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## ABN Amro Turns to Global Portfolio Management

News Story by [Thomas Hoffman](#)

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ABN Amro Bank NV has embarked upon what analysts described last week as one of the first global efforts to prioritize and monitor a portfolio of IT projects.

Late last year, the wholesale client services business unit for the Amsterdam-based bank began applying IT portfolio management techniques to prioritize hundreds of IT projects it has planned for this year, according to Ed Merchant, global head of vendor management for the wholesale bank in Jersey City, N.J.

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The IT projects, which could affect business activities in any of the 55 countries where the ABN Amro division has operations, are supported by enterprise portfolio management software from Arlington, Va.-based Expert Choice Inc.

"We're very dependent on IT for the wholesale bank's product offerings," said Merchant. "There's almost nothing the business does that doesn't have an IT implication."

Howard Rubin, an analyst at Gartner Inc., said that while more than 80% of companies now claim to be using IT portfolio management techniques, fewer than 10% of multinational corporations employ them globally.

"It is rare and encouraging to see companies applying IT portfolio management techniques on a global scale," said Rubin.

It can also be useful for multinational operations like ABN Amro to apply IT portfolio management techniques across global business divisions, because organizational structures can vary from one location to another, noted Dana Gardner, an analyst at The Yankee Group in Boston.

### Setting Priorities

One of the main reasons why ABN Amro adopted the portfolio management techniques was to help prioritize conflicting demands among business units, which often have their own agendas, said Merchant.



Ed Merchant of ABN Amro  
Bank NV

"When we get into a discussion over why Project A should be allocated more resources than Project B, we can use the software to remind people why those decisions were made and the criteria that was used," he said.

In September 2003, ABN Amro's wholesale banking division outsourced support of its IT infrastructure and applications development and maintenance to Electronic Data Systems Corp. under a five-year deal.

The portfolio management software prioritizes EDS development projects along with projects that fall outside of EDS's purview, according to Merchant.

A key benefit of the PC-based portfolio management software is that it cost ABN Amro less than \$50,000 to install. It's also inexpensive to maintain, since it runs on laptops used by 10 senior IT managers within ABN Amro's wholesale client services IT division who represent different parts of the business, said Merchant.

"You can spend \$50,000 bringing in a consulting firm for a couple of weeks and not have anything left but a recollection that they were in the chairs," he said.

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