

Business Discovery Process for a Fortune 500 Apparel Manufacturer

Highlights

- By partnering with UST, the client was able to establish a consistent IT Governance approach that positioned them to leverage technology solutions more effectively
- UST enabled the client to eliminate or reprioritize 67% of the IT projects that did not contribute to strategic business objectives
- The client achieved 100% ROI from its UST engagement within three months

Profile

Our client is a global manufacturer and marketer of high-quality, brand-name products for consumers worldwide. At the time of our engagement, the client was busy planning the creation of an independent, public company that was being formed as the spin-off of six subsidiaries and the acquisition of one new firm.

The new company, which designs, manufactures, sources and markets apparel became the largest apparel brand in the world and an instant Fortune 500 company with a total net sales \$1.4 billion for the first quarter of 2007.

Business Issue

Prior to the formation of the new company, the IT groups within each subsidiary worked in a silo with limited or no interaction between each other. Issues among the IT groups were as follow:

- Projects operated independently of one another, often with conflicting goals
- Once handed off to IT, many projects were managed without business unit involvement
- Redundant applications, with conflicting or incompatible business processes, often existed in their portfolio
- No standard IT processes existed, except those of the former parent company
- Some global IT assets were shared with business units that were not slated to be part of the new company
- Customers wanted to deal with a single entity across the multiple brands and products, but the existing systems made this very difficult
- Return on Investments (ROI) was not consistently measured and accountability was low
- There was no strategy in place to effectively handle the acquisition and integration of new companies
- Employee resources were often heavily allocated to a variety of lower priority projects.

Now, as a result of the spin-off of the apparel brands into one company, the separate IT groups had to be consolidated. The new CEO wanted improved return on IT investment. He wanted a process by which he and his staff could get a first hand understanding of the different projects in their portfolio, directly control the capital allocated to them and ensure that they were getting the best returns for the consolidated companies as well as for additional acquisition the company was planning for the future.

Requirements

- Improve return on investment on all projects
- Ensure that all IT projects are aligned with the corporate objectives
- Implement common processes and metrics for understanding business proposals
- Focus limited IT resources on the most important business projects
- Ensure ongoing business involvement in initiatives

In addition, the new CIO needed to improve management processes and business alignment, and modify systems to provide consolidated information as well as support new common processes across multiple, formerly independent business units.

Moreover, the quality of the new processes and systems needed to meet the exacting standards of a NYSE publicly-listed company, and do so by the deadline of the planned spin-off.

UST GlobalSM (UST) was chosen by the client to assist them by developing and implementing a business discovery process to validate ideas, define the business reasons, determine optimal solutions, and provide reliable estimates of cost to the CEO and his direct reports. With this information, the prioritization of projects could occur and effective management oversight to optimize the return and minimize the risk would be implemented.

Having worked with several of the former divisions within the client's business, UST was able to demonstrate strong existing knowledge of the issues and proposed to modify its own CMMI Level 5 process to address the client's needs quickly with a proven Business Discovery Process.

UST Approach

UST had to develop and implement a common IT Governance process, demonstrate its effectiveness to multiple stakeholders, and do so in conjunction with other improvement efforts (in-flight) which included those for the existing project management process and a new PMO office. As part of the implementation, we also needed to develop and conduct training for the business analysts. All of this had to be accomplished in a six-week time frame.

UST developed a business analysis and requirements discovery process that all units could apply as a standard across all projects, including business and IT initiatives. A central steering committee comprised of key business and IT stakeholders would be in charge of listening to project proposals and then approving or rejecting the proposals. This approach put control over all projects in the hands of the business.

To develop the discovery process, UST leveraged its intellectual property to:

- Develop and document the new process
- Develop and publish templates for all forms and steps in the process. This was then presented to executives to explain the process and garner the executives' support
- Present it to all stages in the organization
- Develop a training program and trained over 30 Business Analysts and project managers, and
- Mentor Business Analysts in the conduct of the first six projects to undergo the Business Discovery Process.

As a result, the steering committee now had a consistent mechanism to make sure that new projects provided significant business value, were in line with strategic objectives, and could be compared on a common scale. The process and associated artifacts allowed the business analysts and project sponsors to:

“UST’s business discovery process puts control back in the hands of the business.”

—PMO Director

“Without this process, we’d have wasted hundreds of thousands of dollars on unsuccessful projects.”

—Project Manager

- Provide the steering committee with sufficient information about the scope, rationale, impact, costs, and benefits of a proposed project
- Improve alignment of IT project efforts with business goals by increasing the shared understanding of the purpose, requirements, and implications of the project
- Improve the predictability and control of IT projects by identifying the purpose and value as a basis for prioritization and trade off during project execution.

To achieve immediate results from the new process, UST and our client worked together to identify all existing IT projects currently in development or in the queue for development, and to retro-actively establish the goals and impact of each initiative. Armed with this knowledge, projects were prioritized for assessment based on their respective timeline, benefits and scope, and alignment to the infrastructure plan. For each existing project, the scope was evaluated to ensure the effort was aligned with established business and infrastructure objectives.

Benefits

At the first governance review meeting, with the UST Business Discovery Process forms in front of them, the client was able to successfully cancel three out of the six initial projects that were identified for insufficient business value. Based on this success, the CEO created a policy whereby all major projects would go through the IT Governance process from then on -- not just IT projects but all corporate projects including new client openings, other facility changes, etc. and acquisitions.

Over the next several months, it was proven that due to the discovery process there was a reduction in the duration, cycle time and expense involved in projects. The IT Governance processes set in place by UST enabled the client to terminate projects of insufficient value relatively quickly and allowed business and technology professional to concentrate on more valuable projects sooner. While previous projects would be underdeveloped and consume resources for six to 18 months, now the company was able to complete a typical business discovery in the span of two weeks to three months, and concentrate its efforts on those with the highest value.

UST equipped the client with the process to establish the scope of the business value of any project and accept or reject projects based on this, thus providing the company with a tool to become more profitable.

Additional benefits included:

- Improved ability to identify projects with overlapping or similar scopes, as well as employees who were over-allocated
- Better focus on the scope and timeline of existing projects.
- Reduction in the number of projects undertaken -- the IT department became more agile and able to respond faster to the needs of the business
- A clearer view of the return on investment by more effectively defining business value
- A better and common understanding about the needs of business users as well as the logic behind business decisions, which enabled IT to better anticipate business requests as well as suggest areas of improvement for better alignment between departments.