

# The Unnerving Cost of Disconnected Work

Building a Business Case for an Enterprise Work Management Solution

## Executive Summary

In any enterprise, the lack of the right work management solution can seriously impact the success of projects, prevent companies from meeting their objectives, and have a long-term detrimental impact on the business.<sup>1</sup> While a comprehensive Enterprise Work Management (EWM) solution exists, decision-makers often hesitate to act in today's tight budget environment.

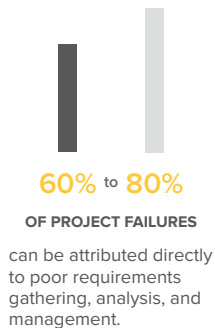
Read this white paper to understand why staying with the status quo or implementing a partial solution is not only ineffective at solving work management issues, but could be costing enterprises millions of dollars every year. Key points covered include:

- Managing work in today's complex environment
- Common solutions and why they fail
- Benefits of an EWM solution
- High cost of doing nothing or implementing a less effective solution
- Leveraging an EWM solution to increase efficiencies and effectiveness

Equipped with the information in this paper, a clear case can be made that implementing a comprehensive AtTask EWM solution to manage enterprise work flow reduces current costs, delivers a strong return on investment (ROI), and moves the entire enterprise closer to achieving its strategic goals.

## Introduction

*A bank wanted to create a central data warehouse to overcome inconsistencies among its business-unit finance data, centralized finance data, and risk data. However, the project team focused on developing the IT-architecture solution for the data warehouse instead of addressing the end goal, which was to handle information inconsistencies. As a result, the project budget ballooned...With milestones and launch dates constantly pushed back and investments totaling almost \$10 million, the bank stopped the project after 18 months.<sup>2</sup>*



In any scenario, many components add up to the success or failure of structured work. In this case, a lack of effective communication and collaboration, along with scope creep, caused the project to fail. In other types of work, difficulties with the initial analysis, data and reporting, resource management, capacity planning, or budgeting creates issues. But the bottom line is that reduced work success, and often failure, is the result when suitable processes that provide visibility and improve communication are not in place.

Getting the information key decision makers need at the onset—information essential for strategic decisions about work—is critical. But disjointed information flow, muddled processes, and a lack of global visibility make that difficult. Disorganized and disconnected work environments amplify issues with work management. According to a study by Meta Group, 60% to 80% of project failures can be attributed directly to poor requirements gathering, analysis, and management.<sup>3</sup>

## Work is More Complex than Ever

Enterprise work is more complex than ever due to the variety of work and the many different inputs, outputs, collaboration points, and deliverables. In this new, multifaceted work environment, enterprises need the ability to:

- Support all types of work and scenarios
- Ensure alignment of work to strategic direction
- Manage the end-to-end lifecycle of work
- Streamline processes to improve communication and collaboration
- Improve individual and team performance

A comprehensive approach that addresses the tactical needs of functional teams—in conjunction with the strategic and business goals of the executive decision maker—helps reduce information silos and improve work outcomes. Compelling ROI data and real-world enterprise experiences further enhance the argument for implementing an enterprise work management solution.

## Searching for a Solution

Traditional strategies to improve work and project management are failing. Despite attempts to implement a variety of solutions, many enterprises find that work continues to progress slowly, exceed budgets, and fall short of objectives. In a recent survey by PMP Research, no single company thought its project management tools were very effective. Only a quarter (27%) rated them as effective, nearly half (49%) viewed them as moderately effective, and 26% saw them as providing little effectiveness or as not very effective.<sup>4</sup>

To address ongoing work management issues, enterprises attempt to implement a variety of solutions that include:

- **Industry experts**—Often organizations hire consultants in an attempt to increase their efficiency and effectiveness. This is an expensive option (the average consultant charges \$125 per hour, or \$1,000 per day)<sup>5</sup>, and finding the right expert with the right tools and expertise to solve issues and make necessary changes is difficult. Instead, organizations are left with a hefty bill and superficial solutions that do not get to the root of the problem or provide the visibility needed.
- **Point solutions**—Enterprise teams usually look to point solutions as an inexpensive way to improve processes. Point solutions may be effective at responding to a specific issue, but they create disconnected processes by dividing the lines of communication and data between multiple tools, such as social calendars, spreadsheets, task management tools, instant messaging, etc. It is not uncommon, in these chaotic environments, for employees to lose or ignore a paper-based or email memo, causing serious delays.<sup>6</sup>
- **Industry and methodology trends**—Unsure how to solve their problems, managers often look to the latest and greatest advice “out there,” whether it’s a new business book with “revolutionary ideas,” popular blogosphere advice, or an idea from an industry expert.

\$125

PER HOUR

\$1000

PER DAY

The average cost of hiring a consultant.

Hopping on the methodology merry-go-round, where organizations try going lean one month, adding resources the next, and so on, only exacerbates the problem. Workers become frustrated by constantly changing methodologies while the enterprise continues to struggle.

- **Web-based or SaaS PPM tools**—Depending on the robustness of the solution, there are tools that do a decent job at tracking multiple projects and project-related work. However, these tools don't monitor unstructured work, ad hoc work, or the day-to-day work that must get done. This creates a scenario where multiple tools—PPM software for project work, spreadsheets for everyday processes, and additional tools for collaboration purposes—are used to manage everything. The result: a disorganized, disconnected, and complex work environment.
- **On-premises solutions**—This option is waning in popularity due to the high upfront costs of licensing fees, software installation and management, user training, and a lack of flexibility in comparison to other solutions. The complexity of most on-premises software also means that there is often a significant time investment (or ROI drain) in training or that users simply don't utilize the full functionality of the tool. In this situation, ROI is significantly diminished and enterprises pay thousands of dollars for a tool that only a few people use.
- **Additional headcount**—Instead of looking for ways to increase efficiency with the resources they have, some managers believe that if they only had more resources things would get done on time. Even if a new employee is hired on at \$78,000<sup>7</sup> a year, plus benefits, taxes, and the cost of training, the cost of hiring even one additional resource is a significant expenditure. Utilizing the resources already available more efficiently is a more effective and less costly way to increase productivity.

In assessing the types of solutions enterprises employ to manage projects, it's clear why there is across-the-board dissatisfaction in project management solutions. Traditional tools focus only on managing one aspect of work, not the entire end-to-end work lifecycle. According to PMP Research, 76% of companies say their biggest priority is to improve the visibility and awareness of projects across the organization.<sup>8</sup> Yet, the typical solutions outlined above do little to deliver the global visibility companies need.

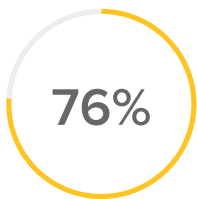
Divergent demands within the enterprise, such as competition for available resources, differing stakeholder priorities, and the constant influx of work requests, require global visibility into all work processes.

## A Better Way

### The AtTask Enterprise Work Management Solution

Enterprise Work Management (EWM) is a better way for enterprise teams to manage work. The AtTask EWM solution is a single, unified tool that provides enterprise teams with a central place to manage and collaborate on their work while improving visibility and productivity by eliminating wasted time dealing with fragmented, siloed tools and processes.

ACCORDING TO  
PMP RESEARCH



76% of companies say their biggest priority is to improve the visibility and awareness of projects across the organization.

## Solving the Biggest Challenge Creates Visibility

AtTask EWM solves companies' biggest challenge—disconnection that causes work chaos—through unifying tools, teams, collaboration, and processes. With a single system for all work, AtTask can provide real-time, contextual visibility across the enterprise. This visibility helps teams, managers, and executives:

- Access the right data to make informed decisions
- See the big picture and align projects to strategic goals
- Plan and coordinate resources to improve commitments and outcomes
- Execute better processes and change management
- Increase collaboration and eliminate information silos
- Measure outcomes

## More Visibility Means More Productivity

Translating the benefits of visibility into real dollar returns means increasing productivity. AtTask EWM is a far-reaching tool that measurably raises productivity by:

### Increasing Efficiency

- Reducing waste by minimizing time spent in status meetings and email chains
- Preventing loss through greater work success rates and better time management
- Streamlining processes to increase output volumes for all types of work
- Reducing delays through improved communication and better access to data

### Increasing Effectiveness

- Providing trustable and contextual data to inform better decision making
- Increasing the strategic alignment of work to corporate goals
- Empowering employees with the information they need, when they need it
- Providing accurate projections of resources
- Improving the quality of outputs for all types of work

*"We have one source of truth for all of the data related to our projects. We're able to get reports really quickly, tell a story, and, more often than not, bring clarity to the organization and build trust with our peers."*

**Bill Maxwell**  
DIRECTOR OF  
COMMUNICATIONS SYSTEMS  
AT SCHNEIDER ELECTRIC



Implementing the AtTask EWM solution addresses not only project management, but all work processes, increases efficiency, and provides the visibility needed to make critical strategic decisions. Better visibility, collaboration, and improved efficiency produces a quantifiable ROI for any enterprise.

## A Single AtTask EWM System Works Better

The Communications Development department, part of Schneider Electric's global marketing business, previously used a Lotus Notes database system and Excel spreadsheets to manage their project tasks. Unfortunately, these tools couldn't keep up with the growing needs of their international team. The Schneider team implemented AtTask EWM, which consolidated and systemized the department's processes and allowed them to get their workflow moving faster. Gaining access to accurate, real-time data improved their resource management and dramatically increased their speed to market.

## Building the Business Case for an EWM Solution

In today's tough economic environment, gaining support from decision makers to fund any initiative often involves a rigorous approval process. IT managers who understand the value of an EWM solution still need to compete for dollars with other departments, including their own. Therefore, it takes a strong business case to win funding for important initiatives like EWM.

An effective business case should include clear examples of the type of ROI expected and how it will be achieved. The benefits provided by an EWM solution fall into two categories: efficiency and effectiveness. Efficiency benefits are easier to quantify because they typically result in saved time and saved money. Effectiveness benefits are less tangible and may include quality improvements and better decisions. However, both types are extremely important when evaluating the ROI of a solution.

### Quantifying Enterprise Efficiency Gains

The following efficiency table demonstrates how to quantify the value of five key efficiency benefits of the AtTask EWM solution. The calculations used in the table are based on a 30-person team with an average blended rate of \$70 (see Appendix A). Both the monthly estimated costs and gains are based on research and real customer experiences with AtTask EWM.

EFFICIENCY BENEFIT	BEFORE EWM	MONTHLY ESTIMATED COST	AFTER EWM	MONTHLY ESTIMATED GAIN	PROVEN SUCCESS
Reduced meetings	Constant meetings cut into workers' productive and creative time.	\$52,500	A single system of work connects collaboration with work. Result: more context and fewer meetings.	\$44,625	Reduced meetings from 750 to 100 hours per month. —Partner Weekly
Reduced emails	Too many emails to read and sort through consume worker productivity time.	\$94,080*	Unified collaboration cuts out excess tools. Result: a single place for all information to reside.	\$18,816	Reduced emails by over 20%. —Partner Weekly
Reduced project failure	Lack of visibility, swelling budgets, and difficulty prioritizing resources result in a high number of project failures.	\$112,750**	Global visibility allows managers to see project status, project resources, and current project costs. Result: managers can better manage resources, stay on budget, and reduce project failure.	\$112,750	95% of projects within budget. —American Capital
Increased output	Time required to manage projects limits the number of projects that can be completed.	10 projects completed annually	Better visibility and work management. Result: an increase in outputs.	18 projects completed annually	75% increase in productivity. —Kinecta
Reduced delays	Scattered data and disconnected communication leads to output delays.	100 on-time projects	Instant communication and a single source of data between global teams. Result: it's easier to spot bottlenecks and ensure projects proceed on time.	200 on-time projects	Doubled on-time product delivery. —Trek
<b>TOTALS</b>		<b>\$259,330</b>		<b>\$159,256</b>	

\* McKinsey study found employees spend 28% of time on email<sup>9</sup>

\*\* PMI study shows 33% of budget is unrecoverable when a project fails and that average budget is \$4.1 million<sup>10</sup>

As the efficiency table indicates, it is important to consider not only the savings gained from increased efficiencies, but also factor in the cost of not correcting current work inefficiencies within the enterprise. Relying on “doing nothing” solutions or implementing a partial solution that does not address the complete end-to-end work lifecycle may be contributing to high ongoing costs. For a team of 30, work inefficiencies are estimated to cost companies \$259,330 a month or over \$3 million a year—significant dollars that could be better spent elsewhere.

### Evaluating Enterprise Effectiveness Gains

The following effectiveness table demonstrates how to evaluate five AtTask EWM effectiveness benefits. While it’s more difficult to measure effectiveness gains than efficiency gains, these types of improvements provide significant business value and are crucial to any business case. The outcomes described are based on real customer experiences with the AtTask EWM solution.

EFFECTIVENESS BENEFIT	BEFORE EWM	AFTER EWM	ROI	ATTASK CUSTOMER SUCCESS STORY
Decision making	Lots of guesswork with a tendency to repeat mistakes	Data-driven decisions based on real-time accurate information	Better business outcomes	Experienced immediate results in key areas with visibility across all work streams, not just projects. —Tampa General Hospital
Planning	Individual managers determine projects without evaluating strategic value	Work aligned to strategic goals	Improved business growth	Reporting allows informed decisions to aid in evaluation of department work objectives. —Walt Disney Company
Resource management	Overburdened or under-utilized resources	Resource requests justified based on accurate projections	Increased efficiency	Management can see who is working on what, hours being spent, and staffing needed. —American Capital
Employee morale	Confusion, feeling disconnected from other teams, and too many information silos	Empowered employees	Increased productivity	Helped increase on-time rate to 80 percent by enabling teams to get information they needed. —Trek
Project deliverables	Inconsistent outcomes and project deliverables	Improved quality of project deliverables	Better project outcomes	Best engineers gained 20 to 30 percent more time for innovating. —Trek

As the previous table indicates, EWM technology provides greater effectiveness across a number of areas. Its ability to provide a single source of visibility improves decision making, reduces the time and resource costs associated with managing projects, empowers employees, and provides for an overall higher level of effectiveness across the enterprise.

The global visibility offered by an AtTask EWM solution delivers value to every level of the enterprise. It allows:

- Senior managers to see the justification for projects and resources needed
- Managers to align projects with strategic goals and create more efficient ways for teams to work
- Enterprise workers to be more productive and creative

The benefit of managing the end-to-end work lifecycle under one system is that enterprises are able to leverage information and processes to form a unified framework for all work.

**Assessing Value Potential by Scale**

To help assess the ROI of implementing the AtTask EWM solution for different sized enterprises, the following value potential table provides both the monthly costs and potential savings (as illustrated in the efficiency table) and shows the total ROI that can be quickly realized by variously scaled solutions.

NUMBER OF USERS	MONTHLY COST OF ATTASK	POTENTIAL MONTHLY SAVINGS	TOTAL POTENTIAL MONTHLY ROI
30	\$2000	\$159,256	\$157,256
90	\$6000	\$477,768	\$471,768
300	\$20,000	\$1,592,560	\$1,572,560
900	\$60,000	\$4,777,680	\$4,717,680

When building a business case for an AtTask solution, the numbers speak for themselves. Whether the solution is scaled for a 30-member or a 1,000-member team, the enterprise begins to see an immediate return on investment in both real dollars as well as in less measurable but vital areas such as more time for innovation and collaboration.

**Conclusion**

In looking for genuine solutions to project portfolio management and work management, stepping beyond point, web-based, or other traditional solutions and toward an Enterprise Work Management solution, means greater productivity and work success. With EWM software, improvements to pre- and post-planning, increased efficiencies, and global visibility from robust data and reporting can all be realized. With the ability to calculate the costs of doing nothing, strong ROI data, and real-world customer experiences, the business case for an AtTask EWM solution is compelling.

For more information visit AtTask at [www.attask.com](http://www.attask.com).



## Customer Experiences with AtTask

Organizations incur different kinds of growing pains. Some of the challenges faced include the need for better data management, improved communication with off-site teams, and a reduction in repeatable tasks. As the following situations indicate, implementing an AtTask EWM solution enabled these organizations to solve critical challenges, improve their workflow, and have an at-a-glance single source of truth.



*"We had no way of knowing how taxed individuals were on one project versus another. We didn't have a line of sight on budgets. We didn't have scope of what was coming up. We didn't have any of that data.*

*The value I get from AtTask is the data to market IT. We're running 40 active projects at any given time. Ninety-five percent of those are within budget. That's a pretty good story. I couldn't say that without making up the numbers until now."*

### Kim Jacques

CIO



*"We work with 50 to 75 different requesters across the country; they don't work down the hall. Most of them work all over the United States. We've never met them before, we don't get to sit down and have a planning meeting, and we don't get to pop our heads into their office. So we had to figure ways to fake that closeness and get the same thing out of working on a project with someone across the country as we do someone who works down the hall, and have it just as quick."*

*"The way AtTask works, being so conversational, we aren't losing time over deciphering emails. It's very much working like an in-person conversation would. If you were to take something, say it's a poster, if you were to take a red pen and draw all over it, AtTask very much allows you to work like that."*

### Erin Frey

HOUSE OF BLUES, SENIOR GRAPHIC DESIGNER



*"One of the biggest issues was we had multiple people working on a spreadsheet. We would often look through the spreadsheet and notice that we had one task that we had repeated two or three times."*

*"If our team uses AtTask and tracks what they did with previous events—who helped out with what, who set up, and what was done to do that—that definitely helps them become more efficient. That also trickles down into pretty much everything in the office."*

### Burns Johannson

UNITED WAY OF UTAH COUNTY, IT SPECIALIST

## About AtTask

AtTask is the only provider of cloud-based Enterprise Work Management solutions for enterprise teams. This provides a single, central place to better manage and control the chaos of enterprise work, which improves visibility and productivity by eliminating wasted time dealing with fragmented, siloed tools and processes. With AtTask, teams, managers and executives receive visibility into work planning, prioritization, resourcing and sequencing to help everyone work more efficiently toward achieving the organization's goals. AtTask has a broad range of Global 500 and other enterprise customers, such as Nike, Cisco, ABC, ESPN, 3M, and Trek. To learn more, visit [www.AtTask.com](http://www.AtTask.com) or follow us on Twitter @AtTask.

### Endnotes

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## Appendix A

The efficiency table used a 30-person team with an average blended rate of \$70. The hourly rate was figured based on the Computerworld 2012 Salary Survey<sup>1</sup> plus an additional 35% burdened rate. According to the Office of Hopkins Internal Audit at John Hopkins University, the average burden rate is between 30 and 40 percent of a worker's base salary.<sup>2</sup>

TYPE OF WORKER	ANNUAL BASE COMPENSATION	HOURLY RATE	BURDENED RATE (+30%)	BURDENED RATE (+35%)
IT/IS technology/ business systems analyst	US \$78K	\$37.50	\$48.75	\$50.63
Project leader	US \$90K	\$43	\$58.05	\$58.05
Director IT/IS	US \$110K	\$53	\$68.90	\$71.55
Vice president of IT/IS	US\$145K	\$70	\$91.00	\$94.50
Average blended rate			\$66.68	\$68.68

\*Rounded up to \$70 in efficiency table.

## Appendix B

The efficiency table calculations used numbers based on a 30-person team with a \$4.1 million dollar budget.

EFFICIENCY BENEFIT	CURRENT TIME SPENT/MO.	AVG IT WORKER HOURLY	TOTAL MONTHLY COST	TIME SAVED WITH ATTASK	TOTAL MONTHLY SAVINGS
Reduce meeting time	750	\$70.00	\$52,500.00	85%	\$44,625.00
Reduce email time*	1344	\$70.00	\$94,080.00	20%	\$18,816.00

\*McKinsey study shows people spend 28% of their time on email each day  
 28% \* 8 hours = 2.24 hrs.  
 2.24 hours x 30 people x 20 work days/mo. = 1344

EFFICIENCY BENEFIT	% BUDGET AT RISK	MONTHLY BUDGET	POTENTIAL MONTHLY COST OF FAILURE	FAILURE PREVENTED WITH ATTASK	TOTAL MONTHLY SAVINGS
Eliminate project failure*	33%	\$341,667	\$112,750	100%	\$112,750

\*PMI study shows 33% of budget is unrecoverable when a project fails and that average budget is \$4.1 million. Therefore, if the project budget is \$4.1M, then 33% is at risk if the project fails. That equates to \$113K at risk each month. If AtTask improves project success rates to 100%, the total at-risk amount would be saved.