

Deloitte.

Project
Management
Discipline
Targeting Results

**Driving realization of long-range
future-state vision through project
management**



Speakers



John Hugill

Principal

John Hugill currently serves as the Lead Consulting Principal for Deloitte Consulting State of Florida account. John has more than 20 years of management consulting experience, with 18 of those years dedicated to serving the Public Sector.



Nicholas Clarke, PMP

Senior Consultant

Nicholas Clarke is a Senior Consultant with Deloitte Consulting with over 12 years IT experience in public and private sector. He is a Program Management, Enterprise Architecture and IT Operations practitioner.

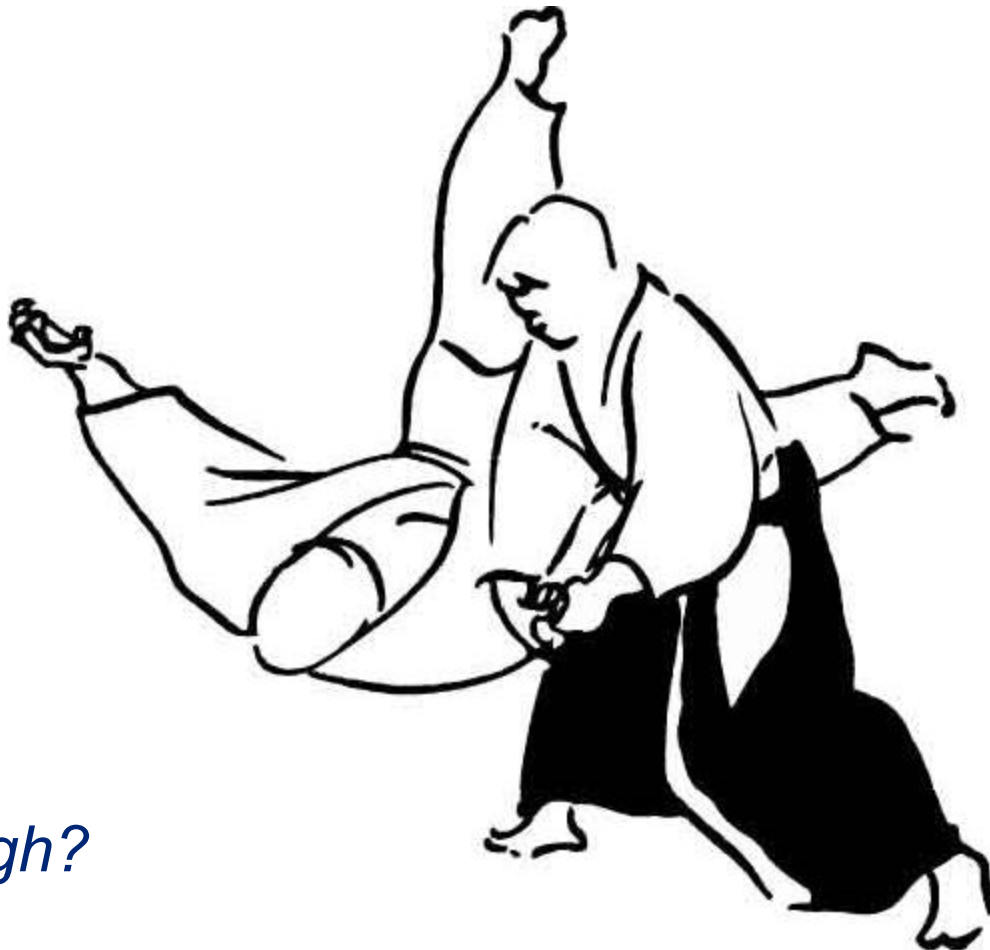
Why is project management discipline important?

Find balance through the art of planning, value-driven decisions, turning failure into success, & heeding the law of unintended consequences

The Core Disciplines:

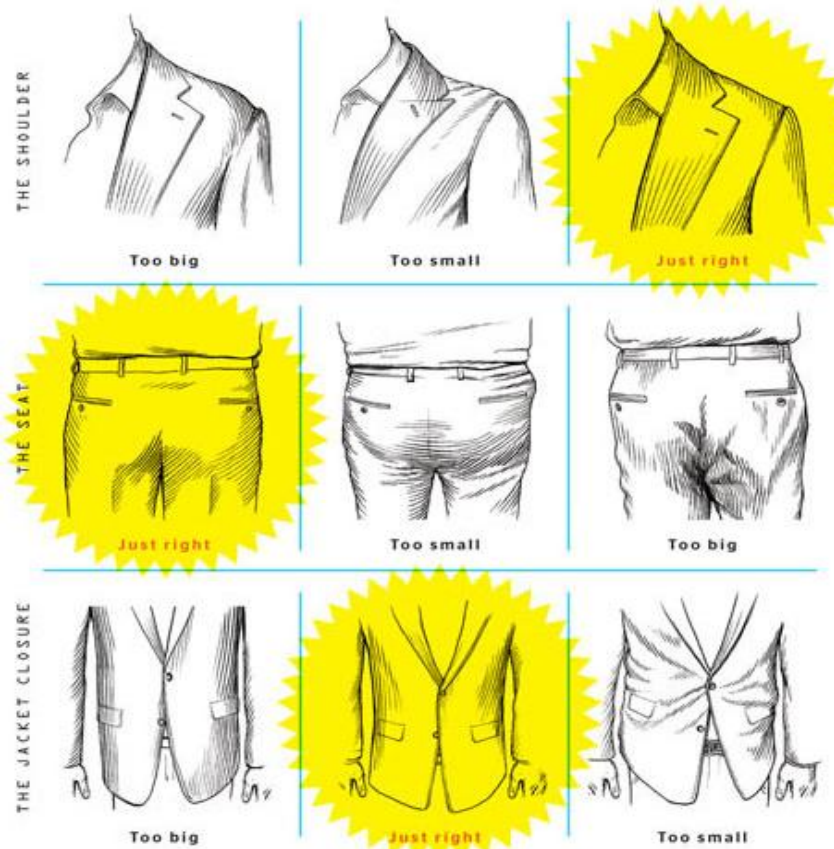
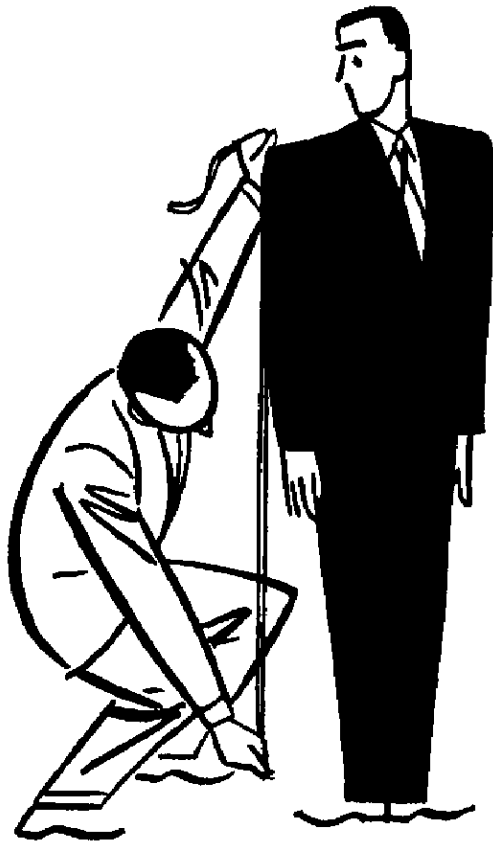
- Integration
- Scope
- Time
- Cost
- Quality
- Human Resources
- Communications
- Risk
- Procurement

But, are they enough?



Right-sizing tailors methods & tools to a custom fit

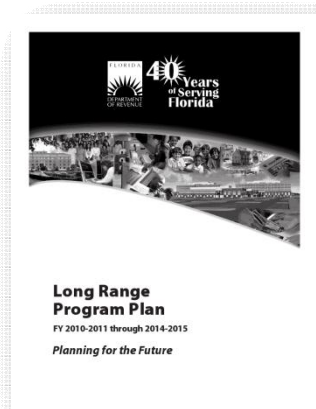
When applied appropriately you increase the probability of success



Does Project Management discipline exist in Florida?



Florida Department of Revenue



Results: “While recognition from external organizations is encouragement that we are going in the right direction, the true measure of success is results.” ... *FDOR Long-Range Plan*

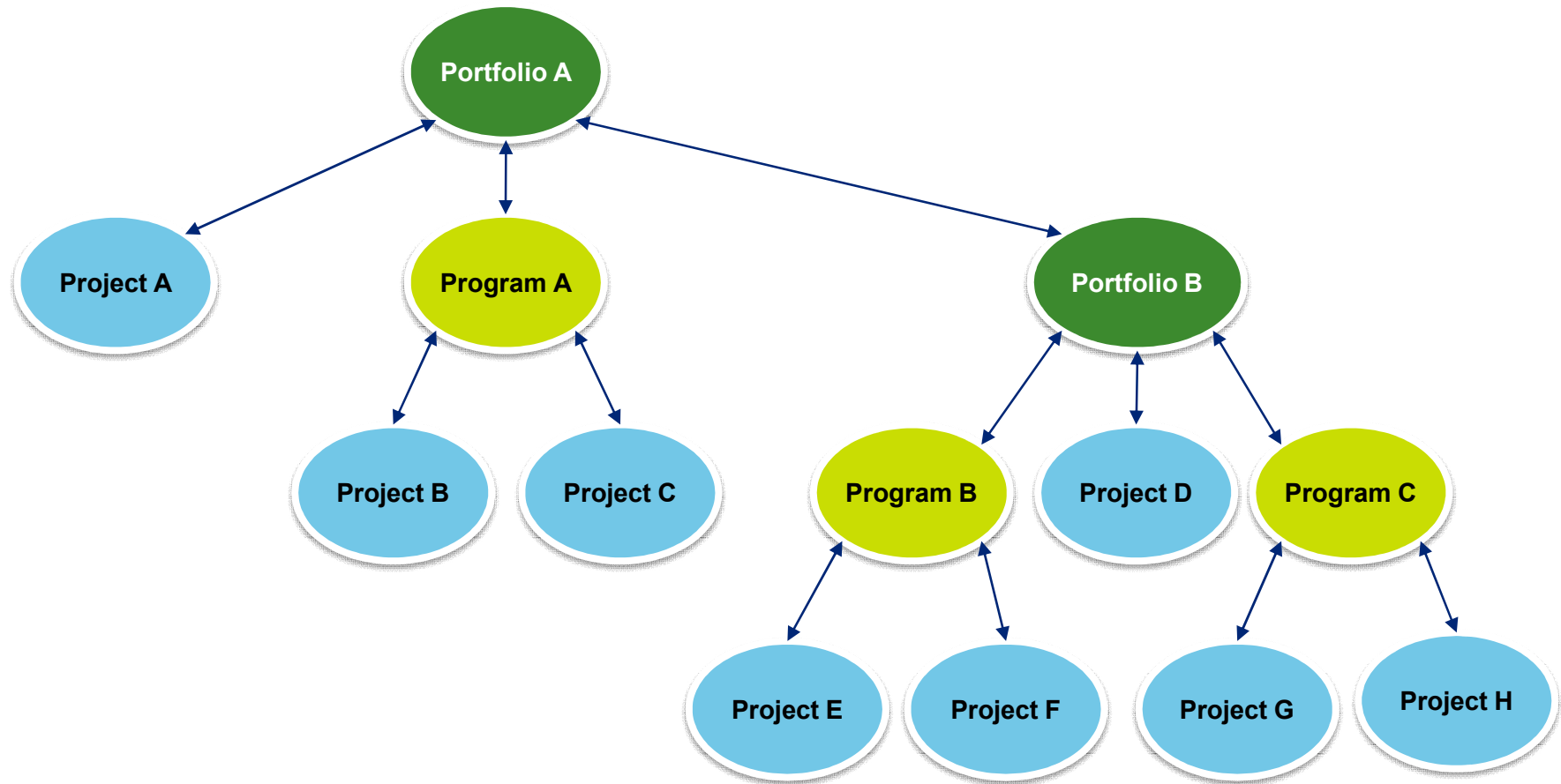
Achievements since the beginning of this decade include:

- Increased Paternity Establishment From 2001 to 2007
- Increased Order Establishment From 2001 to 2007
- Reduction in Undistributed Child Support Collections In 2003
- Implementation of Administrative Order Establishment
- Child Support Collections >\$1B
- Integration of Taxes In 2008



Large Healthcare Merger Integration

Portfolio, program and project management to a flawless “Day 1”



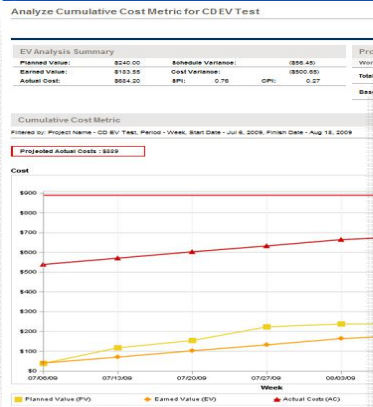
We use tools & methods to help realize the program

What is PMC?

- Deloitte standardized on Project Management Center (PMC), a web-based, centrally hosted PPM solution
- Key features include
 - User specific portals
 - Work plan management
 - Issue, risk, action item, decision, change tracking
 - Timesheets & progress tracking
 - Performance (e.g., earned value) measurement
 - Real-time dashboards
- Aligned with but not dependent on PIM method

Project Work Plan											
View: Schedule View Change View											
Filter for: All Tasks All Tasks											
Expand to: Level*											
Seq	Name	Status	Sched	Scheduled	Scheduled	Scheduled	Actual Effort (hrs)	Unass	Predecessors	Resources	Role
0	Roadrunner Project - DEMO	Active	632.40	10/2/08	3/7/11	67,229.33	1,771.00			Bugs Bunny,	
1	2 - Plan	Active	42.00	10/2/08	12/1/08	2,096.17	1,771.00				
2	PMO	Active	39.00	10/2/08	11/25/08	840.00	510.00				
7	P&P	Complete	17.00	10/2/08	10/24/08	371.00	370.00				
8	PR.2.1 - Define Overall Scope Components	Complete	2.81	10/2/08	10/6/08	45.00	46.00				
10	PR.2.2 - Perform Internal Assessment	Complete	17.00	10/2/08	10/24/08	272.00	270.00				
12	PR.2.4 - Assess Ability to Leverage Preconfigured Solutions	Complete	3.38	10/2/08	10/7/08	54.00	54.00				
14	IT	Complete	11.33	10/2/08	10/17/08	644.00	639.00				
20	SC	Complete	6.75	10/2/08	10/14/08	105.00	108.00				
27	PCL	Complete	7.50	10/2/08	10/13/08	120.17	130.00				
39	VL	Complete	2.90	10/2/08	10/3/08	16.00	14.00				
39	Plan Phase complete	Ready	0.00	12/1/08	12/1/08	0.00	0.00	0.00			
40	3 - Design	Active	191.25	12/1/08	8/25/09	14,877.35	0.00		1		
127	4 - Build	Active	260.00	8/25/09	8/23/10	39,565.52	0.00		128		
128	PMO	Active	15.75	8/25/09	9/15/09	252.00	0.00				
131	P&P	Active	255.00	8/25/09	8/16/10	19,698.00	0.00				
145	IT	Active	260.00	8/25/09	8/23/10	14,328.00	0.00				
182	SC	Active	51.00	8/25/09	11/3/09	2,123.00	0.00				
198	PCL	Active	93.33	8/25/09	1/1/10	3,145.52	0.00				
211	VL	Active	2.90	8/25/09	8/26/09	16.00	0.00				
214	Build Phase complete	Pending Pred	0.00	8/23/10	8/23/10	0.00	0.00	0.00			
215	5 - Deliver	Active	139.40	8/24/10	3/7/11	11,490.30	0.00		127		

Earned Value Analysis



Issue Manager Dashboard

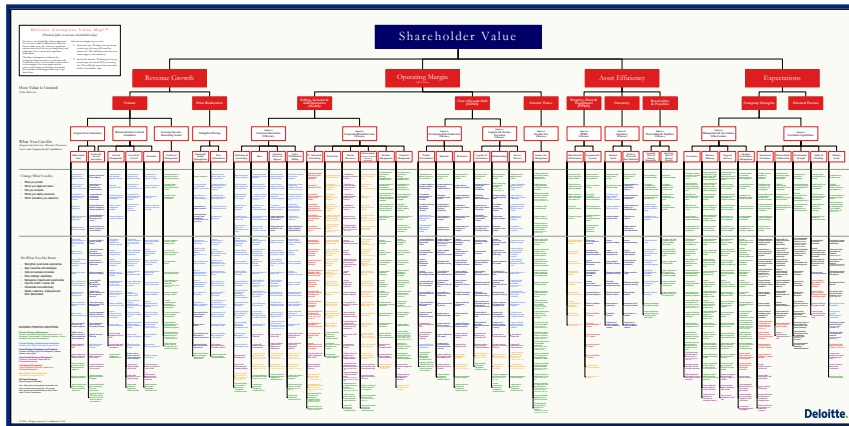


Why PMC?

- Accelerates project start-up
- Centralizes project information & enables distributed delivery with web-based user portals
- Enables concurrent project data access & maintenance
- Provides managerial data via dashboards & reports
- Facilitates the standardization of project management processes across the firm via workflows

We use accelerators to link projects to a value framework

Enterprise Value Map™ (Value Creation Framework)



ValueLink™ (Value Creation Resources Portal)

ValueLink™
ENTERPRISE VALUE MAP | BUSINESS PROCESSES

Shareholder Value

- Revenue Growth
- Operating Margin (After Taxes)
- Asset Efficiency
- Expectations

Value Driver

- Selling, General & Administrative (SG&A)
- Cost of Goods Sold (COGS)
- Income Taxes

Improvement Level

- Improve Development & Production Efficiency
- Improve Logistic & Service Provision Eff.

Improvement Sub Level

- Logistic & Distribution
- Merchandising
- Service Delivery

Logistics & Distribution > Improvement Actions

Improvement Actions

- Change What You Do**
 - Consolidate/outsource logistic and distribution functions
 - Increase emphasis on designing and packaging for distribution
 - Increase focus on higher-value products and partners
 - Increase use of lowest-cost logistic and distribution channel
 - Rationalize and/or refocus product portfolio
 - Realign logistic and distribution strategies
- Do What You Do Better**
 - Align production and merchandise ordering schedules with distribution schedules
 - Improve demand forecasting processes, skills and tools
 - Improve design/structure of distribution networks
 - Improve incentives around inventory/distribution efficiency
 - Improve inventory receipt and storage processes
 - Improve logistic performance management methods and tools
 - Improve renewal processes
 - Improve skills of inventory and distribution staff
 - Improve terms with service providers (transport, warehousing, etc.)
 - Improve transport and delivery process/algorithms
 - Provide staff with better information and tools
 - Rationalize merchandise order quantities and timing

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- Financial Value Drivers
- Operational Improvement Levers
- Process Improvement Actions

Deloitte. ValuePlan Worksheet™

Value Chain Staff: VCI
FY: 2007

Project Delivery Owner: (Joe Smith, Sales, Finance, etc.)
Operations Improvement Owner: (John Watson, Storage, Large Account Sales)

Value Driver	Value Driver Path	Metric Path	Current Value	Targeted Value	Rationale	Tracking
Value Driver 1	Revenue Growth	Annual Sales of Product X (Units of Sales)	\$1,000,000 in 2006	2,000,000 in 2007	Increasing product revenue will create shareholder value and a shared CFO priority.	First quarter sales results fall short of previous year, on sales team only. Not enough.
Value Driver 2	Operating Margin	Number of Units Sold	100,000 units in 2006	150,000 units in 2007	Increasing the number of units sold will increase year-over-year margins.	Have always sold 100k units on pace to reach 100k.
Improvement Level	Acquire New Customers	Number of new accounts sold (in \$100k's)	21 new accounts in 2006	75 new accounts in 2007	Increasing the number of new accounts locked will drive the number of units sold.	18 new accounts have been locked, not on pace to get to 75.
Process Driver	Sales & Marketing	Number of sales calls made on new accounts in Region A	100 calls made on new accounts in 2006	150 calls made on new accounts in 2006	Increasing the number of sales calls made on new accounts will increase the number of new accounts locked.	200 calls target will likely not be reached due to being storage.
Process Strategy Changes	Input Changes	Change in process/inputs, input levels, changes in target, etc.	N/A	N/A	N/A	N/A
People Changes	Productivity Increases	Change in process/inputs, input levels, changes in target, etc.	N/A	N/A	N/A	N/A
Process Changes	Productivity Increases	Change in process/inputs, input levels, changes in target, etc.	N/A	N/A	N/A	N/A
Technology Changes	Productivity Increases	Change in process/inputs, input levels, changes in target, etc.	N/A	N/A	N/A	N/A

- Sample performance metrics (financial and operational)
- Sample business cases

ValuePlan Worksheet™ within ValuePrint Business Case Approach (Project Value Management Plan)

The Treacherous Road to Results is Rife with Pitfalls



What do disasters like the Big Dig tunnel collapse & Hurricane Katrina have in common?

Government mismanagement?

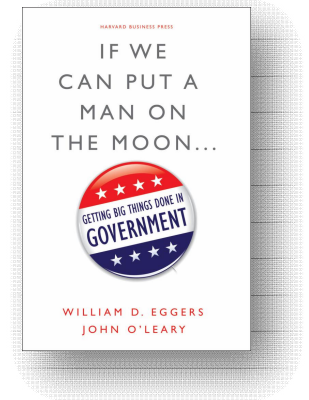
No. In so many cases like these, it is easier to point the finger at **human** error, at individual wrong-doers than to conduct a more nuanced analysis of the underlying **systemic failure** that is really to blame.

The truth is, outcomes are generated by people working within a system, not by individual agencies or persons alone.



Common pitfalls identified through experience

We can get major things done, but must avoid repeating errors



The Tolstoy Syndrome

- Looking only at evidence that confirms the existing view of the world (confirmation bias)

Design-Free Design

- Substituting a rigorous design process with a political design

The Stargate Trap

- When your idea becomes so distorted through the legislative process that it doesn't work

The Overconfidence Trap

- Congenital unrealistic optimism of the political world

The Sisyphus Trap

- Failing to comprehend the special challenges of the public sector terrain

The Complacency Trap

- The challenge of constantly reevaluating even the most successful undertakings of the past

The Silo Trap

- Mistaking part of the trip for the whole journey; failing to see the journey as an integrated process.

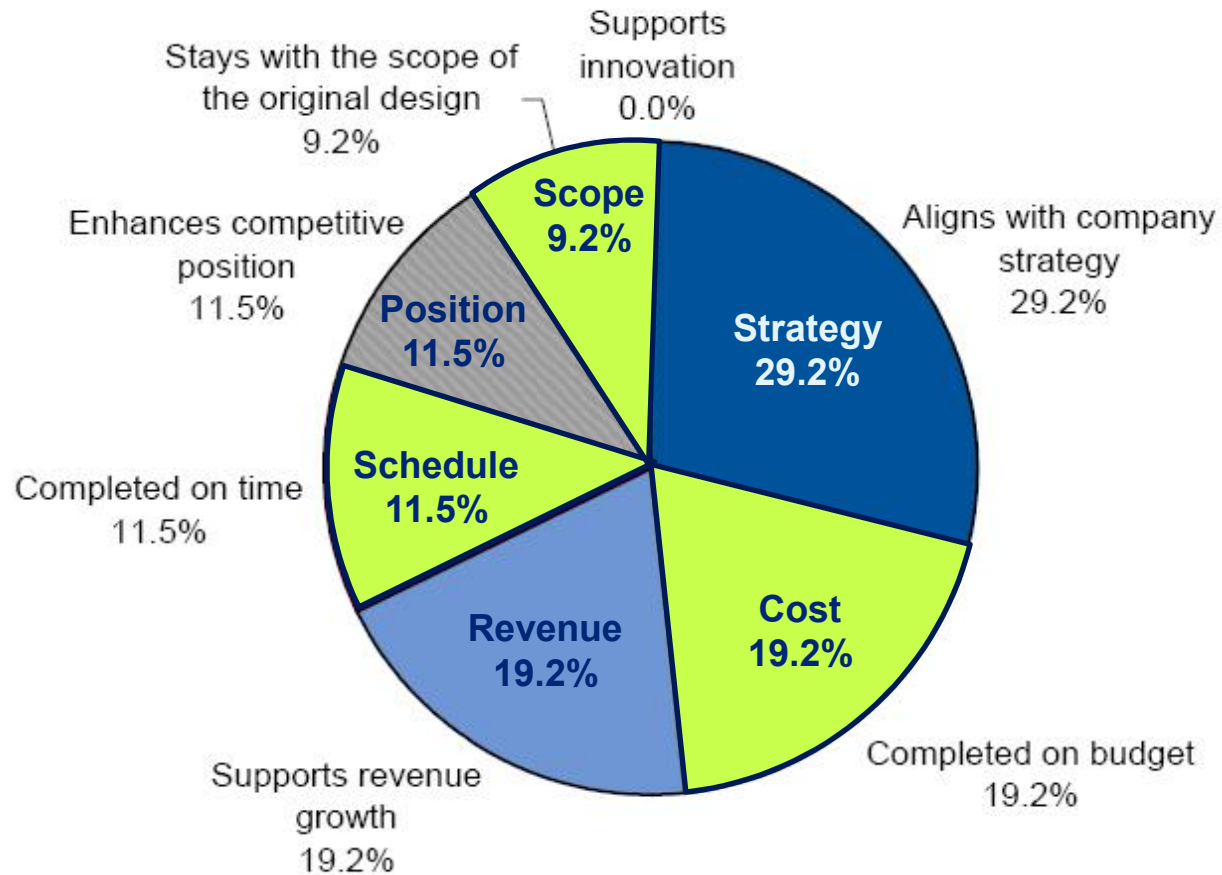
Are you missing the big picture?

Don't be left vulnerable to macro-level business environment changes



A PMO only gets you 40% of the way there

Figure 1. Most-Important Project Success Criterion



N=130

Source: Gartner (September 2008)

How can this be pulled together to help achieve results?

Program Strategy & Mission Alignment

- Program Vision & Strategy
- Dependency Management
- Benefits & Performance Management

Organizational Readiness

- Sponsorship
- Outreach & Communications
- Stakeholder Management
- Training
- Organizational Change Management



Domain Authority

- Solution Planning
- Requirement Management
- Technical Integration
- Business Process Management
- Solution Architecture & Integration
- Technical Quality & Standards

Program Management

- Governance
- Schedule Management
- Budget Management
- Change Control
- Risk & Issue Management
- Sourcing & Resource Management
- Benefits & Performance Management
- Program Reporting
- Integrated Release Management
- Quality & Standards

Get the results you want from your programs

The Results Management Difference

Current-State PMO

Output - Driven

Administrative

Reactive

Efficiency - Oriented

Cost & Schedule Focused

Process Focused

Performance Focused



Extended to "RMO"

Outcome-Driven

Strategic & Agile

Anticipatory & Proactive

Effectiveness - Oriented

Leverages Human Capital

Collaborative & Communicative

Risk Intelligent

Q&A

Questions and Answers



Appendix

Deloitte Research, a brief overview

- Established in mid-90s
- Operates through a network of research professionals, senior consulting practitioners and academic and technology partners
- Identifies, analyzes and explains the major issues driving today's business dynamics and shaping tomorrow's marketplace
- Output ranges from points of view about strategy and organizational change to straight talk about economics, regulation and technology
- Companies use the research to improve their performance and gain competitive advantage
- Learn more online:
http://www.deloitte.com/view/en_VN/vn/insights-ideas/deloitteresearch/index.htm

Deloitte Research, a sampling of recent public sector thought leadership

- **The Public Innovator's Playbook:** Nurturing Bold Ideas in Government
- **Changing the Game:** The Role of the Private and Public Sectors in Protecting Data
- **Government Reform's Next Wave:** Redesigning Government to Meet the Challenges of the 21st Century
- **Web 2.0:** The Future of Collaborative Government
- **Changing Lanes:** Addressing America's Congestion Problems Through Road User Pricing
- **Mastering Finance in Government:** Transforming the Government Enterprise Through Better Financial Management
- **One Size Fits Few:** Using Customer Insight to Transform Government
- **Bolstering Human Capital:** How the Public Sector Can Beat the Coming Talent Crisis
- **Serving the Aging Citizen**
- **Closing America's Infrastructure Gap:** The Role of Public-Private Partnerships
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- **States of Transition:** Tackling Government's Toughest Policy and Management Challenges
- **Building Flexibility:** New Models for Public Infrastructure Projects
- **Pushing the Boundaries:** Making a Success of Local Government Reorganization
- **Governing Forward:** New Directions for Public Leadership
- **Paying for Tomorrow:** Practical Strategies for Tackling the Public Pension Crisis
- **Medicaid Makeover:** Six Tough (and Unavoidable) Choices on the Road to Reform
- **Driving More Money into the Classroom:** The Promise of Shared Services
- **Are We There Yet:** A Roadmap for Integrating Health and Human Services
- **Government 2.0:** Using Technology to Improve Education, Cut Red Tape, Reduce Gridlock, and Enhance Democracy (Rowman and Littlefield, 2005)
- **Governing by Network:** The New Shape of the Public Sector (Brookings, 2004)
- **Prospering in the Secure Economy**
- **Combating Gridlock:** How Pricing Road Use Can Ease Congestion
- **Citizen Advantage:** Enhancing Economic Competitiveness through E-Government
- **Cutting Fat, Adding Muscle:** The Power of Information in Addressing Budget Shortfalls
- **Show Me the Money:** Cost-Cutting Solutions for Cash-Strapped States

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