The ROI of PlanningForce

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Executive summary

Both inside and outside the IT industry, executives are turning to solutions to better capture, manage, prioritize and align investments and resources to increase the business value of their project portfolios.

As a result, organizations looking to implement such solutions naturally seek to understand how they can achieve this goal.

At PlanningForce, we want to provide our clients and potential clients with a comprehensive analysis of how they can increase their overall performance thanks to the implementation of our solutions.

To this end, we have developed a model to estimate where, how and to what extent a company can expect to increase its performance through efficient use of PlanningForce.

This white paper covers this topic by identifying the constituent dimensions of an objective ROI calculation based on the implementation and effective use of PlanningForce.

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The main objectives of PlanningForce

The PlanningForce organizes projects and resources into a centralized portfolio and/or several decentralized portfolios that capture objectives, costs, deadlines, achievements, resource roles, risks and many other critical factors for efficient program and project management.

This gives managers the opportunity to regularly review these portfolios, particularly with a view to allocating investments and resources appropriately and making adjustments to produce the best returns.

Control
- Deliverables
- Planned / Actual costs
- Benefits management

Visibility
- Projects, programs & portfolios
- Resource utilization
- Real-time & fully integrated

Efficiency
- Role-based demand
- Capacity planning
- Scheduling

Governance
- Project status reports
- Structured approach
- Scenario modelling

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When is there a need for PlanningForce?

- It is recognized that resources are not being used to their best advantage

- The S&OP process is not working effectively

- Project priorities change frequently

- Excessive project delays are experienced due to production bottlenecks

- It is difficult to find the person with the right skills for each task

- Planning and re-planning is complex, which tends to oversimplify planning design and not update planning

- Competition (as opposed to cooperation) is intensive between sectors of the organization in staffing projects

- Reports are produced with excessive delay and/or inaccuracy

- Third party systems (such as ERP) do not offer the expected value for money

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The PlanningForce ROI benchmark study

The PlanningForce ROI Benchmark Study included the following financial expenditures that must be made in PlanningForce to extract its benefits. Investment covers both upfront deployment costs as well as recurring lifecycle costs.

Upfront Deployment Costs – this includes perpetual solution license fees, implementation costs, hardware infrastructure (e.g. servers, storage), and training.

Recurring Lifecycle Costs – this includes internal and external IT staff costs, technical support, user license costs, solution maintenance contracts, and follow-up consultancy costs

> We determined annual ROI using the equation as
>
> ## ROI=Tangible Benefits-Investment

Using a time-value-of-money approach, the Net Present Value ROI is calculated using a standard NPV formula that discounts the net cash flows by the cost of the capital.

Some Key Benchmarck figures for implementing PlanningForce

Staff productivity increased

+14%

Reduction in time spent at planning

−38%

Reduction of projects with cost overruns

−37%

Project failure rate dropped

−59%

Projects completed on time

+35%

This recently- released white paper is based on in- depth interviews with organisations that are successfully using PlanningForce and sheds light on the true value of PlanningForce. The research results illustrate key benefits of PlanningForce.

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Benefits

1) Improvement of the speed of realization of your projects, thanks to :

- A shared use of your resources across all projects (decompartmentalization of the organization)
- A more agile resource planning process
- Better visibility on the entire project portfolio
- Easier and more regular reporting on the progress and performance of the projects

2) Improvement of the return on your project portfolio, thanks to :

- Better use of the notions of project ranking and prioritization
- Improved productivity of your resources thanks to an improved planning process (your resources are used where they can make the most money based on their competence)
- A reduction in tension and stress through the incorporation of risk criteria in the level of your projects and resources (absences, ...)
- Improved usage of third-party systems

3) Improvement of your efficiency in terms of project management, thanks to:

- A reduction in the time spent on planning and re-planning projects and resources through the use of the automated planning engine
- A reduction in the time spent in project coordination meetings
- Better communication between members of your project team and within your organization (the same information is available to everyone at the same time)
- Automated production of clear and accurate reports

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Quantifiable benefits used in ROI-analysis PlanningForce

To help you objectify the gains you can make through PlanningForce, we have integrated five quantifiable criteria into our R.O.I. model

1) Optimizing the use of your resources

PlanningForce's automatic scheduling engine ensures that your resources will be used to the best of their abilities, at the most opportune times, across all projects.

Thanks to the power of the planning engine, the solutions that are generated not only improve the quality of the planning, but also give more satisfaction to your collaborators who see a reduction of stress periods in favor of a better balanced workload more in line with their aspirations.

All in all, these elements lead to a significant increase in the productivity of your resources, a productivity gain that our clients have estimated on average at **14%**.

2) Reducing the failure rate of projects

Better characterization of needs according to required skills, combined with a better process for allocating resources to your projects leads to a very significant reduction in the project failure rate; our clients have calculated that this rate has decreased by **59%** after using PlanningForce, which means that the number of failed projects is half of what it was before using PlanningForce.

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3) Reduction in projects with cost overruns

Through the incorporation of risk factors and concurrent planning of all projects, project budgets are calculated with greater reliability. This results in a better selection of projects according to their contribution margin to the project portfolio and a reduction in budget overruns. On average, our clients have seen a **37%** reduction in budget overruns on projects planned in PlanningForce.

4) Accelerating the introduction of new products on the market

Better project definition, better resource allocation, greater visibility on the progress of projects and the ability to easily change priorities and the level of resources allocated during execution help to improve the time-to-market of new product launches. On average, our customers see the number of projects completed on time increase by **35%**.

5) Reduction in planning time

The use of the planning engine, the increased sharing of key information in real time, an accurate view on changes, ... all this helps to reduce the time spent on planning and communicating schedules. The time saved by our customers on the planning function is, on average, **38%**.

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Costs

The costs of implementing and using PlanningForce include :

Hardware : this item is composed of the cost of the application and database servers as well as the related licenses

Software : this item is composed of the cost of the PlanningForce licenses for the different modules installed on the servers, the user licenses and the application maintenance (updates).

Implementation : this item is composed of the cost of the PlanningForce consultants as well as the time spent by the customer's internal teams. The PlanningForce consultants are in charge of the analysis, the design of the solution, the writing of the processes, the installation, the tests, the training and the follow-up of the implementation.

Specific development and interfacing : costs related to the development by PlanningForce developers of new functions or specific reports as well as the integration of PlanningForce with other software and databases of the customer's IT management system.

Support : this item represents the internal cost at the customer's premises for the administrator support function, especially for assisting users and carrying out installations and tests of future versions.

Enhancement costs represent the costs associated with further requested development and upgrades. This includes the time and effort to manage the rollout of major upgrades, as well as the usage of additional services such as training, consulting and development sessions.

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Conclusion

PlanningForce will bring you tangible gains on several dimensions of your organization's operations.

In addition, you will be able to count on a business dynamic that will further increase results in the long term thanks to the implementation of good working practices and management of your project portfolio.

At all times, you will benefit from increased control over ongoing activities and will be able to dynamically modify project priorities or resource allocations in order to better align operational reality with your strategic objectives.

Finally, you will increase the satisfaction of your internal and external customers as well as that of your staff through increased respect of deadlines while distributing the workload equitably among your collaborators.

In our personalised Quick Scan, we will make, in other things, a customised analysis of costs and benefits you might expect for your organisation. We will first do a baseline assessment (how many projects, average project value, number of people working on planning, etc.) Based on that information we will determine the improvement potential of your organisation.

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