



by Fady Zachary
Partner, VP Consulting Services and LBA Practice Lead

Problem Statement:

The Client's internal customers, within Finance, were not satisfied with the project delivery in a fortune 15 US-based telecom company. The portfolio of projects lack transparency, predictability, on-time delivery and Capital financial waste. Also, they would share that the IT partners were not easy to do business with.

The Product Development organization had an unhealthy product development funnel with the following major issues (figure 1):

1. Lack of innovative new product ideas – all product development ideas were mostly small enhancements to existing products that follow a technology defined roadmap dictated by leadership. *Customer and market-insight driven innovative ideas were almost non-existent.*
2. Lack of portfolio management – resources get deployed to validate every idea and projects created to plan the development of every idea, including designing the product and building the business case to justify the needed investment. *Classification and prioritization to filter out irrelevant ideas before deploying resources was completely missing.*
3. Lack of capacity management – technical resources get deployed to develop all products with almost no attention to bandwidth and capacity utilization, which leads to significant bottleneck and halt of production resources. *An intake process with an empirical prioritization technique to manage the demand on technical resources was absent.*
4. Lack of benefit management – project teams once they get the product development fund are on a mission to deliver without clear understanding of risks and implications on the promised business case due to scope changes and/or release delays. *Benefit management process including reviews to ensure maintaining the course towards delivering the promised ROI was badly needed.*
5. Lack of agile and lean concepts – project teams were utilizing traditional waterfall product development methodologies that does not cater for changing market needs and faster time to market. *The Agile and Lead Development concepts and mindset that have become the industry best practices for developing quality products in a fast-pace environment were not even in the plan for adoption.*

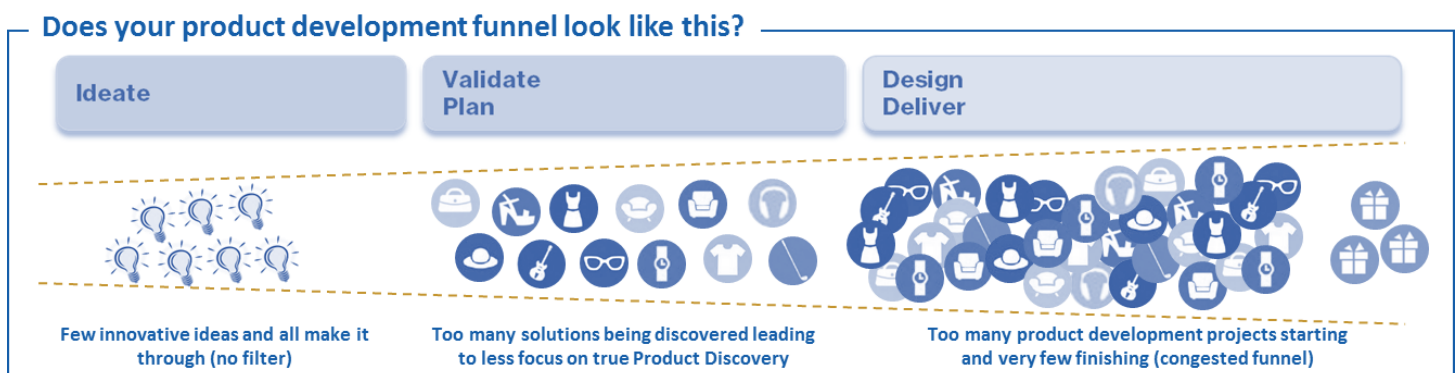


Figure 1: Problem Statement



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Delane's Approach:

Delane's team started by a strategy working session with the leadership team of the Product Development organization. We started by answering three **"Why"** questions. First Why is *"Why we exist?"* which by answering we agree as a leadership team on a vision and a mission for our group. Second Why is *"Why change?"* which by answering we agree and support the transformation initiative we are about to start. Third Why is *"Why we didn't succeed?"* which by answering we agree as a leadership team to address real issues that got on our way to succeed.

Next, we focused on answering three **"What"** questions. First What is *"What is our target end state?"* (figure 2) which by answering we align on common objectives. Second What is *"What do we expect along the journey?"* which by answering we set the expectation of the change management effort needed to lead a successful business transformation program. Third What is *"What success looks like?"* which by answering we agree on a set of metrics to baseline and track as we mature in our transformation journey.

Finally, we answered the one **"How"** question ... *"How do we transform?"*

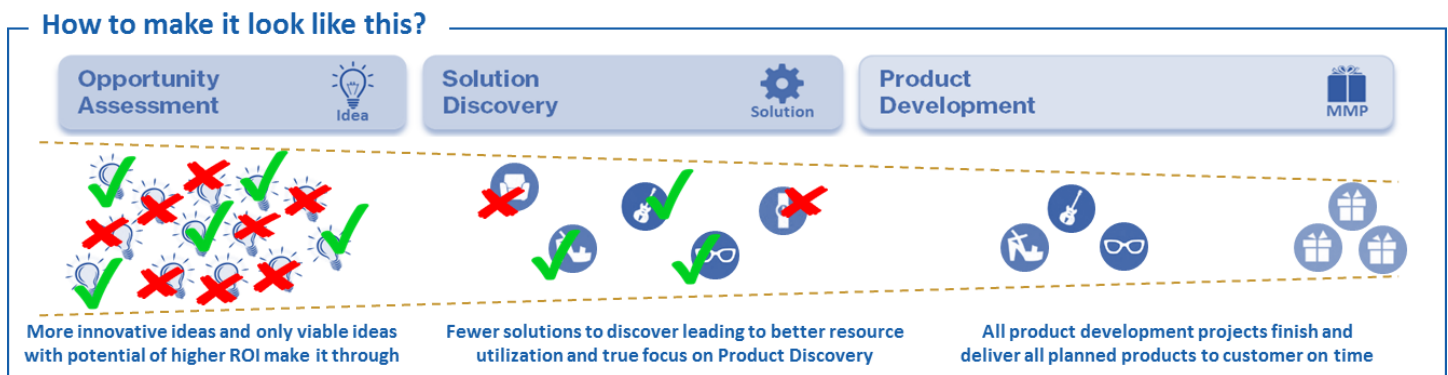


Figure 2: What is our target end state?

To answer the How question, Delane proposed an end to end Business Transformation initiative designed to transform the entire Product Development ecosystem. The Lean Business Agility framework was put as an operational model, which is built on key Pillars of Business Transformation (figure 3):

1. **Culture Transformation:** start by changing our behavior to adopt a lean and agile mindset. The focus on the Customer throughout the product development process, our leadership management style to adopt the Servant Leadership concepts, and finding ways to innovate rather than adopt a stagnant product roadmap
2. **Lean Product Development:** to lead a healthy product development funnel we need to put emphasis on managing our portfolio through empirical and methodical prioritization techniques, on capacity management to control our WIP (work in progress) and allocation of resources, benefit management to guarantee realization of promised ROI, and Product Discovery to make sure we are developing the right product with the right scope.
3. **Agile Delivery:** the iterative and incremental value proposition requires creating a stable environment which enables the predictability advantage of agile, adopting a scalable agile methodology with associated tools, and engaging stakeholders from around the organization to support and engage in the agile framework.



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4. **Proliferation and Sustainability:** Long term success requires continuous effort to monitor, guide, and correct. With this in mind Delane provided team coaches to work daily with the product development teams throughout their transformation journey, setup a Center of Excellence to provide various services such as training, process governance, and Community of Practices. Moreover, the team decided on a set of metrics to baseline and track against in order to measure the success and plan for growth.

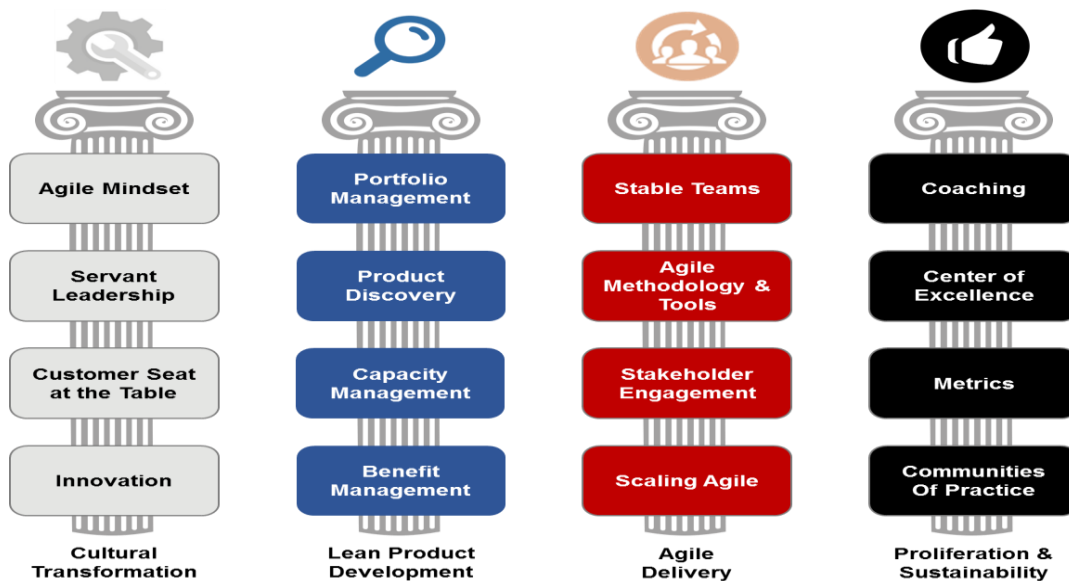


Figure 3: The Pillars of Business Transformation

Delane's approach to start the transformation initiative was to pilot the proposed framework with some projects. Candidate projects were chosen based on their complexity and importance to the business.

Stable teams were formed, having in mind the inability to dedicate resources full time, and allowing for teams scattered across the nation to be part of the team.

Stakeholder engagement models were defined showing rules of engagement by each stakeholder in the LBA process.

Metrics of success were defined, and a baseline was established to compare against.

The pilot team started sprinting and measuring their velocity. In three months the first MMP was delivered achieving 40% reduction of cycle time, 60% less reported bugs, and higher customer satisfaction.

Pilot proven success ... now time to proliferate across the org!

Sustainable Business Transformation – Case Study



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The Outcome:

Delane's support to the Business Transformation program lasted two years during which the product development team realized significant reduction in the Time to Market metric (more than 50% reduction), significant improvement in the Customer Satisfaction metric, and observable increase in employee happiness and retention.

The leader of the product development organization who sponsored the business transformation program got awarded the "*Credo Award*" for rolling out the LBA program resulting to shorter time to market and enhanced Customer Experience.