



**Driving Business Value through
Integration Management**

Reader ROI

- Several studies have quantified what many throughout the industry have known—large-scale programs, given that they contain many moving parts, carry a low probability of success.
- The complexity and critical nature of these issues can be addressed through effective program management. Not program management in the traditional sense, but an enhanced form of program management that is called integration management.
- Integration management is more than just large-scale project management. It is also a disciplined management model focused on the achievement of business results.

Driving Business Value through Integration Management

Over time, we have seen that many large-scale programs do not achieve their objectives. Frought with complexity and risk, many critical IT initiatives carry a low probability of success.

In a recent report on project failure, the Standish Group, a leading industry research organization, found that almost 77 percent of projects were unsuccessful. The projects either failed entirely or failed to meet the original commitment.

Another report by the META Group, found that 72 percent of projects were either late, over budget, lacking in functionality, or never delivered. The remaining 28 percent of “successful” projects were plagued with budget overruns (45 percent) or delays in schedule (68 percent).

There are a wide variety of reasons for project failure:

- Undefined vision
- Poor planning, management, and requirements
- Inadequate management support
- Insufficient focus on business value
- Conflicting priorities and agendas
- Failed communications
- “Finger-pointing” culture

To be successful, organizations must be proactive in addressing the challenges that are inherent in large-scale initiatives.

Program management excellence

The complexity and critical nature of these issues can be addressed through effective program management: not program management in the traditional sense, but an enhanced form of program management, integration management.

A successful program will possess six key attributes:

- Focus on business value
- Stakeholder governance
- Rigorous project management discipline
- Accountability focused management
- Broad communications
- Results-driven culture

Focus on business value

The enterprise must establish a clear link between the program outcomes and value to the business. Once the program’s value has been established, the program must be measured against goals on an ongoing basis. Progress and achievement must be communicated on a regular basis.

Value is not measured as a snapshot in time; it may change. The program needs to be reassessed periodically and modified/retired, as necessary.

Stakeholder governance model

Governance creates ownership across the organization and provides a framework for making timely, balanced decisions focused on the delivery of business value. Key stakeholders must buy-in to the expected value of the project.

Rigorous project management discipline

Program management doesn't replace the need for strong project management capabilities. It enhances it by allowing project management to focus on tactical issues. This discipline is especially critical to:

- Integrated plan development and management
- Key milestone definition and management
- Change request (scope) management
- Status tracking/reporting
- Financial tracking/reporting
- Validation and quality management
- Issue management
- Risk management
- Artifact management
- Communication management

Accountability-focused management

Accountability drives ownership and the ultimate achievement of business value. Clear linkage must exist between program results and individual success and performance. There must be clear consequences for failures and reward and recognition for success. These incentives and penalties must apply to vendors as well as employees.

Accountability requires both the delegation and acceptance of authority. Lines of authority must be established for raising issues and mitigating risks. Success must be attributed at the program level, not the project level.

Broad communications

Communications focuses on the development and dissemination of accurate and valuable information across all stakeholders. Don't assume that communication is a by-product of on-going interaction. It must be planned, managed, and continuously improved. The informational needs of all stakeholders must be understood and addressed properly. The program management office must ensure that communications are clear, consistent, accurate, timely, and valuable. Whenever possible, the communications should include the link to the outcomes and business value.

Results-driven culture

A results-driven culture sets the context for value creation and success. A major program offers an opportunity to practice a new results-driven culture, one in which:

- It is acceptable to raise issues.
- It is the job of management to help solve issues.
- Last-minute surprises are unacceptable.
- Withholding information is not tolerated.

The three major steps to cultural change are overcoming resistance to change, eliciting new behaviors, and building a new knowledge base.

The quickest and most effective way to institute cultural change is to use the acknowledged leaders as the drivers. This 10 percent of the population must be in visible positions within the program so that the rest of the population will change.

The next generation of program management

The complexity and critical nature of some of our client programs have caused us to enhance the program management framework, creating an integration management framework. Integration management is more than just large-scale project management.

Integration management transcends the IT-focused mega-project approach of the past. It is a holistic, agile, business-oriented management approach which focuses on getting the job done on time and on budget, delivering on commitments, and driving the business capability and value that stakeholders demand from any enterprise investment.

Integration management is a disciplined management model, focused on the achievement of business results—it involves managing and coordinating all activities and dependencies necessary to ensure the intended business capability and benefits are achieved.



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