



Pragmatic Solutions to Common Project Complaints and Challenges

Executive Summary

Today's organizations experience the lack of an orchestrated and focused effort around projects, whether instigated and managed by the business, IT, or a Project Management Office. The purpose of this white paper is to explore Pragmatic Solutions addressing perspectives of IT and the business clients vis-à-vis some of the challenges and attempted solutions in achieving project success.

Tension across Organization

The following are some concerns that reflect the business perceptions of Information Technology (IT):

1. The business is not pleased with IT's perceived ability to deliver projects with the expected benefits and have them be on time and within budget.
2. The business's perception is that IT is complex; and unwieldy ; various platforms (main frame legacy systems to cloud based) and applications need to share information but can't without a great deal of effort.
3. IT is slow to respond which may have something to do with complexity of the systems they built.
4. IT doesn't understand the business needs and focuses on the latest technology.

IT has its own challenges and concerns that mirror the business concerns:

1. There is a lot of "firefighting" by IT when changes are made to the complex systems.
2. Business clients keep changing their requirements and that makes it difficult for IT to provide rapid solutions
3. While the business can create spreadsheets and their own applications in the cloud quickly, IT seems slow to get things done.
4. The IT staff can be seen as "heatseekers" who are more interested in technology than solving the business problem.



Attempted Solutions

In an effort to resolve this tension and achieve business goals, executives often resort to these types of solutions:

Create Project Management Offices (PMOs). Having a PMO can be of great benefit to an organization, but often the PMO is formed without analyzing why a PMO is needed, how to measure the success of the PMO, and what problems and risks are associated with putting one in place. Then, since the PMO is usually housed in IT, the project sponsors, who are from the business, don't necessarily see the value of project management practices and see the PMO as unnecessary overhead, producing documentation that does not correlate to the actual product or service.

Another pitfall is a one size fits all approach for the implementation, where regardless of the project size or how critical the project is, the same process is followed. This reflects a cookie cutter approach to implementing a PMO that comes with training and templates.

When the management of projects takes more effort than the delivering the product or service, then the project managers start finding workarounds to try get their jobs done with the goal of satisfying their business customers. The PMO leadership's reaction to this is to typically start taking the role of the PMO "police" to maintain the project management practices. This often leads to eventual failure of the PMO, which is understandable, if the business customer does not see the value of the PMO and the project manager is trying to satisfy the business customer.

The biggest PMO pitfall is that many times one of the main problems with projects is in the area of collecting requirements. Requirements gathering is not part of the training for project managers so the PMO approach will not address one of the main concerns about projects that could make a difference in customer satisfaction.

To recap, the PMO practices did not solve the project success problems and may often add to project complexity, increase business customer dissatisfaction, and alienate project managers.

Create Centres of Excellence for continuous improvement initiatives. Starting continuous improvement teams or Lean Six Sigma teams to improve performance is business-led approach for resolving project problems. This approach also may involve training and a startup time of six months or more as the methods are learned or the consultants are hired. But there are some pitfalls to this single thread approach as well. The pitfalls are in the area of sustainability and it is not uncommon to see

these initiatives cancelled just as the employees are earning their black belts.

The downfall is to focus how to use the tools in the methods and not how projects strategically align to the goals of the organization, the value in terms executives can appreciate, nor the culture of the organization. Toyota started the Toyota Production System, what we call Lean, when the company had to optimize all of its resources. The culture developed as the tools developed but this aspect is often overlooked when businesses try to implement continuous improvement initiatives today.

The lack of alignment to strategy, not presenting value that appeals to executives, and not considering the cultural aspects (change management) of continuous improvement are the Achilles heel of these programs. Therefore, there are often one-off successful projects that are not strategically aligned so that after a year or so, the executives fail to see the value of the projects and cancel the initiative. Also, Chief Information Officers (CIO) often start these initiatives to address the concerns of the business and do not anticipate how important it is to get buy in from their business customers because of the need for executive sponsorship. In addition, traditional Lean Six Sigma practices often do not include IT as a key stakeholder and contributor despite the fact that automation is a part of almost every process in an organization.

Buy an existing software solution. The business may buy an off-the-shelf (on premise or cloud-based) solution when they don't trust their own IT department to handle software development with the idea of reducing the total cost of ownership. However, "vanilla" off-the-shelf software typically does not meet all the business needs and requirements and that results the need for software customization. Ironically, the organization's IT department will often do the customization and that adds a layer of complexity that results in difficulties with upgrades that need to accommodate the customization. The alternative is to hire the company that owns the software to customize, which is also costly.

There have also been examples of the software being customized when the functionality already existed because both the business customer and the in-house IT department lacks knowledge about the software capabilities. Therefore, the benefits of off-the-shelf software are often lost in the total cost of ownership and may end up being frustrating for the users of the application.

Even being aware of these potential pitfalls when it comes to these solutions is not enough to ensure project success because no one approach meets all the needs. More integrated solutions are more successful because they address the business and IT concerns and challenges.

Towards a Better Solution: Pragmatic Enterprise Performance Management (EPM)

Commonly, Enterprise Performance Management (EPM) is used to discuss methods to reach performance goals, enhance efficiency and optimize business processes.

Pragmatic EPM has the same goals but proposes that in order to reach performance goals the projects must first be strategically aligned with a focus on a particular product or service. Pragmatic EPM is the umbrella for the blended methods to improve project success and customer satisfaction.

Pragmatic EPM is a practical approach to identifying the desired outcomes and the the root cause of problems in order to focus on the design and efficient delivery of the right solutions *accelerating agility, efficiency and value.*

Pragmatic EPM takes a holistic view so that the project has the right focus by:

- Including strategic alignment so that everyone is working toward the same outcomes .
- Employing process-centric methods that focus on the product or service.
- Comprising teams made up of process users (the SMEs) and IT.
- Leveraging facilitators that work with the teams and know the questions to ask based on Lean Six Sigma and Business Process Management methodologies.
- Transferring the knowledge to sustain the practices within the company.
- Including the IT perspective perspective and innovation potential.

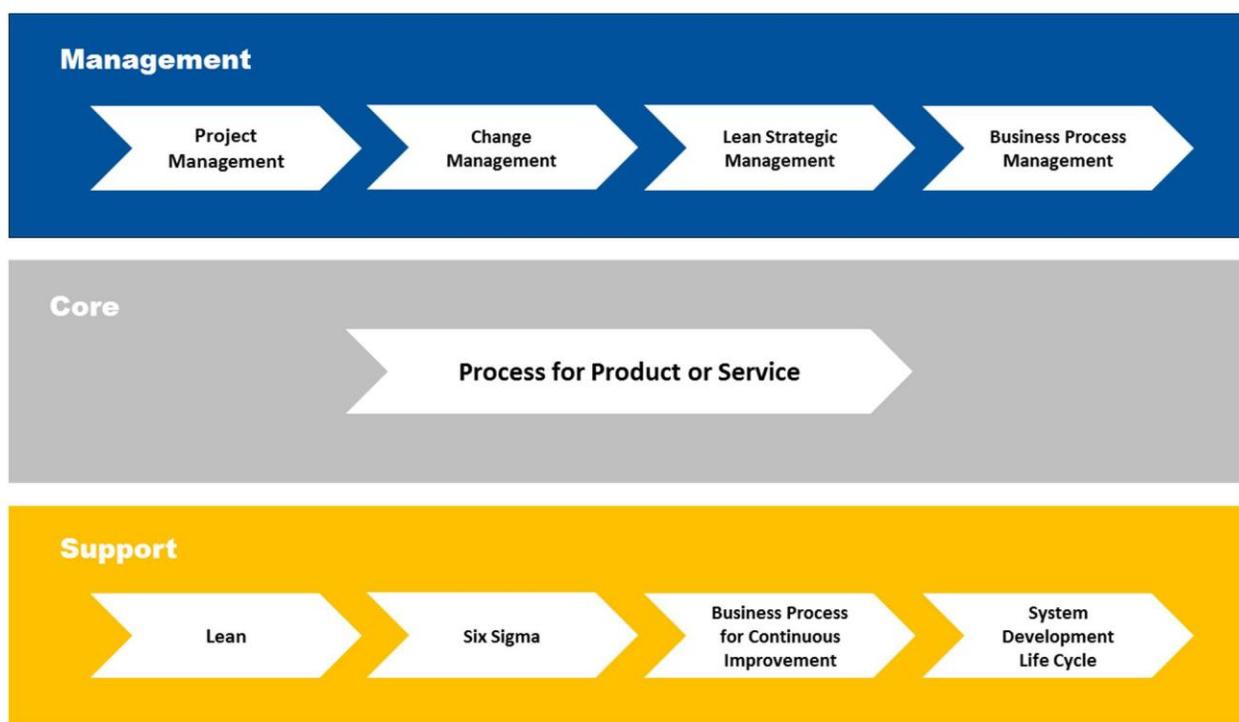


Figure1: Pragmatic EPM Methods

In Pragmatic EPM , performance is measured based on how well the company produces the product or service and how quickly value for the project aligns with the strategic goals. These are the methods and how they are used:

- **Lean** – used to stay focused on the **strategic intent** and quickly identify **the solution** that addresses the business need while improving both manual and automated processes.

- **Project Management** – used to manage the producing of a **unique product, service or result** with a defined beginning and end in time, a defined scope and resource identification and by ensuring that project management supports the project without overburdening the project.
- **Change Management** – used to create the team and consider the **people aspect of change** (the end users of the process) and by using the momentum of project successes that succeed because the process users are enrolled through Lean’s principle of “respect for people”.
- **Six Sigma** – used to analyze and address the variability of the **correct solution**
- **Business Process Management** for:

Standard practices around the process-centric projects and governance

A process-centric approach to documentation (current state, future state and ideal) that provides Systems Development Life Cycle (SDLC) information around business requirements, business rules, security needs, and measurements and metrics used throughout the entire SDLC.

Pragmatic EPM Service Offering

Pragmatic EPM services range from the strategic to tactical implementation and monitoring by:

- Assessing the company’s maturity in one week to provide a gap analysis and action plans.
- Using strategic goals to select a project.
- Providing a comprehensive iterative solution delivery approach with time-boxed delivery phases to prove the value in 4 to 12 weeks.
- Coaching and mentoring existing staff with compatible skillsets (e.g., business analysts coached in Business Process Management).
- Creating measures and metrics that are in alignment with the strategy.
- Providing the standards and governance criteria that can be customized to the organization’s needs.
- Using a phased continuous improvement approach for on-going value to create momentum.

Building a project portfolio to be evaluated against strategic goals,

Pragmatic EPM practitioners are facilitators that know the questions to ask to assess and understand the business needs, have vast and successful experience with the tools and methods, how they need to align, and when to use them. All levels of stakeholders learn by doing real projects that are used to coach and mentor and by proving value, create momentum. That project experience transfers the appropriate knowledge according to the stakeholder position.

An Example of Project Success with Pragmatic EPM

In the retail financial services industry, quality of service is paramount as clients expect flawless execution in every interaction or transaction. Among other things, they demand accuracy, speed and ease of doing business. This level of service has to be provided at an affordable cost, which precludes constantly adding new staff to cope with growing business volumes.

This business challenge was a perfect fit for a BPM-based approach and this North-American financial advisor and investment dealer selected Logimethods, and its Pragmatic EPM methodology, to help them define and conduct a strategic operational improvement initiative, that would position the company favorably in the coming years.

The initial program includes five key customer-facing processes, such as Client Onboarding, Account Transfer and Account Update. The solution brings together industry best practices, streamlined processes, advanced cloud-based BPMS automation and outcome management. The program also includes BPM training for a newly created client Process Team whose mission is to promote and lead process improvement initiatives in the future, thereby reducing the client's reliance on external resources.

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