

We were clear about what we wanted to achieve

When Keith Newman, IT director of TUI UK and CIO for TUI Northern Europe, wanted to off-shore application development support, he knew it would be a project that needed sensitive management. Other companies have had a tantalising glimpse of off-shore benefits, but never actually harvested them.

Moreover, because the off-shored work would include the reservation system which sits at the heart of the travel and tour company's business – as well as other systems – Newman was acutely aware that there was no room for getting this wrong.

TUI, which includes the travel and tour operator Thomson, was making a strategic shift in its business. It was offering more flexibility in the way customers could book the travel and accommodation elements of their holidays. IT needed to support this new business paradigm.

"The other driver for the off-shore move was to give me some flexibility in terms of being able to increase and decrease my resources for support and development work," says Newman. "That would allow me to manage my cost base more effectively."

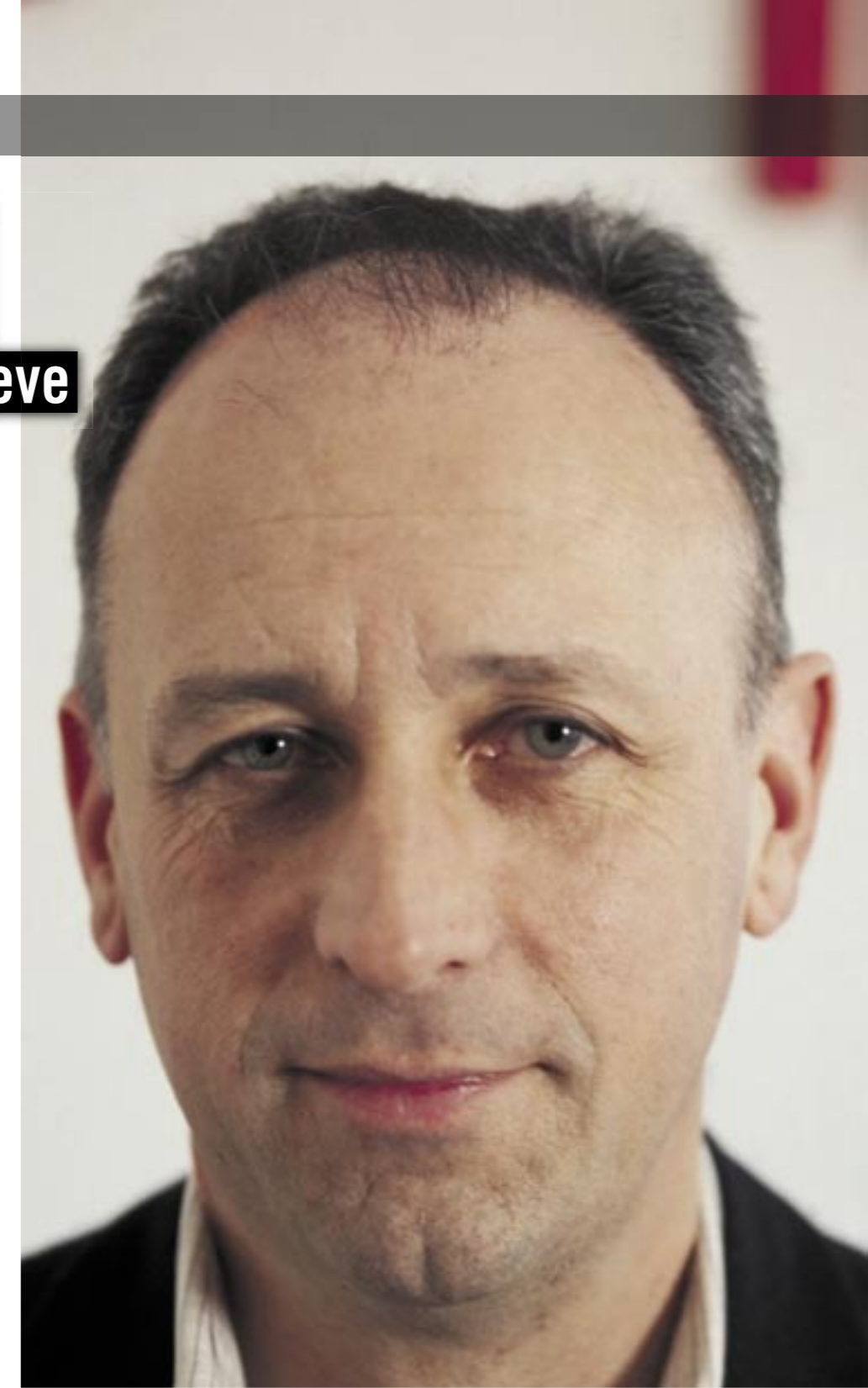
The first step was to choose an off-shore provider. Newman ran a "beauty parade" in which he looked at five possible partners. "We had presentations from them and made visits to India to see their operations," he recalls. "We made a strict assessment of each in terms of the capabilities, resources and fit with our culture – an important point."

Newman decided it would be better to choose a mid-range provider rather than one of the giants of the off-shoring business. "We felt there would be a degree of flexibility in terms of how we would work together. We would also have a higher degree of influence and be more able to command their attention."

The chosen partner, Sonata, was invited to work on a web development pilot project. "It was something we felt Sonata was capable of dealing with. We were able to monitor them carefully and compare them with our internal production levels and also quality."

The pilot was sufficiently successful to give Newman the confidence that it would be prudent to go for a full transfer of a package of work that was likely to be equivalent to around 80-person years of activity per annum. But off-shoring is always a sensitive task.

Says Newman: "The key to success is making sure that you are open and honest with your existing staff. It's difficult but you have to do it. You have to make sure the staff understand what is going to happen and provide them with incentives to aid the



knowledge transfer process, which is a vital to moving the work off-shore."

TUI made sure that its staff were fully briefed at each stage of the transfer and they were given an opportunity to apply for those jobs that were being retained in the UK.

The knowledge transfer process was mapped out in considerable detail. "There was a process to make sure that Sonata had gone through it to our level of acceptance before we released the on-shore staff either to new roles or to leave the business."

This was managed by putting a Sonata team alongside the existing team on each application. "We'd carried out a due diligence exercise to assess how long it would take for the new team to acquire the necessary knowledge and the skills

they'd need. That obviously varied depending on the complexity of the application."

Once the Sonata team had acquired the necessary skills, it managed the application in parallel with the existing team. As Sonata became more confident of handling each application, it took over completely. The process ran smoothly – so smoothly in fact that when mid-way during the project Newman discovered he needed to accelerate the timescale from 18 to 12 months, it was achieved by running more tasks in parallel.

And the secret of delivering project delight? "Having the on-shore and off-shore teams working in harmony through a well-defined governance process. And being very clear about what we wanted the new team to achieve."

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Delivering delight

CIOs MUST DELIVER THAT SOMETHING EXTRA TO MAKE THE BOARD REALLY APPRECIATE THEIR PROJECTS

What is it about an IT project that makes senior executives feel that the CIO has exceeded their expectations? It's not enough for the project to work – that's expected. Not even enough to bring it home on time and to budget. There's no kudos from doing just enough.

There has to be that extra ingredient to deliver project delight. On the next three pages, senior IT professionals who've

delivered such delight explain how they did it. Keith Newman, UK IT director and CIO Northern Europe at travel and tour group TUI, completed a large off-shore project at a time when the UK part of the company was engaged in a major strategic shift.

Ali Uzel, group applications director at marketing and media services company Aegis, used a unique project health checklist he's developed, to bring one of his company's US projects that had run

into trouble back on-stream.

John Milner, director of information management services at the University of Cambridge, played a key role in implementing a highly successful integrated student information system – at a time when the University authorities were apprehensive about major IT projects in the wake of a troubled finance system.

The three tell their stories on the next pages.

If a major IT project looks as though it might be heading for the sick list, CIOs could do worse than send for Ali Uzel.

Uzel is currently group applications director at Aegis, the international marketing and media services company, but his experience of project management stretches over more than 15 years and includes spells at logistics group Exel and British Gas.

And he has an antidote for IT project sickness – a health checklist which is designed to have the patient back on its feet and delivering just what the business wanted. Uzel, who has developed his project health checklist over the years into an 11-section, 70-question review supported by a spreadsheet-based scoring system, says: “Defining or selecting a project management method is really the easy part, but understanding the ingredients of a successful project is another story.”

The checklist came into use last year when Uzel flew to the United States to review a project that was decidedly under the weather. He spent a week in the mid-west examining a global project to establish a system for managing large market research panels – from the business case to the deliverables.

It was an object lesson in how Uzel uses the checklist approach to get to the heart of potential project failure. In an action-packed week, he held one-to-one sessions with stakeholders and project managers on Tuesday, ran a workshop on Wednesday, conducted a day of further interviews on Thursday, then wrote the first draft of his report through the night ready for presentation to management on Friday. “I aim to identify some early options for a project team so they feel the turnaround has started,” he says.

In the case of the mid-west project, the patient made a full recovery and returned to robust health. The system went live within six months of Uzel’s intervention.

He says: “One way of looking at sick projects is to understand why they’re likely to fail, then help managers and sponsors address the issue before the failure becomes expensive. To do that, you have two possible ways forward.

“One is to operate like a policeman and make certain that the project follows a process in a rigid manner mandated by company policy. This approach can be helpful sometimes. The alternative – and a more effective approach – is to get invited by the senior local business managers and help them review major change programmes that involve technology.”

But whatever the problem, Uzel finds his checklist usually helps by focusing on key project areas. These are strategy, the project brief, the project plan, the business case, budgets and cost accounting, project ownership and organisation (which includes both the resources and assessment of roles, expertise and accountabilities), specification, communication, issue and risk management, top-level support, and technology and solution options.

Understand why sick projects are likely to fail



Uzel adds: “Although I sometimes use a scoring system on these issues, the benefits of the checklist have less to do with an overall score and more with helping to understand the real issues within a project. This, in turn, helps to identify realistic improvement opportunities.

“The objective is not to blame anyone but to focus on what the organisational process and technology issues are with a project.”

Uzel has used his checklist in more than 20 major projects over the years. Yet he acknowledges that the checklist is of greatest

value when it is used by experienced project management professionals. “If you buy a Ferrari, it gets you from A to B really fast – but only if you have an experienced driver,” says Uzel. “It’s true that in inexperienced hands, the checklist can deliver some benefits.

“But to understand the issues deeply and identify the best options, you need a user who has experience of managing and reviewing large projects.” The checklist is, after all, an aid to good project health – not a miracle cure.

Ensure all stakeholders buy into a project



When the University of Cambridge wanted to develop a new integrated student information system, it had to be certain the project would deliver on hoped-for benefits. It was a challenging task, recalls John Milner, director of information management services, who worked on the project.

The 800-year-old university had been working with a basic central system, supplemented by information held in the 31 colleges. “In many cases, information about students was exchanged on paper,” Milner recalls. “The University needed to move towards a fully integrated system that would hold information across the whole of a student’s lifecycle.”

Moreover, the project came in the wake of earlier work to set up a University-wide finance system that had experienced difficulties. The finance system had finally delivered on most of its promise, but only after much unexpected time and effort.

All involved with the equally ambitious student information system wanted to avoid a repeat performance. Key to the success of the two-year project were decisions taken early on in the project’s lifecycle, argues Milner.

First was the decision to establish a governance structure that ensured all stakeholders could buy into the project. “At the top, we established a project board which was accountable to the University Council for the management of the project budget and risk,”

says Milner. “That, in turn, spawned a steering committee, which was the vehicle by which all the stakeholders who were going to use the system could be included.

“The steering committee spun off special interest groups that looked at individual system modules such as admissions, examinations, graduate records, undergraduate records and so on.”

Milner says: “That model proved immensely successful in terms of ensuring that the people who were going to have to use the system ‘in anger’ had the major influence on how it was implemented.”

But although it provided a solid foundation, it wasn’t the only reason for the project’s ultimate success. The University had taken the decision to base the system on PeopleSoft, a large and sophisticated piece of software. As a result, it decided to implement the software “out of the box”.

Explains Milner: “The difficulty with implementing all these large-scale systems is that customisation is expensive. It’s not just the first stage of doing the work, but also re-engineering changes whenever you have to do a product upgrade.

“We made a policy decision that we would change our business processes to suit the product wherever that was possible. We were fortunate in two respects.” First, both the project champion and independent consultant

who’d worked on the project’s early stages had managed to generate user buy-in to the approach. “We had good vibes for the strategy,” says Milner.

And, secondly, Milner found the software’s “vanilla version” sufficiently flexible so that “we could use it almost in its entirety with very little customisation”. He adds: “We have built our own add-ons that don’t have the same risk in terms of product upgrades. In that sense, we’ve had more control which has guarded against project scope-creep.”

Another key project success factor, Milner argues, was the way in which both the in-house team and those from the principal outside supplier, Ciber Incorporated, a PeopleSoft implementation house, were encouraged to work together.

Milner says: “We changed some staff from both sides in the early days of the project until we were satisfied that we had a team whose ability to gell meant that their focus was concentrated on successful delivery.”

In fact, so successful was the project that the first phase – admissions – went live a year early in October 2004. The remainder of the system went live last October. And Milner’s recipe for delivering project delight?

“You need your best people – that’s fundamental. And foster a culture in which people don’t hide problems, but surface them in a proper structure in which their responsibilities and accountabilities are clear.”