

VIEWPOINT

Now That Your PPM Implementation is Complete, Where is the ROI?

A Business Case is More Than a Calculator

BY BILL POSTON & JAY SCHIERLOH

Many of us have experienced the trials and tribulations of project and portfolio management (PPM) process and technology implementations in new product development. Finally completing an implementation after the business case justification, executive alignment, software acquisition, design, testing, training and data loading can be somewhat anti-climactic.

Envision this situation: You and your team have successfully made it through go-live and now have a PPM software solution that is operational and being used to drive more effective decision making in the business. Things are going well until an executive asks you if the program is generating the benefits committed to in the business case. You stare at the executive blankly and stumble through the words, “I think so.” What do you do now?

You are not alone. Most companies do not attempt to tie original business case benefits to actual performance and rarely are results published to senior management. Instead, it is very common for business case objectives to be forgotten or dismissed once the investment decision has been made. It is easy for middle management to avoid questions when senior level initiative sponsors don't know to demand such information.

Common justifications for avoiding the issue include:

- Perception that measurement is too complicated
- Neglect after the celebration of the project completion
- Lack of continuing executive governance after the implementation is complete
- Avoiding embarrassment; the data fell short of the business case
- My dog ate the business case...

If you find yourself thinking – or saying – one or more of these things, listen up. Not only is capturing and publishing benefits critical, it is essential to the continued improvement of the new product development business process and the sustainability of the software solution.



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Think about it. A closed-loop approach to a new product's commercial valuation and actual experience in the marketplace is an essential part of improving forecast accuracy in a mature portfolio management process. The same is true with PPM processes and technology benefits. A closed-loop benefits capture approach both endorses the process and identifies target areas for improvement.

Here are three best practices to ensuring that a closed-loop benefits capture process is implemented:

1. **Own it!**

Executive sponsors must take responsibility for ensuring the desired return is delivered. This means they must remain involved with the process after the software system go-live. The business case is more than a calculator to ring the investment register.

2. **Design it!**

Charter the closed-loop measurement process at the beginning of the project. Make the responsibility part of someone's job description. Include the measurements in your periodic portfolio review. Design and build performance metrics into the design of your project portfolio process and enabling tool.

3. **Improve it!**

Identify specific improvement areas necessary to generate returns consistent with or greater than the business case. Basic measures that can be used to track process performance may include aggregate pipeline value, cycle times, phase attrition rates, and resource utilization. Publish the metrics widely and celebrate success!

If you follow these practices you don't have to mumble or guess the next time an executive asks about the value of the work you are doing. You will know where the program stands and can report with confidence.



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