7 Keys to Success

Nitish Dutta-Gupta
Senior Programme Director (CSC UK)
Mobile: +44 7717 22 11 10
Presentation Location: Vilnius, Lithuania
Date Thursday 3rd June 2010
Agenda & Time Lines

- Introduction of Speaker 05 mins
- Introduction of audience 10 mins
- Goal of the Presentation 05 mins
- Actual Presentation (Interactive) 30 mins
- Interactive Q & A Session 10 mins
- Lessons Learned (Closing remarks) 05 mins
Introduction Audience & Speaker

- Your Name
- What you wish to learn from this presentation or Discuss
- What are your interests outside study or work
- Tell us something about yourself that may surprise others in the room
- What makes you angry & happy in life
- What is your greatest achievements so far
- What are your goals for the future
- How do you plan to achieve your future goals
- Where would you rather be now than here
- Why do you think I am building the above profile
And you think our projects are risky!!

Photo ‘apparently’ taken during a military exercise by the British Navy near the coast of South Africa
Reasons why projects fail

- Most management attention is focused on ‘time scales’ and ‘finances’
- Reviews of troubled projects show more reasons why they failed
- Time scale and finances are important, not the main reasons for failure
- For example, here are some ‘early warning indicators’
  - Limited/no full time project partner support
  - Statement of Work not clearly defined or agreed
  - Solution is a ‘First in Country’ or ‘First for Vendor’
  - Project is highly dependent on 3rd party resources
  - Lack of skill sets capable of managing 3rd party software vendors
  - Strategic ‘must win’ opportunities
  - Limited resources or skill sets within Vendor
  - Incomplete technical solution/architecture
  - Client expectations not managed or communicated
  - Tools/methods are not suited to proposed solution
- And I am sure you can identify others
7 Keys to Success

- We need a formal framework for evaluating and reporting on projects across the engagement life cycle
- Benefits:
  - A common means of communication, including at senior management levels
  - A broader view of the issues and risks affecting projects
  - An early warning mechanism for projects going off course (management dashboard)
  - Allows comparisons across a portfolio of projects (for trend analysis)
  - Applicable internally and with clients
The ‘7 keys’ are:

- **Stakeholders** are committed
- **Business Benefits** are realised
- **Work and Schedule** are predicted
- **Team** is high performing
- **Scope** is realistic and managed
- **Risks** are mitigated
- **Delivery Organisation Benefits** are realised

**Rating the Keys:**

- **Green:** stay the course – no corrective action required
- **Yellow:** warning – corrective action required in the near term
- **Red:** urgent – corrective action required immediately
7 Key Components

Components that go to make up the 7 keys

- Stakeholders are committed
  - Client
  - IBM
  - 3rd Parties
    - Client Sponsor
    - Primary Contact
    - Key Users
    - Affected Parties
    - Worker Reps.
    - Steering Committee
  - BCS Project Partner
  - Industry Leader
  - Sector Leader
  - Other LoBs
- Business Benefits are realised
  - Value Proposition
  - Prime contractor
  - Subcontractors
  - Contractors
  - Joint Ventures Partners
- Work & Schedule are predicted
  - Business Case
  - Integrated Work Plan
    - Milestones
    - availability
    - Metrics
    - Deadlines
    - Estimates
    - Knowledge Transfer
    - Costing
    - Pricing
    - Reporting
    - Tools
    - Methods
    - Procedures
- Team is high performing
  - Required Skill Set
  - Team
- Scope is realistic and managed
  - Contracts
  - Risk Mgt. Plan
    - Financial Reward
    - Reputation
    - Competitive Advantage
    - Staff Development
    - Limits of Liability
    - Knowledge Capture
- Risks are mitigated
  - Risk Identification
  - Risk Mitigation
  - Risk Reviews
  - Risk Control
  - Changes
  - Roles & Resp.
- Delivery Org. Benefits are realised
  - Financial Reward
  - Reputation
  - Competitive Advantage
  - Staff Development
  - Limits of Liability
  - Knowledge Capture
So what are the obstacles to acceptance?

- Learning to think in ‘7 Keys’ (i.e. changing old habits isn’t comfortable)

- Knowing what goes into each key (e.g. some things will appear to fit in more than one key – choose the most appropriate)

- Understanding the purpose of the Risk key (it’s about the process)

- Being tempted to disguise the ‘Red’ keys (hiding it doesn’t make it go away, action does)

- Realising that a change in one key can impact other keys (e.g. a change in scope can impact benefits, work and schedule, team and delivery organisation benefits)
7 Keys - Indicators of Unhealthy Status - Stakeholders

This list is not exhaustive, but should be a consideration during every review

- Stakeholder doesn’t attend Steering Committee meetings
- Stakeholder doesn’t respond to e-mails or telephone calls
- Stakeholder delays decisions
- Ultimate client sponsor is not known or available
- Client has not been made aware of need for rigorous change control on Fixed Price deals
- All communication has to be made through primary contact
- Steering Committee meetings are regularly cancelled
- Meetings are not minuted
- Actions are not recorded
- Actions are recorded but not resolved in a timely manner
- Stakeholder doesn’t commit enough time to the project
- Supportive stakeholders are replaced
7 Keys - Indicators of Unhealthy Status – Business Benefits

This list is not exhaustive, but should be a consideration during every review

- Client business case is not known or is not understood
- Client business case is weak
- The project does not support the client’s strategy
- Client has not developed its own “value proposition”
- There are no defined metrics for measuring the benefits
- Metrics exist but are not being measured
- Metrics are being measured but are not being acted upon
7 Keys - Indicators of Unhealthy Status – Work & Schedule

This list is not exhaustive, but should be a consideration during every review

Stakeholders

- There is no evidence of the use of a Project Management method or Methods and tools are not appropriate for the project
- Procedures are not consistently followed or not documented
- There is no integrated work plan consolidating all work streams or Work stream plans exist but are of variable standards
- Milestones are not defined or agreed
- Predicted milestone dates are outside original target dates
- There is no clear basis for the task estimates
- Estimates do not include sufficient ‘management’ time
- Original estimates have not been compared against a second set of estimates, or against similar projects
- Contingency has not been included in the original plans
- Progress reporting is not sufficiently frequent or rigorous
- Time to complete is not being reported for unfinished tasks
- The client is insisting on unrealistic deadlines
- Work done by previous suppliers has not been fully assessed

Business Benefits

Work and Schedule

Team

Scope

Risks

Delivery Benefits
7 Keys - Indicators of Unhealthy Status - Team

- The project is under resourced
  - Project leadership roles have not been filled before start-up
  - Resources do not have the required skills or experience
  - There is an imbalance of Partner to client staff or subcontractors
  - There is an imbalance of management to staff resources
  - The client is requesting changes of key Partner staff
  - Partner is requesting changes of client staff or subcontract staff
  - Partner staff are unwilling to join the project, or are asking to leave the project or the company
  - There is friction between Partner and client staff or subcontract staff
  - There is a high level of disaffection amongst Partner staff (e.g. unclear objectives, unrealistic deadlines, lack of support)
  - Work permits and visas are not available when required
  - There are complaints about the working environment and/or infrastructure facilities from Partner staff
  - There are no succession plans for replacing staff

This list is not exhaustive, but should be a consideration during every review
7 Keys - Indicators of Unhealthy Status - Scope

This list is not exhaustive, but should be a consideration during every review

- There is no signed written agreement (interim or final contract)
- There is no definition of what is in-scope or out-of-scope
- There is no agreed list of deliverables
- The mechanism for acceptance of deliverables is not defined
- Assumptions used for planning are not agreed or recorded
- Changes to requirements are not subject to change control
- The client is not being held to account for failing to meet contractual commitments
- Roles and responsibilities of all parties are not defined
- There are no contracts with 3rd parties working for Partner
- Contracts with 3rd parties working for partner do not reflect restrictions imposed on Partner by client (e.g. fixed price)
7 Keys - Indicators of Unhealthy Status - Risks

- There is no risk management plan
- Risks have been identified but mitigating actions are not defined
- The risk management plan is not being used to control risks
- The risk management plan does not include all known risks
- Risks are not reviewed at regular, or appropriate intervals
- There is insufficient management attention to High risk (level 9) projects - e.g. there is no Risk Management partner assigned
- Work products or deliverables are failing quality control
- Issues are not being recorded or resolved in a timely manner

This list is not exhaustive, but should be a consideration during every review.
7 Keys - Indicators of Unhealthy Status – Delivery Org.

- The fee basis is not consistent with the associated risks
- Profitability is affected by original fees set to meet signing targets
- Realisation rates are not measured or as predicted
- Bills are not being submitted on time
- The client is not paying bills within the prescribed time scale
- The client is not willing to act as a reference site
- Client satisfaction surveys show a high level of dissatisfaction
- There is evidence of client complaints
- Partner is not charging for additional work
- Fees do not include an allowance for annual salary reviews or promotions
- Fees do not include allowances for additional costs associated with cross border projects
- The work will not help staff to progress on the PDF
- There is conflict between different countries, services or Lines of Business involved in the project

This list is not exhaustive, but should be a consideration during every review.
Our 7 keys approach to RTP & Darwin programme and project management success provides a framework to manage all aspects of a programme of this nature.

1. Stakeholders are committed
   - Stakeholders are known
   - Their interests and influence are identified
   - Stakeholders are pleased with the work
   - Their change over time is monitored
   - Stakeholders are available

2. Business benefits are realised
   - Value proposition is on target
   - Optimal solutions can be found
   - Project sponsor has confidence in delivery organisation
   - Project sponsor gains ownership
   - Delivery organisation can measure and highlight specific results

3. Work and schedule are predictable
   - Project plan is up to standard
   - Deadlines are met
   - Work proceeds in line with plan
   - Project sponsor is updated on status of work
   - Actuals vs. budget are tracked

4. Team is high performing
   - Team has required competency and capacity
   - There is a constant dialogue between PM and team
   - Adequate project facilities are in place
   - Team has normal working hours
   - Team works efficiently
   - Personal development is ensured
   - Key people stay with project

5. Scope is realistic and managed
   - Scope is clear and mutually understood
   - Contract and/or scope statement is agreed upon
   - Deliveries are within scope: no more, no less

6. Risks are mitigated
   - Team is aware of potential risks
   - Team notified PM when work progress is threatened
   - Actions taken to reduce risk are closely monitored
   - Risk and issue management process are established and followed

7. Delivery organisation benefits are realised
   - Delivery organisation stakeholders are known
   - Knowledge is harvested and leveraged
   - Actuals are in line with budget
   - Favourable project citations are established

PLEASE NOTE THAT IBM recently completed its acquisition of PricewaterhouseCoopers’ global management consulting and information technology services business, PwC Consulting. As a result, PwC Consulting is no longer a part of the PricewaterhouseCoopers network of firms, and is now a part of the IBM Global Services business unit. IBM (including IBM Global Services) and PricewaterhouseCoopers are not the same organization, and neither governs or is affiliated with the other, or any affiliate, subsidiary or division of the other.
# 7 Keys - Conditions for Healthy Status

| Stakeholders | • The right sponsor is appropriately engaged  
|              | • Regular Steering Committee meetings held and documented  
|              | • All appropriate stakeholder groups represented and effectively involved  
|              | • Actions/decisions taken in a timely fashion  
|              | • All stakeholders are satisfied  |

| Business Benefits | • Business case is clearly and convincingly articulated  
|                  | • Benefits are measurable and achievable  
|                  | • Solution will appropriately support the desired outcomes  |

| Work and Schedule | • Interim and final milestones are clearly defined and agreed  
|                  | • Project is using an appropriate and realistic approach  
|                  | • Work-stream plans are properly integrated and used to manage delivery  
|                  | • There is an appropriate basis for confidence in the accuracy of progress reports and estimates to completion  |

| Team | • Project is fully staffed with appropriately skilled resources  
|      | • Morale is healthy  
|      | • Working environment supports productive and effective teamwork  |

| Scope | • Delivery commitments are feasible, compared to other similar projects  
|       | • Project boundaries are appropriately defined in a signed, written agreement  
|       | • Roles and responsibilities are clearly agreed  
|       | • Proposed/agreed changes are appropriately reflected in costs, schedules and responsibilities  |

| Risks | • Risks have been appropriately identified, with mitigating actions  
|       | • Risk management plan is being used to appropriately control risks  
|       | • Quality of work products is appropriate  |

| Delivery Organisation Benefits | • Risk/reward ratio is appropriate  
|                                | • Project will enhance reputation  
|                                | • Project will enhance teams professional development  
|                                | • Project will add to the IBM store of knowledge and lessons learned  |
# Heads-up-Display (Management Dashboard)

<table>
<thead>
<tr>
<th>The 7 Keys</th>
<th>Issues</th>
<th>HuD</th>
<th>Corrective Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholders are committed</td>
<td></td>
<td>🟢</td>
<td></td>
</tr>
<tr>
<td>Business Benefits are realised</td>
<td></td>
<td>🟡</td>
<td></td>
</tr>
<tr>
<td>Work and Schedule are predicted</td>
<td></td>
<td>🟢</td>
<td></td>
</tr>
<tr>
<td>Team is high performing</td>
<td></td>
<td>🟡</td>
<td></td>
</tr>
<tr>
<td>Scope is realistic and managed</td>
<td></td>
<td>🟢</td>
<td></td>
</tr>
<tr>
<td>Risks are being mitigated</td>
<td></td>
<td>🟡</td>
<td></td>
</tr>
<tr>
<td>Delivery organisation benefits are realised</td>
<td></td>
<td>🟢</td>
<td></td>
</tr>
</tbody>
</table>