



# REDUCING PROJECT CYCLE TIME

Focusing on Better Resource Management

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## Introduction

**Statistics show that over 70% of projects fail to meet schedules.** <sup>[1]</sup> The consequence of this for 40% of companies is “delayed time to market which results directly in losses in revenue, savings, customer satisfaction, and market share.” An even higher percentage of companies report losses in productivity (49%), while 41% see the risk of poor project cycle time as continuing to “operate in crisis mode.” <sup>[2]</sup>

A root cause of schedule failures is not having the right resources available at the right time. It is not surprising then that improving resource planning & forecasting is the top PPM priority (with 65% of firms reporting it as a top priority). <sup>[3]</sup>

So, you have decided to improve project success rates (as measured by target versus actual cycle time) by focusing on resource management. Now what?

# A DAY IN YOUR CURRENT LIFE

To understand where you need to go, it's best to understand first where you are and how you got here.

The primary root cause of your project cycle time challenges stems from a history of:



**Continuous changes to business priorities and conditions.** This includes frequent adjustments to business strategies and priorities, budgets, market conditions, the competitive landscape, and your talent pool. Changes in these areas keep accelerating and any of one of them can affect project success and project cycle times. This was cited as the top pain point for organizations in terms of impact on resource management. <sup>[4]</sup>



**Operating in data silos negatively impacting productivity for both structured and unstructured workflows.** The proliferation of data silos at the desktop and local share drive level has impeded project cycle times by slowing workflows that depend on project data visibility and real-time access. Only through data centralization (e.g. a cloud repository) can project execution speed be maximized since it is a prerequisite for integrating and automating workflows across functional silos, as well as achieving maximum data visibility and access.



**Inability to Efficiently Utilize Resources.** Resource management is a challenge for most organizations and no organization will claim they have perfected this process. In fact, only 5% of organization claim to be at the highest ("Level 5") maturity level. <sup>[5]</sup>

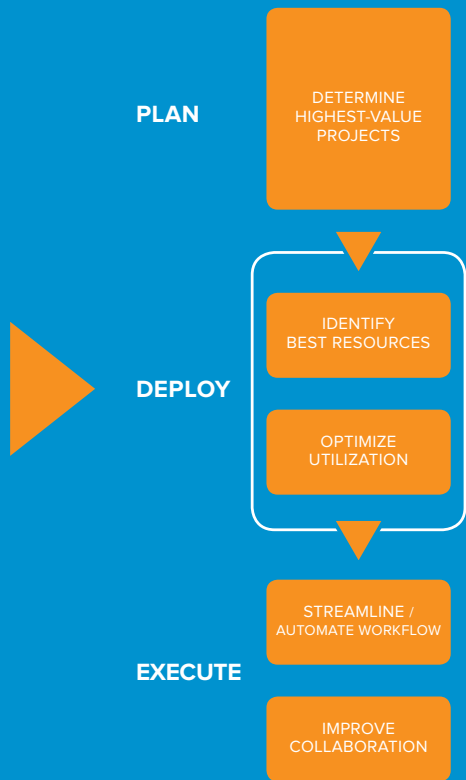
# WHY IS A NEW APPROACH **REQUIRED?**

Projects are the agent of change in an organization. You can't implement a strategic initiative, deliver a new service internally, or bring a new product to market without a program that consists of a collection of interdependent projects.

A 10-15% decrease in project cycle time has a multiplier effect on projects that aim to reduce operational costs or support revenue generation. In other words, as reduced cycle times enable every project in the pipeline to start and end earlier, these financial benefits accrue earlier and compound.

An approach which focuses on improving resource visibility, allocation, and utilization will have the most impact on strategies to minimize project cycle times.

**PROJECT CYCLE TIME IMPROVEMENT FRAMEWORK**



# SOLUTION REQUIREMENTS

To minimize project cycle time, you will need some new processes and/or tools. Let's refer to this as a **Project Cycle Time Improvement Framework**.

There are three key components:

✓ **PROJECT SELECTION**

Given that 75% of IT project leaders believe their projects are “doomed from the start.” [6], it is important not to underestimate the importance of project selection in determining project cycle time outcomes. In addition to business value, project execution risk (i.e. the risks and consequences of completing projects late and over-budget) should be a major consideration in determining which projects to pursue and a formalized part of the demand management process and project prioritization model. Fortunately, most organizations are competent at risk management and take it seriously. In fact, 60% of organizations say they always or often conduct risk management. [7]

✓ **RESOURCE MANAGEMENT**

This is the most important focus area to drive your project cycle time improvement initiative because this is where there is the greatest room for improvement. Organizations that are considered low performers in this area waste nearly 12 times more resources than high-performing organizations. [8] Imagine the cycle time impact of having 12X more resources.

Further, in a study on “The Top Business Risks of Not Addressing Resource Management and Capacity Planning with Improved Processes and Tools,” “Inability to complete projects on time” is reported as the biggest risk. [9]. This corroborates the connection between resource management proficiency and project cycle time.

To sum up, if you don't have the right resources with the right skills available for your highest value projects and they are not working at the maximum utilization rate achievable, the other project cycle time levers (such as Workflow Optimization discussed next) will not be impactful.

✓ **WORKFLOW OPTIMIZATION**

Project management tools automate the structured core project management processes to ensure they are executed in an efficient and repeatable way. This includes standardizing and streamlining proposals, approvals, and project workflows, as well as the ability to quickly generate and share executive level dashboards and reports, and set and receive automated alerts and notifications. In addition, many integrate tools for unstructured communication and information sharing (e.g. context sensitive threaded discussions and chat). At the center of your workflow optimization strategy should be a centralized knowledge base of best practices, tools, templates, and lessons learned.

# IMPLEMENTING YOUR PROJECT CYCLE TIME IMPROVEMENT FRAMEWORK

As indicated above, you should focus this initiative on your resource management process and tools strategy. You can then focus on integrating this process with upstream demand management processes and downstream project execution processes. Here are the key steps to implementing your solution strategy.



STEP

1

Evaluate your resource management maturity level to determine not only what is the desired level of process sophistication, but what is achievable given your cultural context.

STEP

2

Treat this initiative like any other strategic project (e.g. select a “champion”, define the project goal and success metrics, identify stakeholders and gain buy-in, etc.).

STEP

3

Build an achievable execution plan with a quick-win mentality to demonstrate value and gain project momentum. For most organizations, the starting point and “low-hanging fruit” is gaining basic visibility to your resources (i.e. who are they, where are they, what are they good at and what are they working on right now).

STEP

4

Keep the big picture in mind. Your resource management strategy should not only address immediate-term metrics for on-time project completion, but on-going needs for an agile workforce/talent pool to flexibly address constant changes to business priorities and market conditions. The ability to forecast resource and capacity needs will be key.

# A DAY IN YOUR NEW LIFE

So, if implemented how might your cycle-time improvement solution positively impact C-level goals like profitable growth every day? Here are a few examples.

- Strategic initiatives dependent on projects to operationalize required business changes succeed.
- Team morale is at an all-time high because resources are used efficiently and “burn out” is anticipated and avoided due to better utilization visibility
- Executives are confident in the company’s ability to execute now and be competitive for the foreseeable future.



## Ready for the next step?

Begin with a Project Efficiency Self-Assessment:



Explore our other available Solution Framework eBooks:



### Sources:

- [1] PricewaterhouseCoopers: Insights and Trends: Current Programme and Project Management Practices 2012
- [2][4][5] Appleseed partners & OpenSky Research (© 2013 Planview, Inc.)
- [3] PM Solutions: The State of Project Portfolio Management (PPM) 2013
- [6] Geneca: Doomed from the Start? Why a Majority of Business and IT Teams Anticipate Their Software Development Projects Will Fail, 2017
- [7] Project Management Institute: Pulse of the Profession 2017
- [8] WRIKE complete collection of project management statistics 2015.
- [9] 2016 Resource Management and Capacity Planning Executive Insight Report

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## Contact

www.sciforma.com  
Phone: 1-800-533-9876  
sales@sciforma.com



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