

# INSIGHTS

JANUARY 2017

## HOW TO TRAIN YOUR ~~DRAGON~~ BUSINESS SPONSOR



**WELLINGTON**  
Consulting Group



# EXECUTION, NOT STRATEGY, WILL SEPARATE YOU FROM YOUR COMPETITION.

Read that sentence again. Now, think of projects in your organization that haven't been successful. Does it ring true?

Over the last few years, a new paradigm has emerged in the world of business transformation. Strategy, while necessary, is not enough to set your company apart from the competition. Some even argue that with the amount of information readily available in the digital age, it is virtually impossible to have a unique strategy. You still need a strategy, but it isn't enough to create enduring competitive value.

At the 2015 Canadian Business Profit 500 Conference held in Toronto, the keynote speaker was Annette Verschuren. She led the expansion of both Michaels and Home Depot into the Canadian market. When asked about the keys to this success, she said, "Mediocre strategy executed really, really well".

Whether or not you believe you have a unique strategy for your business, it is becoming undeniably clear that **the effective execution of that strategy will be the key to separate you from your competition.**

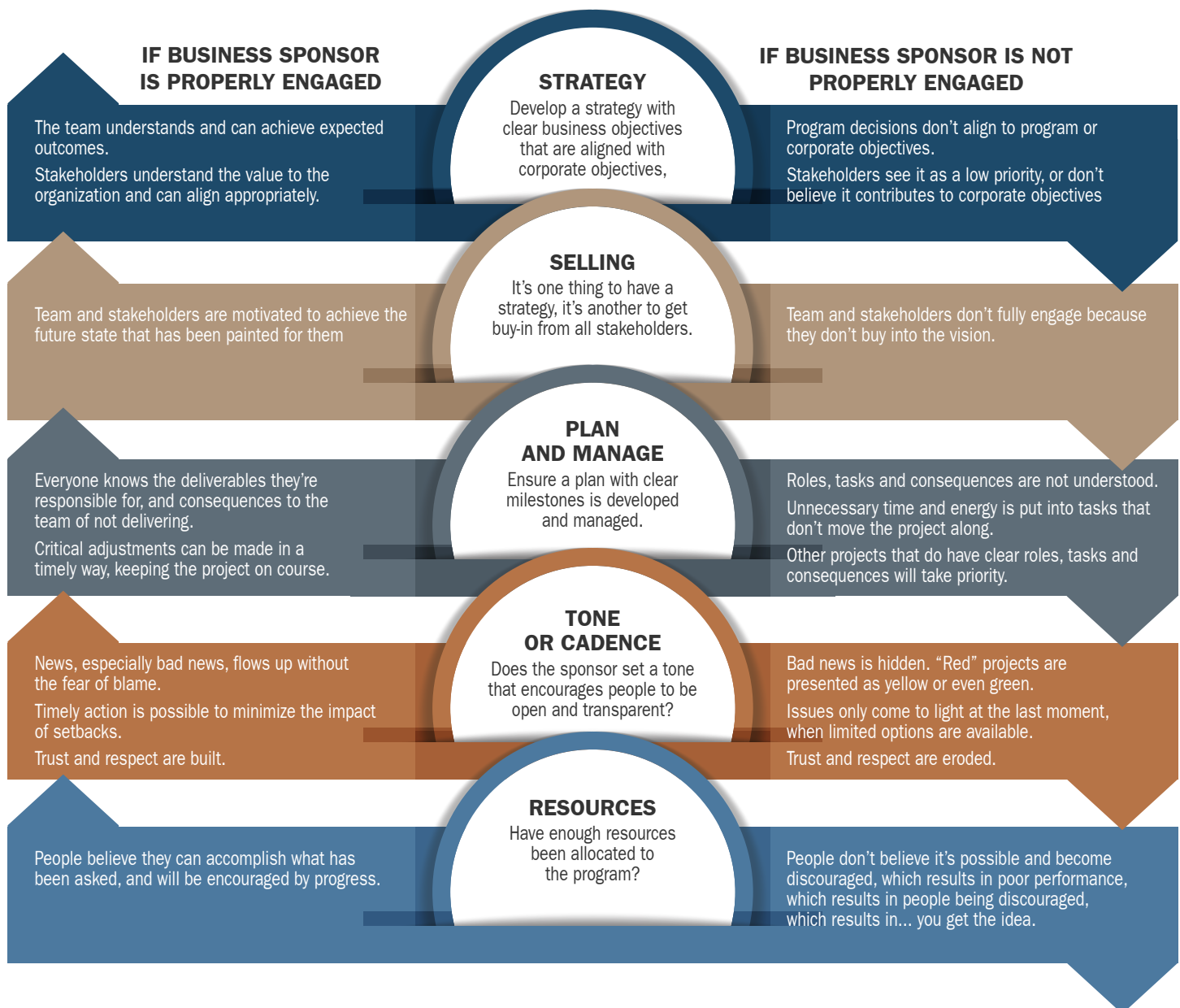
## The Business Sponsor Holds the Key to Effective Execution.

We continually see that the single most important factor in the successful execution of that strategy is the role played by the business sponsor. First and foremost, the business sponsor should be someone from the business side who has the authority and ability to control and make timely decisions on budget, resources, scope, issues and the risks of the program. They must also be able to influence others in the organization to dedicate their resources to the program as necessary.

Only the business sponsor has the ability, influence and authority to set up and manage all aspects of the program for success. While some programs will be successful even with poor business sponsorship, the cost in terms of dollars, time and organizational impact will be inflated. Conversely, well-executed business transformation programs will cost less, take less time and inspire the organization.

Let's briefly look at the key responsibilities of the business sponsor and the impact their leadership can have on the business transformation.

### GUIDE TO SUCCESSFUL BUSINESS SPONSORSHIP





## Canadian Insurance Firm Recovers Global HR Program and Goes Live in 6 Months

Wellington experienced the challenge of detached program sponsorship firsthand, when we were engaged by a large, global insurance firm after the sudden exit of a program manager. With only six months to implement a new HR management tool and a new payroll system across North America, Asia, and Europe, project failure seemed imminent.

We took control of the situation by quickly analyzing the current state of the program, speaking to key stakeholders and getting to know the program team. We then set out to shift the focus from an IT-program view to a business-program view. The key to this change was proper engagement by the company's SVP of HR and the CEO. A small team of Wellington consultants was engaged to help coach the executives and improve the program governance.

Wellington set up meetings every three weeks to discuss progress, issues, targets, and challenges with the SVP of HR and the CEO. This gave them clear insights into the program, and allowed them to make informed business decisions about any issues that arose.

One of these key issues was the ongoing expectation of a single, go-live release. It quickly became apparent that this was not viable. Under the old structure, this issue was not being discussed at the right level and executives were not given the appropriate information to make an informed decision. With the new business focus in place, the right parties were engaged and able to access the information they needed to reach a consensus on phased releases.

Wellington set up a governance structure around this new plan, clearly defining roles and responsibilities and setting up a more open channel of communication. This helped the team be accountable for their work, and allowed them to ask for help, without the threat of being chastised.

Overall, shifting the focus from being an IT Program to a Business Program and properly engaging the Business Sponsors not only set the program up for success but also trained all team members to better understand how to make future programs successful.

Now, properly engaging your team may seem intuitively obvious and is generally what we expect from our leaders. But, as you've probably experienced and as the research confirms, this kind of leadership of business transformation program is not the norm. Most of the people in business sponsorship roles are bright, articulate, and motivated to be successful.

### So, what's the problem?

**The challenge is that most leaders executing a business transformation have not done so before; they are literally "learning on the job".** They may excel at their day-to-day job, but business transformation is unique. Imagine asking a world-class sprinter to run a marathon in world-class time, or vice versa. While they are both runners, the training and skills necessary to be outstanding in these two sports are vastly different.

### So, what's the solution?

## Don't assume that Business Sponsors have the skills necessary to be effective.

Do you remember Frank and Mary from our last encounter? (See previous article: [The Black Hole of Business Transformation](#)) Frank is the COO of a fictitious organization whose sales have been slipping. He and the executive team developed a strategy to right the ship and asked Mary, the VP of Operations and a rising young executive, to lead the transformation.

Initially Mary had been honored and excited. However, after one year into the transformation Mary knew she and the program were in trouble.

The strategy that the executives developed seemed sound, but it was articulated only at a high level. When she and her team tried to get greater clarity and direction, Frank and the other executives were vague and obscure. They often responded with comments like, "We don't have the time for this. You know how our business works, so you and your team should be able to figure this out".

At this point, it's often easy to look for fault; "Frank should know better", "Mary should have been able to get the required information". But again, Frank and Mary are learning on the job. In these circumstances, we shouldn't be shocked to see even the best and brightest struggle, or even fail.

So how do Mary and Frank get out of this bind? Let's look at some options:

## 1. Do nothing

### Pros:

- a. At this point, there aren't many Pros to this situation. However, there are some myths:
  - i. People may tell you this is the least expensive option because the other options mean spending hard dollars on consultants. However, the inexperience of the team can result in significant cost and time overruns.
  - ii. Your people will own the solution. On the surface this may seem positive, but because of the additional cost and time, your team will ultimately "own" a transformation that will be a poor compromise to the original strategy, or potentially become an outright failure. In addition, if the leadership doesn't embrace the initiative, there is no incentive to own it. In fact, they may see a risk in owning it, as it will take them away from activities they perceive are more likely to be successful.

### Cons:

- a. Nothing is changing. There will likely be significant cost overruns, project delays and a trimmed down solution in an attempt to get the transformation done and keep the costs down.
- b. High performers may become disgruntled for fear their performance evaluations (and associated bonuses) will be negatively affected or they may lose some of their self-confidence.

## 2. Bring in a Big 4 consulting firm to take over the project.

### Pros:

- a. This will likely save Frank's career - no one gets fired for hiring one of the big consulting firms.
- b. They often bring helpful industry insights to the transformation.

### Cons:

- a. **Cost** – The big consulting firms are very expensive.
- b. **Transfer of risk** – *Wait, shouldn't this be on the Pros side?* In our experience, big consulting firms want you to believe that you are transferring the risk to them. However, if you're engaging them to run the business transformation, risk often transfers back to the client in the form of change requests. This costs more money and more time.
- c. It may save Frank's job, but it may cost Mary or others their jobs, since a Big 4 consulting team will want to bring in their own team.
- d. Most big firms will only utilize their own methodology. Their business model is built on engaging one or maybe two senior people and a bunch of junior folks. They will often only engage with you if you agree to adopt this methodology, which will be run by their team. This results in a discouraging feeling of having the transformation done **to you** rather than **with you**.
- e. There is limited knowledge transfer. Remember that many of the problems exist because the team involved lacks experience in business transformation. If outside consultants come in to do it all per their own methodologies that they don't teach, your company or department is still left with a gap in expertise and experience.



### 3. Hybrid – Bring in a firm that specializes in business transformation and will work with your team to help execute the project.

This hybrid option will bring in people with key skills that are not available from your internal staff and integrate them with your team. These external people bring the business transformation skills necessary to make the program successful while teaching your staff new skills that will enable them to be more effective in the next transformation, or perhaps a smaller project.

#### **Pros:**

- a. **Costs** – External firms are an investment, but the cost of a few key consultants is much less than extending the program by months or years.
- b. The right firm will be able to train your dragon; that is, coach the business sponsor to properly engage the organization, helping ensure the program's success.
- c. The team still feels it's their program solution being implemented, rather than an entirely external plan.
- d. An effective external firm will bring the right skills and work with your internal methodologies if available. A few of your project management processes may be changed or improved along the way, but again, you still own it.
- e. Careers will be intact. Frank and Mary will likely still play key roles on the project. Of course, people will still be moved onto or off the project, but this will be to improve the effectiveness of the team.
- f. Because the project is being done internally with expert guidance, the organization is left with a knowledgeable and competent team as resources for ongoing operation of the post transformation reality.

#### **Cons:**

- a. You're still engaging consultants. Some companies aren't comfortable with this concept.
- b. Short-term costs will increase due to consulting fees.



## Big 5 Canadian Bank Finds Hybrid Model Very Effective

One example of a hybrid-model solution was when Wellington was engaged by one of the Big 5 Canadian banks. We were working on two projects that were both designed to help this bank organize and consolidate their financial data to meet new regulatory requirements (Basel III and S4 AUA)

When Wellington came on board we began by restating their problem from a technical perspective to a business one, conceptualizing a solution, and in conjunction with senior management designing a single finance roadmap that worked not only for the two current projects but in theory should work for multiple projects in the future.

The bank had originally engaged one of the big 4 consulting firms to run with this project but they found their team to be too inexperienced and unable to develop creative solutions to the client's challenges. The consulting firms modus operandi seemed to be using smart but inexperienced consultants to gathering information from the client's team, including suggested solutions and then present them to management as their own ideas.

Wellington brought solutions to the table from our experience in similar situations and help the client craft the solution and then encouraged them to take full credit for the solution.

A proof-of-concept project demonstrated the viability of the solution and highlighted some very interesting opportunities that would enable the collapsing of three disparate data warehouses (Finance, Treasury and Risk) into one Data Lake.

This proof of concept launched into a corporate project and Wellington continued to work with the bank to implement the road-map.

One final comment on this experience. The business sponsors working on this project were consistently forward-thinking and positive, which maintained a collaborative and positive mood throughout. This was necessary, as without enthusiastic sponsors, the project would not have succeeded.



I suspect that you intuitively and experientially know that the right leadership can make or break the implementation of a new strategy or business transformation. To help you assess your situation here are 13 questions that you can ask yourself about your current or proposed strategy implementation. You will likely not respond with a resounding yes to all these questions. Like a strategy, your implementation will evolve over time but keeping these questions handy and asking them of yourself and your team will help them stay on track to a successful outcome.

1. Do you have a clear business objective(s) and does the objective(s) align with the corporate objectives?
  2. Is the business objective clearly understood by the organization? Especially those on the project but also key players that are not on the project.
  3. Do they believe in the future you are trying to create? Have you crafted a picture / story that paints the future in a way that makes it undeniably better than the current situation?
  4. Do you have a plan with clear milestones?
  5. Does your plan include organizational change?
  6. Do you have a dedicated team to manage the transformation? Program Office, Transformation office? Do they have the right authority to execute?
  7. Do you have a regular meeting with the business sponsor that tells the truth about progress and issues? And do the participants of that meeting keep their focus on accomplishing the business objectives?
  8. Do you have a clear understanding of the roles and responsibilities of all personnel on the project? Is that understanding shared across the project and beyond?
  9. Do people understand how their work (day to day activities) impacts the transformations objectives?
  10. Is the tone on the project set up so that all communication and especially bad news comes up to the sponsor quickly so it can be dealt with proactively?
  11. Do you have a process to handle “change” that helps you make an informed business decision in a timely fashion? One thing that is certain is that you will start the project with incomplete information. You need an outstanding vehicle to deal with new information
  12. Have you put the right resources in place and do you have enough resources on the project? Give your plan a reality check by talking to other companies who have been through what you’re going through. Do a proof of concept before you commit to the full project.
  13. And finally, do you have a vehicle to ensure the above are in place before you launch and stay in place throughout the project – the simple way to do this is to ask the above questions frequently and hold your team accountable for the answers.
- If you would like more information or just want to share an experience, feel free to email us at [info@wellingtoncg.com](mailto:info@wellingtoncg.com).





## ABOUT WELLINGTON

At Wellington, we understand that most business transformations fail. Our business model is built with one single purpose: The successful implementation of your strategy.

We pride ourselves on having a long list of clients that understand that first and foremost we are there to make them successful as they implement their strategies and to prepare them to work without us when the implementation is done.

For more information e-mail us at [Info@WellingtonCG.com](mailto:Info@WellingtonCG.com)

## ABOUT THE AUTHOR



### **Brian McConnell**

President/Founder

Brian has built Wellington on a foundation of integrity, professionalism and passion for building and managing team to solve complex business problems. In helping large and medium size enterprises effect change over the past 25 years, Brian believes Wellington thrives when it successfully completes projects and, at the same time, helps to strengthen a client's people and organization. It is an approach that saw Wellington rank as one of Profit Magazine's HOT 50 companies and landed them on the Profit 500 in 2015 and 2016.





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