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SAN DIEGO • 2023

# IHG Lessons Learned: Projects to Products Journey

## Your Guides:

Kelly Merwarth (IHG)

Jason Kotlinski (Broadcom)

Matthew Palicki (Rego Consulting)

# Agenda

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- Introductions
- Projects to Products Overview (Jason)
- Industry and Client Trends (Matthew)
- IHG Story (Kelly)
- Q&A / Discussion

# Projects to Products Overview

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- Recap Key Takeaways from Brian Nathanson's prior session
- Audience Poll Question:
  - Show of hands; where is your organization on this journey?
  - Open mic; what are some of the challenges you have faced along the way?

# Industry and Client Trends

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- Common drivers and challenges
- Background and introduction of IHG and Kelly

# Projects to Product Journey



InterContinental – Bora Bora

# IHG's Story

# IHG's Story

The shift from a project-funded to a product-funded organization has been discussed on and off for about 5 years. We already had Products/Value Streams defined from a previous transformation initiative. The pandemic slowed things and created turnover in resources and leadership.

## Turning points:

- New leadership in key positions (Portfolio Owner; Finance CFO)
- Discrepancies in the actual work being done (Rally) and the timesheet data began to be visible
- Delivery approach began to shift to heavier Agile usage
- New tax and SaaS identification requirements on financials



# IHG's Story

POC was more about Agile capitalization than Agile transformation



Iberostar – Grand Paraiso

- Key goals :
  - Fund the team's capacity at a Value Stream level - based on Strategic Goals
  - Use completed work to calculate actuals; removing admin overhead (timesheet entry, fixed bid entry, improve accuracy)
  - Properly align financials with work (CAPEX, OPEX, SaaS OPEX)
  - Connect work to Strategic Goals
  - Integrate tools to eliminate double entry (Clarity/Rally)
  - Support Finance and stakeholders with financial and status visibility
  - Support delivery teams with work visibility from planning to delivery with limited disruption

# IHG's Story – Where are we after 8 months....

- ✓ Pilot includes team-based funding for 3 Value Streams with financial plans in Clarity for forecasting and actuals
- ✓ 18 teams set up and managed (allocations)
- ✓ Processing User Stories (Rally) at each sprint end and posting actuals in parallel environment
- ✓ Error correction on validation errors
- ✓ Financial reconciliation and documenting audit requirements

Latest reconciliation had a **5% variance** from actual labor and contract costs

Additional work to continue..

- Tweak approach to use new Team investment functionality
- Additional value streams
- Include a shared services team
- More data reconciliation
- Focus on documentation, process definition & training



Six Senses – Yao Noi



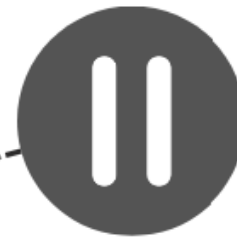
## KEY FOCUS AREAS



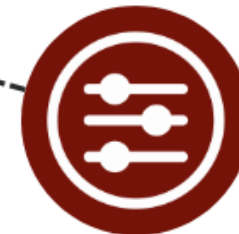
Start!



Establish Foundations



Run Parallel & Validate



Adjust

**Get Started**

- Form a small working team
- Agree on nomenclature, key terms
- Start small and plan to experiment

**Foundations**

- Define Team set up/rates approach
- Define calculation method and process, error validation and correction
- Work types and financial mapping

**Parallel**

- Process transactions for teams in parallel to timesheets
- Dig into validation errors, make corrections
- Reprocess data and post actuals

**Adjust**

- Complete high level recon with labor costs
- Determine improvements needed
- Document training, process needs

# IHG Story

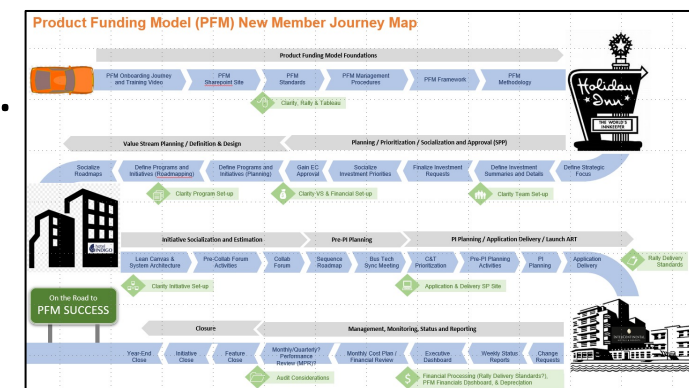
## A few lessons learned..

- Team rates (how to calculate) - make it simple = team total cost/hours of team availability
- Moving away from resource level detail – difficult for leadership and finance to gain confidence
- Rally data quality caused delays in calculations and posting
- Invoice reconciliation for contractors T&M
- Various views of data will be needed – sprint date when accepted; sprint date when posted
- Reconciliation will take more time than you expect – finance, audit, regulatory controls need comfort (approx. 3 months for IHG)
- Business goes on... re-organizations, we introduced a new Strategic alliance, a new hotel brand, resources that get pulled, so just be prepared for change

# Pilot Summary

## Closing Tips

- Use your contacts and key resources, bounce ideas off them.
- Keep the working team small at first. Find a few key positive players and influencers and use them as your power users.
- Continuously communicate and train. It helps you get valuable feedback and brings others onboard.
- Document everything from the beginning. Keep handy a few key slides that you will use time and again. They should include: The Why, the What, the how, key definitions/takeaways.
- Plan time for process documentation and training materials.
- Train your sponsors, keep them aware of your progress and issues.
- Don't plan to rush it, it's an evolution.



# Additional Resources

## Some Related RegoU Sessions

“Accelerate Innovation and Transformation with Value Stream Management” – Monday 2:40pm, Constellation A

“Agile Transformation: What to Expect” – Monday 3:50pm, Constellation A

“Five Biggest Problems with Digital Transformation” – Wednesday 9:00am, Constellation A

“How to Take Charge of Digital Transformation with Digital Product Management” – Wednesday 11:20am, Constellation A

## Product Articles / E-Books / Webinars

<https://www.broadcom.com/products/software/value-stream-management/clarity>

<https://academy.broadcom.com/valueops/clarity>

<https://projects2products.com>

<https://info.regoconsulting.com/value-stream-management-july-2022>

<https://info.regoconsulting.com/rally-clarity-ppm-product-funding-july-2022>

<https://info.regoconsulting.com/digital-transformation-april-2023>

## Books

[Accelerate: Building Strategic Agility for a Faster-Moving World, John P. Kotter](#)

[Out of the Crisis, W. Edwards Deming](#)

[Value Stream Mapping: How to Visualize Work and Align Leadership for Organizational Transformation, Martin/Osterling](#)

[The 4 Disciplines of Execution, McChesney/Covey/Huling](#)

## Personal Growth

[From Strength to Strength, Arthur C. Brooks](#)

[The Seven Spiritual Laws of Success, Deepak Chopra](#)

[The Last Arrow, Erwin McManus](#)

# Questions?



# Surveys

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