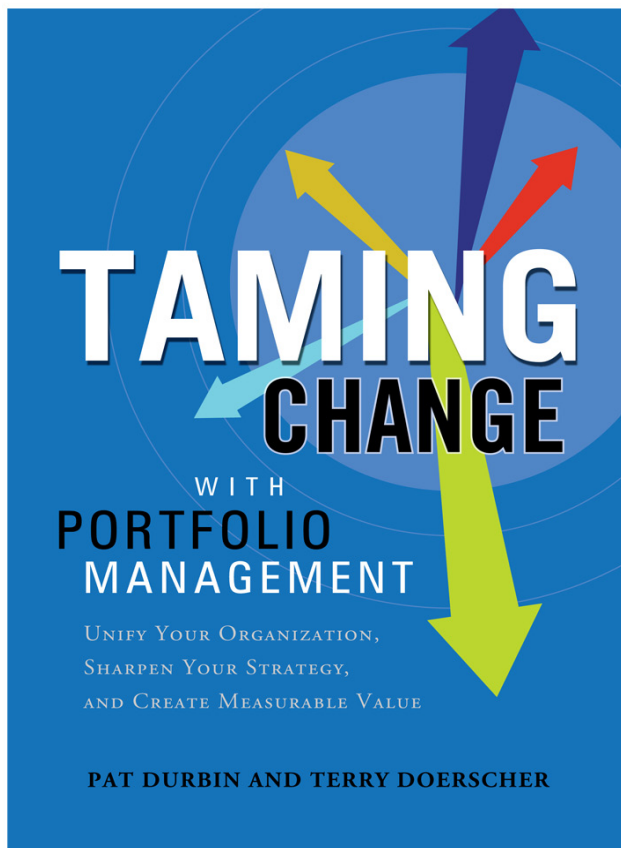


Value Added Content for Readers of
Taming Change with Portfolio Management

How-to Guide: Developing an Integrated Work Prioritization Process

By Terry Doerscher, co-author of *Taming Change with Portfolio
Management*



Executive Summary

Common agreement on priorities is vital in matrix organizations because of the need for people from different teams or groups to collaborate to get almost anything of business value accomplished. In lieu of a consistent method to evaluate and score inbound requests, individuals, team leads, or managers are left to assess priority based on their own perspectives and information available. Different conclusions almost always result, which hampers teamwork. Established guidelines become a highly visible standard when they are applied to all demand. Relative importance can be understood by line managers who must make decisions on how to best deploy their staff to accomplish routine planned work. When managers are armed with a uniform understanding of how pending work stacks up in terms of priority, they are able to collaborate more effectively to meet common objectives.

The following content provides step-by-step guidance on how to build and deploy a proven integrated prioritization process.

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Introduction

Establishing a single common prioritization standard within a department, business unit, or even at the enterprise level can make a significant improvement in overall operational efficiency, perhaps more so than any other best practice. It is core to establishing a proactive work environment, keeping resources and money focused on the work of greatest business value, and fostering a higher level of internal collaboration. A well-designed prioritization model supports all levels and areas of the organization to establish alignment on both vertical and horizontal planes. It ensures the level of relative importance assigned to strategic objectives is kept intact as enabling programs, projects, or services are further defined as specific task assignments. It also establishes inherent balance between discretionary initiatives compared to operational necessity. Achieving equilibrium between objectives for running versus changing the business is essential to avoid eroding the operational foundation of the organization.

On a more tactical level, a common priority model enables a consistent perspective on work priority between different functional areas and the activities they perform. A uniform understanding of priorities is vital in matrix organizations because of the need for people from different teams or groups to collaborate to get almost anything of business value accomplished. In lieu of a consistent method to evaluate and score inbound requests, individuals, team leads, or managers are left to assess priority based on their own perspectives and information available. Different conclusions almost always result, which hampers teamwork.

Development of the prioritization model forces the organization to mutually agree upon and clearly define what is important (or not) to the business, not just in obscure conceptual terms, but through the establishment of measurable guidelines with relative values. It also ensures that priorities are consistently defined based on business criteria rather than what's next in line, emotion, coercion, hunches, individual knowledge levels or interest, or similarly vague influences.

These established guidelines are then consistently applied to all forms of work demand, so that relative importance can be understood by line managers who must make decisions on how to best assign their staff to tasks, whether it is for large complex projects or more discreet, less formally managed activities.

When the organization establishes a uniform understanding of how all pending work stacks up in terms of priority, it is able to adopt a more methodical and planned approach to performing routine work, establish better alignment with business objectives, and collaborate more effectively to meet common objectives. The result is improved operational efficiency.

Follow these twelve steps to build and deploy a proven integrated prioritization process.

Step 1: Agree to Adopt the Concept

Because the process is necessarily applied throughout the target organization, it is essential to establish executive consensus to support the initiative, as well as develop a broad understanding among all stakeholders for the value that it will provide. This includes members of the management team that will apply the approach, and the constituents who submit work requests that will be subject to the results of the prioritization model.

The primary considerations for making the decision to proceed with this process are need, cost, benefit, and risk. Like any programmatic process improvement, a strong business case should be developed, based on the following points:

- Illustrate the costs, issues, and challenges the organization faces as a result of the current prioritization approach being utilized, in quantifiable terms
- Communicate the value that the process represents, translated into hard dollar benefit
- Create the level of confidence necessary to persuade sponsors and stakeholders that the expected positive results can be achieved

The general basis for the business case can be developed from this paper. While the benefits may seem difficult to quantify at first glance, the bottom line value so overshadows the relatively low cost of development and execution that this element is rarely a barrier. Cost is primarily composed of the effort necessary for initial development, training and deployment.

While automation of the process is helpful, it does not depend on specialized software or new technology. It is almost always readily integrated into whatever existing request management mechanism is in place, from desktop forms to enterprise applications. The cost of ongoing use is nominal, since the amount of effort needed to apply the process is largely offset by whatever effort is being applied to current work analysis and prioritization methods.

A highly persuasive argument (annual savings on the magnitude of a hundred times greater than cost of development and use) can be made using a conservative benefit estimate, based on improving organizational efficiency by only a few percentage points. Appendix 1 provides a basic example for calculating cost-benefit.

With the need, cost and value aspect established, the primary question becomes one of ability to execute. Simply follow the remaining steps for an approach that offers a high probability of success and benefit realization. Worst case scenario: even if this process is ineffectively implemented (which is pretty hard to do) and abandoned, people will simply revert back to whatever they were doing before. There is little downside other than loss of development costs, which are minimal. Nothing ventured, nothing gained.

Step 2: Define the Scope

Concurrent with Step 1, establish the proposed scope of deployment in organizational terms. The maximum scope of deployment is defined by the number of groups or departments in the organization that rely on services or products being provided by a common supplier. Secure agreement to participate from all primary internal customers if possible; include as many as you can. At a minimum, the entire supplier organization should be in scope; process benefits erode in proportion to lack of participation by groups who collaborate to create deliverables.

Maximum benefit is realized when both the customer and provider organizations collaborate on defining the prioritization process. For example, an IT organization that serves several lines of business should establish representation from each customer group or department when defining the process, as well as from each major technology group. This has the effect of establishing up-front agreement in principle on the relative importance of pending work, regardless of the initiating group or provider area. Broad consensus does a lot to reduce the decibel level when addressing the status of a particular request later on.

In terms of the scope of work that is relevant to the priority system, all planned work entities of significance, from strategic initiatives to support requests, should employ the process to be effective. Applying this process to projects alone is of little value, unless they are the only type of planned work being done. Remember, the whole objective is to establish value-based relativity for all planned work when determining how to best apply limited capacities. The more that staff has to multi-task, the more valuable this process becomes.

A few exclusionary notes are appropriate at this point. High-volume, low-effort activities that are wholly accomplished using an independent or dedicated workforce, such as call centers, need not apply the process. The same goes for ongoing work that is a continuum of service delivery and support, such as system administration.

A minimum cut off should be established based on the expected effort needed to fulfill the request. For example, informal or undocumented requests of less than a few hours work that are absorbed as level-of-effort aren't prioritized by the process (however, that doesn't mean the collective effort spent on casual work shouldn't be tracked and managed as a time reporting category).

Finally, bear in mind this process is applied only to unique planned work that is of a "routine" nature. Unavoidable critical issues that emerge are what disrupt routine planned work! (However, please see the related discussion in chapter 14 of *Taming Change* on the importance of controlling unplanned events.)

Step 3: Define the Team

Once the scope of deployment is defined, the initiative is formally established and you have secured approval to proceed, solicit process development team representation from each of the participating stakeholders. Leadership, experience, and operational familiarity are critical attributes for team representatives. While it is possible to get the team together for a one week marathon to develop the system, most schedules don't allow for that level of focused effort. It is probably more practical to ask members to devote a half-day per week over a 4-6 week period to participate in the subsequent development steps. The facilitator of the initiative will need to plan on a few extra hours per week for coordination and administration.

Step 4: Establish Organizational Mission Statements

This is perhaps the most challenging step in the process, as it requires some introspection and can be contentious. Imagine putting ten senior leaders in a room and asking, "Hey, just exactly why do we come here every day, anyway?"

Chances are that a basis for this step may already exist. Mission statements abound in corporate hallways; if these statements have never resonated, then here is the opportunity to embrace them through practical use. Start by reviewing existing mission statements for their applicability to this effort, and then further refine them as necessary to establish the reasons that the organization exists, in statement form. Try to keep missions to less than ten individual statements.

If an existing mission statement doesn't exist or won't work, then it falls upon the team to define and validate organizational goals with senior executives. The purpose of this step is to develop a top-level categorical structure that requests can be analyzed against for relative fit and level of contribution. The result should be that any work under consideration can be aligned to one or more mission categories.

Accordingly, it is important that these statements encompass all the primary motives for the organization to exist. Consider using a balanced scorecard approach or any similar broad-based method to help ensure that all focus areas and perspectives are represented.

The good news about this exercise (and the model in general) is that even if something is missed, it is largely self-correcting, since major omissions will become readily apparent as the model is initially validated and used. If obviously useful work is routinely requested that defies alignment with any of the mission categories, then that is usually an indicator that all primary considerations have not yet been accounted for.

The best way to explain development of mission categories is through some examples:

- We will be good stewards of shareholder investments by making prudent decisions that yield profitable results.
- We are fully accountable for the security and integrity of customer information entrusted to us.
- We will develop and follow highly efficient and useful processes and methods to further the business.

Note that in each case, the missions make a goal-oriented value statement, but do it in such a way that avoids quantifying results in terms of timing or benefit. This gives them durability and consistency to weather the inevitable year-over-year changes in specific objectives and strategies for how to achieve them.

As the last part of this step, test the draft mission categories you have defined by comparing how they align to a wide variety of new or approved requests and in-progress work, from initiatives to projects to minor enhancements. This will help verify that you have created a reasonably complete mission structure. Don't be surprised to already discover a few requests that beg the question, "Why are we doing this?!"

It's also a good idea to pass this list by executive sponsors and stakeholders for their review and comment before proceeding to the next step.

Step 5: Develop Mission Attributes

With the draft mission categories defined, it's now time to develop attributes for each one as examples of relative value that planned work can be scored against. The goal is to create a reasonable framework of guidance, rather than attempt to account for every possible situation. For each mission category, define six to ten statements that represent the possible range of relative importance and assign a point value that reflects its importance compared to other guideline statements.

Once again, the simple example that follows helps convey the concept.

Mission: We will maximize shareholder value.

Points Attributes

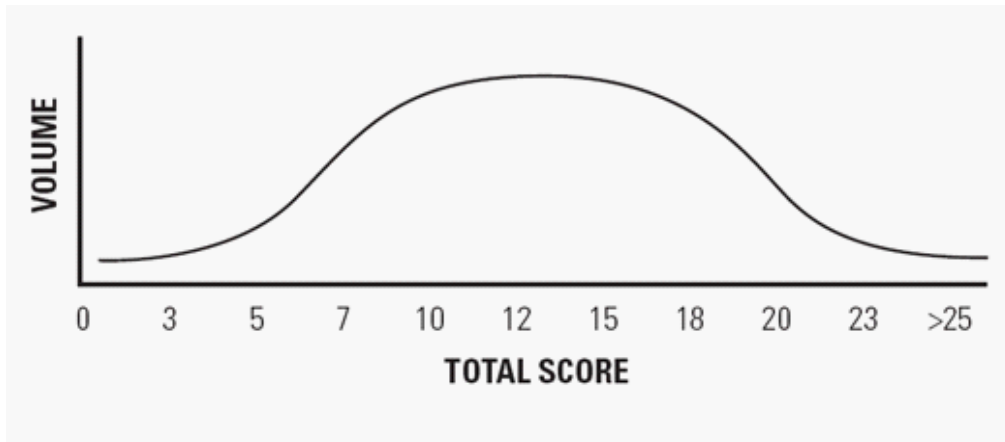
- | | |
|-----|--|
| 10 | Performing this work is expected to directly impact net profit margin in excess of 1%. |
| 8 | Performing this work is expected to directly impact net profit margin between 0.5 and 1%. |
| 7 | Performing this work will directly reduce operational costs by 1% or more. |
| 6 | This work directly supports a strategic initiative that has prior approval |
| 4 | This work will significantly reduce the incremental cost or effort required to perform a routine function, and has a ROI of greater than \$500,000/year. |
| 2 | This work has a positive effect on operations and an ROI less than \$500,000/year. |
| 0 | This work has no hard dollar value. |
| - 2 | This work has a negative ROI. |

As work is compared against these attributes, a single attribute and point value is selected for each mission category that best reflects the request that is being scored. Note that in this example, we have chosen to add in a negative value within the attributes. Bear in mind that any given request will accumulate points from each applicable mission category. As a result, selecting a low or even negative score in any one mission category may be offset by a higher score in another. For example, a request that is initiated to meet a new regulatory requirement may get negative points for its revenue contribution, but get a high score for its importance to business continuity or corporate risk management.

Each mission category need not use the same range of point values. While our previous example offered options up to 10 points, it may be appropriate that another cap its points at a maximum of 6. By adjusting the point range for each mission, you can avoid adding additional complexity to the model by requiring separate weighting values for categories – varying the point range integrates weighting into the attribute scores themselves.

Step 6: Normalize the Model

At this point, the basic prioritization model is drafted. Now it must be validated and tuned by the team to ensure it makes sense and yields expected results. An optimum model would result in the scores of the existing work backlog of routine work forming a bell curve, as shown in the figure that follows.



Those who have ever been involved on a panel that used the Delphi Method to gather expert forecasts or opinions will recognize the process explained below as a variant of that proven approach. It entails gathering a statistically representative, random sample of requests (about 15% of the total work request population is suggested if it is less than 1000; less for larger volumes), and then using a panel of representatives to score them, using two different methods. There is no short cut to accomplish this exercise, and it may take a few more adjustments later on to get to the point of confidence in the results.

In the first pass, each request is reviewed, with each panelist making an independent judgment on the inherent value of the work in question based on their personal assessment, and giving a generic score from 0 – 20. If, for example, there are five representatives on the panel, then the result should be five separate point values. These five values are then averaged to obtain the raw score. Pay attention to the spread if it varies beyond a predetermined value (for example, 7 points). That is usually an indicator that either someone on the panel either knows something about the request that others don't, or someone doesn't understand it or its impact.

Don't over-think this review; it is simply to provide a point for comparative analysis after the scoring pass is completed using the model. Have someone moderate the process and load the scores, trying to spend no more than a minute or so on each one. To avoid group-think, limit conversations to quick clarifying questions when a member doesn't understand the request, or to after-the-fact discussion if the point spread exceeds the variance range. It may seem awkward at first, but a rhythm will develop, and it will go surprisingly fast.

The second pass involves going through the same sample of requests, only this time using the scoring model to derive relative value. Once again, each member of the team reviews each request, this time comparing it to the attributes for each mission category, selecting the one that most closely relates to the request under review.

Points from each mission category are totaled up for the final score. Again, individual scores are averaged, and those with wide variances are reconciled.

With this pass complete, compare the general scores obtained from the initial pass to those calculated using the scoring model. Obviously, if the great majority of the scores are reasonably close, then this step has served its purpose, and you should feel comfortable that the scoring attributes are aligned with reasonable judgment. If they are not, then it becomes a matter of the team analyzing what kind of significant discrepancies exist and why. Some conclusions include whether the scoring model simply forced a more rigorous and thoughtful assessment than the 'seat of the pants' score. If individuals routinely had a several point discrepancy on requests between scoring one model and the other, did the qualitative assessment factor in an attribute that the mission attributes did not include,

or vice versa? How did the majority of the team fare versus one or two outliers?

As those considerations are being worked through and the model is further honed, it is a good time to do two additional checks. First, how did the test population pan out compared to the bell curve depicted above? Plot out the test population in terms of total score versus volume. Does the range need to be adjusted to get a more even distribution? Are results skewed to the high or low side? Is there enough variation (e.g., did almost everything come out within the same 5-6 point range)?

Secondly, cross-check requests that scored similarly; for example, arrange all the requests into groups that scored 0-5, 6-10, 11-15, 16-20, and over 20. When each population is compared to its peers, do they seem like they should have the same relative weight of importance? If they do, then that is perhaps the most important validation that the model will perform its intended function.

Step 7: Document Intended Usage

It's important to point out that this model is not intended to yield a precise ranking. While an ordered ranking is useful when making investment portfolio selections, it presents significant problems when it is used as a decision support mechanism once work is approved, especially in situations where different types of work are present and the overall volume of work constantly changes. Minor differences of a few points in one direction or the other are inconsequential when the integrated prioritization process is placed into practice, since this process is intended to be applied to a large and diverse population of work that is constantly turning over.

What matters the most is that the top and bottom third of the population consistently fall into the proper general area of the scoring range. As noted by the bell curve earlier, the majority of the work should initially cluster around the mid-range, while the minority percentage of items that are clearly more or less important populate either end of the spectrum.

To avoid forced ranking temptations and reading too much into individual scores, we recommend that the raw score not be used outright when making assignment decisions. Translate numerical scores into one of five descriptive priority categories of your choosing. This allows end users to better comprehend what the assigned value means in practical terms.

For example:

PRIORITY	SCORE
High	>17
Medium-High	12-16
Medium	7-11
Medium-Low	4-6
Low	0-3

One of the primary purposes of assigning a common priority to work is to help guide the order in which work in the queue is approved to proceed and how resources are planned and deployed across the many approved activities already in progress.

We can further explain this, assuming a population of 1000 active requests pending work in the system and a staff of a few hundred. If 75 of these requests have a priority of High, then all 75 should be immediately scheduled and allocated resources. Given they are such a small percentage of the total workload, there should be sufficient capacity to work all of them simultaneously. Whether an individual request has a score of 17 or 20 has little relevance when it comes to work approval and execution.

Extending this hypothetical further, most, if not all, of the additional 150 Medium-High requests should also be able to be planned for work in the near term as well. The planning and scheduling process continues by order of priority and other practical considerations

until all near-term available resources are exhausted (see *Taming Change* for additional specific guidance on work and resource planning).

A question commonly asked is how to handle priority overrides due to executive prerogative (e.g., “Because I said so”). Of course, that is a foreseeable reality in most organizations, and it needs to be accommodated (and controlled) within the model, rather than ignored. One way to do that is to include an “Other” mission category and assign a score range for it.

We suggest a standing agreement that this category is to be used sparingly, and when applied, a written explanation is to be included. If nothing else, it should contain the name of the executive that authorized it, and its use is limited to director level or above. In actual practice, you will likely find the system itself works so well that it is seldom used.

As part of developing the prioritization model and usage guidelines, it is important to also define what work is excluded from the process. In addition to help desk and other self-contained work groupings previously mentioned, it is important to clearly establish what constitutes critical work that immediately supersedes routine priorities.

The criteria for disruption of planned work priorities should be agreed upon by the team and spelled out in unambiguous terms. Establish who has authorization to declare a request worthy of an extraordinary, “drop everything” level of response that displaces in-progress work.

All of these considerations as well as the model itself should be documented as a procedure or guideline, in conjunction with the next step.

Step 8: Develop the Supporting Mechanics

Establishing the mechanics of how the prioritization model is deployed will vary depending on a number of unique factors, such as size and scope of the user population, who sets the priority, the volume of requests, to what extent the process will be automated within an existing request management system, and what reporting capabilities will be needed.

The prioritization process itself is pretty straightforward. How it is engineered as part of the request workflow can be as simple and low-tech as filling out a hard copy cover sheet that is attached to a paper request, keeping track of it using desktop a spreadsheet, or utilizing sophisticated scripted dialogs to walk users through selecting scoring attributes, configuring custom screens and triggering automatic notifications. Full-featured project and portfolio management (PPM) systems, as well as many business process management (BPM) tools and some other business applications provide automation functionality that can accommodate the process described.

Step 9: Train the Stakeholders

Users of this process fall into two broad categories: those who actually perform the prioritization scoring, and those who apply the results.

It is important that those who actually determine work priorities understand the business drivers for employing the process, its purpose, and a general idea of how priority will be used downstream. Whether the prioritization process is integral to generating a request, is part of the governance process for portfolio selection, the responsibility of managers assigned the work, or is a centralized operation within the receiving department, it is a good idea for evaluators to be given some practice requests and/or several examples that explain why certain scores were selected for a given request.

When dispersing responsibility for assessing priority over a large population, it is critical that scoring attribute descriptions be unambiguous. If guideline intent isn't inherently clear or is open to broad interpretation, then it will impact the consistency and effectiveness of the process.

The managers within the organization who fulfill requests need a different perspective and understanding that is based on how to use the priority as part of their decision making. Step 11, Apply the Prioritization Process, explains this in more detail; incorporate the concepts into your training materials and curriculum.

Step 10: Develop Metrics

This prioritization process enables some insightful and easily obtained work management metrics to be generated. Typically, this responsibility falls upon the PMO or whoever is responsible for demand and backlog management. It is important that metrics and supporting information gathering be set up before the process is placed in service to establish a baseline of the current state, so you can measure the value of the prioritization process as it is used over time.

The first series of measures is based on the value of the work. The total value of the backlog is easily established by simply adding up the point value assigned for everything pending in the queue, and trending it on a monthly basis. There should be a steady decline in total backlog value over the first several months of operation (eventually it will approach some new lower equilibrium).

An obvious extension of this measure is calculating the average value of work in the backlog. Other measures include measuring value by requesting department, value of monthly demand versus deliverables, etc. To illustrate, if you reach a point where you have 10,000 work items in backlog, each worth only a single point apiece, a reasonable conclusion to draw is that you have ensured all of the work of real importance was done first (and that you probably don't care if the rest of the work ever gets done).

The second series relates to importance versus timing – how long work of various priorities waits to be accepted, assigned, executed and delivered. These can be set up by type of work, customer, assigned department, and similar work attributes. Obviously, the goal is to reflect that the total average time between request receipt to fulfillment for highest value work is decreasing.

The third series of metrics relates to overall production increases; the total throughput of work through the organization, and the volume and priority of work received versus delivered. When working properly, the prioritization process will increase collaboration, reduce reactive response to new items, and lower the amount of multi-tasking driven by over-assignment, all of which can significantly improve efficiency and productivity. This should, in turn, lower the overall backlog of pending work.

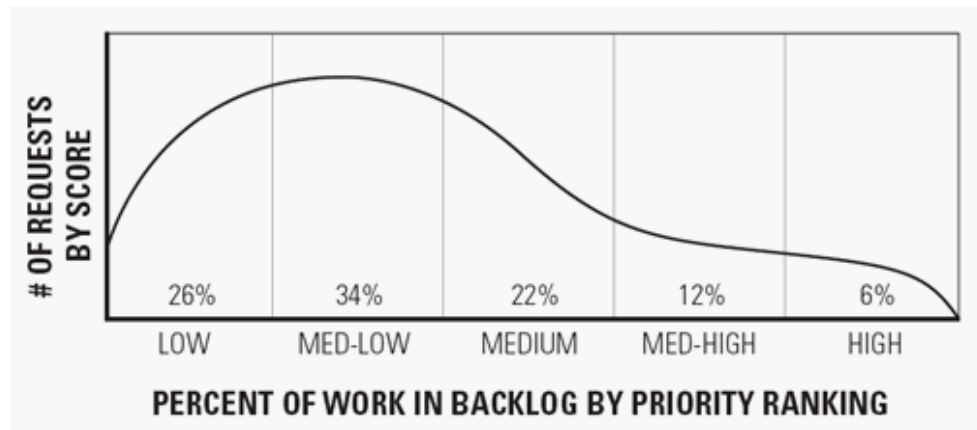
Step 11: Apply the Prioritization Process

If there is success with getting a high level of buy-in and input into its development, the process as described is a viable alternative to more detailed approaches to business case development, particularly for the mass of maintenance and enhancement projects that do not make the cut-off in terms of strategic importance, size, cost and complexity. Even top-tier projects benefit from the applying the prioritization model to reinforce consistent valuation, while more formal traditional business cases serve as a supporting artifact for the resulting score.

The PMO, along with managers who are responsible for planning and dispatching work, will employ priority results at a working level. The relative values are used to establish what work is next in line for planning purposes, and to guide resource utilization once work is in progress. Bear in mind that the goal of the prioritization process is to enable a highly efficient, methodical approach to maximize the throughput of routine work.

Inbound routine work of a relatively high priority value should never displace lower value work that is already in progress; that has a highly disruptive effect that undermines the value of the process. Instead, new high priority work goes to the head of the line for planning and dispatching purposes. Remember, this is still routine work.

The result is that over time you work down the backlog by choosing the most important, highest value work first, thus reducing the net business impact of the backlog itself, as shown in the figure below.



Management of approved work pending resources (backlog) has another dimension that needs to be factored in – the impacts of aging. Work that remains in the queue over a defined period (e.g. quarter) should be periodically reviewed to determine if priority has changed due to changing circumstances. This is primarily a consideration for mid-level priorities that may keep missing the cut-off for authorization and dispatching. It is common for a technology services organization to have a years' worth of work in backlog at any given time. Some of it will come and go in a relatively short time span, while other low priority requests may languish there for months, or perhaps never be accomplished.

For those who employ the prioritization process as a means of scope selection into defined planning windows (such as a 12-week rolling planned work schedule), work with mid-level priorities may get replaced by new high priority work before work week scope is frozen. To avoid excessive churn of this work, employ a “3-strikes” rule so any one work item can only be bumped from planned scope three times; after that, it either gets reviewed for cancellation or receives ‘immunity’ from being displaced from its next scheduled work window.

Once work is actually in progress, the priority value is used whenever teams or work groups must collaborate on work items and resources are constrained. Read that sentence again – it’s significant. One of the biggest barriers to maximizing efficiency in matrix organizations is lack of consensus on what is important between functional groups. When two or more groups must work together, supporting managers must respect the assigned priority of work when determining how resources are deployed, even though they may not have direct responsibility for task completion. This ensures that the highest value work has first consideration for staffing, regardless of who “owns” the work.

Step 12: Review and Adjustment

As the system is initially employed, it will likely need some minor adjustments based on user feedback and results being obtained. Eliciting feedback should be integrated into initial training to ensure that users do not keep silent if they discover issues or feel that there are inequities. It is also natural to expect that the first month or so of process use may seem awkward or burdensome until users become more familiar with the groupings, scores, and how to apply the results. Within a matter of weeks you will find the process has been adopted as a normal part of operations.

It is important to realize that perceptions of what is important and its relativity will naturally evolve in response to many different influences. Set up a formal process review at routine intervals that is appropriate to dynamics of your business environment; at least annually evaluate whether adjustments to the scoring model are needed.

Summary

The process as described in this document is a proven method of fostering proactive work control. However, priority is only one consideration that must be practically considered when determining how and when work is accomplished. Other factors include things such as time sensitivity, opportunities to combine similar efforts to reduce total effort, or release planning.

In particular, timing does not always equate to priority, and they should not be confused. For example, putting up a web page to facilitate the company picnic may not score high enough on outright priority alone to have it quickly attended to, but because it is needed by a specific date to be of any use and to support another event, that must be considered as well.

However, by using the method described to define and apply work priority, you will see a marked improvement in organizational efficiency and cooperation, as well as a reduced level of emotion-driven management guidance.

Appendix 1 - Basic Cost Benefit Calculation for Implementing Integrated Prioritization

Deployment and operational costs will vary based on the size of the organization and scope of use, but the development costs are relatively static. Benefit calculations are based on the cost of not placing the program in place, or avoided costs.

Replace listed assumptions with your own to develop your cost benefit estimates:

- 1000 person Service Organization (for example, IT)
- 10 stakeholders on development team (5 supplier departments, 5 internal customer groups)
- 6 weeks of total duration, with 1 day per week development effort
- \$100 per hour fully burdened resource cost rate
- 5% improvement in delivery efficiency

Development costs:

- $6 \text{ wks} \times 8 \text{ hrs/wk} \times 10 \text{ stakeholders} = 480 \text{ hrs effort} \times \$100/\text{hr} = \$48,000.00$
- 40 hours effort to incorporate into existing request management system = \$4,000.00
- Deployment costs:
- Training @ 1 hr per manager x 200 managers x \$100/hr = \$20,000

Total startup costs: \$64,000.00

Ongoing costs:

- 5 minutes evaluation time per inbound request (.12 hr) x 400 requests per month x 12 months x \$100/hr = \$57,600.00 annually

Ongoing costs: \$57,600.00

Annual Benefit:

- $1000 \text{ staff} \times 1800 \text{ working hrs/year} \times \$100/\text{hr} \times .05 \text{ efficiency increase} = \$9,000,000.00$

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