

Case study

Cuscal Measures Significant Return and Efficiencies from Planview Enterprise

About Cuscal

Based in Sydney, Cuscal is the leading provider of wholesale and transactional banking services to more than 150 retail financial institutions in Australia. With approximately 285 staff, Cuscal has nearly \$5.5 billion in assets under management. Cuscal's customers provide products and services to more than 3.5 million Australians and manage a collective balance sheet of more than \$40 billion.

The Challenge

Streamlining project management for greater efficiency involves automating business processes and integrating flexible business solutions. If implemented properly, the result can increase profitability as well as productivity. Yet many organizations either neglect the necessary steps to identify key problem areas in project management, potential solutions and critical success measurements, or simply fail to devote adequate resources to this goal and allow projects to overwhelm the system. The consequence can be costly. In fact, a 2001 Conference Board survey showed 40 percent of projects fail to achieve their business case within one year of going live, with implementation costs reaching approximately 25 percent above original projections. It's no surprise respondents to a recent Computerworld survey identified project management as the number one management challenge.

As a leading provider of wholesale and transactional banking services to specialist retail financial institutions in Australia, Cuscal was facing similar operational challenges. Its project-related systems, processes, and data were numerous, dynamic, and labor-intensive. "Based on the current trend, and without investment in this area," said Charles Lassiter, portfolio manager at Cuscal, "we feared that the current inefficiencies would only worsen and limit our capacity to raise quality and deliver gains in productivity."

Several company-wide surveys consistently identified three themes that pointed to areas for improvement at Cuscal: Project Prioritization, Resource Planning, and Benefits Realization. In particular, Cuscal wanted a solution that could not only integrate into its existing infrastructure, but could also address



Overview

Customer

Cuscal

Industry

Financial Services

Geographies

Asia-Pacific

Cuscal uses Planview Enterprise to streamline project management for greater IT efficiencies.

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– Charles Lassiter, Portfolio Manager, Cuscal

the following challenges: operational reporting inefficiencies, costs associated with the maintenance and support of 24 redundant systems, management of “best practices,” utilization and productivity rates, and training and contract labor costs.

As with many organizations, Cuscal was faced with a number of issues and limitations in terms of its planning, tracking and reporting its project portfolio. Multiple storage locations and timesheet systems were expensive to manage and maintain. Similarly, manually-intensive consolidation of data and reporting were costly and tedious, yet there were increasing demands for real-time information.

The Planview Solution

Thus in 2007, representatives from all sections of Cuscal’s Business Technology and Project Services launched an initiative to find a corporate-wide project and portfolio management solution to facilitate these concerns and a comprehensive investigation process for the best product commenced. They were searching for both a technical and a business solution to project management and therefore included business and process owners and key stakeholders. It considered the related financial, functional and strategic fit implications of potential solutions. “From a wide range of products reviewed, Planview stood out as the best suited solution for Cuscal both functionally and financially,” said Lassiter. “Planview Enterprise® directly utilizes our existing database and reporting investment and further extends the business intelligence, information management and centralized repository features that were already being delivered by other solutions.”

Financially speaking, the implementation cost of the Planview portfolio management solution equated to a mere $\frac{3}{4}$ of 1% of the estimated \$50 million project portfolio investment over the following five years,” he continued. “The payback period was estimated at less than two years and ROI over 160%. I’d call that a strong financial return on investment.”

But simply purchasing a product and moving to the next challenge was not what Lassiter had in mind. Instead, he wanted to methodically calculate the return on each of the key themes identified as areas for improvement. “When you invest time and dollars into a solution that could affect the entire company, you must have processes in place to measure its effectiveness,” he said. “Objectives and expected benefits must be quantified pre-implementation, and measured against, both during and after implementation for an accurate assessment of investment success.”

Measureable Benefits

Once the foundation for the initiative was in place, Lassiter’s team combined independent industry research and Cuscal’s own operating environment to determine more specific benefits to be achieved by implementing Planview Enterprise, especially as it related to each of its challenges. As expected, the product significantly reduced Cuscal’s labor costs associated with generating reports. Because the management solution is based upon a centralized and normalized database, it interfaces with advanced reporting tools that easily and graphically analyze Planview data. Once constructed, the reports are saved and reused, providing Cuscal in excess of an 80 percent reduction in labor-intensive activity.

Another variable that is often overlooked is what Cuscal calls the Key Person Risk. “We used to rely on one designated person for manually updating information in our project planning, tracking and reporting tools,” explained Lassiter. “This posed obvious risks that could be easily mitigated with an automated system. With the new functionality, multiple staff members have visibility into these areas and are capable of supporting these tools.”

The comprehensive PPM software has also enabled Cuscal to replace its nearly 25 stand-alone systems and tools such as timesheet entry, project management, resource management, and portfolio management, with a single, integrated solution that shares this information throughout

the company. Lassiter realized this would translate into both measurable and immeasurable savings. "We have seen a cost reduction for managing and maintaining redundant IT management systems of 90 percent using Planview Enterprise," he said. "But eliminating redundancy has implications that affect much more than these conspicuous costs alone; they are just more difficult to quantify."

Cuscal's challenge to provide current information to decisionmakers and better prioritize projects and resources was addressed with the ability of Planview Enterprise to reduce the cost of developing and maintaining Cuscal's project management best practices. Planview PRISMS combines best practices with software, on-site services and an online expert community to deliver improved process maturity and functionality in seven key focus areas. "Planview provides solid functionality with reasonable cost and schedule constraints," said Lassiter.

David Davies, business development manager at Planview in Australia said, "Planview Enterprise is a combination of enterprise software and proven best practices that enables organizations to achieve greater levels of control over their ever-changing environments by dynamically managing money and resources. It delivers real-time visibility into the trade-offs involved in key business decisions."

Planview Enterprise also helps with productivity in other areas, such as change control and project cost overruns. It provides improved visibility into project health, allowing for quicker response to change orders and reducing the amount of time and effort needed to address unforeseen changes, risks, and issues. New dashboards will further improve resource utilization by offering insight to effectively estimate and plan project work.

Now that resources are better utilized, Cuscal's contract labor costs have also been reduced by an estimated 20 percent. "We used to have multiple external project managers to help with the increasing demand," said Lassiter. "Planview Enterprise helps us increase our internal productivity in that each of our project managers can now handle more projects without external help. In fact, because of the improved resource allocation, we have seen 20 percent reduction in personnel cost."

Cuscal took a multi-staged approach to selecting, planning and deploying the PPM solution. Among many things, it involved identifying steering committees and key resources, as well as targeted training and communications to all users. High-level support was critical, as was key staff in each department to facilitate adoption. Cuscal consulted with

Planview during the 3-month design and build process. The installation of the software was completed in one day.

Part of the post-implementation process has been close monitoring of actual benefits against targets and expenses against budgets. Projects and risks have been tracked and status updates provided to the management team regularly. "Cuscal understands the importance of managing costs by tracking planned versus actual costs to see the return on investment," said Davies. "This helps them eliminate high operational spend, consolidate all work costs in a central place, and understand the costs of projects, programs, products, and services. Then they can establish governance against forecasted versus actual returns, drive efficiencies by becoming a learning organization, and deliver more innovative, market-responsive, and cost-effective products, programs, and services to its customers."

Although Cuscal is only one year out from its original implementation, it has already seen other positive and measurable results. Project manager productivity has increased 30 percent; maintaining best practice and change control costs are both down 50 percent, and reporting costs have decreased by 90 percent. To Lassiter's surprise, Cuscal experienced unplanned improvements as well. "We no longer need to have our business area staff act as part-time project managers," he said. "Monthly reports are automated and quicker to produce and there is a newfound consistency in managing risks and issues with high-quality, shared information.

"The Planview solution provides powerful functionality to record, manage and model data pertaining to prioritization, resource planning, and benefit realization," continued Lassiter. "It has the provision to apply 'what-if' modeling to all three of our original key concern areas."

The Planview Enterprise portfolio management benefits were so pronounced, the rollout scope mushroomed to include the design, build and implementation of all IT work and IT timesheets. The automated capture of monthly IT timesheet data has been a significant time savings for project managers. Cuscal has since retired other disconnected applications and simplified administration and support.

As Planview releases enhanced versions of its software and Cuscal utilizes more functionality, Lassiter is confident Cuscal will continue to experience operational efficiencies, saying "Planview possesses world-class corporate planning and service delivery functionality, offering significant future opportunities in both of these areas at Cuscal."