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Project Success Begin at the Beginning

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One of the biggest challenges most organizations face is adapting to the ever-increasing pace of change.

Established organizations are not only in a race to compete with each other, but also with tech-savvy start-ups that are smaller, more nimble, and laser focused on disrupting established relationships between companies and their customers.

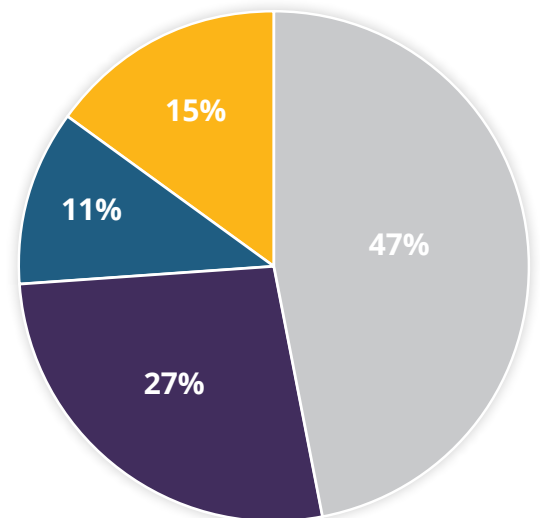
Add to this a backdrop of volatile political and economic conditions combined with changing regulatory and compliance requirements, and it's no wonder that today's organizations are continuously struggling to find ways to gain competitive advantage.

In response to this increased pace of change and volatility, many organizations have augmented the traditional "waterfall" methodology with an iterative approach for conducting project-based work (SAFe, Agile, Scrum, etc.).

Why do organizations struggle to consistently execute successful projects?

Waterfall Development Approach

- Expectations not met
- Somewhat disappointed
- Somewhat successful
- Outstanding success



According to Gartner, in 2018, the waterfall development methodology accounted for 55% of project spend, while iterative development accounted for 45% of project spend. In spite of this transition to a more iterative development approach, approximately 73% of projects were still rated as "Somewhat Successful", "Somewhat Disappointing" or "Expectations not Met."

Reason #1 – No visibility into the “Why” (Strategy)

A team is motivated to accomplish a clearly defined goal when they understand and relate to why that goal is important. Understanding “why” allows individuals to develop a unique, personal connection with the reason for pursuing the goal, and how success will impact them, their extended team, and the overall mission of the organization.

A shared understanding of why a particular goal is important is the driving force that allows cross-functional teams to work together to pursue a desired outcome. An individual that understands how their contributions fit into the “big picture” is empowered to make contributions above and beyond their assigned tasks in order to achieve the desired goal. Without this shared understanding of why a goal is important, individuals are simply left to prioritize based on their own unique criteria, and there is little shared momentum to work towards a common goal.

While 90% of organizations have a pre-launch project approval process, only 54% of organizations have an established process for capturing the business benefits delivered by these projects, according to Gartner research.


Defining what benefits are expected to be realized as well as a method for measuring the benefits actually delivered (both quantitative and qualitative) provides a feedback loop and critical insight into the degree to which a goal is being achieved.

There is a tremendous opportunity for organizations to improve project success by intentionally documenting the expected benefits of the project and why those benefits advance the goals and objectives of the organization.



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Reason #2 – Struggle with the “How” (Execution)

Many organizations have leveraged the concept of Program/Portfolio Management (PPM) to group projects that share interdependencies and/or common goals into a single management structure.

Traditionally this structure has been little more than oversight and coordination, ensuring that projects are progressing as expected and helping resolve issues and eliminate roadblocks as they arise. This “reactionary” perspective, while important, overlooks the significant benefits that can be realized by proactively identifying potential synergies between projects and reprioritizing work accordingly.

For example, let’s assume that we have a portfolio of projects with a shared goal of improving the customer experience to reduce customer churn, increase average order size, and reduce customer acquisition costs. The portfolio is comprised of projects focused on redesigning the website, developing new mobile applications, deploying new customer service technology, and an automated marketing engine that generates one-time offers.

The original PPM structure has the mobile application development and website

redesign projects being prioritized first, with the customer service technology and automated marketing engine following after.

During a mobile application project status meeting, the project team shares an idea of a one-time offer for new customers that download and make an order using the app with the Portfolio Manager. The Portfolio Manager meets with the marketing team to share the idea and discuss the opportunity to reconfigure the project to quickly develop the necessary technology to take advantage of the upcoming release of the new mobile application.

The Portfolio Manager facilitates a number of meetings between the two teams to quickly define critical deliverables, timelines, dependencies, and measurement criteria to determine if the one-time offer has a material impact on application downloads and usage. This iterative approach to PPM allows organizations to pursue the most significant benefits as early as possible, enhancing an organization’s return on investment while providing new insights into the cost and benefit equation for continuing to make investments.

Reason #3 – Lack of Scalable, Effective Governance (Leadership & Accountability)

The rate of change is increasing and will continue to do so. Organizations that rely on a centralized body of executive management to have oversight and decision-making authority over any changes to budget, schedule and scope typically struggle to manage the overwhelming number of changes and the limited time available to respond.

By leveraging the PPM concept, organizations can empower program/portfolio managers to respond to the majority of changes that arise while informing executive management of the change by establishing mutually agreed upon thresholds for the magnitude of the impact (e.g., PPM's are empowered to make changes that result in less than a 7% cumulative negative impact on cost).

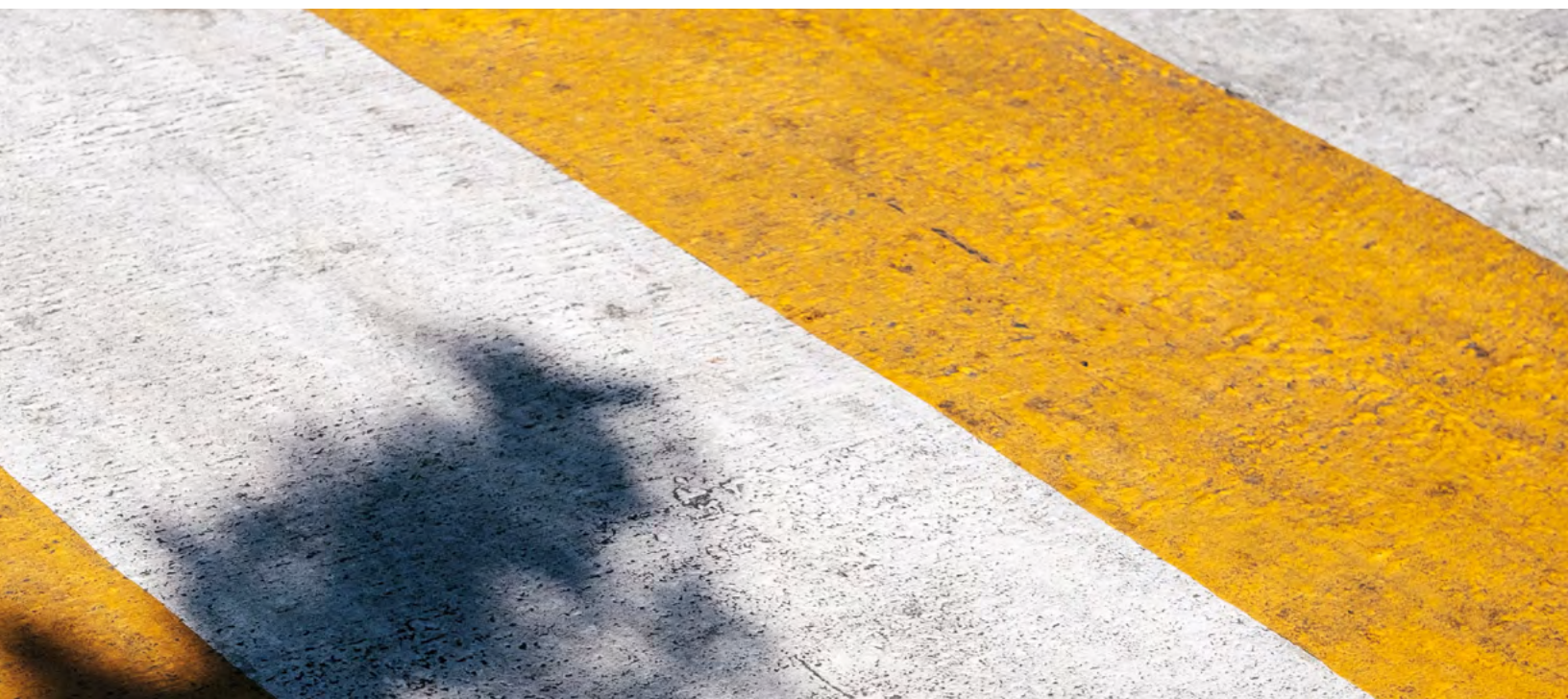
Periodic meetings between PPMs and executive management allow for the group to collectively meet to discuss the potential risks and impacts of changes and for re-alignment or

course corrections to be made as a group, as applicable.

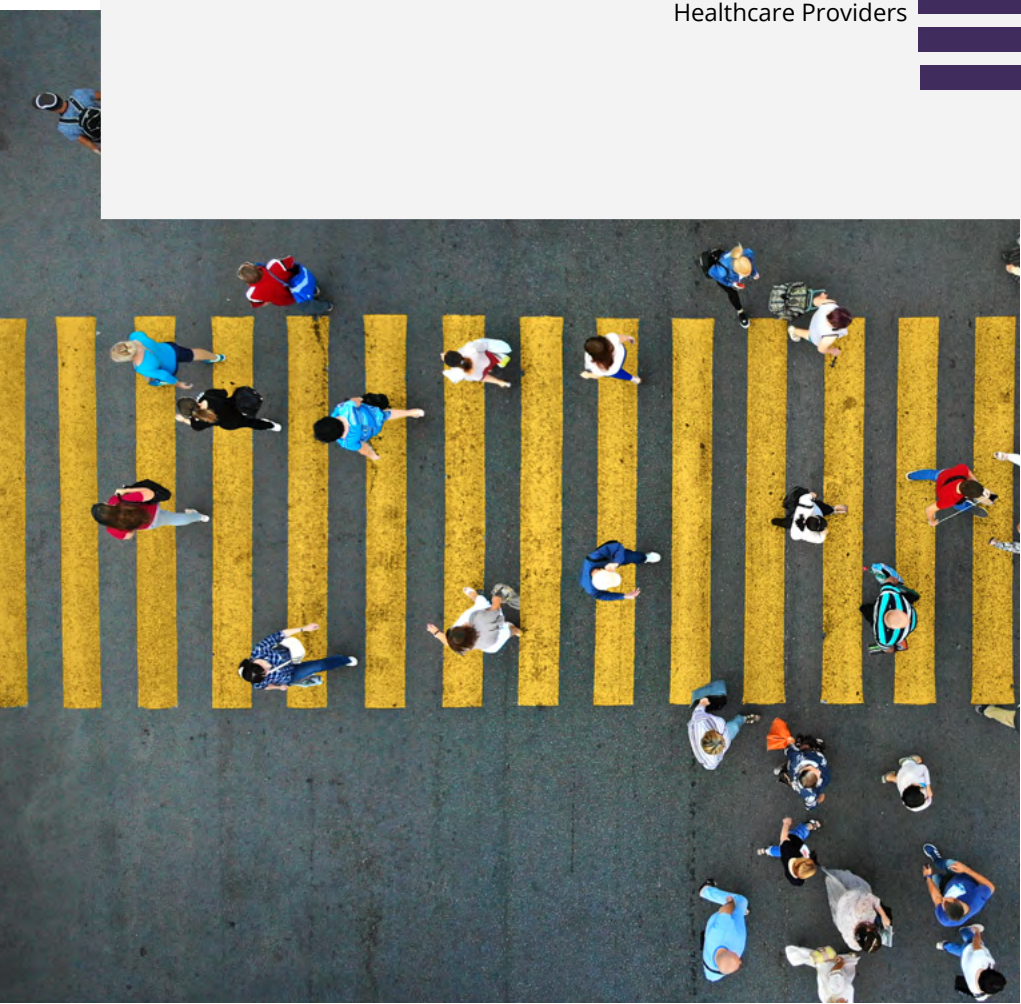
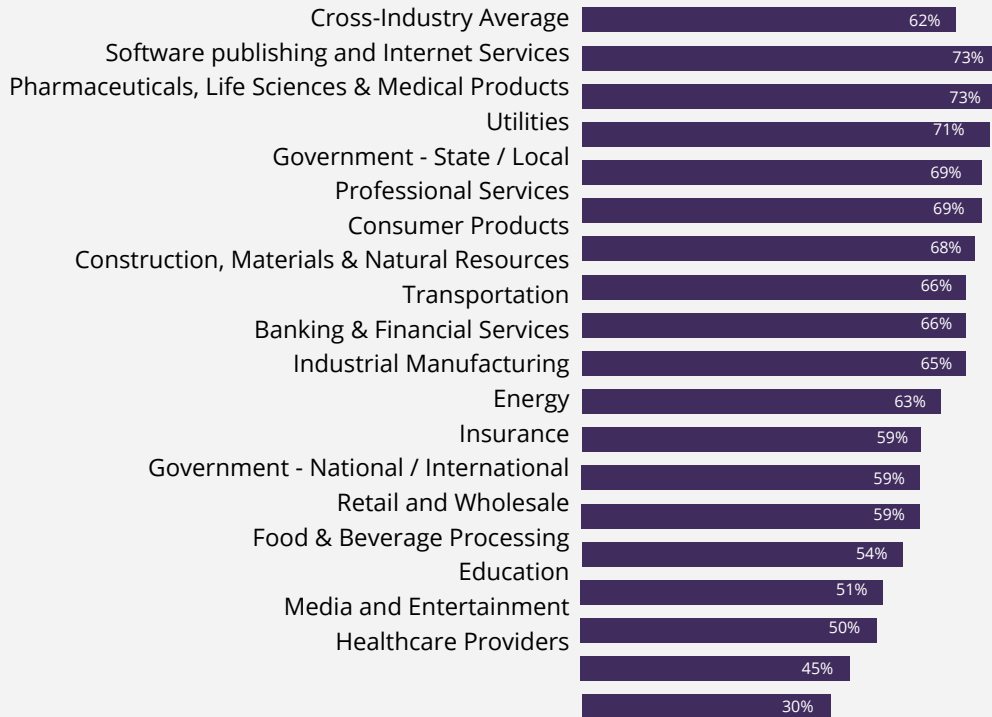
Empowering PPMs to provide timely execution leadership and guidance in a way that aligns with the organization's risk tolerance will accelerate the speed with which projects are executed.

Based on Gartner research, in 2018, 38% of projects were delivered late, and on average, these projects were late by approximately 20%.

Organizations can accelerate the speed with which projects are executed by empowering PPMs to make decisions in a way that minimizes risk and emphasizes velocity, mimicking the speed of delivery typically enjoyed by smaller, more nimble competitors.



Percentage of Projects Completed On-time By Industry



38%

of projects were delivered late, and on average, **these projects were late by approximately 20%.**

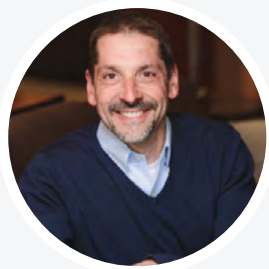
So how can organizations consistently execute successful projects? While improvements in any of the areas mentioned above may yield some incremental benefits, projects can only be executed successfully on a consistent basis by making systemic improvements in all of these areas.

Organizations that recognize the relationship and synergy between Strategy, Execution and Leadership and Accountability can establish specific processes tailored to their unique corporate culture that emphasize speed and crystalize the delivery of capabilities that align with the goals of the organization.



The Strategy component sets the foundation by focusing on doing the right things and providing a compelling story about why those things matter. The Execution component builds on the foundation by ensuring that the right things are being done the right way. The Leadership and Accountability component provides the speed, agility and scalability necessary to compete in today's rapidly changing world.

Contact us to learn more



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