HITACHI
Inspire the Next

Taking control of change
Managing projects effectively

Navigating the perfect storm
Digitisation is one of many forces driving rapid and increasing change, and growing complexity. Along with factors such as the changes in the oil price and international uncertainty, digitisation is creating a perfect storm of change, that impacts both internally and externally.

External pressures – such as demands from customers for new and better services, delivered anywhere and everywhere through every possible channel – combine with internal forces such as the need to refresh ageing ERP systems, create and test new business models, and combine and consolidate internal functions to deliver operational and cost improvements. And in many sectors, all of these things are impacting at once.

Yet some companies are thriving: change provides opportunities as well as problems. What explains the widening gap between the best performers, and those at the bottom of the heap?

The organisations that are succeeding in the new environment have learnt how to manage change – how to take control and steer a planned course in uncertain times, rather than just taking a beating from rising seas and perpetually shifting economic winds.

Changing the mindset

Taking control of change requires a different mindset from managing day to day "business as usual" activities – a goal-focused, or project-oriented mindset. A well established business in a stable economic environment

needs only to oil the wheels and optimise existing processes, to ensure success. But in today's economy, with uncertain external factors and digital challengers snapping at your heels, no business can consider itself safe and stable.

More and more, managers are finding that their job involves overseeing projects tasked with delivering change, as well as running the day-to-day processes that used to dominate management time and attention. Experience shows it is those organisations that know how to manage projects, and take a project-oriented

approach in pursuit of clearly defined business goals, that are pulling away from the pack. It goes without saying that successful organisations make effective use of technology. But it is also true that all of them adopt a project-oriented approach – recognising that success is impossible without effectively managing change.

Managing for success - the three P's

Organisations differ hugely in how well they support projects. Three things make a difference:

1. Management of **projects** themselves – the work put in to create specific deliverables or results
2. Management of **organisational** change – how effectively projects actually change the way things are done
3. Management of **resources** – focusing effort on what will create most business value, and return on investment

These are different but related disciplines (in project-speak, they are Project, Programme and Portfolio management – the 3 Ps), but all are needed to produce effective, and repeatable results.
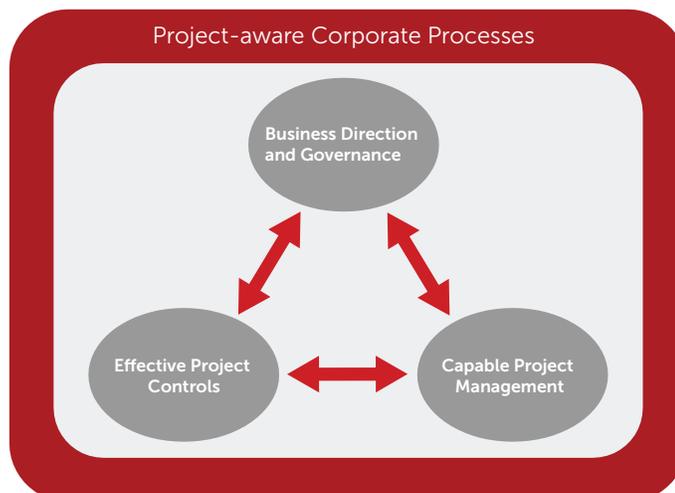
The first of these – the first P – Project Management can often be delegated. Project management is now an established profession and project managers can be appointed or hired, and expected to get on with the job of producing specific, defined deliverables such as a new IT system.

But the other two - Programme Management (managing organisational change) and Portfolio Management (managing resources) need the active engagement of the organisation and its managers. Without this, projects will not produce business outcomes. The investment will be wasted.

The key insight is that organisational factors, not just project managers, determine how successful an organisation is at managing projects – and whether useful business results will be obtained. Sadly conventional measures of project success, and conventional project reporting do not address this.

A "whole organisation" problem

The diagram below encapsulates our experience of the key factors that determine project success – and the ability to manage change.

Project-aware Corporate Processes

Business Direction and Governance

Effective Project Controls

Capable Project Management

Project management is too important to be left just to project managers. Success requires the organisation as a whole to be project-aware, and to support a project-oriented approach. Business leaders, as well as key support functions, need to play their part in ensuring that projects are successful, and contribute effectively to business results.

Successful organisations have learnt (sometimes the hard way) to focus on four key elements.

- **Business direction** sets the purpose and objective.
- Capable **project management** does the work and delivers the outputs needed to achieve the objective.
- Effective **project controls** provide in-flight reporting, guidance and course correction.
- **Project-aware corporate processes** – such as Finance, HR, and IT – provide the essential life support that keeps projects operating effectively and efficiently.

Successful organisations have these four elements built into and embedded in the fabric of how the organisation works – and they achieve consistent and repeatable success.

Underpinning all of this is an understanding that it is people that deliver results. People are the prime asset of any business, the source of key knowledge and experience, and people are both the enablers and inhibitors of change. And people throughout the organisation need to understand how projects work, and how to play their part in delivering and supporting them.

Whatever the scale or maturity of your business, Hitachi Consulting can help you see where you are on the path to effective management of change – by looking at project performance from a "whole organisation" perspective. If you have experienced difficulty in obtaining business value from projects – whether investment in IT or other initiatives – the problem may lie with the skills and abilities of individual

project managers and project teams. But often it is elsewhere: in how projects are sponsored, organisational change management, resourcing and prioritisation, or the way corporate systems such as Finance, HR and IT interact with projects.

We have tools and techniques to diagnose the underlying issues, define a roadmap for improvement, and track progress in delivering improved change and project performance. We can help you understand what is holding back your ability to deliver effective results from your investment – and resolve it.

About Hitachi Consulting

Hitachi Consulting is the global solutions and professional services organization within Hitachi Ltd., a global innovation leader in industrial and information technology solutions and an early pioneer of the Internet of Things. Hitachi Consulting is a business integrator for the IoT era and a catalyst for digital transformation. Using our deep domain knowledge, we collaborate with clients to help them innovate faster, maximize operational efficiency and realize measurable, sustainable business and societal value. As a consulting-led solutions company, we can help you leverage data as a strategic asset to drive competitive differentiation, customer loyalty and growth. To learn more, visit www.hitachiconsulting.com.

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