

# Netstar Strategic Solutions Practice Engagement Process



## Abstract

This document contains a high level description of the process used by the Netstar Strategic Solutions Practice for engagements with clients. The Netstar Strategic Solutions Practice uses this engagement process for a variety of service offerings including:

- Strategic planning
- Project planning
- Project implementation
- Ongoing support and maintenance
- Feasibility study
- RFP creation
- Due diligence
- Operational procedure review for development and systems operations
- Capacity planning
- Security assessment for applications and infrastructure

This document explains the rationale for the way in which the process is designed. The document describes the way in which clients are involved in and experience the process. This document does not provide a detailed, step-by-step description of the methodology used by Netstar when developing software.

This document is intended to provide senior executives that are considering an engagement with the Netstar Strategic Solutions Practice an idea of what they can expect from such an engagement.

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## Executive Summary

The mission of the Strategic Solutions Practice is to help clients achieve their business objectives by formulating a practical strategy to reach their goals, executing tactical Information Technology (IT) initiatives that are aligned with those goals and avoiding problems that frequently cause IT endeavors to fail.

### ***IT Industry Statistics***

Industry literature is filled with statistics regarding the failure rate of IT initiatives and the cost of those failures. According to the Standish Group, 75% of all e-Business initiatives are either cancelled, late, over budget or do not meet users expectations for quality. The Gartner Group reports that 20% of IT budgets worldwide are wasted on failed projects. This translates to \$100,000,000,000 annually in the U.S. alone.

As IT endeavors fail, executive management begins to lose confidence in IT management. The Gartner Group reports that failed IT projects lead to a loss in confidence in the ability of IT directors to select and implement initiatives that deliver measurable business benefits.

The good news is that industry literature also shows that IT initiatives can provide great benefit when successful. Successful IT projects can help businesses increase revenue by opening new product delivery channels, delivering new products to existing customers, increasing market penetration or making a timely delivery of a new service ahead of the competition. IT projects can also reduce costs, increasing profitability for the company.

### ***Plan the Work, Work the Plan***

KPMG reports that most IT projects fail for the following reasons.

- Poor strategic and project planning.
- Poor project management execution.
- Failure to set realistic project goals.
- Lack of executive management support.
- Poor organizational support.
- Failure to cope with technology.

Interestingly, only 14% of the projects included in the survey failed because technologists were not able to cope with the required technology. The overwhelming majority of the projects were not successful because of breakdowns in planning and proper execution of the plan.

The engagement process employed by Netstar is designed to help IT initiatives succeed. This is accomplished by following the simple principle of “plan the work, work the plan”. Each engagement begins with the formulation of a plan to meet the client’s objectives for the project. Netstar’s experienced, professional consultants then follow the plan to ensure that the initiative successfully delivers the desired objectives.

### ***Engagement Process Overview***



A [Preliminary Estimate](#) is produced very early in the planning process for each engagement. This activity provides Netstar with the opportunity to gain a high level understanding of the objectives for the engagement. The Preliminary Estimate provides the client with a rough estimate of the cost and schedule for the engagement.

The next step in the engagement process is the creation of a more detailed plan for performing those tasks required to complete the engagement. A detailed [Engagement Plan](#) will describe the goals, responsibilities, schedule and cost for the engagement as well as the work products that Netstar will deliver during the engagement. Netstar will create this document by working with the client to ensure that all parties thoroughly understand and agree upon the objectives of the engagement. The plan will become the contract Supplement for the engagement.

[Project Management](#) discipline is critical to the success of each engagement. Netstar will use standard project management methods to ensure that the engagement follows the Engagement Plan and delivers work products to clients as defined in the plan. Netstar's project management methodology is able to accommodate the inevitable need for change that occurs with all engagements while minimizing the impact of each change.

The client is actively involved throughout all engagements. Clients provide the information and guidance Netstar needs to be sure that it delivers what the client needs. Clients are also involved to ensure that they are kept current on the status of each engagement as it moves to completion.

## Preliminary Estimate

The Preliminary Estimate contains a high level overview of the objectives for the engagement as well as rough estimates for the cost of the engagement and the schedule for delivery. This includes a list of the risks, assumptions and constraints that apply to the cost and schedule estimates. Netstar will work with the client to quickly obtain a high level understanding of the engagement and produce the Preliminary Estimate based on client input and Netstar's experience and research. The Preliminary Estimate is a valuable tool for ensuring that the initiative is aligned with the strategic objectives of the company and for setting realistic expectations for the endeavor.

### ***Explore Possibilities, Set Expectations***

The Preliminary Estimate is an excellent tool for the client to explore the possibility of using Netstar for the initiative without making a significant investment or commitment. The client need only commit to a brief meeting with Netstar staff to provide the information and guidance Netstar needs to understand to objectives of the engagement. This meeting typically is best conducted in person and typically lasts one or two hours.

Netstar will draw upon its experience with similar initiatives and some rapid research to produce the Preliminary Estimate. The Preliminary Estimate is usually delivered to the client within two business days of the meeting. This process provides quick feedback to the client regarding the project.

The information contained in the Preliminary Estimate can be very valuable in properly setting expectations for all project stakeholders on what the engagement will require. Realistic expectations are critical in obtaining commitment from executive management as well as all stakeholders within the client's organization. Commitment to the program from the very beginning is a critical success factor for all IT initiatives. The only way to obtain this commitment is to properly set expectations before any significant efforts begin.



## ***Low Cost, Low Risk, Quick Results***

The Preliminary Estimate does not commit either the client or Netstar to any further involvement in the engagement. If the client is not interested in moving forward with the engagement, no further activity takes place. In such cases, the Preliminary Estimate may very well save the client a great deal of time and money by identifying the project as one that is not practical or cannot be achieved within the available budget or required time frame. This in itself is a valuable service that Netstar provides to its clients in that it can help avoid IT initiatives that are destined to fail from the outset.

If the client does decide to move forward with the engagement, the Preliminary Estimate provides the basis for the detailed engagement planning exercise that follows as the next step in the process.

The process of creating the estimate is fast and does not require extensive effort on the part of Netstar or the client. In keeping with the goal of being a low-cost, quick-results tool for exploring a possible engagement, Netstar can create a Preliminary Estimate without requiring a complex legal agreement between the client and Netstar. The ability to create a Preliminary Estimate without extensive contract negotiations further helps reduce the elapsed time required to complete this task.

## **Engagement Plan**

The next step in the engagement process is the preparation of an Engagement Plan that describes in detail the goals, responsibilities, schedule and cost for the engagement as well as the work products that Netstar will deliver during the engagement. This information will be documented in the contract Supplement that represents the agreement for the engagement.

### ***Detailed Engagement Roadmap***

Client input is critical during the creation of the Engagement Plan. The engagement can only be successful if the plan clearly defines the client's needs and plots a course for fulfilling those needs.

The client will be asked to identify representatives that will act as the primary contact, key decision maker(s), project stakeholder(s) and subject matter expert(s) for the engagement. Either a single person or a small team of client personnel can usually fill these roles. This team of client personnel will provide input and guidance for the creation of the Engagement Plan.

Netstar will create the plan using an iterative process, involving the client representatives in each review. The plan will not be considered complete until the project representatives from Netstar and the client agree that the plan will lead to success.

The Engagement Plan can be created quickly despite the fact that it must contain a detailed roadmap for the endeavor. This is accomplished through the use to plan templates Netstar has developed for common engagements such as:

- Strategic planning
- Project planning
- Project implementation
- Ongoing support and maintenance
- Feasibility study



- RFP creation
- Due diligence
- Operational procedure review for development and systems operations
- Capacity planning
- Security assessment for applications and infrastructure

The experience of Netstar's senior staff and the blueprint contained in the appropriate template typically allows Netstar to produce the Engagement Plan in a matter of days, depending on the availability of representatives from the client.

## Project Management

Netstar will provide a project manager for each engagement. The project manager will play an important role in ensuring that the engagement is a success. The project manager will be responsible for tracking and reporting on the progress of the engagement against the roadmap defined in the Engagement Plan. The project manager will make sure that after the work is planned, the team follows the plan and delivers all work products as required to make the project a success.

### ***Project Management as a Professional Discipline***

The Project Management Institute defines project management as “the application of knowledge, skills, tools and techniques to a broad range of activities in order to meet the requirements of a particular project”. Netstar uses a project management approach wherein experienced, professional project managers are provided the tools they need and follow a standard methodology that leads to success.

Netstar recognizes that project management is a unique discipline that requires proper training and experience. Industry literature supports this assertion, showing that initiatives that are led by inexperienced or poorly trained managers have a much higher failure rate than those led by professional project managers. The broad scope of responsibility assigned to the project manager clearly illustrates the importance of having a skilled professional fill this role.

Netstar project managers ensure that the resources allocated to a project are used in an effective and efficient manner. Project managers follow a well-defined approach that helps identify risks that threaten the success of a project as early as possible and helps mitigate those risks to eliminate or greatly reduce their impact on the engagement. Project managers effectively facilitate communication with the team members participating in the engagement and with senior executives responsible for ensuring that the client's IT budget helps drive business results.

The Netstar project manager will be the client's primary contact for all matters related to the engagement. The project manager will hold regular status meetings (usually on a weekly basis) to track and report on the progress of the project. The project manager will publish regular reports that:

- Describe progress against the schedule and budget goals set forth in the Engagement Plan.
- Track issues that must be closed if the project is to be successful.
- Track changes to the original Engagement Plan that have been incorporated into the project, rejected or deferred to a subsequent engagement.
- Track acceptance of the work products delivered to the client.



Netstar uses only professional project managers that have the training and experience required to be successful.

## ***Project Management Methodology***

The Netstar project management methodology draws from the best practices of several approaches commonly used in the IT industry. The Netstar process balances the benefits of the rigid yet predictable approach of more traditional methodologies against the flexibility of newer “agile” project management techniques. This approach helps Netstar avoid the analysis paralysis, bureaucratic roadblocks and inability to adapt to change common of the more traditional methodologies while providing a stable framework that can be used for planning and forecasting.

The reason Netstar is able to take advantage of the best practices of the project management discipline is Netstar’s recognition that:

- Projects will surely fail unless proper controls are put in place to define, measure and regulate the scope, cost, schedule, quality and risks associated with the effort.
- Communication with project participants, stakeholders and sponsors is critical for:
  - Coordination of all efforts directed at implementing the project.
  - Obtaining and maintaining support for the project.
- Projects change over time. The magnitude of change will increase with the duration of the effort.
  - Reacting to change is key to ensuring that the project truly meets client needs. Plan for change.
  - Delivering large, complex systems in short, phased releases is better than a single deliverable that takes a long time to complete.

The Netstar methodology provides an outline that the project manager can use to lead the engagement from its inception through its successful conclusion.

## **Conclusion**

The Netstar Strategic Solutions Practice helps clients reach their business objectives. The engagement process used by the Strategic Solutions Practice helps clients define a practical strategy for reaching their goals and ensures that IT initiatives are aligned with those goals. Netstar’s experience and proven methodology helps clients avoid the problems that frequently cause IT projects to fail. Netstar’s emphasis on client involvement and guidance for all engagements, especially during the planning stage of each engagement, ensures that each initiative meets the needs of the client.