

CIO Breakfast - Speed to Value



TEAMWORK • TRANSPARENCY • DELIVERY

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Who is Seven Consulting ?

We manage and successfully deliver large-scale, complex IT- enabled business transformation projects for Australia's top companies. We live by our core values of teamwork, transparency and delivery.



Seven Consulting – Our values



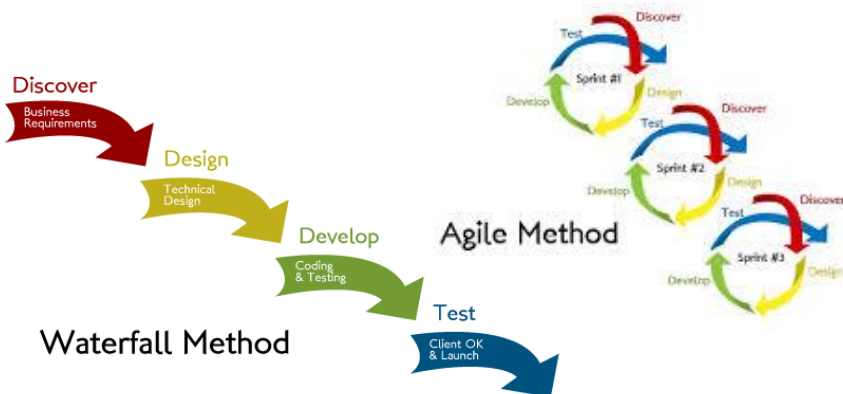
Teamwork

Great things in business are never done by one person. They are done by a team of people. Individual talents get magnified many times through the collective lens of an effective team.



Transparency

We believe transparency is a critical foundation to delivering a successful outcome for our clients. To achieve this our people will take accountability, act with integrity, honesty and ethics leading to increased credibility. They will also work to ensure that good governance is in place.



Delivery

Our clients expect and get delivery, be it Agile, Waterfall, or a combination of both for large complex programs, quality delivery is our calling card.

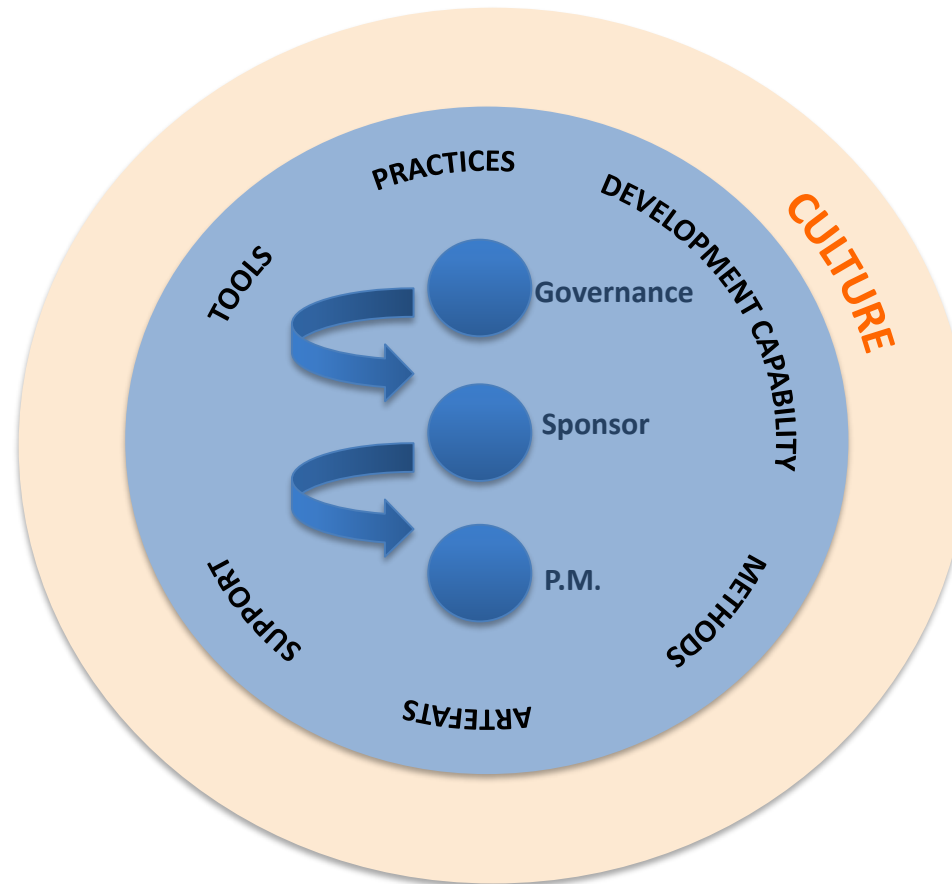
The Sponsor* Crisis

The majority of C-level executives in major organisations (NZ, Aus, UK) believe that

- Project management and development are too bureaucratic
- PM and development processes are not adjusted to uniqueness of project
- Projects take too long to deliver
- Project Business Cases are poorly-developed, maintained and managed
- The level of transparency around projects is inadequate
- They expect to be "ambushed" at some time in a project
- Most Steering Committees are a waste of time
- Most reports they receive are not accurate

*** Governance and PM**

The Speed to Value Universe

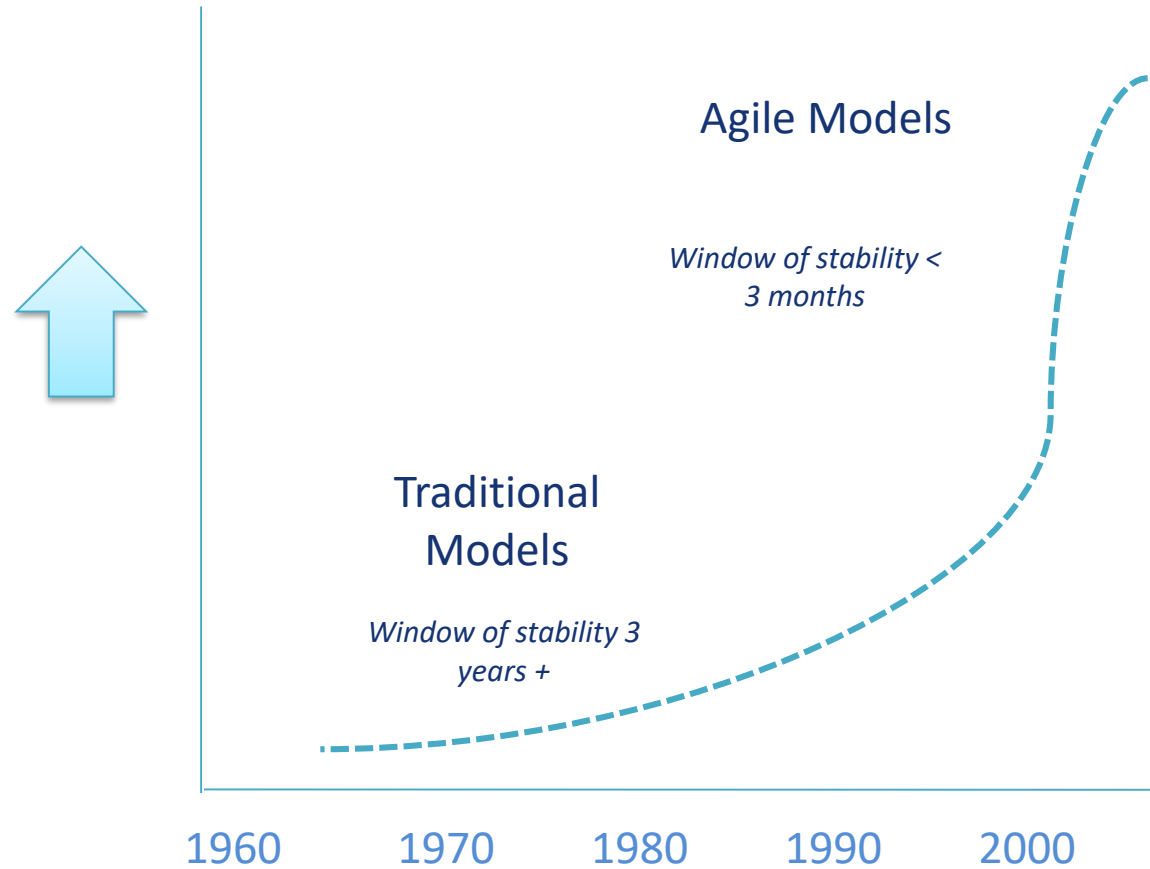


All elements must be integrated and aligned to the corporate culture

The Speed to Value Universe

Fundamental to the speed to value universe is moving from reactive to proactive governance.

Agility – a survival priority



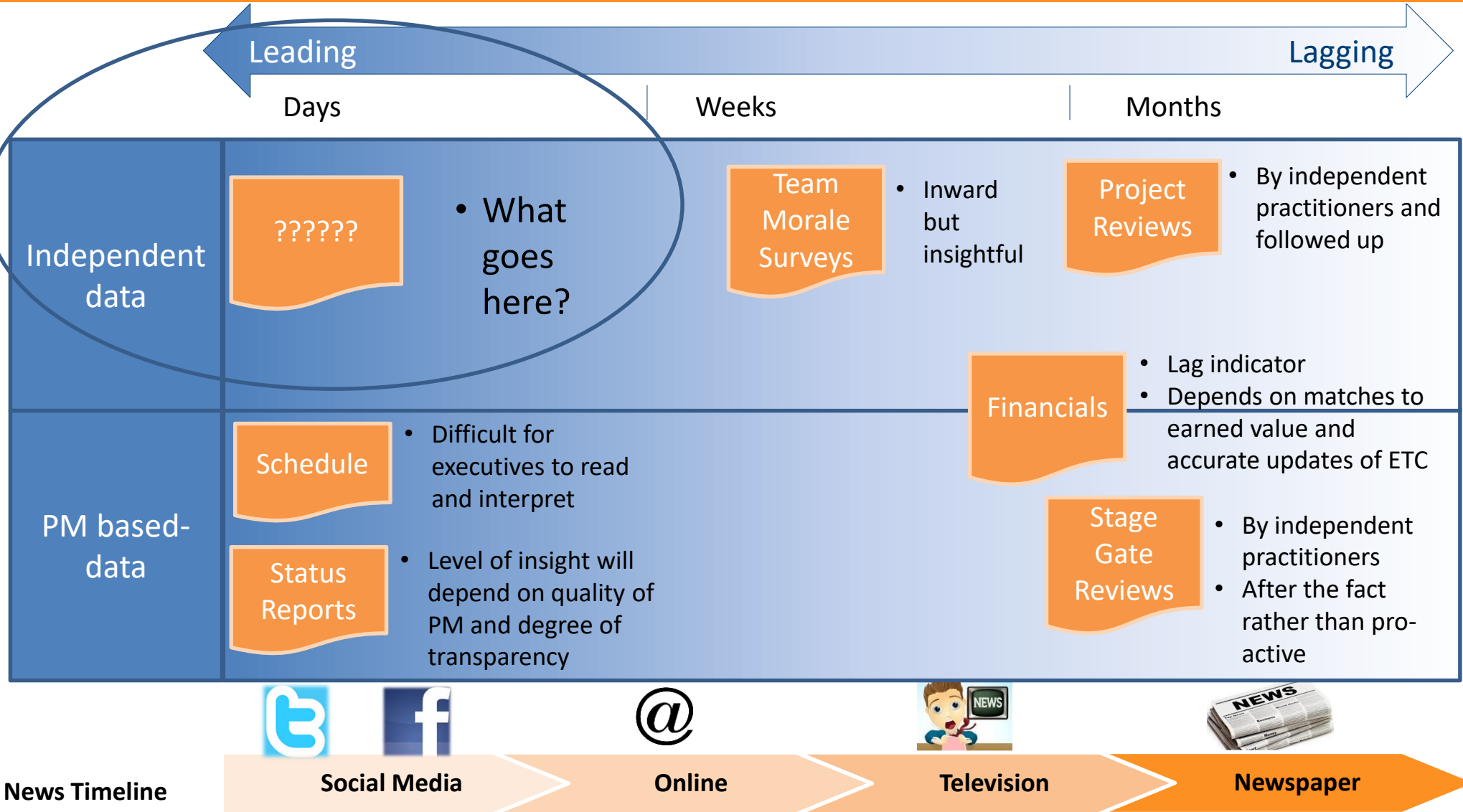
The most significant learning

Implementing Speed to Value and Agility is a cultural
journey

The biggest question I get



Project Health – Leading and Lagging Indicators



How to fill the gap? Is Sabermetrics a direction?

- Sabermetrics : The empirical analysis of in-game baseball statistics.
- Removing the subjective data, it creates leading indicators of **future** performance.
- It works! This was first used by Oakland Athletics in 2002 who recorded 20 straight MLB wins that year despite their budget only being 25% of their competitors.
- It now has being picked up as a tool for most major sports teams.
- So our challenge for projects is to look at the objective data, remove emotion and colour to produce objective analysis to supplement the status report
- We call that **Seven Metrics**.
- P.S. Sabermetrics and Oakland Athletics were also made into a book and a movie called Moneyball.

The Reality



Anyway, Seven Metrics started to evolve

Firstly to measure progress, you needed good data. So the first tool, measured the quality of your project data.

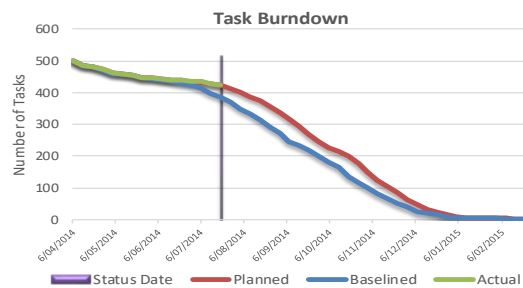
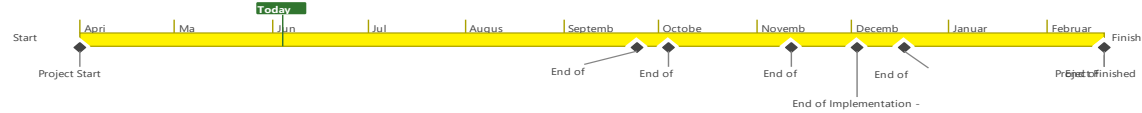
Seven Metrics - Schedule Quality Assessment and Diagnostics - Example

Criteria	Description	Target Type	Lower Limit	Upper Limit	Score Guide			Weight	Score (out of 3)	weight Score	Details		
					On Target	Within Tolerance	Needs Attention				Actual Number	Total Number	Activity Code
Logic	The number of activities that are missing a predecessor, a successor or both.	Minimize	5.0	10.0	Less than 5%	More Than 5% and less than 10%	More than 10%	15	3	15.0%	13	678	3;10;18;33;56;295;328;403;484;519;574;583;808
Summary Level Tasks	No dependency or resources assigned to summary level tasks	Minimize	1.0	2.0	Less than 1%	More Than 1% and less than 2%	More than 2%	5	1	1.7%	51	208	Results are more than 20
Leads	This check identifies activities that are carrying a lead (also known as a negative lag)	Minimize	5.0	10.0	Less than 5%	More Than 5% and less than 10%	More than 10%	3	1	1.0%	91	678	Results are more than 20
Lags	This check identifies activities that are carrying a lag	Minimize	5.0	10.0	Less than 5%	More Than 5% and less than 10%	More than 10%	3	1	1.0%	71	678	Results are more than 20
FS Relations	The Number of Activities without FS relation	Minimize	10.0	20.0	Less than 10%	More Than 10% and less than 20%	More than 20%	3	3	3.0%	43	678	Results are more than 20
Hard Constraint	Number of activities with hard or two-way constraints	Minimize	0.5	1.0	Less than 0.5%	More Than 0.5% and less than 1%	More than 1%	9	1	3.0%	71	678	Results are more than 20
High Float	Number of activities with total float greater than quarter of project duration.	Minimize	2.0	5.0	Less than 2%	More Than 2% and less than 5%	More than 5%	6	1	2.0%	62	678	Results are more than 20
Negative Float	Total activity that is incomplete and total float is less than zero working days	Minimize	0.0	0.0	Less than 0%		More than 0%	15	1	5.0%	127	678	Results are more than 20
High Duration	Total number of activities that have a duration longer than one months	Minimize	5.0	10.0	Less than 5%	More Than 5% and less than 10%	More than 10%	10	3	10.0%	19	678	13;104;110;116;118;134;141;156;455;463;594;596;600;610;627;636;658;824;846
Invalid Dates	All activities with planned work in the past. There should not be any invalid dates in the schedule	Minimize	0.5	1.0	Less than 0.5%	More Than 0.5% and less than 1%	More than 1%	20	3	20.0%	1	562	485
Key Resources	Number of activities that do not have resources correctly assigned (over-allocated resources)	Minimize	10.0	20.0	Less than 10%	More Than 10% and less than 20%	More than 20%	3	1	1.0%	678	678	Results are more than 20
Missed Activities	Number of activities that have slipped from their baseline dates	Minimize	10.0	20.0	Less than 10%	More Than 10% and less than 20%	More than 20%	5	1	1.7%	578	678	Results are more than 20
BEI	Baseline Execution Index (Number of Actual Finished Activity/ Numebr of Baseline Finished Activity)	Minimize	10.0	20.0	Less than 10%	More Than 10% and less than 20%	More than 20%	3	1	1.0%	49	165	Results are more than 20
								100		65.3%	Final Score		

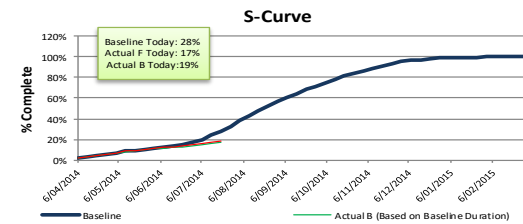
Seven Metrics - Example of Dashboard

Schedule Dashboard Report

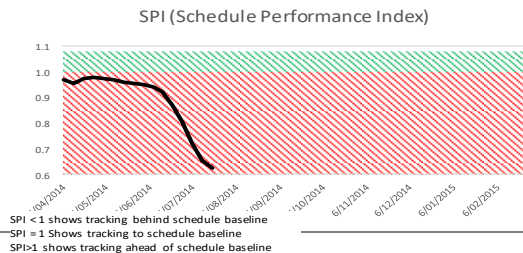
Stream	(All)	Critical Path Cost per Day	\$450,000 additional Cost + \$200,000 lost benefit
Program	eContribution	Actual F % complete	19%
Status Date	20/07/14	Actual B % complete	17%



* Taskburndown graph shows the total number of incomplete tasks



*Project %complete is based on tasks weighted by baseline duration



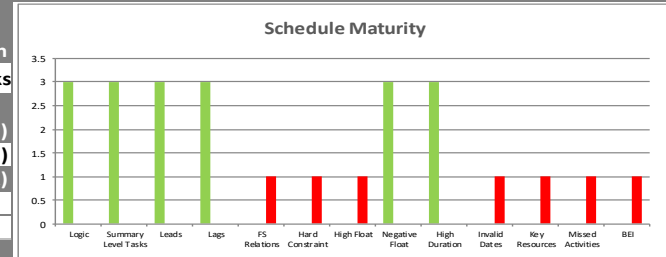
Task Burndown Cumulative	
Baseline Completion	Actual Completion
128 / 513 tasks	89 / 513 tasks
Schedule Forecast Accuracy	
Started (Cumulative)	Finished (Cumulative)
96 / 109 (88%)	77 / 91 (85%)
Started (Last Week)	Finished (Last Week)
7/7	6/6

Scheduler's Comments:

Impact of delays in developing requirements is causing deteriorating situation against the baseline. This has been recurring over last 4 weeks and continuing with this trend will endanger the implementation date

Phase Progress Report Based on Actual B

Phase	Last Week Actual %	Last Week Plan%	Total Actual %	Total Plan%
Concept	2.1%	3.6%	26.5%	40.4%
Analysis	2.5%	6.4%	10.3%	25.3%
Design	2.0%	2.3%	33.5%	39.9%
Build	0.0%	1.4%	6.0%	8.8%
Deploy			0.0%	0.0%



Key Milestones

Slack	Milestone Name	Finish	Baseline Finish	RAG
0	End of Implementation - Q2	11/12/14	02/12/14	Red
0	End of Warranty	27/02/15	18/02/15	Red
0	MILESTONE: BIA-Wrap Ready for sign off	05/11/14	27/10/14	Red
0	MILESTONE: L&D Plan ready for sign off	03/12/14	24/11/14	Red
0	MILESTONE: Ready to commence SVT	23/10/14	07/10/14	Red
0	MILESTONE: SVT Complete	06/11/14	21/10/14	Red
0	Project Finished date	27/02/15	18/02/15	Red
1	MILESTONE: Contribution Uploader (Wrap) Desig	16/09/14	02/09/14	Red
1	MILESTONE: EVO (MLC ONLINE) Design Ready for Si	18/09/14	02/09/14	Red
1	MILESTONE: Interface Design SDX Portal> Contrib	07/08/14	15/07/14	Red
1	MILESTONE: RTM for Q2 scope Ready for sign off	20/11/14	04/11/14	Red
2	MILESTONE: EVO (MLC ONLINE) ST Complete	29/09/14	11/09/14	Red

* Total slack shows the number of days a task can slip before impacting the end date of the program

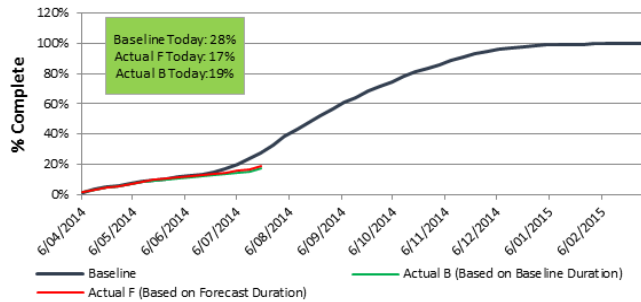
Critical Tasks

Slack	Next 5 Critical Tasks	Finish	Baseline Finish	% Complet
0	Initial Volumetrics analysis	25/07/14	01/07/14	0%
0	Business Review- Functional BRD	01/08/14	08/07/14	0%
0	Develop- Non Functional BRD (incl volumetrics)	11/08/14	15/07/14	0%
0	Final Review/ Update	12/08/14	24/07/14	0%
0	Final review and update BRD- Contribution Uploa	10/09/14	01/09/14	0%

* Tasks closest to critical path and earliest forecast finish date after 20-Jul-14

Seven Metrics - Project KPI's Dashboard

S-Curve



Phase Progress Report Based on Actual B

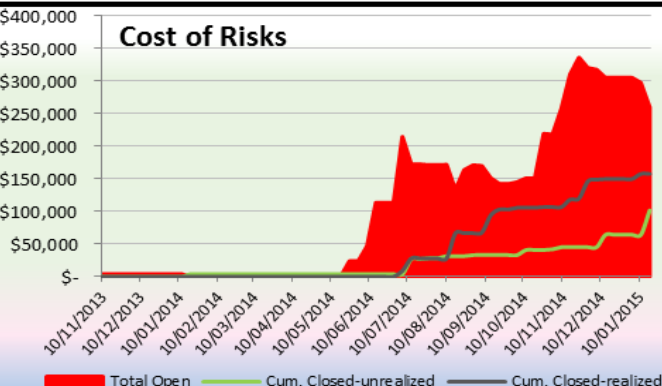
Phase	Last Week Actual %	Last Week Plan%	Total Actual %	Total Plan%
Analysis	2.5%	6.4%	10.3%	25.3%
Build	0.0%	1.4%	6.0%	8.8%
Concept	2.1%	3.6%	26.5%	40.4%
Deploy	1.0%	1.5%	3.0%	5.0%
Design	2.0%	2.3%	33.5%	39.9%

Top 5 Critical Tasks

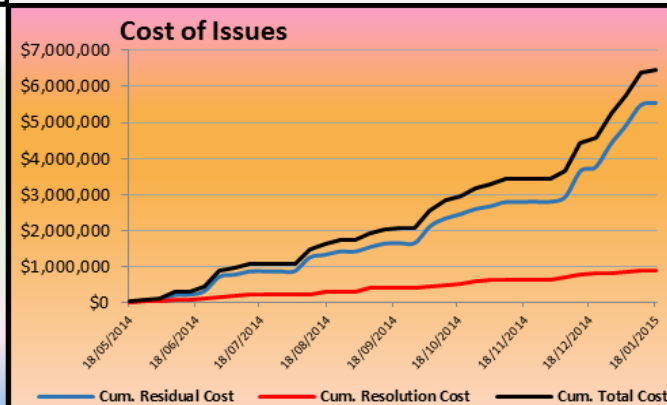
Slack	Tasks	Finish	Baseline Finish	% Complete
-7	Initial Volumetrics analysis	25/07/14	01/07/14	0%
-7	Business Review-Functional BR	01/08/14	08/07/14	0%
-7	Develop- Non Functional BRD (ii	11/08/14	15/07/14	0%
-7	Final Review/ Update	12/08/14	24/07/14	0%
-7	Final review and update BRD- C	10/09/14	01/09/14	0%

*Tasks closest to critical path and earliest forecast finish date after 20-Jul-14

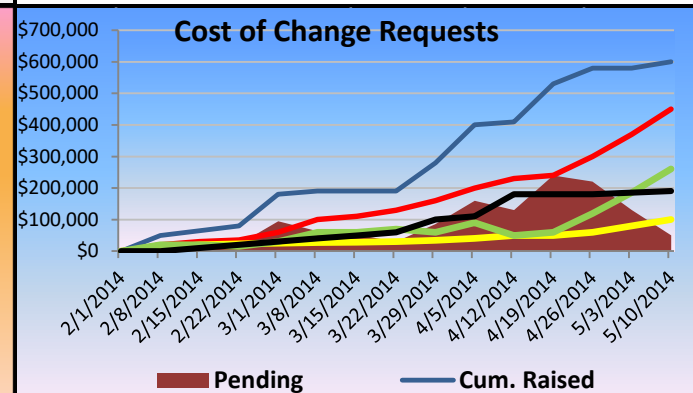
Cost of Risks



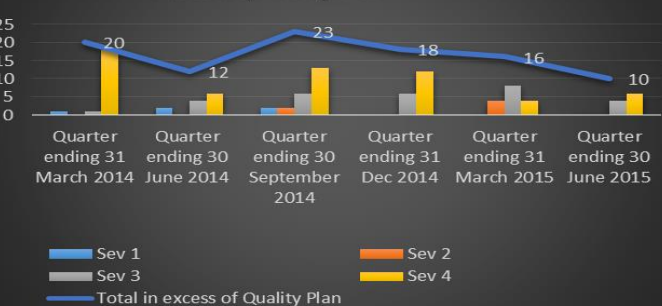
Cost of Issues



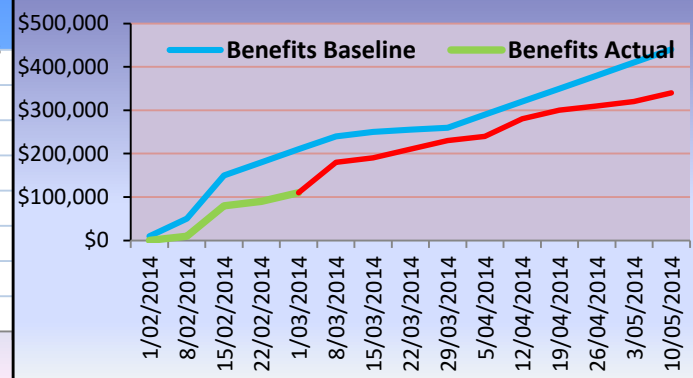
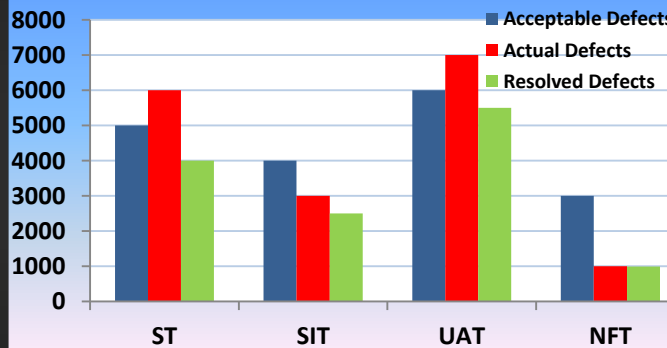
Cost of Change Requests



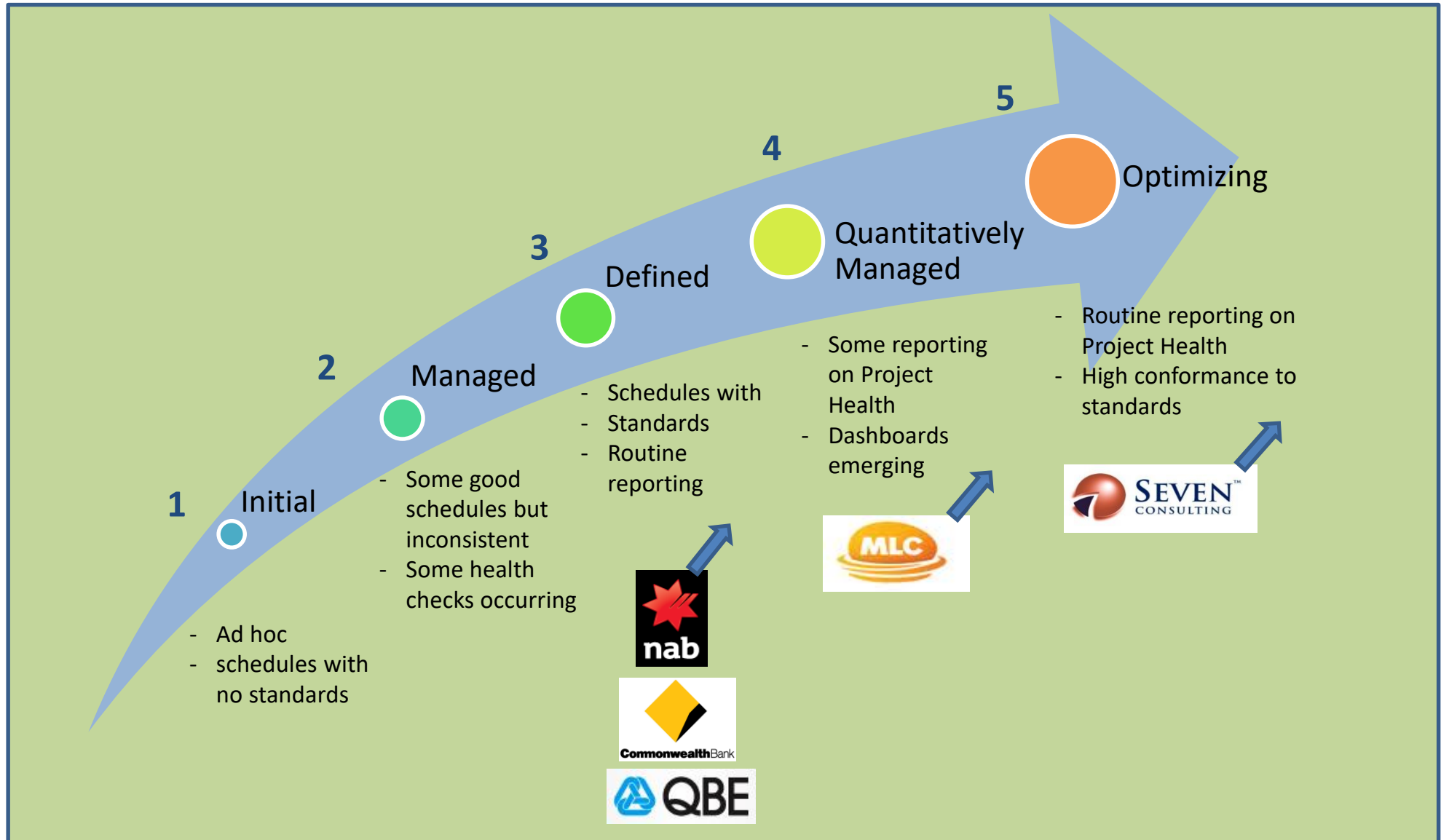
Quality - defects in excess of Quality Targets



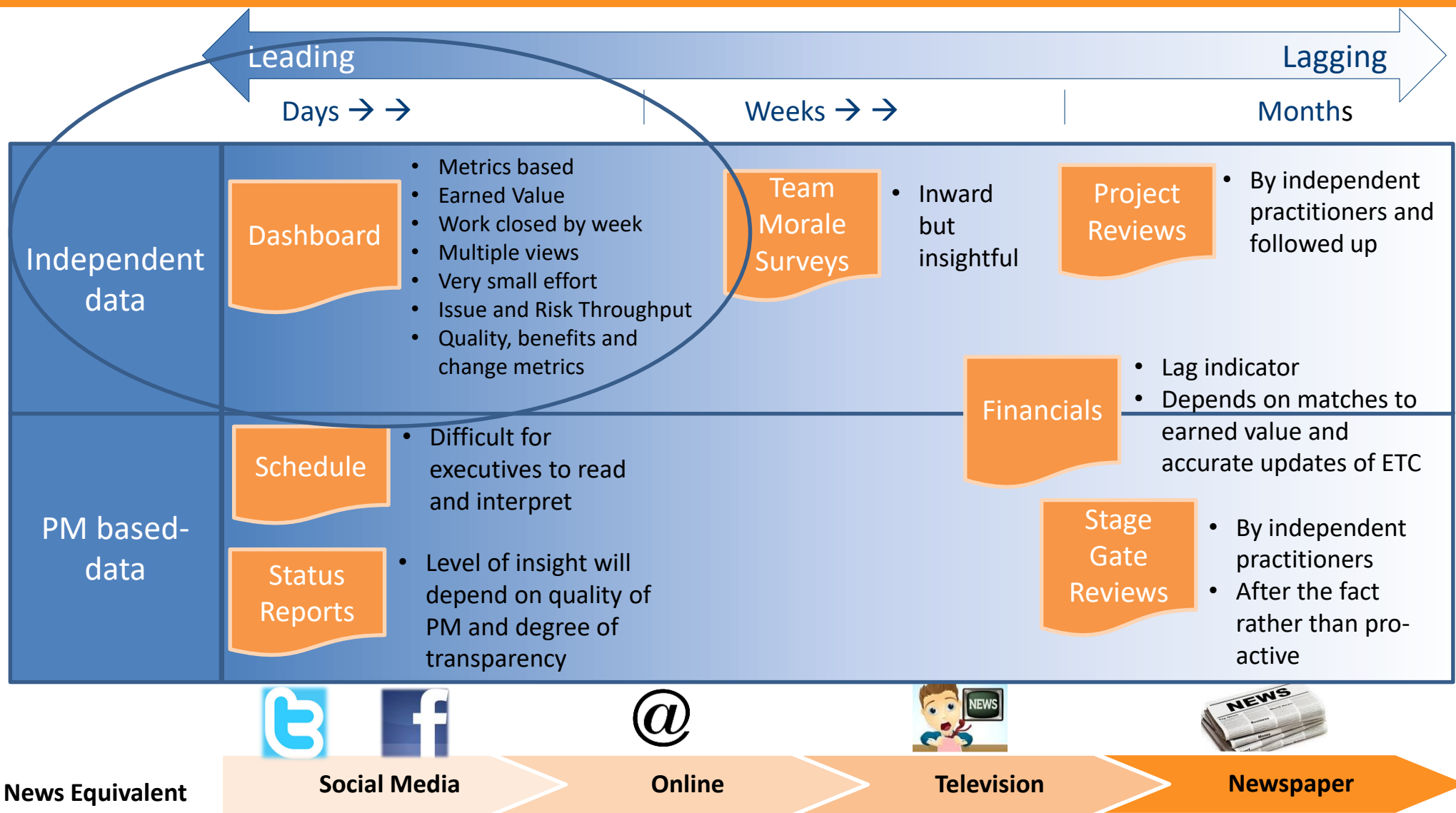
Tests Defects



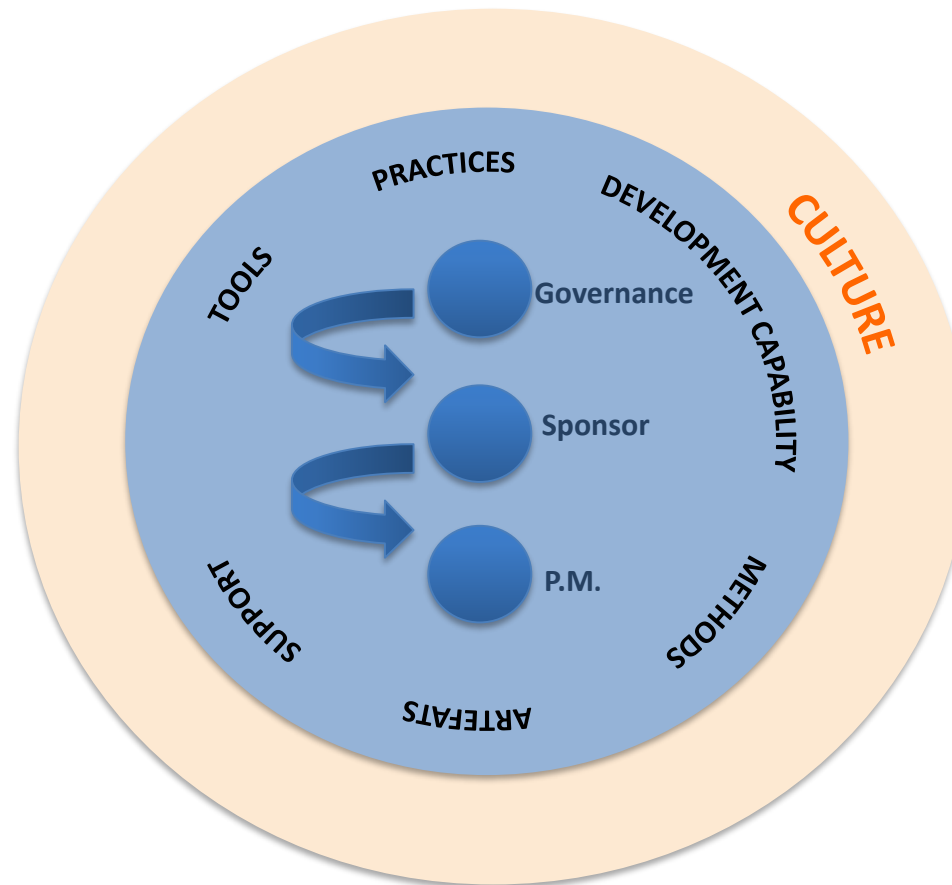
Seven Metrics Maturity Model



Project Health – Leading and Lagging Indicators



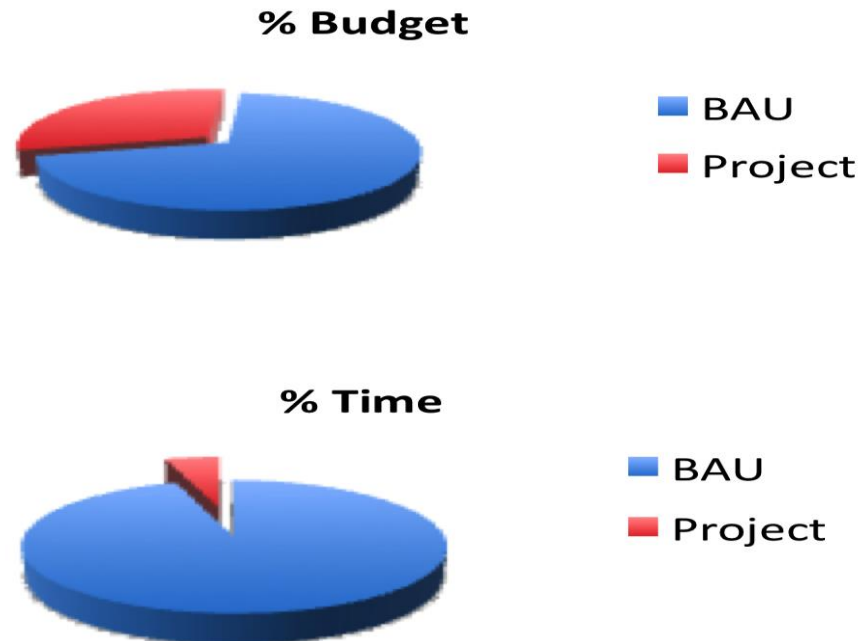
The Speed to Value Universe



All elements must be integrated and aligned to the corporate culture

Key Challenges 1

Not Paying Attention or C.P.A.*

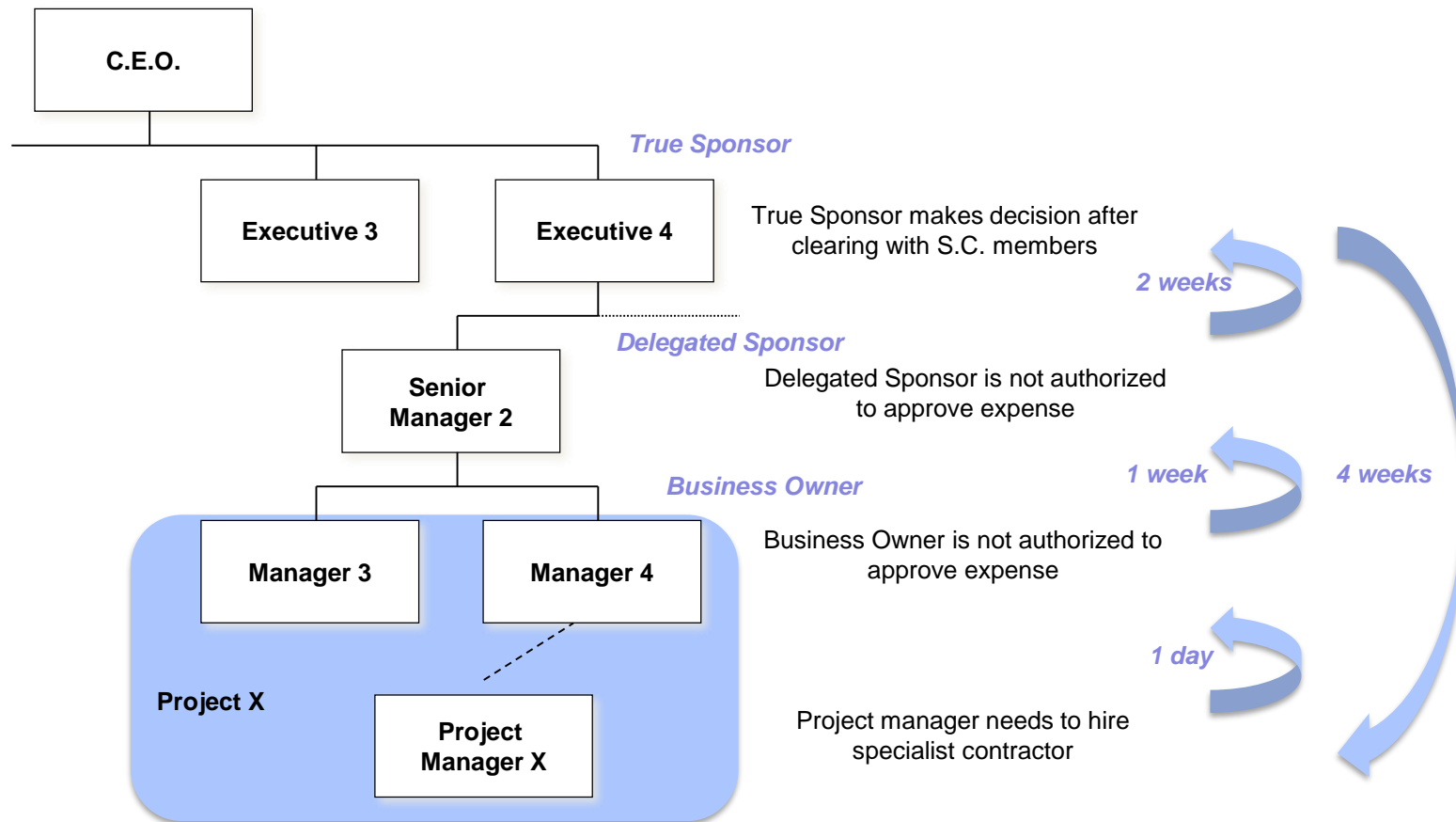


Business As Usual – Process work, stability.
Project work – Business as Unusual, change.

* Continuous Partial Attention

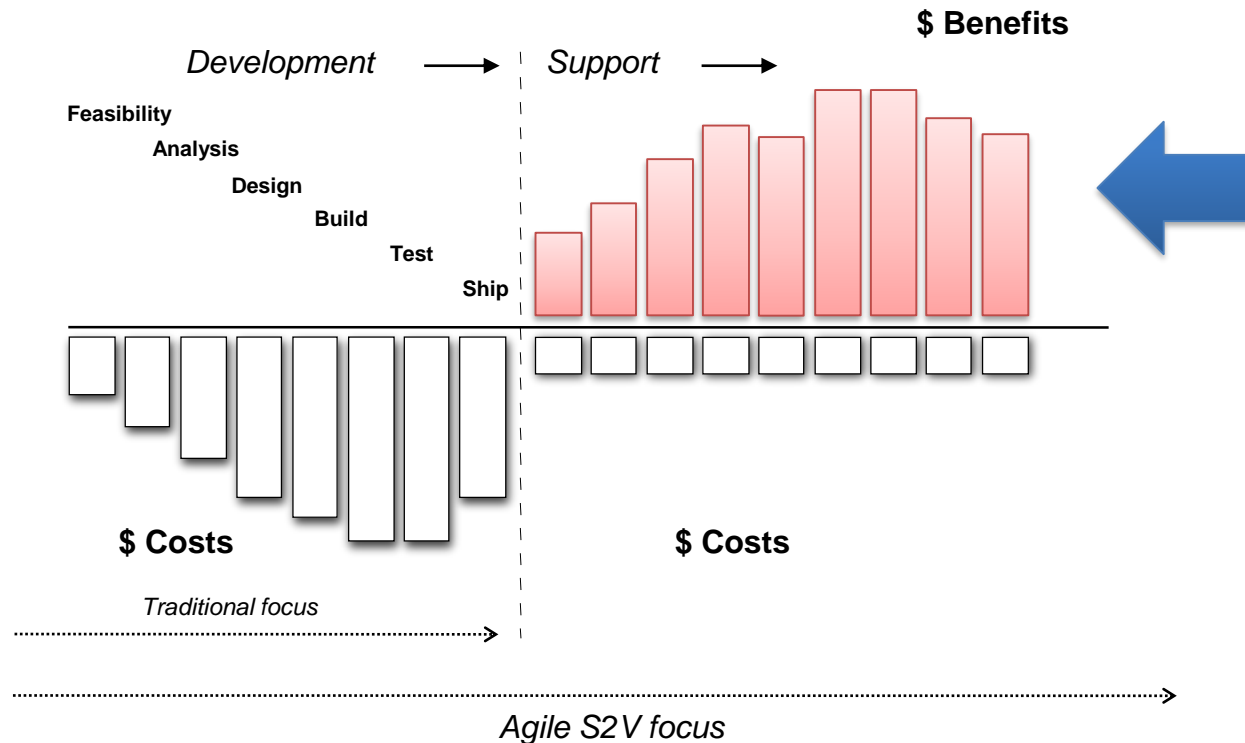
Key Challenges 2

Too many layers – too slow to respond



Key Challenges 3

Wrong Focus

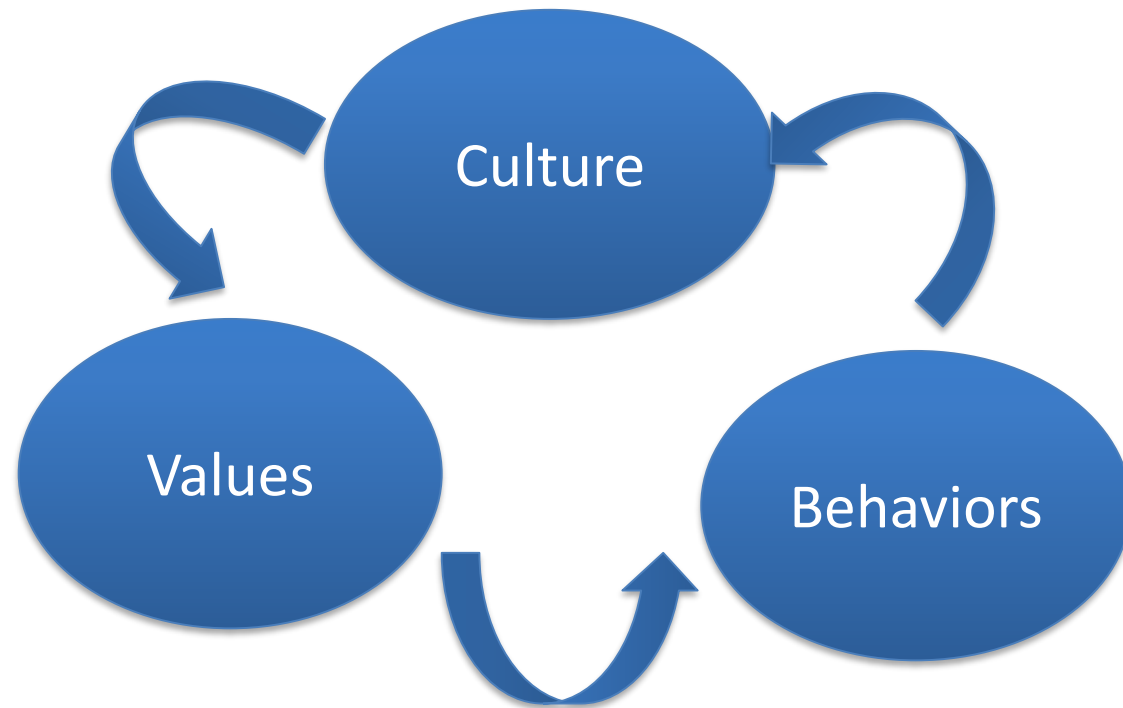


Agility – a wholistic model

Agility is not just about speed of delivery and execution but, more importantly, speed of communication, decision-making and governance.

Sponsors, P.M's and P.M.O's are the key to this.

Project Management Culture 1



Agile Methods Values

Accountability	over	Delegation
Simplicity	over	Complexity
Conversations	over	Processes
Not knowing everything	over	Knowing everything before starting
Agility	over	Blindly following a plan

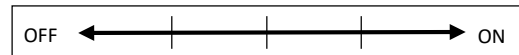
Agile Methods Key Principles

- Simplicity
- Transparency
- Face-to-face over paper

Fit the process to the project

An example of Sponsor-friendly tools 1

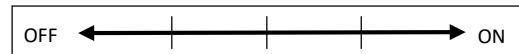
Success Sliders



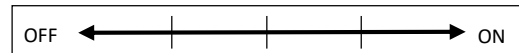
have a satisfied client group/stakeholders



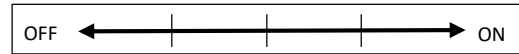
meet the project's objectives / requirements



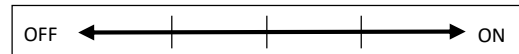
meet an agreed budget - resources, capital, equipment



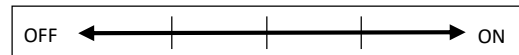
deliver the product on time



add value for the organisation



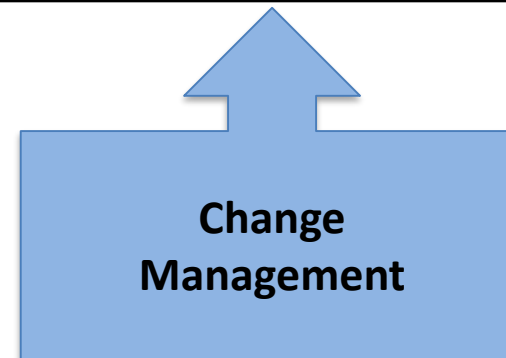
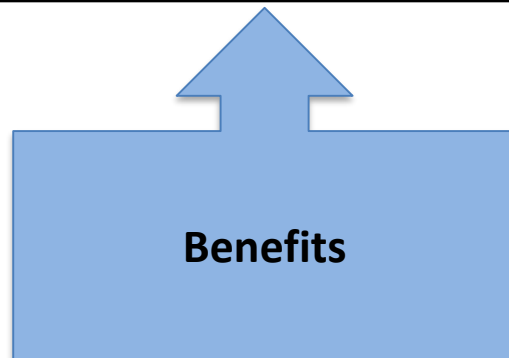
meet quality requirements



have a sense of professional satisfaction for the team

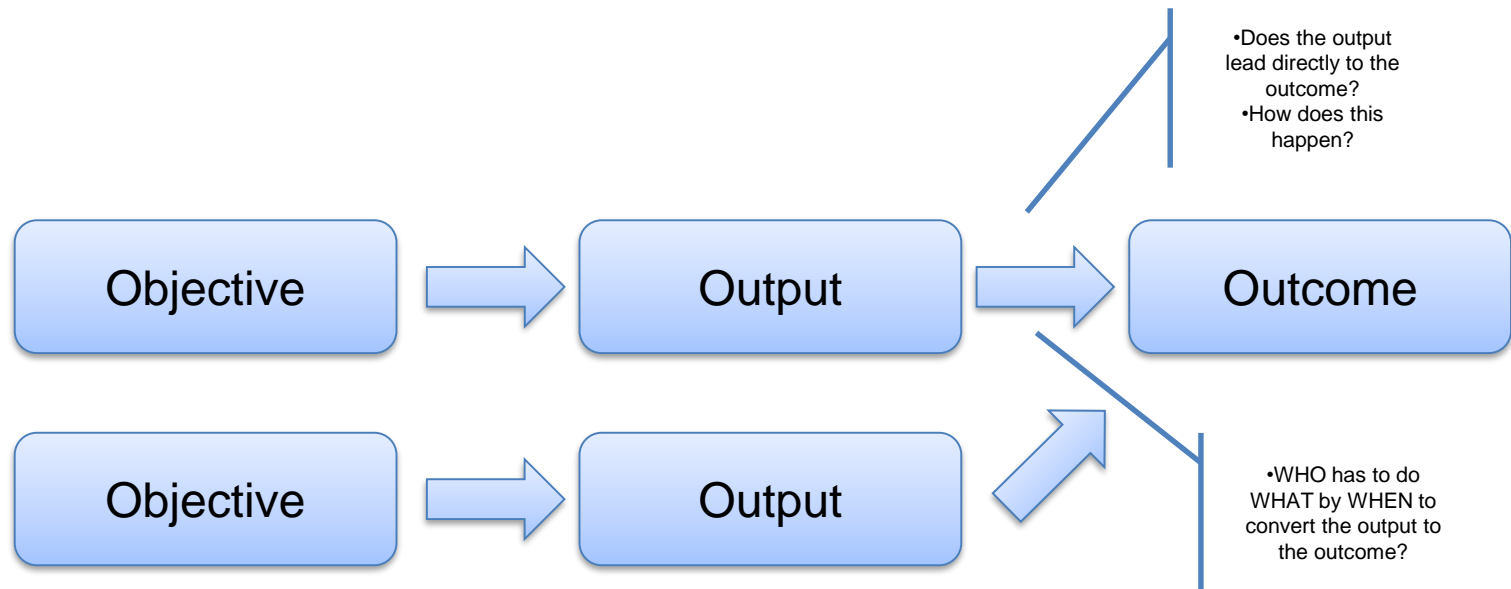
Stakeholder X BPO Win/Lose

Win	Loss
Simpler processing	Smaller Team
Reduced Manual intervention	Could be run by more junior executive
Need less management	Redundancies

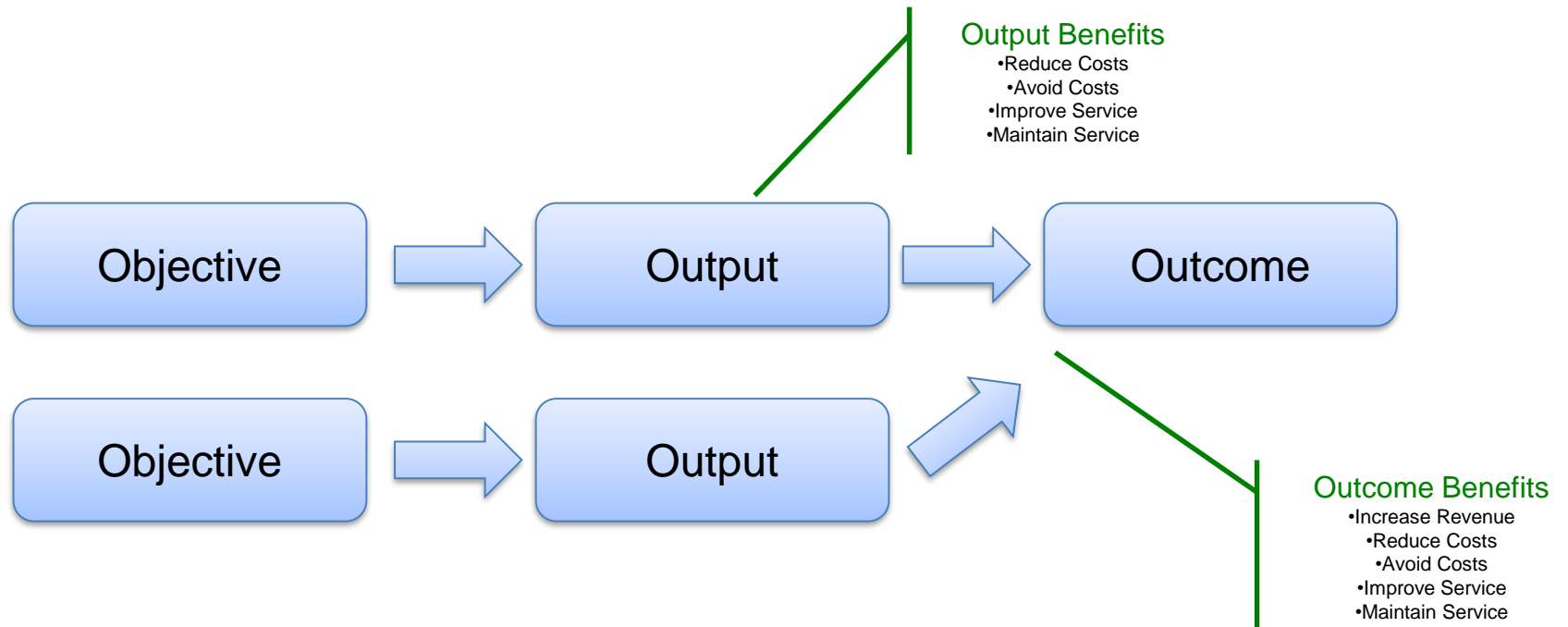


An example of Sponsor-friendly tools 3

O³



O³ - Benefits



The results from the real world

Agile methods will exhibit "viral" distribution. Key positive drivers include:

- Greatly increased Sponsor accountability
- Faster delivery and greater ability to realise benefits
- Increased transparency
- Change friendly
- More enjoyable for business and technical experts
- Embeds great values

This time we need to change

Insanity: doing the same thing over and over
again and expecting different results.

Albert Einstein, (attributed)

It isn't about hunkering down. We must emerge
from this crisis as a new company

Jeff Immelt, CEO, G.E. "Morning Joe" MSNBC,

January 21, 2009



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