

A New Value Delivery System

Learning from Fortune 500 financial 'wastage'

Abstract

Today's business environment demands that organizations work very hard merely to survive let alone grow. Increasingly, an organization's capability to adapt quickly to change and get full value from its investment dollar is the key determinant of its competitive success. Yet, research into the experience of Fortune 500 companies indicates that slow and ineffective delivery of new technology infrastructure initiatives is resulting in increasingly poor ROI.

Research shows the financial cost of project-related ROI failures of a typical Fortune 500 company over the past three years is in the order of US\$83 million. Given the scale of technology-driven change now emerging, the potential wastage over the coming years is likely to be much greater.

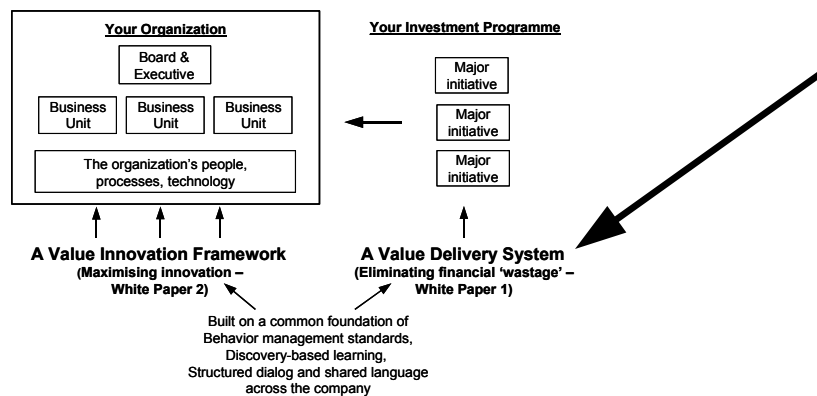
Projected worldwide expenditure to cope with this change, on just IT consulting and infrastructure alone over the next five years, is around US\$156 billion. Based on past performance, over half of this will fail to deliver targeted ROI.

Over the next five years, US\$80 billion will be wasted!

Research indicates the root cause of this situation is a failure by many organizations to achieve critical behavior change when implementing such complex initiatives. In spite of growing evidence in this area managements maintain their traditional focus on the 'hard' aspects of change, blindly expecting this will lead to ROI success, while lacking an understanding of the link between behavior / culture misalignment and the failure of their projects to achieve ROI. Under the relentless and growing pressure of today's environment workers are increasingly distrustful of this situation and its impact on their employment security, overall organizational performance is adversely affected, and shareholders are increasingly frustrated with the level of underperformance (i.e. 'wastage') being achieved.

Many organizations no longer exist through failure to address this phenomenon.

A remedy is needed urgently to contain this 'wastage' and remove its threat to the very sustainability of large companies as the scale of change continues to increase. A new way of thinking is needed, one that is founded on linking project management with behavior change as part of an integrated organizational system based on discovery-based learning using structured dialogue. By approaching projects as part of a new Value Delivery System (VDS), organizations can use learning and dialogue to bring behavioral issues to the center of implementation.



VISION Learning Systems 'Structured Dialog' tools and support – re-usable, 1/10th the cost!

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