Case Study-#6

The Customer

The customer is a $1 billion dollar manufacturing company. The company's revenues came substantially from the US (71.2%) with operations in North America, South America and 2 EMEA countries.

The Business & IT Initiative

The business leadership had been tasked to deploy an Oracle system in all of their facilities. The Oracle system scope included: order processing, shipping, invoicing, finance, engineering, manufacturing and query capabilities.

The Challenge

At the time that NorthPoint scheduled the baseline risk and value assessment, the project had been underway for approximately four months.

When the project was initiated the following metrics were identified:

- Budget requirements of $57.17 million
- Headcount requirements - 34
- Estimate months to implement – 34
- ROI – 26%
- Training person years – 1.1
- Missing required skills – 10%
- Belief that initiative would improve user performance – 93%
- Innovations / process improvements identified – 5
- User acceptance – 33%

NorthPoint Solution

The Initiative Assessment product was selected to evaluate the project.

Assessment Results

The results of the assessment positioned the project in the Medium / High Risk category at that point in time compared to "Best-in-Class" in the NorthPoint database.

The assessment identified the issues that contributed most significantly to the medium/high risk and ranked them in order of importance based on the weighting factors in the software.

Specific findings:

- The KEP^{TM} (Knowledge, Experience and Performance) of the project resources relative to the required Oracle skills was very low.

- The project team had never identified the adoption criteria of the users

- The value propositions for the project had not been defined at a level of detail to drive meaningful results

- Numerous current activities were not well documented and understood resulting in missing activities from the required scope

- There wasn't a process that consistently identifies unmet as well as unidentified needs (internal and external) that includes the identification of innovative practices

- The project team identified a number of missing skill sets, but they were not able to connect the missing skills to the correct timing and number of resources required to meet the need

- Training requirements were significantly under estimated

- Budget estimates were incorrect due to missing knowledge on conversion activities

- Change management activities were clearly absent from the project plans

Based on the current course and speed of the project, including identified risks, the following metrics were identified:

- Budget requirements of $138.1 million
- Headcount requirements - 71
- Estimate months to implement – 52.8
- ROI – 13.40%
- Training person years – 11
- Missing required skills – 44%
- Belief that initiative would improve user performance – 34%
- Innovations / process improvements identified – 18
- User acceptance – (14)%
- Major new uses of the initiative not conceived at the project start - 2
- Number of new tasks created as a result of the assessment - 81

As a result of the assessment, a series of risk mitigation activities were identified and committed to. A series of workshops were established to address the specific findings from the assessment.

Through a workshop the steering committee and project leaders were able to define the value propositions that the initiative expected to deliver and a roadmap was generated to track and deliver the expected results. At the same time connections were made between the value propositions and the issues that were to be solved by the initiative.

Over the course of the next 9 months three more assessments were conducted as checkpoint assessments, all using the Initiative Assessment product. Between the assessments the initiative teams worked to address the issues that were identified during each assessment. The final assessment identified the following metrics:

- Budget requirements of $67.7 million
- Headcount requirements - 104
- Estimate months to implement – 44.6
- ROI – 26.2%
- Training person years – 14
- Missing required skills – 8.7%
- Belief that initiative would improve user performance – 60%
- Innovations / process improvements identified – 36
- User acceptance – 67%
- Major new uses of the initiative not conceived at the project start - 11
- Number of new tasks created as a result of the assessment - 66

As a result of the assessments and the hard work of the teams to correct the identified issues the initiative concluded with the following metrics:

- Budget requirements of $69.23 million
- ROI – 27.7%

- Training person years – 11.2
- Missing required skills – 4.4%
- Belief that initiative would improve user performance – 87%
- Innovations / process improvements identified - 77
- Major new uses of the initiative not conceived at the project start – 44
- User acceptance – 91.9%
- 38% reduction in project timeline

NorthPoint fees represented less than .05% of the revised project budget