

## Industry Perspectives

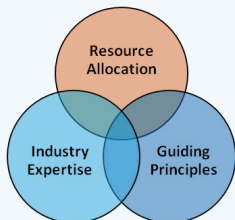
### SUCCESSFUL PROJECT DELIVERY: A MISSION CRITICAL IMPERATIVE

#### Top Technology Priorities

- Risk Management
- Middle Office Trade Processing
- Compliance
- Global Trading & Settlement
- Client Communications
- Data Management  
(Directly or indirectly through another initiative)

#### Project Health Check:

*“What are the warning signals that highlight a potential troubled, or failing project?”*



Listed below are questions that you may want to consider when evaluating the health of your active projects in addition to the Critical Success Factors discussed in this briefing :

- Are status reports being produced and distributed on a regular, and timely basis?
- Are Project Executive / Steering Committee meetings cancelled more often than conducted?
- Do project milestones and delivery dates continue to slip without corresponding changes in the overall project status (i.e., “Green” to “Yellow” or “Yellow” to “Red”)?
- Is there a lack of “supporting evidence” to substantiate the current project status (e.g., updated project plans, signed off deliverables, vendor contracts, etc.)?
- Are project financials being tracked and reported on a timely basis? Are variances adequately explained?
- Is there a backlog of aged, unresolved Risk & Issue items?

*If you answered “Yes” to any of these questions, you may want to further evaluate your current course of action.*

Anticipating a continued economic malaise, Business and Technology managers faced a variety of daunting challenges in developing their 2009 budgets and business plans. As many firms began the year with significant budget cuts, some up to 30%, previous mandates of **“Do More, With Less”** were unfortunately being replaced with the implied message of **“Do More, With Nothing”**; especially as additional budget cuts and layoffs were exacted during Q1 and Q2. Coupled with a pent-up demand for change, the intense focus on mission critical solutions (see “Top Technology Priorities” table) and other technology improvements has resulted in an ever-growing project backlog; all during a time of unprecedented resource constraints. With many firms slashing their operating and technology budgets, hard decisions have been, and will continue to be, made when approving, funding, prioritizing, and/or discontinuing projects. Project Owners and Sponsors must continually demonstrate a clear-cut ability to deliver a near-term financial ROI, as well as stated business, and/or technology objectives. **The stakes are too high to incur troubled or failed projects, and it is imperative that a framework for delivery success be established and maintained throughout the life of the project.**

In our experience, there are a limited set of “Critical Success Factors” that significantly contribute to the ultimate success or failure of a project. If you step back and look at your organization’s current initiatives, are you confident they are on track for a successful and timely completion (see “Project Health Check”)? If not, you may want to overlay the following considerations to determine if course corrections are required.

#### Are your projects adequately “resourced”?

Allocating resources to mission critical projects extends well beyond simply assigning participant names to the project team. Careful consideration must be given to specific project roles (e.g., Project Manager, Business Analyst, Tester, Subject Matter Expert), the applicable skill sets, and level of effort required to perform each role. Often times, Business, Operations and Technology staff are assigned critical project roles or tasks in spite of having full-time “day jobs”.

***A common pitfall for many investment management organizations is that they do not dedicate appropriate, full-time resources to key project roles.***

Additionally, many of these resources, while functionally knowledgeable, lack the skill sets or experience required to effectively complete project-oriented tasks (e.g., Business Requirements Documentation, Process Mapping and Workflow Redesign, Test Case Development and Execution, Policies and Procedures Development). Left unaddressed, resource “mismatches” can lead to the following types of adverse situations:

- **Sub-optimal business results** stemming from **weak or incomplete requirements analysis and documentation**
- **Unacceptable levels of post-implementation errors** due to inadequate test planning and /or execution
- **Project delays** due to “rework” of inadequate project deliverables
- **Financial and timeline overruns**, that ultimately negate target ROI metrics

No organization wants to set their people up to fail, and it is incumbent upon the Project Owners and Sponsors to ensure that their project teams are adequately sourced and high-performing.

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### SUCCESSFUL PROJECT DELIVERY: A MISSION CRITICAL IMPERATIVE

#### Does your Project Manager have Investment Management industry expertise?

There is no question that successful project delivery is highly dependent upon having a technically sound Project Manager at the helm. However, are project management skills alone enough to deliver the desired business (Investment Management specific) results? And within the stringent timeline and financial constraints required to deliver the anticipated project ROI? Organizations do not have the luxury to “educate” Project Managers on buy-side industry nuances. Given two Project Managers of equal technical capability, the industry-savvy Project Manager can often be the difference between success and failure; providing the “been there, done that” experiences of successfully delivering buy-side projects, and an innate understanding of the industry’s organization structures and cultures, functional processes, and supporting technologies and vendors. This industry-specific “toolkit” is invaluable relative to effective project definition, planning and execution, including:

*Under current market conditions, it is critical for Investment Management firms to deploy technically sound Project Managers that also possess deep industry expertise.*

- An **inherent understanding** of the tasks, resources, timeframes and risks associated with **buy-side operations and technology projects**
- The ability to bring to bear **industry-specific project methodologies and tools** for vendor and service provider evaluation, selection and implementation initiatives
- A **pragmatic approach** to establishing a comprehensive project organization structure, including the definition of specific roles, responsibilities and communication process, that have **proven effective in buy-side organizations**
- An ability to overlay **industry-specific expertise** when applying fundamental **project management guidelines** or tenets (see below for a more detailed discussion of this item)

In today’s economic climate, Investment Managers **do not** have the luxury of providing “on-the-job” training to Project Managers that are industry novices; and look to industry-savvy Project Managers to successfully deliver their mission critical initiatives.

#### Do your projects rigorously adhere to fundamental guiding principles?

Although the old adage “The devil is in the detail” certainly applies to project delivery, establishing a project management framework based on a limited set of higher level guiding principles can have a greater impact on the ultimate success of the project vs. focusing only on the day-to-day minutiae. Your chances for delivery success are further improved by ensuring that these principles are rigorously adhered to throughout the project duration, and that they are appropriately tailored through an “industry-specific filter.” A core set of guiding principles should minimally address the following areas:

- **Stakeholder Commitment:** have all stakeholder s (e.g., Front Office, Operations, Technology, Risk & Compliance) been identified? And are they adequately participating in key project activities (i.e., decisions, issue resolution, review and approval of key findings and deliverables)?
- **Risk & Issue Mitigation:** are industry-specific risks & issues (i.e., impacts of regulatory change, accounting data conversion methodologies) being properly captured, escalated and resolved on a timely basis? Have known industry risks been properly mitigated during planning efforts?
- **Scope & Schedule Management:** are project milestones realistic, manageable and predictable? Has an industry-savvy Project Leader appropriately challenged the validity of industry-specific vendor and service providers target delivery dates and commitments?
- **Realization of Anticipated Benefits:** are there formal checkpoints through the project lifecycle to assess the validity of the stated business objectives? Are current marketplace dynamics adequately understood and incorporated in this process?
- **Effective Resource Utilization:** is the project team high-performing? Are project roles being filled by the appropriate individual, with the right industry-specific skill sets? Are resource / workload allocations appropriate relative to project and BAU needs?

#### Citisoft has a proven track record of successful project delivery, assisting clients with:

- Review, assessment and restructuring of active, potentially “troubled” projects (Project “Health Checks”)
- Definition and implementation of Program Management Office (PMO) and Project Management frameworks
- Deployment of industry experts in key project roles including Project Managers, Business / System Analysts, and SMEs
- Utilization of proven, industry-specific project frameworks, methodologies and approaches
- Senior-level / Steering Committee advisory oversight and support throughout the project lifecycle

Citisoft partners with the world’s leading Investment Management firms and service providers to create impactful and effective solutions to today’s complex business problems. Our sole focus is assessing, designing, and delivering results-oriented operations and technology change across the entire Investment Management process. Please visit us at [www.citisoft.com](http://www.citisoft.com) for a more in-depth description of our core service offerings.

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