

Get ready for your transformation through project automation

A step-by-step guide to prepare your organization for the digital transformation of your project organization.





Purpose of the Guide

Preparation is crucial for a successful transformation through project automation. To ensure your organization is ready for this change involving new technology, it's essential to complete the key steps in this guide. Make sure these are fully addressed before engaging with technology vendors.

The purpose of this guide is to provide you with a detailed outline of what is required to prepare your organization for a successful transformation. Digital transformation in project management is new and challenging. However, just like an ERP transformation, it requires meticulous planning and organization. This guide is designed to help you develop this essential foundation.

Key to your journey is to first identify and quantify the challenges and inefficiencies within your core project management processes. Then develop a clear roadmap for addressing these issues and selecting the right solution to enhance your project management capabilities.



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What is Transformation through Project Automation?

Transformation through Project Automation is a strategic initiative aimed at fundamentally changing how an organization manages and delivers projects. This transformation involves rethinking and redesigning project processes, systems, and practices to improve efficiency, effectiveness, and alignment with overall business goals.

Key aspects of Transformation through Project Automation include:

- **Process Optimization:** Streamlining and standardizing project business processes to eliminate inefficiencies, reduce risk, lower costs, and improve project delivery timelines.
- **Technology Integration:** Implementing an advanced project business system to standardize, systemize, and automate processes and deliver the efficiencies, data visibility, and enhanced decision-making desired by the transformation.
- **Cultural Change:** Shifting the organizational culture to break down silos and embrace a cohesive project automation perspective.



Why Transformation through Project Automation

The purpose of undergoing a Transformation through Project Automation is to create a fully optimized project organization that is more effective at delivering projects successfully. This is accomplished by optimizing your all aspects of your project processes.

While typical process transformations focus on administrative efficiencies, the impact for project organizations is compounded.

For instance, a delay in material delivery can disrupt an entire project schedule, leading to severe consequences. Workers scheduled for tasks dependent on that material become idle, potentially requiring costly overtime when the materials finally arrive. Subsequent tasks are also delayed, which could result in postponing the final project delivery, triggering penalties. A minor inefficiency in project supply chain coordination can snowball into a much larger issue, risking millions of dollars and jeopardizing the entire project.

Therefore, while process optimization is the immediate goal of the transformation, the broader business impact of that optimization is substantial.

Technology is then used to standardize, systemize, and automate this transformation, removing uncertainty and risk in managing your projects.

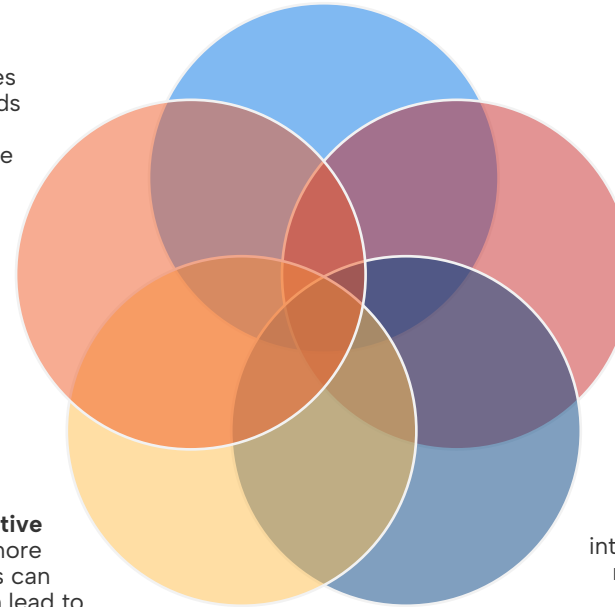
Reduced risk and uncertainty: By optimizing and automating processes in a way that provide a single source of truth for everyone in the organization, issues are discovered and mitigated before they become larger problems that put the project at risk.

Scalability and Growth: As companies grow, their project management needs become more complex. Project Automation helps in creating scalable processes that can support larger, more complex projects, facilitating sustainable growth.

Customer Satisfaction and Competitive Advantage: By delivering projects more efficiently and effectively, companies can enhance customer satisfaction. This can lead to repeat business, positive referrals, and a stronger competitive position in the market.

Improved Efficiency and Productivity: By transforming project-related processes, companies can eliminate inefficiencies, reduce bottlenecks, and improve overall productivity. This leads to better use of resources, faster project delivery, and higher profitability.

Enhanced Decision-Making: A transformation often involves the integration of advanced data analytics and reporting tools, providing leaders with real-time insights. This enables more informed decision-making, leading to better project outcomes and strategic alignment with business goals.





Key participants

To ensure a thorough and accurate internal assessment of your project processes, involve the following key stakeholders from your organization:

- **Project Operations Lead:** Provides insights into daily project management practices and challenges.
- **Project Financial Lead:** Provides insights into the project estimating, budgeting, and costing processes.
- **Resource Management Lead:** Provides insights into how resources are managed across the organization.
- **Business Operations Managers:** Offer a broader perspective on how project management aligns with overall business operations.
- **IT Leaders:** Assist in identifying technical requirements and integration needs.
- **Executive Leadership:** Provide strategic direction and prioritize business goals.

Steps to complete your preparation for transformation through project automation

Here are the steps you should go through to create the output required for a successful transformation:

- 1. Review Core Project Management Processes:** Analyze your current processes to understand how they function and identify any missing processes or inefficiencies in existing processes.
- 2. Estimate the Cost and Prioritize Problematic Processes:** Pinpoint the most important process issues that are hindering your project management efficiency and effectiveness and quantify their impact on your business. This exercise will calculate the cost of doing nothing, which is key to establishing the business case for transformation. It also identifies which process issues should be addressed first.
- 3. Establish a Budget:** With the information gathered to this point, you should be able to establish a high-level budget. This will ensure you understand the size of the problem and seek the right type of solution and vendor.
- 4. Form a Stakeholder Team:** create a team of key leaders who will drive the transformation and ensure the solution meets the organization's needs.





1. Review Core Project Management Processes

Be sure to review the following core project management processes. These are not exhaustive, and some may not apply to your business. However, for those that do apply you should identify key process leaders for these areas and work with them to describe the current state processes and challenges. You may find that you do not do some processes, even though you should. These should be identified as well.

- **Costing & EAC:** Evaluate how your organization currently handles project costing and Estimate at Completion (EAC) processes, identifying any challenges or gaps that may affect accuracy and financial control.
- **Subcontract Management:** Assess your current subcontract management practices to understand how effectively you manage subcontractors and track compliance.
- **Change Management:** Review your existing change management processes to identify how well your organization manages and responds to project changes, including scope adjustments and cost implications.
- **Estimation & Budget Management:** Examine how your organization estimates project costs and manages budgets, assessing the reliability and efficiency of these processes.
- **Material Constraint Management:** Assess how you currently handle material constraints, focusing on how well your processes anticipate and mitigate supply chain disruptions.
- **Project Schedule Management:** Evaluate the effectiveness of your current project schedule management, looking at how well you plan, track, and adjust timelines.
- **Risk Management:** Review your existing risk management processes to assess how well your organization identifies, evaluates, and mitigates risks that could impact project success.
- **Resource Management:** Examine your resource management practices, assessing how effectively you allocate and utilize resources across your projects.
- **Monthly/Weekly Reporting:** Assess your current reporting practices, evaluating the accuracy, timeliness, and usefulness of the data provided to stakeholders on a regular basis.
- **Billing & Revenue Recognition:** Review how your organization currently handles billing and revenue recognition, identifying any inefficiencies or compliance issues that may exist.

2. Estimate the Cost and Prioritize Problematic Processes

Once you've identified all process issues and gaps, you need to quantify their impact on the business and prioritize their importance. Although estimating the cost of process inefficiencies may be difficult, it will help you prioritize which problems need to be fixed first. That is the goal of this exercise. You may identify many issues that do not have that big of an impact on the business. Those should be de-prioritized in favor of process issues that have a significant impact on the business.

Inefficient or ineffective processes can lead to larger, compounded business problems. It is important to take an expansive view of the impact of your inefficient processes and not just the immediate administrative cost. Below are a couple examples of business problems that stem from underlying process problems and how their impact on the business can be measured.

Process Problem	Business Problem	Quantified Impact
Ineffective resource management	Underutilized resources	Determine the cost of underutilized resources, including the idle labor cost or missed opportunities.
Inadequate risk management	Failure to identify and mitigate risks early, resulting in project disruptions.	Estimate the financial impact of risks that materialized due to inadequate planning, such as project delays, penalties, cost increases, or loss of client trust.



By quantifying the business impact of your process challenges, you can clearly see the financial implications of maintaining the current state and build a compelling case for investing in transformation.

If you cannot directly estimate the actual cost of the problems, they should be prioritized according to the largest perceived impact to the business.



3. Establish a Budget

Establishing a budget at this stage sets the foundation for a successful transformation by aligning financial resources with strategic goals and ensuring that all stakeholders are on the same page regarding the project's scope and investment.

How to Establish a Budget:

- **Quantified Challenges:** If you can estimate the costs associated with the current process inefficiencies and challenges identified previously, it will provide a ceiling for your budget. However, to gain an effective return on your investment, you should seek a solution that is priced many times less than these quantified business costs.
- **Define Cost Parameters:** Identify the key areas where investments will be necessary, such as technology acquisition, training, and process improvements.
- **Consider Total Cost of Ownership (TCO):** Include not only the initial implementation costs but also the ongoing expenses related to licensing and support of a new solution.
- **Incorporate Risk Management:** Allocate a portion of the budget to manage potential risks during the transformation process. This could include contingencies for unexpected delays or additional training needs.
- **Align with Business Objectives:** Ensure that the budget reflects your business priorities and the anticipated ROI from addressing the identified challenges.

Benefits of Establishing a Budget Ahead of Time:

- **Informed Decision-Making:** A well-established budget helps you understand the financial impact of your transformation, ensuring that you seek solutions that are financially viable and aligned with your business goals.
- **Vendor Alignment:** Having a clear budget allows you to approach vendors whose solutions fit within your financial parameters, reducing the risk of overspending or selecting an inadequate solution.
- **Scope Control:** With a defined budget, you can better control the scope of the project, ensuring that resources are allocated efficiently and effectively, and that the project remains within financial limits.

4. Form a Stakeholder Team

A stakeholder structure ensures that all critical areas are covered, and that the transformation project is well-supported across the organization. The team should include:

Core Stakeholders:

- **Executive Sponsor:** Provides high-level support and secures funding for transformation project.
- **Decision Maker:** Responsible for final approvals and critical decisions.
- **Project Lead:** Manages day-to-day operations of the transformation project.
- **Process Business Leaders for Critical Project Areas** (may include more than one lead depending on business complexity):
 - **Financials (Estimation, Costing):** ensures solution meets financial planning and control requirements.
 - **Operations (Project Scheduling, Resource Management, Supply Chain and Production Coordination):** ensures solution meets operational requirements.

Additional Stakeholders:

- **IT:** Manages technology infrastructure and integration.
- **Executives:** Provide strategic direction and support.
- **Procurement:** Ensures alignment with purchasing policies and vendor management.
- **Legal:** Oversees compliance and contractual obligations.



Benefits of preparing your organization

Engaging in this prep work will provide your organization with several key benefits:

- **Clear Understanding of Current Challenges:** Gain insight into the specific issues holding back your project management efficiency.
- **Strategic Roadmap:** Benefit from a structured process for evaluating and selecting the right project automation solution that will deliver the value you seek.
- **Enhanced Decision-Making:** Empower your team with the knowledge and tools needed to make informed decisions.





Project Automation Readiness Analysis

Get started on your journey with PlanAutomate

The hardest part of transformation is getting started, and preparation is the key to avoiding the stalls and pitfalls that so many companies experience.

To ensure proper preparation, PlanAutomate offers a **Project Automation Readiness Analysis** that can jumpstart your transformation journey.

We have led many customers through transformations, and we understand what it takes, its results and pitfalls. We will setup the proper structure, lead the interviews with your team, and deliver tangible artifacts that will guide you long the way.

Features of our analysis program:

- Independent third-party provides an object perspective
- Vast project business experience and expertise enables us to uncover the key challenges in your business
- Fixed-cost packages with a clearly defined scope
- 1-to-2-week engagement gets you results fast
- Clear deliverables that you can use as a map to the rest of your transformation journey

Contact us for a review of your current situation and to determine if the **Project Automation Readiness Analysis** is the best next step for your organization.

Learn more

Our mission at PlanAutomate is to empower project-driven organizations by automating the complexities of project business—to help you focus on execution, growth, and profitability.

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