



Value Creation through co-creation

Capability Enhancement

PMIBC-18-1-006

By MuthuKrishnan Sundararajan Parivallal

Project Manager, Danske IT and Support services India Pvt. Ltd

1	Abstract	3
2	Introduction.....	3
3	Details of the paper	4
3.1	Co-creation	4
3.1.1	What is co-creation?	4
3.1.2	What needs to be considered during co-creation?	4
	Outside-in perspective	4
	Customer journey	4
	Co-location.....	5
	Visual aspect.....	5
	Simplicity.....	5
	Creativity	5
	Efficiency.....	6
	Ethics	7
3.1.3	What are the key challenges in co-creation?.....	7
	Innovation	7
	T shaped skillset	7
	Lack of long-term vision.....	7
	Legal	8
3.2	Case study on co-creation	8
	Process, method and tools used for co-creation	9
	Results of the co-creation	9
	Benefits to business.....	10
3.3	Challenges and lessons learnt	10
	Real-time response.....	10
	Uniform global solution constraint.....	11
	FSA regulation requirement.....	11
4	Conclusion.....	12
5	References	12

1 Abstract

No longer managing the triple constraint (Scope, Cost and Schedule) will be fully relevant when the world is changing in terms of project management governance. Measurement of triple constraint in future will be more relevant for specific nature of projects e.g., regulation. Terms like bucket of money and bucket of work is more prevalent in recent times.

In this context, co-creation is the answer to direct value creation to the end user / project sponsor. In co-creation the end user or project sponsor are part of the project team, they along with IT create the project solution. Knowing that end user or project sponsors are mostly visual thinkers, project manager should be a resonant person. He should be able to create prototype or pre-to-type using industry known tools like Axure for example. This also gives the chance to conduct an end user interview in seeking the early response of the product/project.

This paper will cover how project managers should do capability enhancements in terms of new governance methods and Change management, smarter ways of creating visualization to users in early project phases, becoming a "T shaped" person, elaboration on newer project management mythologies like Spotify.

Digital transformation in all domains has brought the discipline of project management to a new level of adoption. Newer methodologies that are experimented example Agile, Spotify etc.; do not have a role for stereotypic project management.

Intent: Project managers need to adapt to the new age digital transformation to be relevant for demanding new dimension.

2 Introduction

Many project and product development has moved away from traditional waterfall methodology to Agile or Spotify model. This is mainly to develop a minimal viable product (MVP) that for the market and measure the response of the customers and further build or enhance the product as per demand.

Project managers need to adopt themselves to create value in following methodologies like Agile or Spotify. Controlling scope, cost and schedule will not be relevant for these new methodologies.

This paper will cover some ways in which project managers can enhance their capabilities acquired from executing traditional project management

3 Details of the paper

3.1 Co-creation

3.1.1 What is co-creation?

More than 60% of the time failure of the IT project is due to misunderstood requirements. This is because IT receive the requirement from the business then design, develop and test the solution. Finally ask for user acceptance just before the implementation. There are multiple ways to fix this problem but co-creation is the best approach for this situation.

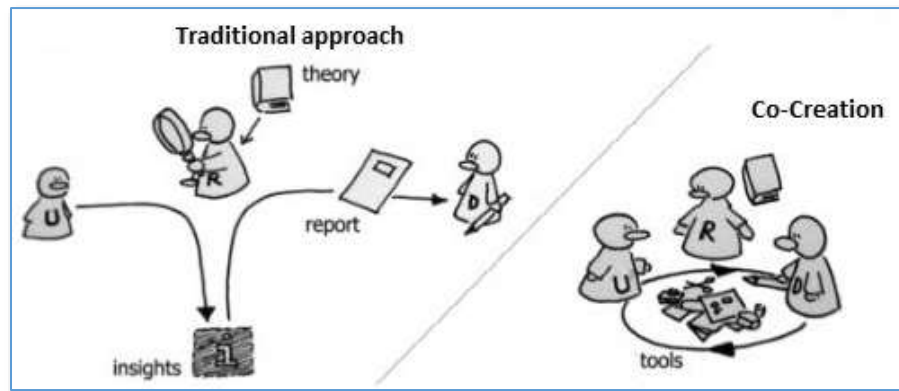


Figure 1

In co-creation IT and business are not two different entities, business together with IT develop the IT solution. Still the requirement gathering process happens but the design and development are fully transparent and visible to business to the extent there are no surprises at the end of the project or product development.

3.1.2 What needs to be considered during co-creation?

Outside-in perspective

This is the key to co-creation, where the IT project team gets a perspective of the IT solution from a person who represents the customer. How much ever the project team takes decision in the best interest of the customer it will not be prudent without a representative for the customer as part of the project team.

Customer journey

Customer journey is the most trending topic based on the benefit that it gives to the IT project team. Customer journey is the complete experience of the customer from end to end interaction with the product. It also includes customer's emotion and feelings attached to the product. Project manager must imperatively know the customer journey of the project or product to build the right user experience.

Co-location

Colocation is the key success factor for the positive outcome of the co-creation. As most project managers will agree, an effective communication is critical in project management. When the project team is seated in same location then there is very less chance of communication gap.

One example when there was a regulatory project with tight deadline, I had the entire team seated in same room. Most people think it will be too loud and people will find it uncomfortable. Eventually what we learnt is that the information started to flow informally. When one team member was going through an issue, without him asking for help another team member will be able to help with a solution just by knowing what is going on in the room. This is because the entire team were working together.

Visual aspect

It is natural to understand that the end user or project sponsors are mostly visual thinkers. The project managers need to cultivate skills to create prototyping. Tools like Axure are most user friendly to use and create prototypes. Even a novice user can learn without knowing any programming language.

It is recommended that the big picture of the project or product scope be depicted in the place where the project team are seated. This should be a live picture, updated to reflect the new state. This gives a common understanding for the entire project team about the single statement to truth.

Simplicity

In any IT solution the key success factor is how simplified is the solution to use. Take the example of PayTM, it is a simple money transfer application. Amidst multiple other payment channels, it has gained its response mainly due to the simplistic approach. Therefore, ease of use is the one of the main insight that we should expect from the co-creators.

Creativity

Project managers have to think out of the box to solve complex problems. It will work most of the time. I personally, as a project manager believe "Less is more". I try to breakdown complex problems and solve one at a time. It is easy to decipher and make people understand business point of view.

Few example of creative thinking;

In the initial phase of the project I realized that business in Norway is new to IT projects. I found they are not connected to what is happening in the projects. For instance, they are not able to visualize how an item in the issue log is connected to the end-to-end flow of the project. I proposed to take the issue number in issue log and plot it in the solution process flow. This eventually helped the business to understand what is the problem situation. Figure 2 is the reference of the visual recommendation made to the business.

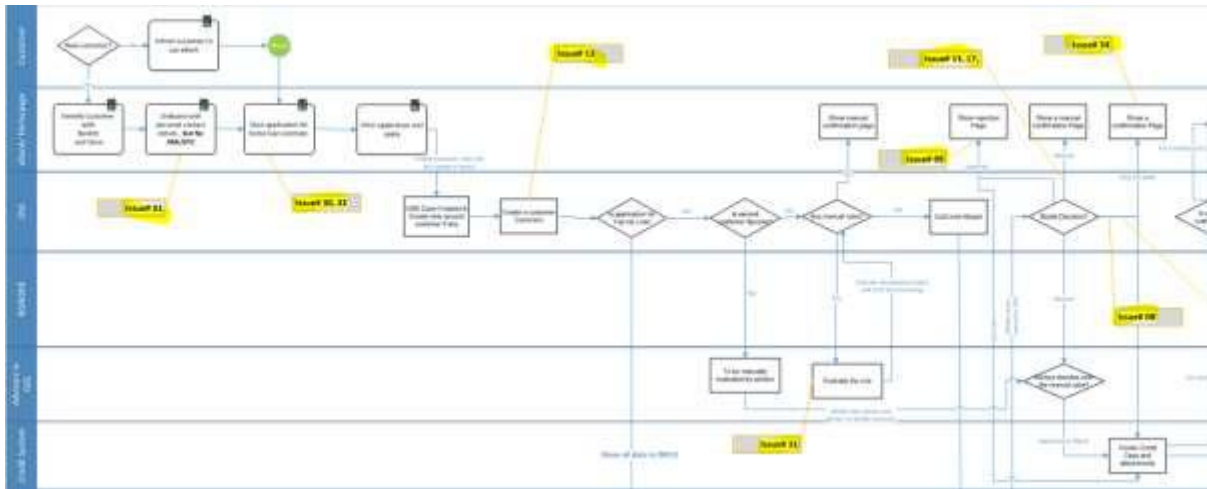


Figure 2

Efficiency

Efficiency is a key factor for a project manager to able to take up multiple projects.

The key ways that the project manager can bring efficiency in his day-to-day work is by using right;

- Tools, Techniques and Methods
- Procedures, Guidelines and Process

The project manager has to prioritize the task of setting up a foundation to put above items in place before he can be an efficient project manager. A simple example – To monitor the time and budget spent on a project by the project team can be done in many ways. However, if the project manager chooses to do this manually, it will be more time consuming and prone to errors. This kind of activities should be automated. Project manager should able to get this information at a click of a button.

Yet another efficient way on handling multiple project are creating dashboard of all the projects and these dashboards should be able to fetch real-time data about the project information. Spend rate of the project, Percentage of completion of activities in the critical path, key project team member’s leave notification, Supplier status of the work. Key steering committee member’s vacation plan etc. This is not an exhaustive list but only a few things I am using in most of my critical projects. This has helped me to be in top of the projects. I am at present managing four projects as a manager. I am able to visualize the key issues in the project by just looking at the dashboard.

Even having a bookmarks for the important web pages that the project manager uses on a daily basis can improve the efficiency to a greater extent.

Meetings – This is where most of the time is spent by the project manager. All meeting should have the following;

- Placeholder / Invitation for the participants sent well in advance
- Meeting Invitation containing the clear agenda for the meeting
- What is expected out of the participant before the meeting?
- What is the exit criteria for the meeting?
- Invite should state who is the facilitator, notes taker, decision maker etc.

Ethics

Ethics is at the core of good project management. The project manager cannot compromise on ethics and cut corners in any situation. By sticking to the ethics and professional code of conduct, a project manager may fail in one or few instances. That is only momentary – A project manager with clear conscience to ethical behaviour will be successful in the end.

3.1.3 What are the key challenges in co-creation?

Innovation

Since co-creation is all about involving the customers, business, end users in the project team who are developing the solution. Project manager should be keen on innovation. Henry Ford once said, "If I had asked people what they wanted, they would have said faster horses". Apple founder Steve Job once said, "Customers don't know what they want until we've shown them". These statements only prove that Project managers should implicitly think like innovators. There are always smart way to do things, which will make a positive impact to the customer journey and user experience.

T shaped skillset

In traditional IT development, we will have business analyst for requirement gathering, architects for designing the solution, developer for coding the software and testers for testing the software. Each roles has clear defined boundaries for their responsibilities. Whereas with the new age IT development it requires that, all people in the project team are able to think and work cross-functionally. The idea behind T shaped people are they are strong in one competency and able to support multiple other competencies in addition to their core competency. This is true for project managers as well.

Lack of long-term vision

As the new methodologies works with "bucket of money and bucket of work."; Meaning the project or product is working more on an incremental model. So always, the approach will be to create a MVP and then add new

features when and where it is in demand. In this approach, project manager and project team will not have a clear picture of the complete solution. Until the entire product is delivered in final.

Legal

Legal is the first department that should be consulted before the project even starts the execution. Most projects will have some or the other direct or indirect legal implications. Sooner these implications are identified the better and it can be handled by discussing it with relevant stakeholders. A key member from legal being a co-creator in the initial period of the project is valuable.

Avoidance to do so could bring the following;

- Huge penalties
- Unwanted lawsuits
- Loss of reputation
- Loss of public trust and of time

3.2 Case study on co-creation

A project executed with co-creation approach is taken for this case study. The process, methods, tools that were used in the project are documented in this paper. Along with results, challenges, success criteria and business benefit during the project execution are also documented in this paper.

This project has been executed in a leading bank. Norway business has identified a huge business case to automate the home loan estimate. By this automation, the existing process of response to customers is reduced from 4 days to less than a minute.

About the project:

When an applicant applies for home loan in the Bank they get an instant response with the approved loan amount. Now the prospective home loan customer need not wait for more than 3 days to know if they are eligible for a home loan from the Bank. This home loan estimate automation works for both bank's own customers and customers belonging to other banks. Applicant can apply for New home loan, Home loan transfer from other banks and Top-up loan. The process supports both single and joint applications. Based on the information provided by the applicant/co-applicant in the home loan application a credit evaluation is performed and the limit affordability is calculated. This is a STP (straight through processing) where the approval or rejection of the application is decided in an automated way. Based on whether the applicant is an existing or new customer the home loan estimate letter is sent to net bank or personal email ID respectively.

Process, method and tools used for co-creation

Prototype was created for the application form that the customer must fill when the product is launched. This prototype included the feel of the actual screen design and the actual questions that the customer will see when the product is live.

The tool used to create this prototype is Axure. Axure is a wireframing, rapid prototyping, documentation and specification software used for web and desktop applications prototyping.

- Customers / end-users within the bank and outside the bank are selected for co-creation based on the customer profile, geographical location, language preference, age group, customer segmentation
- Advisors from the bank reach out to the selected customers narrating the idea of co creation and explaining the incentives for being a co-creator. Once the identified people have agreed to be part of the co creation the practicalities, logistics and the entire process are explained to the selected co-creators.
- The co-creators are asked to provide insight related to the following;
 - User interface (UI) design – the intuitiveness of the UI
 - The graphics and the illustration used in the forms
 - The questions asked in the application form to ensure that they are understood correctly.
 - The way the questions are placed in the screen
 - The way the questions are sequenced
 - The help text and example which is provided to understand the questions

Results of the co-creation

The co-creators identified major user experience issues, for example;

- Two different screens were designed to collect applicant and co-applicant details. It was an inconvenience to the users to first fill the details for the 1st applicant and in the next page fill the details of the 2nd applicant. The suggestion was to have both the details collected in the same screen side by side. By doing this the user had to read the questions once, understand and answer it for both the applicant and co-applicant simultaneously
- Another suggestion from the co-creators was to reduce the number of questions that are asked for the loan evaluation / approval. There were many question kept in first place that were actually not needed to make the loan decision, but more relevant for further processing the loan. After evaluating the suggestion the questions were reduced to 50% of the original count
- There was also suggestion to auto populate few details in the form when the applicant in the customer of the bank
- There were suggestions to rephrase the questions

- There were suggestions to change the sequence of questions to make logical flow
- There were suggestions to include few examples about the interest rate computation

Benefits to business

The results of this co-creation was fruitful to business because now the business can rest assure it is developing an IT solution that is more likely to be received well from the market/customers.

The major customer journey and user experience issues are uncovered with the co-creation process. It was welcomed by the business. Business has decided to go for co-creation wherever it is possible in future.

This was a classic example of the customer promise that the bank has made “We help customers to be financially confident and achieve their ambition by making daily banking and important financial decisions easy”

Prototyping was a great benefit for the business because it took less time and investment to create prototype when compared to actual IT development.

It becomes lots easier to change solution based on the feedback of the co-creators because the actual development is yet to be started. All that the co-creators saw was the prototype.

3.3 Challenges and lessons learnt

Real-time response

One of the non-functional requirement in the project was to give response in real time (Instantaneously) back to the customer's applying home loan in Bank.

Real time response mean there are no batch processing;

- The Limit and Model system has to calculate instantaneously the affordability of the customer.
- Credit system has to find instantaneously if there are any payment remarks in the past with the customer.
- Credit system has to create instantaneously the credit case to meet the FSA regulation.
- Document system has to instantaneously send the Home Loan Estimate as an email attachment.
- SMS notification has to be sent instantaneously to customer's personal mobile number

The lesson learnt was that there should be a balance between what customers get in real time and what is allowed to be received, say five mins later. The business should not be unreasonably aggressive for the solution to be real time. This will only compromise the core functionality of the product.

Uniform global solution constraint

Bank has presence in most of the Nordic countries. This implies the bank has to build a global solution for any product to minimise the customization as much as possible. There is BPO (Business process operation) unit in Denmark which is responsible to maintain the uniformity. Due to this constraint the Norway business is not able to make their customization freely based on the Norway market needs. For each customization that they want specific to their market it takes long calendar time for any decision making due to the global process.

Here the lessons learnt was there should be a uniformity for a product across all market. But on the other hand there should be a balance between what the business needs for a specific market. If we are so rigid about a global solution strategy we will miss the whole point of developing the product. End of the day we have to understand the fact that each market has their own sentiment and behaviour, which cannot be generalized.

FSA regulation requirement

FSA is Financial Supervisory Authority, a regulatory body in the Nordic region. There are many non-functional legal requirement in the project, which were identified during the development phase of the project. The legal department is the core department, which work across all the projects in the bank. The people in the legal department are very limited. Which mean the project gets their turn only in the order that they have made reservation with the legal team. This project got its turn with legal only during the development phase.

The lessons learnt was that the legal department is always over booked throughout the year. Also knowing the fact that corporate legal consultancies is a niche profile. We should in the bank invest in ramping up the legal team. So that projects get their legal advice early in the project phase.

4 Conclusion

While architecting project management for value creation, "value creation through co-creation" is undoubtedly a proven approach for the project managers to adopt together with new age methodologies. If project managers are able to do capability enhancement, they can meet the demands of new age project governance. This will in turn help retain project manager's relevance in value creation.

5 References

[1] <https://www.iiba.org/>

[2] <https://www.pmi.org/>

[3] <http://www.ipma.world/>