CEDUS

Value-Led Change & Transformation

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Unlocking the Power of Value-led Change

- For decades change leaders have been frustrated by the conspicuous **missing ingredients in Change - Value & ROI**

- Despite targeting 'value', change systems lack the actual currency of value - Return on Investment (ROI) - or monetary benefits.

- This gap is compounded combined with alarmingly poor predictability[1] from subjective estimation

- The result is decision making in a confused, distorted reality, no meaningful way to steer or optimize, unforeseen cost overruns, poor returns and a 70% chance of failure [2,3]

- **Cedus offer a unique solution** - We use Business Modeling & Machine Learning to help you see future reality, make the right decisions and optimize for significant benefits

Proven Track Record

Adding measurable value for 10 Years

NOMURA LLOYDS BANKING GROUP UBS DirectLine Group Nasdaq

BARCLAYS carbonplace euroclear Standard Chartered CREDIT SUISSE

Deutsche Bank nab KBC WELLS FARGO ING

BNP PARIBAS Itaú endava FNALITY

BBVA NEX MUFG MIZUHO STATE STREET For Everything You Invest In

SMBC CIBC BNY MELLON COMMERZBANK Santander

Source : [1] Gartner, [2] Harvard Business Review, [3] McKinsey

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The missing value-lens has huge impacts

The lack of Value & ROI in change has huge impact on the business and service leadership. Only seeing part of the picture, makes it almost impossible to navigate, and leads to the waste and failure we see today

Missing Ingredients

1. Disconnected Systems
Poor data, siloed systems, inconsistent logic

2. No Value Lens
No realistic Value / Business perspective

3. Poor Predictability
Subjective estimates out by 100-200%

Client / Provider Value-Transparency

- **No Realistic Timelines**
- **No Realistic Costs**
- **No Monetary Benefits**
- **No Tangible ROI**
- **No Risk Transparency**

Business Leadership & Strategy

Business Head
"We invest a fortune on change get a **poor return-on-investment**"

Product Head
"I have **no way to drive my Product by tangible business value**"

COO
"I keep being hit with huge **unforeseen cost overruns**"

IT Leadership & Delivery

CTO
"I have **no way to justify the cost** to the business"

Delivery Lead
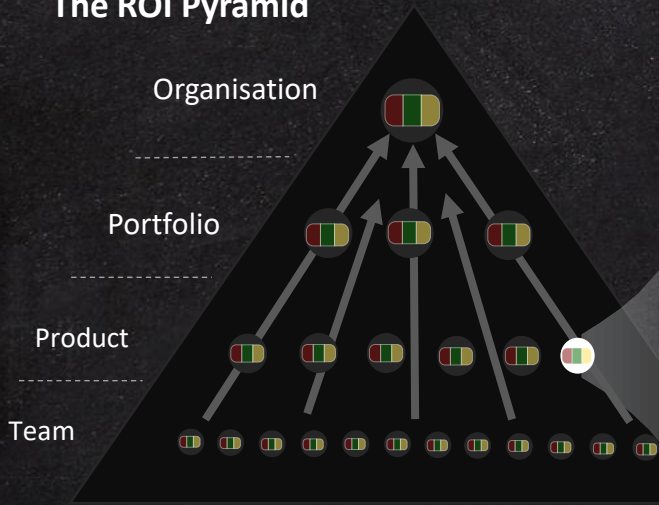"I **don't understand the business value** of what im building"

Head Of Change & Transformation
"Even with Agile there is still **no tangible value in change**"

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What is Value-Led Change?

Our solution embeds predicable **Value/ROI as the universal currency flowing through all levels of the change system**, providing the realistic, holistic business view needed to steer.

The ROI Pyramid

Organisation

Portfolio

Product

Team

Business
Do the most valuable things

- **Outcomes**

Cost Benefit ROI

- **Roadmaps**

Epic 1
Epic 2
Epic 3

Delivery
Build them well

- **Delivery**

Task 1 Task 2 Task 3 Epic 1

- **Capability**

Value Lens

Cost	Benefit	ROI
£300k	£780k	£480k

ROI Forecast (£)
(target vs trended)

Benefit Forecast (£)
(target vs trended)

Cost Forecast (£)
(target vs trended)

Realistic Milestones
(target vs trended)

Value Prioritisation

Value Streams
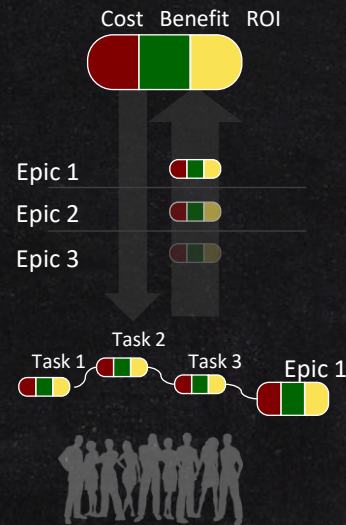
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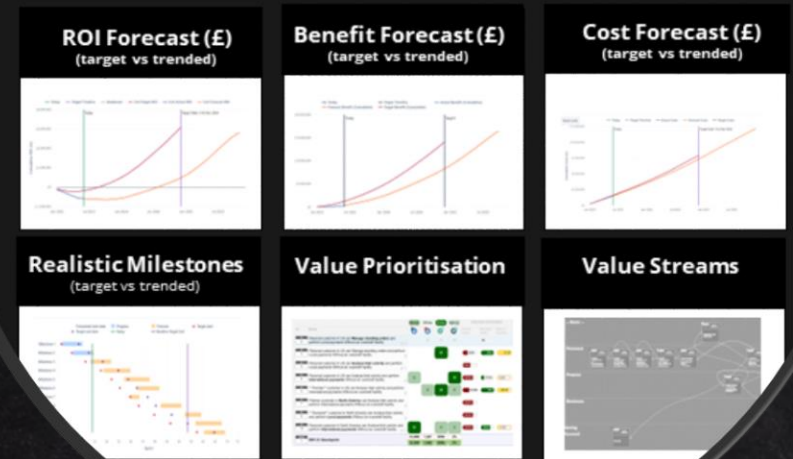
How do we do It?

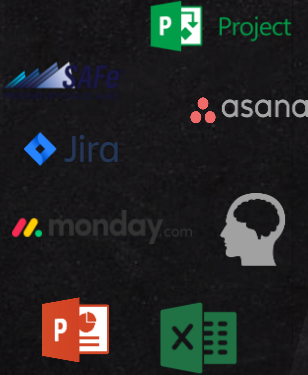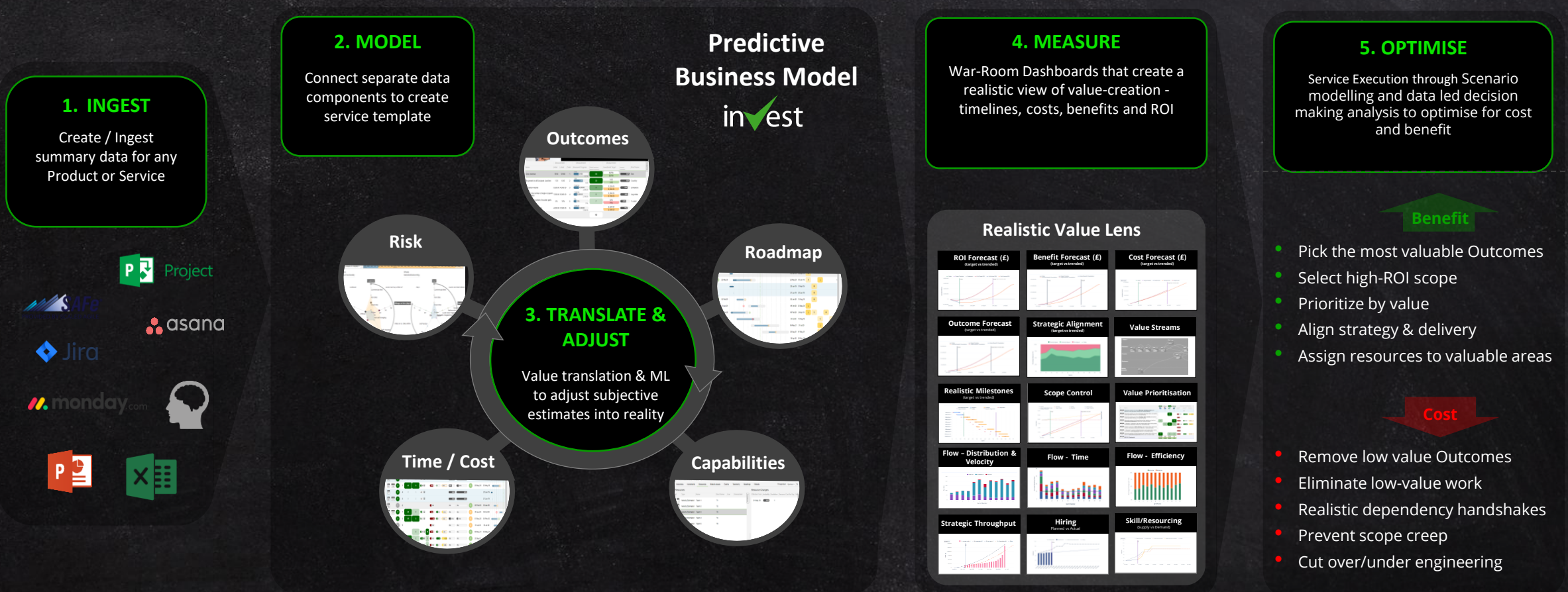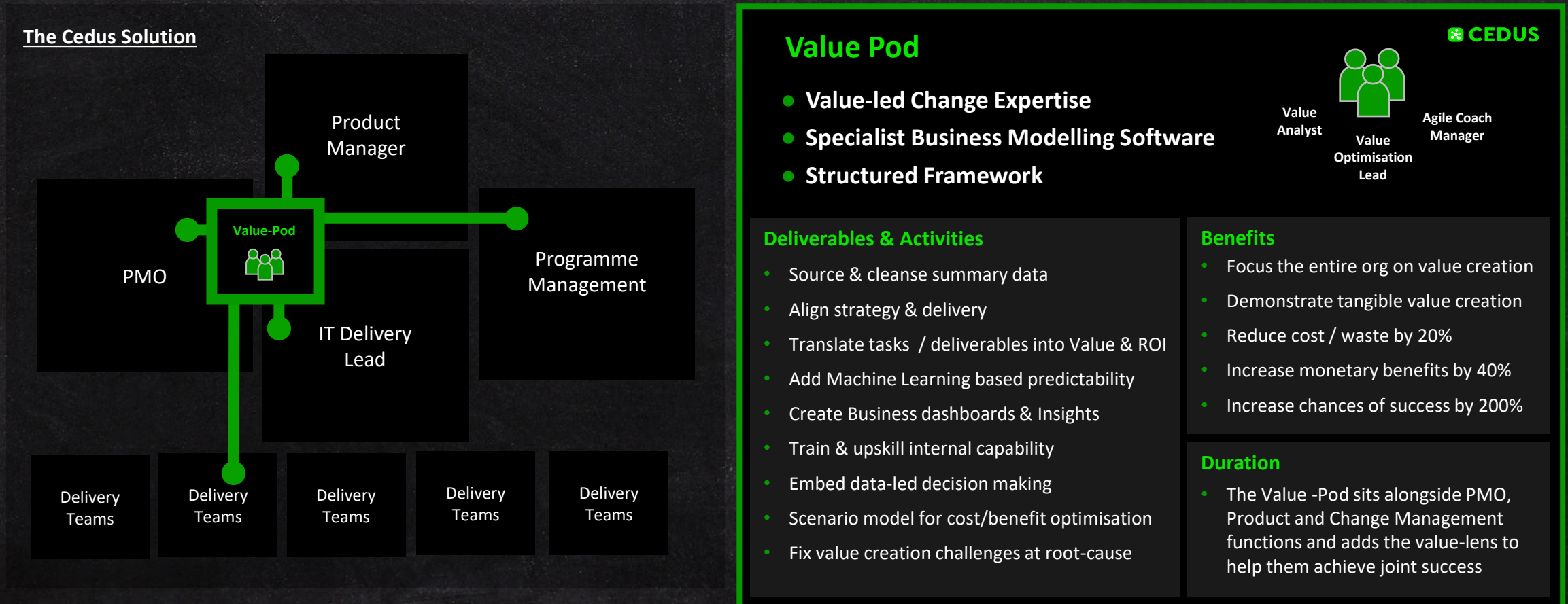Our solution is based on strong business thinking, realistic projections including cost, benefit and ROI, with measured results. **Realistic business transparency enables significant optimisation**, frequently in the £10s millions

1. INGEST
Create / Ingest summary data for any Product or Service

2. MODEL
Connect separate data components to create service template

Predictive Business Model
in✓est

Outcomes

Risk

Roadmap

3. TRANSLATE & ADJUST
Value translation & ML to adjust subjective estimates into reality

Time / Cost

Capabilities

4. MEASURE
War-Room Dashboards that create a realistic view of value-creation - timelines, costs, benefits and ROI

Realistic Value Lens

ROI Forecast (£) (target vs trended)	Benefit Forecast (£) (target vs trended)	Cost Forecast (£) (target vs trended)
Outcome Forecast (target vs trended)	Strategic Alignment (target vs trended)	Value Streams
Realistic Milestones (target vs trended)	Scope Control	Value Prioritisation
Flow – Distribution & Velocity	Flow - Time	Flow - Efficiency
Strategic Throughput	Hiring (Planned vs Actual)	Skill/Resourcing (Supply vs Demand)

5. OPTIMISE
Service Execution through Scenario modelling and data led decision making analysis to optimise for cost and benefit

Benefit

- Pick the most valuable Outcomes
- Select high-ROI scope
- Prioritize by value
- Align strategy & delivery
- Assign resources to valuable areas

Cost

- Remove low value Outcomes
- Eliminate low-value work
- Realistic dependency handshakes
- Prevent scope creep
- Cut over/under engineering

Project
SAFe
Jira
monday.com
asana

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What do we get? The 'Value-Pod'

Cedus have spent a decade developing a **simple, practical way of embedding Value & ROI** at the heart of any existing Change System, Project or Programme

The Cedus Solution

Product Manager

Value-Pod

PMO

Programme Management

IT Delivery Lead

Delivery Teams

Delivery Teams

Delivery Teams

Delivery Teams

Delivery Teams

Value Pod

- **Value-led Change Expertise**
- **Specialist Business Modelling Software**
- **Structured Framework**

Value Analyst

Value Optimisation Lead

Agile Coach Manager

Deliverables & Activities

- Source & cleanse summary data
- Align strategy & delivery
- Translate tasks / deliverables into Value & ROI
- Add Machine Learning based predictability
- Create Business dashboards & Insights
- Train & upskill internal capability
- Embed data-led decision making
- Scenario model for cost/benefit optimisation
- Fix value creation challenges at root-cause

Benefits

- Focus the entire org on value creation
- Demonstrate tangible value creation
- Reduce cost / waste by 20%
- Increase monetary benefits by 40%
- Increase chances of success by 200%

Duration

- The Value -Pod sits alongside PMO, Product and Change Management functions and adds the value-lens to help them achieve joint success

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Is my data good enough to model?

We only need approx. 50 data components on an average sized programme. We help you source & clean your data, and then transform it using benefit translation & machine learning to create a realistic business lens

Keep approx. 50 data components / 250 individual pieces of data up to date **(90% of which you have already)** and you can see all levels of maturity below

1. BEGINNER

Backward looking view of engineering efficiency

- Engineering flow metrics

- <u>Minimum Data</u> – 20 past Epics

2. APPRENTICE

Forward looking view, with timelines adjusted to reflect historic delivery rates

- Realistic timelines & milestones
- Measured scope creep
- ML For realistic delivery velocity adjustment
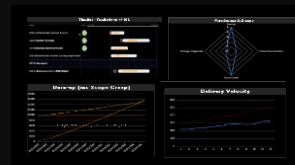
- <u>Minimum Data</u> - Epic level Roadmap (e.g. 40 Epics)

3. PRACTITIONER

Realistic roadmaps used to manage resource allocation

- Early warning of resourcing / skill gaps & bottlenecks
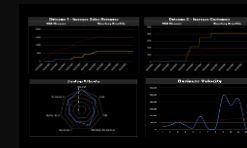- Manage skill supply and demand

- <u>Minimum Data</u> – Roadmap mapped to defined Teams & Skills (e.g. 4 teams)

4. EXPERT

See realistic projections of Outcomes, timelines & costs

- Holistic roadmap scope
- Realistic outcome forecasts
- Realistic cost forecasts
- Measured strategic alignment
- ML for Benefit measure velocity adjustment
- Early warning of strategic divergence

- <u>Minimum Data</u> - Roadmap mapped to Defined Outcomes (e.g. 4 outcomes)

5. GRANDMASTER

See a realistic view of Monetary benefits & ROI

- Translation into common currency (£&p)
- Realistic monetary benefit forecasts
- Value-led prioritisation
- Realistic ROI forecasts
- ML monetary benefit velocity adjustment

- As previous

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Where is the most valuable place to point it?

Value-led change isn't suitable for everything but **where there is a strong business focus it is a massive step up** compared to more traditional approaches

A few examples

Suitability Criteria

- Agile leadership mindset? — ● Yes ○ No

- Strong business focus? — ● Yes ○ No

- Ongoing optionality? — ● Yes ○ No

- Large scale / complexity? — ● Yes ○ No

- Learning and adaption? — ● Yes ○ No

Leadership Agility Transformation	AI Transformation	Digital Transformation
New Business or Product	Structure Critical Initiative	Fix Broken Initiative
Operational Efficiency Improvements	Vendor Oversight & Contracting	Next Generation PMO

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Example Case Studies

Case Study 1 – **Start-up Series A/B Growth**

Blockchain Wholesale Payments Start-up

BACKGROUND
- New start-up focused on enabling on-chain, peer-to-peer payments in wholesale banking markets
- 180 employees and 3rd vendor party resources
- 15 Global Bank consortium backed + 3 Central Banks

ENGAGEMENT SCOPE
- Full Change Management Outsource
- Live business modelling as the single source of truth
- Measurement dashboard & insights
- Coaching, training & scrum-mastering

BENEFITS REALISED
- Full organisation alignment to strategic goals
- Regular re-priorisation to maximise strategic progress
- Early warning of dates and root cause issues
- Measurement of strategic progress & realistic forecasts
- Data-driven scenario modelling to support board steering
- Change management, coaching & scrum-mattering at 4% of overall budget

We helped them grow from research project to Series A, and onto Series B over a 4 year period

Case Study 2 – **Portfolio Management**

Global Investment Bank – Front Office Equities

BACKGROUND
Equities & Securities Financing Business was maximizing the growth of its business through strategic change
- 50 Product Managers
- 100 Teams
- 1000+ people

ENGAGEMENT SCOPE
Support product management team across 100 team department
- Provide transparency across a large portfolio
- Increase product managers outcome driven thinking
- Maximize value creation across the decision
- Support team-level implementation coaching

BENFITS REALISED
- Increased Product Managers strategic output
- Brought Business & Technology together
- Data-led measurement used to drive steering groups

Incremental improvement over a 4-years left teams with the tools/thinking to make the best priority decisions and execute effectively

Case Study 3 – **Strategic Programme**

Swiss Investment Bank – Back Office Transformation

BACKGROUND
- Global strategic programme to transform back-office settlement and operations
- 10+ teams
- 500+ person programme
- Complex transformation from legacy systems to strategic architecture

ENGAGEMENT SCOPE
- Product Management coaching
- Modeling approach used to create transparency, including work decomposition and dependency elimination
- Velocity adjusted forecasts for realistic forecasts

BENEFITS ACHIEVED
- Realistic forecasts and clarity on cross team dependencies
- Management clarity on problems and root causes
- Reduced cycle times from 12 months to 12 weeks
- Introduced cross skilled teams and programme level Kanban

Cedus made such a difference that the original Client team have since re-engaged Cedus on another large programme

"Cedus' people, method and model help us make data-driven decisions on a regular basis and enable us to execute our strategy effectively"

CHIEF EXECUTIVE OFFICER

"Without Cedus, we would be miles behind where we are now - or perhaps even nowhere at all. More than just the model, the individual people have been fantastic."

MANAGING DIRECTOR & VICE CHAIR

"Cedus hit the ground running, quickly getting everyone focused on commercial outcomes and helping us streamline the programmes scope and improved engagement with the IT teams."

GLOBAL HEAD OF FX

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