Staying on track: a case study in predictive analytics
Achieving success against the odds

Abstract

A large financial corporation recently transformed from a shy, risk-averse, government-run pension fund management company into an innovative, leading-edge international investment organization at the forefront of risk management. After the transformation, the client learned that their underlying processes did not match the flexible, entrepreneurial nature of the new format of the company. Limitations were creeping in on existing software infrastructure that dealt with key components of an investment manager. Their fundamental modelling concepts software was 18 years old and wouldn't allow them to make changes. The only solution was to incorporate a new investment software solution.

The challenge

Our client needed to transform, update and integrate its core IT systems to reduce operating risk and provide high-quality data for improved decision-making. These systems supported business processes across the enterprise, making business disruption a major risk that needed to be avoided. The big question was: could the work be successful if done one piece at a time – or all at once?

The transformation was a mega-project for the company and research only gave the project a three-percent chance of finishing on time and on budget. In truth, no one had ever seen an implementation of this kind succeed before, because of its scope and the determination to go live with the all the major changes at once.

The solution

The client acknowledged that the project would be a large undertaking and reached out to Deloitte. Their leadership knew Deloitte could both act as a sounding board and provide critical input for complex programs, as well as provide dedicated resources to support the program throughout its lifecycle.

After months of discussions, workshops and strategy sessions, the client came to the decision that in order to be successful, a massive replacement of virtually every system would need to take place, and for it work properly it had to go live all at once.

Key objectives needed to be set. The client's executive team needed to define the benefits it wanted to achieve; a plan was assembled and smaller groups were put into place to execute the plan.
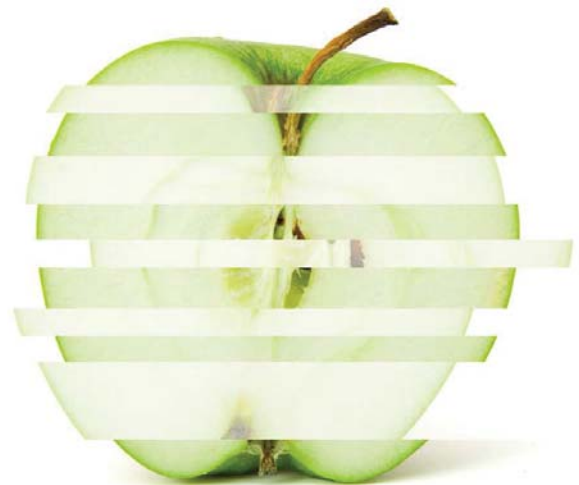
Given the scope of the project, over 20 Deloitte experts were involved each step of the way. Deloitte brought in new approaches and processes to respond to the ups and downs of a project of this magnitude.

Deloitte used traditional project risk assessment methodologies, but then added its leading-edge Predictive Project Analytics (PPA). With hundreds of twists and turns per area, PPA was critical in making accurate predictions about the success (or failure) of specific sub-projects, and it allowed for adjustments.

The key to a successful project was getting correct data. The problem was that departments operated in silos and produced different results with the same data. The company needed to install systems that provided only "one version of the truth" to integrate data and improve reporting capabilities. To meet their goal, the data management team went from being a small group to a crucial part of the operation. Governance and predictive analytics were used to assess program risks, business processes and governance.

Benefits to the client

Through collaborative consultation between the client's executive and Deloitte, **the organization was able to meet all of its project goals nine months ahead of schedule and 15% under budget.** The paradigm within the corporation also changed from passive management to risk management, allowing them to concentrate on managing for superior long-term returns without taking unacceptable risks.

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