

Managing business transformations in asset-intensive organisations

Transformation Hub for strategy, execution and performance management

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Building a better
working world

Agenda

Why are asset-intensive organisations re-thinking the way they do business?

What are some of the more mature organisations doing to transform their business?

How are they going about managing these complex business transformations?

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Industry drivers for re-thinking ways of working

Declining workforce and skills shortage

Engineering & asset intensive industries are faced with aging workforce, a skills shortage and a smaller talent pipeline than other industries

Reduced productivity

Less experienced workers and a lack of training have reduced the efficiency of many construction roles

Low Margins

Profit margins in Engineering & Construction are the lowest in any industry, with the exception of retail

Project Failures

Labour, Scope, Planning, Financing, Delays, Underestimation of whole project

Data Transparency & Intelligence

Lack of timely and accurate data,

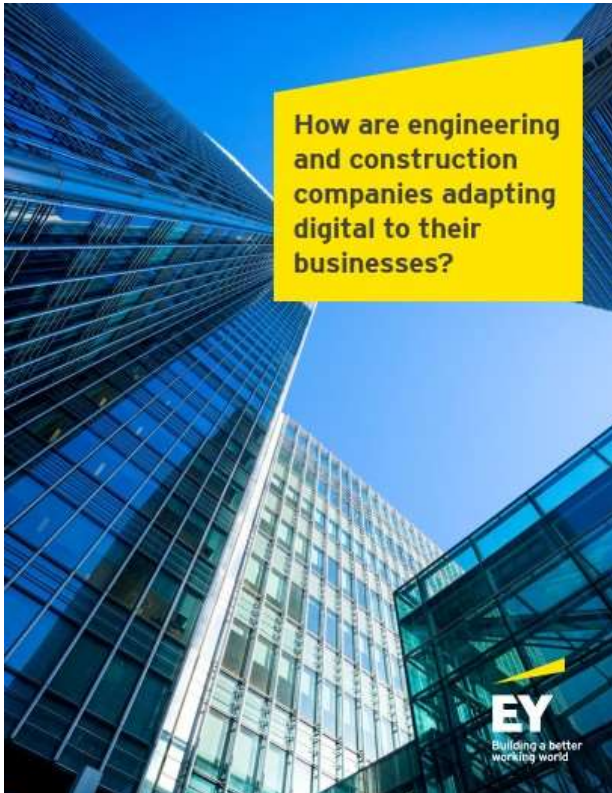
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EY's global survey across E&C value chain



- ▶ Global survey comprising of general contractors (GCs), infrastructure, building materials, EPC/EPCI (engineering, procurement, construction and installation), designers, homebuilders and developers.
- ▶ Combined revenues total more than US\$500 billion, with varying company sizes represented.
- ▶ Headquartered mostly in Europe, North America and Asia-Pacific.
- ▶ Focus on digital strategy and readiness; digital transformation; innovation; digital tools and systems; and cybersecurity.

Survey results

68% Of participants agree that **digital innovation will have a transformative & game changing impact.** They assume, the competition is already investing in digital innovation and see it as a threat.

BUT ... the industry remains conservative:

59% Of companies **prefer to wait and then to react;** believe that early adopters will win in the market (neither innovators nor late majority).

Biggest areas of impact

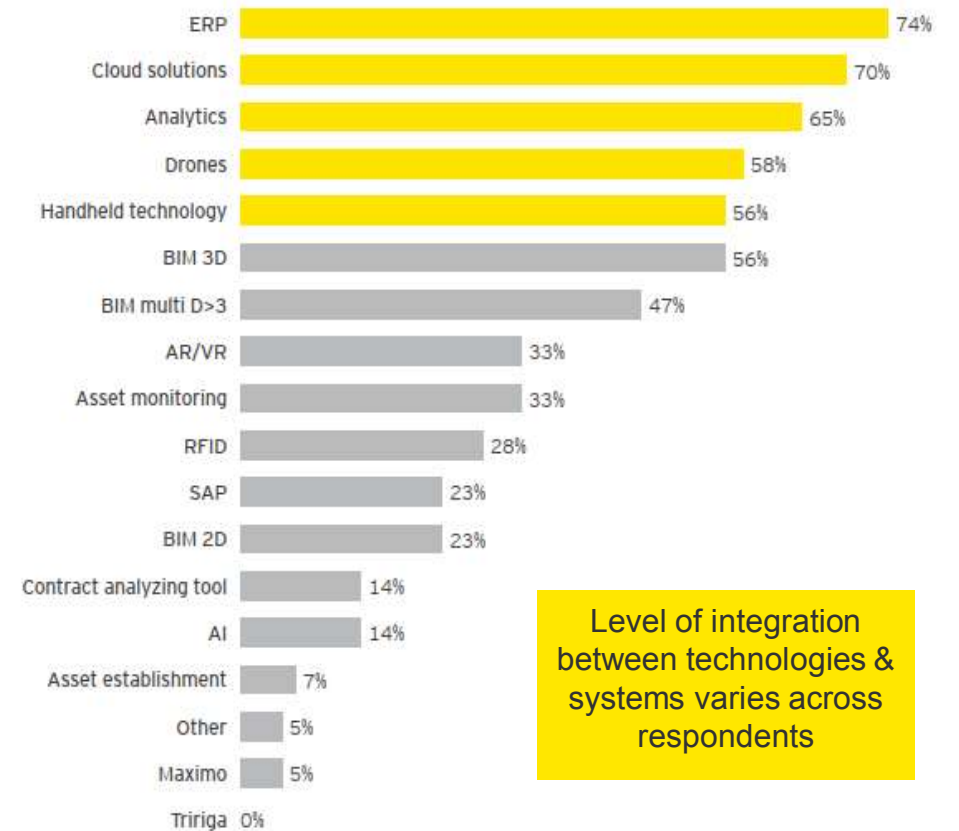
73%

Smart platforms for customer/client/contractor interactions

86%

Improved cost, schedule management

Transformative technologies & digital innovations



Level of integration between technologies & systems varies across respondents

Source: EY

Agenda

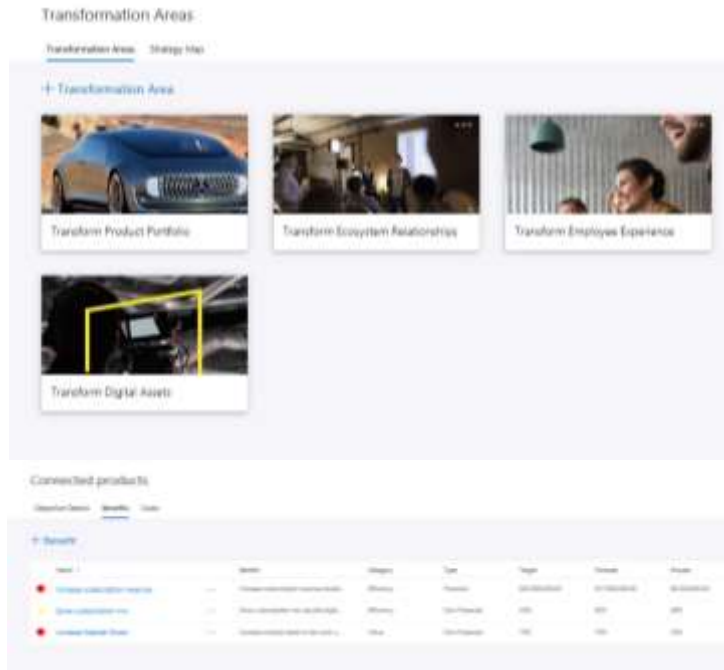
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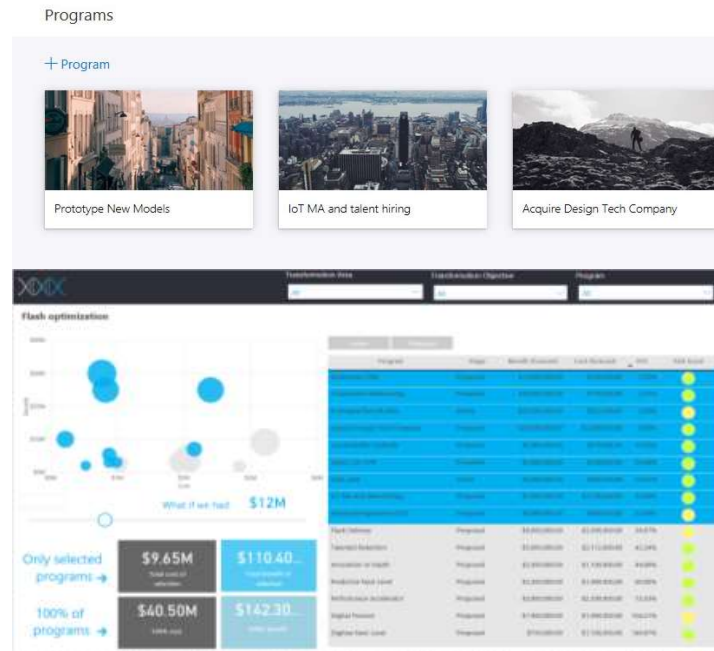
EY's Transformation Hub

Strategy and Execution Management (SEM) platform based on best practice methodology, built on Microsoft cloud, to help manage and maximise value of large transformations



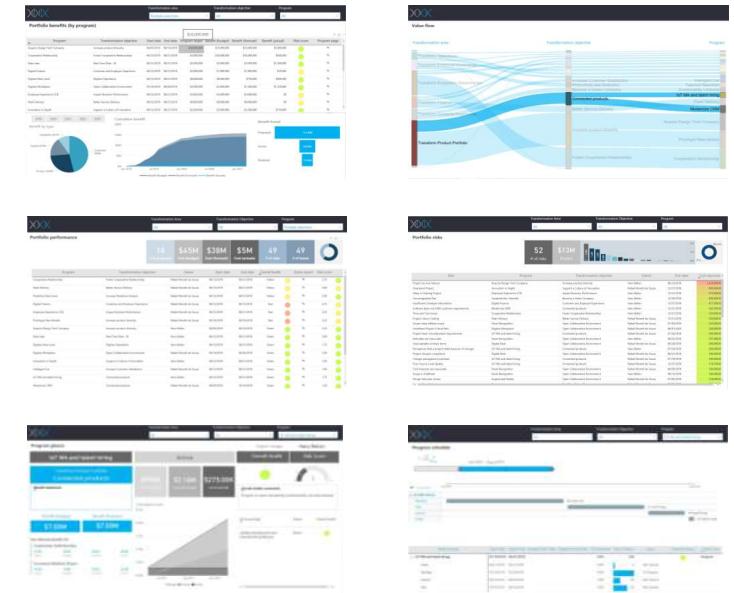
Turn strategy into clear and actionable guidelines

Strategy



Ideate and manage transformation programs in alignment with strategy

Execution



Gain insights to ensure on-track execution and value realisation

Performance

Features of Transformation Hub



Brings together deep experience, skills and proven methodologies of EY globally



Pre-configured Microsoft Project Portfolio Management environment aligned with industry standards from Gartner, the Project Management Institute (PMI®) and SAFE.



Provides digitised, automated & real-time reporting with visually appealing dashboards. Mobile ready and can be accessed anywhere, at anytime



Supports varying project sizes and complexities, including Waterfall and Agile and can be scaled and customised to fit clients needs.



Brings industry insights challenge and provide proactive advice. Proven methods and a collaborative approach to deliver optimal outcomes and benefits.

Strategy module


Turn strategy into clear and actionable guidelines

- ▶ Define ***'Transformation Areas'***
- ▶ Set ***'Transformation Objectives'*** for each ***'Transformation Area'***

Transformation Areas

Transformation Areas Strategy Map

+ Transformation Area



Transform Product Portfolio

Transform Ecosystem Relationships

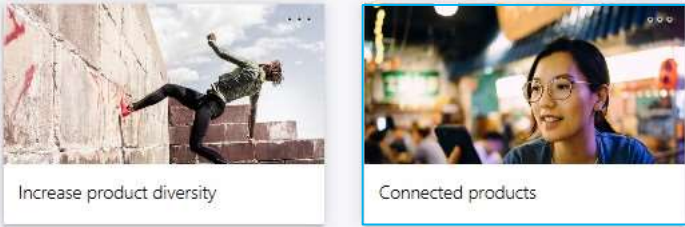
Transform Employee Experience

Define Transformation Areas, the spaces in which the organisation expects to transform

Transform Product Portfolio

Transformation Area Details Transformation Objectives Strategy Map

+ Transformation Objective



Increase product diversity

Connected products

Specify Transformation Objectives for each Transformation Area

Set expected, transformation 'Benefits' and 'Costs'

- ▶ Set specific financial and non-financial targets: '**Benefits**'
- ▶ Fund transformation through allocation of CAPEX and OPEX budgets: '**Costs**'

Connected products

Objective Details **Benefits** Costs

+ Benefit

Name ↑	Benefit	Category	Type	Target	Forecast	
● Increase subscription revenue	...	Increase subscription revenue doubl...	Efficiency	Financial	\$30,000,000.00	\$17,000,000.00
● Grow subscription mix	...	Grow subscription mix double digit...	Efficiency	Non-Financial	50%	62%
● Increase Market Share	...	Increase market share in the west c...	Value	Non-Financial	70%	70%

Devise measurable financial or non-financial 'Benefits' expected for each 'Transformation Objective'

Connected products

Objective Details Benefits **Costs**

Budget

Total CAPEX
\$9,086.00

Granularity: Months Save

	Jan 2019	Feb 2019
Totals	\$321.00	\$654.00
CAPEX	\$321.00	
OPEX		\$654.00

Capture planned spending in time-phased grids


Execution module

Mobilise portfolios and ensure alignment with strategy

- ▶ Propose **'Programs'** to realise **'Transformation Objectives'** and **'Benefits'**
- ▶ Perform what-if analysis to evaluate and maximise value of transformation portfolios

Programs

+ Program

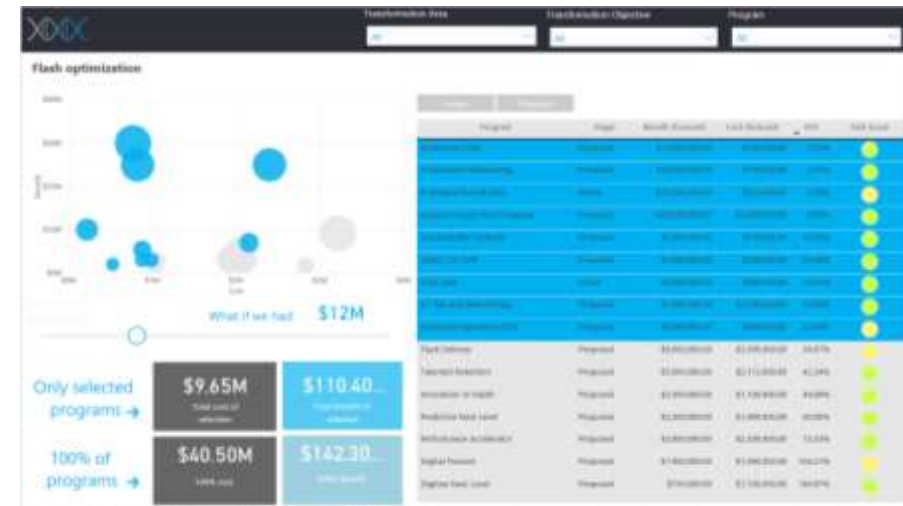


Prototype New Models

IoT MA and talent hiring

Acquire Design Tech Company

Devise measurable Financial or Non-financial 'Benefits' expected for each 'Transformation Objective'



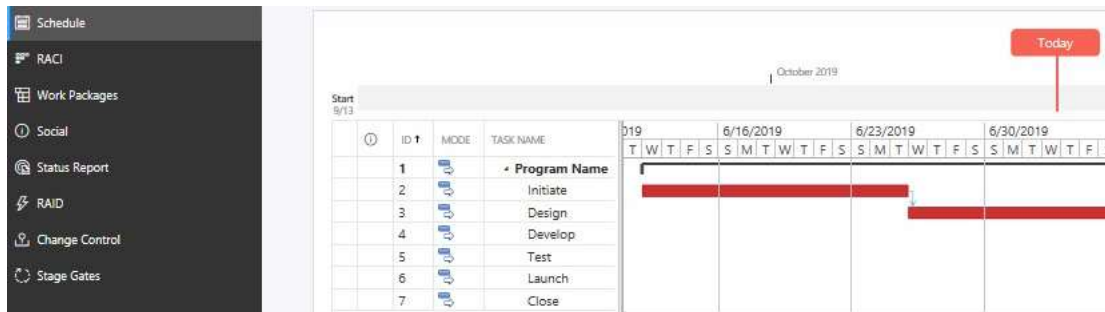
Capture planned spending in time-phased grids

Plan in detail and execute programs

- ▶ Plan and track program across multiple dimensions, such as:
 - ▶ **Benefits, Costs, Schedule, Stakeholders, Issues and Risks**



Manage program lifecycle and stage gates



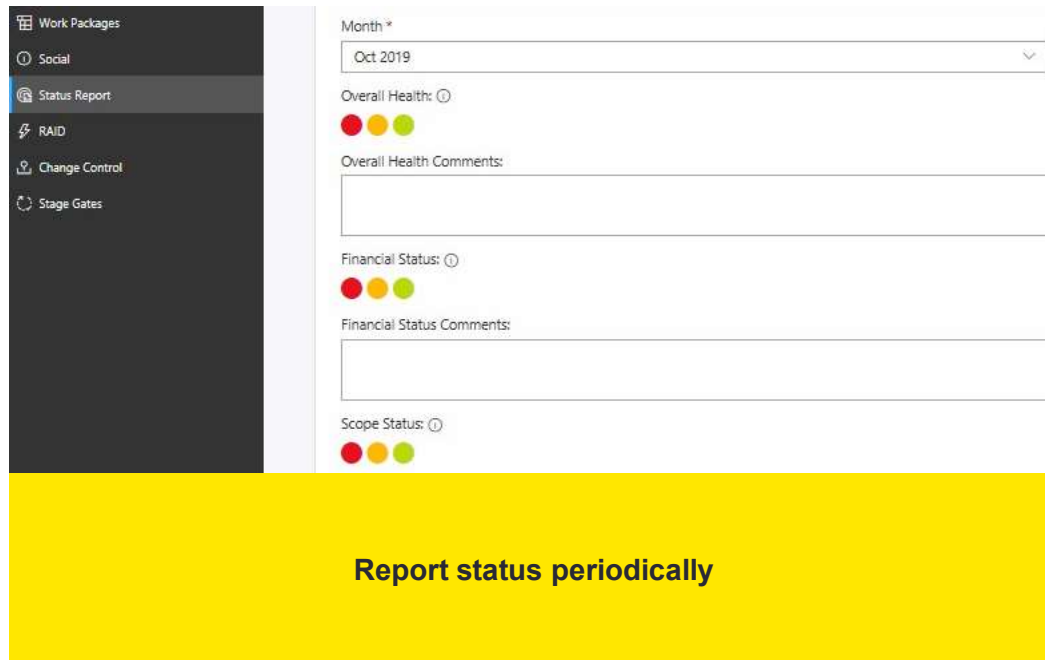
Plan and track schedule

ID	Title
19	Poor Source Code Quality
47	Exchange rate variability
48	Change management overload

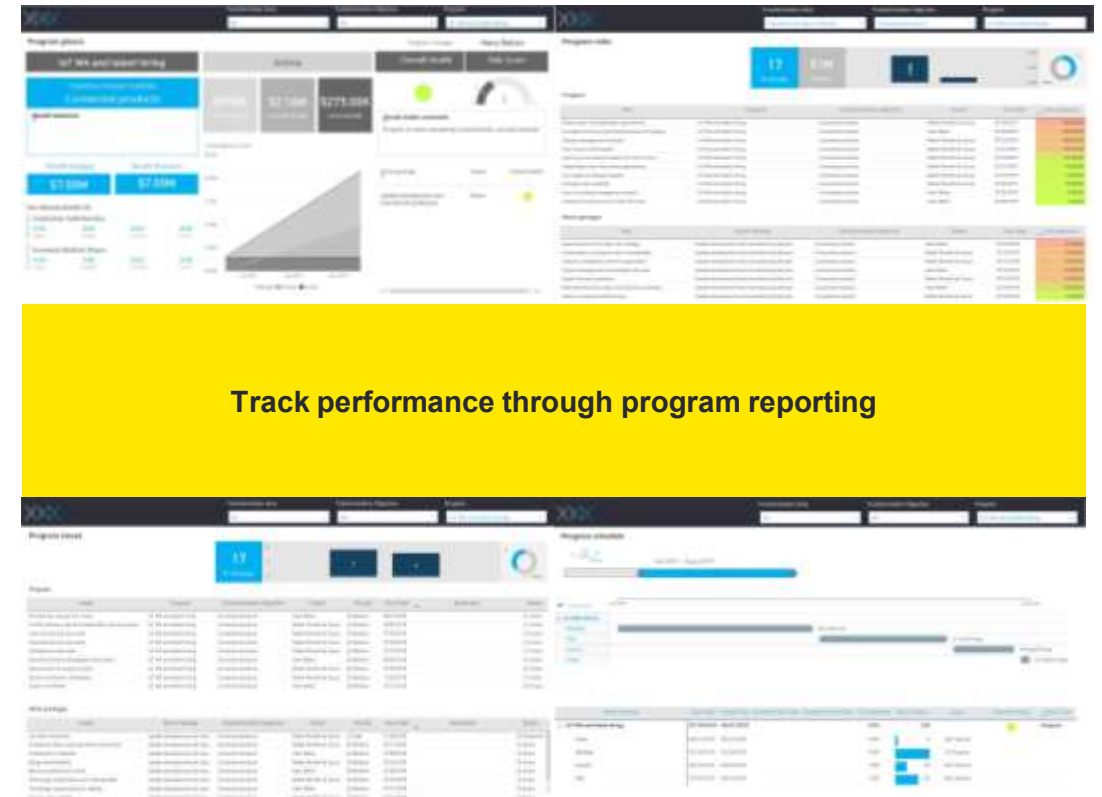
Manage risks, action items, issues and decisions (RAID)

Report and track program status

- ▶ Report status periodically and track: overall health, cost, schedule, risks and more



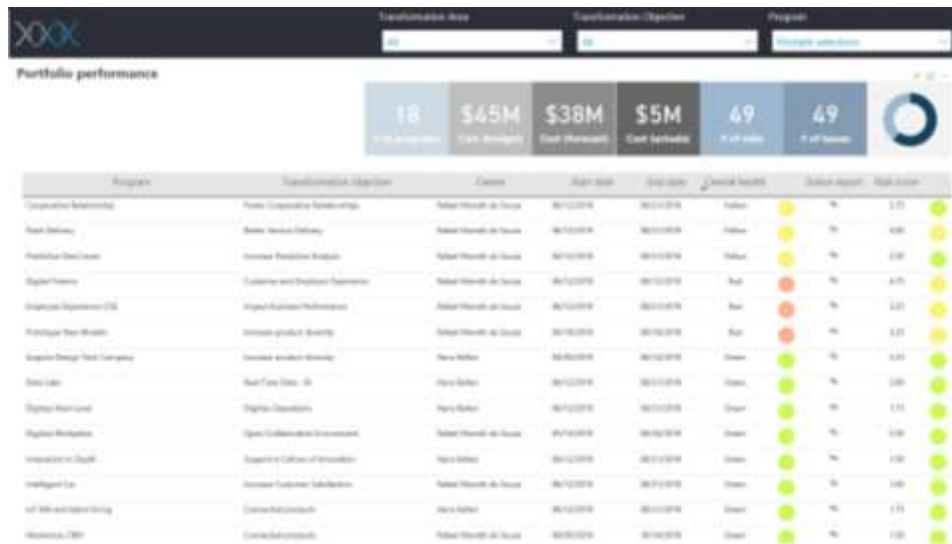
The screenshot shows a web-based reporting interface. On the left is a dark sidebar with navigation options: Work Packages, Social, Status Report (highlighted), RAID, Change Control, and Stage Gates. The main content area has a 'Month*' dropdown menu set to 'Oct 2019'. Below this are three status sections: 'Overall Health' with three colored circles (red, yellow, green) and a text input for comments; 'Financial Status' with three colored circles and a text input for comments; and 'Scope Status' with three colored circles. A large yellow banner at the bottom of the form contains the text 'Report status periodically'.



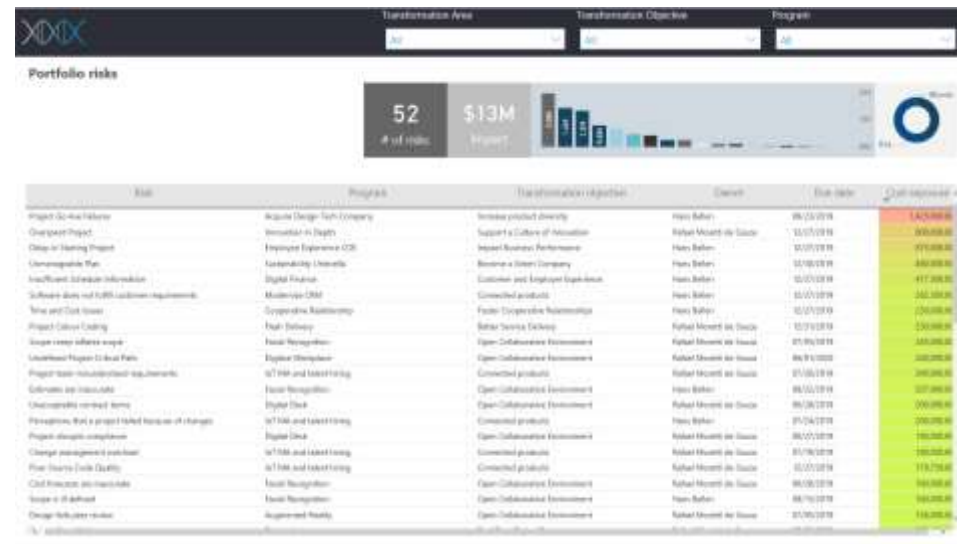
Performance module

Track portfolio performance

- ▶ Leverage inbuilt analytics, to gain visibility into performance of program portfolios
- ▶ Customise reports to best address specific performance tracking needs



Track overall status of programs in the portfolio to identify needed help



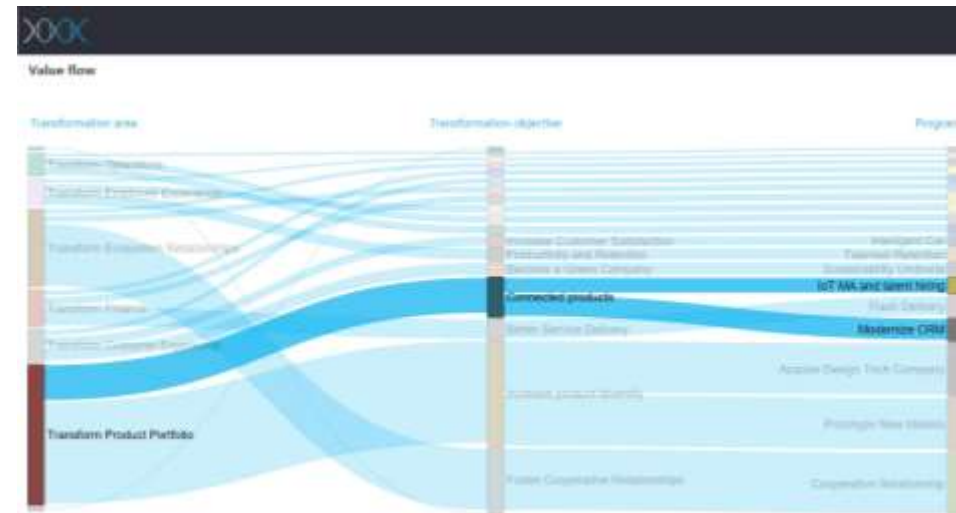
Monitor and take actions to mitigate risks at the portfolio level

Ensure transformation value realisation

- ▶ Leverage transformation steering analytics to ensure value realisation
- ▶ Make informed decisions to maximise transformation impact



Gain insight into value in the pipeline
Instantly understand value attainment plan vs. actuals over time



Understand marginal contribution of individual programs and see how value 'flows'

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