

THRIVING

AT THE *SPEED*

OF CHANGE

How to Win as Business  
Transformation Becomes the Norm

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# EXECUTIVE SUMMARY

Business transformation used to be something organizations would undertake once every few years. It was an opportunity to reset their approach to business, to reenergize an organization that had become 'stuck in the old way of doing things', and a chance to align with the latest innovations in the market place. Those days are long gone.

As the pace of technology advancement has accelerated, so organizations have needed to increase the frequency of transformation initiatives in order to stay competitive. At the same time, the drive for enterprise software solutions has meant that more projects reach further into the organization and initiatives that might previously have had relatively low impact are now driving significant enterprise transformation. Add in the increased competitive threat posed by the global economy and many organizations find themselves in a cycle of constant transformation.

This isn't necessarily a problem, but as the pace of change accelerates you do need to adapt and evolve how your organization manages that change. In this survey we wanted to look at how business transformation is impacting organizations, how they are managing it, and how successful those efforts are. Our analysis looked at the characteristics of the best (and worst) performing organizations and allowed us to make recommendations that all organizations can use to improve the management of their enterprise.

Those recommendations are detailed at the end of this report and cover a number of areas:

- A formal change management function is important, but real benefits come from the right model managed in the right way.
- Business transformation projects can deliver significant benefits, but there are many areas where those benefits can be eroded.
- Project cancellation and change are inevitable, but they must be managed appropriately.
- You don't have to be an 'Agile shop' to successfully leverage Agile, and Agile can help you succeed.
- The right tools, used in the right way can improve your chances of success, but they won't 'fix' a broken organization.

Before we get to those recommendations however, let's look at the survey questions in more detail and understand the framework that led to them.

# SURVEY RESULTS

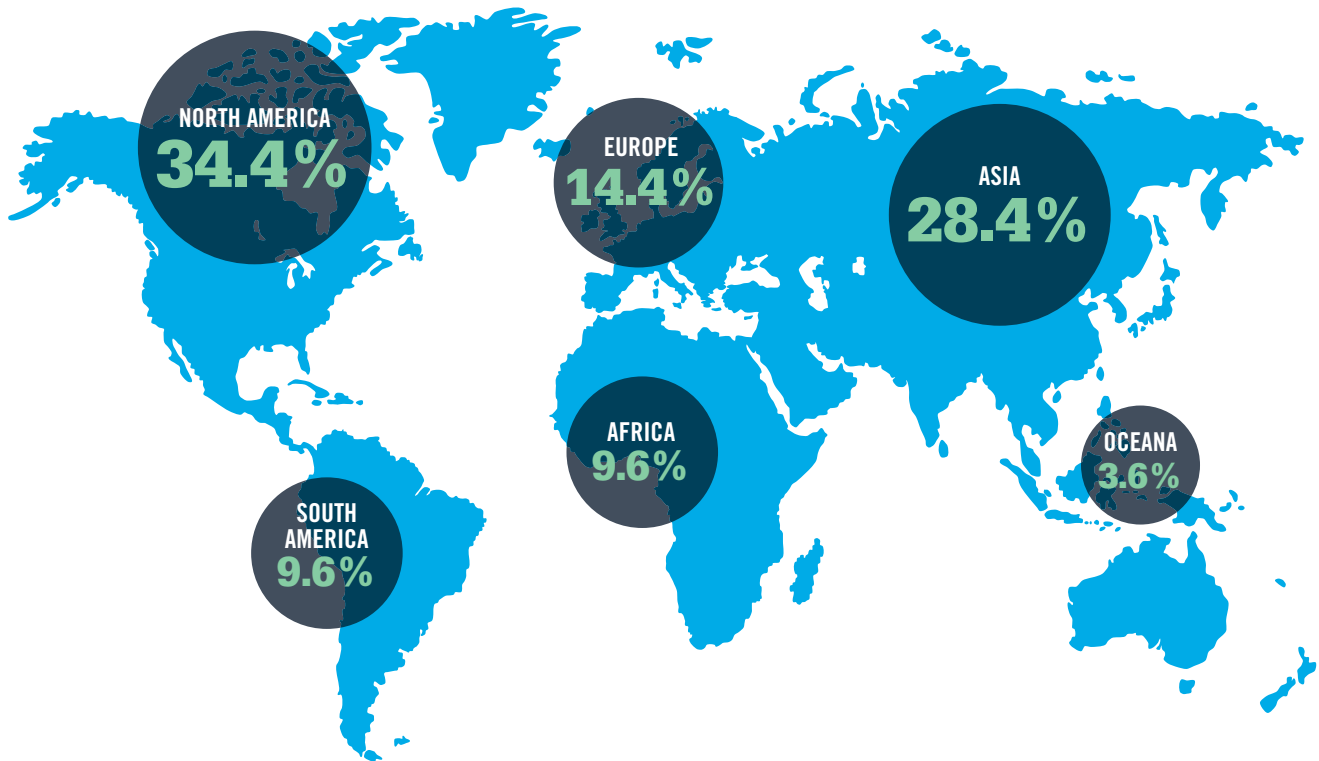
## ABOUT YOU

This first category elicited some brief demographic data about survey respondents and information about the role that participants have in projects within their organization.



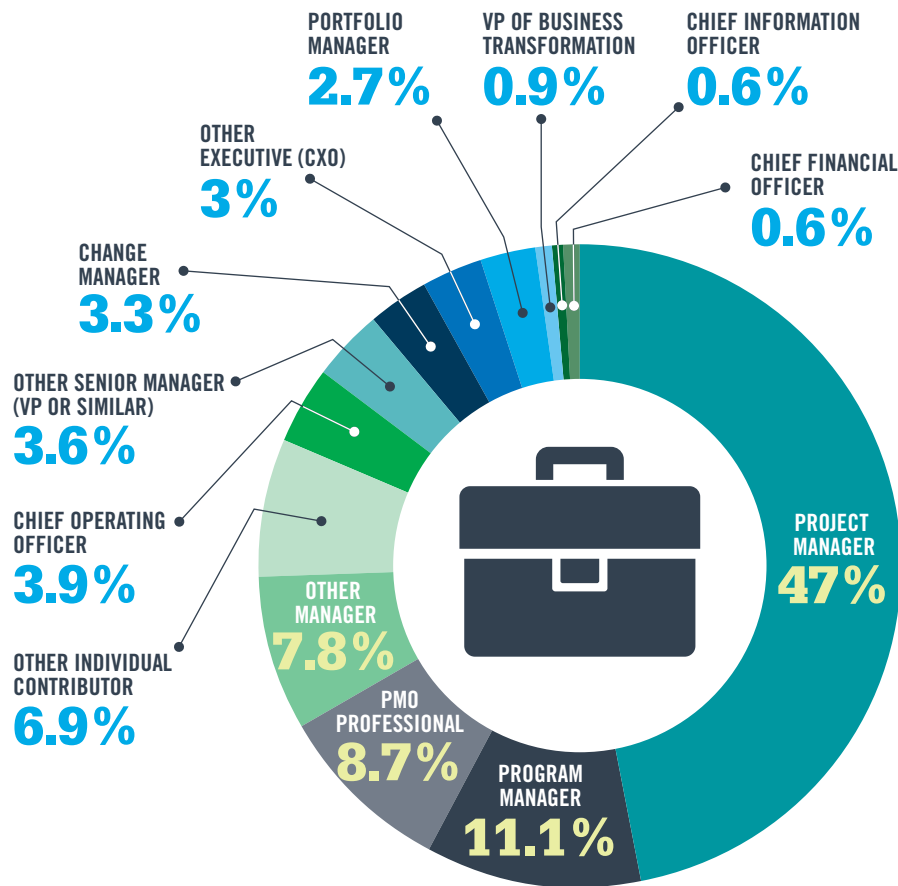
### 1 Where are you located?

Survey participants came from 74 countries representing every continent except Antarctica. As might be expected the United States was the most strongly represented country with 22.2% of respondents, followed by India, Canada, Australia, Mexico and South Africa. Business transformation is clearly an area of focus in many places around the world – respondents came from countries as diverse as Benin and Iceland.



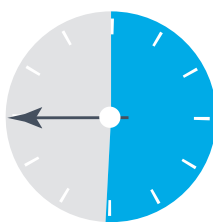
### 2 Which of the following best describes your role?

We next asked survey participants to choose their role from a provided list of options. Almost half (47.0%) identified themselves as project managers, with other project execution roles strongly represented. However, respondents also included a number of c-level roles as well as change management professionals and a number of other organizational roles.



### 3 Approximately how much of your time is spent working on projects, programs and/or portfolios?

Our final question in the individual demographics section asked respondents to indicate the approximate amount of their time spent on various aspects of project execution. As we would expect with a large number of project managers among the group the numbers were skewed towards high percentages. It is notable that only 3.9% of respondents indicated that they spent less than 25% of their time on projects, which is an early indicator in the survey of just how prevalent project work is in today's business world. It is also worth mentioning that, while the sample size is small, executive roles were most heavily represented in the 51 – 75% category, followed by the 76%+ category.



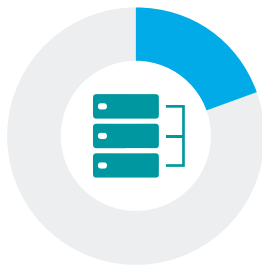
# ABOUT YOUR ORGANIZATION

In this second demographic category we asked participants to share some basic information on their organizations.

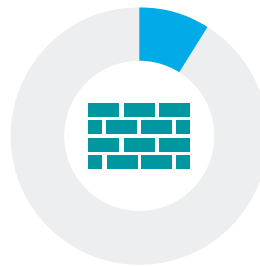


## 4 What is the main industry that your company operates within?

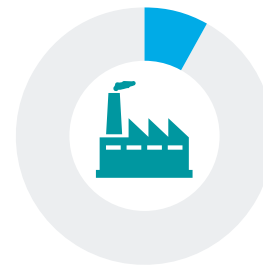
This question provided respondents with a standard list of industries to select from. As is often the case in this type of survey we saw Information Technology as the largest group representing 19.5% of respondents, but the overall response showed great diversity. Every other industry had a less than 10% identification rate and 28 distinct industries were identified including all major public and private sector verticals. The private sector was more heavily represented than public sector with federal government being the highest public sector vertical in tenth place overall with 3.0% of participants.



INFORMATION TECHNOLOGY  
**19.5%**



CONSTRUCTION / ARCHITECTURE & ENGINEERING  
**9.0%**



MANUFACTURING  
**8.1%**



BUSINESS SERVICES / CONSULTING  
**7.5%**



TELECOMMUNICATIONS  
**6.9%**



HEALTH CARE  
**6.6%**



MINING / OIL & GAS  
**6.3%**



FINANCE / BANKING & ACCOUNTING  
**6.0%**

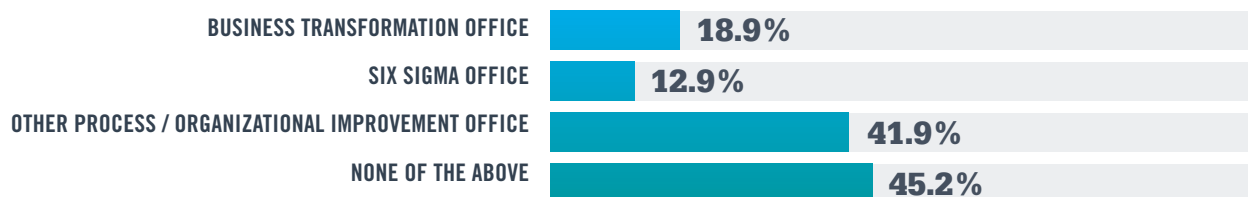


OTHER  
**30.2%**

## 5 Does your organization have a dedicated business transformation, Six Sigma or similar improvement office outside of the PMO?

In this question we began to look specifically at the idea of business transformation and asked about how participants' organizations were structured. We allowed for multiple selections to enable respondents to identify where they had more than one of the available options. While more than half of respondents did have at least some form of formal structure outside of the PMO, the most popular response was still 'none of the above' with 45.2%. Business transformation offices existed in 18.9% of cases and Six Sigma offices were identified by 12.9% of respondents. Both of these were less popular than another form of process or organizational improvement office, with this 'other' category being the only formal structure for 28.7% of respondents.

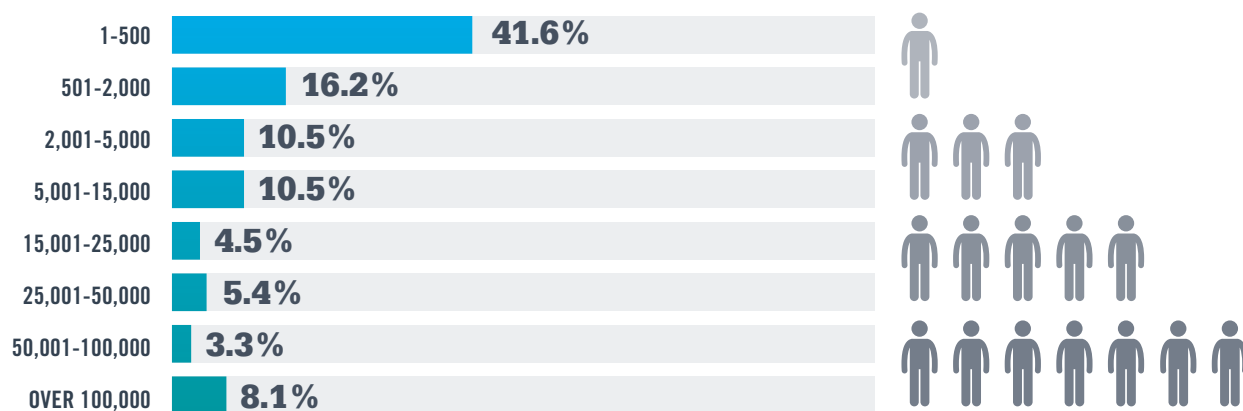
When we consider the distribution of responses across industry sectors we see some expected differences, and some less expected ones. Six Sigma was more popular in Manufacturing as we would expect (29.6% compared with the survey average of 12.9%), but 'none of the above' scored higher in some regulated industries which we did not expect. Compared with the survey average of 45.2% for this response we saw 60.0% in Pharmaceuticals, 56.7% in Construction, Architecture & Engineering and State & Local Government (55.6%). Even Finance, Banking & Accounting (40.0%), Federal Government (50.0%) were close to the average.



NOTE: total adds up to greater than 100% due to selection of multiple options

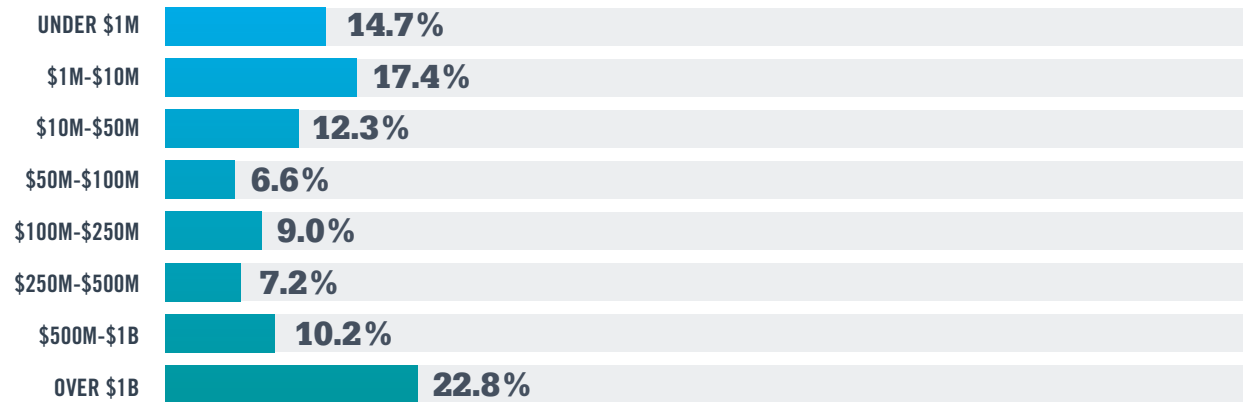
## 6 How many total full time employees are there in your company?

We saw distribution of employees across all sizes of organization – while the 1 – 500 employee category was the most well represented with 41.6% there were 21.3% of participants from organizations of greater than 15,000 employees, and 8.1% over 100,000. As we would expect the larger organizations were more likely to have some type of formal improvement office, with only 39.6% of organizations with less than 500 employees having a formal office compared to 88.9% of organizations with more than 100,000 employees.



## 7 What is your company's approximate annual revenue (in US Dollars)?

Our final demographic question enquired about organizational revenue. For ease of comparison we asked for an approximation of revenue in US Dollars and provided a number of ranges. We saw a very well balanced distribution with solid representation in all of our categories and with organizations represented at both the very small and very large scale.





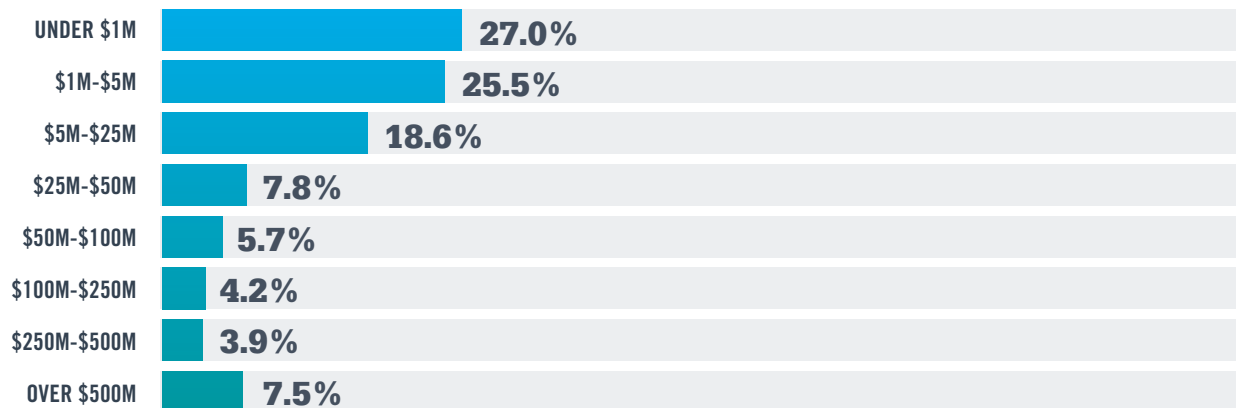
# ABOUT BUSINESS TRANSFORMATION IN YOUR ORGANIZATION

In this section we asked respondents about the prevalence of business transformation within their organization. We looked at the number of projects that are conducted and the percentage of those projects that would be considered transformational in nature. We asked survey participants to answer these questions thinking about their organization as a whole.

We included the following text in the survey to set context for the definition of business transformation and to help ensure consistency in interpretation among respondents. "Throughout this survey we consider business transformation projects to be those initiatives that result in significant change to how one or more business areas operate. These projects are likely high visibility, high priority projects for your organization that most, or all staff are aware of. They generally involve complex changes to people, processes and systems."

## 8 Approximately how large is your annual project budget?

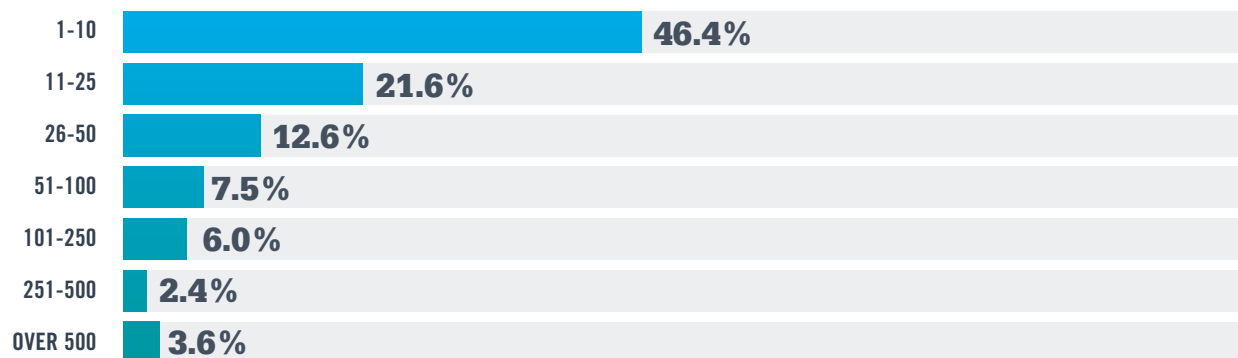
Our first question was simply to identify the size of total project spend within organizations. This helped us to establish a baseline for the size of project execution and allowed for comparison with business transformation projects as the survey progressed. As expected based on the large range of organizational size, we saw a wide ranging distribution of project budgets.



We of course saw a relationship between organizational size and project budget, but we did not see quite such a direct link between project size and the existence of some form or transformation office. There was some alignment, but it wasn't direct and suggests that project spend alone is not sufficient to drive the creation of a transformation office. As an example, while 58.9% of organizations that spent less than \$1m on projects had no formal transformation function, we also found that 28.0% of organizations with budgets in excess of \$500m had no such function. The smallest response was the 21.4% of the group spending between \$100m and \$250m, but the neighboring group of \$50m - \$100m had 47.4% with no formal office.

## 9 Approximately how many projects does that represent?

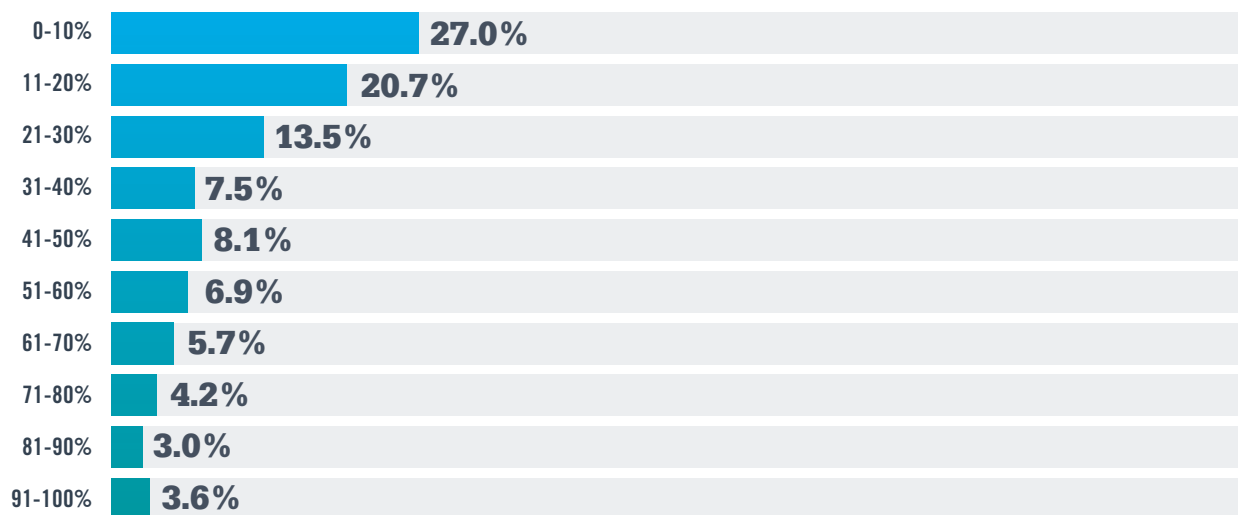
Our next question looked at how many projects were actually executed within the project spend that had been identified. We were pleasantly surprised to see the numbers biased towards the lower end of the range, suggesting that organizations are focusing on selecting the right projects rather than simply approving as many as possible.



A further positive sign was that even the largest organizations were focusing their project investments. 48.0% of organizations with a project spend in excess of \$500m still had 100 projects or fewer, and in the \$100M to \$250M grouping this percentage ballooned to 85.7%.

## 10 If we define business transformation as making significant change to how one or more of your business areas operate, and involving complex changes to people, processes and systems; approximately what percentage of your project budget (\$ spend) would you consider to be transformational?

This question begins to drill down more specifically to the issue of business transformation within our respondents' organizations. It immediately becomes clear that business transformation is becoming relatively commonplace within organizations, with more than half (52.4%) of respondents saying that over 20% of their project budget went towards transformation initiatives.



We expected to see some significant variation between different sized organizations and the distribution of spend, but the trend wasn't as strong as we expected. This may be because while smaller organizations are likely to have a greater need for transformation as they grow and evolve, they are also the organizations who are able to implement transformations more simply and cheaply than larger, more complex organizations. There were individual variations in each category of course, but much of that could be caused by relatively small sample sizes when comparing a specific revenue level with a specific percentage range of spend on transformation.

If we look at trends, the story is much more confusing – the survey average for spending up to 30% on transformation was 61.1%, and all of the categories of revenue up to \$250 million were within four percentage points of that number except for organizations in the \$1 million to \$10 million category which were significantly higher at 77.6%. This may be because this is where we find small companies that are satisfied to remain small companies – those organizations with a few principals, often family owned, who don't want to take the leap to the next, more corporate level. However, we find a similar spike, albeit less intense, in the \$250 million to \$500 million category where 70.8% of respondents fell into the up to 30% range. This is less explainable, especially when we see that in the \$500 million to \$1 billion and over \$1 billion category the numbers drop to 52.9% and 44.7% respectively – which is more in line with expectations.

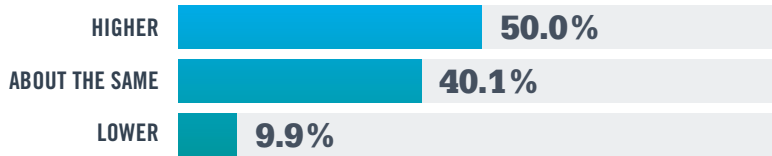
All organization sizes had relatively low response rates in the very high percentage of budget ranges which is pleasing to see – organizations that spend the majority of their budget transforming are exposing themselves to significant risk. However, we did see relatively high numbers in the two categories of organization with the highest revenue – 23.5% of organizations in the \$500 million to \$1 billion dollar revenue range were spending 61% or more of their project budget on transformation, and 22.4% of organizations with revenue in excess of \$1 billion were doing the same. If these are one year anomalies then there is less concern, if these are ongoing trends then there may be more significant issues. The trends were no less confusing if we consider the size of project budget, and that was expected given the strong correlation between organization size and project budget.

We saw some stronger trends when we compared this question with the presence of some form of business transformation office. Looking again at our 0 – 30% of budget on transformation we found that this category accounted for 68.2% of respondents who had no formal office, statistically higher than the 61.1% of respondents in this group, but not strongly so. However, the category did account for 81.8% of organizations who only had a Six Sigma office, demonstrating that this is likely to be restricted to a subset of transformation initiatives in most cases. Given the specialist nature of Six Sigma this isn't surprising.

Overall 15.9% of respondents indicated they had more than one type of transformation office – a combination of business transformation office, Six Sigma office and other form of process / organizational improvement office. This remained fairly consistent at all percentages of spend on transformation, there was no significant variation at any of the percentage levels suggesting that the number and variety of such office is not directly connected to the amount of transformation. The same was true of the 'other' category, which we assume represents some form of internally developed function. This was relatively stable throughout all percentages.

## 11 Is this percentage higher or lower than it was three years ago?

Our next question looked at how the spend on business transformation was changing. We expected to see that organizations were seeing an increasing need to transform and that this would be reflected in the percentage of project budget being committed to such work. That was strongly confirmed with only 9.9% of respondents indicating that the percentage spend had reduced, and 50.0% indicating an increase.



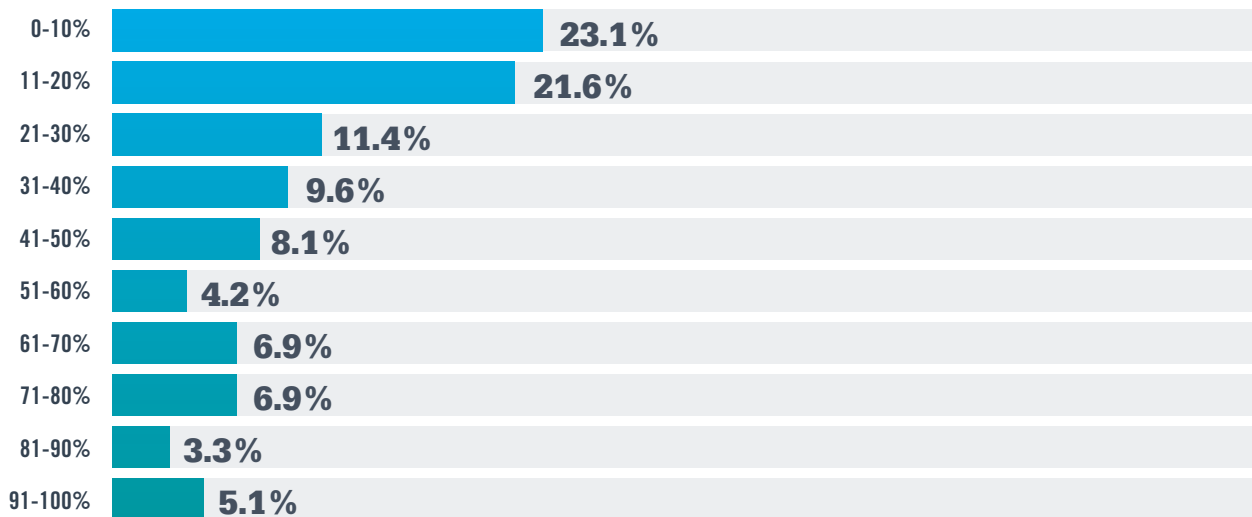
This is a strong indicator of how much more common business transformation is becoming. Historically this would have been a cyclical type of project implemented every few years when an organization felt that a more fundamental reinvention was necessary. That fully half of our survey participants indicated that the pace of business transformation had increased in the relatively small window of three years is a major indicator of the future importance of business transformation as a core part of project portfolios.

### Top Tip!

Business transformation is becoming more common. If you aren't delivering consistent success on these projects then your competitors likely are, and that's going to cost you. Learn to embrace business transformation and deliver consistently excellent performance on these projects to retain and enhance a competitive advantage.

## 12 Using the same definition, approximately what percentage of your projects (number of projects) would you consider to be transformational?

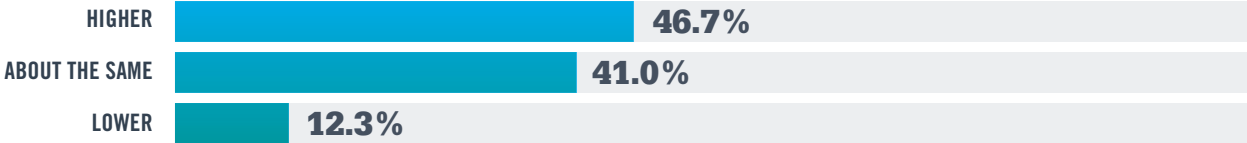
This question sought to compare the distribution of project spend with the percentage of projects. A variance between the percentages would indicate that transformational projects were, on average, a different cost than other forms of initiative, but the numbers showed broad alignment.



The responses up to 30% of projects were marginally lower than the responses for percentage of budget suggesting that those organizations that spent less of their budget on transformation had a smaller number of more expensive initiatives, while the other categories were marginally higher suggesting the reverse. However, the variances were not statistically significant and we are reluctant to assume too much from such close results.

**13** Is this percentage higher or lower than it was three years ago?

We again asked whether the percentage projects had increased or decreased and we saw broadly similar results to when the same question was asked about project budget.



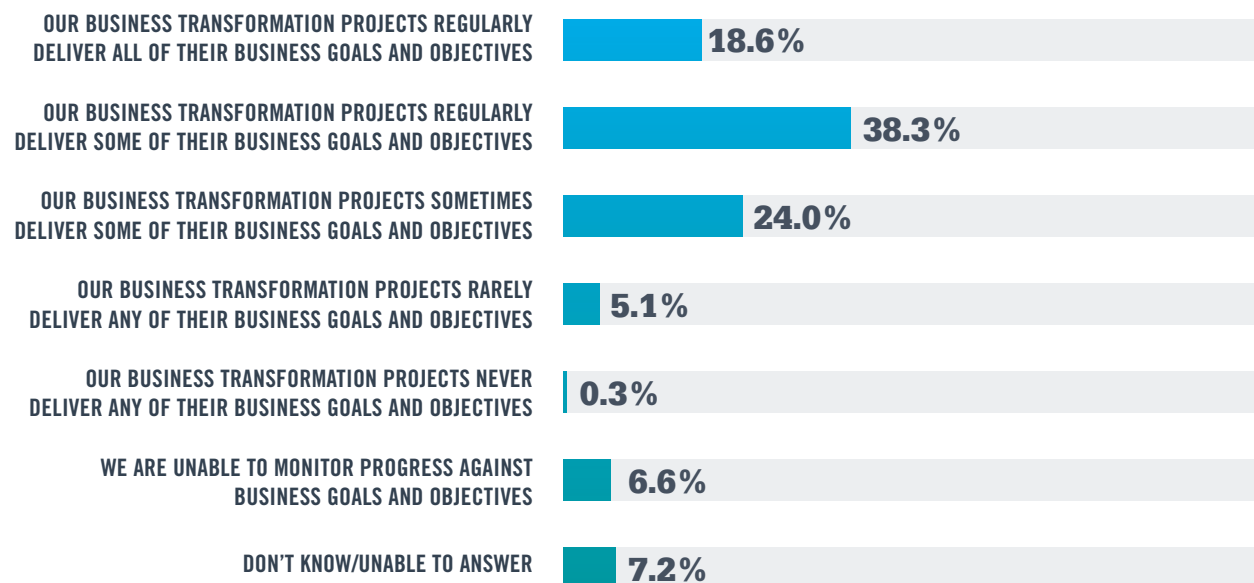
There was a small shift towards lower compared with the same question for budget, which does indicate an evolution to a relatively smaller number of larger projects, but again the numbers are too close to be able to indicate that this is a definite trend.

# HOW SUCCESSFUL IS BUSINESS TRANSFORMATION?

In this section we dug a little deeper into business transformation to understand how successful our participants' organizations were, and where there are opportunities for improvement.

## 14 Which of the following statements best describes the success of your business transformation projects?

In this first question we simply asked respondents to report the success of their transformation initiatives against the business goals and objectives set for those initiatives. While the numbers are broadly positive, there is still significant room for improvement.



The results of this question will play a major role in the rest of this survey. As we look for trends in later questions we make a distinction between high performing organizations, which we consider to be those that reported that business transformation projects regularly deliver all business goals and objectives, and the lower performing organizations. In order to ensure a reasonable sample size we consider lower performing organizations to be the respondents who chose never deliver any goals, rarely deliver any goals and sometimes deliver some goals. We will see that there are a number of characteristics common to high performers and they will form a major part of our recommendations at the end of this survey.

That almost one in five respondents (18.6%) said their business transformation initiatives regularly deliver all goals and objectives is a sign that at least some organizations are executing this type of initiative effectively, and this group will form a benchmark as the survey continues and we look for behaviors of high performing business transformations. Additionally, 56.9% said that at least some of their goals and objectives were achieved on a regular basis, so more than half of respondents were achieving at least some successes.

Even at the worst performance levels the numbers aren't horrendous – only 5.4% said that goals were rarely or never achieved, but organizations are approving projects with the expectation they will be completely successful. This is particularly important with business transformation where the implications of getting things wrong are likely to be wide ranging and long lasting.

It is also concerning that 6.6% of participants indicated that their organizations are unable to assess performance against goals and objectives. Clearly that indicates unclear goals, ineffective management and tracking, or both.

The size of organization seemed to play little part in whether an organization was able to succeed. There was very little deviation from the survey average of 56.9% in the top two categories with all revenue ranges landing between 50.0% and 63.3%. However, a comparison with whether an organization had a formal transformation office revealed some startling results.

The graphic below shows the percentage of respondents with each of the different type / combinations of office that selected each category.

	Regularly Achieve All	Regularly Achieve Some	Sometimes Achieve Some	Rarely Achieve Any	Never Achieve Any	Unable to Monitor
BTO Only	30.4%	13.0%	39.1%	0.0%	0.0%	8.7%
Six Only	0.0%	54.6%	27.3%	9.1%	0.0%	0.0%
Other Only	17.7%	47.9%	20.8%	5.2%	0.0%	2.1%
BTO & Six	33.3%	0.0%	44.4%	11.1%	0.0%	0.0%
BTO & Other	23.8%	33.3%	33.3%	0.0%	0.0%	0.0%
Six & Other	23.1%	53.9%	15.4%	0.0%	0.0%	0.0%
BTO, Six & Other	60.0%	30.0%	10.0%	0.0%	0.0%	0.0%
None	13.9%	37.1%	22.5%	6.6%	0.7%	11.9%

**BTO** = Business Transformation Office

**Six** = Six Sigma Office

**Other** = Other Process/Organizational Improvement Office

**None** = None of the Above

Care should be taken not to put too much weight on any one response because some of the combinations had relatively low numbers compared to the survey as a whole. However, there are a number of interesting trends. Let's first consider Six Sigma offices, not one respondent to the survey whose organization had a Six Sigma function in place said that their organization was unable to monitor progress. It made no difference whether the function existed in isolation, or in combination with other offices, if a Six Sigma office existed then the organization has visibility into project performance.

However, the story isn't completely positive for Six Sigma functions; the only group that had no representation in the top category was that group of survey participants who said that their organization only leveraged a Six Sigma office and didn't have the other forms of transformation management office. The visibility into monitoring is not surprising given the emphasis on measurement that is a key feature of Six Sigma, and perhaps that heightened visibility also helps to remove a false perception that all business goals are being achieved. However, it is also possible that the structured and process driven nature of Six Sigma limits an organization's ability to drive creative solutions to problems in all business areas – it may be that Six Sigma is not suitable for all situations and an organization is better served by combining Six Sigma with other approaches.

That was certainly the case with other forms of process or organizational improvement office where the combination of that and Six Sigma showed an improvement in the top category over the other office alone (23.1% vs. 17.7%). However, with business transformation offices that trend was reversed, 23.8% in the top category for business transformation and Six Sigma and 30.4% for a business transformation office alone. That 30.4% was significantly better than any of the standalone options, and better than most of the combinations and suggests that a dedicated function accountable for business transformation makes a significant difference to organizational performance. However, it wasn't the strongest performance, which came from the combination of all three types of office. We need to be cautious given the relatively small percentage of participants that have this model in place, but it is clearly working for them.

Where things become more interesting is when we expand our analysis to look at the top two categories – regularly achieve all goals and objectives and regularly achieve some. Again the small category of all three types of office dominates with 90.0% of responses, but below that things change. Six Sigma becomes a significant player, with 76.9% of respondents that use it in conjunction with other functions achieving one of these two categories, significantly better than other on its own which achieved 65.6%. Six Sigma on its own also achieved 54.6%, all in the regularly achieve some category.

Business transformation offices alone slipped significantly to just 43.5%, a worse performance than not having any form of office. The suggestion seems to be that business transformation offices can take strong performance and make it better – shifting performance from the second category to the best, but is less capable of taking average or worse performance and making it better. The absence of any form of office seems to tell the opposite story, organizations can achieve reasonable performance without a formal transformation function – 37.1% of this group said they regularly delivered some of the goals, but excellence is much harder to achieve – just 13.9% of organizations without a transformation office regularly achieved all of their goals.

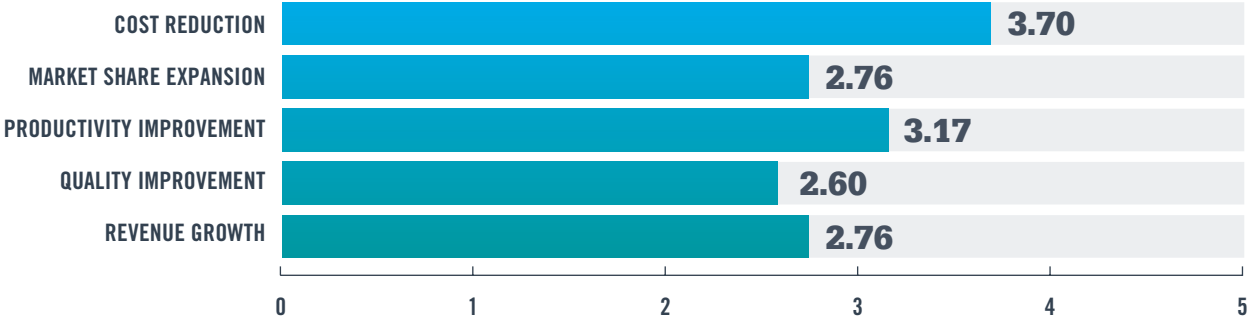
## 15 Please rank the following areas in terms of largest planned impact from business transformation, from the highest planned impact to the lowest

Our next question asked respondents to consider the business areas that were most important to their organizations. We provided five choices and asked participants to rank them from high to low. The choices were:

- Cost Reduction
- Market Share Expansion
- Productivity Improvement
- Quality Improvement
- Revenue Growth



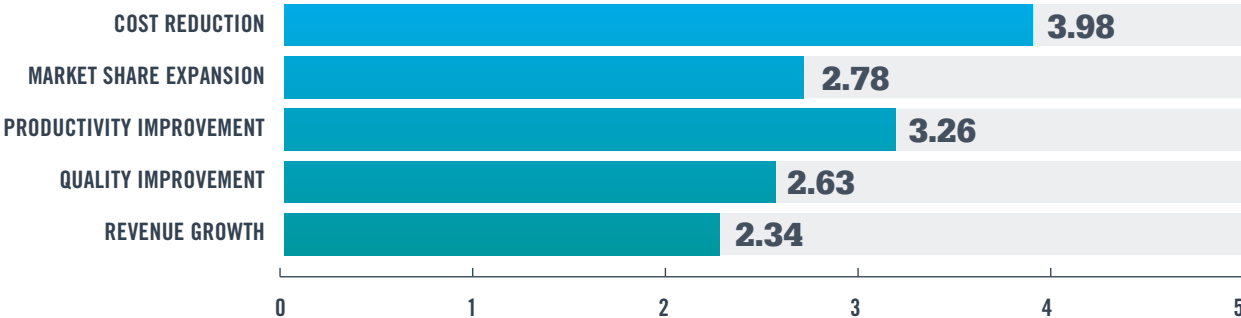
In order to identify the highest priority items we assigned a points value to each position in the prioritization hierarchy. The selection placed as highest priority was given five points, the second highest four points and so on with the lowest priority being given one point. We then averaged the score for each of the five areas to identify the highest priority item for our survey participants. An average score above three indicates that it was more heavily weighted in the higher priorities, an average below three means it more commonly appeared in the lower priorities.



These results are broadly in line with our expectations – transformation projects are approved to reduce costs and to increase productivity. Revenue growth and market share expansion initiatives tend to be more focused around individual product or service areas rather than wider business transformation projects so we expected to see them relatively lower. We were surprised to see quality improvement in last place, while this can align with products and services we would also expect to see transformation initiatives addressing organizational problems that impact quality. Clearly, that was not the case among our participants, although this choice did not get the lowest number of first place selections at only 12.8%. The lowest was actually market share expansion at 11.7%. The greatest number of first place selections was cost reduction which was cited as the most important factor by 39.2% of participants.

**16 Please rank the following areas in terms of largest actual impact from business transformation, from the highest planned impact to the lowest**

Our next question provided participants in the survey with the same list of five choices, but this time we asked participants to rank the areas from largest to smallest in terms of actual interest. Using the same scoring criteria as above the results are shown in the graphic below.



This is a broadly positive story, market share expansion and quality improvement may not be the core focuses of business transformation, but the actual impact almost exactly matches the planned impact suggesting that organizations are delivering on their plans in these areas. Productivity improvement shows a marginal over performance with cost reduction showing a more significant overachievement. While we can only speculate on why this is, we suspect that the organization's focus on these areas during business transformation initiatives has a knock on effect by increasing employee attention in these areas and generating additional improvements.

### Top Tip!

Business transformation isn't the right answer for all of your organizational challenges. Focus business transformation on improving efficiency and driving out costs and focus on more targeted, specialized initiatives for other types of business goals.

Revenue growth was the only area of underperformance, and it was significant with a drop from 2.76 planned to 2.34 actual. This is not surprising given the apparent misalignment between business transformation and revenue growth and may well be an indication that organizations were simply pursuing the wrong strategy for revenue expansion. Only 10.8% of survey participants said revenue was the biggest impact area, while 39.2% said it was the smallest impact area.

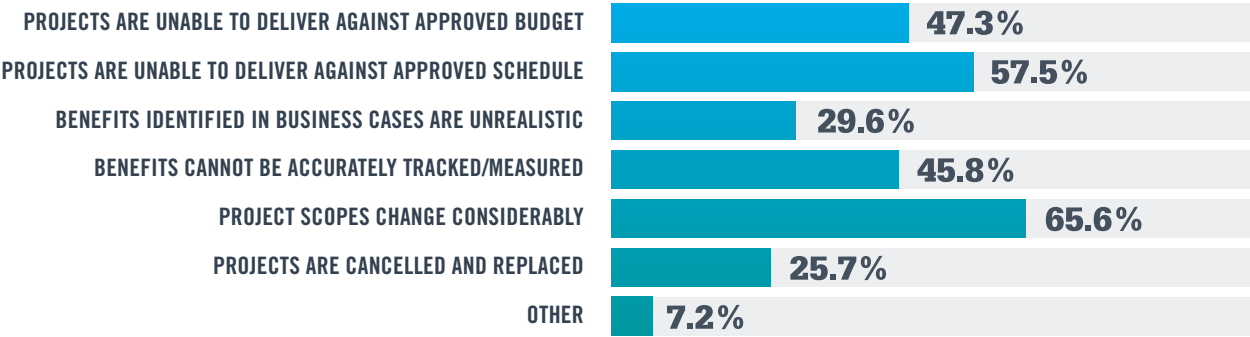
Market share was actually the area that was cited as the least likely to be most impactful with only 10.2% of first place selections, but it scored higher than revenue growth with significantly more second and third place positions. Cost reduction was by far the most common highest impact area, identified as that by 48.8% of participants.

## 17 Which of the following problems do your business transformation projects experience (select all that apply)?

Having established the planned and actual benefit areas for our survey participants, we wanted to understand the challenges that their transformation projects faced. We provided a list of options and asked participants to select all that applied:

- Projects are unable to deliver against approved budget
- Projects are unable to deliver against approved schedule
- Benefits identified in business cases are unrealistic
- Benefits cannot be accurately tracked / measured
- Project scopes change considerably
- Projects are cancelled and replaced

We also provided an option for respondents to write in an additional reason.

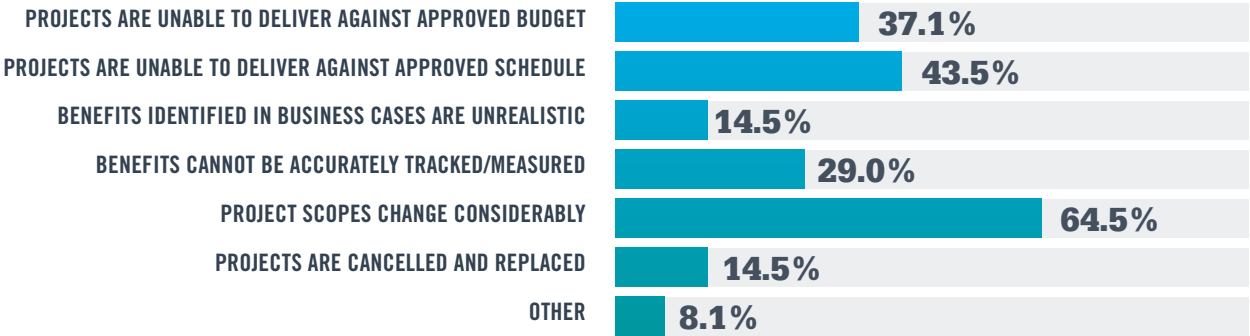


NOTE: total adds up to greater than 100% due to selection of multiple options

As we can see the categories associated with the traditional triple constraint showed the highest response rates with scope the highest, followed by schedule and budget. The inability to track benefits was not far behind and while unrealistic business case benefits was noticeably lower, it was still cited as a concern by almost 30% of participants. Additionally, more than a quarter of organizations experience challenges around the cancellation of projects. While the other category had a relatively low response rate, there were some themes identified here around a lack of commitment to change among categories of stakeholders and a lack of consideration of employee / downstream impact. Relatively few respondents selected only one challenge (24.9%), with the average number of challenges being close to three (2.79). The most common multi –selection response was all three of the constraints based challenges, followed by those three in combination with the difficulty of tracking benefits.

If we narrow the focus of this question to consider the challenges faced by our top performing organizations – those that said their initiatives regularly deliver all goals and objectives we see some interesting variances from the survey average.

**Responses for organizations that regularly deliver on all goals and objectives**



NOTE: total adds up to greater than 100% due to selection of multiple options

As we would expect, the overall percentages are lower because successful organizations will face fewer challenges. Respondents in this category averaged 2.11 selections, considerably lower than the 2.79 for the whole survey. However, there is virtually no difference in the response for scope in this area, suggesting that scope changes in themselves are not necessarily a cause of project failure. Logically this makes sense, business transformation is about driving business results, if the specific deliverables are modified in order to achieve that goal, that is preferable to maintaining the original scope and compromising the benefits that accrue.

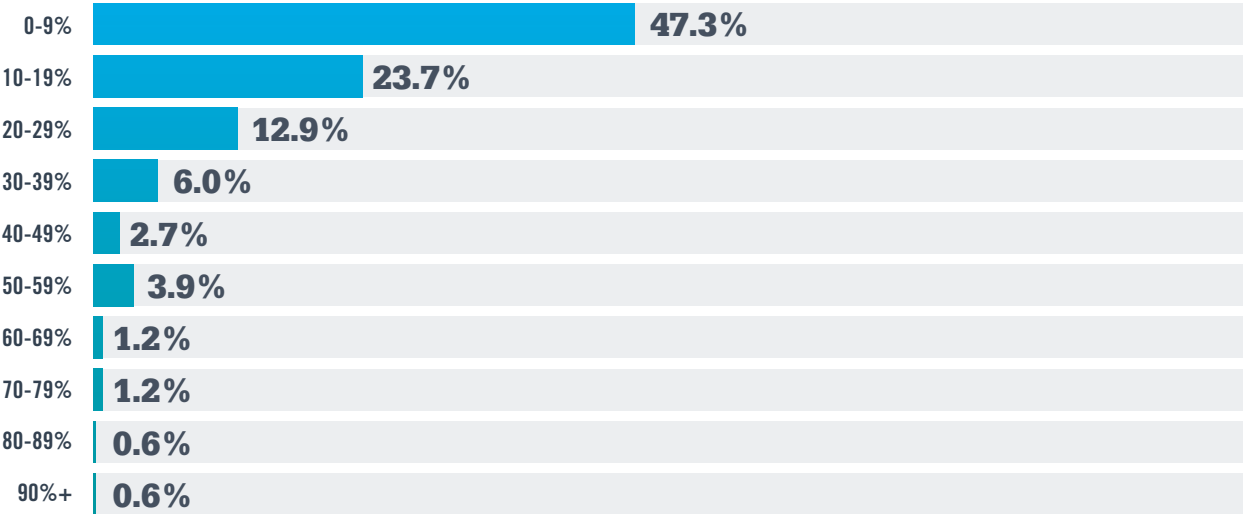
Performance against the other two constraint criteria saw similar improvements. Budget challenges dropped from 47.3% for the survey as a whole to 37.1% for our top performers, a 21.6% improvement, while schedule challenges dropped from 57.5% to 43.5%, a 24.3% improvement. This is in line with what we would expect from high performance organizations, a better ability to deliver on projects in general that translates to improved business transformation success. When we look at factors that are more directly identifiable with business transformation we see a much more dramatic difference with our top performers.

The 'benefits identified in business cases are unrealistic' category is arguably the most relevant to business transformation, struggles here suggest that the organization does not understand its own business as well as it might, and by extension doesn't understand how to make the organization better. Our top performers improved this category from 29.6% to 14.5% a 51.0% reduction. To really emphasize the importance of this category as an indicator of the organization's ability to succeed, 43.9% of organizations in the bottom three categories (sometimes achieve some goals, rarely achieve any goals and never achieve any goals) identified challenges in this area.

It is not surprising that we saw a similar improvement in the 'projects are cancelled' category where top performers improved from 25.7% to 14.5% (a 43.6% reduction). This category is directly related, at least in part, to the ability to produce accurate business cases and to identify the initiatives that will truly deliver meaningful improvements. Most organizations are capable of identifying those projects eventually; the best ones can do it before those projects are approved and underway.

## 18 Approximately what percentage of business transformation projects are cancelled prior to delivery?

Our next question delved a little more deeply into the issue of cancelled business transformation projects. We wanted to understand the approximate percentage of such initiatives that were cancelled prior to completion within our participants' organizations.

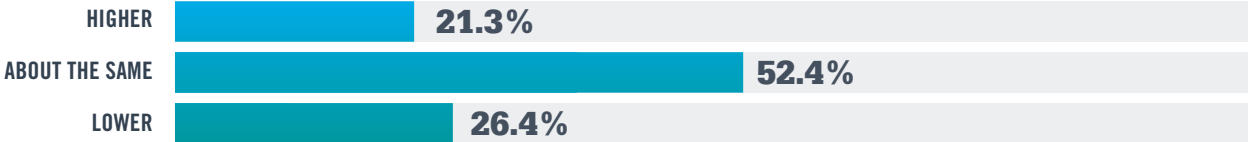


It is obviously pleasing to see that the numbers were skewed heavily towards the low end of the scale with 71.0% of respondents saying that 19% or less of their projects were cancelled and 83.8% saying that 29% or less were cancelled. However, the news isn't all good – more than half of organizations (52.7%) had a greater than 10% cancellation rate for such initiatives which doubtless represents millions of dollars of investments that are not generating a return and are therefore hurting their organizations.

Our high performing organizations, that regularly achieve all business goals and objectives, again outperformed the survey average with 53.2% seeing a less than 10% cancellation rate, and 82.3% seeing a less than 20% cancellation rate. We believe that even the best organizations will have a notable number of cancelled projects as priorities shift, organizations learn that initiatives are not able to achieve planned goals, and better opportunities for investment emerge.

### 19 Is this percentage higher or lower than other projects?

As a follow on question, we asked whether the cancellation rate for business transformation projects was higher or lower than other types of project within the organization.



We saw no strong indication of a difference between business transformation and other projects. While only 52.4% said that the cancellation rate was about the same, there was only a 5.1% difference between those who said higher and those who said lower, resulting in a slight bias towards lower. However, when we started to look at the details behind these numbers we saw some startling variations. Firstly we looked at the performance among organizations that had some form of transformation office.

There was some variation in the 'about the same' category, but all responses still fell within the approximately 40 – 65% range. Where we saw more dramatic shifts was in the higher versus lower number. Almost any form of formal function or combination of functions resulted in an improvement in performance – a greater percentage than average in the lower cancellation rate category. The only exception was for the combination of Six Sigma and other office. This had the lowest response for 'about the same' at 38.5% and had a 46.2% response rate for higher than usual cancellation rates. Only 15.4% said that business transformation projects had a lower cancellation rate than other initiatives. We can only speculate as to why this combination was anomalous, but the shift is too significant to dismiss as a simple data anomaly.

All other combinations of office delivered a significantly improved performance compared with the survey average; of note is a Six Sigma office, both as a standalone and in combination with a business transformation office. In both of those scenarios not a single respondent said that cancellation rates for business transformation projects were higher than for other types of project. This makes the results for the combination of Six Sigma and other type even more puzzling and this may well be an area of future study to understand the scope of those offices in terms of business transformation versus other project types.

A dedicated business transformation office delivered clear benefits with 39.1% of respondents with that function alone reporting that business transformation projects had a lower cancellation rate than other projects and only 17.4% reporting a higher rate. The results were similar for a business transformation office in conjunction with other types of process / organizational improvement office (38.1% lower, 19.1% higher). When organizations didn't have any dedicated function they clearly suffered, 17.2% reported lower cancellation rates while 25.8% reported higher.

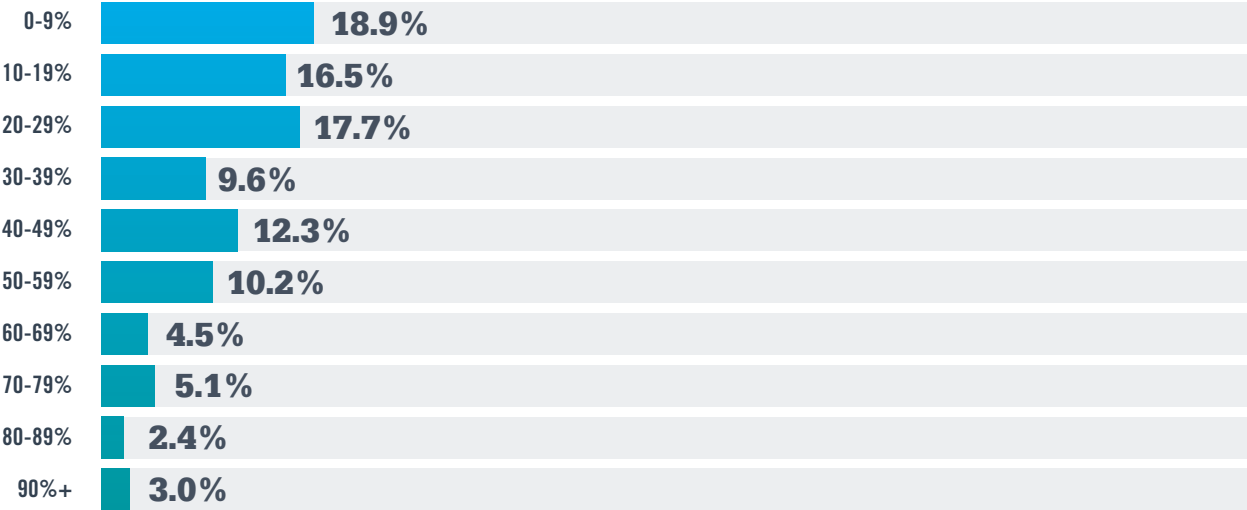
**Top Tip!**

Project cancellations happen – it's a better solution than 'throwing good money after bad'. The key to success is to cancel project for the right reasons, if you are cancelling because of bad business casing and / or bad planning you are creating your own problems. If you are unable to monitor and measure performance against your business goals then you are facing bigger problems, and will undoubtedly be cancelling many projects many months too late!

Results among our top performing organizations were also heavily biased towards lower cancellation rates for business transformation projects – 40.3% reported lower rates compared to 16.1% reporting higher and 43.6% about the same. This does indicate that these organizations may not be quite such high performers on other types of initiative as the implication is that there are higher project cancellation rates in those areas, at least for two in five of our respondents. The weaker performers overall had higher cancellation rates on these projects, although not dramatically so – the bottom three categories showed 19.4% with lower rates compared with 28.6% with higher rates. Where we did see a dramatic difference was in respondents who said their organizations were unable to monitor progress against business goals. In those situations we saw 36.4% reporting higher cancellation rates and 18.2% reporting lower, clearly showing that the lack of visibility drives significant need to change course in an organization's most critical projects. We can only guess at how many wasted millions of dollars this represents.

**20** Approximately what percentage of business transformation projects are substantially changed (greater than 25% change to scope, budget and / or timeline) prior to delivery?

Having considered cancelled projects we next asked about the percentage of business transformation initiatives that experienced substantial change. We defined substantial as a greater than 25% change to a project's scope, budget and / or timeline.



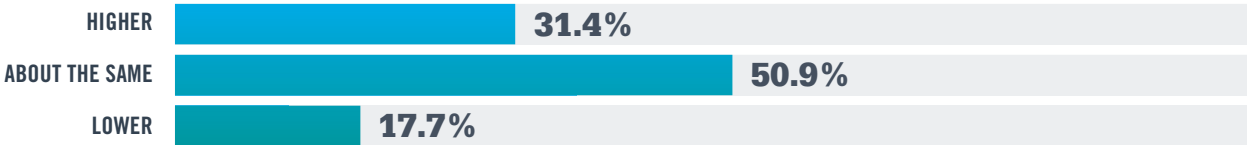
As can be seen from the graphic, this question generated a much more distributed response. While more than half (53.0%) of respondents reported that less than 30% of projects experienced substantial change this still suggests that a significant number of projects are being subjected to dramatic shifts from their original plan. This isn't necessarily a bad thing, business transformation projects often have longer schedules and more complex scopes, increasing the likelihood that change will be required. This is reinforced by the relatively high amount of change that was seen even among our high performing organizations. This group was skewed slightly more towards a lower rate of change, but we still only saw 59.7% of respondents from high performing organizations reporting less than 30% change.

This likely suggests that there is a foundational change rate that organizations will struggle to reduce, but that still allows those organizations to succeed. Once change increases beyond that foundational rate the indicators become much more negative. Our worst performing three categories had a 44.9% response rate for the categories below 30% and 36.7% in the 30 – 59% range (with 15.3% in the higher 50 – 59% category).

We didn't see dramatic differences in numbers for the different type of transformation office, although it should be noted that those organizations without any formal structure did see a higher rate of change with only 46.4% below 30% and 36.4% in the 30 – 59% range.

## 21 Is this percentage higher or lower than other projects?

As with cancelled projects, we asked participants to compare the percentage of business transformation projects that experienced substantial change with the rate of change experienced on other projects.



While 'about the same' was still the most popular response with a little over half of participants (50.9%) selecting that option, the overall bias was towards a higher degree of change for business transformation. This is in line with our expectations, business transformation is likely to be among the most complex projects for organizations and we would expect greater rates of change here than on the more straightforward projects. Indeed, a low rate of change relative to more straightforward initiatives may indicate a reluctance to accept necessary change and a consequent loss of potential improvement.

To some degree this is reinforced by our top performing organizations. 29.0% of respondents from that category reported that they saw a higher rate of change from their business transformation projects than for other projects, although 29.0% also indicated that they saw a lower rate of change. Our lower performers clearly struggle in this area with higher change being reported by 35.7% compared with only 9.2% who indicated a lower rate of change.

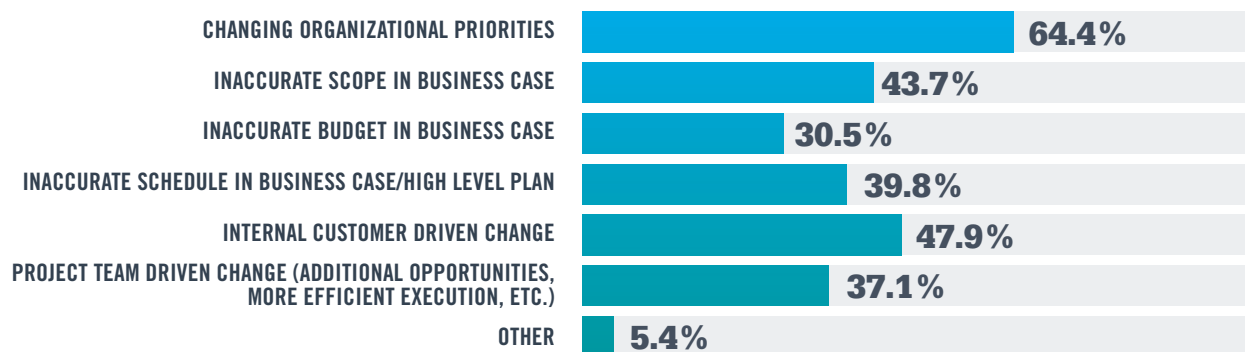
We saw no significant trends in this response for different type of transformation function other than a bias towards higher rates of change where no formal function existed. In that case higher change was reported by 37.1% compared with only 9.9% that reported lower change.

## 22 What are the drivers of change within your business transformation projects (select all that apply)?

Our next question asked about the drivers of change within business transformation initiatives and provided respondents with a list of possible sources to choose from:

- Changing organizational priorities
- Inaccurate scope in business case
- Inaccurate budget in business case
- Inaccurate schedule in business case / high level plan
- Internal customer driven change
- Project team driven change (additional opportunities, more efficient execution, etc.)

We allowed participants to select multiple options and also provided them with a free format 'other' category for additional change drivers they wished to identify.



*NOTE: total adds up to greater than 100% due to selection of multiple options*

This question allowed us to understand in a little more detail whether the changes that our participants were experiencing were in response to positive or negative factors. While there are exceptions, we assume that organizations that are responding predominantly to shifting organizational priorities and in response to recommendations from the project team are changing for positive reasons. On the other hand, changes driven by problems with constraint estimates and plans are seen as negative. Internal customer change could fit into either category depending on the underlying reasons for that change. Our 'other' category, while small, identified trends of change driven by regulatory requirements and external market factors which we also view as positive reasons for change.

It was pleasing to see that the dominant change driver was a shift in organizational priorities, although it was perhaps surprising to see that almost two thirds (64.4%) of survey participants had to change their business transformation initiatives for this reason. It was also extremely pleasing to see that well over a third (37.1%) of respondents worked in organizations where the project team could drive change into initiatives based on their observations of how to improve the project.

For our top performers these categories scored even higher – 74.2% for organizational priorities and a marginally higher 38.7% for project team driven change. These high performing organizations also saw improved performance against constraint driven change drivers – 33.9% said inaccurate scope was a change driver, 24.2% for budget and 35.5% for schedule. Internally driven change was marginally lower at 45.2%



Our poorer performing organizations, as we might expect, saw a bias towards the constraint driven change drivers. This was particularly evident with scope (56.1% vs. 43.7% survey average) and schedule (49.0% vs. 39.8%). Budget was higher, but at 33.7% compared with 30.5% for the survey as a whole, less significantly so. Internal customer driven change was also marginally higher (51.0% vs. 47.9%) and team driven change was marginally lower at 34.7% vs. 37.1%.

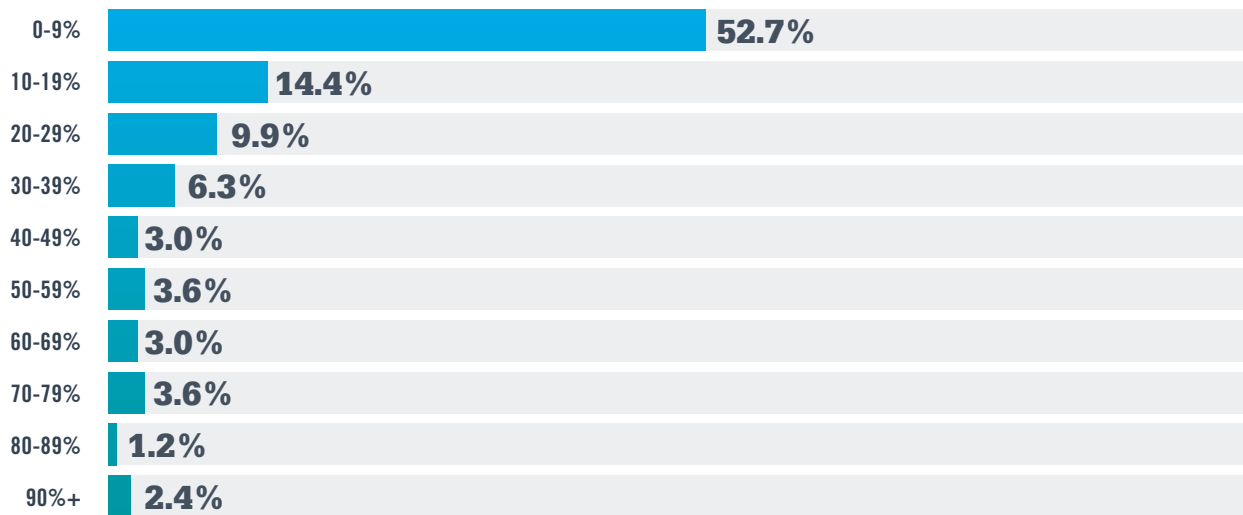
We would expect these organizations to be less driven by shifting organizational priorities, and that was the case, but 61.2% of respondents from organizations in the poorer performing categories still reported that shifting priorities drove change. This is not significantly different from the 64.4% survey average, but may hide other issues – our survey did not look into the appropriateness of those organizational priorities.

# ABOUT AGILE AND BUSINESS TRANSFORMATION

Our next category of enquiry was focused on the use of Agile. We wanted to look at the role that Agile may be playing in supporting survey participants' business transformation initiatives, and how that compares to Agile use on other types of projects.

## 23 Approximately what percentage of your total projects are executed using Agile for at least some of the work?

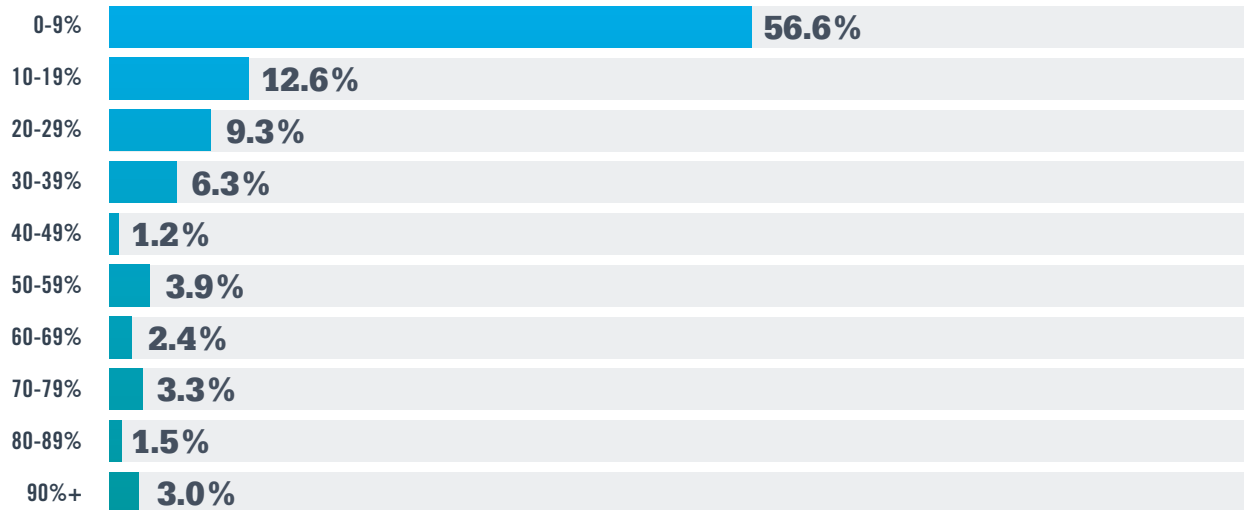
Our first question simply looked to establish a baseline for Agile within participants' organizations by asking how many projects used Agile for at least part of the work.



The overall results were skewed heavily towards the lower end of the scale, perhaps suggesting that our survey organizations were a little more traditional in their approach than average. Even within traditional Agile focus areas we saw a relatively low adoption rate – 36.9% of respondents from within the Information Technology vertical still advised that less than 10% of projects were conducted using Agile.

## 24 Approximately what percentage of your business transformation projects are executed using Agile for at least some of the work?

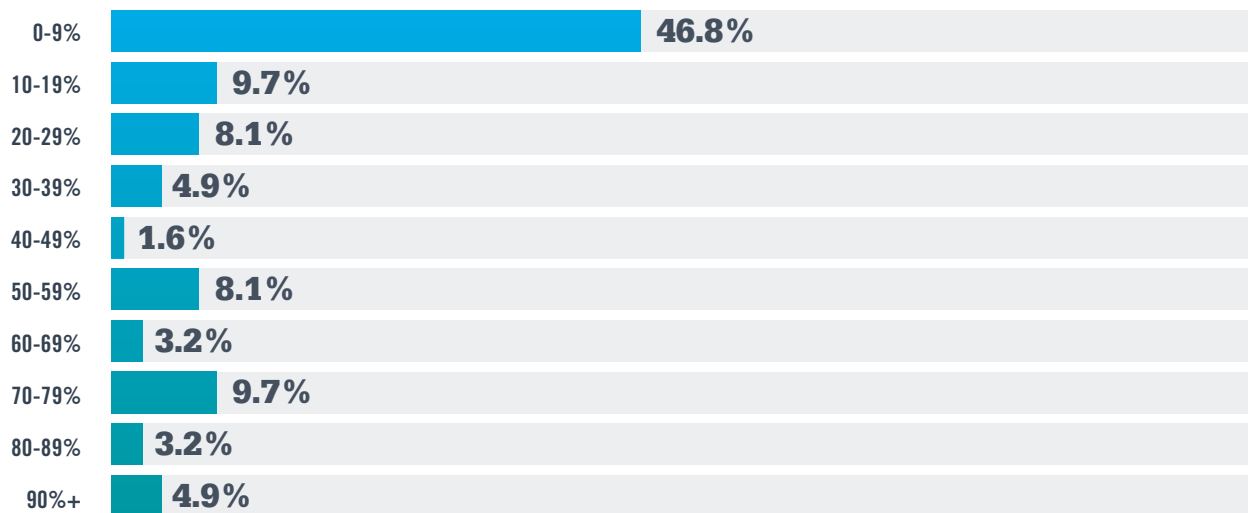
Our next question focused specifically on business transformation projects and asked for the percentage of those projects that utilized Agile for at least some of the work. Unsurprisingly the numbers were lower than for projects in general.



Perhaps because of the low overall rate of Agile adoption for projects, the numbers were not significantly lower for business transformation, and we are actually encouraged that more than two in five (43.4%) of survey participants said that their organizations used Agile for at least some element of 10% or more of business transformation initiatives. Given the traditional reluctance by organizational leadership to embrace Agile beyond its software development roots we see this as an important evolution beginning to occur.

The main driver for the growth of Agile over the last decade or so has simply been the fact that it works. Our survey data suggests that it also helps organizations achieve their business transformation goals. Looking solely at the organizations in our top performance category we see the following results for this question.

## Responses for those organizations whose business transformation projects regularly achieve all business goals and objectives



Given the overall low adoption rates for Agile in the survey, these findings show a fairly significant shift and suggest that high performing organizations are willing to adopt whatever approaches will help them succeed. This subset of the survey also embraces Agile more widely for all projects, and the shift away from Agile for business transformation is less pronounced (identical percentage in the 0 – 19% range).

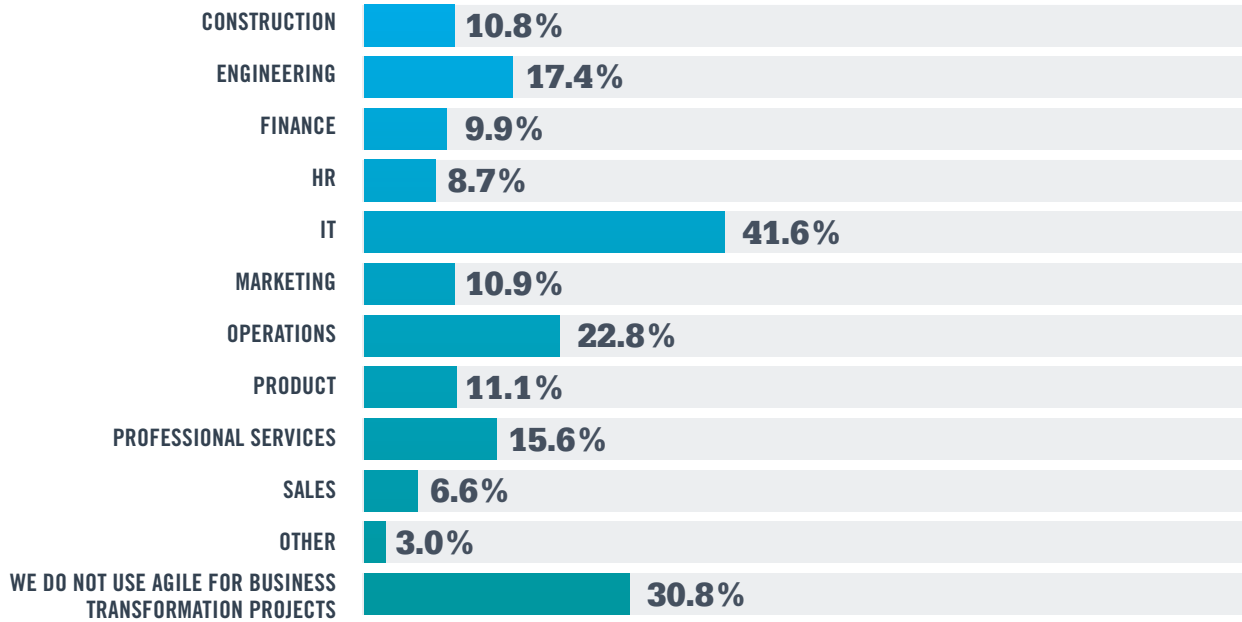
Among lower performing organizations Agile had made very few inroads, 63.3% reported less than 10% of business transformation projects used Agile and 79.6% reported less than 20%. Unsurprisingly, among organizations who struggled to monitor progress against business goals, Agile utilization was even worse with 77.3% below 10% and 86.4% below 20%.

## 25 In which business areas is Agile utilized on business transformation projects (select all that apply)?

Our next question looked at where within the organization Agile was being used. We offered survey respondents a list of business areas and asked them to identify all that applied. The list of options was:

- Construction
- Engineering
- Finance
- HR
- IT
- Marketing
- Operations
- Product
- Professional Services
- Sales

We also provided a free format option for additional areas that participants wished to identify and an option to state that they did not use Agile for business transformation.



*NOTE: total adds up to greater than 100% due to selection of multiple options*

Caution should be taken in making too many comparisons between the departments for this question as not all organizations will have every one of these business areas. Among those that are core to most organizations it is perhaps surprising to see quite such low adoption rates in areas like Sales, but we do have to remember that the overall use of Agile for business transformation in our survey was relatively low. As can be seen here, 30.8% of respondents never use Agile for any element of business transformation initiatives.

The trend for top performing organizations to be measurably further advanced is now well established, but in this category in particular it is really noticeable. Only 19.4% of organizations in that category said Agile was never used on business transformation initiatives and the use of Agile was more widespread across the different departments in these organizations. Agile use was higher in top performing organizations for every business area we asked about, but of particular note are Engineering (29.0% vs. 17.4%) and HR (14.5% vs. 8.7%) which both showed a greater than 65% increase over the average. Other notable increases of almost 50% occurred in Finance, Marketing, Operations and Sales.

### Top Tip!

It's not a coincidence that top performing organizations use Agile more frequently and in more departments within the organization. Agile can help deliver business goals, and as such help to make business transformation projects more successful.

Among the lower performing organizations we did not see a dramatic drop off in Agile utilization across the board, but we did see a narrowing of its reach. In this category 35.7% of respondents said Agile was not used at all for business transformation initiatives, higher than the survey average of 30.8%, but not significantly so. Similarly, we saw lower Agile utilization in the more popular Agile adoption areas of IT (37.8% vs. survey average of 41.6%) and Engineering (16.3% vs. 17.4%), but the variations are not dramatic. Where we did see a more significant difference was in business areas that are less commonly associated with Agile, suggesting

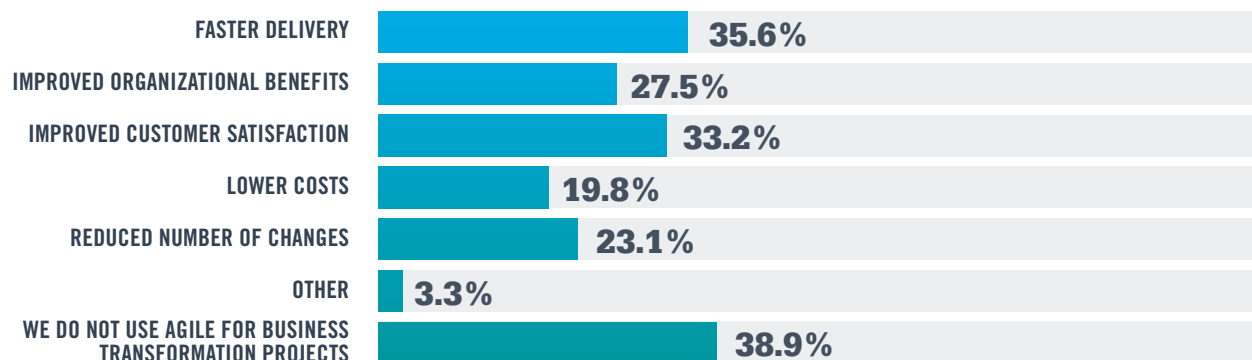
that our lower performing organizations are slower to expand Agile into new areas. This was most obvious with Product (3.1% vs. 11.1%) and Sales (3.1% vs. 6.6%) although Finance, HR and Professional Services also had weak relative penetration.

## 26 If you use Agile for business transformation initiatives which of the following benefits are you experiencing (select all that apply)?

We completed our investigation of Agile with business transformation by asking respondents how they were benefiting from Agile use. We again allowed survey participants to select a number of options from a drop down list and provided the option to add additional benefits and to advise that Agile was not being used for business transformation projects. The list of benefits provided was:

- Faster delivery
- Improved organizational benefits
- Increased customer satisfaction
- Lower costs
- Reduced number of changes

This question saw a higher response rate for the 'we do not use Agile for business transformation' category than the previous question which provided the same option. We suspect this may be due to the absence of a 'no benefits' option, a small number of people who chose the 'other' category indicated that they were not yet seeing any benefits.



NOTE: total adds up to greater than 100% due to selection of multiple options

For business transformation initiatives the areas of customer satisfaction and organizational benefit are inextricably linked. When the areas of the organization that are expected to benefit from the transformation work are more satisfied with the outcomes this is likely to turn into better business performance both directly through the cost savings, efficiencies, etc. and indirectly through improved employee satisfaction and engagement. It is therefore not surprising that these two areas are relatively close in terms of the benefits that are being seen. While Agile is not specifically designed to increase the speed of delivery, this is often a byproduct of the Agile process and it is not that surprising to see that this is the highest scoring category.

Between high and low performing organizations we saw a great deal of variation in some of the categories and this seems to suggest that the ability to leverage Agile effectively can have a tremendous impact on some of the benefits. One of the less volatile benefit categories seems to be Agile's ability to reduce the number of changes. Our survey average of 23.1% only increased to 25.8% for our top performers while dropping to 20.4% for our poor performers. While this undoubtedly translates into significant savings for organizations that perform well, it is not the biggest impact area.

In contrast, the other benefit categories saw tremendous variation, particularly for high performers. For those, increased organizational benefits were cited as an advantage of Agile by 43.5% of participants compared with our survey average of 27.5% (for low performers it was 25.5%). This parallels the increase in improved customer satisfaction (53.2% vs. 33.2% average and 26.5% for low performers). Top performers saw across the board improvements with faster delivery being a benefit for 48.4% and lower costs being cited by 32.3%. It is clear that while Agile may not yet be a cornerstone of business transformation projects, those organizations that have already demonstrated an ability to do business transformation well are learning how to expand those benefits further through Agile.

# ABOUT BUSINESS TRANSFORMATION AND PROJECT MANAGERS

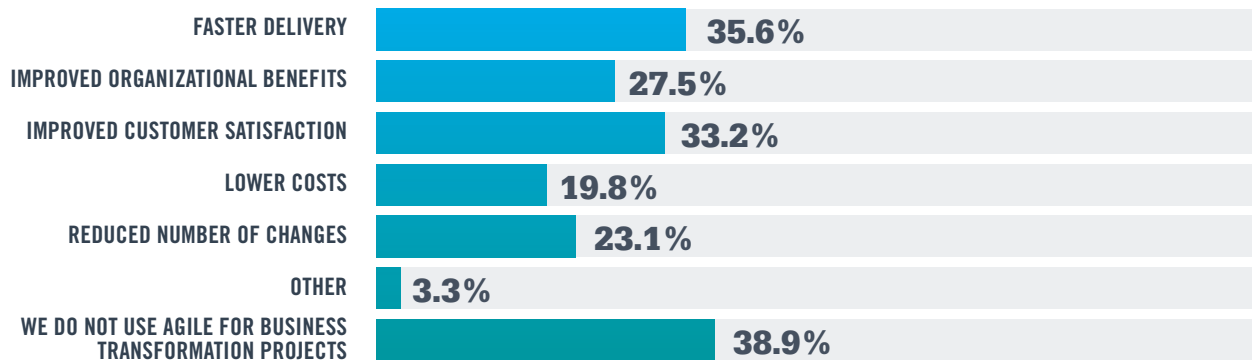
In this next section of the survey we examined how project managers are selected and appointed to business transformation initiatives, along with the skills they are expected to have.

## 27 What are the sources of business transformation initiatives (select all that apply)?

To begin this area of analysis we wanted to understand where in the organization business transformation projects originated. We provided a list of leadership areas to choose from, with multiple selections allowed.

- Board of Directors
- Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer
- Other Executive
- Business Unit Leadership

We also allowed for a write in 'other' option if the respondent's situation wasn't adequately covered.



*NOTE: total adds up to greater than 100% due to selection of multiple options*

Among the other category there were a number of varied responses, but the only clear trend was for regulatory and similar bodies to drive business transformation.

We were pleased to see that business unit leadership had such a strong voice in business transformation in our participants' organizations. We obviously expected traditional leadership roles like the board of directors and CEO to be major factors, but the fact that they were less strongly represented than business unit leaders was a pleasant surprise. This indicates to us that organizations are increasingly listening to their operating level leaders to form and execute strategy and we see this as a positive development.

Even more pleasantly surprising was the relative consistency of this response among high and low performing organizations. The high performers had business transformation initiatives driven by business unit leaders slightly more often (54.8%), but the poor performers still had a strong 51.0% representation in this area. Indeed we saw very little variation on this question for any of the categories, the only variance of note was a somewhat lower involvement by the COO in lower performing organizations (23.5% vs. the survey average of 30.5%).

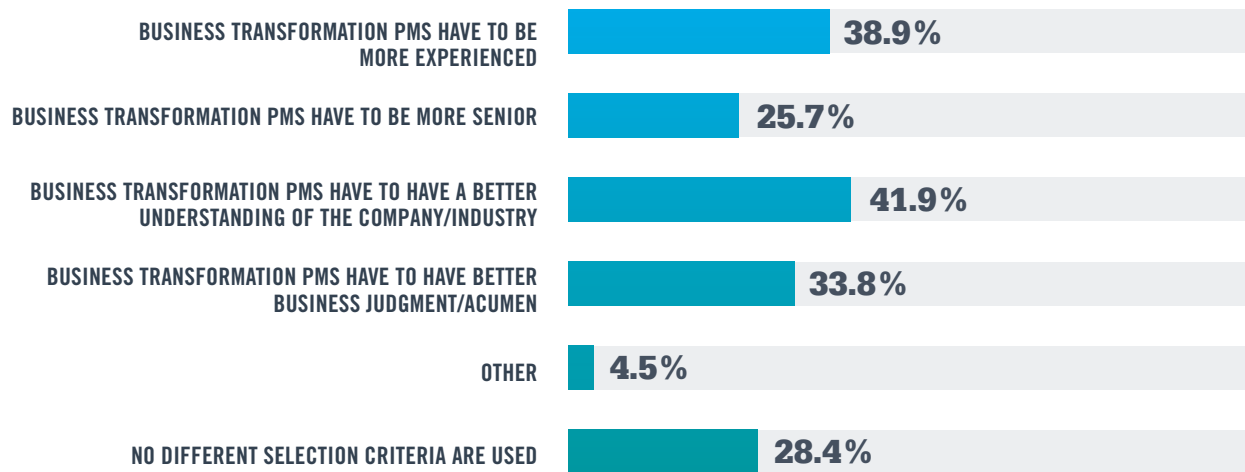


## 28 Do you use different selection criteria for appointing project managers (PMs) to business transformation initiatives compared with other projects (select all that apply)?

Our next question in this category looked at how organizations select project managers for business transformation projects. Our supposition was that organizations would be looking for PMs with greater capabilities for these critical initiatives and we wanted to explore what those capabilities might be. We provided a drop down list and allowed for multiple selections.

- Business transformation PMs have to be more experienced
- Business transformation PMs have to be more senior
- Business transformation PMs have to have a better understanding of the company / industry
- Business transformation PMs have to have better business judgment / acumen

We also allowed for respondents to provide more details under an 'other' category, or to identify that no different criteria were used.



*NOTE: total adds up to greater than 100% due to selection of multiple options*

Clearly, for most organizations, business transformation projects are recognized as requiring specialist skills. 71.6% of respondents said that their business transformation PMs needed to stand out in some way from their colleagues. Initially, it may seem slightly disappointing to see that for 25.7% of participants seniority was a factor, but only 6.3% of respondents cited seniority as the only reason, for the remainder it was one of multiple factors.

That an understanding of the company / industry was the most important factor is to be expected, as is the desire for greater levels of experience. We would expect to see business judgment / acumen increase if this survey were repeated twelve months from now as this is clearly an area of focus for many organizations on all types of project, but it is pleasing to see that more than a third of participants (33.8%) already identify it as a factor.

There was a clear distinction in this question between our high and low performing organizations, and this may be one of the decisive factors in determining success. At the most basic level, 'no different selection criteria' was only chosen by 19.4% of our high performers, but that number more than doubled to 39.8% of our poor performers. Similarly, experience was used as a selection criteria by more than half (51.6%) of the top performing organizations, but it was only used by 26.5% of low performers. The story is repeated for company / industry understanding (51.6% for high performers, 28.6% for low) and business judgment / acumen (40.3% high, 27.6% low).

### Top Tip!

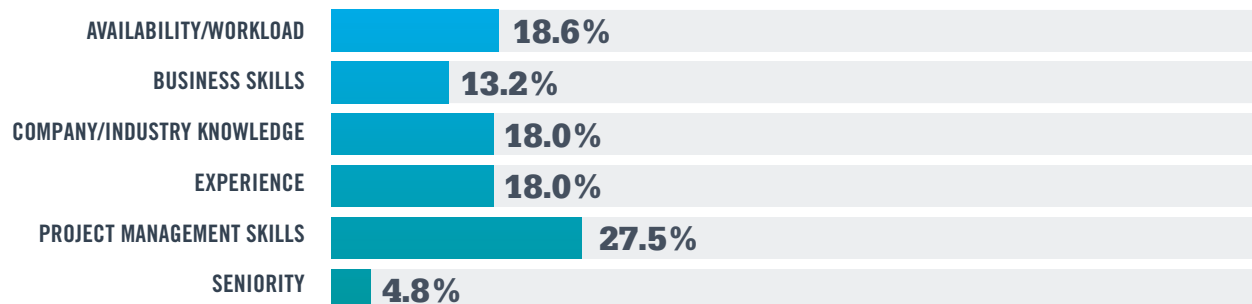
The right project manager can make or break a project. There are no guarantees, but using the right criteria to select the PM for your business transformation projects will give you a much greater chance of ultimately delivering a successful outcome.

For seniority, the picture is a little more complex. 30.6% of high performing organizations cited seniority as a factor, somewhat higher than the 25.7% survey average, and 9.7% cited seniority as the only factor. For low performers seniority was a factor for 20.4% and it was the only factor for 11.2%. We suspect that high performing organizations are comfortable relying on seniority on occasion because those PMs have a track record of success, and while this is understandable, we would like to see a reduction in the percentage of those organizations that rely solely on seniority. For low performers we believe this reliance on seniority (more than half of low performers who used seniority as a factor, used it as the only factor) is adding to the difficulties they are already experiencing.

## 29 Which is the most important factor in determining which PM to appoint to a business transformation project?

As a follow on question from the previous one we asked respondents to identify the most important factor when appointing a project manager to a business transformation initiative. We had some insight into this from those respondents who only selected one option from the possible selections in the previous question, and we have already discussed that above in terms of seniority. However, we also added another couple of options for this question. The list of choices we provided was:

- Availability / workload
- Business skills
- Company / industry knowledge
- Experience
- Project management skills
- Seniority



The two criteria we introduced for this question – project management skills and availability / workload received the highest number of responses, and we believe this sends a mixed message. We are pleased that 27.5% of survey participants recognize the importance of project management skills for business transformation initiatives. There has been a lot of focus (correctly) on the need for PMs to have business skills and company / industry knowledge, and we will discuss that further in a moment, but a PM must still be able to effectively and efficiently handle the project management elements of the role.

We are disappointed that resource availability and workload would be the most important factor for almost one in five (18.6%) of our respondents' organizations. Business transformation initiatives can (and should) have a significant impact on an organization's long term ability to succeed and if work needs to be reallocated to free up the optimum resource then that should happen as a matter of course.

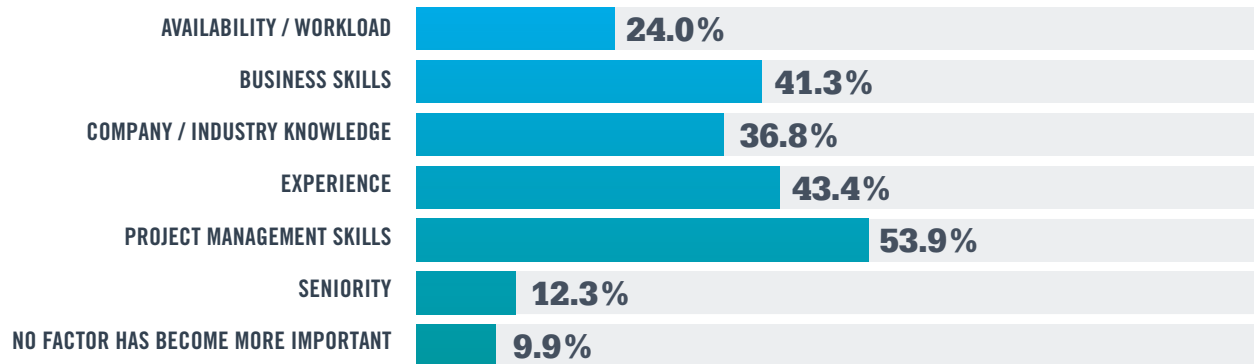
Of the remaining categories, it is pleasing to see seniority drop in importance here to a relatively insignificant number, although given the higher weighting given to seniority in the previous question we suspect that seniority is only 'losing out' to project management skills and availability in many cases. As we mentioned, we are pleased to see that experience is well represented, and we suspect that this, along with business skills, will become increasingly important as organizations look for the 'perfect' leader for business transformation initiatives – combining project management capability with experience, with sufficient business skills to understand the context of the project, and with company and industry knowledge sufficient to understand how to help the organization succeed. We will look for indications of this trend in our next question as well.

This may be backed up by the performance of our high performers, which we believe are an indicator of how organizations will evolve. For them, seniority was almost irrelevant, at just 1.6% and availability / workload was significantly lower at 9.7%. Project management was against the most important factor at 33.9%, followed by experience at 22.6%, company / industry knowledge at 17.7% and business skills at 14.5%. While the separation of the four 'core' skills from the remaining two is significant, we do note that high performers are fractionally lower than average on the company / industry knowledge, which may suggest that once a project manager has demonstrated a certain level of knowledge there is no need to focus further in that area.

Among our poor performers, unsurprisingly, availability / workload was far more important, in fact it was the highest category at 28.6%, and seniority was a disappointingly high 9.2%. That almost two in five (37.8%) felt that one of those two factors was the most important for a project manager to be appointed to lead a business transformation project helps us to understand why those organizations are struggling. However, interestingly, business skills scored relatively high with this group, with 17.4% stating it was the most important factor. It may be that these organizations are viewing business skills as a substitute for experience or company / industry knowledge which both scored poorly (14.3% and 8.2%) respectively. Project management skills also scored low, rated as the most important factor by just 22.5% of respondents in this lower performance group.

### 30 Which of those factors has become more important over the last three years (select all that apply)?

Our next question followed up from asking which factor was most important and sought to understand which of the same list of factors had become more important over the course of the last three years. For this question we allowed participants to make multiple selections and we also included an option for no factor becoming more important.



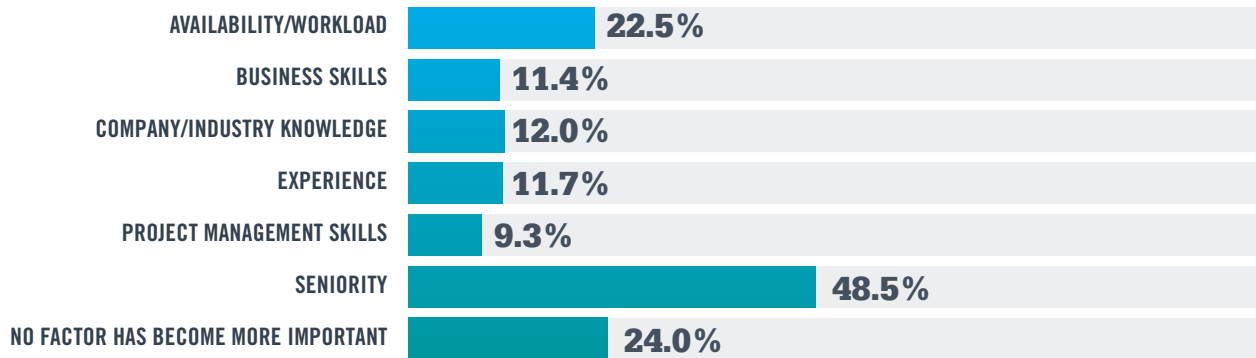
*NOTE: total adds up to greater than 100% due to selection of multiple options*

We suggested on the previous question that business skills, company / industry knowledge, experience and project management skills would all become even more important in the next little while, and we can see from this question that this trend already exists. All of those selections were significantly higher than the other options, although it is notable that almost a quarter (24.0%) of participants said that availability / workload was becoming an increasingly important factor. We suspect this may be a result of the ongoing pressure on organizations to deliver projects with greater efficiency, but organizations must recognize the risks they are creating and / or exacerbating by taking this approach.

We didn't see significant variance between high and low performers for this question. There was some minor variation in the areas we would expect – higher performers had higher results in business skills and experience for example, but perhaps the strongest variation occurred in the 'no factor has become more important' category. For the survey as a whole this response garnered 9.9% of respondents, and for our high performers the response was consistent with that – 9.7%. However, for our lower performers 15.3% of respondents chose this category suggesting that a larger number of these organizations are slower to adapt to evolving industry trends and best practices.

### 31 Which of those factors has become less important over the last three years (select all that apply)?

Our final question in this category looked at the factors that have become less important over the same three year period. We provided the same list of options as for the last category and again allowed for multiple selections.



*NOTE: total adds up to greater than 100% due to selection of multiple options*

It is impossible to consider this question in isolation; we have to look at the result in comparison with the previous question. In most cases there is a clear trend that emerges from that analysis – seniority has become overall less important while business skills, company / industry knowledge, experience and project management skills have become more important – significantly so in the case of project management skills where 53.9% of respondents said these skills had become more important while only 9.3% said they had become less important. However, availability / workload is clearly an area of contention. While almost half of our survey participants (46.5%) indicated that this factor had changed in importance over the last three years, there was an almost even split in the direction of that change – 24.0% said that availability / workload was more important than three years ago, while 22.5% said that it was less important. We suspect that this is a factor that is very sensitive to individual organizational needs and demands and may also vary with time and the size of the project portfolio.

The split between high and low performing organizations was similar to in the previous question in terms of the categories, but we did see some greater variations here. Project management skills were less important to just 9.3% of the overall survey, but for low performers this rose to 14.3% while for high performers it fell to 4.8%. We saw similar results for high performers on business skills, where the average of 11.4% fell to 4.8% for high performers (low performers were consistent with the average for this response).

# TOOLS TO SUPPORT BUSINESS TRANSFORMATION PROJECTS

In this next section we looked at the tools that participants' organizations may use to assist with project execution in general and business transformation projects in particular.

## 32 Do you use dedicated enterprise project management tools?

Our first question was simply to inquire into whether our respondents used enterprise project management software within their organizations.



Enterprise project management solutions have become much more common place in recent years as the software has become easier to use and leverage, increasingly flexible to support different needs, and adaptable to evolving

organizational needs. It is therefore a little surprising not to see a higher percentage of respondents using such software. We wondered whether part of the lower adoption might be due to a number of respondents working in smaller geographic markets but this doesn't appear to be the case, with some major markets actually having lower adoption rates – 50.0% use in the United States, 43.8% in Canada and just 37.5% in the United Kingdom.

Of the larger industry groups, manufacturing and telecommunications sectors were more likely to use such solutions while the construction, architecture and engineering and health care sectors were less likely. Our largest industry group, information technology, came in at almost exactly the survey average for adoption (55.4%).

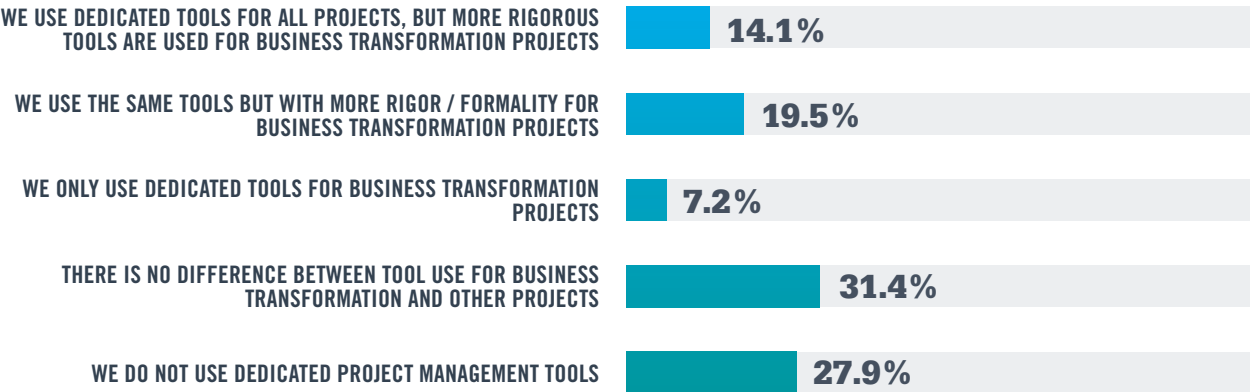
Unsurprisingly our high performing organizations were more likely to use such solutions, but at a 62.9% adoption rate there were still a relatively high number of organizations not using enterprise project management solutions. Among low performers there was a 49.0% utilization rate, suggesting that while these tools can help, they aren't able to overcome fundamental organizational challenges.

## 33 Which of the following statements best describes how dedicated project management tools are used for business transformation projects?

Our next question asked about the use of these tools on business transformation projects, and in particular whether there were differences in either the tools themselves, or the way the tools were used compared to other types of project. We provided survey respondents with a list of options and asked them to select the most appropriate.

- We use dedicated tools for all projects, but more rigorous tools are used for business transformation projects
- We use the same tools but with more rigor / formality for business transformation projects
- We only use dedicated tools for business transformation projects
- There is no difference between tool use for business transformation and other projects
- We do not use dedicated project management tools

This question generated a lower response rate for the 'we do not use dedicated project management tools' than the previous question which suggests that respondents may have answered this question with a broader definition of project management tools in mind than was the case previously.



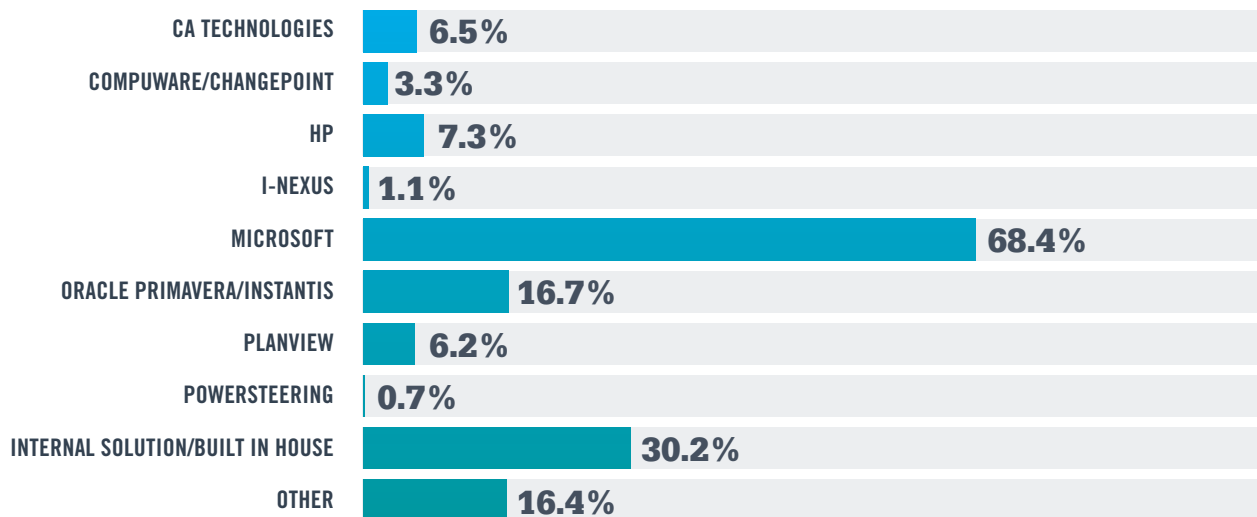
40.7% of respondents felt that business transformation projects required a different tool or tool utilization approach than other projects, with almost half of those (19.5% or 47.8% of this subset) simply taking a more rigorous and / or formal approach to those projects within the same tools that they used for all projects. This is understandable given the cost and complexity of implementing additional tools, although 14.1% did identify with using different tools for business transformation projects. We suspect that many of the organizations in the 7.2% that only use dedicated project management tools for business transformation are early in their tool adoption and will likely expand use into other areas over time.

This was another question where we saw considerable separation between high and low performers. 30.6% of our top performing organizations said that they used more rigorous tools for business transformation initiatives, compared with only 10.2% of the lower performing organizations. The use of the same tools with more formality was less likely to occur, with high performers scoring almost exactly at the survey average (19.4%) although the lower performers were lower at 13.3%.

### 34 If you use dedicated enterprise project management tools, which vendors' tools do you use (select all that apply)?

This question was optional to allow for those respondents who said they did not use enterprise project management software to skip it. We provided a list of major vendors and asked participants to select all options that applied to them. We also allowed for free format entry for other solutions. The provided vendors were:

- CA Technologies
- Compuware / Changepoint
- HP
- i-Nexus
- Microsoft
- Oracle Primavera / Instantis
- Planview
- Powersteering
- Internal solution / built in house



*NOTE: total adds up to greater than 100% due to selection of multiple options*

As is always the case with this type of question, Microsoft dominates, in this case with Oracle as the next highest vendor (we included both Primavera and Instantis which Oracle acquired in this grouping). The second most popular response was the in house solution, which revealed some very varied responses and also showed that our respondents worked in environments where very different tools were considered to be enterprise project management. We saw everything from ERP to Excel cited in this response.

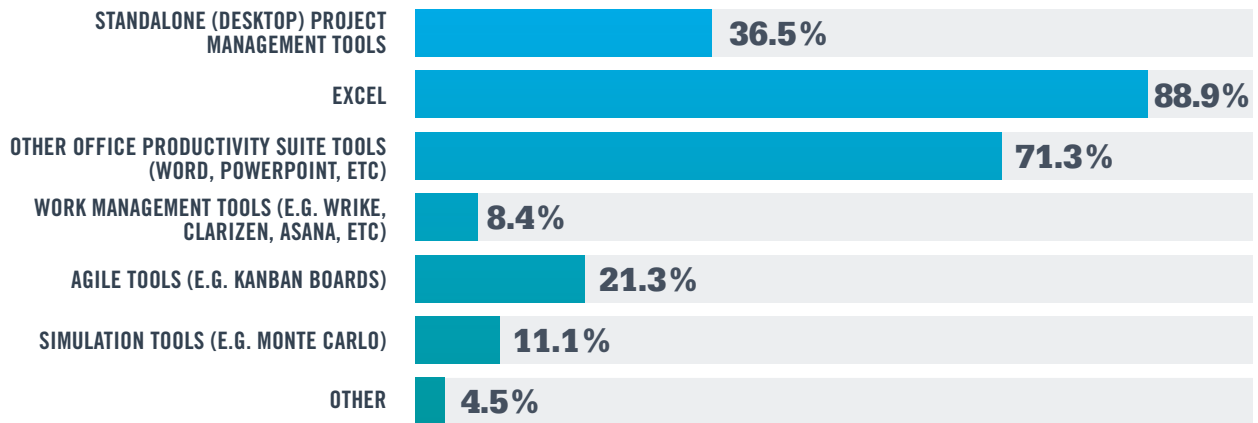


### 35 What other tools do you use (select all that apply)?

We next asked about other tools that were in use in the organization to support, or perhaps instead of enterprise project management solutions. We again provided a list of possibilities and allowed respondents to select all that applied.

- Standalone (desktop) project management tools
- Excel
- Other Office Productivity Suite Tools (Word, PowerPoint, etc)
- Work Management Tools (e.g. Wrike, Clarizen, Asana, etc)
- Agile Tools (e.g. Kanban boards)
- Simulation Tools (e.g. Monte Carlo)

We also provided the option for additional write in contributions in an 'other' category.



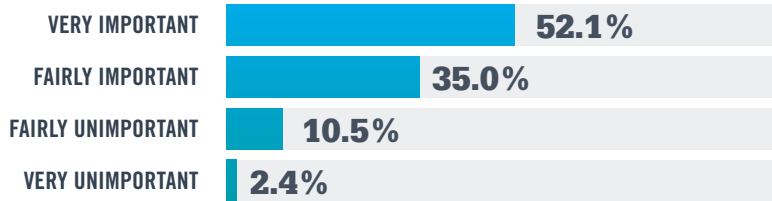
*NOTE: total adds up to greater than 100% due to selection of multiple options*

Of course the use of Excel and other office productivity tools was always going to be high, but it was surprising to see that the use of standalone (desktop) project management tools wasn't higher. Perhaps even more surprising, 29.3% of survey participants said they used neither enterprise project management tools, nor standalone project management tools. Some of those may be predominantly Agile organizations, but this is still a higher percentage than we would have expected.

Among the more specialist tool categories adoption is still relatively low, although things like Kanban boards are beginning to demonstrate the ability to become mainstream and reach beyond Agile environments and that is starting to be reflected in the 21.3% usage rate. We would expect to see that figure continue to increase. We didn't see too many differences between high and low performing organizations, although the use of simulation tools was more prevalent in high performers (17.7%). This likely reflects the desire for organizations that have addressed the basics to look at more complex tools to help them improve further. Implementing simulation tools in less mature organizations that are still struggling to deliver results may be counterproductive.

### 36 How important is reporting from your tools?

We next looked specifically at reporting, and began by asking how important the reporting elements of tools were to our survey participants. We provided a simple choice of options from very important to very unimportant.

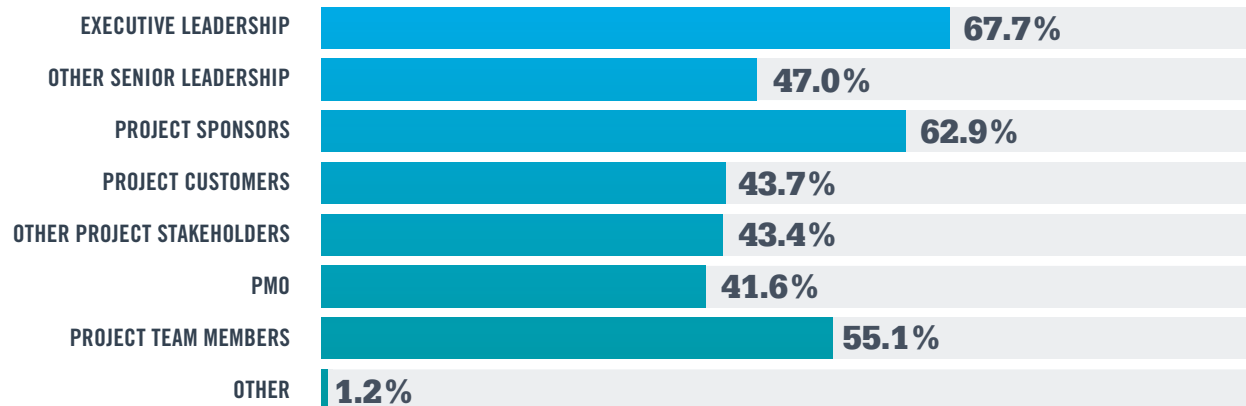


Clearly reporting is an important factor with 87.1% rating it very or fairly important, and more than half (52.1%) selecting the very important category. We saw consistency in these numbers across all job roles, with reporting being cited as just as important for project managers as for the different executive roles.

### 37 To whom are reports from your tools distributed (select all that apply)?

The last question in this section asked participants to tell us who the consumers of reports were in their organization. We provided a list of a number of organizational leadership and project execution roles as well as allowing for the identification of additional groups within the organization. The options were:

- Executive Leadership
- Other Senior Leadership
- Project Sponsors
- Project Customers
- Other Project Stakeholders
- PMO
- Project Team Members



*NOTE: total adds up to greater than 100% due to selection of multiple options*

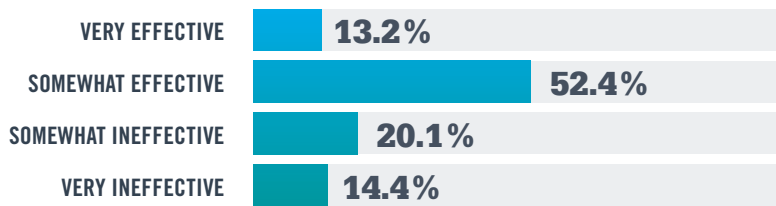
The audience for reports is obviously fairly wide, with relatively high response rates in every category. We might perhaps have hoped to see higher rates for project customers and other stakeholders, but otherwise the results are in line with expectations. High performing organizations appear to be more open in their report distribution, showing higher rates for core roles like sponsors (67.7%), customers (53.2%), other stakeholders (48.4%), the PMO (50.0%) and team members (64.5%).

# YOUR OPINIONS

In this final section of the survey we sought to understand how respondents feel business transformation projects are executed in their organizations, and to get their thoughts on how things can be improved. This starts with two opinion based selections, and then continues with free format responses to provide more details.

## 38 How effective do you feel that business transformation is managed in your organization?

This first question simply asks for respondents to tell us their perception of business transformation effectiveness based on a four point scale.



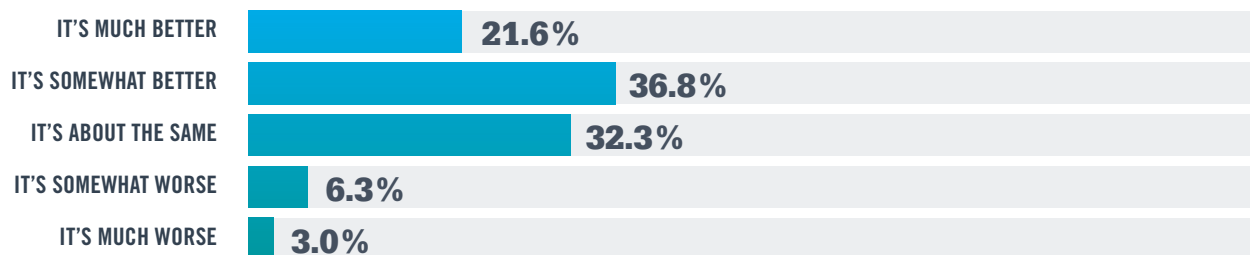
This distribution is at least broadly positive with almost two thirds (65.6%) choosing one of the effective choices, although it isn't a strong commitment with 52.4% choosing the 'somewhat effective' option. We saw some variation among different job roles, although some of those

roles had small sample sizes and we are reluctant to read too much into those values. Of those roles with a reasonable sample size, program and portfolio managers and PMO professionals tended to have slightly more negative perceptions while project managers were in line with the survey as a whole, but the shift was minor – the balance remained in favor of effective.

Understandably, representation from high performing organizations was more positive with a combined 83.9% in the effective categories, 32.3% choosing very effective. Also understandably the lower performing organizations fared much worse in respondents' opinions with just 3.1% selecting very effective and 36.7% selecting somewhat effective. While the overall sentiment of these organizations was negative, only 22.5% chose the very ineffective category so there is evidence of some positivity.

## 39 Do you feel that business transformation has improved over the last three years?

Our next question built on survey participants' sentiments of performance and asked whether they felt things had improved in the last three years. Again we provided a range of options from strongly positive to strongly negative.



Again we see a bias towards the positive here, and the good news is that only a combined 9.3% of respondents felt that things were worse now than they were three years ago. This compares with 58.4% who felt that things had improved, at least somewhat. It is disappointing that almost a third (32.3%) felt that things were no different – regardless of how good they perceive things to be there should always be room for improvement.

Perhaps more concerning is that the majority of respondents who felt things were the same came from the categories where improvement is most needed – 47.9% of those who selected 'very ineffective' in the previous question chose 'about the same' here, as did 53.7% of those who chose 'somewhat ineffective' in the previous question. By contrast, only 2.3% of those who chose 'very effective' for the previous question said things were the same as they were three years ago, the other 97.7% all said there had been improvements, 79.6% saying much better.

There is some good news for at least some of our lower performing organizations. 37.8% of that category reported improvements, and while that is lower than average, it does suggest that movement is occurring that should generate better business results in the next few business cycles. For the 43.9% that were perceived to have remained the same and the 18.4% that were seen as having got worse, the story is not so positive.

## 40 What do you feel is the best part of how your organization conducts business transformation?

The first of our free format questions asked participants to tell us what they felt was the best part of business transformation in their organizations.

Inevitably with free format responses a huge variety of responses were seen. There were themes around stakeholder and senior leadership engagement, as well as comments around the culture and commitment. Collaboration across departments / business areas was also mentioned by a number of respondents, as was alignment between different organizational levels.

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“ *There are some very smart, experienced, and dedicated people without whom any transformation would not be possible.* ”

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For some survey participants the 'basics' were still seen as the best part of business transformation – clear communications, clarity of vision, etc., while for others the very fact that the organizations was trying to transform was worthy of noting.

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“ Our executive leadership is very eager to reach for new opportunities and they are willing to listen about them from anyone within the organization. We also have a strong youthful group of go-getters who embed best practices from a cultural perspective.

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#### 41 What do you feel is the most improved part of how your organization conducts business transformation?

We next asked participants to tell us which areas of business transformation were most improved. In many cases this aligned with the best areas, which is understandable, but we also saw some different responses. One of the themes that came out in this area was an increasing focus on projects and project management.

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“ The openness and the fact that we are actually trying to have a process and framework for executing business transformation projects.

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There were also comments on improving alignment between strategy and execution, and on improvements to organizational focus.

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“ Transformation initiatives are now beginning to become aligned to a corporate strategy. Previously there was no alignment.

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Ability to remove unnecessary projects that take away focus on business transformation

For many participants communication and collaboration was an important area of improvement and we suspect this may be the result of the increased availability of powerful collaboration tools in recent years.

#### 42 What do you feel is the worst part of how your organization conducts business transformation?

Of course we had to ask participants to provide insight into the areas of business transformation they felt were managed badly within their organizations. The responses here were just as diverse as for the other free format questions and that does suggest that the sources of challenges are varied. That implies the corrections implemented will need to consider the unique characteristics of each organization, perhaps an obvious statement, but often forgiven in the dash for 'canned solutions'.

One of the areas where we did see some commonality was a concern over scope and requirements accuracy.

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**““** *We are often not good enough at requirements management and timely scoping.*

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This also presents as a concern among a number of participants that stakeholder groups are not engaged sufficiently, which can lead to incomplete or inaccurate requirements. Additionally, respondents suggested that they dealt with disruptive or disengaged stakeholders.

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**““** *Getting buy-in from all the stakeholders and convincing them about the necessity of the transformation.*

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Some survey participants raised concerns about the overuse of external resources, but this wasn't a universal complaint, in fact some respondents pointed out that performance improved with consultants.

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**““** *We do much better with outside resources running projects instead of using the in-house PMO office.*

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While there were many concerns expressed in this section, there was not a sense of too many organizations experiencing a fundamental breakdown of the ability to deliver business transformation initiatives. Most of the problems raised were serious, but appear to be manageable with the right level of organizational focus. This aligns with the resto of our survey – we have spent a lot of time in this section comparing high and lower performing organizations, but there are very few 'failing' organizations represented in this survey – just varying levels of success.

# THEMES AND RECOMMENDATIONS

Business transformation is a growth industry! 50.0% of our survey participants said that a greater percentage of their project budget was going to business transformation than three years ago. The increasing pace of technology evolution, combined with the ever increasing competition posed by a global application economy can only drive yet more business transformation in the years ahead. Organizations that are unable to maximize their ability to deliver these projects effectively will at best be losing ground to competitors, and at worst will struggle to survive.

This has been a wide ranging survey that has touched on a number of different areas in terms of their impact on business transformation. We have tried to highlight the key elements of each question in the detailed analysis above, but now we want to turn that into a series of themes and recommendations that readers of this survey can use to assess their own performance and to implement improvement plans.

Throughout this survey we have considered the characteristics of high performing business transformation organizations and we will focus on those again here, but it must be remembered that there is no single 'silver bullet' solution that can be implemented to take an organization from 'average' to 'good', or from 'good' to 'great'. Instead, organizations must focus on a number of different areas, and must be consistent both over time and across organizational areas.

The themes we wish to analyze in more detail here, and where we have recommendations for readers to introduce to their organizations are as follows.

- A formal change management function is important, but real benefits come from the right model managed in the right way.
- Business transformation projects can deliver significant benefits, but there are many areas where those benefits can be eroded.
- Project cancellation and change are inevitable, but they must be managed appropriately.
- You don't have to be an 'Agile shop' to successfully leverage Agile, and Agile can help you succeed.
- The right tools, used in the right way can improve your chances of success, but they won't 'fix' a broken organization.

Let's look at each of these in more detail.

# A FORMAL CHANGE MANAGEMENT FUNCTION IS IMPORTANT, BUT REAL BENEFITS COME FROM THE RIGHT MODEL MANAGED IN THE RIGHT WAY

In our survey we asked whether respondents' organizations had some kind of formal change management structure. In the survey as a whole only a little over half (54.8%) of organizations had implemented a process or organizational change management office, but this number jumped to almost two thirds (66.1%) of organizations in the top performing group. Perhaps most telling of all, 81.8% of the group who reported they couldn't track progress against benefits had no form of formal function.

The benefits of a specific type of change management function are less clear. There were mixed messages as to the benefits of a specific type of function or combination of functions and we suspect this has less to do with the function itself and more to do with how that function is utilized within the organization.

We highly recommend the creation of a formal function to manage business transformation, either as a standalone office or as an adjunct to an existing PMO, continuous improvement team or similar. We further recommend establishing a clear mandate with defined goals and objectives and a leader who can be held accountable for the function's success or failure. We also believe the purpose of this function must be clearly and proactively communicated to the entire organization to minimize the likelihood of problems occurring.

## Top Tip!

Organizational change management is complex and requires dedicated management. Creating a standalone, formal transformation structure can help create a foundation for success, but it needs to be actively managed by skilled resources.

The size of an organization should not be an indicator of the need for such a function. Our survey showed that organizations with project budgets below \$1m improved their success rates when they had some kind of formal structure. We also saw improvements across all industries and geographical regions.

We would caution that multiple such functions in your organization may not justify the additional cost involved. We believe that if there is a legitimate business need for different types of function – Six Sigma and another approach in a manufacturing environment for example, then this separation is worthwhile. However, as a general rule we believe that investment in a central function will generate a superior return on investment.



# BUSINESS TRANSFORMATION PROJECTS CAN DELIVER SIGNIFICANT BENEFITS, BUT THERE ARE MANY AREAS WHERE THOSE BENEFITS CAN BE ERODED

In this survey we considered a number of different variables, and in virtually every case, those variables could contribute to or detract from the organization's ability to succeed. While many of these areas could be considered 'common sense', the fact that so many organizations made mistakes in some or all of these areas suggests that they are not always easy to implement.

Firstly, and most fundamentally, business transformation initiatives must have the right goals and objectives. If unrealistic goals are set then the best project will fail to deliver results. Our survey suggests that cost reduction and productivity improvement are the biggest benefit areas from business transformation, and our survey results suggested that even if other business areas were planned to be the focus, these are the two categories that will show the biggest return. We therefore recommend that transformation projects specifically focus on these goals and seek to maximize the return.

Other areas will be important for individual initiatives – regulatory elements, strategic positioning, etc. and those should be handled on a case by case basis. However, if an organization is looking to address priorities such as revenue growth, quality or market share, they should be looking for alternative project types that are more focused specifically on those goals – wide-ranging business transformation are not the optimal approach.

We saw a lot of variety in our survey around the criteria used to appoint project managers to business transformation initiatives. Our high performers clearly demonstrated that different criteria should be used for these initiatives compared to other project types, and that those PMs with more experience, more company / industry knowledge and more business judgment / acumen should be selected for transformation initiatives. The very fact that these criteria are considered is a positive sign that you are approaching business transformation in the right way – 80.6% of high performers recognized that these projects required project managers to be 'cherry picked' for their unique skills, but only 60.2% of lower performing organizations took the same approach.

We firmly believe that organizations must avoid appointing a project manager to such a critical initiative based on their availability or current workload. Among our poor performers this was the most popular choice in response to the question about the most important factor when appointing a project manager, and even among high performers the 9.7% that identified this category as most important is far higher than we would like to see.

## Top Tip!

Business transformation projects are among the most important your organization will undertake. Appointing project managers based on any combination of factors other than their ability to excel in the role is reducing the likelihood of success. PMs should be selected based on a combination of project management ability, business skills, experience and understanding of their organization. If any other factors are used you are making mistakes.

We also believe that the people involved in project execution, especially business transformation projects, can help identify areas where your organization can improve. We simply asked for responses through an online survey and generated a tremendous response from every corner of the globe and every type of organization. People told us not just where their organizations were struggling, but where they felt that improvements could be made. You have a much stronger relationship with your employees and can generate a much more constructive dialogue that can identify improvement areas and develop solutions for those challenges.

# PROJECT CANCELLATION AND CHANGE ARE INEVITABLE, BUT THEY MUST BE MANAGED APPROPRIATELY

In projects in general there is still a perception that cancelling projects is an admission of failure and should be avoided at all costs. With business transformation initiatives that perception is increased because of the high visibility nature of these projects. 46.8% of our top performing organizations still cancelled more than 10% of their business transformation projects, and we are not surprised by this. Projects may no longer be viable for a number of different reasons and the ability to recognize that shift and act accordingly, either through cancellation or substantial change, can set the best organizations apart.

What organizations must do is control the drivers of those cancellations (and of project change). Shifts driven by changing organizational priorities, caused by either internal or external factors are perfectly acceptable, but if an organization is finding itself cancelling or changing projects due to constraint driven reasons (bad budget estimates, unrealistic schedules, and / or poor scoping) then they have issues they need to address.

Progressive organizations will also embrace the opportunity for project teams to drive substantive change into their initiatives. These are the people who are closest to the work that is being performed and are therefore most likely to be able to recognize opportunities for improvement, or the need to address challenges.

We do believe that there should be a 'cap' on the percentage of business transformation projects that are cancelled or changed, and while we don't want to set a hard limit, it is notable that very few high performing organizations had cancellation rates above 20% of the total. For change our top performers were a little more distributed, but we believe that less than 30% is a good target, one achieved by almost 60% of our top performers.

We believe that change rates are likely to be higher for business transformation projects when compared with other project types. This is because of the added complexity, greater reach, and frequently longer timelines of these initiatives. That's perfectly acceptable as long as the changes reflect the reasons discussed above. However, we believe that cancellation rates should be lower than other project types. Initiatives of this magnitude and this potential impact on the organization should experience closer scrutiny prior to approval, and this should translate into fewer cancellations. We saw this with our top performers, only 14.5% cited 'benefits identified in business case are unrealistic' as a problem that they saw, a statistic underlined by the 43.9% of lower performers who experienced this problem.

## Top Tip!

Change in business transformation projects is inevitable and acceptable. The difference between the top and bottom performers is the drivers of that change and the extent of change that has to be accepted. Focus on getting the foundations right and you'll go a long way towards creating a platform for success.

# YOU DON'T HAVE TO BE AN 'AGILE SHOP' TO SUCCESSFULLY LEVERAGE AGILE, AND AGILE CAN HELP YOU SUCCEED

Our survey was not filled with Agile organizations. The overall usage of Agile was low with 52.9% reporting that 0-9% of their overall project portfolio had any element of Agile work. The numbers were understandably lower for business transformation (56.6% in the 0-9% range). However, our top performing organizations were more embracing of Agile for both projects in general and business transformation in general.

It may be that these organizations are more mature, or perhaps more accepting of new approaches, but we feel that Agile is no longer emerging, even for major enterprise initiatives. Rather it has demonstrated the ability to deliver consistent performance improvement in a number of business critical measures and should now be a part of all project portfolios – and business transformation endeavors. 56.5% of our top performers used Agile for more than 10% of all projects, and an only marginally smaller 53.2% used it for more than 10% of business transformation initiatives. Only 19.4% of top performers said that they never used Agile for business transformation projects, compared with 35.7% of lower performing organizations.

Our top performers were also prepared to introduce Agile into more business areas, in Engineering departments in particular we would have to declare Agile as established with almost 30% of top performers using Agile there (and likely not all organizations would have an Engineering function further increasing the average. We also saw a strong presence for Agile in Finance, HR, Marketing, Operations and Sales. This demonstrates a confidence with Agile that allows these organizations to introduce it into non-traditional areas with a level of confidence that they can succeed.

## Top Tip!

Agile has already demonstrated that it can deliver benefits in multiple areas of the business, not just in software development. Our survey suggested that Agile is also evolving into business transformation projects, and we saw clear evidence that when it was more readily embraced, and introduced into a broader set of business areas the organization was more likely to succeed. Like any other approach, we recommend ensuring that Agile is used appropriately, but it should be a weapon in any business transformation arsenal.

Agile delivers a number of benefits in business transformation projects, with faster delivery and improved customer satisfaction being the most commonly cited. Both of these are of significant importance in this type of initiative – the faster projects can deliver the sooner benefits can be achieved, and the less disruptive the change will be on employees. Customer satisfaction is always important, but with business transformation our customer is generally an internal department or departments so we are directly helping ourselves to succeed.

Where our top performers stood apart was in their ability to deliver improved organizational benefits. We anticipated that this category would be a byproduct of the other benefit areas as the organization would benefit from faster delivery, lower costs, more satisfied customers, etc. However, our top performers demonstrated an ability to translate those other benefits directly to where it matters most – making their organization better. We didn't enquire on the details of this, but clearly this is an area where all organizations will want to excel.

# THE RIGHT TOOLS, USED IN THE RIGHT WAY CAN IMPROVE YOUR CHANCES OF SUCCESS, BUT THEY WON'T 'FIX' A BROKEN ORGANIZATION

We were slightly surprised that tool use was not more prevalent among our survey respondents, with only 55.1% saying that they used an enterprise project management tool. This may be because such tools are still perceived as complex and expensive, neither of which needs to be the case anymore. There is undoubtedly also a perception in many organizations that they can 'make do' with the tools already available. The almost complete use of Excel by our survey participants undoubtedly results in a prevalence of spreadsheets in many different areas and to address many different challenges.

Tool use was higher among our top performers, but even our lower performers had a 49.0% tool use rate, showing that tools cannot overcome flawed organizational practices or other problems. While organizations do not need to be mature or high performing in order to benefit from tools, they do need to have solid processes and approaches in place to leverage tool features effectively.

Our survey respondents recognized the strength of tools to support complex initiatives, with both more rigorous tools and the same tools used more rigorously being identified as common approaches for business transformation over other project types, and in some cases tools only being used for such projects. Clearly then the benefits of tools are understood, but there is still resistance to adoption, and while we didn't explore this area, we suspect that adoption at both the organizational and individual levels may limit more broader tool use.

Reporting was identified as an important element of tool use by virtually all survey participants, with reporting being distributed to many different stakeholder groups. Care should be taken to ensure that report distribution is appropriate – our top performers worked to ensure that all direct stakeholder groups received project information, but also limited the distribution to groups like 'other senior leadership' for whom the reporting may be interesting but not necessarily relevant. The danger with any powerful tool solution is that it can easily be misused and organizations must ensure that tools are leveraged in appropriate ways.

## Top Tip!

For critical business transformation projects there is more likely to be use of a formal tool than for other project types, and where the same tool is used for all project types, there is more rigor applied to business transformation initiatives. This greater formality is designed to improve the chances of success and is a clear indication that all larger, more structured projects should leverage enterprise project management tools in an appropriate way to maximize the likelihood of succeeding.

# SUMMARY

This was a large survey that asked a lot of questions about and around business transformation projects. It was made all the better by participation from a large number of respondents representing large and small organizations from multiple industries and in numerous geographic areas. We were pleased with the overall state of business transformation among our participant organizations and we are reassured that the increasing importance that this type of initiative is and will continue to experience is being broadly embraced. The overall success rate represented by our survey is good, but there is no room for complacency at any level and all respondents have at least a few areas where they can improve. The good news is that most organizations identified that they were improving and we are hopeful this will continue.

It is always pleasing when we see strong differentiation between groups in one of these surveys. While it validates that we are seeking answers in the right areas, it also helps to identify areas where organizations can learn from the experience of others and make changes to their own approaches with greater confidence of success. We clearly saw that here in a number of areas with clear demarcation between the groups we identified as top performers and those who are currently achieving lower performance standards. We also saw some clear distinction between organizations with formal change management structures and those without, although we also saw flexibility in the way such models were implemented and combined.

We hope that the results of this survey are interesting to all readers, but more importantly we hope that readers will be able to recognize themselves in some of the opportunities identified and that they will be able to improve their performance as a result. Business transformation is not only here to stay, it is likely to increase in reach and scope – those who can embrace that will thrive.

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