TBM in Organizational Development: Case Study Financial Service Industry

11

11.1 Description of the Client[1]

Allianz Group is the world's largest insurer. With headquarters in Munich, Germany, it looks back on a history of 112 years. Established in 1890, Allianz Versicherungs-AG's headquarters were originally in Berlin. In 1949, however, Allianz moved to Munich after the offices in Berlin had been destroyed in an air-attack in 1943. Since then, it has stepped up its global reach through numerous acquisitions both in Europe and abroad. After the fall of the German Democratic Republic (GDR), Allianz bought the GDR's state insurance company and started to expand into Central and Eastern Europe, where it enjoys a dominant market position. In 1999, Allianz started to set up shop in Asia via joint ventures in China and the acquisition of First Life Insurance Co., Ltd, in South Korea. Recently, it bought the US asset manager Nicholas Applegate and Germany's Dresdner Bank.

Allianz's core business today involves property and casualty insurance and health and life insurance, as well as asset management.

11.2 The Contingency Situation

11.2.1 Industry Situation

September 11 witnessed the largest man-made disaster the insurance industry has ever faced. While most of the companies that had offices in the World Trade Center (among them insurance firms Aon, Guy Carpenter, and Royal & Sun Alliance) struggled to cope with the human loss they suffered, investors reacted immediately. They sold virtually all their shares in insurance.

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[1]A complete history of Allianz Group can be found on Allianz's webpage www.allianz.com.

At the end of 2001, it still was not clear whether or not insurance companies would buckle under the weight of claims. It all depended on how sensible they were on any single source of risk and whether or not they had insured themselves with so-called "re-insurers" to avoid losses beyond a certain limit. Besides, it was not clear whether governments would step in to help insurance companies in case things really turned bad. In addition to the terrorist attacks on September 11, tumbling stock markets and huge asbestos claims caused some insurance companies to stagger.

11.2.2 Client's Situation

The year 2001 was not particularly good for the Allianz Group. Their profits fell 54% from EUR 3.5 billion in 2000 to EUR 1.6 billion in 2001.[2] Thus, Allianz missed its target profit by EUR 1 billion. Earnings per share were more than halved, and Allianz Group had to significantly prop up its reserves.

Allianz Group's rather "moderate" performance was due to several events. Most significantly, however, it was the terrorist attacks on September 11—causing an outlay of EUR 1.5 billion—that dented most into Allianz's profits. Moreover, the group had to write off EUR 1.6 billion of their capital investments because of the global stock market crash.

Allianz has been extensively acquiring companies all over the world. In the 1990s, it purchased, among many others,

- Fireman's Fund Insurance Company (USA)
- Elvia Group (Switzerland)
- Assurances Generales de France, AGF (France)
- First Life Insurance Co. (South Korea), and
- Just recently, Dresdner Bank (Germany)[3]

These numerous mergers brought many advantages for Allianz. However, they also caused many obstacles that the group had to overcome. Therefore, the Board decided in 2001 to reassess and redefine the Munich head office and transform it, introducing a so-called Group Center[4] with different units, such as

- Group Communication,
- Group Development,
- Group Human Resources, or
- Group Information Management.

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[2]Allianz Group, Annual Report 2001.

[3]Please refer to the group's webpage www.allianz.com for further information on its acquisitions.

[4]All information gratefully taken from the Group Human Resources Handbook with permission form the GHR Head, October 2002.
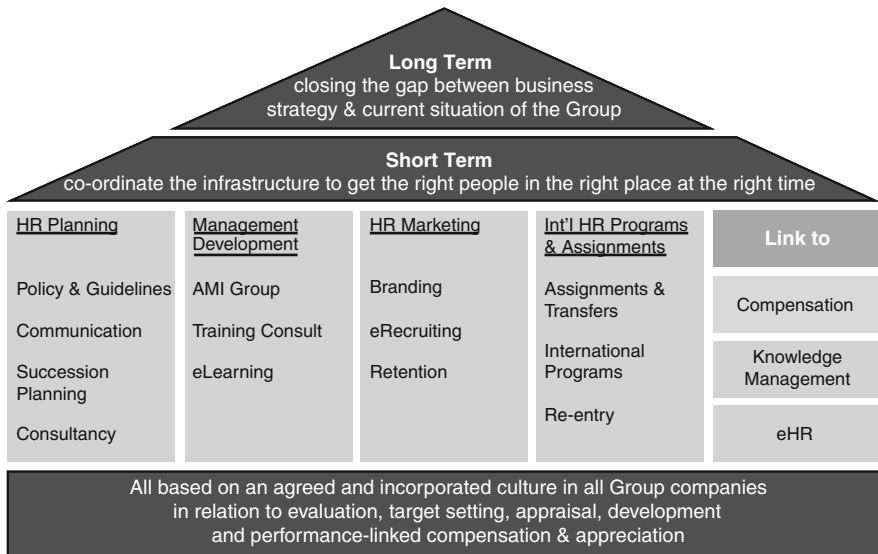
Fig. 11.1 Overview of GHR scope and activities (Published with permission by Head of GHR/Allianz Group)

For evolving aligned policies and practices group-wide in close cooperation with the operational units all over the world. This is of huge importance, as the Allianz Group is a very decentralized organization and the overall goal is the realization of synergies based on the joint development of commonly agreed on processes, roles, and responsibilities.

One of these difficulties comprised merging different organizational cultures and, related to this issue, harmonizing activities evolving around top executive recruiting, their succession planning, and management development. Moreover, executives' stays abroad had to be coordinated according to company needs. In a nutshell, the activities of the various HR departments around the world had to be modulated. For this purpose, one of the new units of the Group Center *Group Human Resources (GHR)* was established in 2001, consisting of approximately 35 people. The challenge for GHR is to facilitate the development of more leaders and executors and to ensure that the right people are in the right place at the right time (Fig. 11.1).

Group Human Resources plays a strategic role within the Allianz Group globally. Its main activities are:

- To identify needs and to co-ordinate activities,
- To foster the Group identity,
- To expand the infrastructure for international exposure, and
- To provide opportunities for management development.

Group HR was created not only because of the various challenges stemming from Allianz Group's numerous mergers. Rather, overall global human resource trends created the need for action. These global trends, in a nutshell, are:

1. Thirty-five- to forty-five-year old will eventually make up just 10% of the workforce.
2. A growing number of executives are nearing retirement.
3. There is an ever-greater need for management rather than administrative work.
4. Employees have become less loyal as competition increases.
5. Mergers, restructuring activities, and focus on core competencies have left fewer opportunities for executive development.

11.3   Problem Definition and Understanding

Two topics of concern existed in Group HR. First, the roughly defined structure of the department's policy, involving processes and IT, as well as roles and responsibilities, was to be concretized and implemented.[5] Second, Group HR's people, with backgrounds in different HR areas, indicated their interest in deepening and broadening their experience in process and project management—skills required to do their jobs and support the establishment of the GHR department. They particularly addressed the strengthening of project management know-how as well as process thinking.

In the words of Axel Guepner, head of Group HR:

We need to improve the global coordination. And I see some potentials for improvement in some knowledge areas, especially in state-of-the-art project management, to do our work on a best practice basis.
    —Axel Guepner, Group HR, Allianz Group

You may ask yourself: "Why on earth do they have to manage projects?" Well, it is their job to support, serve, guide, and align Allianz Group's local HR departments. This involves issues and topics alongside the entire value chain of Human Resources. GHR's purpose was—as indicated earlier—to strategically align the activities of the various local HR departments. Thus, this is project management on a global scale. Furthermore, the delivery of HR services through GHR initially requires the conceptualization, alignment, and implementation of globally accessible and available tools, processes, and applications. This can be realized efficiently only by using a commonly agreed on professional project management approach.

I have already written in great detail on how to apply the TBM methodology in establishing and optimizing a system (see case study 1) or streamlining a process (see case study 2). Both involve dealing with processes and IT, as well as roles and

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[5]Rothwell, W.J.; Sullivan, R.; McLean, G.N.: "Practicing Organization Development – A Guide for Consultants", Pfeiffer & Co 1995.

responsibilities. Therefore, I will not discuss how we tackled the department's policy problem; rather I will take up the second issue—project management.

Project management is *the application of knowledge, skills, tools, and techniques to project activities to meet project requirements. Project management is accomplished through the use of processes such as: initiating, planning, executing, controlling, and closing.*[6]

We can easily deduce from this definition given by the Project Management Institute that to successfully run projects one has to

- Be able to think in processes
- Command techniques for execution
- Think and act quickly

When Axel Guepner, head of Group HR, first approached me, he made it clear that these three capabilities were not sufficiently developed among his people. He asked me to provide his team with the necessary techniques and to give them the tools to productively manage projects. Coupled with this, he and I would then tutor the entire team so that they would gain the knowledge and skills to run projects in the future without any substantial further assistance.

To me, it was at once clear that Template-driven Consulting would provide the optimal framework for meeting Axel Guepner's demands of turning his team into professional project managers at the lowest cost (financial and time) possible.

11.4 Process Evolvement and Abstraction

As with every TBM project, I first had to come up with an idea of how to solve the present problem. Unlike the other projects, I described previously, however, this time it was purely about designing templates and coaching the client's employees. Axel and I spent hours and hours discussing and elaborating ways of efficiently getting his team up to speed, besides all the important and ongoing activities GHR had to deliver continuously.

To design the templates, I had to abstract the project management process,[7] or rather its processes. This means that I did not actually envision *myself* delivering project management services, but *Group HR's employees* instead. Thus, I had to start with spotting the various dimensions of managing any project. Basically, these involve nine *areas of knowledge.*[8] They are:

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[6]Project Management Institute: A Guide to the Project Management Body of Knowledge – 2000 Edition, Project Management Institute Publishing 2000, p. 6.

[7]Kerzner, H.: "Project Management – A Systems Approach to Planning, Scheduling, and Controlling", 7th Edition, John Wiley & Sons 2000.

[8]Project Management Institute: A Guide to the Project Management Body of Knowledge – 2000 Edition, Project Management Institute Publishing 2000.

1. *Project Integration Management—PIM* (ensures that the various elements of the project are properly coordinated).
2. *Project Scope Management—PSM* (ensures that all the required work is included).
3. *Project Time Management—PTM* (ensures timely completion of the project).
4. *Project Cost Management—PCosM* (ensures that the project is completed within the approved budget).
5. *Project Quality Management—PQM* (ensures satisfaction with the project's results).
6. *Project Human Resource Management—PHRM* (ensures the most effective use of the people involved with the project).
7. *Project Communications Management—PCommM* (ensures timely and appropriate generation, collection, dissemination, storage, and ultimate disposition of project information).
8. *Project Risk Management—PRM* (is concerned with identifying, analyzing, and responding to project risk).
9. *Project Procurement Management—PPM* (is concerned with acquiring goods and services from outside the performing organization).

The next step in the process evolvement and abstraction phase was to identify the key components or processes of the nine knowledge areas, to see which stages Axel's employees would have to pass through to successfully deliver results and which templates I would have to produce (see Fig. 11.2). By doing so, I switched between analyzing on an operational and a meta-level. I had to think genetically.

As the advisor, I had to look thoroughly at every piece of the problem-solving process to get an understanding of which templates had to be generated. Producing templates for each of the nine knowledge areas would result in having a set of templates. At this point, it is important to mention that the phases of the nine knowledge areas are not isolated. Rather, they are highly interrelated. This realization is essential for the next stage of TBM, template generation.

11.5 Template Generation

In every project, it is important to first get a general idea of what the project is about, why it is needed, and what are its key aspects and benefits. Moreover, it is essential to know who the project's sponsors and managers are. This information should then be summarized and put into a single document. Therefore, the first templates I produced had to document allowing for a good and precise overview of each project's scope—what lies within the scope of the project and what not, the demand for the project—the reason for doing this project, its objectives, and the people involved such as sponsors, team members and of course the project manager(s). Figures 11.3, 11.4, 11.5, and 11.6 show some of the templates that the GHR team was finally given.

	Phase 1	**Phase 2**	**Phase 3**	**Phase 4**	**Phase 5**
PIM	Project Plan Development	Project Plan Execution	Change Control		
PSM	Initiation	Scope Planning	Scope Definition	Scope Verification	Scope Change Control
PTM	Activity Definition	Activity Sequencing	Duration Estimation	Schedule Development	Schedule Control
PCosM	Resource Planning	Cost Estimation	Cost Budgeting	Cost Control	
PQM	Quality Planning	Quality Assurance	Quality Control		
PHRM	Organizational Planning	Staff Acquisition	Team Development		
PCommM	Communications Planning	Information Distribution	Performance Reporting	Administrative Closure	
PRM	Risk Management Planning	Risk Identification	Qualitative & Quantitative Risk Analysis	Risk Response Planning	Risk Monitoring and Control
PPM	Procurement and Solicitation Planning	Do Solicitation	Source Selection	Contract Administration	

Fig. 11.2 The phases of the nine knowledge areas of project management (Project Management Institute: A Guide to the Project Management Body of Knowledge – 2000 Edition, Project Management Institute Publishing 2000)

11.5.1 Template Structuring

Generating the templates did not require going through each stage of the generation phase in great detail. Some sketches were done, and I played around with graphical elements. I had to bear in mind, though, that the templates I produced now would set the stage for the templates to follow. However, the final versions of these templates were on Axel's table rather quickly.

Based on these templates, one can see how we continuously fine-tuned and aligned them, as we learned how differently the GHR team members were using and interpreting our pre-developed templates, even though we always cross-checked them with Axel and ran pretests as part of the template generation phase.

These templates constituted the basis for developing another template depicting the project plan (see Fig. 11.6). This template included all the necessary general information on the project such as its title, its time frame, and the overall activities, as well as the people who would do the activities.

Fig. 11.3 Understanding template

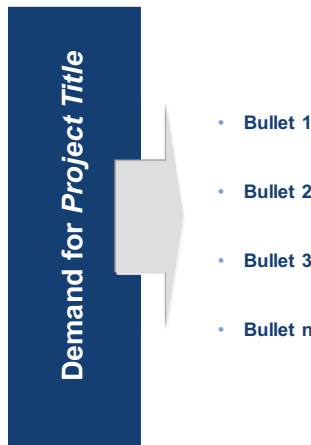**Understanding of *Project Title***
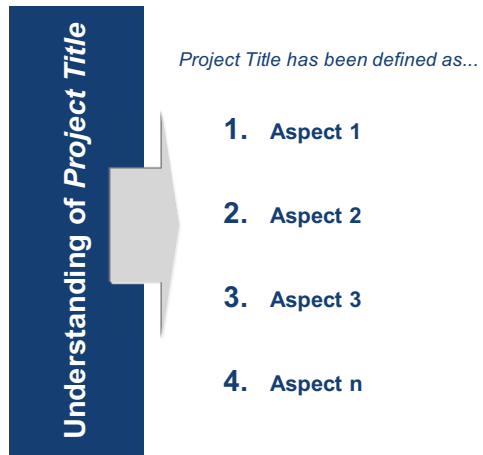
Fig. 11.4 Demand template

These Aspects Reflect The Ever More Growing Demand for *Project Title*

Developing the template in Fig. 11.6 was a little bit trickier, since it had to contain a lot of information but still had to be clear. I had to pay attention to keeping this template user-friendly, precise, and clear in expression. Therefore, I generated various draft versions of the template and checked with the team which ones they would find most easy to use.

Design, it turned out, was very important with this template. I often returned to my desk and modified the drafts according to the team's input. In the end, the

**The Growing Demand Leads to the Following
Benefits for the *Project Title* Initiative**
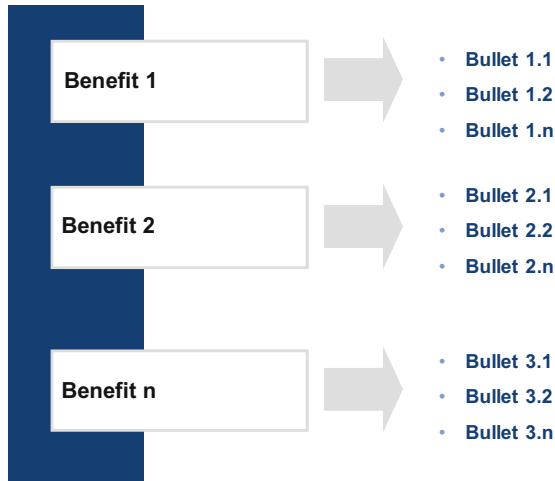
Fig. 11.5 Benefits template

Project: *Project Title*

Sponsor/Owner	NN
Project Manager	NN
Project Team	To be defined
Objective Summary	• Objectve #1 • Objective #2 • Objective #n
Project Status	To be defined
Nature of relationship with other projects	• To be defined

Fig. 11.6 Project overview

template you see in Fig. 11.6 was developed—pretty much a hybrid of all the drafts. Besides making it possible to plan a project, template 11.6 is also very suitable for managing a project's scope, since the project manager can see at one glance whether or not all the necessary activities are covered by the project plan.

The next step of the project management cycle typically entails the time management dimension. The project manager lists all the objectives and the activity packages or single activities required to attain them and chooses a way to epitomize the time needed. There are many ways in which the time frame can be plotted. One can simply put the starting and the end date in the document or choose from a large pool of graphics. We preferred the latter option, since visualizing intangible time, we thought, was always helpful.

The project team immediately liked one particular idea: the Gantt[9] chart. It was very good that we could agree on this quickly, since we were thus able to move on to other things. We had to be careful, though. The Gantt chart is not very practical when time is measured in short periods such as days. Thus, we used the Gantt charts only for an annual and quarterly overview (see Figs. 11.7 and 11.8). This again was one of the discussion points during the template generation phase, as due to the complexity of the projects a more detailed level for project planning and monitoring was not required.

What was so specific about our TBM approach was that the templates provided were to facilitate and ensure a consistent project planning, especially at the beginning. So, we integrated a consistency loop throughout the different levels of project management templates. Starting with the project overview templates, the project managers had to define their overall objectives (cf. Fig. 11.6).

These objectives then served as the basis for the next level's templates—the annual Gantt project overview. The project managers had to carry over the objective summaries into the left column[10] of the annual Gantt project overview (see Fig. 11.7).

Based on these phases, as a next step, the activity packages of each phase had to be defined. For each activity package, a time bar had to be drawn indicating the length of the activity package on a monthly basis. This had to be done for all activity packages and for all phases.

Then the project manager had to carry over the defined activity packages again to the next level of templates—the quarterly Gantt project templates (see Fig 11.8). For each activity packages, single activities had to be evolved and planned in a weekly mode. Finally, for each activity concrete deliverables such as a word document, a presentation, a report, or some kind of other tangible outcome had to be defined and documented in the last column on the right side of the template (see Fig. 11.8).

In case a project manager defined activity packages not in consistency with the overall planning, the consistency loop would help to identify such an inconsistency. This means either that on the activity level no further distinction was possible, as the package was already too small, e.g., "Run Workshop," or that even on the activity level the work amount would be too comprehensive, e.g., "Develop Communication Strategy." During the project at GHR, project managers several times came to tell me

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[9]The name Gantt-chart originated with Mr. Gantt, who for the first time used time bars to indicate time-spans and dependencies.

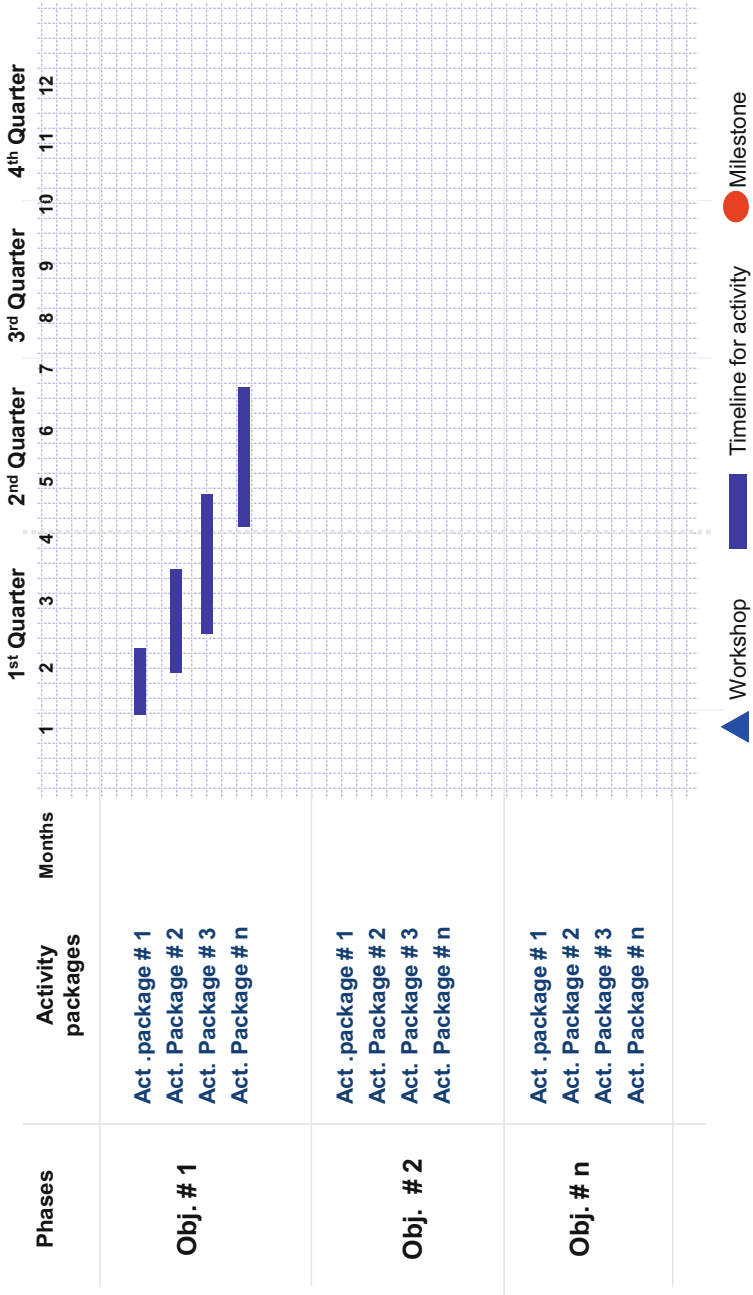[10]Indicated in the figure by the black ellipse.
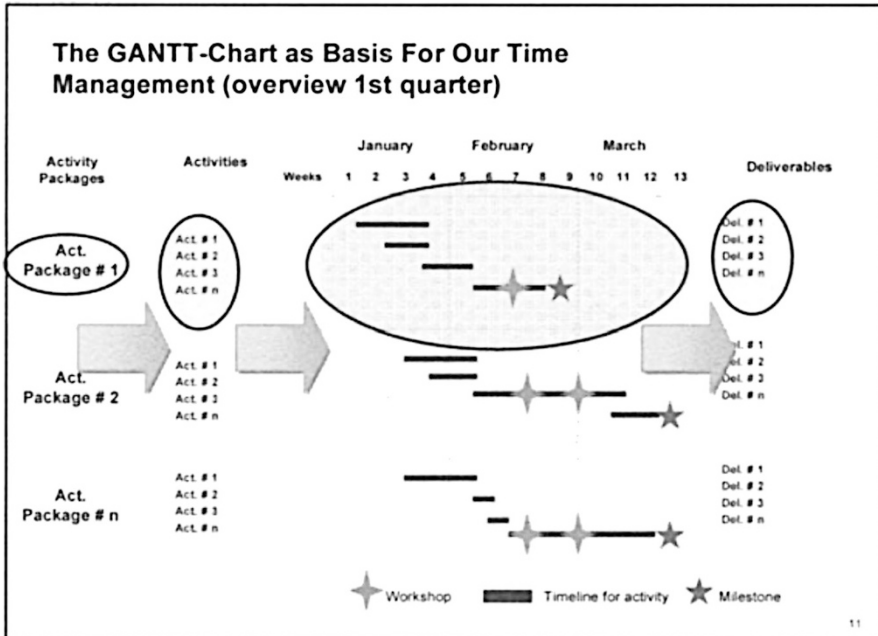
Fig. 11.7 Annual Gantt project overview

Fig. 11.8 Quarterly Gantt project overview (The orange arrows indicate the logical flow of content-development. The circles show the different areas, where the project-related content is contained and based on which consistency loops are gone through)

that they were having trouble working on all three levels. Frankly speaking, this was the trigger for me that some coaching would be required.

A more detailed description of the different templates linkage is provided in Fig. 11.9. The consistency loop played an important role during the dual-level coaching process.

11.5.2 Template Completion Process

To ensure an efficient project initiation according to both dimensions, the TBM project and the operational GHR projects, we decided to develop a GHR On-boarding Package and to run specific On-boarding Sessions. The entire set of project briefing templates was introduced to the team and explained thoroughly.

Then the templates had to be completed by the project managers. If they had questions, they could contact me to schedule a project planning session. The deal was that the team members would not call me prior to having completed the set of templates for the first time on their own.

Based on their completed templates, we then ran dual-level coaching sessions facilitating both their project structuring and planning capability, as well as the professional operational project setup and planning. These sessions were essential
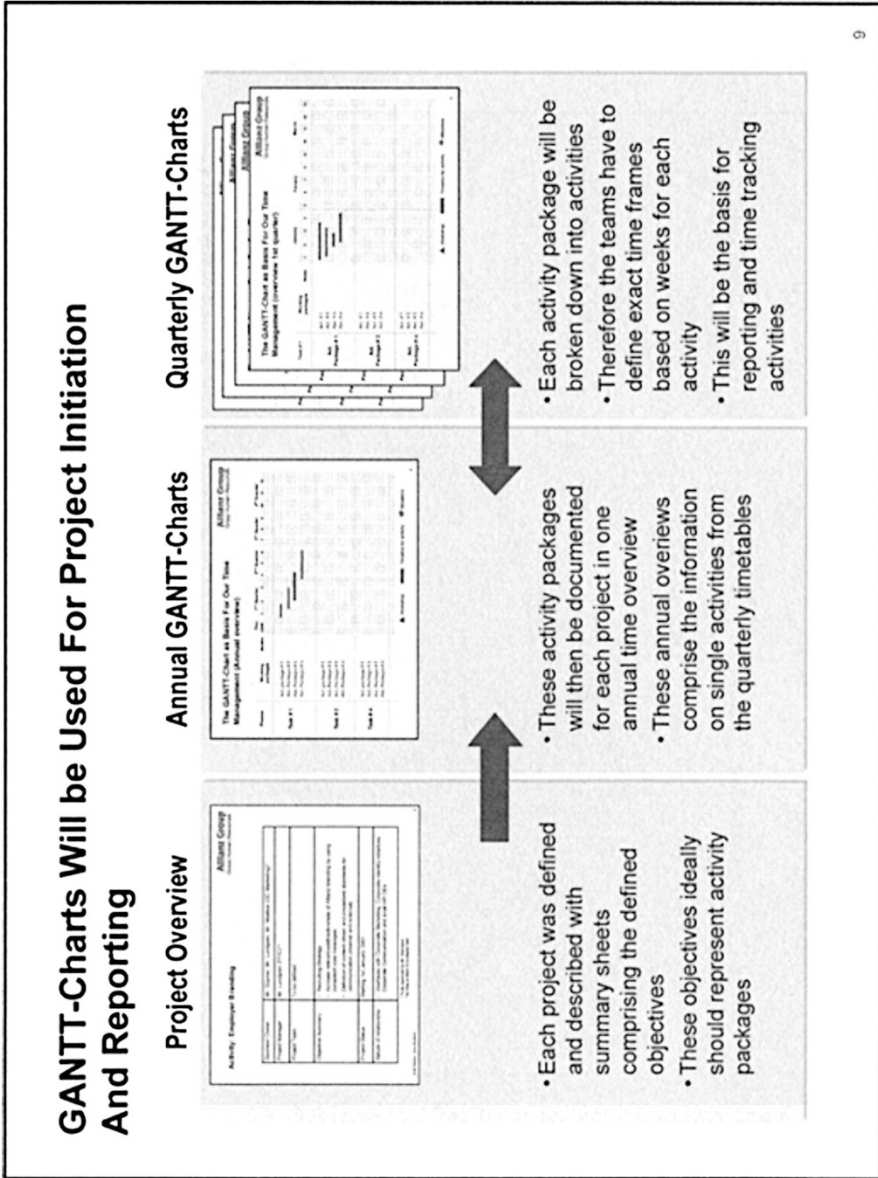
Fig. 11.9 Template consistency loop explanation

to realizing the know-how transfer between the team and me. Of course, especially at the beginning, some people needed more than one coaching session, but—and here I recall Alexandra Groess—some team members immediately took over the templates and the underlying approach. They dealt with the increased effort and work at the beginning of the TBM project, being aware of the great opportunity the templates and Axel, with his investment in a TBM project, offered: the opportunity to learn hands-on and, through this innovative tool called TBM, how to set up, run, and deliver projects efficiently.

Indirectly, the team learned how to structure their work in general, as Axel furthermore allowed only documents and deliverables that were clearly structured and consistent. These were supported by further content-oriented templates providing pre-set structures and formats for milestone and quarterly reports that had to be delivered to the board.

11.5.3 Template-Driven Monitoring Process

Directly linked to the development of a time schedule is schedule control. Here, three dimensions had to be borne in mind. First, a template was needed to allow for proper time management of the overall project (see Fig. 11.10). Second, we needed a
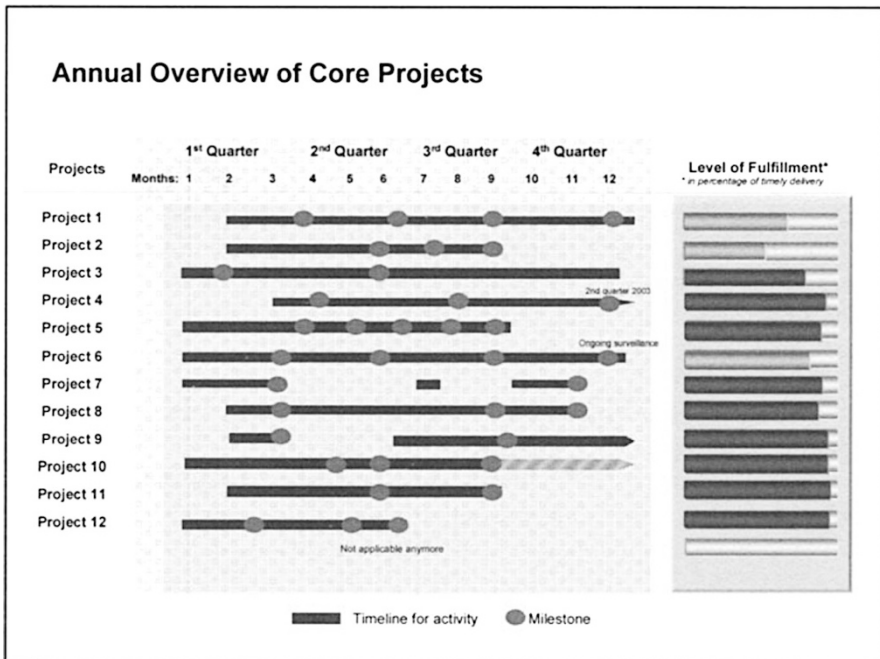
Fig. 11.10 Annual project overview template

template to control the status of the activity packages according to time. Last, we had to generate templates for managing single activities.

This is now a classic example of a set of templates and of the need for a strict adherence to the key elements of efficient templates. To refresh your mind, the five key elements discussed in Chap. 5 are:

- User-friendliness
- Precision of expression
- Comprehensiveness
- Consistency, and
- Self-explanation

Above all, I wanted to keep the templates consistent regarding the choice of words and design, so that the project teams could easily transfer any information from one template to the other. This concern ultimately resulted in the templates being user-friendly and, to some extent, self-explanatory. One thing not that easy was to keep the templates precise in expression, because activities can usually be explained according to various dimensions.

Once Peter came to my office and said:

> *Look, Uwe. This is too technical. I wouldn't V understand this in 3 months from now. We have to change the terminology!*
>   —Peter Clist, Group HR, Allianz Group

At this point, it was clear to me that we had to work mutually to find a diction that got to the heart of the issue and would be easy to understand. We tried to avoid any technical terminology that would just frustrate the users.

Let me now explain the templates, how they relate to each other and to the templates shown above. Figure 11.12 (Gantt chart—annual overview) depicts the various phases or objectives and lists the activity packages that would, together, bring about the desired outcome of the various phases. Since this was a very graphical illustration, we needed a template that would focus more on content. Thus, I produced the template shown in Fig. 11.11—no rocket science as such, but a template enabling future project managers to learn to report in a focused and structured way.

The project team and I found it very helpful to enhance this template's features to readily have an overall project content and cost status included as well. Moreover, we came up with the idea of using a "traffic light system" (red, yellow, green) to see whether or not the project status concerning content and costs was still within the predefined limits.

In a sense, the colors used represented a control system that would also immediately tell a person not too familiar with the operational aspects of the project (project sponsors, for instance) whether or not everything was all right. Moreover, in this way, the users could more easily identify potential risks and do some risk-response planning.

Fig. 11.11 Activity tracking template (Version I) (For the second Version of the Activity Tracking Template, please see Fig. 11.8, as the Project Status Report Template was partially used instead of Version 1 for official presentations due to the better graphical appearance)

Fig. 11.12 Quarterly project status reporting template

Hence, the Activity Tracking Sheet (ATS) became the "backbone" of the project management activities and the most powerful tool for Axel Guepner's team. It represented the basis from which the user could spread out to further manage, for instance, time, cost, and risk. Here, again, it must be said that Axel's engagement in really penetrating the use of the developed templates played a vital role in the overall success of this TBM project.

In each regular GHR Jour Fixe Axel would let each project manager present her Activity Tracking Sheet(s), enabling, on the one hand, him to understand the project status and, on the other hand, the project manager herself to ask Axel for help in case some risks or problems lay ahead. He went even further: He asked his project leaders to complete another template on a quarterly basis, the project status report (see Fig. 11.12), which contained information similar to that on the ATS but was developed in graphical consistency with all other templates. Axel used this template for his quarterly report to the board.

As GHR, in addition to all this project work, was engaged in different day-to-day business activities that had to be delivered, we next had to create a template that would allow proper management and monitoring of these ongoing activities. It was of the utmost importance to keep this template consistent with the Project Status Reporting (cf. Fig. 11.12), as the comparability of and communication between the two areas, project work and ongoing work, had to be ensured. In Fig. 11.13 you can see that we stayed consistent in terms of both design and diction.

Fig. 11.13 Ongoing activity reporting template

What I probably need to explain here is what "cycle-driven activities" and "conceptual and policy work" are. Cycle-driven activities cover all the daily, routine activities. Conceptual and policy work refer to the development of new processes and tools as well as to defining processes, roles, and responsibilities (see Chap. 6).

This set of templates allowed Axel to steer and manage the entire team and to facilitate the project work. He encouraged all project managers to really escalate issues as soon as possible by making use of the yellow and red bars and bubbles. This, of course, was a change management topic as well, since he had to teach his people to see the red and yellow color as a chance to raise risks, problems, or other issues early enough to enable Axel to help solve them.

Based on the last described template, we then established a reporting system using the information gained on projects and activities. Each quarter, Axel now delivers a detailed report containing

- Executive Summary on quarter activities
- Quarterly Activity Report on ongoing activities (Fig. 11.13)
- Updated annual project overview (Fig. 11.10)
- Project overview and status report for all projects (Figs. 11.6 and 11.12)
- Milestone-triggered deliverables based on specific project planning

The last point reflects the digital consolidation of relevant tangible deliverables. This means that for each single defined milestone one concrete outcome in the form of a document has to be provided by the specific project manager. If a milestone document is not delivered after 1 week, the project monitoring bar changes its color from green to orange. After a further 2 weeks, the bar turns red and the department head interferes proactively (cf. Fig. 11.10 for the colored project bars).

This template-based reporting system offers one further important advantage: By continuously using the same charts and graphics, people get used to the layout, which again positively impacts on reporting, discussing, and aligning issues of the activities and results presented.

11.5.4 Template-Driven Costing Process

So far we have seen a lot of templates that cover a wide spectrum of project management's nine knowledge areas. Functions for *project integration* and *scope management* were included in templates 11.2–11.4 as well as in the Activity Tracking Sheet. *Project time, quality*, and *risk management* were facilitated by the Gantt charts as well as by the last templates I explained, where risk is indicated by the colors of the project-related bars. This system is also used in the Activity Tracking Sheets (ATS). The use of colors to measure and document project time and cost, as well as risk management, is not a mysterious rocket science; it is a well-known technique. More important though, is the fact that this technique is part of a comprehensive set of templates enabling the individuals involved to quickly pick up certain standards and tools.

What was missing was a template for clear-cut *project cost management.* Once again, project cost management includes the following aspects:

1. Resource planning
2. Cost estimation
3. Cost budgeting
4. Cost control

Designing an effective and efficient template for managing project costs posed the biggest problem. This is because spreadsheets, which are usually used for cost management, encompass two aspects. First, a functional or operational dimension and, second, a content dimension. Often, these two aspects negatively interfere with each other, because elaboration of functions may happen at the cost of a clear arrangement and vice versa. This meant that the team and I had to thoroughly follow every single step of the template generation cycle.

First, I drafted a lot of spreadsheet templates. I was not initially clear about whether I should do one or many interrelated templates. I did a lot of module fitting, reviewed the processes, and undertook the necessary adjustments.

Graphical layouting turned out to be challenging as well. I wanted to preserve the spreadsheets' consistency with the other templates. This, however, sometimes

conflicted with the functional aspects. In the end, what we had was a good trade-off between functionality and graphical consistency.

I kept returning to Axel's team to let them use and evaluate different templates. I consolidated their feedback, went back to my desk, and designed new spreadsheets, only to come back the next day to have them tested again.

This may appear odd, but I wanted to make 100% sure that the team was given the best templates for cost management. You may deliver the best work, but if you are not within the budget you will not be contracted again!

In the end, we decided to have two templates, one that would facilitate the team's project cost planning ability in the first instance (cf. Fig. 11.14) and one enabling a quick and easy project cost monitoring (cf. Fig. 11.15).

Let me now explain the two templates. Obviously, you cannot see the underlying functions—which are, to be frank, not very complex. If you should have any questions concerning these templates, though, I very much encourage you to contact me.

The first aspect of project cost management is resource planning. The upper third of the "Staff and Costs" template allows for just that. The user can easily see how many days per month any given project team member was, is, and will be working on the project and what share of his or her total workload the project work makes up.

In the middle of the spreadsheet, the user of the template inserts the planned costs for outside contractors, training, travel costs, etc., the balance of which (total costs) represents the projects budget.

In the lower third of the template, the actual costs are incorporated. Thus, the gap between planned and actual costs (budget gap) can be computed and from there, a deviation analysis to spot the reasons for possible cost variances can be performed.[11]

The spreadsheet "Base Assumptions" did not have to be especially designed. It just contains the data that the "front-template" drew on.

There were many templates generated, but the ones included in this case study are the most important. It is now time to address the next phase of the TBM approach: project work implementation.

11.6   Project Work Implementation

Project work implementation basically involved two different types of work: template installation and coaching.

Installing the templates was not a major problem. There were a lot of IT people at Allianz who helped us out. All we had to do was put the templates systematically on a server accessible to Group HR's personnel. To protect their individual work from manipulation by other individuals, Axel's team was instructed to save their work on

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[11]Horngren, C.T.; Datar, S.M.; Foster, G.: Cost Accounting – A Managerial Emphasis (11th Edition), Prentice Hall College Division 2002.

Fig. 11.14 Cost planning template

Fig. 11.15 Ongoing cost monitoring template

a personal hard drive. And this was it. The coaching part definitely involved more work!

Because of the close collaboration during the template generation phase, Axel and his team were already familiar with the templates. They were not only closely involved in their design, but they had also tested the key templates. Thus, some of the coaching work had already been done previously, in the template generation phase. This was very advantageous, because the team members could start working with the templates immediately, which saved us a lot of time.

However, there were still numerous activities to be done.

First, I wrote a document (hand-out) that gave Axel Guepner's employees an overview of their department's as well as the individuals' key activities and purpose. Moreover, in this document, I analyzed the individuals' activities and associated them with project management. Thus, I also included some key templates in that document to show Axel's team for which activities project management itself was needed and, consequently, templates. Besides, I explained the templates' overall function for project management, and to some extent, I gave the team an introduction to the TBM methodology.

Second, we started with the *on-boarding* phase. We had weekly meetings which were obligatory for all Group HR members. I taught the team to work with the templates and how to use the templates to deliver the expected results. Moreover, I explained to them how their individual activities were interrelated and why it was important to know about each other's workflow.

What I wanted to achieve was to make Axel's employees "process-conscious." I wanted to teach them how to think and act in processes so that they could see the necessity for improving some of their work with regard to workflows.

Naturally, the weekly meetings covered broad topics and neglected the focus on individuals. Thus, these sessions had to be supplemented with individual dual-level coaching work.

It was necessary to do the individual coaching for two reasons. First, each team member's work was different, since there was a clear division of labor. Second, each team member himself/herself was different from the others. Different thinking as well as different learning types were involved. Some people were more computer skilled than others or disposed of other qualifications. Some were more outgoing than others. All these myriad differences had to borne in mind and respected.

I had to find a way to optimize each person's work. The superior goal was that everybody should eventually dispose of the same quality of skills with regard to project management and the use of templates. And this was not a question of whether a person was an "easy learner." Rather, it was a question of whether or not we approached that particular person with the proper methods and paid attention to his or her characteristics.

When asked by Axel, Kevin replied:

> *Yes! Definitely! I am grateful that Uwe took the time and showed me how to use several templates on an individual basis. I couldn't grasp all of their functions in the meetings immediately.*
>   —Kevin Kim, Group HR, Allianz Group

I am confident that the team did a great job. They are now all capable of managing projects and thus of performing their jobs in a very effective and efficient manner.

11.7   Quantitative and Qualitative Project Results

I have to admit that the achievements here, in terms of both organizational and personal goals, were the biggest compared with other projects. The results were indeed stunning. For the first time, I really experienced the full potential of Template-driven Consulting.

On a quantitative basis, I was able to meet Axel's demands for keeping the project at a reasonable cost in regard to external advisory services through our company. This was possible because I was the only external person billed by Group HR for this job. Thus, one of TBM's main advantages manifested itself. By using the new approach, a single consultant can directly counsel not just ten people, as is common in the industry, but some 35 to 40. This means that Axel's Group HR, consisting of 35 employees, saved roughly 75% on expenditures for external consultants that would otherwise have been incurred by applying conventional consulting methods.

Moreover, I did not take more time than absolutely necessary—something not so self-evident in the consulting industry. TBM allowed me to stay well within the time frame that Axel and I had defined at our initial meeting, because I did not have to deal with all the operational aspects of the problem-solving process. I had to generate the templates. But Group HR delivered the results as they performed the project management as well as project delivery tasks. Ultimately, I changed from being a "template-generator" to a content-oriented coach, a facilitator, instructing the project team how to use the templates and intervening in case of systemic problems. And while I was teaching them the key functions of the single templates and the sets of templates and their correlation to each other and to project management, Axel's employees delivered the first results. In that way, we saved a lot of time.

Qualitatively, the team and I accomplished the following:

First, the people of Group HR learned how to "think and act in processes." They became skilled in structuring their activities, which enabled them to realize which cogwheel they embodied within the whole framework. Thus, the team members' work became more effective and efficient.

Second, they acquired far-reaching knowledge about project management. Group HR's employees were introduced to the nine knowledge areas of project management and their different phases. Thus, they could at any time check at which point they were within the cycle. In general, the team was equipped with the most important insights into project management.

Third, the team was trained in the use of templates and consequently in the execution of a project. By drawing on the templates, the employees learned about the various dimensions of project management such as time and communications management, but they were also given the tools to immediately perform these tasks. By these means, theory and practice were most effectively combined to allow for a steep learning curve.

If we compare the project with an expedition, the new adventurers were equipped with a compass and several maps to prepare them for exploring new territory on their own. Then, the expedition organizers told the expedition members how to best reach the expedition's final destination. If necessary, the "old guys" helped out by guiding the team using their walky-talkies. Only when it was absolutely requisite, did the organizers actually accompany the adventurers.

11.8   The Future

In finalizing this case study at GHR, another dimension now comes into play. As I had already applied the described templates at another Group Center within the Allianz Group the TBM methodology was disseminated among the client's employees. Additionally, to the 35 people at GHR, a further ten team members of the other Group Center had to be supported and coached. I again did this on my own and thus advised approximately 45 people at a time. This, as indicated earlier, is significant for the lever that TBM provides in minimizing costs for external consultant and advisory services, as usually about five or six consultants would be necessary to "entertain" 45 client employees with the same project objectives and required work intensity; this ends up costing six times more than what the client spent for my TBM-based advisory services.

As we realized similar results and more or less created another success story for our new TBM approach, we are now, together with the two Group Centers, working on an Allianz-Intranet-based Online solution using the implemented templates. This tool will help to reduce the time for completing the required templates and reflects the growing quantity of Allianz internal virtual project teams.

In accordance with the implemented templates, processes, and roles and responsibilities, the online tool will link three vital areas:

- Project modeling and planning
- Project and ongoing reporting
- Costing and budgeting

After doing extensive research, the client came to the conclusion that a similar tool that would best fit their needs is currently not in existence for project management. All templates are currently being put into a storyboard equipped with designed Screenshots (see Fig. 11.16) and will then—of course after final approval from the relevant committees—be programmed and implemented.

For Axel's team, the organizational development project was indeed an adventure. Like the people at Elastogran or Deloitte Consulting, they felt that they had the opportunity to learn something very useful and had been given the chance to fashion their own work environment. This motivated them tremendously.

Axel summed it up well:

> It was exciting! We definitely exceeded expectations!
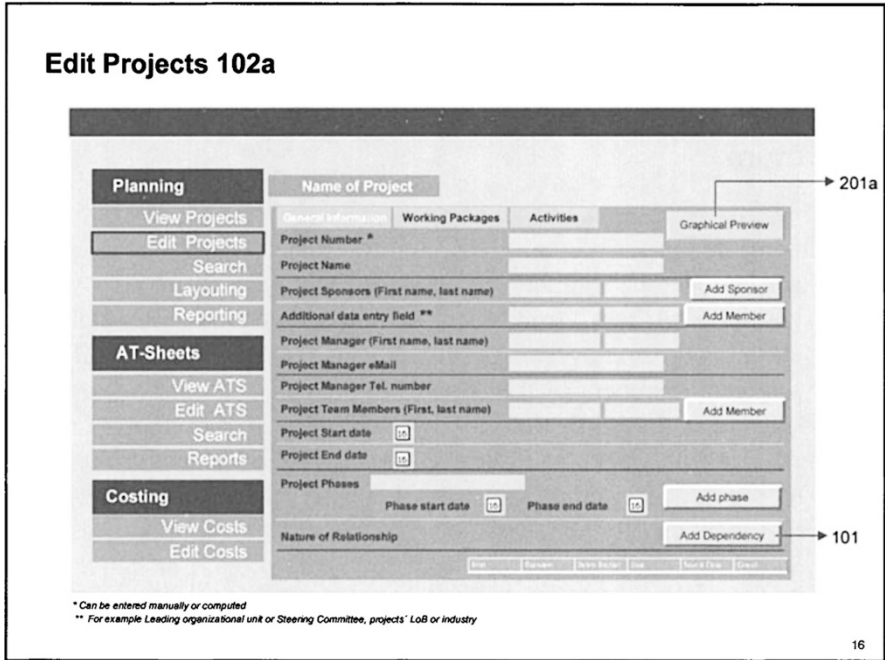> —Axel Guepner, Head Group HR, Allianz Group

Fig. 11.16 Screenshot online tool

11.9   Resume

For me, it was an adventure, too, because I was able for the first time to explore the full potential of TBM on a global scale. Let me take this opportunity to thank the entire team for their great contribution during the project and the finalization of structuring the TBM methodology. Each single feedback was very valuable and helpful in learning about the problems, the hurdles, and obstacles to realizing TBM-based engagements.

I owe special thanks to Axel Guepner. His supportive and open-minded personal and working style allowed me to work very closely with his entire team during the project. This was both a very fascinating as well as a challenging opportunity to learn more about the Allianz Group as such, about the policies, procedures, and the core values of such a global player in financial services.

Furthermore, Axel's mindset allowed me to conceptualize and further develop new templates, as he always came up with newly needed templates. I recall our sessions early in the morning when no coffee was available as no support staff was in at that hour. Axel and I would stay in the kitchen and brew the coffee while designing, optimizing, and finalizing our templates. For Axel's team, I am still "Mr. Template." At the beginning most of the people hated them, but with the help and support of Axel, now the entire team is aware of the magic and power inherent in templates.