

# Gross margin increased by \$12Mn, additional revenues of over \$53Mn, CSI up by 15%

## BUSINESS CASE

### Customer Trends:

Based on feedback from past customer surveys, repetitive observations and NCs from project audits, and overall downward trend of project profitability, the leadership realized that the overall “Portfolio, Program and Project (PPP) Management” is a critical area of improvement across the organization.

A study was conducted for detailed analysis of metrics. This analysis further confirmed that PPP Management is a **critical strategic priority** for improvement.

### Delivered using:

**KINDUZ Services:** Breakthrough Improvement | Continual Improvement | Culture Transformation

**KINDUZ Intellectual Property:** KBEF | QADES | QIDES | AEIOU | The EPMA | LSSIB

## CHALLENGE

### What is the Challenge

- Customers unhappy with the overall quality of engagement
- Project running into losses and over budget
- PPP Managers unable to anticipate risks and control them

### Where is the Challenge

- Customer Satisfaction
- Profitability
- Risk Management
- Perception Management
- Overall PPP Management Competency

### When is the challenge

- Since 2011

## IMPACT

### What is the impact

- Average CSI Score <3.5 out of 5. Minimum required is 4.0
- Over 65% of Fixed Price projects not profitable
- Over 80% of the projects have a Super Gross Margin (SGM) lower than the target
- Less than 80% process compliance across projects

## TARGET

### What is the Target

- To increase SGM of all projects by at least 5%
- Increase CSI >= 4.0
- Enhance PPP Management practices to reduce Non-Conformances (NCs) and observations from audits by over 50%
- Generate opportunities for additional revenue

## OUTCOMES

### Financial Outcomes

- SGM Improvement of over 6% resulting in \$12 Million savings
- Critical Project Monitoring resulted in Cash flow acceleration by 27%
- Innovation and PM practices generated opportunities of additional revenue of \$53+ Million

### Customer Outcomes

- Statistically significant improvement in CSI scores
- \$26 Million in benefits passed on to customers

### Employee Outcomes

- 203 PPP Managers coached
- Statistically significant shift of median capability from 43 to 61
- Audit NCs and Observations reduced by 62%

