FEATURED PAPER

Overcoming Common Pitfalls in EPM Systems Implementations Beyond the Technical Execution –

By Francis D. Wega

With the advent and popularity of Enterprise Project Management (EPM) systems in recent years, it has been very common to come across EPM implementations originally considered successful, yet much underutilized, demonstrating a lack of adoption, and rapidly becoming a wasted investment.

The issue appears to be deeply rooted in the misconstrued definition and understanding of an EPM system and its ramifications. An EPM system has often been restricted to its technological components in such a way that the success of an EPM implementation is synonymous to the success in designing and assembling those components. This narrow view leads to a potentially fatal ignorance of the real organizational and behavioral ramifications of such an implementation.

A truly successful EPM system implementation is the combination of a well designed, installed and integrated system, supporting good project management (PM) processes, increasingly adopted / utilized by stakeholders groups, and most of all yielding the short and long term business benefits anticipated. The true success of an EPM system implementation is measured by how well it addresses solutions to the business problems it is intended to solve.

The sections below provide critical recommendations addressing key elements generally overlooked, yet indispensable to successful EPM systems implementations...beyond the technology components.

1. Business Case for an EPM

As a general observation, senior managers engaged on the road toward EPM implementation in their organizations have a key concern: secure necessary funding. While this is absolutely critical to begin any work, they usually fail to scrutinize the governance process surrounding the implementation project. As a result, they approach consulting companies with a couple of items: a budget not to exceed, and sometimes a loosely crafted list of required features and functionalities.

Organizations have the responsibility to treat EPM system implementations as any other normal projects, which is required to pass through an established (hopefully) project governance process. An acceptable governance process would include stages of Business case/project development, reviews and approval, based on specific requirements and established standards. A business case for an EPM implementation project must

generally include key decision-making information such as a clearly stated set of business benefits anticipated.

The ultimate success of an EPM system will and should be measured by how well it helps achieve such short and long term business benefits. Benchmarks should be clearly expressed to measure such benefits (improvements in managing projects budgets, quality, schedules, communications, changes, etc.)

2. Project Management Maturity Assessment

One of the top considerations when assessing an organization for EPM system implementation is the organization's Project Management maturity level. Any effective solution to project management challenges in an organization has to take into account its project management maturity level. An effective assessment is a strategic tool that should yield priceless information about organizational readiness, cultural complexities, the people factor, the existing processes, past implementation experiences, other existing systems, etc.

There are various project management maturity assessment methodologies available and utilized by industry professionals. What matters the most is the quantity and quality of the information produced to support strategic and tactical decision making.

The results obtained from the maturity assessment will provide a good foundation for a systematic implementation of a successful EPM system. In fact, it is the basis upon which we can determine the breath/scope (system and organizational), the depth and the pace of the solution implementation. "The PM Maturity Model allows us to identify what steps must be taken, what deeds must be accomplished, and in what sequence to realize meaningful and measurable results" [1]

3. Cultural Change Management

The introduction of an EPM system can lead to an extraordinary demand for transformation of behaviors, thoughts, practices, expectations, knowledge, processes, etc. Such changes should be planned and managed in the most diligent manner, as mistakes in this area can lead to catastrophic results.

Any in-house or external consulting groups tasked to plan and implement an EPM system must think of themselves as true change agents. The impact of their work in this capacity spans far beyond the system being implemented. It is therefore important to establish and manage an effective change management process in parallel with other activities being introduced.

The cultural change management track can include the following elements: maintaining effective and proactive communication with all stakeholder, conducting activities and initiatives aimed at ensuring initial buy-in, addressing the "what's in it for me" questions, implementing feedback mechanism to address concerns and make

necessary adjustments, initiating strategies to reward good behaviors and discourage bad ones (rewards and recognitions), etc.

4. Collaborative Requirement Gathering

In designing EPM systems, requirements gathering activities are often conducted as a number of technical interviews with separate users or groups of users organized by functional area or by roles. In some cases, such interviews are just limited to one or a few senior managers considered very knowledgeable of the entire organization and its complex needs.

Those above mentioned practices consist of sparsely gathered requirements and can generally result in trying to implement a system that does everything to everybody, but very little to the organization. In most cases, this will lead to the creation of "silos" solutions across the organization, operating almost independently, and not yielding the overall benefits of a true integrated solution.

In reality, a successful EPM should also be about facilitating good collaboration and communication in project management decision making. We therefore suggest that requirements gathering sessions be exploited as a convenient platform to launch such a collaboration aimed at integrating individual objectives to effectively meet greater organizational goals. As a recommendation, effective requirements gathering should be organized in one or more sessions, each regrouping key representatives of every stakeholders groups, regardless how conflicting their views, interests, and needs may appear. "Facilitated sessions allow for much larger groups to further speed the process and may allow you to gather all requirements in one session and move the group toward consensus. This method requires a high degree of planning, a specific formal agenda and a strong and knowledgeable facilitator in order to make it a success." [2]

This recommended collaborative requirements gathering approach will allow all participants to transcend individual silos, to consider their individual objectives in relation to others', while envisioning the greater and common organization goals throughout discussions. As a result, this will yield a greater consensus and more realistic requirements for a winning EPM system.

5. Phased Approach

As a practice generally observed, the individuals responsible for the EPM implementation project may recommend a pilot initiative serving as proof of concept. While the pilot concept is a necessary and proven one, the phased approach advocated here is a different concept. The phased approach in this context is designed to be a logical outcome of the maturity assessment discussed earlier. It is in recognition of the irrefutable fact that organizations' needs and practices will evolve as they climb the maturity ladder. A key question to answer is "what does this organization need at this stage of its journey to greater maturity?" In other words, in order to meet the desired goals, what must be done over the next 3 months, 6 months, 12 months, 24 months, etc.? The answer to this question will vary with the organization.

In a phased approach implementation, a phase can be determined by the following elements: the scope of the system features and functionalities to be rolled out, the scope of groups impacted by or involved in the rollout, and the timeframe allocated. Finally, the scalability and flexibility of an EPM system solution should also be tested against its ability to address the complex needs of organizations with different levels of maturity; not only in terms of the user base size.

6. Mentoring & Coaching

A general practice in many organizations consists of providing a 3 to 5 day training course on the EPM system being introduced. While these courses are undeniably necessary, I submit that they are generally not sufficient to achieve the intended short and long term business/project management goals set forth in the Business Case. The knowledge acquired in such sessions is very short term and usually forgotten before the users have had the opportunity to apply that knowledge.

Our recommendation is, in addition to any such training as mentioned above, to implement a systematic, sustained, and longer term approach to knowledge transfer that consists of providing ongoing mentoring and coaching sessions conducted by senior project management consultants or internal project management experts. The coaches and mentors must have the combined knowledge of the EPM system, PM best practices, and internal processes. This approach could be called a "just-in-time knowledge transfer" to the project managers and other stakeholders as they go through the different phases of their respective project cycles.

As stated by Kate Belzer, "A profound understanding of project management processes, tools, and techniques is necessary to appropriately coach and mentor the project managers on the team. Expertise in communication, problem solving, decision-making, team building, and other basic skills of project management is required to be effective in managing a program effort [...] It is simply not possible to master these skills overnight, nor is it possible to learn these competencies in a classroom."[3]

7. Continuous Executive Support

Executive support has always been cited as a key ingredient to any successful project management initiative. Generally, in EPM implementations, this support (when existent) is usually limited and demonstrated by funding supply, early communications rallying people for the new venture, a few key appointments, and other announcements. Executive support usually peaks very sharply early in the EPM initiation process, only to virtually disappear too prematurely. "Convincing executives of the necessity of project management [or EPM system] is usually easier than getting them to provide ongoing, visible support by acting as a project sponsor"[4]

This vital support must not be a one-time deal if we truly intend to maximize chances of success. Executive support is very crucial throughout the entire process of establishing a new project management culture. In addition, executive sponsorship or

support should span far beyond its financial responsibilities (signing the checks - as important as it is!) to include other actions and decisions aimed at ensuring a long term adoption and success, and facilitating the critical change process underway. This notion of ongoing executive support through targeted actions demonstrates what may be appropriately called a "*Sustained Executive Leadership*". Such actions may be organized as follows:

- Unambiguous management requests from the EPM system/process to enable good decision making.
- Unambiguous feedback to middle management and project workers concerning output received from their work.
- Gradual adjustment of the level of tolerance for inaccuracies, as expertise is increasingly acquired. In other words, management expectations and resulting demands should be realistically adjusted.
- Regular communications to motivate and encourage positive behaviors, and discourage negative ones.

Conclusion

In conclusion, it appears very clear that the real success of an EPM system is one that goes beyond the technical implementation and is the result of a true systemic approach to EPM implementations. Such a success will ultimately be reflected in better project and business results. Yet, those chances of success are exponentially reduced by a narrow focus on the technical elements. Finally, with the latest advances in project management technologies, more sophisticated systems are being introduced such as the latest from Microsoft (Project 2007). For these, like other advancements, a successful system / solution implementation will require a keener attention to the true drivers discussed in this paper.

References

[1] Harold Kezner, PhD, <u>Strategic Planning for Project Management using a project management maturity model</u> (p. xiii)

[2] Ken Robertson, MBA, PMP & Kevin Lennox, <u>Gathering Business Requirements</u>, <u>www.klr.com</u> e-newsletter, Issue 06 - July 2006

[3] Kate Belzer, <u>Businesses Need Programs to Implement Strategy</u>, PM World Today, 2001

[4] Harold Kezner, PhD, <u>Project Management: A systems approach to planning, scheduling and controlling</u> (sixth edition) (p.476)

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