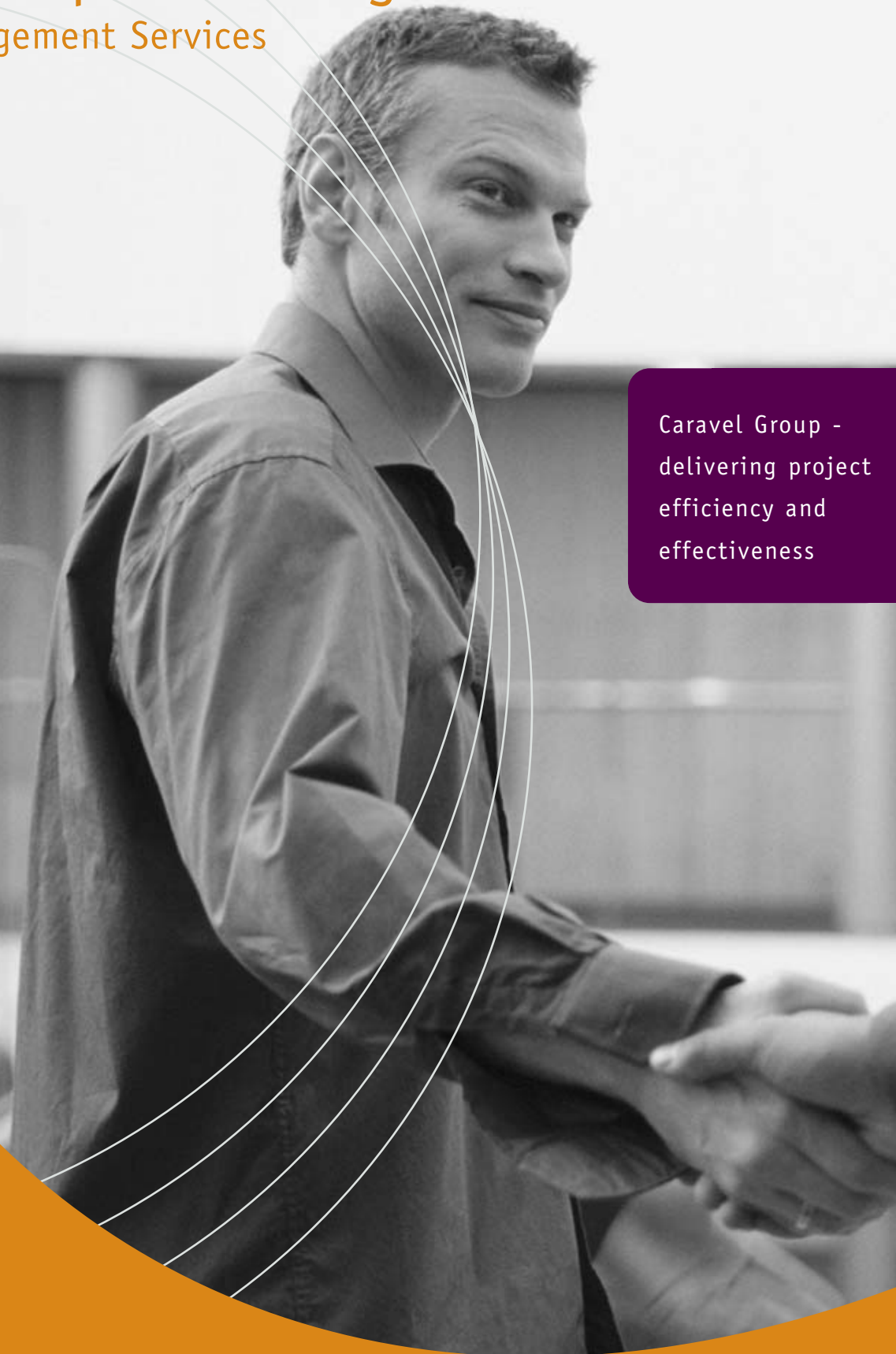


Business partnering

Project Management Services

Caravel Group -
delivering project
efficiency and
effectiveness



Business partnering an alternative approach

Lifting business performance

Businesses and organisations always seek ways to improve performance. This includes projects - they are expected to be delivered on time, within budget and to the specified quality to derive the expected outcomes, benefits and value.

Traditional outsourcing can be a useful way to achieve improved business performance as it also allows risk sharing, performance measurement, accountability and flexibility.

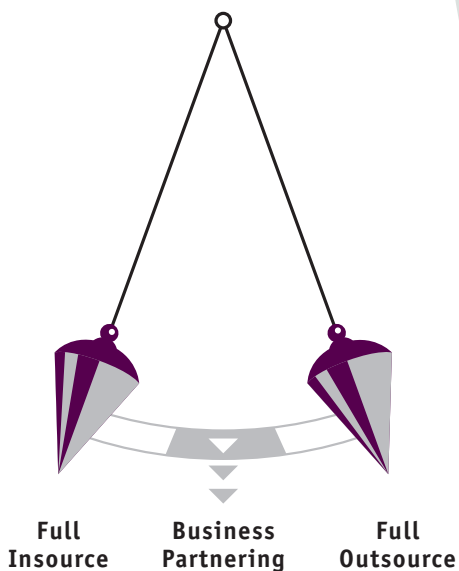
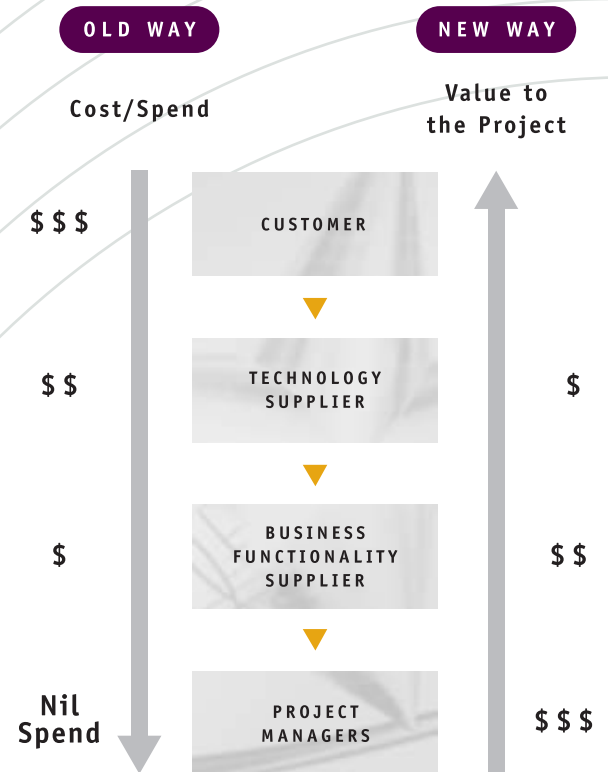
But like any business model it needs to be set up and managed correctly. If this is not the case, the promised benefits can quickly turn into liabilities as the organisation ends up carrying the risk and cost for another organisation's non-performance.

Caravel has a wealth of experience with alternative business partnering models and offers a viable solution that works for both parties. As specialists we know the business of project management and the models most likely to succeed.



A more productive approach for project delivery

Historically the supply chain followed the expenditure of money. It was common for the hardware supplier to win the prime contract, hire the business application supplier and attempt to implement a solution with little or no regard for project management. Today however, it is recognised that business value is derived, and delivery risks are managed, in the reverse direction. As a result project management has become the core corporate capability to manage the project risks and deliver the expected outcomes and value from the project.



Industry then tried various outsourcing models with more or less success with the pendulum swinging from full in-source to full outsource approaches. Its position has now settled somewhere in the middle allowing industry to reap the benefits while avoiding the pitfall of either extreme.

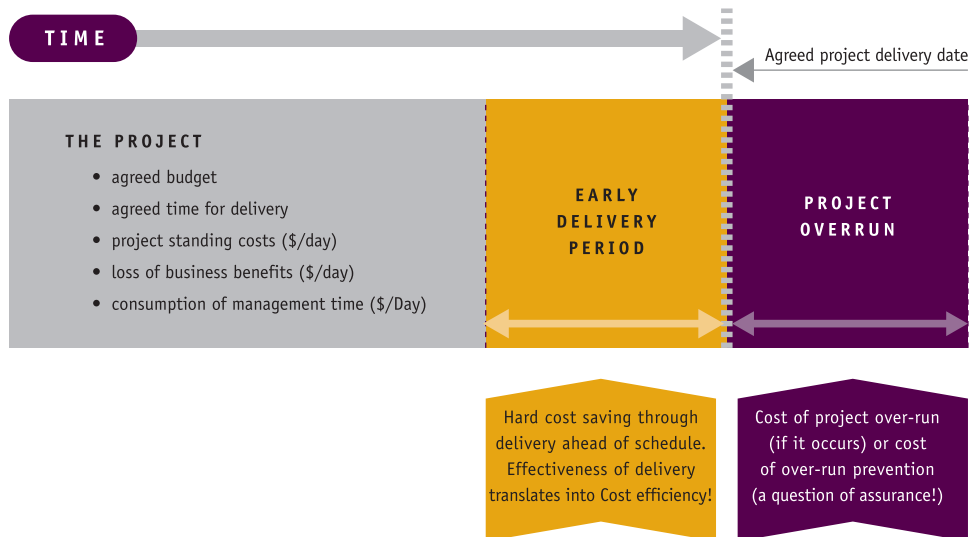
While the scene is set for a more productive and sustainable outsource approach, there is room for improvement especially in the application of outsource techniques to Project Management – the most important aspect of project delivery for organisations.

Project management services – a problem child and a challenge

It is common for organisations today to use a range of independent contractors to counter the resource flexibility deficiency that exists in the full in-sourced approach. However, business performance still falls well short of where it could be because a project management outsource problem child remains.

Organisations therefore need to address a range of challenges that will affect them at a business (strategic) level, at a project (tactical) level or both.

CHALLENGE FACED BY ORGANISATIONS	IMPACT ON BUSINESS LEVEL	IMPACT ON PROJECT LEVEL
Improving the focus on delivery, outcomes and business value	✓	✓
Improving knowledge sharing and prevention of holding an organisation to ransom	✓	✓
Preventing scapegoat tactics on staff or independent contractors		✓
Addressing tendency to see project delivery on time as a potential loss of job which translates into behaviour associated with creating scope creep		✓
Improving speed to market	✓	
Improving performance measurement and accountability	✓	✓
Removing the reliance and risk of using recruitment agencies for recruitment of project people as project management is not core skill of the organisation or the recruitment agency		✓
Improving the potential for risk sharing and therefore motivation and commitment from your project delivery business partner	✓	
Improve the ability to reduce or retain headcount on the balance sheet	✓	
Reduce expenditure on capital and HR resources on building project management capability which would be better deployed in other core corporate areas	✓	
Improve the opportunity to develop strategic project management skills in portfolio and programme management within the organisation	✓	
Remove the tendency to deploy available people who are not necessarily the best fit for the job thus compromising either quality, utilisation or both in the process	✓	✓



Business partnered project management solutions deliver project cost savings through early delivery while the risk of overruns in traditional models carries a cost and risk penalty.

Horses for courses - the key to success

As the Project Management profession has matured and established itself as a core business discipline, the project management professional has become pivotal for business success. The key to project success therefore remains in the utilisation of specialist project managers as opposed to generalists, rather like referring to a surgeon for surgical intervention instead of a GP.

In fact, PMI research confirms that the use of specialist project managers greatly increases the likelihood of a successful project outcome.

As a leader and specialist in the area of project management, Caravel’s business partnering approach draws on the right mix of services. It enhances clients’ project management capability to enable the delivery of projects to meet time, cost and quality criteria.

WHAT SHOULD THE BUSINESS PARTNERING ARRANGEMENT INCLUDE?

PROJECTS OUTSOURCED	IMPACT ON ORGANISATION	BENEFIT TO ORGANISATION
All projects	In-house strategic capability required at portfolio and programme level. All other project activities are part of the engagement	Greatest possible benefit
Around half of all project work	Shared assignment of in-house and partnered project resources	High benefit
Peak load projects	Minimal control over which projects become subject to the engagement	Little benefit
Non-strategic projects	Business partner is used on the least important projects	Little benefit
None	Slow improvement in project management service delivery	No benefit

Caravel's business partnering solution

CARAVEL'S SOLUTION LIES IN:

PERFORMANCE-BASED STRUCTURE		RESPECT IS ACHIEVED THROUGH DELIVERY & CLOSING OUT OF A PROJECT
OBVIOUS OBJECTIONS RECOGNISED & ADDRESSED		TOOLS, METHODS AND SKILLS WITH THE MEANS AND FOCUS TO TRAIN STAFF OVER TIME
ABLE TO RECRUIT APPROPRIATE STAFF AND MANAGE PM TEAM. TEAM SIZE CAN BE ALTERED AS REQUIRED		PRIMARY BUSINESS IN PROJECT MANAGEMENT
	FULL LIFECYCLE PROCESS OF ENGAGEMENT	

BENEFITS DERIVED

<p>Flexibility</p> <p>Partnered projects create a more flexible and responsive organisation with less inertia</p>	<p>Time</p> <p>Minimise the implementation time through more effective and more reliable project management methodologies</p>	<p>Cost</p> <p>Commitment to 'least-cost-approach' while protecting your investment from risk</p>
<p>Expertise</p> <p>Project management specialists are totally focussed on delivering projects leaving clients to do what they do best</p>	<p>Risk</p> <p>Visible reporting systems ensure that risks are easily managed and controlled</p>	<p>Price</p> <p>Project management unit prices are fixed; prices for services may be fixed upon agreement of scope</p>
<p>Quality</p> <p>Meeting the business need first time eliminates the time and cost associated with rework</p>	<p>Knowledge</p> <p>Project management at a higher level promotes knowledge continuity through staff, removing the risk of project failure due to changes in project team</p>	<p>Independence</p> <p>Isolation from contractors who don't have a vested interest in the successful delivery of the project</p>

Retain control of key project aspects – drawing the line

One of the key reasons why companies set up in-house project management capabilities, is the misconception that the organisation will lose control of its projects and its business objectives. In fact the reverse is true provided the company achieves the right mix of services and draws the line between the strategic and tactical elements.

Caravel's approach to business partnering separates the strategic element of the project from the tactical elements and, similarly, the overarching customer relationship management from the project governance aspects.

This ensures that two critical aspects of the project management remain in-house:

- portfolio and programme management of projects
- relationship and commercial management of business units or customers

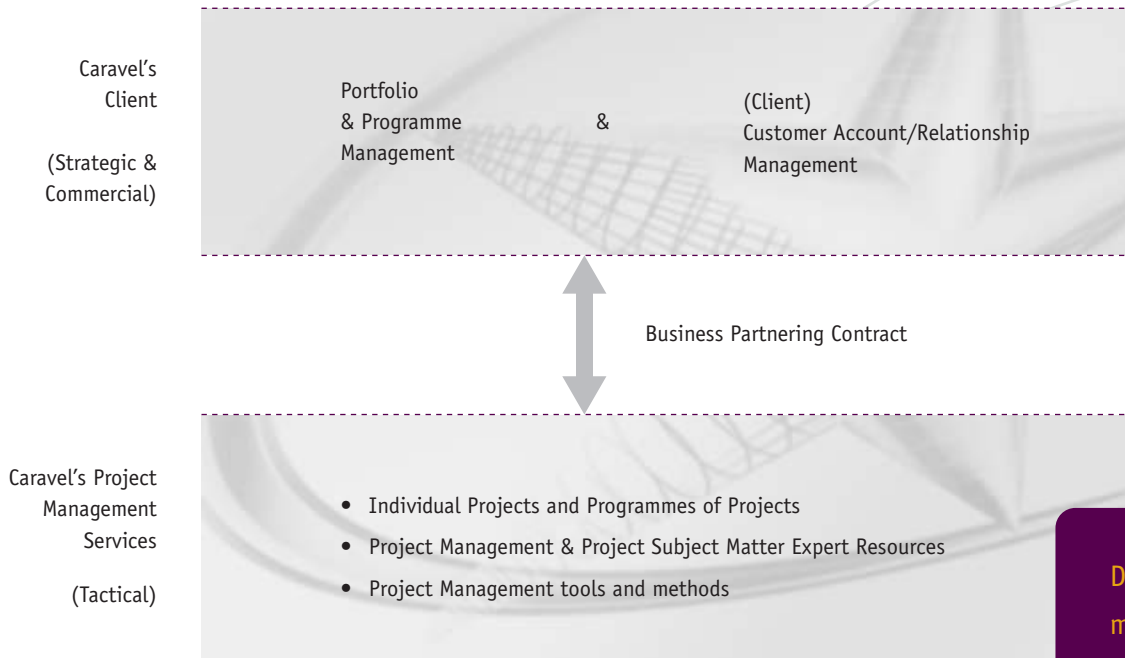
Business partnering allows project sponsors more control over the project because the project manager has no other loyalty and only one core objective - to successfully deliver the project to the client.

A business partnered solution creates the most effective project team defined by a common goal. It builds on everybody's strengths and expertise.

	BUSINESS PARTNER SOLUTION STATUS	
	BEFORE BUSINESS PARTNERING	WITH BUSINESS PARTNERING
Customer management (client's customer)	CLIENT	CLIENT
Project portfolio management	CLIENT	CLIENT
Project programme management	CLIENT	Caravel Group and/or CLIENT
Project management	CLIENT	Caravel Group and CLIENT
Resource profile	<ul style="list-style-type: none"> • 50% Client staff • 50% Client independent contractors 	<ul style="list-style-type: none"> • 90% client staff and Caravel group • 10% Client ad-hoc independent contractors



RELATIONSHIP WITH CARAVEL



Distinct project management functions ensure that the client has control of key aspects while Caravel looks after the tactical elements of the project management process.

Efficiency versus effectiveness – a perception problem

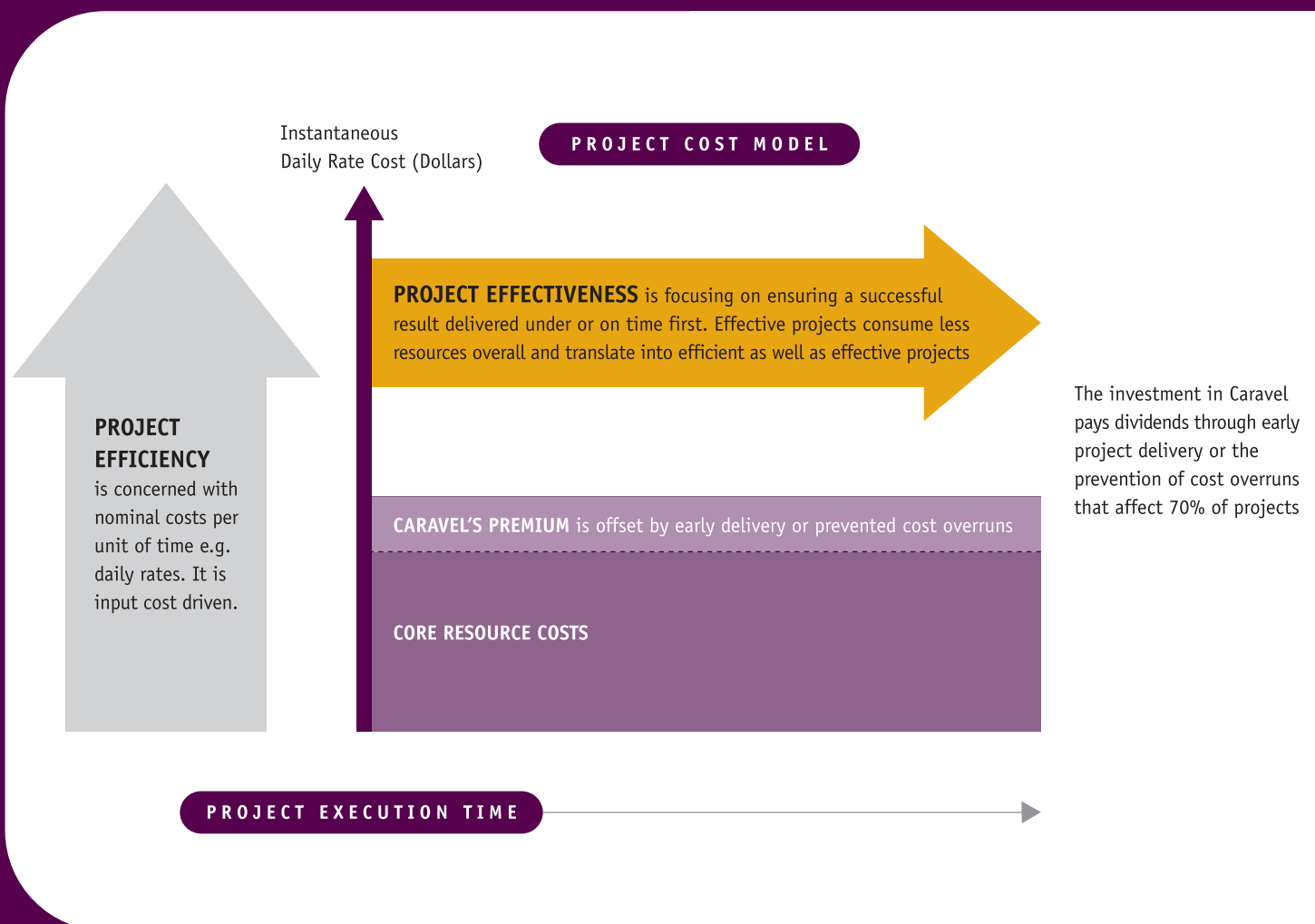
Caravel's methods focus on generating a successful project delivery result. We achieve this by concentrating on *effectiveness of delivery* rather than on *efficiency (Cost)* of input resources¹ because it is Caravel's long experience that that an effective project is also the most efficient project!

Business partnered solutions are consistent with this thinking. Caravel has invested in the latest tools and techniques that allow its specialists to reliably deliver large, complex multi-disciplined projects. Total transparency and reliable performance measures ensure that projects aren't plagued by schedule and cost overruns.

¹see Caravel's Critical Chain methodology - Strategic Management of Projects brochure

Clients can re-deploy staff into high value revenue earning, customer relationship and commercial management work without dealing with issues of building and maintaining a project delivery capability. At the same time clients retain control of delivery at a more strategic level through project programme and portfolio management processes.

Organisations can realise a host of benefits provided management embraces a strategic focus in terms of project management.



Caravel's business partnering engagement methodology

The scope of services will be influenced by the engagement model at project level with the business units. The nature of this interface has to be determined as it may extend into the business units which, in turn, may require assistance. The life cycle of the engagement includes the following phases which are tailored to specific requirements:



The benefits speak for themselves

The benefits of business partnering reach deep into an organisation - from better control and cost benefits to performance measurement.

BENEFITS FROM A PROJECT POINT OF VIEW

AREA OF BENEFIT	HARD BENEFITS	SOFT BENEFITS	COMMENT
Delivery reliability (Time, budget quality)		Improved	Using specialists
Nominal delivery costs	Improved		The small premium paid for Caravel service is set off against major savings on schedule costs
Avoidance of schedule and cost overruns		Improved	70% likely for most projects. This is also set off against Caravel's service fees.
Project delivery focus		Improved	Caravel only wins by being on time
Project resource flexibility		Improved	Caravel resources are available as and when needed
Project resource behaviour		Improved	Not held to ransom
Knowledge sharing		Improved	Available to all
Accountability		Improved	KPI driven partner relationship agreement
Project performance metrics		Improved	Visible reporting backed by agreement
TOTAL BENEFIT AT PROJECT LEVEL	Significant Improvement	Significant Improvement	A MUCH BETTER APPROACH IS REALISED

BENEFITS FROM AN ORGANISATION'S POINT OF VIEW

AREA OF BENEFIT	HARD BENEFITS	SOFT BENEFITS	COMMENT
Revenue focus	Improved		Better reputation reflects in sales, redeploy people into strategic role
Avoidance of schedule and cost overruns		Improved	Also avoids loss of reputation
Resource utilisation	Improved		Not carrying risk during slack periods
Scalability		Improved	Caravel resources are available as and when needed
Resource management risks	Improved		Removed legal risks and redundancy costs
Management accountability		Improved	KPI driven partner relationship agreement with Caravel
Performance metrics		Improved	Visible reporting backed by agreement with Caravel
Headcount	Contained or reduced		Balance sheet improved with reduced CAPX requirement for project development
Training costs & overhead	Reduced		Major improvement
Accommodation & equipment costs	Reduced		Major improvement
Payroll administration & tax costs	Reduced		Major improvement
TOTAL BENEFIT AT PROJECT LEVEL	Significant Improvement	Significant Improvement	A MUCH BETTER APPROACH IS REALISED

Common objections - setting the record straight

At times, organisations may be reluctant to engage in a business partnering agreement with something as critical as their project management capability. Concerns typically relate to business knowledge, control and people factors.

“You don’t know our business”

Caravel’s experience covers a wide range of industries and a substantial number of organisations, many of which may be similar to yours. While we may not know the specifics about your business, our strengths and core competence in project management ensures that we deliver the project while clients can focus on their core business.

“We will lose control of our projects”

Some stakeholders may be concerned about a perceived lack of control of a strategically important function of an organisation. We have found that project partnering gives business sponsors more control over the project because project managers have no other loyalty. Delivery is their core objective.

“Employees transferred to the business partner will adversely affect the relationship”

In the event that the client wishes to transfer staff to Caravel, a number of people factors can cause consternation, however, most issues arise out of fear (job security, transferring of responsibility, loss of benefits and privileges etc). In fact, the creation and use of effective communication channels deals with many of these fears and objections to the outsourcing process. However, redeployment and natural attrition over time often eliminates the need for transfer.

As leaders in project management, Caravel ensures that all objections and concerns of clients and key stakeholders are recognised before discussing the exact nature of the business partnering arrangement.

The caravel

The caravel was a 15th century Portuguese sailing ship. We've adopted the name because the caravel was a specialist vessel. It was built for long voyages of discovery with the objective of finding new worlds, wealth and trading opportunities. The caravel was faster, more maneuverable and better suited for this purpose than other vessels of its day. And those who sailed the caravel required courage conviction and specialist skills.

Our company is just like a caravel. It is a specialist organisation built to meet the project management needs of its clients – and a project is similar to a voyage in many ways. A project begins with the need to meet an objective. It requires courage, conviction, calculated risks and must ultimately lead to the delivery of the end objective to be gauged a success.

Caravel's range of project services

As a leader in projects, Caravel offers a range of specialised consultative and implementation services that span the entire life cycle of a project from inception, through implementation to final hand-over. Caravel adds value at every point along the way through project management services for:

Strategic Management of Projects

Core services include:

- Multi-project management
- Organisational Resource Management
- Value Management
- Project Feasibility Studies
- Critical Chain Modelling
- Organisational Project Management Maturity Assessment

Project Assurance

Core services include:

- Project Governance
- Project Audits
- Project Health Checks
- Project Performance Management
- Recovering Troubled Projects
- Project Risk Assessments
- Post-implementation Review
- Mentoring and Training

Project Planning and Execution

Change Implementation

Business Process Innovation

Business Partnering

Enterprise Management Solutions

Mission Critical Moves

Customer Contact Centres

Service Management Centres

Operational Control Centres

Safety Critical Projects

Dealing Rooms

Bid and Tender Management

Caravel can tailor a range of industry-specific services to suit the exact needs of your organisation.

Please refer to our website for your nearest
Caravel office: www.caravelgroup.com