thinking portfolio®

M&A Portfolio

Thinking Portfolio® White Paper

Thinking Portfolio® is a practical platform for M&A (Merger & Acquisition) market, and competitor insights and information. Keep your information in one portfolio to manage discovery, analysis and follow-up actions.

M&A Management Portfolio

Thinking Portfolio® White Paper

M&A Management Portfolio

– A platform for the strategic management of your M&A, market-, and competitor information

Thinking Portfolio® is a practical platform for M&A (Merger & Acquisition) market, and competitor insights and information. Keep your information in one portfolio to manage discovery, analysis and follow-up actions. Gain an up-to-date view of the current market situation – all in one place.

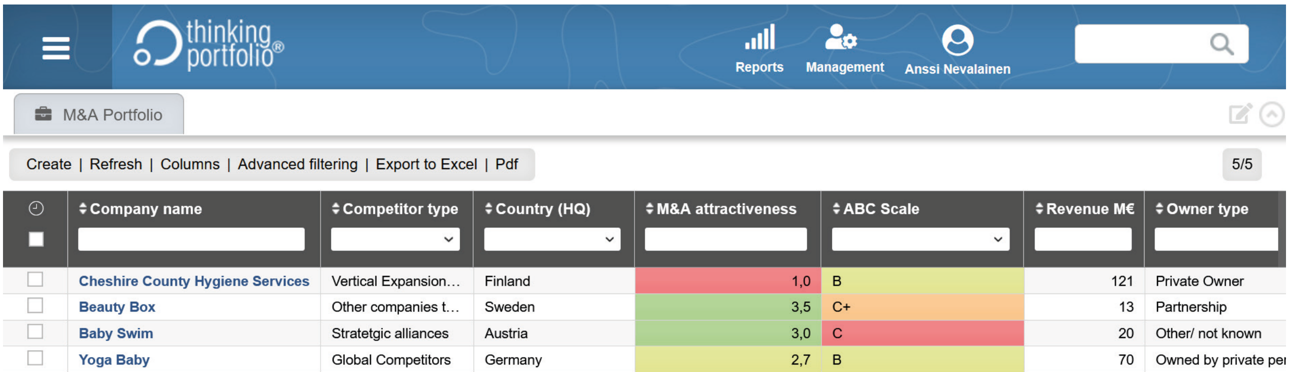


Figure 1. M&A Portfolio Main View

A platform for M&A Management may be needed when:

- Reporting on M&A targets or market information is necessary for the stakeholders.
- A change in business environment requires continuous market and competitor information analysis.
- Numerous &A targets or other dimensions of market information must be recorded and followed.
- Common procedures in information management are required to gain effectiveness, efficiency and quality.
- Making informed decisions and prioritisation require up-to-date information.
- Employees need to be empowered in information management or a decentralised process is needed for efficient information gathering and updates.
- The lifecycle of the M&A targets need to be managed.
- Improved information and document management is required for M&A management.

The Thinking Portfolio M&A Portfolio is intended to be used by whole company personnel or dedicated experts of area. There can be many types of users that may include:

- All organisation stakeholders who may be appointed and discover new opportunities and analysis – evaluation may be even crowd-sourced. The Thinking Portfolio platform does not limit the number of users nor has extra fees per user. External personnel may be involved as stakeholders in the platform.
- M&A Manager and M&A personnel who are responsible for reporting targets. Information management may be de-centralised, but the common tools and practices make the process more aligned and the results may be analysed on a portfolio level.
- The Management Users, who may be responsible for some area or M&A activities. Managers usually makes the decisions on how the M&A information is reported and will be managed.
- Administrative Users are the janitors of the platform at the user organisation. They may not have a role in managing M&A activities but may administrate the process. They can make changes on the platform as the organisation and the business environment evolve.

Thinking Portfolio

Platform's Background in Strategic Project Portfolio Management

Thinking Portfolio® was originally built to be a practical tool for strategic project portfolio management. The portfolio management model supports business-driven planning and decision-making.

Why Portfolio Management?

Transparency to management	Boost the efficiency of advance planning	A tool for M&A management

The starting points for the development were project work and international frameworks for portfolio management such as PRINCE2, PMBOK and SAFe 4.6.

An organisation that implements Thinking Portfolio for any portfolio management purpose is well-equipped for fast decision-making, agile change, M&A management and the strategic understanding of the big picture at all organisational levels.

Thinking Portfolio's straightforward visual presentation method and browser-based user interface speeds up its adoption. The use of the system requires no special training or manuals.

Thinking Portfolio has been developed by utilising the latest Web technologies. The browser interface works with the latest versions of MS Edge, Firefox, Chrome and Safari, and with leading tablets.

The technical solution supports the implementation of any portfolio management methodologies. The portfolio application presented here is a strategic level management tool for M&A, market and competitor information. Other customer implementations of Thinking Portfolio include Service Management, Application Management, Idea Management, Supplier Management, Asset Management, M&A Management, New Product Design and many more.

The Main View of Your M&A Portfolio®

– The Main View presents an overview of the whole M&A Portfolio

In the Thinking Portfolio approach, we organise the platform to support the practices of the user organisation. With Thinking Portfolio, the user organisation can reinforce their chosen practices, methods, and procedures.

The Portfolio view (Figure 2) gives an overview of the M&A Portfolio and presents the selected M&A information. Color-coded fields indicate the status at a glance. The header row helps to arrange and filter the portfolio according to selected criteria. For example, the targets can be organised by importance or another dimension with a single click.

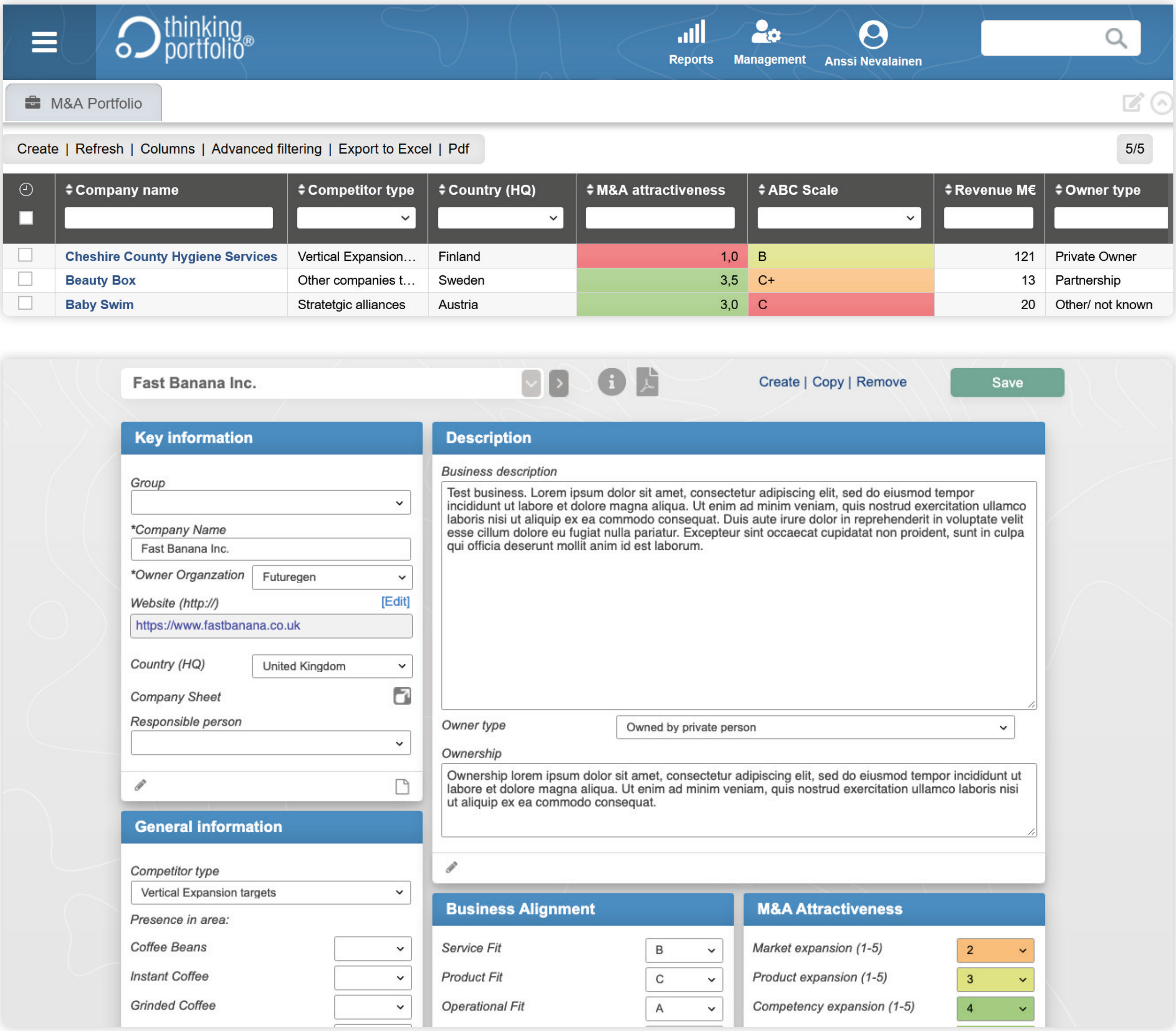


Figure 2. The Portfolio view and Key Information

M&A Management Reference Model

– The common practices the organisations use to manage M&A

In the Thinking Portfolio approach, we organise the platform to support the practices of the user organisation. With Thinking Portfolio, the user organisation can reinforce their chosen practices, methods, and procedures.

Depending on the user organisation and the business they are in, there are different practices and requirements for M&A Management. An organisation may have specific practices, methods, procedures, and policies that need to be followed. The Thinking Portfolio platform will be set up to follow these guidelines and the way the M&A management is organised in the user organisation.

In Thinking Portfolio's M&A Management Reference Model, there is a process as well as functionalities typically used in M&A Management (Figure 3). The included functionalities are innovated with our customers and used by organisations with different needs. The platform is customised as the customer desires using the Reference Model as a baseline and chosen functionalities as building blocks.

M&A Management Process	M&A Management Process
• Target discovery • Target Analysis • Actions and integration • Continuous assesment	• Categorisation • Feasibility analysis • Financial analysis • Reminders and alerts • Reports

Figure 3. Thinking Portfolio's M&A Management Reference Model

The M&A Management Process is typically set up according to user organisation practices. The process may include a schedule for reviewing targets and/or a process for keeping the portfolio up-to-date.

- Target discovery is typically a task that M&A management needs to organise. The discovery may be organised, for example, by process or tools that aim to discover prospects. Discovery may also be initiated by events, such as a new strategy or new products that needs to be evaluated from a market point of view.
- Target analysis is typically a task for M&A management. A simple target analysis may be a combination of categorisation and target information analysis. Analysis is highly dependent of organisation and may be developed according to the needs of the customer.
- Actions and integration recorded in the system may be flexibly to gain momentum, control, and accountability. Planning integration is essential part of M&A and this is something that can be a part of whole M&A process. Portfolio management tools such as a roadmap or a Gantt-chart may give a holistic view of the organisation's M&A and integration management efforts.
- Continuous assessment includes regular reviews as well as discussions on M&A targets. These are supported by reports for individual targets as well as portfolio reports to gain a holistic view of competitor landscape and the market.

The common M&A Management functionalities included in the Thinking Portfolio platform include:

- Categorisation, which includes dimensions most important to the user organisation's environment. The categories are analysed with the components most appropriate for the user organisation's needs. The needs and requirements are usually based on how the portfolio information is communicated to stakeholders.
- Feasibility analysis can be done in multiple ways, from simple scoring to more comprehensive financial and statistical analysis. Various templates and tools can be used to develop analysis according to the user organisation's specific needs.

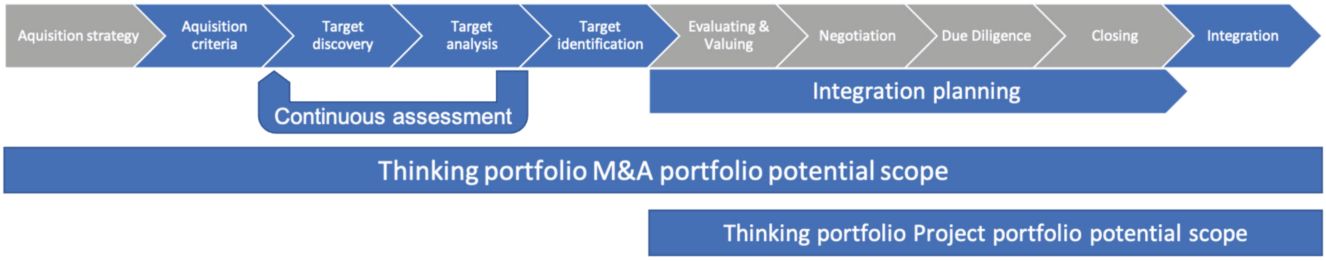


Figure 4. M&A process is usually based on organization's strategy or acquisition strategy. Here is one example of M&A process that is part of Thinking Portfolio's M&A Management Reference Model (Figure 4). In this example there is emphasis on phases that we consider may be assisted and governed by Thinking Portfolio M&A reference model.

Continuous assessment may also be event based: whenever there is change in the environment, the target's information is analysed, and the Thinking Portfolio platform drives the process to review the changes. The result is that the M&A portfolio reflects an up-to-date competitor and market landscape. An individual target review may also be scheduled to the calendar so that targets are reviewed regularly, for example, to prepare for certain decision-making or reporting to take place.

- Financial analysis can can be done with the platform's internal calculation tools or, for example, via attached Excel sheets. The internal financial calculations may include simple summaries or a comprehensive analysis. Beside financial figures, other customized quantitative analysis can also be used.
- Reminders and alerts may be created upon changes and events in the portfolio. Reminders drive the process and remind the personnel involved in M&A management to perform actions. For example, changes in analysis may initiate alert for action. The platform can be integrated to other business processes.
- Reports and various templates and graphs can be used to develop reports according to the user organisation's specific needs.

M&A Management Process in portfolio

The M&A management process may include several levels of integrated processes or cycles. Processes or cycles may include:

- Top management and board level review and approval
- Business or unit level review and approval
- Cross functional (e.g. Finance, Marketing, Operational or EHSQ1) review and approval
- Individual target analysis, review, and follow-up
- Individual action planning, review, and approval
- Integration planning and execution

The processes may be scheduled based on the calendar or awoken by an event in the portfolio.

Top management review is usually scheduled and aligned according to the strategy process and/or fiscal reporting. In Thinking Portfolio, these presented processes or cycles may be modelled and integrated in the tool. The reports as well as reminders may be used to facilitate the process.

M&A Management Functionalities

– The M&A Management tools to support the organisation's practices

We bring our expertise in digitalising desired M&A management practices to your individual M&A Management platform.

Thinking Portfolio tools are commonly used to manage the portfolio and the big picture. In efficient portfolio management, up-to-date data needs to be collected, for example, from all individual country representatives. The Thinking Portfolio's M&A Management Reference Model is a quick ways to start building a platform that supports the collecting of the information for M&A Portfolio management purposes. At the operational level, the platform's functionalities can be used to maintain the overview of the M&A management status and assist the personnel (or units, functions, teams etc.) involved in M&A management.

Thinking Portfolio's building blocks are called widgets. Currently, there are dozens of widget designs in our library. The following are a few examples of the most frequently used in M&A management.

Target Analysis

The power of common analysis platform becomes apparent when analysing the aggregated information over the whole portfolio. Always up-to-date competitor landscape can be simultaneously updated and maintained by multiple participants.

The simple widget (Figure 5) facilitates a quick analysis of the target company's general information and e.g. competitor type. Analysis may be filled with a simple dropdown menu. The selectable values may be changed by the administrative users for the changing needs of the customer organisation. Multiple widgets may be added to the same General information panel such as drop-down-selections, free-text-fields and many more.

The simple widget (Figure 6) facilitates a quick analysis of the target company's business alignment. Analysis may be filled with a simple dropdown menu. Analysis and widgets are configurable to the needs of the customer organization.

The target's attractiveness score can be calculated, for example, with a simple average of estimated dimensions. The user interface may include pictures, tables, reports, and other information (Figure 7). Multiple similar analysis types and tools can be designed to analyse different point of views or dimensions.

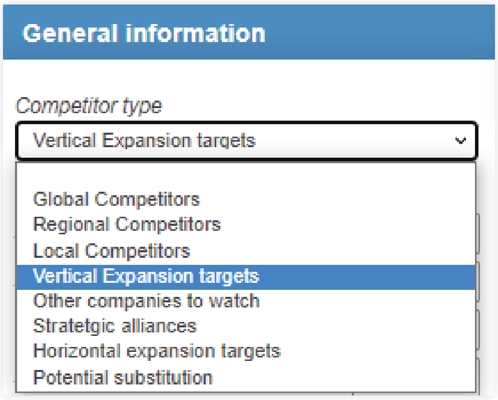


Figure 5. The simple widget facilitates a quick analysis of the target company's general information and e.g. competitor type.

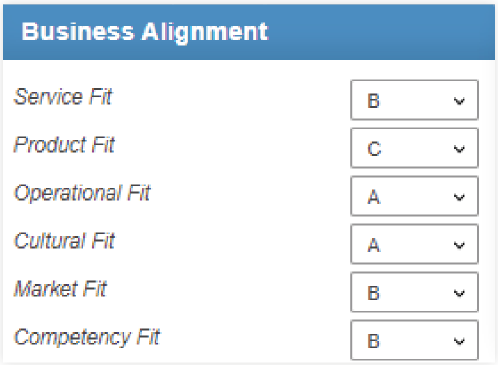


Figure 6. The simple widget facilitates a quick analysis of the target company's business alignment.

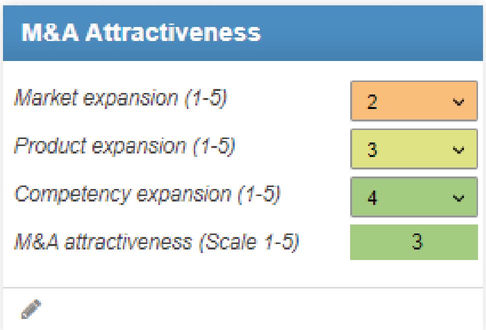


Figure 7. The target's attractiveness score can be calculated, for example, with a simple average of estimated dimensions.

This widget (Figure 8) facilitates a quick analysis of the acquisition criteria and risks associated with M&A target. Identifying, for example, the operational, financial, and technology risks and benefits makes it possible to define the targets risk level and determine the actions.

Thinking Portfolio's M&A Portfolio includes module for management of M&A actions (Figure 9). Individual tasks may have descriptions, owners, statuses, and other kind of needed information. M&A actions is flexible and modifiable tool and includes the information the customer organization requires. For example, if actions need to be prioritised on portfolio level, the priorisation information can be added to the actions.

Categorisation

The target companies in portfolio are usually organised or categorised in relation to the strategic objectives defined by the organisation.

Thinking Portfolio's categorisation widgets align M&A management according to, for example, competitor type (Figure 10). Categorization is highly dependent on the user organisation's needs and environment, and the solution is defined and configured with the customer. Possible categorization dimensions may include:

- Strategic objectives
- Business lines or areas
- Process
- Products
- Services
- Customers
- Etc.

The M&A Portfolio may be created hierarchically including multiple dimensions. For example, businesses may be placed under a company. Another example is that all business areas of the same target may be evaluated individually to get the comprehensive and aligned view on subject.

Agile development practices are utilized when possible and with quick development cycle the customers are able steer the process of getting the categorization they need.

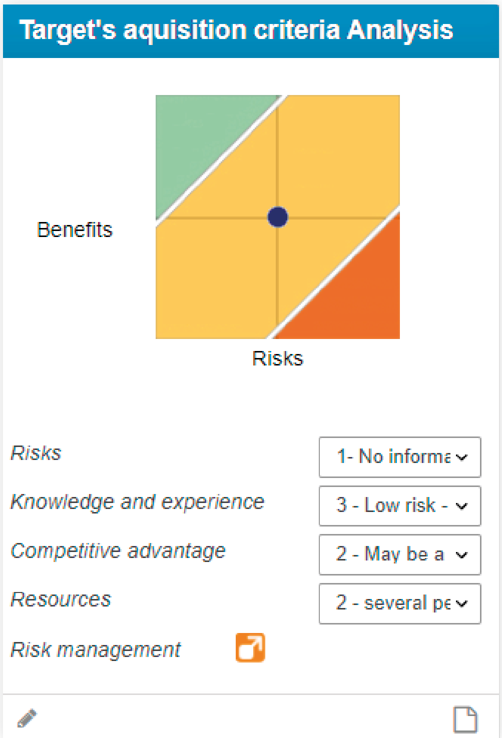


Figure 8. This widget facilitates a quick analysis of the acquisition criteria and risks associated with M&A target.

M&A Integration Actions

	Action	Description	Type	Start	End	Responsible	Status	Cost	Link
1	Integration action 1	Integration action description 1	Project or Task	8/4/2021	8/13/2021		Ready/In Use	10,000	
2	Integration action 2	Integration action description 2	Check Point / M	8/17/2021	8/20/2021		Ready/In Use	20,000	
3	Integration action 3	Integration action description 3	Project or Task	8/31/2021	8/27/2021		Implementation	20,000	
4	Integration action 4	Integration action description 4	Project or Task	9/21/2021	8/20/2021		Suspended	200,000	

Figure 9. Thinking Portfolio's M&A Portfolio includes module for management of M&A actions.

Financial Calculations

In M&A portfolio a financial calculation may be about continuous assessment of target's financial information or an estimation of a M&A transaction financial feasibility. A finance widget may be a simple table-like presentation (Figure 11) of a target's earnings and expenses from its operational periods.

The financial calculations widgets can be parametrized to present various type of financial information and estimations, such as:

- Historical revenues
- Estimated revenues
- Cost / budget / actuals
- Acquisition and integration cost
- Financing plan

The Business Case Widgets may include calculations and KPIs such as:

- Calculations with cost/revenue drivers, e.g., kg, pcs/h, meters
- (Discounted) Cash flow calculation and NPV
- Internal interest rate
- Scenarios, e.g., baseline, high, low
- Scenarios that follow the organizations with different acquisition actions and/or roadmaps
- Monte Carlo simulation on scenarios and uncertainties

In its simplest form, the tool may include only a simple summary of a financial information (Figure 12). In many cases, only this is needed to plan, compare, and follow-up the figures at the portfolio level. More detailed calculations can be designed and used at the different stages of M&A process. More detailed calculations and explanations can be recorded in separate documents such as Excel charts, and the appendices can be entered as links or attached documents.

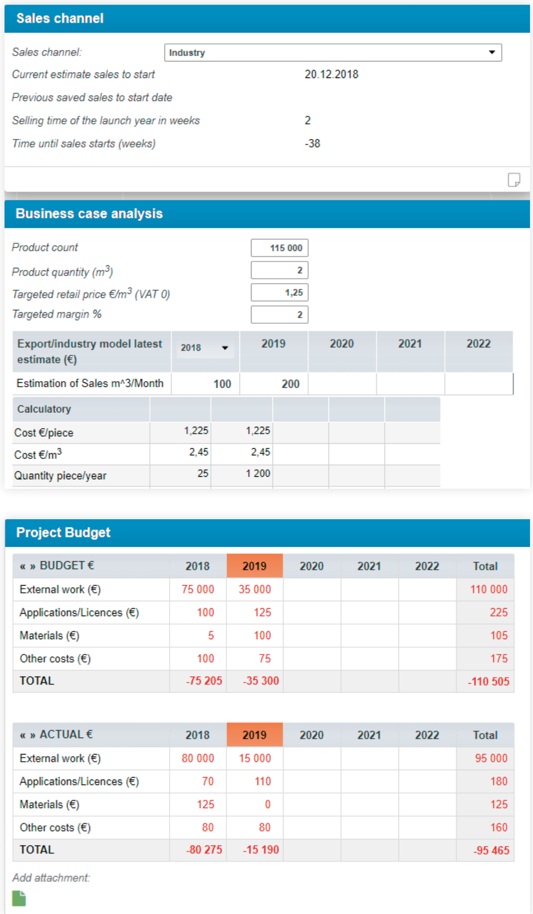


Figure 11. Finance widget

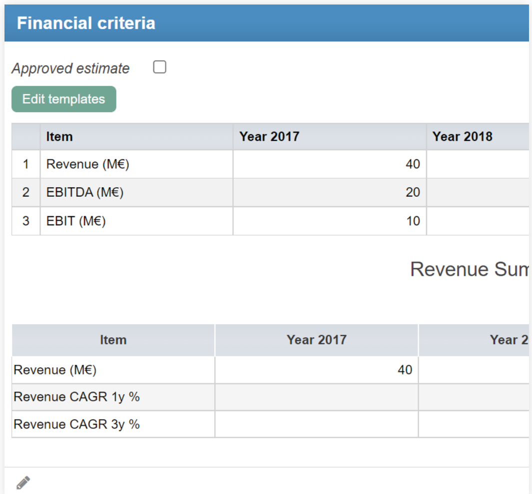


Figure 12. Simple summary of a financial information

Simple business case and quantitative analysis

A simple business case and quantitative analysis (Figure 13) may, for example, include driver information on costs and revenues (such as kg, pcs, meters etc.). Based on driver information, many types of calculations, reports, and comparisons can be made. When creating comprehensive calculations into the tool there needs to be consideration on:

- How mature is the process?
- How flexible the calculation needs to be?
- Do we get value out of more detailed calculation?
- Would the integrated calculation be still easier to use by users with various backgrounds?

The calculation period can be year, quarter, or month and, for example, rolling 12 months. Cost item accuracy can be defined by the customer in various forms, for example, defined with combinations of choices. Cost items and drivers may be fixed or flexible between different products.

Documents and links

Thinking Portfolio includes multiple ways to work with documents to keep them organised and available. For example (Figure 14), is a widget for uploading targets logo to be used in reports and visualizations.

Almost any type of information can be included on the platform. It is possible to integrate M&A management documentation in the platform either by attached documents or by linking to other systems and data (Figure 15). The diaries and templates are available for following analysis efforts, development, and decisions.

The checklists can be used to ensure efficiency and compliance.

Reminders

Up-to-date and comprehensive information is usually a requirement for a M&A, market, and competitor information. On the Thinking Portfolio platform, the M&A management process may be kept up-to-date with help of timely reminders. A reminder is sent on predefined schedule or events to the receiver, accompanied by the guidance of actions the receiver must perform and a link straight on the platform to the page the action is performed.

Paper trail

On the Thinking Portfolio platform there are several options to save the paper trail and follow the recorded information. Full logging can be done with tracker-functionality. The tracker makes a log of selected data and records the change that has happened and who has made the change. When there is tracker- or auto-snapshot-data available, the trend reports can be formulated from the data.

Governance

The user organisation may use the portfolio platform to strengthen its governance. Roles, authorities, and responsibilities may be aligned with the system and in this way automatically reinforced.

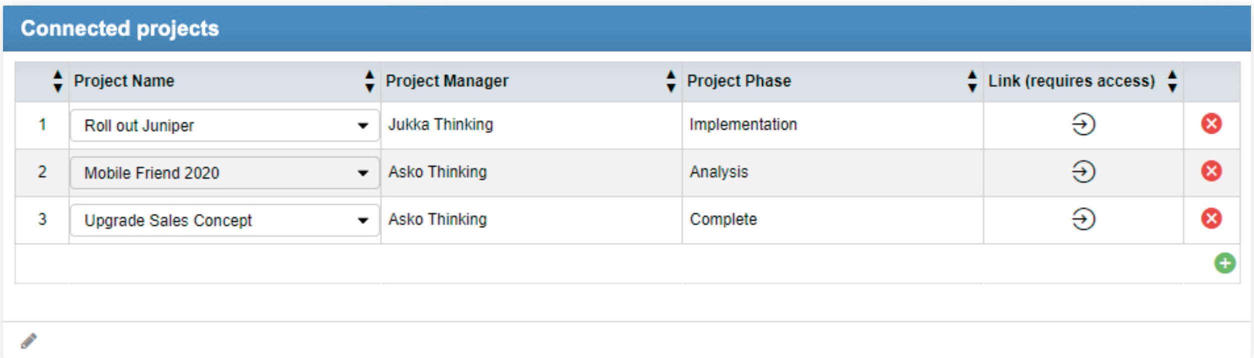


Figure 13. Connected projects

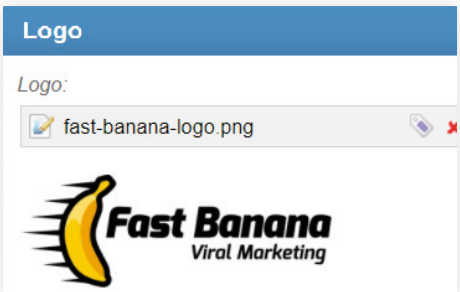


Figure 14. Logo

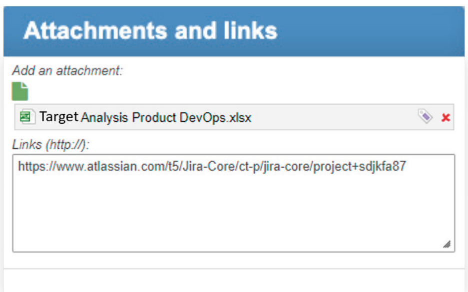
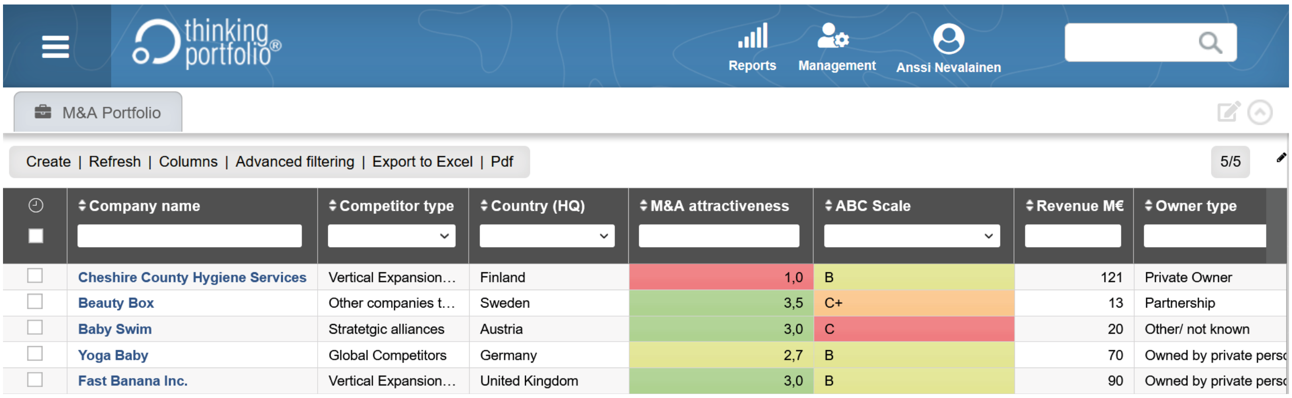


Figure 15. Attachments and links

Reporting

– Views to the portfolio for communication, documentation, analysis, and decisions



Company name	Competitor type	Country (HQ)	M&A attractiveness	ABC Scale	Revenue M€	Owner type
Cheshire County Hygiene Services	Vertical Expansion…	Finland	1,0	B	121	Private Owner
Beauty Box	Other companies t…	Sweden	3,5	C+	13	Partnership
Baby Swim	Stratetgic alliances	Austria	3,0	C	20	Other/ not known
Yoga Baby	Global Competitors	Germany	2,7	B	70	Owned by private perso
Fast Banana Inc.	Vertical Expansion…	United Kingdom	3,0	B	90	Owned by private perso

Thinking Portfolio's reports crystallise the situation and outlook for the executive management. The reports and different visual views can be used flexibly on the platform. The set of reports depend on their functional purpose and may be customised to the user organisation's needs.

In portfolio view, the user can filter the M&A portfolio according to several simultaneous criteria. The filters remain effective when the user wants to see the targets on other views or reports. The filters can be saved for later use and shared among users.

The dashboards and pivot reports may be used to generate new views, presentations, and analyses of the information. Visual tools and reports of Thinking Portfolio can be shown in the tool or exported as presentation material.

A so-called Charter is generated automatically for every target, containing all the information entered on the platform on a target in a single report.

Examples of other possible reports used in M&A portfolio management are:

- Target analysis and portfolio analysis from various dimensions: Finance, Feasibility etc.
- How targets are related to strategy, businesses, processes, projects, products, customers etc.
- Relations and dependencies of targets and other areas important to the organisation
- Ongoing actions and opportunities
- Development of targets in time

Dashboards

Dashboard introduces a personalised view for the most important reports on M&A focus areas (Figure 16). It allows reports to be generated for different needs. For example, a manager could create a specified view for the management team and M&A team.

Onepager report

Onepager-report (Figure 17) show important target information at one glance. With information, colours, sizes, and info boxes, it is possible to illustrate simple M&A information visually.

Portfolio Report With Map And Logos

Portfolio report with map and logos (Figure 18) is a good example of powerful portfolio reporting tools that are included in Thinking Portfolio M&A portfolio platform. It is possible to filter the targets that you need to emphasis and required report show the information on those companies. E.g. map is zoomed accordingly. Also logos and almost any other information can be presented in reports.

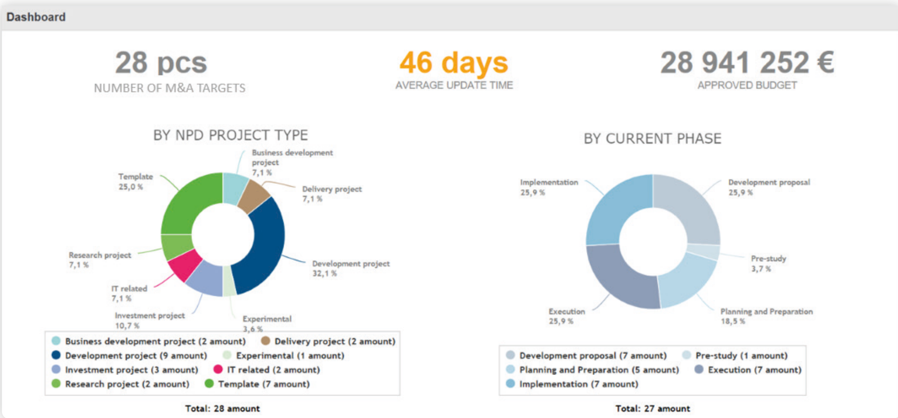


Figure 16. Dashboard view

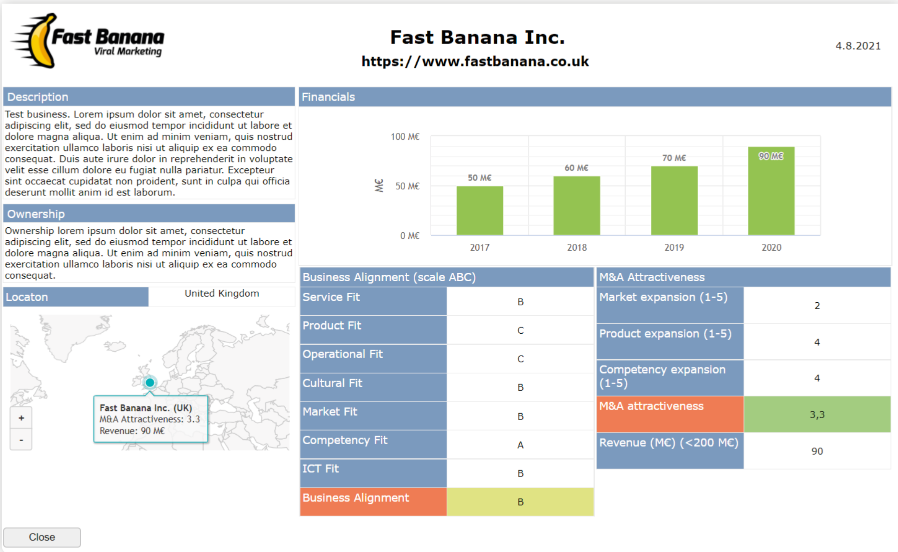


Figure 17. Onepager report

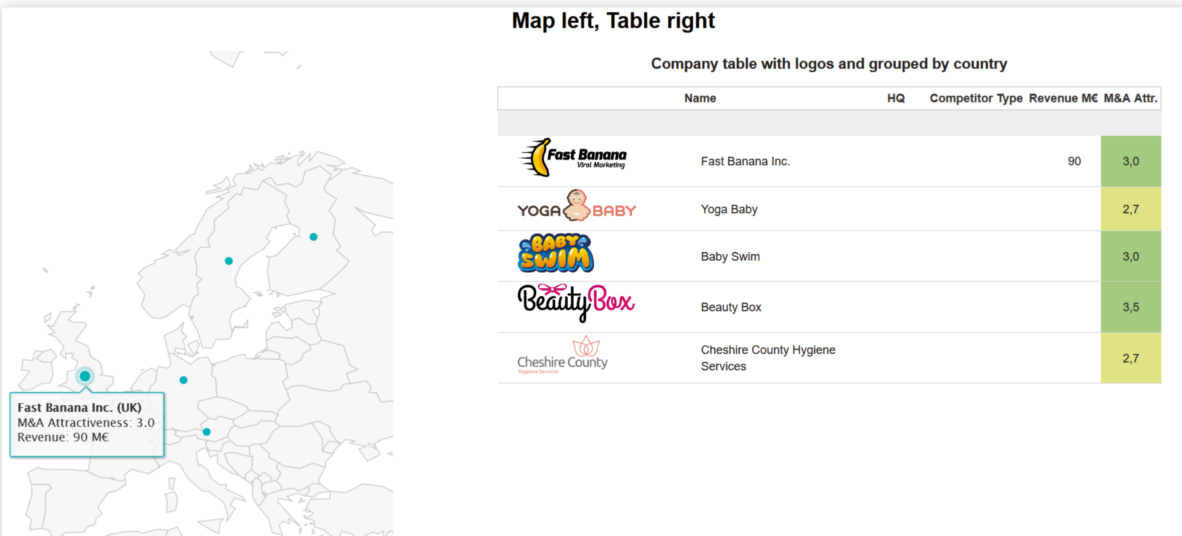


Figure 18. Portfolio report with map and logos

Pipeline Report

The pipeline report (Figure 19) illustrates versatile graphical report possibilities that can be included in Thinking Portfolio M&A portfolio. With colors, sizes, locations, and info boxes, it is possible to illustrate various information in portfolio.

Roadmap and Gantt-chart for actions

Sometimes, the management of M&A actions may require more task and project management tools. A graphical presentation is an efficient tool to manage and communicate actions. Thinking Portfolio supports such diagrams, e.g. GANTT charts, to visualise tasks and milestones (Figure 20). Reports make the communicating status of actions easy and visual.

At the portfolio level, the roadmap report (Figure 21) is a composition in which all timelines and actions may be seen over the whole portfolio. The roadmap may include actions, key milestones, status information and dependencies. Roadmap and GANTT reports may be created drillable, so secondary task can be hidden and shown with the ability to expand and collapse rows.

Pivot Report

The pivot report is a table or graph in which the values are presented and calculated based on predefined or user selections (Figure 22). The layout of the pivot report can be easily modified by the M&A portfolio user to match the need at hand that may be information on certain category etc.. The modified report may be saved as a new report and shared with other users.

Financial Pivot report is a versatile tool to show financial numbers and calculations (Figure 23). Subtotals may be added to show financial reports in the format that the finance people are customed to use financial data. Order of financial rows may be customized. Other driver-based calculations may also be designed to be used with pivot report.

The pivot report may be configured as a graph that is versatile in displaying information, in which the values are presented and calculated based on user selections (e.g. Figure 20). The graphical charts include bar, line, area, pie and other common chart types.

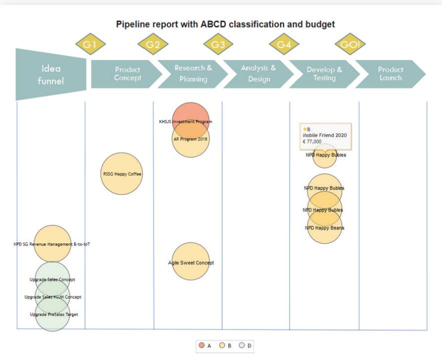


Figure 19. Pipeline report

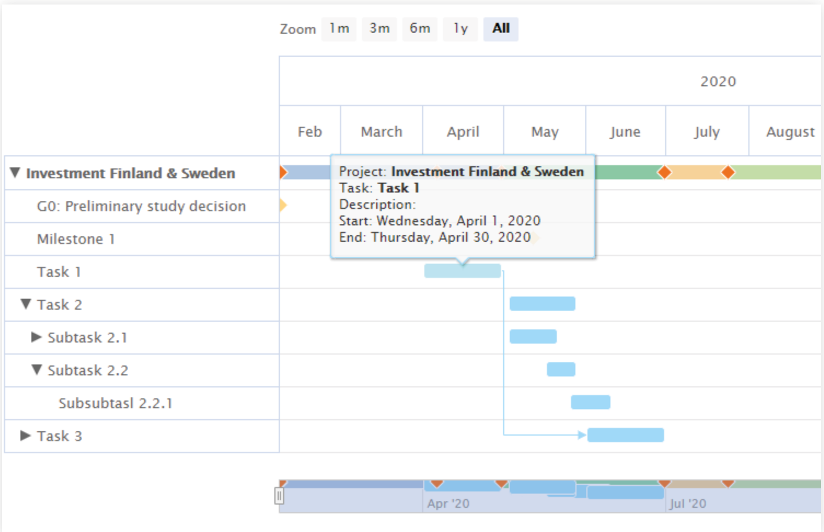


Figure 20. Gantt-chart

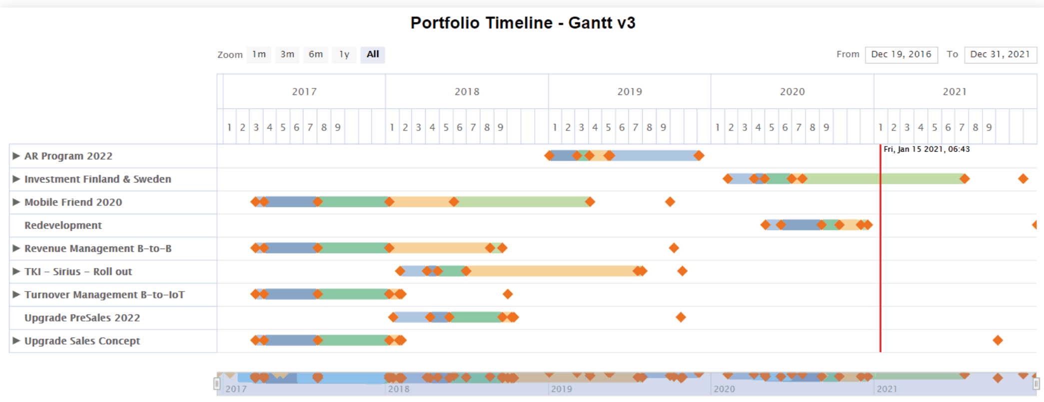
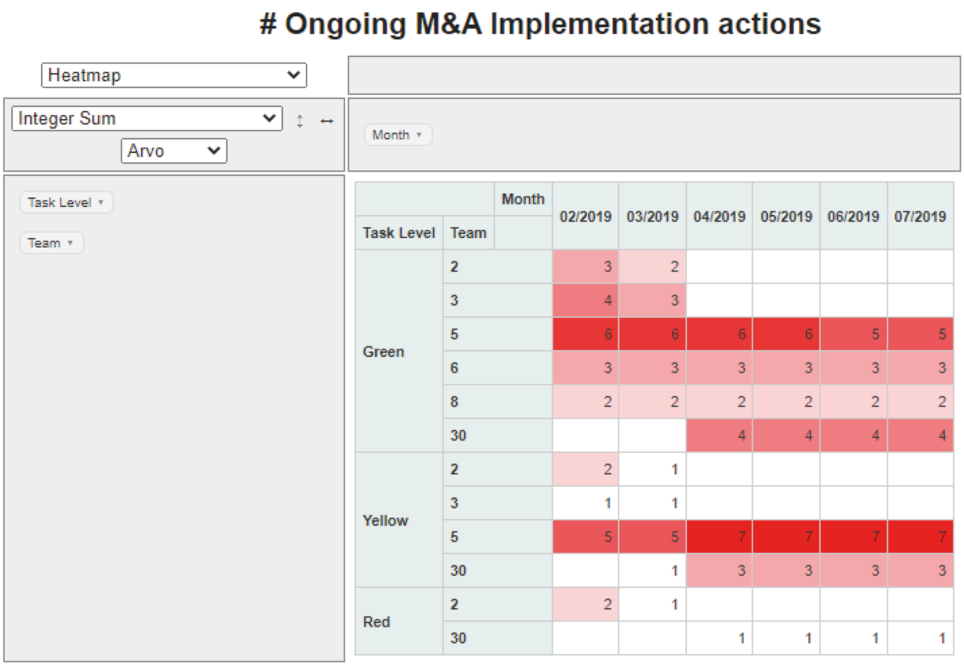
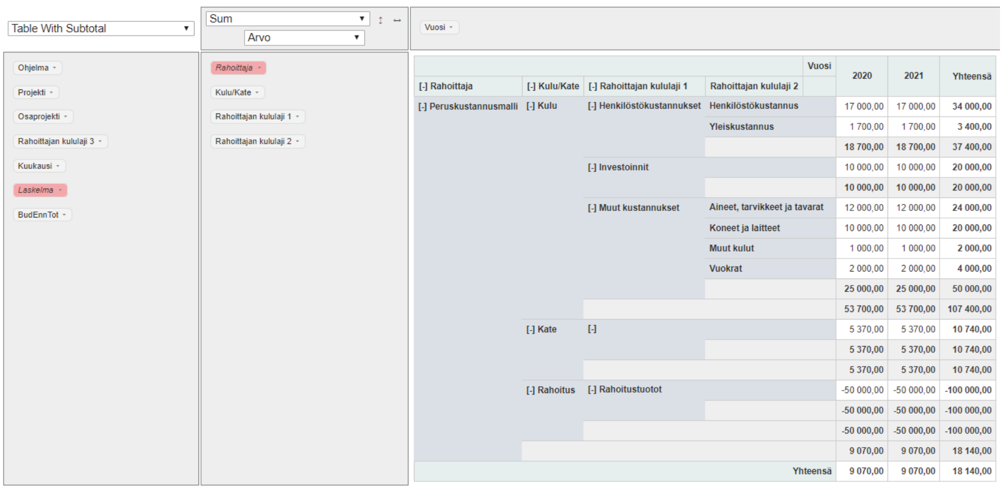


Figure 21. Portfolio timeline



		Month	02/2019	03/2019	04/2019	05/2019	06/2019	07/2019
Task Level	Team							
Green	2		3	2				
	3		4	3				
	5		6	6	6	6	5	5
	6		3	3	3	3	3	3
	8		2	2	2	2	2	2
	30				4	4	4	4
Yellow	2		2	1				
	3		1	1				
	5		5	5	7	7	7	7
	30			1	3	3	3	3
Red	2		2	1				
	30				1	1	1	1

Figure 22. The Pivot report table



				Vuosi	2020	2021	Yhteensä
[-] Rahoittaja	[-] Kulu/Kate	[-] Rahoittajan kululaji 1	Rahoittajan kululaji 2				
[-] Peruskustannusmalli	[-] Kulu	[-] Henkilöstökustannukset	Henkilöstökustannus		17 000,00	17 000,00	34 000,00
			Yleiskustannus		1 700,00	1 700,00	3 400,00
					18 700,00	18 700,00	37 400,00
		[-] Investoinnit			10 000,00	10 000,00	20 000,00
					10 000,00	10 000,00	20 000,00
		[-] Muut kustannukset	Aineet, tarvikkeet ja tavarat		12 000,00	12 000,00	24 000,00
			Koneet ja laitteet		10 000,00	10 000,00	20 000,00
			Muut kulut		1 000,00	1 000,00	2 000,00
			Vuokrat		2 000,00	2 000,00	4 000,00
					25 000,00	25 000,00	50 000,00
					53 700,00	53 700,00	107 400,00
	[-] Kate	[-]			5 370,00	5 370,00	10 740,00
					5 370,00	5 370,00	10 740,00
					5 370,00	5 370,00	10 740,00
	[-] Rahoitus	[-] Rahoitustuotot			-50 000,00	-50 000,00	-100 000,00
					-50 000,00	-50 000,00	-100 000,00
					-50 000,00	-50 000,00	-100 000,00
					9 070,00	9 070,00	18 140,00
				Yhteensä	9 070,00	9 070,00	18 140,00

Figure 23. Financial Pivot report

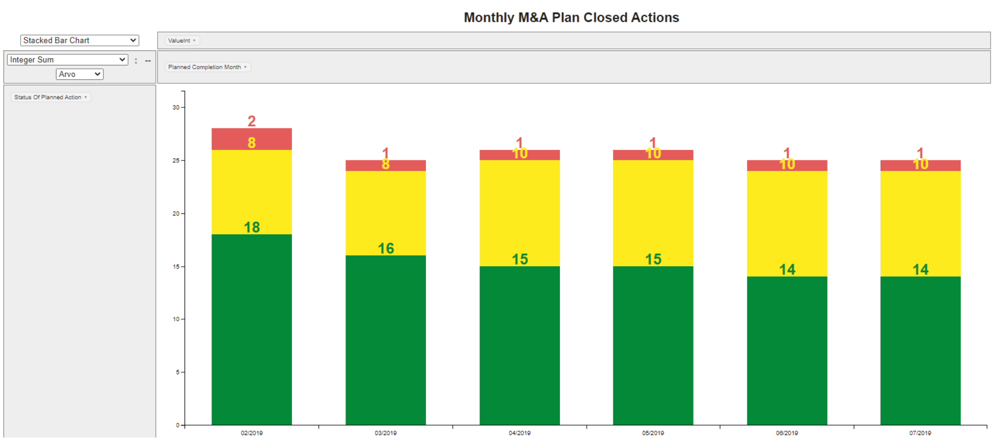


Figure 24. Pivot report graph

Other M&A Portfolio Management Tools

– Views to the portfolio for communication, documentation, analysis, and decisions

The Thinking Portfolio platform includes portfolio management tools that extend the common M&A Management functionalities.

Target and Action Templates

The target may be created as templates and copied as new target. This is useful, for example, when there is a need to analyse similar targets in many instances, for example, in business lines, branch offices, products or services. Action templates may be used as a set of best practices of actions.

Integration to business processes

Integration between business processes creates visibility through the digitalized management system.

Integration to business processes transforms M&A management from supporting function to integrated part of business. For example, integrating business system information to the M&A management system may be used to create and establish a process for M&A management activities.

Inside the Thinking Portfolio's HUB (between portfolios) the information may be exchanged easily. There is possibility to create integrations and links to other business processes to allow seamless flow of information as well as create comprehensive reporting.

Other portfolios may be used to combine information. For example, project portfolio's idividual project may be connected to the target (Figure 25). This way project information and status can be linked to M&A management. In another example organization's products or services may be linked to the target. This gives an opportunity to facilitate product or service -based M&A target management.

Document Templates

Document Templates are document files that can be opened in the portfolio tool for local editing. These may include evaluation and analysis templates, documentation, meeting notes and decisions.

User Interface Based on M&A Target Type

Different types of M&A targets may have different templates and tools suitable for them. The widgets on the platform can be changed accordingly. This is not advised when taking the portfolio in the use for the first time since development becomes less straightforward.

Connected projects

	Project Name	Project Manager	Project Phase	Link (requires access)	
1	Roll out Juniper	Jukka Thinking	Implementation		
2	Mobile Friend 2020	Asko Thinking	Analysis		
3	Upgrade Sales Concept	Asko Thinking	Complete		

Figure 25. Connected projects

Diary

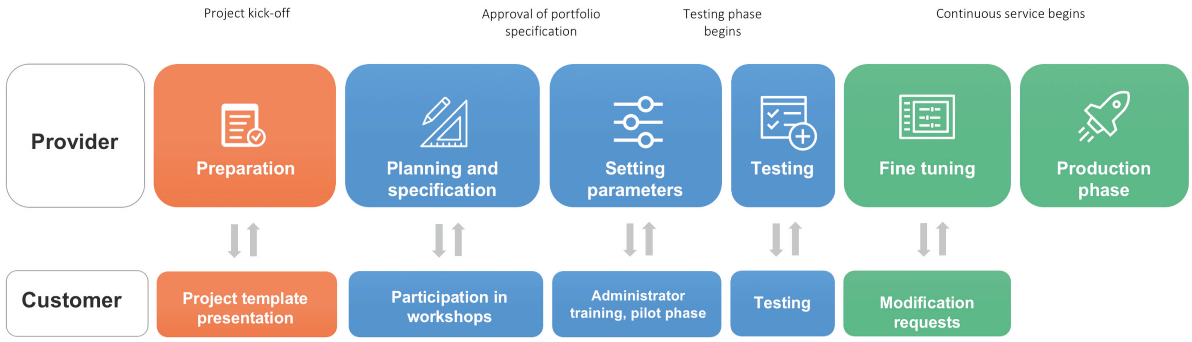
The Diary Widget is a simple way to record M&A Management history, such as the decisions made in meetings, in a memo-like format. The Diary may contain desired information about development, for example, the status, notes, tracking data, other widgets and links to intranet pages or project documents.

Collaboration and commenting

Efficient M&A management is a collaborative effort. Thinking Portfolio adds a new secure collaboration channel for the M&A talk. Talking about M&A may not be secure through email but inside the Thinking Portfolio Platform the data transfer is secure. M&A Target may be collaboratively edited and analysed. For example, the simple commenting of a target is an available option (Figure 26). This can be used to pass important information to responsible persons or track information on the latest changes in the environment. There is also the possibility for voting whereby multiple users may, for example, cast their votes or opinions on how target should be evaluated.

Figure 26. Comments

Implementation and Use



We recommend the implementation of our fast Proof of Concept project (PoC) with the customer. After a few meetings, we will customer-specifically implement an application that can be accessed from our server for a trial period of one to three months.

Implementation

Implementation is done in stages. The planning usually includes three workshops to capture the customer needs and specification. Thinking Portfolio's consultants parametrise these needs into the platform. The customer can look at and view the platform at the latest in the testing stage. Usually, implementation is done iteratively and by utilizing agile practices so that customer may see the development taking place between workshops and is able to steer the development. Fine tuning is done to perfect the platform to the customer needs.

Customisation

Thinking Portfolio is almost always to some degree customised to meet the customer's needs in M&A Management process and M&A Portfolio management. The user interface is currently available in English and Finnish but can also be translated to other languages and same tool can be used with multiple languages by the organization.

After the implementation, customers can modify the platform to meet the organisational and conceptual changes that the organisation faces over the time. The customers' changing environment and the most likely changes are considered when the tool is implemented so that most common changes can be done by the customers administrative users.

Different Portfolio Reference Models

Thinking portfolio has a range of reference models called Portfolio HUB. Thinking Portfolio's basic components – the widgets – are the building blocks for constructing various portfolio models. The widgets' content can be parameterised according to the customer's needs. The Thinking Portfolio platform has been designed for maximum flexibility; customer-specific customisation requires no structural modifications in the database and software.

Support Service

The service model includes telephone and e-mail support for the customer's administrative user. We have a monthly service agreement model for customers that want agility in making changes in the platform.

Consulting services

Sometimes, setting up a portfolio feels like a big hurdle and planning the implementation and roll-out can seem a giant step in the middle of day-to-day operation. We offer services for your detailed process review and implementation and roll-out planning, to ensure a smooth launch for your platform.

APPENDIX 1: Strategic Portfolio Management

Figure 1. Project portfolio management principles

The use of portfolios as a management tool is growing in popularity. Its purpose is to bring consistency, efficiency and transparency to management and decision-making.

The management of wide-ranging and multifaceted organisations is often complicated by the discrepancies between customer demands and expectations, challenges with the flow of information and a shortage of skilled professionals. This results in projects overlapping and competing for the same resources whose timing or content may not have been optimised – the link between practical execution and the core business strategy is often unclear.

Portfolio management is an operating model that attempts to address the problems associated with fast-paced and multidimensional management. It creates operational prerequisites that, at their best, boost efficiency in planning, decision-making and implementation (Figure 1).

Portfolios are a specific method for pinpointing the assets, resources and projects that will enable an organisation to successfully implement its strategy. There are three main types of management portfolios (Figure 2):

- The Development Portfolio contains descriptions of the development opportunities, proposals, ideas and scenarios as well as M&A targets aimed at the organisation's future.
- The Project Portfolio contains projects and their sub-projects that are planned, underway or completed.
- The Asset or Resource Portfolio contains, for example, applications, skills, or processes that the organisation has obtained for its use through development projects and investments.

The portfolios should always be interconnected; project proposals from the Development Portfolio are imported to the Project Portfolio. The Project Portfolio generates an asset as an output. Risks and opportunities may be integrated and present in every major undertaking. M&A actions may be integrated to projects. Diminished property assets or poor performance generate development needs, and so forth.

Our approach is to create a precise tool for the most valuable operations for each user organisation. The tool should be as easy to use as possible, but at the same time include the most valuable features and help where digitalisation is most needed.

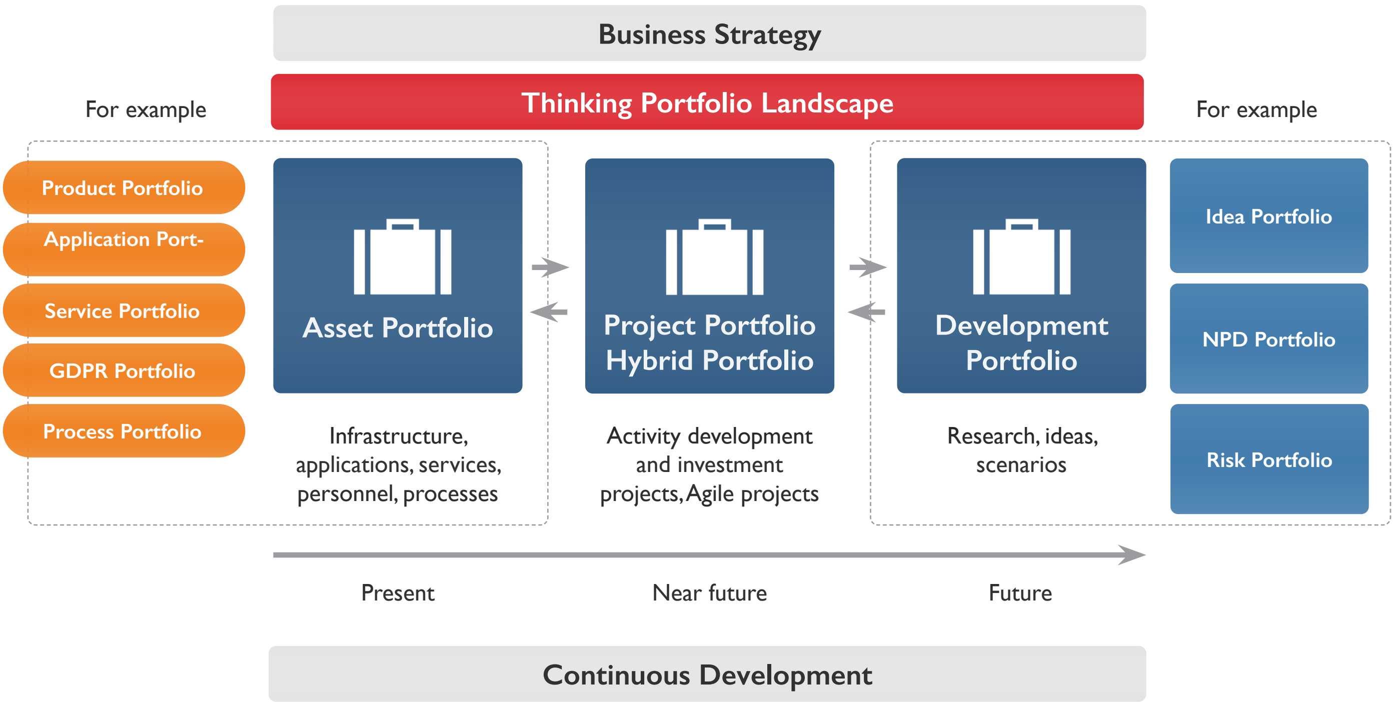


Figure 2. The strategic portfolios

The management principle

At its simplest, portfolio management is a question of managing and balancing earnings, investments, and risks. Earnings can be, for example, cost savings, a growth in productivity, the acquisition of new custom or increased net sales. Investments also include the use of time and money; these include project work, training, start-up, and maintenance.

There are many projects related to existing property, for example, the scalability of an ICT application or system in the growth or contraction of business operations.

Portfolios' connection to strategy and architecture

The portfolios are intermeshed through the organisation's strategic criteria and classifications. Senior management defines the strategy's success factors and key results which are then described in the portfolios as separate criteria that can be used to evaluate an idea, a project, or an application strategically. An increasing number of organisations also plan and measure impact – impact of the developed output after the implementation of planned changes.

Within the portfolios, it is essential to identify the equivalency between a project or property and its business, information, application, and technology architecture. For example, a certain new custom information system could adequately support an organisation's strategy, but it might be incompatible with current application and technology architecture.

Success factors

The adoption of portfolio management can be a project, but its integration as part of an organisation's daily operations requires focused commitment and an example to be set by management. Portfolio management must become a part of the organisation's leadership, for example, as part of the executive group's continuous work.

An organisation's level of maturity plays a significance role in whether portfolio management succeeds. If there are substantial deficiencies in leadership skills or project operations, portfolio management will remain without a basis. The portfolios will be worthless if an organisation lacks the ability to function according to its requirements.

Portfolio management requires tools for its support. Again, the tools are not the solution, but they will help support changes in new ways of thinking.

APPENDIX 2: Technical features

User interface

Thinking Portfolio is a completely browser-based application functioning with the latest versions of Edge, Chrome, Firefox, and Safari, as well as with iPad browsers.

Usage

Usage and maintenance are managed over secure connections. Limiting the use to certain IP addresses is also possible.

User management

The specification of Thinking Portfolio's access control is role-based. With the Project Portfolio, the roles can be, for example, a member of the board of directors, a member of a steering group, project manager and so forth. The role nomenclature is determined specific to the customer.

The portfolio application has one or several administrators who have extended rights, for example, the right to establish new projects. An administrator can be designated for the entire application, or, for example, for the portfolio of a certain business area.

Project-specific work progress models describe each user's role and access to certain stages of a project. After logging into the system, the user can, depending on his or her designated project role, either browse, report, edit or approve the results of a project stage.

User identification

The application supports two different access control methods: Windows identification, and internal user ID and password identification.

In Windows identification, the system's username is the same as in the ActiveDirectory. Traditional user identification can be used, for example, when the organisation's external users, e.g. suppliers, are accessing the application.

Federated Single-Sign-On

The new single-sign-on solution of Thinking Portfolio is based on Microsoft Active Directory Federation Services (ADFS 2.0). The solution supports both SAML 2.0- and WS Federation 2.0 -based authentication schemes. No custom software is required at the customer side and the solution works from any internet location.

Connections to external systems

The easiest integration from and to Thinking Portfolio are the URL addresses. In Thinking Portfolio, URL addresses can be added in desired positions and in this way, e.g. the documentation and other applications are always easily available. The URL addresses written in the application's text fields are automatically changed into hyperlinks.

Thinking Portfolio generates links that can be copied to other documents and software for easy access back to the portfolio.

Thinking Portfolio facilitates the construction of connections with REST API and/or Webhook integrations. We have built connections to third party systems such as PowerBI, Teams, Slack, SAP, M-Files, and Sharepoint.

Office Integration

Thinking Portfolio enables MS Office documents to be opened from the portfolio, edited locally, and saved back online. The service is based on WebDAV technology.

Thinking Portfolio builds a HUB of Portfolios

Thinking Portfolio builds a comprehensive strategic overview across portfolios for your top management's agenda. Your organisation's development portfolios may span a spectrum of business areas or include separate portfolios for investments, organisational and product development projects. In all these cases, a corporate overview can be built to reflect top level management needs across portfolios.

SaaS platform

Thinking Portfolio provides a convenient hosting solution in cooperation with Cygate Oy. Our cloud services and all our data are in Finland. The customer does not have to install any application as part of their IT environment, and the most up-to-date version of the application is always available.

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Portfolio Landscape