

CASE STUDY

Xelocity helps Fonterra Milk Supply to implement a Programme Support Office for controlled delivery of Business Benefits.



THE CUSTOMER

Fonterra Milk Supply is undertaking their largest restructuring and strategy refresh since Fonterra was formed. A large number of projects are underway involving every area from milk collection to supplier payment. Xelocity was engaged to help set up a Programme Management Office with the mission to implement a Project Prioritisation and Governance structure to ensure the right project is undertaken at the right time.



Fonterra is a world-leading manufacturer of dairy products. Through their cooperative structure Fonterra has access to the majority of New Zealand dairy farms throughout the country and is growing worldwide with operations in Australia, China and South America. At present around 12,000 farms build the supplier bases for Fonterra. Around 95% of goods produced by Fonterra are exported from New Zealand.

Fonterra Milk Supply is the business division responsible for the supply chain from milk shed to factory gate. This includes the milk collection from the farms and delivery to the factories, milk quality, animal well-being and environmental assessments and education. Fonterra Milks Supply is also responsible for all supplier relationships, shareholding management and supplier payments.

BUSINESS CHALLENGES

- Provide visibility of business benefits and project status.
- Project prioritisation and resource availability
- Provision of Project Management Methodology and access to training and support

XELOCITY SOLUTION

- Appointed Programme Management Office Analyst, who assessed the status quo of the Project Management needs
- Assisted the implementation of training for different levels of Project Staff
- Implemented a project prioritisation process, project management methodology and a project management tool.
- Established a portfolio report visualising the overall status of the projects.

ROI / BENEFITS

- Amount of Projects running in parallel have been reduced.
- Visibility of projects have been increased.
- Programmes of work have been formed to run related projects in a coordinated manner.
- Training and visibility of business benefits.



XELOCITY
Powerful Business Results



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PROJECT SUMMARY

Fonterra Milk Supply asked Xelocity Ltd. to support them in establishing a Programme Management Office. This request was formed by the need of Fonterra Milk Supply to implement a number of projects in a coordinated manner throughout the business. Also a prioritisation of projects was asked for to be able to do the right project at the right time.

As the first step Xelocity performed a review of the existing standards and methodologies as well as the current state of Project Management maturity. As an outcome it was decided to set up a training strategy and define and clarify the corporate project management standards.

A selected number of people were trained on project management principles and individuals got mentors to improve their skills and understand project management principals. Through these actions a shift in project quality was recognised especially through the quality of project reporting received and the quality of project briefs for the approval and start of projects.

As the next step project prioritisation was established to identify projects that need to be advanced before other projects. Xelocity developed, with the business, a method that suited their requirements and data available in the business to make informed decisions. Every project needs to go through the formal process and needs to be re evaluated before the start of major phases within the project.

This enabled the business to start and stop projects based on resource constraints or changes within the strategy so that the right mix of projects are executed to deliver the business benefits.

As most of the project reports have been created as documents, the need for a reporting database grew, to be able to use these reporting data on a consolidated Project Portfolio Report. A support tool for the project managers was developed that was customized to the capability and needs of the business to minimise overhead, but be able to effectively report project progress into a consolidation sheet. Xelocity implemented this tool, which is used throughout the business and decreased the manual effort for project managers significantly and the quality of reported data increased.

The PMO was established to coordinate training needs, support projects during the start up phase and preparing reports for the management on the progress of the portfolio of projects.

It is now seen as adding significant value to the business as well as providing structure.

CONTACTS

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