Client Case Study: Enterprise Value Management

Money doesn't grow on trees, and few companies can spend without justifying their fund allocation. Fujitsu Consulting’s Program Management and Design methodology, a component of the Enterprise Value Management service offering, is based on the “real world” experiences of our global team of management consultants.

Countless hours in the field solving information technology challenges faced by Global 2000 companies has resulted in an integrated set of business processes used to identify, prioritize and effectively align the assets of an organization to achieve their stated business goals and objectives.

The entire methodology and its many applications have been documented in the international best seller “The Information Paradox”, authored by John Thorp, a member of the Fujitsu Consulting team.

Bell Canada: A Road Map to Successful Change

Fujitsu Consulting recently completed an Enterprise Value Management project for telecommunications giant Bell Canada. In doing so, Fujitsu Consulting gave Bell Canada the tools and knowledge needed to achieve unprecedented success with their Integrated Order Management program.

With the arrival of open competition in the Canadian Telecommunications market, Bell Canada has been faced with increasing pressure from niche competitors with lower cost structures, threatening Bell’s competitive position in the marketplace. At the same time, customers have continued to demand greater and greater levels of customer service while expecting shortened delivery intervals. To retain market share and grow business, Bell Canada recognized the need to respond more quickly to customer needs and outpace market demands.

A Market Changes - And the Survivors Adapt
Bell Canada determined their existing legacy IT systems, functionality and processes used to sell, deliver, and support services could be streamlined to reduce costs and labor needs. From a business perspective, attainment of operational performance targets and corporate goals demanded that changes be made. Weighing its options carefully, Bell Canada decided that investment in new technology was the most effective response to mounting challenges.

Bell’s response was to launch the Integrated Order Management program (IOM), an e-enabled, enterprise-wide integrated system. IOM would deliver customer self-service, so purchasers can check pricing and availability via an online product catalogue. Service orders are then managed automatically, coordinating all order fulfillment groups, to ensure successful completion of the transaction.

Ideally, IOM would provide a consistent, “company wide” approach to delivering and supporting core services, bringing new ones to market, all the while allowing Bell Canada to realize ongoing value from legacy systems through a scaleable architecture.
The Solution

The approach designed for Bell Canada’s IOM program consisted of a number of critical steps from Fujitsu Consulting’s Program Management and Design methodology:

1. Discovery
From this initial phase, Fujitsu Consulting captured enough organizational and project-related information to form a solid foundation upon which to base the next phase and design the all-important Program Management and Design workshop activities and deliverables. As Bell Canada found, when the level of complexity increases, so does the need for the information arising from the Discovery Phase.

2. Capability Definition
Critical to the successful outcome of the project, this phase involved a translation of IT deliverables into an expression of business capabilities that would be put into place within each release of the IOM program. In simpler terms, each capability built would deliver incremental benefits to its respective business area within Bell Canada. This provides the starting point for the development of program benefit streams needed for the Program Value Definition phase.

Proving the Value of Integrated Order Management

The senior management team at Bell Canada knew the IOM program would support rapid growth of services, help meet desired operational performance targets, and to firmly position the company as a market leader in the industry. The challenge lay in proving the expected success of IOM before the project was underway.

Bell Canada wanted an assessment of the organization wide impact of the IOM program. This was driven largely by the need to ensure success, given the previous failure of a similar but less complex order management system. Lingering skepticism posed a very real challenge, as Bell Canada could not afford to be in a selling mode to its own internal business community.

Bell Canada looked for a way of streamlining and mapping the implementation process of the enterprise wide IOM program. The ideal methodology would capture numerous interdependent initiatives as well as many cultural and behavioral dimensions of change across each business area. If improperly deployed, any one of these factors would pose a serious risk to the success of the entire project.

“There was an intuitive recognition of the value of the IOM program across our management and executive teams, however we needed to get a definitive translation of this from the business owners in order to complete our economic assessment. IOM is creating information and delivering new capabilities that will have tremendous value for the business, however this value is not altogether obvious.”

Michael Cole, Vice President, Solutions, Delivery, and Process, Bell Canada
3. Program Value Definition
The Key Stakeholder team within Bell Canada was ready to act on the insightful and comprehensive information collected during the earlier phases. Fujitsu Consulting assessment group coordinated a series of workshops focused on construction of Results Chains™. An indispensable tool of the Benefits Realization™ Approach*, each completed Results Chain provided a mechanism to continually track initiatives, assumptions and risks, allowing for early corrective action by the Key Stakeholder team when unplanned deviations were detected. This ensured continued momentum throughout program delivery. Detailed Results Chains were constructed for each program release, identifying the expected value from stage to stage, and a consolidated view of the complete program.

4. Benefits Value Assessment
This final phase included conducting a Benefits Value Assessment (BVA) as well as development of a Program Benefit Register. The BVA served to quantify the financial value of declared IOM business benefits. The BVA projected a five-year view of the program benefits cash flow for each release, as well as the Net Present Value. The results of the BVA were used as the benefit input for the full program’s Investment Value Assessment. To highlight the expected financial and business value, the IOM key stakeholders selected a number of key performance indicators (KPIs) from the Results Chains. These KPIs were captured within the Benefits Register, along with information pertaining to KPI sub-metrics, expected results, targets by program release, measurement dimensions, collection processes, sources of data and accountabilities. All of these data points contributed to the ongoing recording and harvesting of program benefits.

The ensuing IOM Benefits Register also served as a repository of value tracking information as well as Benefits Value Assessment input assumptions and treatments. The concentration of project information in the Benefits Register made it the ideal reference document for ongoing value management and future value assessments to be conducted at each program stage gate.

Separately, each phase supplies information that is critical to the overall success of the program. By, layering and expanding the information on top of preceding phases, Program Management and Design ensures a solid foundation for business change. Not only does it provide a roadmap, signposts and directions, the methodology also interprets and steers acceptance of business change across the impacted business units.

* a component of Enterprise Value Management

The Results: IT Deliverables into Business Capabilities
Program Management and Design enhanced Bell Canada’s ability to achieve their target business results. The entire company now shares a common understanding of the capabilities required to achieve their goals. By clearly expressing the entire program in measurable terms, including a concise translation of all IT deliverables into business capabilities, all stakeholders understand the importance of the IOM program. Additionally, the cross organizational IT and business complexities are more easily understood.

Asked about Program Management, Michael Cole stated, “Fujitsu Consulting’s Program Management method helped our IS/IT team define the new capabilities in business terms, which enabled the business to determine the associated value. The workshop format was pivotal to the declaration of program value. The business participants worked together as a team to accomplish their task. This helped to solidify the partnership that we enjoy with our business community.”

Program Management has given Bell Canada the hard facts needed for ongoing program planning and decision support. The comprehensive benefits management plan provides Bell with milestones, based on factual evidence, to gauge progress and assess whether target benefits are being realized.

The identification and definition of program risks allowed mitigation strategies to be developed with clear roles and responsibilities. Similarly, an understanding of program interdependencies enabled development of management tactics. Combined, these two elements dramatically heightened the probability of successful program delivery.

Program Management has provided Bell Canada with a roadmap for change that will ultimately maximize shareholder value through the IOM program. The common understanding of the tangible business benefits and inherent value of the program has resulting in consensus, and, more importantly, commitment to the IOM program across the entire Bell Canada organization.

We Wrote the Books On Value
In addressing Enterprise Value Management, Fujitsu Consulting has extended the concepts developed in our best selling books: The Information Paradox and The Relationship-Based Enterprise.
Experience the Fujitsu Consulting Difference

Fujitsu Consulting offers a unique consulting style, global scope, one-to-one responsiveness, a willingness to see the world through client eyes, and a passion for delivering value.

We combine extensive intellectual capital with delivery expertise. As the consulting arm of the $38 billion Fujitsu group, Fujitsu Consulting has 9,000 employees in over 70 offices worldwide. Our people are open to your ideas, responsive to your needs, collaborative, and fully committed to delivering results.

Our strategic services—always in step with the demands and needs of the marketplace—center on Enterprise Value Management™, Enterprise Application Integration, Business Intelligence, and Managed Services.

Core capabilities include program and project management, technology consulting, management consulting, systems delivery, and management of the information technology (IT) function. Clients in diverse, economically significant industries recognize our leadership in each of these areas. In particular, we have developed special, market-leading expertise in telecommunications, financial services, and the government sector.

Underpinning all of our Fujitsu Consulting solutions is the Fujitsu Consulting Extended Enterprise™ Model, a thought-leadership framework that provides vision and structure for the new connected economy. To ensure effective delivery of solutions, consultants employ Macroscope®, our integrated suite of business and IT methods. Macroscope offers a proven structure for initiating, implementing, and managing change in organizations, and it is continually being refined and expanded to reflect lessons-learned and best practices.

We work with you to create solutions and produce results that drive your business.