



CASE STUDY: Alignment of Initiatives and the Project Portfolio

Background

Company is a large high tech telecommunications corporation with a diverse product offering that is sold world-wide utilizing a variety of distribution channels. Organization is charged with managing the systems used to track service and maintenance contracts for the company's customer base. Given the diverse nature of the products and means of distribution, a wide variety of projects are being tackled, some more closely aligned with company goals than others.

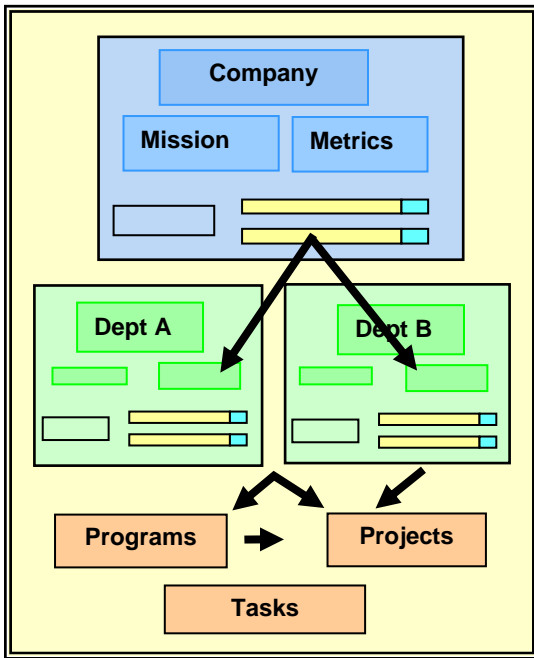
Objective

Y-Change was invited to assist in the development and deployment of a methodology that would aid the organization in establishing priorities and tracking progress of its portfolio of projects. Each functional manager would thus be able to show how their programs and projects tied to organization's initiatives as well as monitor progress of each project team. The senior manager would be able to view all activities as they related to his initiatives, thus evaluating if the proper amount of emphasis was being placed on the key strategies of the company.

Findings

One of the issues that have faced the company is a "silo mentality." Each organizational element identifies the things it deems are important to work on, regardless of how these activities may fit into the bigger picture. While this may seem illogical, this practice is borne out of the fact that the company's operations are highly cross-functional and that there are many demands placed on each organization; more so than can actually be accomplished. Out of necessity, organizational elements are forced to determine what makes sense to work on, but often these decisions are based upon which requestor carries more clout or makes the most noise.

The Initiative Cascade



Another inhibitor to successful prioritization and alignment is the way the company conducts operational reviews. These are conducted every fiscal quarter and usually involve many hours of data gathering and presentation preparation. Given the competitive nature of the company, each presenting group strives to put forth its most positive image, often glossing over important issues and previous unfulfilled commitments. Worse yet, little attention is paid to how these activities align with company or organizational goals, thus creating the impression that each program or project is of the highest priority.

Approach

The first step was to get each part of the organization (five in all) to identify the programs and projects that they were working on. To collect and organize the information, each group was asked to complete a departmental “plan” page (utilizing Y-Change’s Initiative Management software), listing their activities along with the responsible party, due date and current status.

To speed this process along, one group was slated to be the early adopter and was given Y-Change consulting support. In addition to listing their programs/projects, this group was asked to provide additional detail. This included specific deliverables, indicators of performance status, summary of project milestones, key accomplishments, and potential business issues.

Once the early adopter group had completed their work, the entire organization reviewed the work and minor modifications were made to the required data. At this point, the remainder of the groups completed their input.

The final step was for each group to link their programs/projects to the initiatives of the organization. Despite being a reasonably simple step to complete in the application, this proved to be very challenging. Each group discovered activities that they considered very important but which were poorly aligned with organizational initiatives. This then spurred a several discussions, after which the programs and projects of real importance were identified.

Aligned Initiatives and Projects

Initiatives/Projects	Status	Area
Reduce Costs	🟢	Consumer Products
Reduce cost per unit	🔴	Operations
Supplier/Material Savings	🟡	Pump Division
Rework Reduction	🟡	Vernon Plant
Justify Morento product lines	🟡	Finance
New Equipment Team	🔴	Manufacturing
Hybrid Optimizer equipment	🟢	Morento Supplier
Retail price advertising on slow moving items	🟡	Marketing
Waste reallocation	🟡	Finance
Supply on line training in CFD to staff	🟢	Manufacturing
Quick Changeover	🟢	Manufacturing
Final Pack Line Optimization	🟢	Morento Supplier
Stockroom Team	🟡	Manufacturing
Outsourcing Process Team	🟡	Manufacturing
New Equipment	🟡	Morento Supplier
Develop new cust service process	🟡	Marketing
Increase sales order accuracy	🟡	Manufacturing
Approved supplier listing	🟢	PL
Final Pack Line Optimization	🟢	Morento Supplier
Hybrid Optimizer equipment	🟢	Morento Supplier

Results & On-going Benefits

Although the organization had not identified this as an objective, one of the most important outcomes of this deployment was the identification and elimination of over 40% of the projects that were being undertaken. By so doing, greater attention could be paid to the remainder of the projects – thus aiding in the accomplishment of the organization’s overall goals and objectives.

Another key benefit of this work was to create objective and actionable data associated with each project. Project managers could no longer gloss over important details, and managers could no longer claim a lack of understanding on the issues their PM’s faced. In short, the project portfolio moved out of the shadows and into sharp focus.

Finally, the group’s approach to operational reviews was overhauled. Presentations are no longer given by functional element, but rather by key initiative. The fact that any one group may be involved in any specific initiative is now readily apparent, as is how each piece supports or detracts from the overall effort.

Initiative-Based Operations Reviews

Ops Report Linked Activity: Consumer Products Plan						
Initiatives & Activity	Status		Area	Owner	Metrics	Notes
	Q1	Q2				
Reduce Costs	🟢	🟢	Consumer Products	John Naughton	15 % more orders from existing customers	Currently at 2% with the 4 largest cost
Increase sales order accuracy	🟡	🟡	Manufacturing	Bob Smith		
Reduce cost per unit	🔴	🔴	Operations	Robert Gerst	Reduce cost of top 30 SKU by 10% each Qtr	21% reduced top 20 by 10%
New manufacturing RFP processes	🟡	🟡	Operations	Lisa Lee		
Reduce R&D time to market	🟢	🟢	Consumer Products	Walt Tan	Reduce new product introduction lifecycle 15%	Start on our 4 core products
Reduce cost per unit	🔴	🔴	Operations	Robert Gerst	Reduce cost of top 30 SKU by 10% each Qtr	21% reduced top 20 by 10%
85% customer on-time Delivery	🟡	🟡	Operations	Bruce Barker	Less than 10% of orders over 30 Days	12% of orders over 30 days
Approved supplier listing	🟡	🟡	Consumer Products	Walt Middleworth		
Develop Product Dev Lifecycle (PDP)	🟢	🟢	Operations	Janis Smith	Deploy new PDP process	Show To-Be process
Deploy CRM	🟡	🟡	Operations	Bruce Barker		
Employee leadership	🟡	🟡	Consumer Products	Keith Bulth	30% of job openings filled with internal candidates	140% currently at 30%
Create a collaborative environment and integrated processes enabling the development of external business leaders	🟢	🟢	Operations	Cary Russel	<ul style="list-style-type: none"> Team development and ownership of best process identified Team leadership training for all Phase one deployment teams 	<ul style="list-style-type: none"> Final processes are underway 1 of 20 teams completed training

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