

## Improve Business/IT Collaboration in Three Easy Steps

A Project Portfolio Excellence, Inc. position paper

### Why we don't collaborate effectively

Has anyone ever said that collaboration between Business and IT isn't important? We all believe it, we all know it, and yet we continue to do it poorly. There's a very simple reason for this:

PPE Truth #95

The reason we don't collaborate effectively is because  
we don't measure how effectively we collaborate!

Think about it. In most companies measurements are made at the departmental level. Enterprise-level measurements are usually just aggregations of departmental measures. Rarely do we measure the effectiveness of multiple departments in collaborative efforts.

This paper will emphasize the importance of measuring collaborative effectiveness and provide a straightforward plan for implementing an ongoing process to improve your company's collaborative effectiveness.

### Why Business/IT collaboration is critical for Project Portfolio Excellence

PPE Truth #47

Neither Business nor IT can successfully execute projects without the other.

There are many reasons for this, but primarily it's because IT doesn't understand the business well enough to create functional specifications for software-related projects, and Business doesn't understand the data and systems infrastructure well enough to build viable systems. There are exceptions to this rule, but they're rare enough that they make little difference.

In Project Portfolio Excellence, Senior Managers, Business Professionals, and Technology Professionals (The Project Triad) must work together to give projects and the portfolio the greatest probability for success. Figure 1 illustrates this relationship.

Without the proper engagement of all three groups of The Project Triad, hoped-for results will not be attained, and the organization will not receive the expected value from their portfolio of enterprise software and software-related projects.

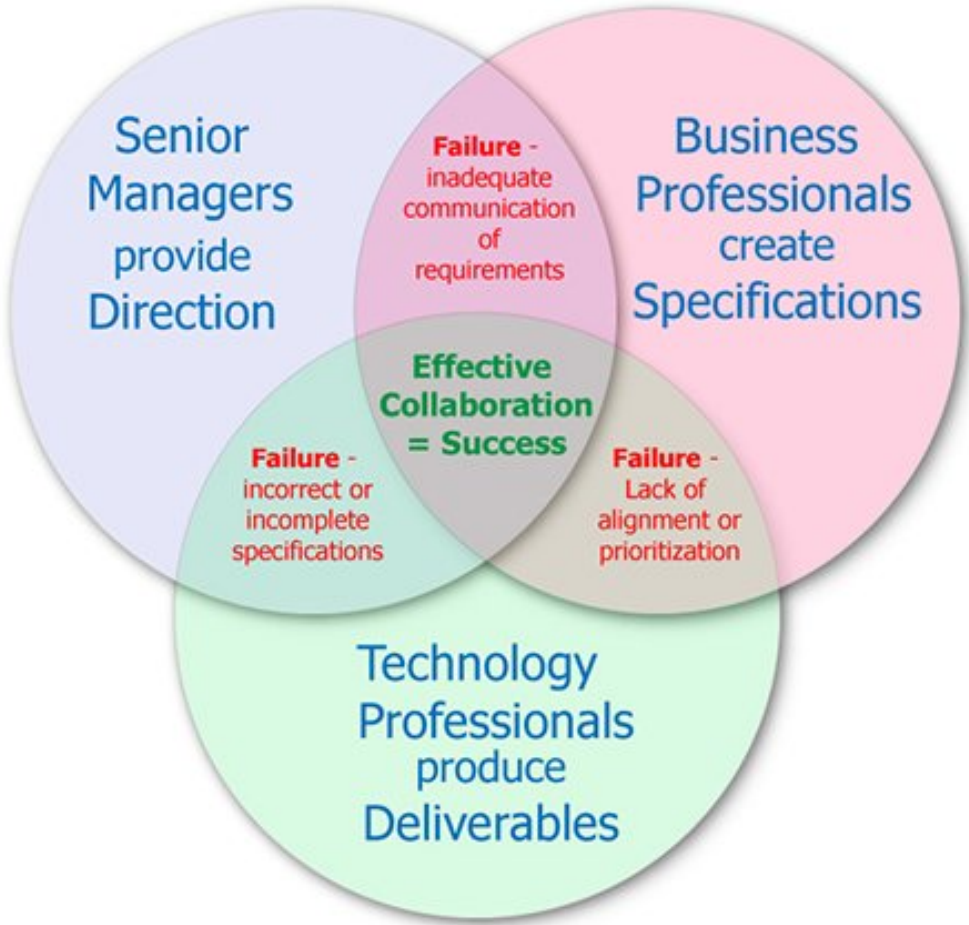


Figure 1.

The simple, sure-fire way to increase Business/IT collaborative effectiveness

We've all heard the old saying, "You get what you measure." This adage is true, for better or for worse. Measurement drives performance – sometimes in the right direction, sometimes not.

For example, if folks in Sales are measured primarily on the volume and dollar value of orders they win, they might be driven to make unrealistic promises to customers to secure those

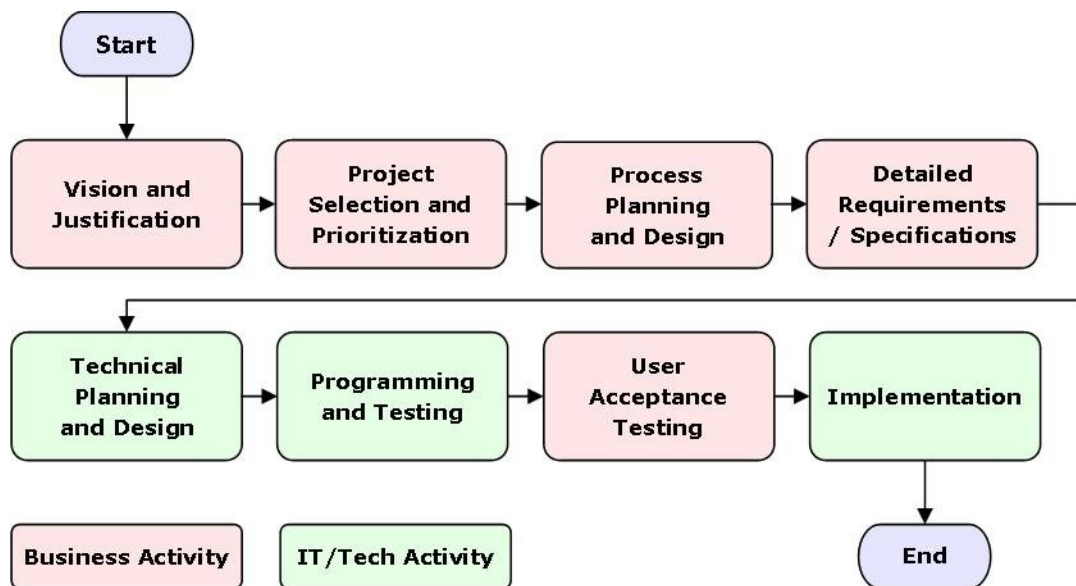
orders. It's likely that they won't appreciate the negative impact this has on production plans because they're not being measured on that.

When we make measurements at the departmental level we raise the possibility that the pursuit of efficiency in one department can actually lead to the detriment of other departments in the organization.

So what does this mean in relation to Business/IT collaborative effectiveness? Consider this:

- 1) Many of the folks involved in software-related projects also have "real" jobs in their respective departments. This is especially true for Business Professionals.
- 2) These folks are measured primarily on the results they produce in their real jobs.
- 3) There are usually no performance measurements for their project work.
- 4) Their departmental work will always take priority over project work because that's how their performance is evaluated.

We normally think of software work in terms of availability of programmers. But, consider this illustration:



Even though this example is greatly simplified you can see that Business is responsible for at least half of the activities associated with the project lifecycle. Not only that, but the activities for which Business is responsible, are the activities that most determine whether the project will ultimately fulfill the vision that justified the commitment of time, money, and resources for its execution in the first place.

With the constant pressure to get more done with less, we often lose sight of the time and energy that Business Professionals need to devote to project related activities such as planning,

evaluation of current processes, design of future processes, definition of functional requirements, creation of specifications, and user acceptance testing.

Because we don't measure the effectiveness of Business/IT collaboration, we have no way of determining where we went wrong if we fail to achieve the goals of the project. We're left with a bunch of folks pointing fingers and assigning blame.

Research consistently shows that 50% to 70% of our projects fail to meet expectations. Yet our understanding of why this happens is almost completely anecdotal because we don't adequately analyze the results of our projects to capture information that could be used to improve our methodology.

How can we turn this frustrating situation around? By improving the effectiveness of Business/IT collaboration! How do we start?

PPE Truth #96

To improve the effectiveness of Business/IT collaboration,  
start MEASURING the effectiveness of Business/IT collaboration!

Here are the steps:

#### Step 1 – Adopt a new outlook

PPE Truth #94

When a project fails, it's EVERYBODY'S fault.

The first rule of Project Portfolio Excellence is that our successes are shared – and so are our failures. Enterprise software projects are complex, and we already know that there are many circumstances which can lead to project failure.

The attitude that we want to promote is one of teamwork and open communications. In order to get to this point, it may take a little work to address some cultural barriers that currently exist. For more information, and a plan to address, this read "The Verisimilitude Manifesto."

PPE Truth #121

To achieve Project Portfolio Excellence there can be no Business or IT  
"side of the house." There's only one house, and everybody's in it.

We succeed as an organization and we fail as an organization. Maybe the most helpful mindset when it comes to improving collaborative effectiveness is:

Project failure is a process problem, not a people problem.

Instead of looking for people to blame, we need to think about how our process let us down.

### Step 2 – Start measuring Business/IT collaborative effectiveness

Let's start by thinking about how we measure project work today. The following synopsis of project activities is condensed for the purpose of illustrating the point.

Project management accepted practices recommend that after functional requirements have been captured and decomposed into detailed requirements, we create a Work Breakdown Structure containing the required tasks. We then assign resources, estimate durations (aggregated and sequenced to forecast project schedule, and monetized to forecast project budget), and begin the work.

At this point, the only means we have to measure our progress is to compare where we are in the schedule and budget versus where we expect to be at any point in time. A number of measurements and ratios have been developed to allow for detailed analysis of our progress. These measurements have one thing in common – they're all based on the schedule and budget that was extrapolated from the Work Breakdown Structure. But, what if the Work Breakdown Structure is wrong?

Guess what? It always is! Over the course of any sizeable project, something will happen to change the parameters, attributes, or components that we're trying to measure. Some examples of measurement-busting changes might include:

- Critical resources become unavailable. These resources could be brains, machines, time, or money.
- Sponsorship of the project is transferred to a different manager, who has different ideas as to how the project should proceed.
- The business environment changes, necessitating additions, deletions, or changes to functional requirements.

You get the point.

This isn't to say that the measurements described above aren't of value or that they shouldn't be performed. It's just to point out that these types of measurements are always, by default, being made against a dancing target.

There's a more important characteristic that all of these measurements have in common – none of them takes into account the quality of the work being performed!

#### PPE Truth #24

Be careful what you decide to measure or reward because that's what you're going to get.

If you're not measuring the quality of your results you're not going to get results of acceptable quality. And, if your results aren't of acceptable quality expected benefits and ROI aren't likely to be achieved.

Here's where we need to start thinking as a team instead of as a collection of players. Today when a project fails to satisfy the vision that justified it, we all start looking for something or someone to blame.

"The schedule was impossible. We weren't able to test it properly!"

"The specifications were inadequate. We can't read your minds!"

"You gave me what I asked for, but not what I need."

"You should have known..." (Complete the sentence based on your own experience).

Not only is this type of exchange not helpful, but it promotes a defensive and adversarial stance between Business and IT professionals, which makes collaborative effectiveness for future projects less likely.

#### PPE Truth #26

You can't reach to the future if your hands are covering your ass!

What attributes do we measure to determine our level of collaborative effectiveness?

#### PPE Truth #97

Collaborative effectiveness is best measured by the  
QUALITY and FITNESS FOR USE of the final product!

Some would contend that "quality" and "fitness for use" are synonymous. Here's what the terms mean in Project Portfolio Excellence:

- Quality – The product accurately performs all functional requirements, including requirements of interrelated systems. No new bugs or quality issues are introduced into existing systems.
- Fitness for use – The product supplies the requested functionality in a way that is acceptable to the project sponsor.

The tool that supports this measurement is called the Project Request and Fulfillment Index or PRFI for short. As mentioned before, it's used to quantify the quality level and fitness for use of the application, functionality, and systems that result from software-related project requests.

The final measure of fitness for use and quality can't be made until the after deliverables have been put into production and have had a chance to settle in. This could be three to six months after Go Live. At that time, the project manager and the sponsor should meet to discuss the results of the project and to calculate the PRFI. Here's a link to the form:

The PRFI form (<http://www.projectportfolioexcellence.com/files/PRFIcalc.xls>)

Take a minute to open or print the PRFI form if you're able to. Hopefully the many comments will make it self-explanatory. Here's a description of the steps in the process:

- 1) Calculate the Baseline – Based on the Vision and Scope documentation, as well as the Detailed Requirements, the number of High, Medium, and Low Functional Requirements are entered into this section. These include only requirements that have been approved by the sponsor. Requirements that are added after the project is in flight are added here as well, but they must be approved by the sponsor in order to be added. High, Medium, and Low requirements are weighted using the FR Factors table.
- 2) Adjust the Baseline – Over the course of the project, requirements may be dropped for any number of reasons. The corresponding adjustment to the baseline is captured here. Enter only those requirements that the sponsor has agreed to drop.
- 3) Final Project FRs – In this section the adjustments to the original FRs are subtracted, resulting in the Adjusted baseline value.
- 4) Calculate the Fulfillment Value – This is the number of FRs that are fulfilled by the implemented deliverables.
- 5) Preliminary PRFI – This is the base index, before any adjustments are made for outstanding quality issues at the time of implementation.
- 6) Adjust for remaining errors – An adjustment to the index is made for any errors that were discovered but were yet unresolved at the time of implementation. This adjustment is made to reflect the increased probability of post-production quality issues, increased costs of ongoing maintenance, and the possible cost of damage to connected systems due to unresolved issues.
- 7) Final PRFI

### Step 3 – Act on the findings

Incorporation of this measurement into your project management methodology will give you a starting point in evaluating, analyzing, and improving Business/IT collaboration.

When you're analyzing these results remember that the goal is to have discussions, not inquisitions – and evaluations, not blame-throwing. The minute you start using this tool or any other tool as a club to try to drive performance, people will, understandably, go on the defensive. They'll start reporting what they think everyone wants to hear instead of what everyone needs to hear. Once again, for a more detailed look at the steps for building a more open and trusting environment, read The Verisimilitude Manifesto.

### The Verdict

The Project Request and Fulfillment Index provides a starting point for the quantification of Business/IT collaborative effectiveness. The measurement provides the feedback loop that is necessary in order to begin a continuous improvement process. It's said that if you don't measure you can't manage it. More importantly, if you don't measure it, you can't improve it!

To be successful with Project Portfolio Excellence everybody has to agree to play by the same rules. For more on how to make that happen, learn more about The Contract for Collaboration.

If the effectiveness of Business/IT collaboration in your company isn't what it needs to be, and you do nothing to improve it, you'll continue to be frustrated with your results. Maybe it's time for a change.

### PPE Truth #1

The causes of project failure are easy to diagnose and simple to understand.

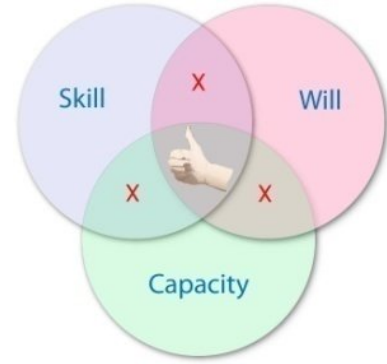
Project Portfolio Excellence (PPE) is an alternative model for portfolio management, which is based on effective collaboration between Senior Managers, Business Professionals, and IT professionals. It contains the tools, techniques, strategy, and methodology to support better results with enterprise software and software-related projects.

PPE is especially useful for companies that lack the discipline or process maturity to succeed with Project Portfolio Management.

You can learn more about PPE at <http://www.projectportfolioexcellence.com>



The Project Triad



The Project Trinity