

# levee<sup>z</sup>

Eliminating Limitations

## Outstanding Customer Service

### Executive Summary:

Established jointly by Reuters and Equant, Radianz is the world's most extensive financial services network, connecting a global financial community who require a quick and secure means for exchanging transactional and other financial information.

Our Critical Chain approach to project and resource management implemented in a Global multi-project environment improved projects on time and to original scope from less than 20% to greater than 85% with the first results visible after just six months.

Radianz used Levee's rigorous, standardised, industry strength methodology for planning and scheduling work across projects to give a clear, easy to understand visual report of project status early enough for management to take the necessary corrective actions to ensure projects get back on track.

This solution as well as giving benefits for the project in the short-term also easily obtains key statistics for reporting and focussing continuous improvement activities by clearly identifying root causes, common problems and highlighting weaknesses and areas for development in Project Managers.

### Business Challenge:

Radianz is a Reuters and Equant joint venture Start-up Company (2000) with 1000 employees located between London and New York and annual revenue of \$600m. Radianz vision is to be the industry leader in providing a source of light-speed guidance to information, content, and transactions anywhere in the world.

A cultural clash and many different competing methodologies for project management existed between the employees of the different parent companies, and the different sites in the UK and US. The projects have a high degree of uncertainty and complexity with only an estimated 20% being delivered on time, all projects suffered from scope slippage with no measure of performance or control of cost.

The major reasons for poor performance were:

- a lack of information early enough to plan the project,
- acceptance by Senior Management, of unrealistic delivery dates dictated by the market and competition,
- four main streams of the business all competing for the same small pools of specialised resource
- a high level of interruptions to respond to 'urgent' sales opportunities and system failures

- the existence of the mindset *"that the sooner we start a project then, the sooner we will finish the project"*

### How We Helped:

Radianz felt that, after doing a thorough analysis of most of the leading Project Management methodologies, these focussed on how to better structure and standardise the high level management of projects. Despite the structured processes being necessary these methodologies did not seem to sufficiently address the major customer service problem for Radianz. They were searching for a methodology that would help them to better plan, schedule, resource and execute their portfolio of projects. They felt that if this could be achieved they would be better able to ensure that all the projects were delivered *"on time, to budget and original specification"*.

Levee's project and portfolio management approach based on Eli Goldratt's Critical Chain methodology *"made a lot of sense, was new, refreshing and addressed the scheduling and resourcing problem in*

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*a multi-project environment"*. The customer felt that this approach was unique in helping to achieve their objective; *"Radianz Global Engineering commit to, and continually deliver to the customer, on all project deliverables of time, scope and budget"* across the entire portfolio of projects.

Levee's approach to facilitate organisations through the change process by educating and transferring the knowledge to internal experts resulted in the client becoming self-sufficient in the methodology. This was a major factor in Radianz selecting our services as they *"liked the approach of education and Socratic knowledge transfer to internal Radianz experts rather than doing consulting"*.

Initially Radianz top management were educated in the concepts of the approach. Then the Radianz internal experts were further educated to a far greater depth in the concepts upon which the methodology is built. With a greater understanding of the concepts the internal experts could begin to think how they could be applied to their unique environment. They were facilitated through this process until a high level vision was agreed. Once agreed, this was presented to the top management

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team to gain the consensus necessary to proceed with the implementation.

In order to check and refine the validity of the solution six pilot projects were chosen as 'Learning Projects' for the internal experts and top management team. An implementation plan was constructed with the internal experts and then agreed with top Management for the initial Learning Projects. This was the first project that was planned and executed using the methodology.

After the success of the Learning Projects and the modifications to the solution were agreed we then proceeded to plan the full multi-project launch. Once again, the internal experts were facilitated through the plan, agreement of top management was achieved and the plan was executed. Once sufficient projects to gain a critical mass had been planned, in priority order, and were being executed they were synchronised against each other to properly deal with resource contention and priorities across projects.

For Radianz, projects, and hence the management of these projects was their "bread and butter". Radianz customer delivery performance was very poor with few projects, less than 20%, being delivered to their customers on time, to the original specification within budget. This was now a big problem for the business, but as Radianz grew they realised that this problem would only become worse. The objective of the implementation was that "Radianz Global Engineering commit to, and continually deliver to the customer, on all project deliverables of time, scope and budget". Their critical success factors for the implementation were:

- All projects are managed under Critical Chain Multi-project
- Projects are buffer managed to achieve all the project deliverables (time, scope, budget)
- Buffer meetings are a part of Radianz Global Engineering culture
- Every project buffer status is reported on the intranet
- Weekly and monthly executive buffer reviews
- Most resources in Radianz Global Engineering are working on Critical Chain projects
- Management and staff behaviour is consistent with a "Multi-project single task" environment

### High Performance Delivered:

After the completion of the project Radianz achieved outstanding customer service, together with a process of ongoing improvement, which helped to continually reduce the lead-time of their projects. The project objective was successfully achieved and Radianz Global Engineering now commit to, and continually deliver to the customer, on all project deliverables of time, original scope and budget.

They improved project performance from less than 20% on time and to original scope to now greater than 85% on time and to original scope. This improved performance has helped them to significantly increase their market share.

Top Management, Project Managers and resources now have clear, easy to understand visual report on the status of all projects in the portfolio. This enables management and resources to focus on the important few issues and ignore the trivial many. During this execution phase of projects recovery actions can be taken early enough in a project to ensure that the final deliverables are not

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endangered.

Radianz have further developed these reports to easily provide the key performance statistics on root causes and common problems that are required to focus their continuous improvement activities on the few elements that will really make a difference to their performance. All of this has given Radianz a "World class reporting and analysis" process. "Critical Chain has helped focus on fixing the right things, identified weaknesses and areas for development in Project Managers and been a vehicle for driving through development of project management solutions" - Mark Stephen, the Director of Business Planning at Radianz.

Radianz now has a "Standardised industry strength methodology for planning and scheduling work across projects". All projects are now built using a common and rigorous planning approach. These projects are then prioritised across Radianz and synchronised with the other projects. Only then do Radianz commit to project completion dates. This results in a high level of confidence that the customer commitments will be achieved.

*"This common sense approach is easy to understand but difficult to translate into behaviour...but the benefits are worth it! It provides a proven world class approach to scheduling and reporting projects that has been implemented in a global culturally challenging environment promoting a vehicle for driving change and standardisation" - Mark Stephen, Director Business Planning, Radianz*