groups will be likely portal adopters.
- **Understand the company's strategic business objectives.** To name a few strategic business objectives, ask questions like: How does the company compete? How is this changing? What core functions and processes are likely to deliver value if offered through a portal, and how will these change in importance over time? Given the multiyear planning horizon for portal initiatives, the team must recognize which initiatives will generate the most value and which will endure disruptions such as economic downturns and shifts in corporate strategy. For example, Forrester recently spoke with a wireless carrier that realized that offering a portal for call center representatives — shaving seconds off average call handling times, improving customer satisfaction, and increasing upsell opportunities — could translate into millions in savings and incremental revenue gains.
- **Identify what the different stakeholders' value.** Understanding factors that are likely to get stakeholder attention instead of a blank stare (e.g., employee/departmental recognition, time and cost savings, growing new accounts, etc.) expedites change management efforts and smoothes negotiations. Bottom line, portal initiatives are less about technology and more about change management — because unlike IT initiatives that target a specific function (e.g., financial systems), portal initiatives routinely impact multiple business units and/or functional groups. Managing change means listening to stakeholders, iteratively problem solving their issues, and introducing change incrementally.<sup>6</sup> A telecom provider recently told Forrester that it assigns full-time program managers on its portal team to specific constituencies — including direct sales, resellers, and regional customer service staff — to ensure that their most important needs are met within the portal.
- **Map the basic information channels within and across the business.** End user information channel conflict and channel confusion often lead to low employee portal adoption.<sup>7</sup> A consumer packaged goods firm that Forrester spoke with was disappointed with usage metrics for its recent addition of executive KPI dashboards to the corporate portal. It found that its executives used phones and BlackBerry devices to get the same information from their assistants — completely bypassing the portal. Further, giving the corporate travel services department a presence in the portal does not mean that its call volume will decrease automatically.

And don't assume that portals with collaboration features (e.g., messaging, calendar, and document sharing) will cause users to stop using alternatives such as file shares, email attachments, and legacy departmental databases. Understanding the channels that users access

(e.g., phones, PDAs, departmental Web sites, email, etc.) — and the levers to push to move users between channels (e.g., sunseting redundant departmental Web sites, awareness and training programs, observable productivity gains, etc.) — will influence behaviors more than just offering new information channels (see Figure 1).

**Figure 1** Finding Information About A Co-Worker



Source: Forrester Research, Inc.

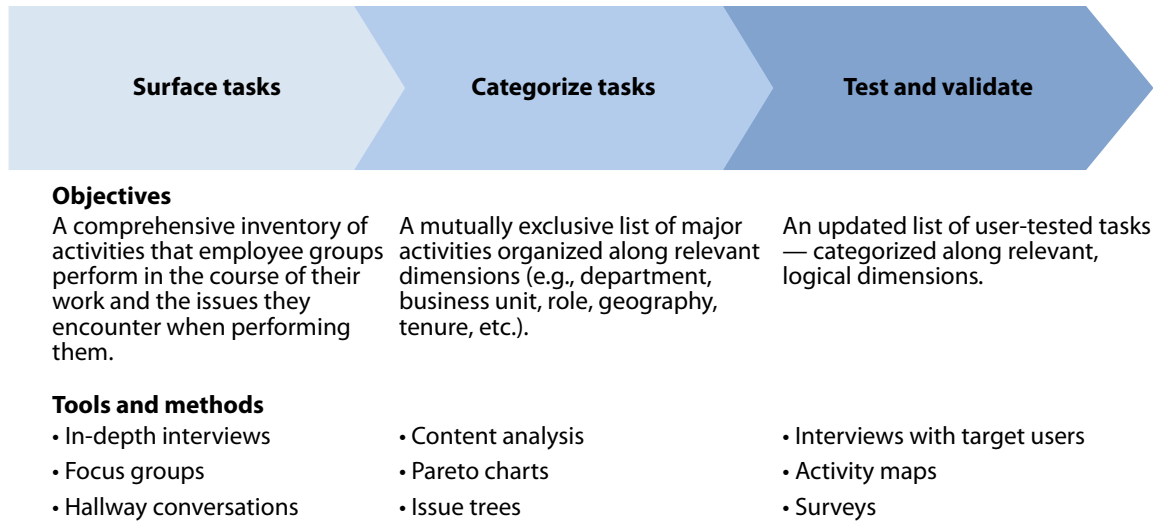
### Step 3: Base Portal User Profiles On Core User Tasks, Usage Metrics, And Patterns

Go beyond knowing users' titles and where they sit. Too often, user profiling, segmentation, and usage analysis fail to surface insights necessary for the user-centered design so critical to portal adoption. Organizations must avoid focusing on surface-level, obvious distinctions between groups of users (e.g., "Sally works in marketing and is 34 years old. She is technically savvy but has little time to spend surfing the Web."). Instead, develop user profiles based on business tasks or goals that users must achieve.

- **Perform in-depth interviews that surface core tasks that users perform.** Interview a representative sample of existing and potential portal users to categorize core user tasks and rate their relative importance. For example, a core task could include "looking up a person's department name" or "checking 401(k) portfolio fund allocations." In addition, use this activity to test and refine early hypotheses about how the portal system should work and what content and services should be targeted to which users. An example hypothesis could be "80 percent of our field service personnel will share technical notes via the portal if we also enable a secured area to track their accounts — which will result in improved service delivery and reduced errors and training costs" (see Figure 2).
- **Define usage metrics for important features and user tasks.** Usage metrics are the de facto way to validate that what people say they do is actually what they do.<sup>8</sup> For example, number of log-ins per time period, session duration, log-in time of day, users' geographic location, search-to-download ratios, null searches, portlets accessed, and others will all yield insights that can drive portal design. Metrics also provide objective, powerful insights that can help change entrenched assumptions about how users behave and interact with the company's portal. That is an important asset when negotiating with different groups over look-and-feel and navigation flow (see Figure 3).
- **Describe user motivations.** People either accept or reject portal features for subtle, nuanced reasons that are overlooked by generic user segmentations. One respondent told us, "Four days a week, I'm on the road and only have access via dial-up . . . the last time I tried accessing my reports in the portal, it was really slow. So now, I just have my assistant download and email them to me." The generic segmentation would categorize this respondent as an "occasional" user and the assistant as the "frequent" user, without answering the question "Why?"
- **Align user motivations into three general buckets.** First, individual motivation centers on personal impact and recognition within the company. In a professional services firm Forrester spoke with, personal impact and recognition were directly connected to thought leadership, document authorship, and publishing — leading to active contributions to and worldwide use of an enterprisewide knowledge portal. Second, team (or departmental) motivation typically involves the explicit goals or intrinsic esprit de corps present within organizational groups. For example, a customer service team's goal for average call-handling time drives specific behaviors and preferences for how representatives access information in the portal. Finally, organizational

motivations are those that are driven by core company values and objectives — such as customer-first, product leadership, distinctive service, and others. The art of effective portal programs involves learning how to leverage user motivations to drive portal usage and quality management.

**Figure 2** Identifying Core Tasks



Source: Forrester Research, Inc.

**Figure 3** Useful Portal Metrics

Metric	Description
Base portal usage	<ul style="list-style-type: none"> <li>• Registered users</li> <li>• Logins per time period</li> <li>• Unique users per time period</li> <li>• Page and portlet views</li> <li>• Session duration</li> </ul>
Content utilization	<ul style="list-style-type: none"> <li>• Communities/workgroups created</li> <li>• Messages posted/read</li> <li>• Documents loaded/downloaded per time period</li> <li>• Document collection aging</li> </ul>
Penetration	<ul style="list-style-type: none"> <li>• Percentage of user groups/role-levels accessing portal/portlets</li> <li>• Percentage of portal, portlet, and feature usage by business units, functions, geographies</li> </ul>
Portal search effectiveness	<ul style="list-style-type: none"> <li>• Searches executed to documents downloaded</li> <li>• Average query length</li> <li>• Null searches</li> <li>• Abandoned searches</li> <li>• Average search results paging</li> <li>• Search term frequencies</li> </ul>

Source: Forrester Research, Inc.



#### Step 4: Organize A Portal Portfolio And Identify The Planning Horizon

A portal portfolio is portal leaders' and managers' best tool for driving prioritization decisions. The portal portfolio should itemize all potential content, feature, or process enhancements. Companies should categorize portal program subinitiatives into three buckets to create a portal portfolio of:

1. **Platform enhancements.** These include everything from bug fixes, incremental technology enhancements, and software upgrades to new types of content and transactional service improvements — like enabling single sign-on or improving navigation flow. A focus on high-visibility quick-wins, such as look-and-feel upgrades, will add incremental value for end users and act as the cash cow of continued executive sponsorship.
2. **Strategic imperatives.** These are the high-value-added economic initiatives such as reducing call center volume by 30% by deploying self-service access to customers and cutting accounts receivable cycles by two-thirds by introducing transactional bill-payment and remittance services through the customer portal. Successful, on-time delivery of these initiatives should earn the portal team its bonus.
3. **Breakthrough innovations.** Consider this bucket the lab where the portal team can flex its innovation muscles by researching, testing, and designing new capabilities that could be offered through the portal. Relying on packaged products for common capabilities like content and document management will free up valuable portal resources to focus on these new, innovative applications. Expect frequent failure from experimental efforts but realize that companies find true, grass-roots innovations through experimentation with these portal applications.

#### Step 5: Think Of The Portal As The Destination, Not The Technology

You can do virtually anything you can think of with technology supporting a portal — including portal technology, enterprise search, content management, asynchronous collaboration, process management, and integration. For example, you can build a simple Web site for a single department. You can construct a partner extranet. You can even build complex composite applications that integrate several back-end systems. The IT industry and portal technology has reached a state in which the portal can accommodate virtually any integration, feature set, or user interface convention. The more vexing and interesting questions are, “What should *you* do with *your* portal? And why?” Armed with an effective team, a deep understanding of user context and motivations, and a process for prioritizing and managing change, you'll be far better equipped to make portals succeed.

## RECOMMENDATIONS

### ENTERPRISES: THINK STRATEGY FIRST, TECHNOLOGY SECOND

- **Focus on the portal leadership team to avoid common portal pitfalls.** Aligning all constituents involved in a portal initiative against a common set of goals requires strong executive leadership as well as pragmatic program management. Look for individuals who have credibility with the business, influence skills, and general portal technology knowledge.
- **Target high-value portal initiatives first.** Not all portal initiatives are high value — so look first for initiatives that have easily quantifiable savings, revenue opportunities, and/or strategic importance to the company. Use lower-value initiatives — such as employee directory lookups — to drive more frequent portal usage.
- **Put end users at the center of every design decision.** Move beyond basic user profiling and user interviews, usage metrics, and user motivation to drive portal decision-making. Look for opportunities to leverage employee motivations — like individual impact, departmental goals, or overall corporate values — to foster an active community of portal users.
- **Use portfolio planning to set portal priorities.** Because portals frequently impact multiple business units and/or functional groups with competing interests, portal teams need an objective set of criteria to drive portal prioritization. Maintain a list of platform enhancements, strategic imperatives, and breakthrough innovations for portal planning purposes and agree on an objective set of criteria for evaluating what to focus on first.

## ENDNOTES

- <sup>1</sup> In North America, portal server spending plans matched content management and data warehousing plans and beat many other hot topics like identity management, RFID, and business process management in 2005. See the December 15, 2004, Data Overview “[2005 Enterprise IT Outlook: Business Technographics® North America](#).”
- <sup>2</sup> Recent data shows that portal projects struggle to find a reason to exist. Weak alignment with business goals, soft budget justification, and too many choices doom rudderless portal projects and threaten to bury this technology in the app development platform. See the April 21, 2004, Trends “[Portal Projects In Search Of A Purpose](#).”
- <sup>3</sup> When asked “How long will it take to implement this portal,” 37% of respondents said one to two years. See the April 21, 2004, Trends “[Portal Projects In Search Of A Purpose](#).”
- <sup>4</sup> Most portal projects get dumped entirely in IT’s lap and, as a result, suffer from misalignment with business needs, low adoption, and an unorganized overabundance of features. To avoid this chaotic end state, large firms must make portals a priority for the whole business, not just IT, by organizing a permanent, cross-functional governing task force. See the November 23, 2004, Best Practices “[How To Organize A Successful Portal Project](#).”

- <sup>5</sup> The profile of IT leaders is changing. Enterprise architects, project managers, and business analyst roles are, in fact, in heightened demand and well-paid as a result. These jobs depend on communication skills, business process knowledge, and project management expertise, all of which depend on education and training. See the July 6, 2005, Trends “[IT Is Not Going Away — But The Worker Profile Changes.](#)”
- <sup>6</sup> No matter how good the technology implementation may be, the biggest challenge in using online employee services is cultural. Anticipate resistance to process change and deal with it through various methods, including communications, meetings, and focus groups. See the October 4, 2004, Best Practices “[Creating The Online Employee Experience.](#)”
- <sup>7</sup> Make the portal the only channel for accessing key information or applications, preferably daily. This could mean publishing the corporate employee directory in the portal but limiting the visibility of organizational charts and self-service updates to the portal only. Or stop printing (and mailing) paycheck stubs. Instead, allow employees to view their automatic deposit records securely through the portal. For different functional groups, the portal should become the only source for important information, like the list of new leads for the sales organization. See the June 4, 2002, IdeaByte “[Encouraging Users To Adopt And Customize The Portal.](#)”
- <sup>8</sup> Measurable portal benefits originate with a clear understanding of business objectives and audience, from which follow practical metrics that assess quantitatively how the portal will change or improve specific business activities. Many organizations fail to make this connection early and are forced to collect substantiation after the fact, which can increase costs, effort, and overall perception that “something went wrong” with the portal deployment. See the February 19, 2003, IdeaByte “[Base Portal Metrics On Tangible Business Objectives.](#)”

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