A Case Study on AMOS ICT Project Delivery Model Transformation

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Abstract
This case study describes the transformation of ICT project delivery model in AMOS ICT Sdn Bhd. The case study was identified as a result of backlog collection on projects that has been delivered to AMOS, delayed projects and declining in customer satisfaction index and how this new transformation plan help AMOS ICT to overcome all these problems. The data has been collected from the company websites and series of interviews with the management level to identify the real issues and limitations. The analysis is being made based on the best practices of project management theories and proven concepts. The outcome of those findings, justifies the management decision to have an integrated Enterprise Project Management Office in AMOS ICT.

Keywords: ICT, Operations, Project, Business Management

Introduction
Projects have clearly become a central activity in most companies. In today’s fast-paced large organizations the importance of project management cannot be undermined and rather is a major driver for establishing business strategies within the organizations. Projects can be categorize into many forms such as mini, small, medium, large projects. Many studies have shown that, most projects these days exceeds the project schedule and budget (Miller, 2002), or fail to satisfy customer expectations (Miller, 2002; Mankins, & Steele, 2005). Yet, the project’s success means more than just meeting time and budget goals. A common factor in many organizations is that many large projects have been executed with no proper supervision on project delivery (Miller, 2002) and that is the main cause that reduces the customer’s satisfaction.

The successful companies will be those that are able to quickly turn project strategies visions into action. Past studies has proven that there are some internal factors such as communication, the competence and leadership of the project manager, involving the project manager and the governance body in the initial phase of the project execution and the executive’s commitment plays an important role in aligning project management methodology with Project Business Strategy.

Enterprise Project Management office (EPMO), in broad terms, is the field of organizational development that supports organizations in managing integrally and adapting themselves to the changes of a transformation. Enterprise Project Management Office is a way of thinking, communicating and working, supported by an information system that organizes enterprise's resources in a direct relationship to the leadership's vision and the mission, strategy, goals and objectives that move the organization forward with well define process and policies.

Company Profile
AMOS ICT Sdn. Bhd. (AMOS ICT) is a wholly owned subsidiary of AMOS, AMOS ICT consist of 1,600 people to deliver information and communications technology (ICT) solutions within AMOS in 65 countries, servicing more than 49,000 employees worldwide.

AMOS Group ICT is tasked with driving the growth and transformation of ICT with the aim to elevate ICT as a strategic enabler in support of the AMOS Group's business requirements and strategies.
AMOS ICT is responsible to deliver high value solutions and world-class ICT services to the AMOS Group of Companies. AMOS ICT provides the following services and solutions to the AMOS Group of Companies: Consultancy, ICT project management, Cloud computing, SAP implementation and support, business systems and solutions integration, managed ICT services, software and solutions development, licensed commercial applications and business intelligence.

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One of the key deliverables of AMOS ICT to AMOS are the IT projects. There are many departments in AMOS ICT that delivers IT projects to AMOS to support its oil and gas business. Each of these department in AMOS ICT are having their own Project Management Office (PMO) to manage the project and program issues. In the annually conducted Customer Satisfaction Survey, AMOS ICT Scores the lowest in term of project delivery quality to its clients.

As a strategy to deliver successful ICT Projects, AMOS ICT need to embark on new processes and methodologies to have an integrated project view among the various delivery units in AMOS ICT. This would enable the company to effectively control the effectiveness of project delivery and increases the customer’s satisfaction.

**Review of Literature**

Gray and Larson (2003) argue that in some organizations, management for projects often fails to support the strategic plan. Hanley (2007) claims that, implementing strategy receives less attention than formulating strategy and therefore translating strategy into action faces a communication problem. As a result, communication leads to successful implementation. Srivannaboon (2009) states that a competitive advantage can be achieved through the use of project management and the alignment of project management with business strategy should be investigated. According to Shenhar’s Strategic Project Leadership (SPL) framework, project management elements that should be aligned with the business strategy are project strategy, project organization, project process, project tools, project metrics and project culture (Shenhar, 1999).

Shenhar (2011) stated that most projects today are uncertain, complex, non-linear and changing; they must be managed in a dynamic and flexible way. SPL provides an integrated framework to project management, with a clear goal of achieving business results by creating competitive advantage and value with the project. It combines the strategic, business-related aspects of projects, the operations needs of getting the job done, and the leadership sides of inspiring and motivating the team.

According to Milosevic (2003) project management is a focused form of management to accomplish a series of business goals, strategies, and work tasks within a well-defined schedule and budget and the function of project management is to support the execution of an organization’s competitive strategy in order to deliver a successful outcome such as fast time-to-market, high quality, low-cost products. Project management can generate significant value for organizations. According to Zhai et al. (2009) the quality of project management in projects creates great value for different stakeholders. The value includes increasing revenue, saving cost, time, and improving quality. It also addresses improving corporate competencies, cultivating personnel and improving the satisfaction of customers. The implementation of professional project management in executing a projects can greatly enhance the management capabilities of the organization, and thus deliver the remarkable value of project management to more stakeholders.

According to Fonvielle and Lawrence (2001) alignment in general is an important effort for organizational success. By “alignment” they mean having a common agreement between all three
levels of strategy (corporate, business, and functional level) concerning goals and means. In general, alignment is the effort of making everyone in the organization agree on the main goal. This action will direct all parts and functions of an organization so that it works toward the same goal and objectives. Business strategy must be clearly understood at all levels of the organization. When the alignment is strong, the planning and the execution team obtain encouragement and energy runs high. Both individual and team effectiveness increases, but when the alignment is weak, people cannot focus on the main goal and objectives. Actions therefore become less effective. The principle of the alignment is that every aspect of an organization’s activities should be integrated and move in the same direction to achieve the corporate goals. In an ideal world, the organization’s mission or goals should be translated into its business and strategic plan (Holbeche, 2009).

When looking at an organization, important elements appear; workers, departments, strategies, business processes, etc. It has been argued that successful organizations are those organizations that achieve a proper alignment between these elements. Alignment is a common term in business literature, and is often referred to as strategic alignment. This concept stresses the coordination of the goals and implementation plans of project management with the project delivery group vision. Today’s project managers and executives must concern themselves not just with technology and day-to-day work, but must also understand the project strategic goals of the business in a dynamic and uncertain environment.

According to Brian and Saide (2014), Project governance was expressed as an underdeveloped potential for greater improvement of project performance. It is also mentioned that the people factors reflect missing Governance mechanisms for communications, for motivation, leadership and future skills supply. This study have indicated that Top management commitment to a project is crucial. Proper process and policies need to be in place for the project managers to follow in order to align their project to the project delivery vision and guide them to execute their project effectively to make it successful.

Only recently have researchers started to explore the alignment of project management more thoroughly (e.g., Srivannaboon, 2006). Srivannaboon suggests “a need for more research in this area; none, however, explicitly talks about the framework for aligning project management and project strategy comprehensively”. According to Gutierrez et al (2008) analyzing alignment across different organizational levels (strategic, tactic and operational) provides a more complete picture of the organization’s alignment maturity that could facilitate the design of specific actions to improve the project alignment with business objectives. Strategic alignment research suggests that alignment has a positive effect on project performance (Chan, et al. 2006).

In the study by Shenhar et al. (2007) show a missing link between the business strategy and the project plan. They call this link the project strategy (see figure 1), and it is the first item a project leader should deal with when undertaking a project. Typically, any project would start with planning stage which includes the project goal, project scope, deliveries, milestone, resources, and activities for execution. Projects are important for any organization because successful projects lead to the organization success. Through projects firms aim to reach their goals. However, the question is how a company strategic plan translated into a project action (See figure 1).
According to Aubry et al., (2007) the current literature provides models for the alignment between corporate strategies and projects. However, the published literature relating to project strategy and project management lacks empirical studies to describe in depth the detail of the processes of implementing the corporate strategy down to the project management level during the planning execution of the project.

Problem Area
AMOS ICT has been delivering many IT projects to support AMOS’s business. At present, there are many PMOs operating at department level, program, and project level and they follow bottom up approach to tackle issues at the program, and project level. The objective of these PMOs are to do the things right rather than to do the right things. There is also a missing link for project strategic alignment with the project delivery group. The management is unable to get a holistic view of all the project that are being carried out by AMOS ICT and to come up with better integrated solution proposal to the clients. Furthermore, the quality of project delivery in AMOS ICT is degrading and this is impacting the clients’ satisfaction rating against project delivery. Besides that, there is a huge amount uncollected from AMOS on the projects that has been delivered by AMOS ICT. This is due to several compliance reasons in project delivery.

That is where AMOS ICMs feeling the need to have a group/function at an enterprise level which can have all the departments’ level PMO report to this group/function and provide the missing link for strategic alignment between corporate and departmentally based projects. Besides that, the existing federated approach often leads to lack of communication, ineffective resource utilization and operational inefficiencies. This actually increases the operation cost for AMOS ICT to execute the projects. There is a need of a group/function that can help prioritize projects across different departments, identify if there are any duplicated efforts and investments, mitigate risk and find opportunities for collaboration amongst departments across the enterprise.

On the other hand, AMOS ICTalso needs to improve on their quality of project delivery and have a mechanism to monitor each project end to end from the project planning to closure to ensure on time, on budget and quality projects are delivered to AMOS.

Dissatisfaction clients would project the company with poor images, dented reputation and inferior quality (Hoossle,& Moody, 2004). These negative perceptions about AMOS ICT would erode the company’s image among the other AMOS Business Units, which if not arrested would in turn lead to
The failure of sustaining the business operations. It is very obvious that one of the most challenging problems faced by AMOS ICT is how to satisfy their clients and deliver the projects with high quality, within time and within budget. On top of that, AMOS ICT also need to find a way to provide a better IT solution proposal to its client and save on the project delivery cost.

To overcome the clients’ satisfaction problem, AMOS ICT apply the customer relationship marketing principles to build up the business relationship with their clients, which in turn would lead to improved customer satisfaction. The approach of applying marketing principles would require AMOS ICT to move from project delivery maturity level 1 to level 4.

Methodology
An assessment exercise was carried out to identify the current maturity level of PMO in AMOS ICT. The assessment results have been derived based on findings gathered by means of:

- Face to face sessions and **free flow discussions** with leadership, Solution Managers, few Program/Project Managers and PMO team.
- Face to face sessions to **walkthrough questionnaires** with Program/Project Managers and leadership.
- E-mail for **perception gathering** of all Solution Managers and Program/Project Managers.
- Analyze AMOS ICT Project Management **Artifacts** (templates and deliverables) and compare them with industry best practices.

Findings
For the projects delivered by AMOS ICT, there is no end to end monitoring in term of project delivery to the client (eg. Solution proposal is done by a unit and the actual project is delivered by a different unit and there is no integration among these units and this lead to poor delivery). Besides that, the list of project documents are not made standardize across the departments.

Many PMOs in AMOS ICT are operating at department level, program, and project level are started with a bottom up approach to tackle issues at the program, and project level. Therefore these types of PMOs often lack of project strategic alignment. These PMOs at best operate at tactical and operational level. Often the goal of these PMOs is to do things right i.e. delivering the task given correctly. The focus is not so much on ensuring that the things which are being done are right or not.

There is no clearly carved out PMO functions with specific role and responsibility across the departments. Each department are having their own PMO structure with different set of processes and priorities. Furthermore the current PMO does not play a strategic function role in program/project delivery.

People process is another issue being highlighted and complained by the staffs. PMO is not adequately resourced to manage the work load of the foreseen PMO. The current PMO staffs are also lacking of requisite project management skill sets.

Besides that, when we looked at the process files, it is noticed that the current processes are inconsistent across the departmental PMO with low maturity. Inadequacy of templates and processes are also found. Equally important the tool that is being used to monitor and store all project management plans is lack of integration across the process areas and many of the activities are being performed manually.

At present there is a monthly Project steering committee meeting performed at the organization level but not all projects status and health are being presented to the higher management. Only projects that falls into the large categories are being monitored in term of their performance. We also analyzed the project completion survey that has been filled up by the clients from the year 2012 to 2014. From the Project completion survey feedback, we noticed that majority of the stakeholders are not satisfied with the way the projects are executed and monitored especially for mini and small projects. They also expressed their dissatisfaction whereby the client stakeholders are not being updated on the project status on a periodical basis throughout the project life cycle.
Discussion

There are few challenges faced by AMOS ICT in their current model of project governance.

- The first challenge is that, there is no any form of holistic view for the management for all the projects that the company is delivering to AMOS.
- There is no proper well defined process for PMO to function.
- There is no standardize roles and responsibilities to be followed by all the PMO departments.
- Lack of manpower
- No standardizes template and guidelines to run the project.
- There is no end to end project monitoring mechanism.
- There is no unit that is monitoring the project delivery milestones to the client, and therefor there is a huge backlog in the financial records.
- There is no integrated tool to monitor project delivery from the various units.
- There is no any action taken for improvement based on the customer’s feedback in the survey form.

Due to these challenges, project deliver requires a more integrated governance body. There need to be a high level project governance body to:

- Monitor End-to-end Project / Program tracking and governance
- Implementation of standard processes for the PMO to function.
- The use of standardized proven processes and templates to ensure quality and easy adoption across AMOS ICT’s Project / Program managers
- Dedicated EPMO Single Point ofContact for the Business Units providing responsible end-to-end EPMO services.
- There should be a quality assurance unit with EPMO to ensure all project deliverables are met and the relevant documents are produced for payment collection.

In order to materialize this, AMOS ICT management realized that there is a need to setup an Enterprise Program Management Office (EPMO) to align with the project delivery best practices and to provide services from project inception to benefits realization by defining and implementing industry standard processes, governance structure and operations framework.

- **Visibility** – Accurate and timely reporting at all management levels for informed decision-making
- **Measurement** – efficient and effective program/project monitoring and tracking
- **Alignment** – Focus to achieve business objectives and intended benefits
- **Communication** – Efficient and effective communication to customers and all stakeholders with improved customer satisfaction.
- **Consistency** – Standardized EPMO processes and templates
- **Control** – To pro-actively ensure programs and projects are managed and delivered consistently in accordance with the AMOS ICT operational model and standards
- **Support** – To provide a central point of support for all programs and projects, assisting Program and Project Managers throughout the delivery life cycle
- **Automation** – Expansion of the capabilities and use of AMOS ICT’s EPM solution to support and automate project delivery lifecycle workflows, and to provide a supported, usable versioned project repository for all project artifacts
- **Cost performance** – Freeing up senior program and project managers’ time from lower value administrative activities so that they can take on more responsibilities and focus more of their time on activities such as planning, stakeholder management & team leadership.
- **Customer satisfaction** – To constantly monitor PCS feedback to identify area for improvements.
Conclusion
AMOS ICT is to embark on a journey to have a fully functional Enterprise Program Management Office (EPMO) that will provide services and governance to improve its adoption of best project and program management practices. This would enable project tracking and effective on time and on budget project delivery. Besides that, with this new model, AMOS ICT management would be having a better view of project health across the organization as well as project financial health. With the current oil price crisis, this new model will help the management to manage the project delivery cost and avoid duplication of effort across the department. It also helps in resource planning. Besides that, this approach would be able to give the management a sight of priority projects to be implemented.

References

Appendix: 1.

![Figure 2: Operational efficiency.](image-url)