

# SETTING STANDARDS FOR SUCCESS

←  
Return on investment increasingly needs to be demonstrated to prove the effectiveness of IT projects.

THE SUCCESS OF ANY IT PROJECT CAN BE GAUGED IN A NUMBER OF WAYS, FROM INFORMAL SATISFACTION THROUGH TO COMPLEX METRICS. WITH CIOs INCREASINGLY CALLED UPON TO DRIVE BUSINESS CHANGE, PREDICTING, MEASURING AND REALISING RETURN ON INVESTMENT HAS BECOME AN ESSENTIAL PART OF ANY PROJECT

BY KERI ALLAN

→  
Rajan: The company's acceptance and getting the backing of a new system's users are a good guide to success.

→  
Tewary: In ERP implementations, if 80% of the project scope is achieved, that can be seen as a good result.

→  
Regular and formal communication of project milestones help set the expectations for success, says Mohan.

# A

cross the board CIOs are finding that projects are becoming the yardstick through which IT department success or failure is measured, meaning that it's more important than ever for them to be able to prove project success and measure return on investment (ROI). Thirty-eight percent of CIOs in a recent IDC survey said that identifying ROI is a major business challenge.

Every business defines project success differently, using their own parameters and measurements, as needs are always different. Atul Kamat, Director Technology and Service Delivery at eHDF highlights the different

measures of success for some of its customers: "For Tejuri.com, the online shopping portal, it was important to offer good performance in peak traffic, manage hacking attacks and be secure.

"For Geotab Middle East, the company's GPS tracking application needed to have very low latency in order to offer clients nearly live fleet data and with the fully managed services solution hosted at eHosting DataFort's data centres in Dubai, very fast response time with minimal latency was achieved."

Even so, there are overarching goals that most project managers will aim towards.

"The main measurement always will be that the project delivers against the business drivers that initiated the project. If the project deliverables successfully meet the business requirements and the ROI can be measured, managed and realised, then the project is successful. It all starts and ends with the business requirements," says Mechelle Buys de Plessis, Senior Sales Manager, Dimension Data Middle East.

"Project success means different things to different people but for us it is essentially measured using a number of attributes in a given project," notes Shumon Zaman, Vice President, Information Systems & Technology, Lamprell Plc.

"For example, before we start any project we develop a business case that outlines the business justification for wanting to undertake the project. The business case will normally highlight the current issues, the cost to the business and it would also



provide an indication of any savings that a project may be able to deliver, if it is completed within time and budget, etc. If a project delivers against these parameters agreed at the start then one would declare a project to have been successful."

Although still important, Frank Forndron, Director, Head of Quality Management, SAP EMEA Emerging Marketing and SAP MENA highlights that the days of success simply being defined as being 'on time' and 'on budget' no longer exist.



“These metrics fall short of the key element projects need to be measured on in today’s increasingly complex business environment, for example delivered business value in alignment with an organisation’s strategy. As a result, our customers, more than ever, define project success by looking at tangible business value delivered as a key parameter, rather than just looking at being on time and on budget.

“Whilst the way of measuring business value achieved can differ from company to company, we most regularly see metrics such as ROI and net present value (NPV) used by our customers to assess the overall value generation.”

Of course the definition of success always ties in to the project’s goals, and CIOs told ACN that they will consider everything from budget, time and ability to handle the company’s needs during peak business through to post go live stabilisation, usage, productivity gains and minimal customisation. In addition they don’t feel that the project has to go perfectly in order to still be declared a triumph.

“In the context of on ERP implementation, if 80% of the project scope is successfully delivered and accepted by the business, I declare it successful,” says Arun Tewary, VP (IT) and CIO, Emirates Flight Catering.

Ali Hyder, CEO of Focus Softnet also highlights that the definition can depend on the size of a business: “At SME level most customers are unaware of the ROI factor. The most critical aspect from their perspective is streamlining the business processes and in-time information. That itself is the biggest ROI which isn’t measured in figurative values but from a satisfaction index.”

Once a definition of success is in place, it’s now down to the IT team to be able to measure this. ROI, a great way to show the benefits of a project, is measured by keeping track of key performance indicators (KPIs) linked to the project’s goals. However results can take time to be clear, as Zaman highlights.

“ROI can sometimes be a difficult thing to prove especially in a technology project. Technology takes time to embed in an organisation and the people associated with the change also need time to adapt to the new scenario before one can fully see the tangible benefits in the form of ROI,” he notes.

“AT SME LEVEL MOST CUSTOMERS ARE UNAWARE OF THE ROI FACTOR. THE MOST CRITICAL ASPECT FROM THEIR PERSPECTIVE IS STREAMLINING THE BUSINESS PROCESSES AND IN-TIME INFORMATION. THAT ITSELF IS THE BIGGEST ROI WHICH ISN’T MEASURED IN FIGURATIVE VALUES BUT FROM A SATISFACTION INDEX.

Tewary agrees. “Caution must be taken to consider a stabilisation period after project implementation because benefits do not start coming immediately after implementation. The newly implemented solutions and services would take some time to get stabilised and this stabilisation period varies from project to project.”

Even so, ROI measurement should take place throughout the life of a project, as Thameem Rizvon, IT director at Kamal Osman Jamjoom (KOJ) Group LLC shows when talking through how his organisation measures ROI.

“Budget and time are quantified before the project’s start and measured every month ‘till it goes live, [plus] customisation is an area we work with the business to avoid or minimise.

“Post go stabilisation is measured with the number of service desk calls that are raised and measured every month through incident analysis to see a reducing trend. Application usage is also measured through follow up and periodic training to see how comfortable users are and how much value business is gaining with the new application.”

It’s important not only to measure a project’s success, but also communicate it to the business. Although some CIOs believe they still need to do more work to get the message out there, many are already working hard to make sure the company as a whole understands what the IT department is doing and how it benefits them.

For example, Lijeesh Rajan, Director of Centralised IT Services, Dubai and Northern Emirates, Rotana Hotel Management



→  
Kumar: Tech Mahindra has a three point process to demonstrate the value of a project.

**“WHEN WE UNDERTAKE ANY PROJECT WE COMMUNICATE TO THE ENTIRE ORGANISATION: WHY, WHAT AND HOW WE PLAN TO UNDERTAKE THE PROJECT.**



Corporation, believes that one of the main ways to measure success is through the company's acceptance of a project, and getting the backing of the new system's users.

“Effective selling strategy is need for any solution's success to continue and [be accepted into the business] culture. Change is always defended by a good amount of people, so that is the real success factor,” he says. “Also managing to bring the change and value to every division of the organisation's structure,” he adds.

IT departments spread the message of their success in many different ways, as Dinesh Mohan, Chief Information Officer, RAK Ceramics highlights.

“We have a formal channel for communicating the wins as and when they occur. We celebrate our successes, small and large, through various channels — town-hall meetings, newsletters, the company website and via social media. Achievements of the key milestones in projects are also rewarded through a success-linked bonus scheme,” he says.

“When we undertake any project we communicate to the entire organisation — why, what and how we plan to undertake the project. We also communicate in a very transparent manner what we feel will be the long-term benefits to our organisation,” continues Zaman. “As we progress with the project, we communicate our progress against milestones and at the end we also communicate what has or has not been achieved against our initial plan. We have found that this strategy encourages everyone to feel part of the project and we foster support from the entire business. It also breaks down barriers to resistance.

“For example, we have recently rolled out a major ERP project two months ahead of schedule and under budget. This was only

possible due to the fact that everyone bought into the project; from day one we had communicated our reasons for doing the project and the tangible value it would provide to the business.” ■

## HOW VENDORS HELP TO MEASURE ROI

Clearly vendors want to make sure their customers get the best results they can from implementing one of their solutions, so as well as providing the technology itself, vendors offer other forms of support which include helping customers to measure the value of a given project.

Tech Mahindra, for example, follows a three-pronged process in looking to measure the value of a project.

“First is through the visibility of operational data for measuring KPIs across organisational silos; second is defining a single source of truth for entire organisations by integrating business information and lastly through making this information available for efficient decision making at all levels,” notes GB Kumar, Vice President and Geo Head, Middle East, Africa and Turkey, Tech Mahindra.

SAP supports customers by providing them with services and tools to help define, track and measure the value of their investments.

“These include our Industry Value Engineering services to guide customers through the lifecycle, the SAP Value Academy as a knowledge platform, the Business Performance Benchmarking tool to compare against peer organisations as well as the Value Lifecycle Manager tool to support developing effective business cases,” says Frank Forndron, Director, Head of Quality Management, SAP EMEA Emerging Marketing and SAP MENA.

“Beyond that we deploy a value based approach during the actual implementation utilising our business transformation services offerings.”