PRESSURE-TEST YOUR BIG TECHNOLOGY PROJECTS

PREVENT COMPLEXITY FROM DERAILING YOUR INITIATIVIES
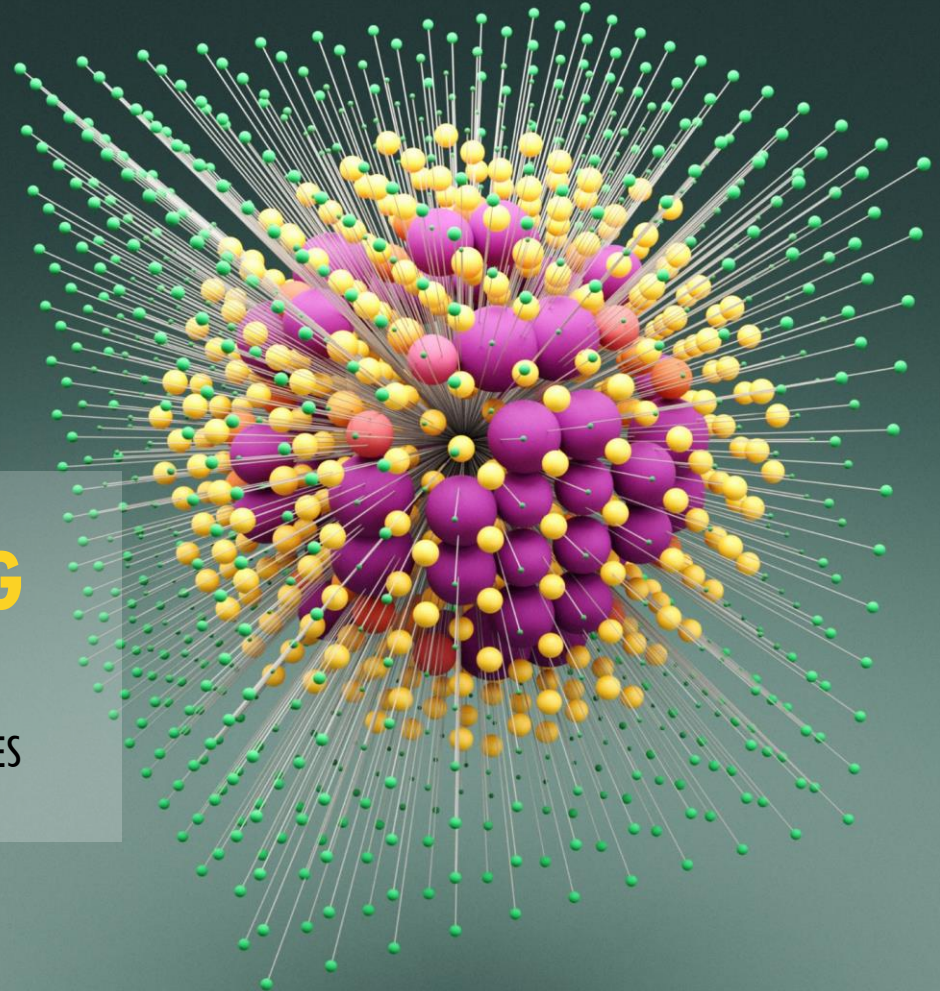
A Growing Problem: Big technology projects often fail to deliver and become an enormous cost drain

- Firms increasingly see technology as table stakes as market conditions force firms to adopt technologies at a faster pace

- Despite the strategic imperative and increased funding, **84% of digital transformations fail to realize their promised value**[1]

  - The accelerated pace of the market causes firms to make investments in technology without understanding the associated complexity

  - Technology connects processes, data, people, and systems—**new technology inherently adds complexity and can quickly erode value**

- **Firms must fundamentally change** how they develop their technology strategy and deploy projects to account for complexity

- WP&C has extensive experience in technology complexity, and we always **adapt our approach to meet the specific and unique needs of your business**

  - We provide an independent view as we do not sell software or software implementation

  - We support clients anywhere along their tech journey from initial strategy development to support when a project has gone astray

  - We start with an initial assessment of your organization, and you can expect to have increased clarity on your tech direction in 4-6 weeks

[1]Forbes, *Why 84% Of Companies Fail At Digital Transformation*

We have deep experience helping companies address critical complexity and strategy issues

Independent Advisors

Technology vendors and re-sellers make their money from implementation projects

WP&C is not a software reseller or implementer, offering an independent perspective

WP&C acts as a thought-partner to clients, shaping technology and vendor strategy with an unbiased perspective
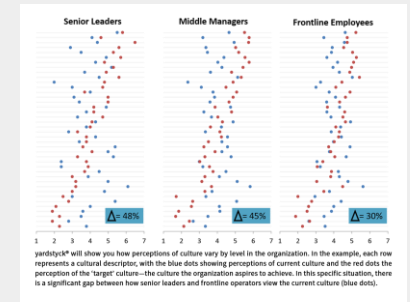
WP&C's Focus on Complexity

We partner with clients to help them better **compete in a complex world**, improving the customer experience, growth and profitability

Experienced Practitioners & Industry Expertise

We wrote the book (actually, two) on complexity and bring more cycles of experience

Industry-Proven Methods & Frameworks

WP&C's yardstyck® is a tool to **measure organizational culture**

Our Complexity Lens Mitigates Technology Risks

Technology connects processes and data—therefore new tech inherently adds complexity

Although technology naturally generates complexity, tech deployment offers an opportunity to vastly simplify process & data complexity

A complexity lens is required to mitigate increasing operational friction created by new technology

The competitive market is pushing firms to do more faster

**Market pressures are forcing firms to react** ▶ **As the number of resources increase, execution becomes harder** ▶ **Added resources increase adverse complexity & cost**

In the face of mounting market complexity, firms see technology investment as table stakes

As the speed of market competition and product lifecycles increase, there's less time for firms to adapt

Firms react to market forces by throwing resources at the problem (people, processes, contractors, and supporting & core technology)
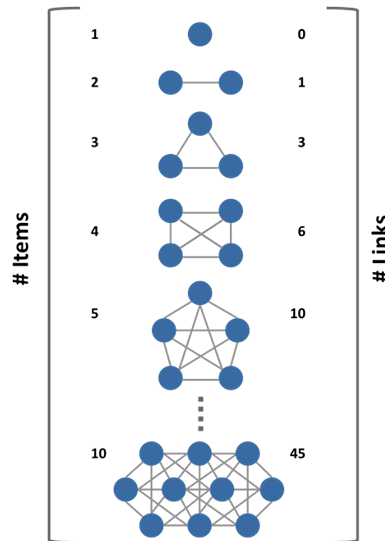
The cost of complexity scales geometrically with relationships

Adverse Complexity
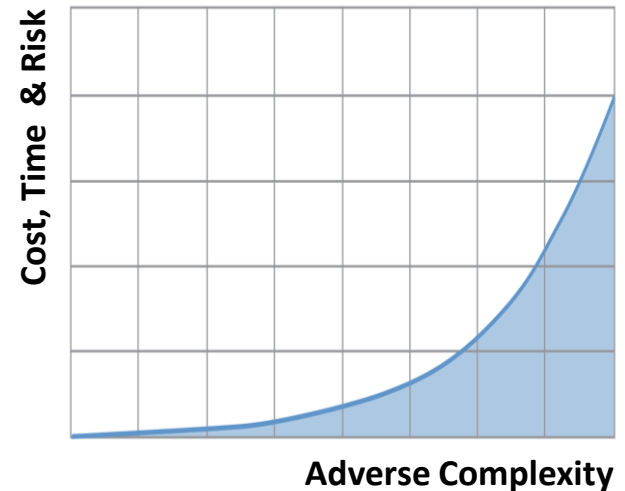
Each additional resource creates new linkages which increase complexity (and cost) exponentially

Added complexity makes it harder to move fast and react to the market

Firms react to market forces with *big bets* that lead to never-ending technology initiatives

MARKET FORCES

COMPETITION

- Nimble, digital-first start-ups entering the market
- Compressed development time due to increased competition
- New entries from current competition

PRODUCT

- More features require more technology & design
- Product/feature interaction
- Fast-cycle development, commercialization
- High 'dimensionality'— many points of integration

OPERATIONS

- Extended supply chains
- Distributed delivery models
- More support models
- Complex organizations
- Wider range of products to manage in the portfolio

EXAMPLE REACTION

Seeing increased competition from digital-first startups, a firm decides to rebuild their core tech stack in-house to own their digital roadmap
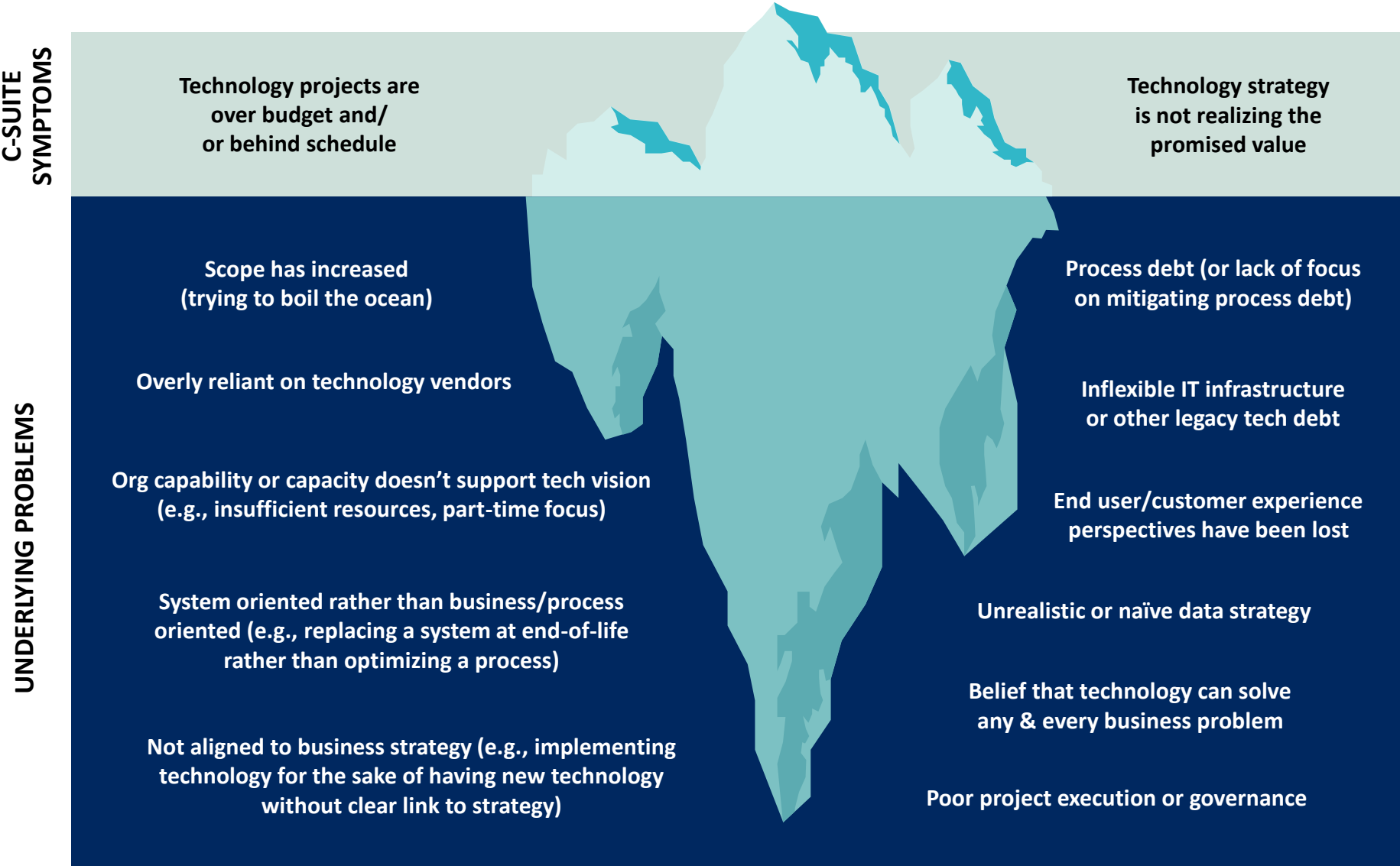
The product team defines requirements from competitor benchmarking (without customer input) resulting in scope and development time increases

During the product build, the team realizes the new tech will not work in all markets and begins customizing for specific delivery channels, further expanding scope

BUSINESS OUTCOMES

- **Scope, timeline, and budget expand exponentially**
- **Existing headcount and governance expand to support increased scope**
- **Original intent, customer perspective, and business case are lost as the firm chases different market forces**
- **Complexity expands exponentially and value is never realized**

Many technology initiatives are slow to realize value due to "below the water" issues and sources of complexity

C-SUITE SYMPTOMS

Technology projects are over budget and/ or behind schedule

Technology strategy is not realizing the promised value

UNDERLYING PROBLEMS

Scope has increased (trying to boil the ocean)

Process debt (or lack of focus on mitigating process debt)

Overly reliant on technology vendors

Inflexible IT infrastructure or other legacy tech debt

Org capability or capacity doesn't support tech vision (e.g., insufficient resources, part-time focus)

End user/customer experience perspectives have been lost

System oriented rather than business/process oriented (e.g., replacing a system at end-of-life rather than optimizing a process)

Unrealistic or naïve data strategy

Belief that technology can solve any & every business problem

Not aligned to business strategy (e.g., implementing technology for the sake of having new technology without clear link to strategy)

Poor project execution or governance

The WP&C value proposition: We help you mitigate risks that typically surface at the ExCo and Board level

YOUR REALITY AS A BUSINESS LEADER

- Firms must take risks to compete in today's complex world

- Well-meaning leaders frequently jump into big technology projects without truly understanding risk and expected outcomes

- But risk can be understood, mitigated, and managed to increase the probability of success

HOW WP&C CAN HELP

- Complete a diagnostic "pressure test" to understand where you are
  Outcome: De-risked technology plan

- Investigate an under-performing technology initiative and help you course correct
  Outcome: New path forward aligned to business strategy

- Provide ongoing governance and independent strategy as you deploy technology
 **Outcome: Project goals met**

THE WP&C DIFFERENCE

- We use our complexity perspective to understand and manage risk

- We are independent from specific technology vendors or solutions and can provide an unbiased perspective

- Our team brings a unique blend of business, operations, and technology experience (we can align IT and business stakeholders)

WP&C brings a complexity lens to diagnose inherent interdependencies that must work together to drive value

WP&C TECH ASSESSMENT FRAMEWORK

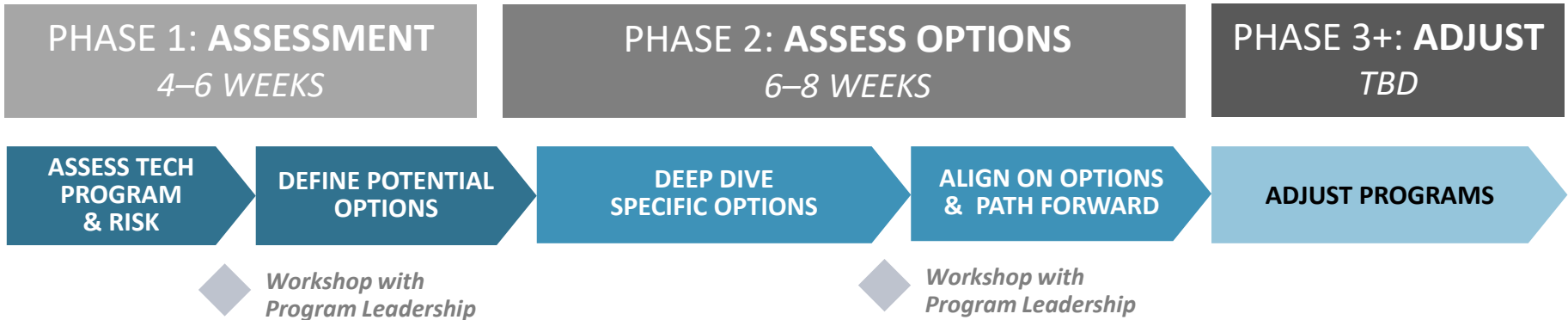*Complexity stems from interdependencies*

- TECHNOLOGY STRATEGY
- BUSINESS STRATEGY
- ORG CAPABILITY
- BUSINESS PROCESS
- GOVERNANCE
- IT RESILIENCE
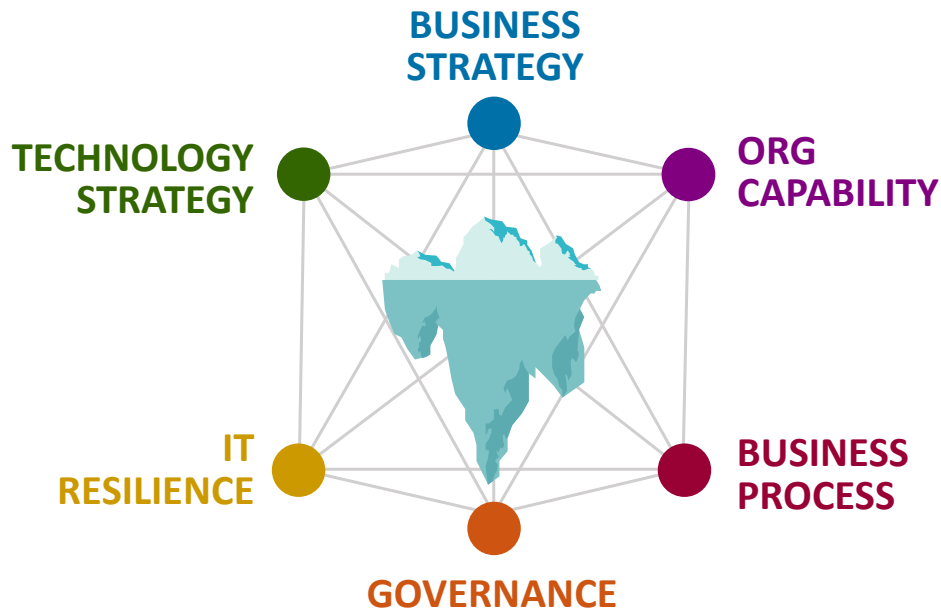
TECH-ENABLING STRATEGIES

Tech complexity must be managed to ensure new technology is value-add

- **Business**-**Tech**
  Tech strategy enables overall business strategy and appropriately reacts to the market

- **Org**-**Tech**
  The organization has the capability to define, manage, implement, and maintain tech

- **Governance**-**Tech**
  Good, fast tech decisions are made by the right people and align to strategy

- **Process**-**Tech**-**Business**
  Customization is only used to differentiate (or maintain differentiation)

- **Org**-**IT**-**Tech**
  Data architecture and analytics are purposeful

- **IT**-**Tech**
  Infrastructure enables tech strategy (and is rebuilt if needed)

Approach: Our assessment provides Management/Board with clarity on the situation and potential path-forward
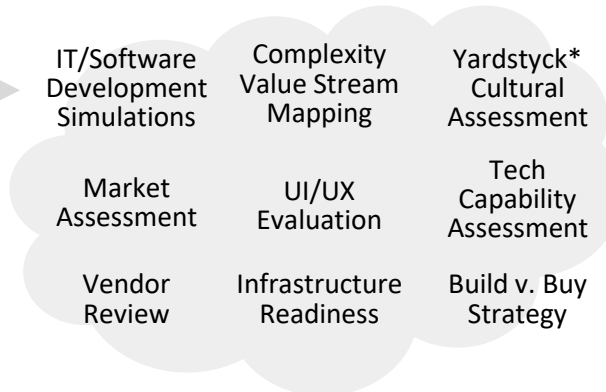
Increasing clarity & alignment →

PHASE 1: **ASSESSMENT** *4–6 WEEKS*	PHASE 2: **ASSESS OPTIONS** *6–8 WEEKS*	PHASE 3+: **ADJUST** *TBD*

ASSESS TECH PROGRAM & RISK → **DEFINE POTENTIAL OPTIONS** → **DEEP DIVE SPECIFIC OPTIONS** → **ALIGN ON OPTIONS & PATH FORWARD** → **ADJUST PROGRAMS**

◆ *Workshop with Program Leadership*

◆ *Workshop with Program Leadership*

Provide clarity on the true current state and highlight areas/interfaces driving complexity and risk

Conduct deep-dive analysis to assess and identify options that limit risk and complexity

Level of WP&C involvement varies in the adjustment phase, depending on:

BUSINESS STRATEGY	🟡
ORG CAPABILITY	🟡
PROCESS (SCOPE)	🔴
TECHNOLOGY	🟡
GOVERNANCE	🟢
IT RESILIENCE	🟢

SAMPLE ANALYSIS

IT/Software Development Simulations   Complexity Value Stream Mapping   Yardstyck* Cultural Assessment

Market Assessment   UI/UX Evaluation   Tech Capability Assessment

Vendor Review   Infrastructure Readiness   Build v. Buy Strategy

- Strategy
- Type of intervention required
- Client capability
- Client capacity

5-week diagnostic led to frank assessment and "brutal" prioritization, resulting in faster development time

The client was developing a custom, in-house, consumer-facing platform which was over budget and behind schedule—scope had increased as business priorities changed
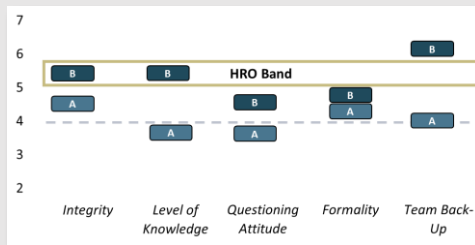
APPROACH

Phase 1

Assessed the all-encompassing program through WP&C complexity lens and aligned on problem areas
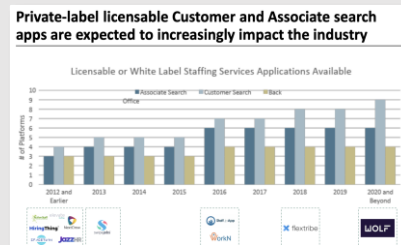

Conducted cultural analysis to assess capability to manage vendor and/or manage technology

Phase 2
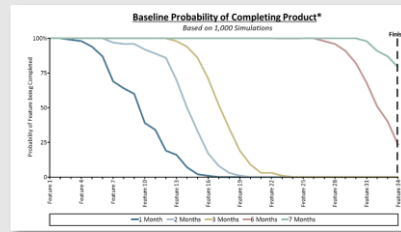
Evaluated scope reduction scenarios by modelling app go-live timeline based on historic development data

Evaluated market conditions to understand true opportunities for technology differentiation

RESULTS

SCOPE REDUCTION

- 25% reduction in development time required before go-live
- Technology teams have prioritized reqs aligned to company strategy

TIMELINE ALIGNMENT

- Alignment on go-live date and plan for deployment
- Clarity on post go-live investment required to differentiate

COST CLARITY

- Revised business case ensure BOD cost clarity
- New investment plan based on market assessment rather than internal strategy

# Army relies on WP&C as a thought-partner with independent views, not selling tech implementations

The US Army was facing the end-of-support deadline for a large, inflexible, monolithic system. Their ERP landscape was vastly complex and unable to respond to rapidly evolving requirements to support the future mission of the enterprise.
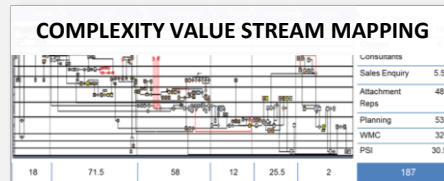
APPROACH

1 Enterprise Understanding: Documented business-tech-process-enterprise complexity (using Graph Analysis) to highlight the challenges of the monolith-style strategy


GRAPH ANALYSIS
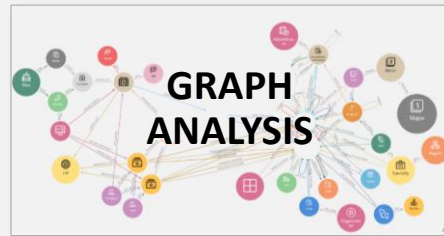
2 Process Evaluation: Assessed individual business processes to evaluate if they should be aligned to business standard functionality or required custom features

COMPLEXITY VALUE STREAM MAPPING

						Consultants	
						Sales Enquiry	5.5
						Attachment Reps	48
						Planning	53
						WMC	32
						PSI	30.5
18	71.5	58	12	25.5	2	187	

3 Design & Align on a Solution: Developed a modern technology architecture framework to drive technology investments which balanced deployment speed, tech flexibility, and economic value and aligned framework across business units

ARCHITECTURE FRAMEWORK
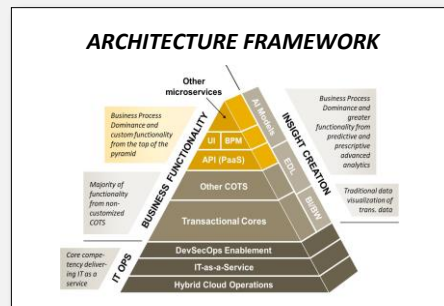
RESULTS

New microservice ERP architecture strategy which:

- increases speed to deploy new features
- decreases overall costs and program risk

Leadership understands effort required to deploy new IT ecosystem(s)

Decision makers left with tools to maintain ERP & process re-engineering strategy; framework still in use today by Army 4-Star General

First steps to pressure-test your big technology projects

|	**If you are:**	**WP&C can help by:**	**How to get started:**

About to embark on a big tech project

or

Feeling the pain from a project that has become derailed

- Completing a quick "pressure test" to assess your strategy and recommend tactical and strategic changes

- Bringing an independent review & complexity perspective to your tech projects

- Assessing your tech strategy, including alignment with your business strategy

- Evaluating your execution capabilities (e.g., current projects, governance, infrastructure, etc.)
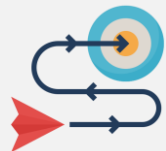
Defining a new technology strategy

- Developing a holistic Technology Strategy

- Clarifying complexity-based-risk and prioritizing projects to unlock value sooner

- Implementing key enabling factors (e.g., culture, org, gov)

- Understanding your business strategy, pain points, customers, and market situation

- Assessing relevant capability, capacity, and culture to deliver intended strategy

- Collaboratively designing the right tech strategy for your firm

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CASE STUDIES

ERP Strategy for the US Army

Technology Strategy for a Staffing Firm

Growth Strategy for a Financial Institution