

Realizing the Value of Business Transformation

Introduction

“Business transformation now has a prominent place on corporate agendas. Ninety-three percent of U.S.-based multinational companies are in some phase of changing their business models.”

– KPMG Transformation Survey, 2014

There are hundreds of complex forces driving change today. New competition, disruptive technologies, rising consumer expectations, regulatory pressures—these and other factors are creating both opportunities and challenges for business. And in response, executives are rightly placing transformation initiatives at the top of their corporate agendas.

But despite an organization’s willingness to succeed, three out of four transformation initiatives fail to deliver the value and benefits projected.¹ This statistic is staggering, but not surprising when considering the challenges stacked against transformation leadership.

The practice needs to gather and prioritize ideas, while meticulously assessing the risk and potential benefits of each viable option. But it’s not solely a hurdle of selection. It’s also a challenge of:

- **Execution:** Deploying, tracking, analyzing and governing fundamental change across functional and geographic boundaries
- **Adaptation:** Making the right, evidence-based decisions to achieve set objectives
- **Value:** To maintain the momentum of change, business transformation leaders must garner organization-wide enthusiasm by demonstrating tangible benefit realization and return on investment

Far too often, these challenges are exacerbated by the way business transformation is managed. It is not uncommon for the fate of a multimillion-dollar initiative to teeter on a mass of spreadsheets, project status reports, financial reports, plans and presentations—each contributing project’s information or data maintained by disparate teams operating under their own agendas. The inefficiencies can be, and often are, crippling, while the lack of direct visibility opens the door for missed opportunities, flawed decision-making and failure to meet objectives.

To overcome these obstacles, today’s successful enterprises are adopting a lifecycle approach to business transformation—one that centralizes and automates practices, enabling agents of change to:

- Back the right opportunities
- Accelerate execution and monitor progress
- Generative visible benefit realization

Back the right opportunities

For any company, especially those working in highly competitive markets, having the ability to capture more ideas, scope them effectively and identify the best opportunities for transformation is crucial. But just as the forms of business transformation vary widely—from a major shift in market penetration to changes in business process and product designs—so too do the drivers and the sources of ideas. As a result, many struggle to identify the “needle” that will bring the most value to the business amidst the “haystack” of possibilities.

By centralizing and automating idea generation and management processes, enterprises can better position themselves for business transformation success. For example, internal employees and external customers can enter ideas by means of a simple form. These ideas can then be automatically routed to appropriate reviewers for evaluation. For the submitter, the process is easy to execute and transparent. Additionally, the agent of change can standardize evaluation, and ensure the right information has been captured and considered.

But it's not enough to only feed the business transformation engine. To ensure valuable time, money and resources are not wasted on the wrong initiatives, enterprises adopt portfolio management disciplines to weigh potential projects with inflight projects to know—not guess or hope—that they will meet their objectives. Scoring elements and business case development tools help agents of change objectively compare options, predict results and make smarter decisions about investments, timing, execution and resource allocation.

Accelerate execution and monitor progress

Transformation can only happen if everyone has access to the same information and is moving toward the same goal

To successfully transform companies, executives need to execute processes—not just plans. However, far too often, business transformation leaders hand off the responsibility of execution visibility to individual business units, who in turn, leverage disparate systems—or more likely, Excel® or Word®—to track and report on progress. The result? Deadlines slip, projects creep out of scope and initiatives fall out of alignment with set corporate objectives.

Transformation can only happen if everyone has access to the same information and is moving toward the same goal, which is why Project and Portfolio (PPM) software is critical to transformation success.

Leveraging PPM software, execution teams can centrally assign tasks, manage deliverables and be guided by business process improvement methodologies. What's more, through meaningful and real-time reporting and analysis, business transformation leaders can instantly assess progress with direct visibility into what's realized, what's forecasted, what issues exist and how all of this information impacts set objectives.

The result is that managers can deliver controlled and predictable execution of projects and programs, ensuring that the transformation initiatives that drive and differentiate the business are delivered on time and with results.

Generate visible benefit realization

Gathering and validating benefit data can be a painful and time-consuming process. But this insight is key to achieving business transformation success. Without it, executives lack a true understanding of the impact the transformation has made across the organization. This lack of benefit realization can slow or impair critical decision making as well as impact the rate of employee buy-in and support—because after all, no motivator is more effective than tangible proof of success.

For this reason, direct and immediate visibility into forecasted and validated benefits is a must for any organization. With a converged PPM view of all business transformation data from a single interface in real time, agents of change can quickly analyze and leverage success in other business units and locations. Additionally, data can be organized into role-based dashboards and reports, or rolled up to give business leaders and champions direct visibility into benefit realization, objective and execution performance.

About the solution from CA Technologies

With more projects under management than any other solution, CA Project & Portfolio Management (CA PPM) arms business transformation leaders with software to confidently realize business change results. CA PPM offers streamlined practice management, real-time reporting, benefit forecasting, objective status and visibility through the entire lifecycle—idea through realization—empowering change agents to deliver high-value benefits realization.

CA PPM provides the following key features:

- Idea capture, business case development and scoring—risks, alignment, priority, etc. can be managed with out-of-the-box dropdowns, integer ratings and/or weighted questions. Uniquely, scoring can be easily configured to mirror your organizational practices.
- Investment financial management—full time-phased benefit tracking and realization with configurable categorizations and approval processes
- Portfolio Management to support your investment selection process and performance tracking against executive financial targets
- Milestone and task tracking with wide maturity options supported
- Full document management either in product or through integration
- Stage gate review and approval processes automating the time intensive phase reviews
- Status reporting in many out-of-the-box flavors and formats all of which are configurable
- In-product scheduling capabilities and/or integration with Microsoft Project®
- Risk, issue and change management
- Resource management to match need—from easy resource association to full capacity planning

To learn more about leveraging CA PPM for business transformation, visit ca.com/businesstransformation



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¹ The Business Transformation Journal. "Key Aspects of Strategy and Leadership for Business Transformation." August, 2014.

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