The Realization of Project Benefits
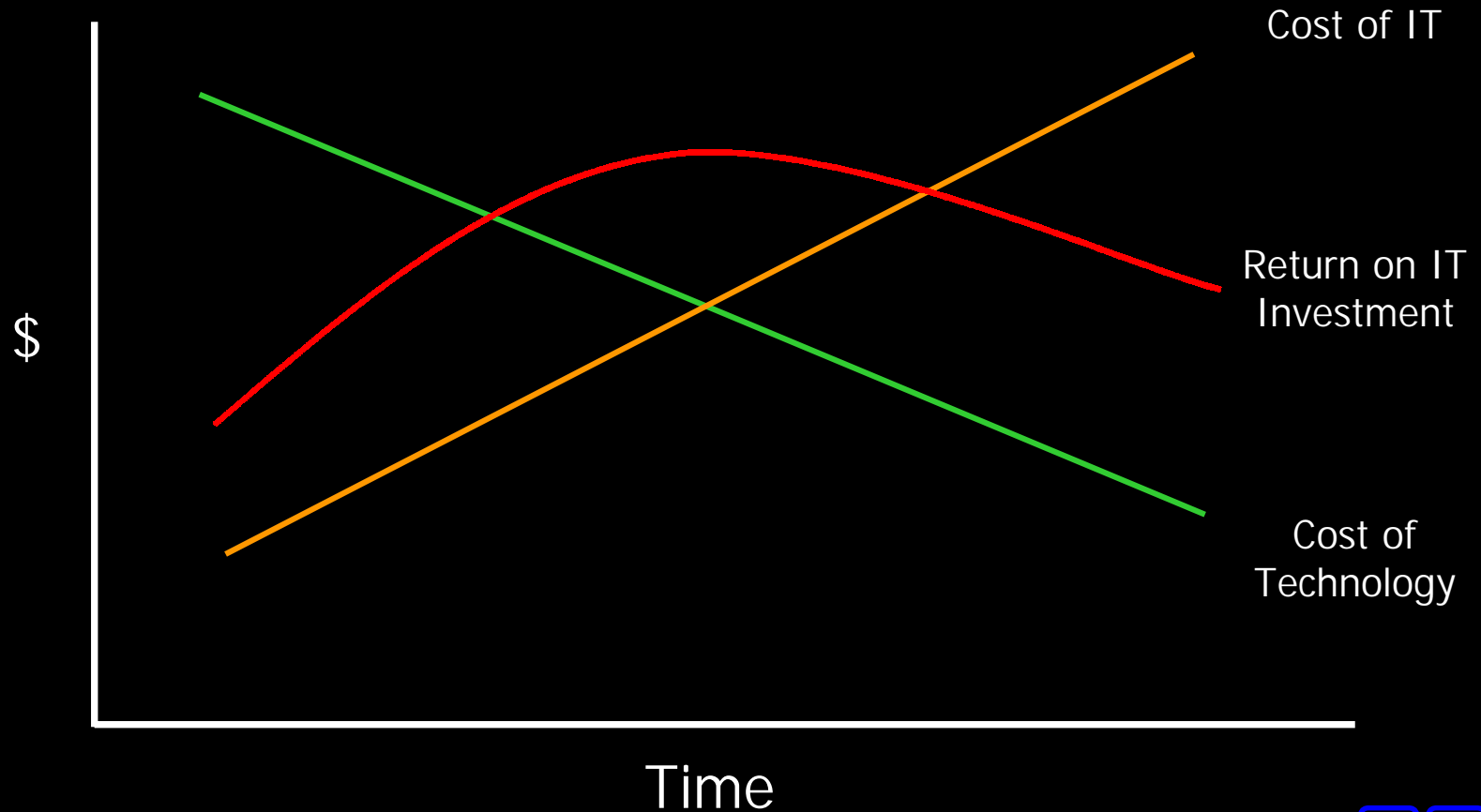
RL Information Consulting LLC
June 26, 2002

Presented By: Rick Leopoldi

Problem Definition

Cost of IT

Return on IT Investment

Cost of Technology

$

Time

People • Process • Technology
Organization • Integration

Problem Scope

- Increasing $ Spent on IT
  - Expertise, Processes, Technology, Integration
- Results Do Not Meet Expectations
  - Measurable Metrics Undefined
  - User Needs Oftentimes Not Met
  - Project Scope Changeable
  - Loose Alignment to Business Requirement
- Project Commitment, Responsibility, and Accountability Unclear

People • Process • Technology
Organization • Integration

Problem Impact

- What is the Impact to the Business?

- What is the Cost to the Business?

- What is the Value to the Business?

Fundamentally
A Business Problem

People • Process • Technology
Organization • Integration

Problem Challenges

- Project Priorities

- Measure/Manage Projects

- Ensure Value to Business

- Align Project Scope/Deliverables To Meet Business and User Expectations

- Maximize Successes and Minimize Failures

- Lower Cost and Increase Effectiveness

<u>For IT and Business</u>

People • Process • Technology
Organization • Integration

What Could Be Done?

- More Effective Alignment of Business to IT
- Employ Project Management Best Practices
- Increased ROI Efforts
- Better Hardware/Software Technologies
- Better IT Service Management

All Good But,

Not Sufficient

People • Process • Technology
Organization • Integration

A New Approach

New Managed Business Process is Needed

- Focus on Direct/Indirect Costs and Benefits
  - Priorities
  - Deliverables
  - Objectives and Scope
  - Manage to Business Benefits
- Value to the Business is Critical
- Business Model Must be Continuous

People • Process • Technology
Organization • Integration
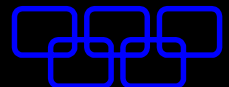
Focus on Business Value

- Total Costs and Benefits Analysis
- Assessment of Risk
- Scope/Deliverables Managed
- Identify Business Value-Add
- Identify All Tasks
- Clear Responsibility and Accountability
- Aligned to Business/User Requirements

People • Process • Technology
Organization • Integration

Approach Fundamentals

- People, Process, Technology, Organization, and Integration Perspectives

- Projects Managed by Deliverables

- Projects Managed to Business Metrics

- Continuous Business/User Reviews to Ensure Alignment

Projects Integrated into Business Programs, Organizational Initiatives

Approach Scope

- Resource and Expertise Availability
- Best Practice Processes for Project and IT Service Management
- Appropriate Quantity and Level of Technology
- Organization Focus (Beyond Project)
- Integration Alignment of IT Within Business/Organization

People • Process • Technology
Organization • Integration

Manage by Deliverables

- Focus On Outcomes
- Continuous Cognitive Process: What Must Be Done to Achieve This Result?
- Value Provided by Deliverables to the Business
- Measured by Business Metrics
- Managed by Best Practices
- Integrated into Business Programs then Organization Initiatives

People • Process • Technology
Organization • Integration

Manage to Metrics

- Are Projects Aligned to Business Programs and Organization Initiatives?

- Are Projects Integrated into the Business and Organization to Ensure Benefit?

- Are Projects Being Done Effectively and Efficiently?

- Are Real Benefits Resulting from Projects?

Continuous Assessment Cycle Metrics

People • Process • Technology
Organization • Integration
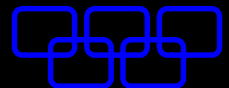
Manage for Benefits

- Management of Change to Realize Benefits

- Value, Benefits, and Alignment for Business and Organization

- Accountability/Measurement

- Business/Organization Metrics Assessment Cycle

- Risk Assessment to Ensure Benefits

People • Process • Technology
Organization • Integration

Critical Focus Areas

- Cooperation: Alignment

- Commitment: Benefits Focus

- Communication: Accountability

- Coordination: Managing Changes

- Projects Within Business Programs Within Organization Initiatives

Throughout Organization, Business, IT

People • Process • Technology
Organization • Integration