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Evaluation of project management processes in credit risk department of company XY -Saranga

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STUDENT'S DECLARATION

I declare that this final thesis is my own work, and the bibliography contains all the literature that I have referred to in writing of the thesis.

I am aware of the fact that this work will be published in accordance with the §47b of the Higher Education Act, and I agree with that publication, regardless of the result of the defended thesis.

I declare that the information I used in the thesis come from legitimate sources, ie. in particular that it is not subject to state, professional or business secrets or other confidential sources, which I wouldn't have the rights to use or publish.

Date and Place: 5.11.2022, Vienna

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SUMMARY

1. Main objective:

The main objective of this final thesis is to formulate recommendations for improvement of project management processes in the Saranga company.

The partial objectives are to:

- summarize and consolidate knowledge and data from literature and online sources;
- define the major project management definitions and tools;
- characterize and describe the company and main projects handled in the analysed department;
- analyse the current state of project management processes and its application in practice;
- identify bottlenecks in project management processes in selected department;
- summarize the analysis and provide recommendations.

2. Research methods:

The theoretical part consists of consolidated analysis of primary and secondary literature sources and experts on the issue of topics like project, project management, processes and processes improvement.

The practical part is focused on comparison of theory and internal guidelines with practice. The analysis has been done based on site observation of the methodology used in project management processes to produce the synthesis of the project management processes and their identification of the bottlenecks.

Recommendations were based on the bottlenecks analysis which base was processes maps, considering the current situation on the market and strategic planning of the company.

3. Result of research:

The comparison of theoretical primary and secondary sources compared to internal company guidelines with its usage and application in daily work shows shortcomings and bottlenecks in the project management processes. The research shows that it is not possible to meet the processes guidelines with dynamic setup of the projects, often are processes used and bent to achieve the target deadlines. The main problem is definition and dependency of the processes to each other, often blocking next step in project management tools used for processes in each phase of the project. Project managers need to act flexibly to achieve progress in projects, facing tools with slow responsiveness or outage, where quicker handling is to have double documentation, once via email and once saved in the tools. Responsiveness from other departments is also impacting the project management handling and its time and effort consumption. Resources on both sides, IT and business are not trained efficiently and fully which is leading to more time waste introducing and explaining the correct usage when obtaining diverse approvals or requests. Business response is often lacking timely response, long waiting time for response or feedback.

4. Conclusions and recommendation:

Based on the practical analysis of this thesis, several bottlenecks have been identified and exposed, leading to the recommendations to Credit Risk Department of Saranga company:

- Too many processes and steps between each phase of project and too many dependencies blocking next step – slim-down processes, avoid double steps mirroring IT and business side, find synergies in processes and budget allocation/approval;
- Too slow project management tools responsiveness or outage – optimize software performance through internal projects development;
- Not sufficiently trained resources for tools usage – provide efficient internal training on regular basis;
- Lacking business response in time – inclusion of customer and business side in the process.

KEYWORDS

Project management, processes, projects, methodology

JEL CLASSIFICATION

M15 IT Management, M11 Production Management, M16 International Business Administration

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List of abbreviations

ALMQC – Application Lifecycle Management Quality Tool

CFO – Chief Financial Office

CIO - Chief Information Office

CRO – Credit Risk Office

DE – Detailed Estimation

GDPR – General Data Protection Regulation

IT – Information Technology

ITB – Information Technology Board

KPI – Key Performance Indicator

PDU – Primary Delivery Unit

PPM – Project Planning Management

SDU – Secondary Delivery Unit

RWA – Risk Weighted Asset

SIM – Service Implementation Management

SP – Solution Proposal

TPRM – Third Party Risk Management

UAT – User Acceptance Test

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1 Introduction

Every realisation of a project is a particular action with progressive steps along the way, conducted in determined time with its allocated resources and limited availability.

Each and every development begins with the initial first step and so does the path to a better, improved operation throughout the entire work process in order to deliver the ultimate results.

Even in the most thriving economic situation with the upwards trend, detailed progressive process planning is absolutely inevitable and crucial, as it is necessary to carefully evaluate and predict any potential obstacles or market changes, regardless of them being caused by internal factors within the corporation or external factors such as fluctuating economy or potential global economic crisis.

Also, if changes as the global digitalisation takes place, constant process improvement is an undeniable success factor and process improvement has to have its stable place in any corporate enterprise and project management.

This final thesis objective aims to compare theoretical knowledge in project management, project management methodologies and project process management with practical application in the world known, pan European bank, in the selected department of company Saranga.

For discretion and confidentiality grounds the decision was made to anonymize the name of the bank. The name Saranga is a fabricated and replaced project name for this final thesis. It is not corresponding to the real name of the bank where analysis has been done, understandably due to the fact, that the bank belongs to the world's known pan European banks, where many segments would be categorised as classified, therefore anonymization and other comprehensive reasons led to the conclusion of necessity creating an alias project name for the company – Saranga.

The department selected for this thesis and execution of the analysis, that belongs to IT governance functions in the regulatory department with main focus on risk reporting management, specialises on projects for Western, Central and Eastern Europe.

Every organisation is keen to develop its business model and improve performance at operations as well as the quality of services delivery. Business processes are those activities which produce and deliver its services and products, whereby each organisation has employees who perform those activities.

It is essential to understand business processes before attempting to implement any potential changes.

Aim of this document is to present practical side of the actual project process management in the selected company department of Saranga, whereby project management and processes are well connected to the study programme.

This final thesis is split into two main parts of theoretical and analytical consolidation. In the first theoretical part, gathering and analysing theoretical sources from project management, banking and fintech industry is conducted. Focus is on comparison several diverse theories on definition of terms project and project management, project management processes and improvement of project management processes.

The next part of this final thesis is the analytical consolidation, with description and analysis of the as-is state of project management and project management processes in the risk department of Saranga company.

At first the company Saranga is introduced and described, following Saranga risk department typical projects in regulatory initiatives based on European Central Bank requirements and regulations.

The structure of the observation analysis is focused on the governance rules and guidelines of internal processes in Saranga company in comparison to the practical application and implications on daily business in project management processes. The key research question is focused on this comparison between the theory, internal guidelines and its day-to-day operation, optimizations of the processes in order to fit the gap between project management guidelines and application in practice. Based on the analysing of the guidelines and its practical utilization, a process map has been created, which serves for the following bottlenecks analysis identification. Bottlenecks are described and reflected to the observation of the previous analytical chapter with its current project process management steps and tools used in the company Saranga.

Furthermore, in the next chapter are the recommendations for improvement formalised with the intention for the best possible advancement in consideration of the current economic situation, investment strategy and main focus of the company. The research and observation analysis has been conducted over years in the Saranga department during daily work on regulatory requirements projects, using internal project management processes tools and cooperating with many different departments and teams impacted by the initiative or as collaboration to fulfil the internal guidelines for processes valid for the entire group of Saranga company.

Organisations should try to tackle the challenges of different process improvement ways to win and increase competitive advantage on the market. Nowadays, in the banking industry, there are lots of new fintech companies or small agile flexible banks, who are an aggressive competitor to the old stable big corporate banks that are often stuck with too many old-fashioned processes. Some of the large bank corporations are slowly but surely starting to struggle to compete in this dynamic and ever-changing market.

A number of these large bank corporations make the utmost effort to adjust and modernise the processes in alignment with the benchmark of other large corporations and keep up with the customer orientation to win new clients, but mainly keep the current customers satisfied, when there is a strong, dynamic competition behind the windows.

Improvements are to be done in the needed areas with impact, as only valued innovation and organisational agility are the real contributors for positive change and process management improvement.

2 Theoretical-methodological part

This part aims to describe the different sources to the topic of project process management. Primary and secondary sources for theoretical consolidation, listed in bibliography section, were base for data and information collection which are described in theoretical part, comparing different sources for the specific topic of this final thesis, project process management and improvement of processes in project management. In the last section is methodology described.

2.1 Projects and project management

Projects and project management are an essential term and part of the project management processes, in a daily business of project manager. This chapter is focused on diverse theoretical knowledge and insights on the definition of a project and project management meaning.

Project management nowadays undergoes deep transformation. According to descriptions in theoretical sources (Svozilová, 2016, p.19), project management can be defined as base of short-term activities and efforts, while knowledge and methodologies are being applied to achieve predefined goals during transition and transformation of subjects and services.

By the term management we can understand management and leadership of companies, institutions and organizations. Managers are divided upon their organizational role to operational, middle and top managers. Operational managers are acting often as team leaders and day-to-day problem solvers. Middle management is exercising, coordinating and controlling execution of strategic plans given by top management.

Svozilová (2016, p.21) describes project as process with a start and end date, with exact regulation and system management. For the successful project closure, all object parts of dynamic system called project need to be in synergy, this means time, which is limited, resources availability based on their allocation and costs as implication result of using resources in a time-framed period.

Prince2 (2015, p. 14) defines project as „*a temporary organization that is created for the purpose of delivering one or more business products according to an agreed Business case.*”

Project characteristics which distinguish it from business as usual is according to Prince2 (2015, p. 15) are change, temporary, cross-functional, unique and uncertainty.

Picture 1 Description of project characteristics



Source: Own Graphics according to Prince2 (2015, p.15)

According to PMI (2013, p. 2-5) project has temporary nature, which is indicating its definite beginning and end, having possible impact on economic or environmental aspects of the project, which can create:

- **a product** which can be either a component of another item, an enhancement of an existing item or a new item itself;
- **a service or capability** for service performing;
- **an improvement** in the existing product
- **a result**, e.g., document or outcome

Project management is defined by PMI (2013, p. 6-7) as accomplishment of appropriate application and integration of the forty-seven logically grouped project management processes, categorized into five groups:

- **initiating;**
- **planning;**
- **executing;**
- **monitoring and controlling and;**
- **closing.**

The term project describes Wysocki (2019, p.3-10) as arising of unmet needs, which can be found as solution to a critical business problem or can be taken as advantage of an untapped business opportunity. Project can be risk free or quite complex, to be understood as sequence of unique and connected activities that have one common goal, to be completed in a specific time, within budget and according to specification.

Wysocki (2019, p.23-27) defines project management as applied knowledge and skills, using tools and techniques in project activities for meeting the project requirements and goals. It is a common-sense approach that utilizes client involvement, meeting sponsor needs and delivering the business value that is expected and incremental.

Other authors (Tanda, Schena, 2019, p.4-8) describe the impact of the digital economy effect and overall digitalisation in financial and banking industry, widening up to FinTech (financial technology) industry. Banks need to rethink and reinvent themselves in order to be competitive in innovation and in approach to projects and project management. The so-called digital proximity is allowing break down geographical boundaries and have circulated information, updates in a faster and cheaper way, with more supportive infrastructure as digital network, big data, digital security, machine learning, artificial intelligence, cloud computing, ao.

Flyvbjerg et al. (2010, p.10) say that „*Many projects have strikingly poor performance records in terms of economy, environment and public support.*” Authors describe the performance paradox in past decades in major infrastructure projects and project management, supported by private capital or banks, as well as national governments, but same time having poor performance records for economic, environmental and public support, where major risk is under cost overrun and revenues not meeting predicted target, destroying the original promotion for economic growth and creating in opposite obstacle for such a growth.

Merrow (2011, p.11) is mentioning key mistakes for failure of megaprojects, such as greedy approach of companies in megaprojects, where the essential element for project success is not in focus anymore, but own profits impacting the balance of project cost distribution and project rewards. Furthermore, author is mentioning the unhealthy pressure for bringing the project on the move from the outset, setting project Go-Live dates without proper feasibility analysis, which increases the risk of failure.

Operational risk project management approach in banking is defined by Brindelli, Ferretti (2017, p.8) mainly as a comprehensive approach for projects and project management, where banks should have appropriate mitigation and transfer strategies, while understanding the risk and implementing mitigation measure instruments to reduce operational risk exposure, transfer the risk to another system of business and finance, ao. Authors describe increasing importance of operational risk supervisory by banking authorities in recent years, for many years underestimated in banking industry and only becoming visible after high losses of many banking crises, caused by economic crises or trading scandals.

Brindelli and Ferretti (2017, p.14) define operational risk in projects based on Basel 2 international regulatory framework definition, included by Basel Committee on Banking Supervision (BCBS) as „*Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk*”.

Showcase on sample of Italian banks analysis, conducted by authors (Brindelli, Ferretti, 2017, p.203), is focused on operational risk project management and responsibilities in various functions in corporate banking, mostly under responsibility by head of department at group level, dealing with own separate sector for operational risk project management, with most common tasks of supervising methodological and organizational framework, defining measures and methodologies for operational risk, coordinating with other company functions and reporting to top management in regards to operational risk management status, effectiveness, risk and issues, mitigation actions and monitoring the respect of common standards.

Wernz (2014, p. 27) is comparing banks in Europe and as result of his analysis also Saranga Group has invested in last years as many Italian and Austrian banks heavily in Middle and Eastern Europe. Later Wernz (2014, p.31) describes incorporation into so-called first pillar of the Basel Accords, together with credit and market risk, belonging together under Basel II regulation, as one of the main fundamental questions in banking, together with volatility of earnings, strategy impact, consequences of risk appetite and temptation of managers for high profits.

Higher resilience in Austrian banks (OeNB, 2022) during last years of pandemic has been proved by increased and improved capitalization, in comparison to the global financial crisis in 2018.

Differentiating between projects (Brandon-Jones and Slack, 2018, p. 538), has same importance as understanding of what projects have in common. The difference in projects can be:

- in volume and variety of characteristics of a project;
- complexity, scale and degree of the uncertainty in the project;
- nature, novelty of the technology and pace of the project.

PMI speaks also about standards in program management, a group of projects or subsidiary programs (2017, p. 3-12), where managing the projects and program activities in favour of delivering benefits and ensuring adaption of strategies and work plans of project and program components. Delivery of benefit or developing new opportunities to generate or preserve value are also part of the contribution of programs and projects. The distinction between program and project management is made clear through their interactions, focused on delivering organizational benefits or program with coordinated management of projects in the program.

2.2 Project management methodology

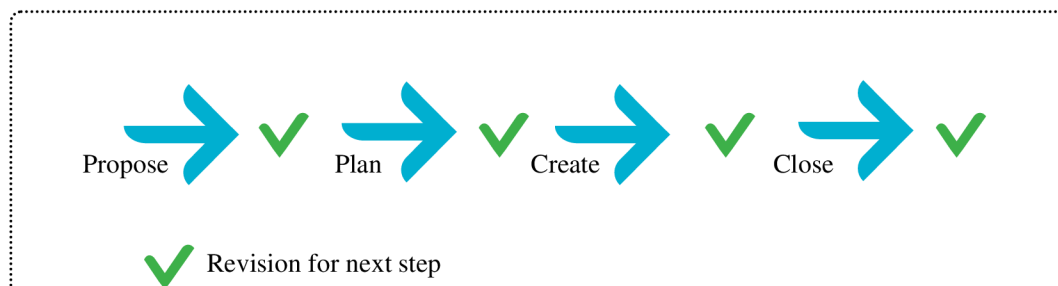
Project management methodology goes hand in hand with the project management processes and helps project managers and team members to follow and stick to guidelines, followed through all processes. This chapter describes different approaches in project management methodology and usage.

Many companies are using project management methodologies, as we can find in theoretical sources (Svozilová, 2016 p.41), in general there are two main types of companies:

- main performance in projects is based on contractual relations with other subjects, e.g., mainly companies in constructions, information technology, consulting, ao.;
- project management methodology is being applied internally for operations and execution in new products development, investments, change management, innovations, ao.

Bentley (2020, p.15-17) describes kind of a hybrid version of standard waterfall project management methodology and agile methodology. Whereby waterfall represents the traditional format – specify, design, develop, deliver – all the time only sub-sequently. Methodology for project management developed by Bentley is called PM4A (project management for all), mainly targeting smaller projects during start phase and focusing on in-depth view on managing risks, quality and change control.

Picture 2 Waterfall management methodology



Source: Own Graphics according to Bentley (2020, p.16)

On the opposite, agile project management is being described by Bentley (2020, p.18) as iterative approach whilst delivering useful parts of the product during its life cycle. Several incremental steps are on the way towards project completion. This kind of iterative, agile life cycles are often used in software development projects to promote key components to earlier, more flexible delivery, with benefits such as adjust product on the go and use benefits of the release throughout the life cycle, rather than at the end. Well known methods for agile software development are Scrum, Lean, DSDM (Dynamic System Development Method), ao.

Aim to find a middle way between waterfall project management methodology and agile project management, led not only to a small adjustment of agile application and moving from software development only, to also non-software development projects as well.

Bentley (2020, p.18-21) further describes pros and cons of agile project management, its principles and drawbacks. To the principles belongs focus on customer satisfaction priority throughout continuous and early delivery of software updates, with late coming requirements, in every development stage. Deployments are split to smaller frequent parts, from one week to couple of months, during which is needed that business and developers work on daily basis together, best in scrum meetings, daily stand-up meetings, face to face meetings or online meetings. Strong focus on technical excellence and design enhancement agility is one of strong points for success. Agile has received over years several backlash and critics, mainly because of lack of precise cost control planning, strong discipline needed and likely can get out of control, when using backlog and working in sprints. Agile based on incremental progress, focusses on rapid delivery of working product features by changing product requirements with client participation, whilst enhancing customer satisfaction. This is the crucial difference to the waterfall project management methodology where every modification after specification approval is being seen as threat, which could impact overall time plan, budget commitments and in scope definition in the initial customer request.

Wysocki (2019, 45) says many project managers have observed that majority of their projects are a closer fit to agile project management than traditional project management approaches, where traditional project management cannot work, if the solution is not known.

To understand the entire Agile cycle in a nutshell, cross-functional teams work simultaneously to develop the products in a series of 'timeboxes'. Timebox is timely restriction (1 till 4 weeks), which delivers a product increment. Time boxing is happening in a sprint, that includes the sprint planning, daily stand-up meeting, development work, sprint review meeting, sprint retrospective meeting (WIFI Wien, 2018)

Extreme project management approach (Wysocki, 2019, p. 50) is mainly used in high-risk, high-change projects, mostly they are also high-speed projects with high rate of failure. Extreme project management is very unstructured, designed for projects with undefined and fuzzy goals, which can change and scope of the project is changing and adjusting in each of the phase.

Prince2 (2015, p. 17) is an acronym for „*projects in controlled environment 2nd edition*”. This methodology defines project management within planning, delegating, monitoring and controlling all aspects of project, motivating all involved people to achieve project objectives and goals for time, cost, quality, scope, benefits and risks.

Six aspects of project management according to Prince2 (2015, p. 16) are variables, present in every project, where project performance needs to be managed:

- **costs** – project and costs must be affordable and manageable;
- **timescales** – defined timeline;
- **quality** – project's products must be fit for the purpose;
- **scope** – what project will deliver and define also out of scope;
- **risk** – definition of risks, severity and mitigation for intolerable ones;
- **benefits** – purpose of why the project is implemented.

Project management methods (Prince2, 2015, p. 19) are addressed with four integrated elements:

- **principles** – guiding obligations and good practices;
- **themes** – description of project management aspects;
- **processes** – description of stepwise progression through the project lifecycle;
- **tailoring Prince2 to the project environment** – specific context of a project based on which flexible framework needs to be tailored.

Organizational project management methodologies according to PMI (2018, p.25) are intended for those who work in project management for specific organizations and provide knowledge, directions and advice on portfolio of the program and project management relevant to background, circumstances and needs of the organization.

2.3 Evaluation of projects

Evaluation of projects is not an easy task and also essential for the closure of a project, where it helps project managers and management to review, assess the success or failure of a project and be prepared better for next phase or next project initiatives. This chapter aims to consolidate diverse opinions from theoretical sources on execution of project evaluation.

Criteria for successful project describes Svozilová (2016, p.84) as main values which should be evaluated as goal achievement, specified in the original project plan. Definition and quantification of the criteria is crucial for exact evaluation and comparison of the achievements with planning.

According to PMI (2013, p. 100-102) inputs for closing a project or a phase are project management plan, accepted deliverables, organizational process assets (project closure requirements, lessons learned base). Closure of project can be executed via diverse tools or techniques, such as expert judgment (other project managers within the organization, PMO office or professional associations), analytical techniques (regression or trend analysis) or meetings. The output for the closure of the project or phase is then the final product or service and organizational process assets updates (according to organizational requirements).

During closure of projects there is not only focus on archiving, closing documents and invoicing, but also evaluating of different values, enlarging know-how, writing down lessons learned and planning mitigation actions for the future.

Svozilová (2016, p.258) describes few perspectives how to create Lessons learned final document, considering:

- evaluation of fulfilling project goals;
- comparison of planned and actual values of all measurable values;
- project subject changes summary;
- quality assurance review;
- risk management evaluation;
- project management processes effectivity evaluation.

Bost (2018, p. 76) is thinking about the best ways of sharing project lessons learned, through meetings such as breakfast forums, in which the project lessons learned and project result are being reviewed by project manager. Mostly those project managers with certain risk-taking attitude often step to the forefront of the publicum and share freely the lessons learned from a project. These meetings create great opportunities for a dialogue about what went wrong and what can be done in a better way and mostly, what can be changed in the organization for the future success of the projects and decrease significant disturbing events in the projects. Lessons learned are experiences from projects or operations which can be used for process improvement.

PMI (2017,p.48-49) says evaluation of the progress and project is happening continuously throughout the execution of the plan in formal and informal ways. Self-reflection of the individuals on their achieved goals and compare the current state to previous goals and identify next step for competency development. Identified development needs that have been addressed

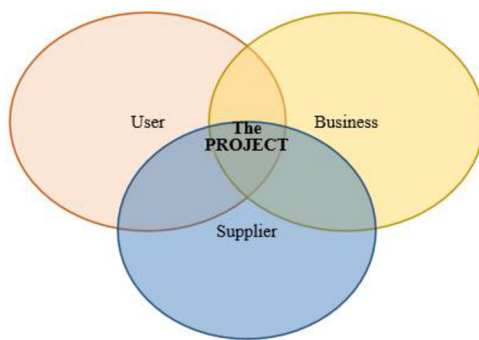
and achieved during the phase or project closure should be demonstrated by project manager after the completion of planned actions.

One of the seven principles of Prince2 (2015, p. 20) is defined as learn from experience, which often happens at the end of each cycle/stage or during project closure and lessons learned meeting.

Project evaluation (Prince2, 2015, p. 53) is influenced the project interests, defining three categories of stakeholders which must be satisfied in order to claim project as successful:

- **business** – project’s products should meet a business need, justifying the investment into the project;
- **user** – representing this stakeholder interest on the project board;
- **supplier** – representing those who provide the necessary skillset and produce project product.

Picture 3 Stakeholders impact on project evaluation



Source: Own Graphics according to Prince2 (2015, p.53)

Evaluation of project can be improved also during lesson learned meetings and celebrating milestones (Luecke, 2003, p.58), which helps and keep people motivated in the right direction towards project goal achievement.

Lester (2017, p. 267) describes another way of evaluation of projects in terms of numerical report via management control graphs, which shows budget hours, actual hours, prediction for final spent hours in a pre-defined timeline, or showing in percentage view for planned, achieved and completed percentage of work in time-elapsed graph.

Project health checks (Kerzner, 2014, p. 275) can help and offer opportunity for early corrective actions, which helps to prevent projects from failure before evaluating. To project health checks can be count internal or external audit, steering committee, management committee or quality assurance committee.

Prince2 (2015, p.60) is taking mitigations in early stages and continuously throughout the project with quality assurance roles to check on the project performance, goals and products in order to achieve and improve the evaluation of project at the end.

PMI standards for program and project management (2017, p. 138-) describe the closure phase activities which begin when components delivered all their outputs and intended benefits. Program or project financial closure report needs to be produced and communicated according to communications management plan, where unspent money is returned back to sponsoring/funding organization. Furthermore collection and archiving of records and

documentation is taking place. Proper information management documentation should take place during whole project or program. Report with lessons learned collected by project manager can inform governance and management in the organisation and help them to avoid some obstacles occurred during project or program delivery in the future.

2.4 Project management and processes

Project management is defined by processes, good project set up is following the processes and guidelines, which help to stay on track and guide through all stages of a project. In this chapter there are described several authors' opinions on project management processes.

A project to keep in a good shape, to follow processes and structure is one of project management tools. Some authors (Svozilová, 2016, p.61) differentiate between following types of processes groups of project management:

- initiation;
- planning;
- operations, coordination of project;
- controlling and Monitoring;
- closing of project.

Picture 4 Processes groups in project management



Source: Own Graphics according to Svozilová (2016, p. 61)

Svozilová (2016 p.61-62) further describes each type of processes groups:

- **initiation** of project describes basic definition and scope of project as well as the approval for start;
- **in planning phase** of the project management process definition and more details for realization of project are being fine-tuned, regarding time, costs, methodology and resources, with main output as a project plan;
- **coordination** of project itself is conducting and communicating already planned activities to achieve project results with quality assurance and motivated team;
- **monitoring** is mainly focused on controlling and reporting of activities which need to be in align with the project target and goals;
- **closure of project** is usually finished with successful handover to customer, closing documents, evaluations and invoicing.

Every realization of project is a specific process, conducted in limited time with allocated resources with limited availability. Process management focus is on target achievement and desired output.

Project management processes according to PMI (2013, p.47-60) is a set of interrelated actions and activities performed with output of pre-specified product, service or result. Every process

can be characterized by its inputs, the tools and techniques which are being applied and then the outputs of the process. PMI differs between:

- **project management processes** – to ensure smooth and effective flow of the project during its lifecycle;
- **product-oriented processes** – to specify and create project's product, typically defined by the project lifecycle.

PMI (2013, p.47) says that project management processes apply across industries and in a global scale and can generate information for improvement of future projects project management and organizational process assets.

For definition of a process there are many theories that describe what a process is, Boutrous and Cardella (2016, p.2-4) say a process is a sequence of linked tasks or activities. These activities, consume at every stage one or more resources, such as time, infrastructure, money, ao.), transferring input into output. As input can be taken into account material, data, etc. As output can be understood product, service or information. Everything in an organizational function or area what is being executed is a process, interacting with other processes, whereby all sizes of organizations, if large or small, can be seen as complex network of interconnected processes. Success of an organization depends on the effectivity of their processes, with producing intended results with consistence and efficiency. Before improving processes, it is essential to understand characteristics of a business process, containing of five core components (Boutrous and Cardella, 2016, p.2-4):

- **resources**, e.g., people, computer, software, skills or experience, are all a process needs to have in order to transform inputs into outputs;
- **inputs** are all parts transformed in process into output, end service or product required by customer of the process, e.g., data, form, verbal requests, ao.;
- **activities** in a process are kind of actions which are moving inputs into outputs, e.g., measuring, writing, painting, reading, approving or submitting;
- **outputs** of a process, such as services, advice, information or products should be conforming the specifications agreed in advance with the customer of the process;
- **controls** in a process are ensuring that process is a stable, predictable and in consistency operating in a targeted performance with normal accepted variations, for example legislative requirements, customer specification, quality checks or other organisational approvals.

Boutrous and Cardella (2016, p.5-7) describe processes which can be formal documented, e.g., processes for accounting, invoices submission or creating new customer accounts. Formal processes are important especially in relation to legal, safety, regulatory or financial reasons. On the other hand, informal processes are those which are established in practice, like tracking tasks, writing, taking meeting minutes, et al. Authors define three types of processes:

- **business processes** serve as the ultimate reason for existence of an organization and are reflected in the unique competencies of an enterprise. Value chain or process backbone are terms well known for business processes composing of the core value-creating activities which are the most seen as value in the eyes of customer, e.g., front office services, back-office services, shipping, invoicing, order entry, etc. Business processes focus on customer developing a product, support services or installation services,

marketing and sales. Organizations may have thousands of processes, there are only few processes which are core business processes;

- **support processes** are supporting existence of an enterprise and core process. Because support needs of business organizations are similar, these are frequently proposed for business process outsourcing. Usually, customer of the support processes are internal customers, where support is given in areas of finance and accounting, legal and human resources, facilities and information technology;
- **management processes** are helping typically employees to understand company's strategy and objectives, shaping the business and supporting the processes of the company. Management processes focus on managing resources within an enterprise, creating vision, goals and strategy, understanding risk and market opportunities, driven by senior leaders of the enterprise, targeting and establishing performance goals.

All these three categories of processes need to be aligned and incorporated to achieve and enable effective performance of the company. If the process is not being continuously improved, managed or coordinated, it can lead to numerous problems with customer complaints, poor service quality or product quality, increase of defects and costs, wasted resources, costs, frustration of employees, etc.

Prince2 (2015, p. 24) is a process-based approach for project management, which defines process as structured set of activities for accomplishing a specific target and objective. This approach takes one or more defined inputs and transforms them into defined outputs.

Each process within Prince2 methodology (2015, p. 24) is defined using below format and structure:

- **purpose** – reason for the process;
- **objective** – specific objectives to be achieved by the process;
- **context** – each process is put in context with the other processes;
- **activities and recommended actions** –to achieve a particular result;
- **responsibilities** – matrix of responsibilities, updated continuously.

PMI (2013, p.48) is describing the nature of project management processes in terms of integration between processes, their purpose and their interaction, which are grouped into five categories – Project Management Process Groups:

- **initiating process group** – processes to define a project;
- **planning process group** – processes to establish the scope of the project;
- **executing process group** – processes performed to complete defined in project;
- **monitoring and controlling process group** – processes to track the progress;
- **closing process group** – processes to finalize all activities to formally close the project.

According to PMI (2013, p. 48) it is required that the monitoring and controlling process group interacts with the other process groups. Project management process groups are linked by their produced outputs, in general often the output of one process becomes an input to another process or is a deliverable of a project or project phase. The planning process group provides the next executing process group with the project management plan and project documents, where often in the next phase during the project progression it generates documents updates on the project plan and project documents.

In digitalisation and banking models analysis, authors (Tanda, Schena, 2019, p.52-67) underline two trends in banking projects and process management – digital transformation and digital disruption, in context of new strategic approaches by the banks with new digitalisation context,

which involve business and organisational model change on another level. Within digital transformation, banks essentially implement in-house, strategy based on digital channel creation, targeting procedure, process digitalisation and optimisation, with side-effects of costs reduction and efficiency improvement. Digital disruption seeks new profit sources with fulfilling client's needs. Most banks are nowadays creating or have already created digital banks within their groups and are working on digital direction in terms of organisational, productive and distributional structure.

Business process management improvement is seen by vom Brocke and Mendling (2018, p.2) as a holistic view of the management of organizational processes, where improvements are used as set of corporate capabilities (including governance, methods, technology and people), to analyse and implement continuously improved processes and disruptly innovate organizational processes.

2.4.1 Project management process improvement

Not only in business world, but in daily routines and private life humans use processes without even noticing. There is always space for improvement, so is in project management processes, whereby this chapter aims to focus on diverse theoretical sources consolidation on the topic of project management process improvements.

Svozilová (2011, p.14) describes process as logical series of activities or tasks conducted subsequently, through which desired and described outcome result is being achieved. Activities as part of the process are units for transformation from inputs to defined outputs. They can be driven by all involved parties, stakeholders and customers.

Project process management improvement should be driven by lessons learned and knowledge of past issues, using current most actual methodologies, skillsets, tools and systems, in order to improve quality of processes with target to satisfy demands coming from customer or stakeholders and increase values.

Theoretical sources (Svozilová, 2011, p.48) talk about historical development of process management improvement methodologies Lean Six Sigma. First attempts with Lean, companies were focused on producing quicker and cheaper whereby later they started to focus on improving quality, belonging to Six Sigma. Nowadays, many organizations decide to use combine methodology for processes improvement Lean Six Sigma, simply because of wide spectrum of usage and applicability going hand-in-hand flexible adaptation to concrete needs of the company and defined output goals. This combined process of Lean and Six Sigma is structured in DMAIC process (Define, Measure, Analyse, Improve, Control).

Bost (2018, p. 117) says project managers must be prepared to interpret lessons learned from other projects and to implement them within the process improvement in the project management.

Antony et al. (2019, p.21-31) presents review of rigorous literature and pragmatic recommendations on solid base addressing critical points and topics in Lean Six Sigma from top to bottom. In past decade, Lean Six Sigma (LSS) has become one of the most popular and proven business process improvement that organisations have witnessed in the past. Lean has had a tangential development history compared to Six Sigma. Most of the Lean Production System (LPS) is based on the Toyota Production System (TPS). The concept of Lean Production System involves determining the value of any process from customer perspective

and mainly distinguishing value-added activities or steps from non-value-added activities or steps, targeting waste elimination.

Furthermore Antony et al. (2019, p.21-31) describes the beginning of Six Sigma, where it is not possible to set a definite date, but around the mid-1980s, company Motorola began improvement projects that looked similar to Total Quality Management (TQM). Whilst fierce competition, the need for quality improvement as well as reduction of operational costs to stay in business was more than essential. Back then, the CEO of Motorola, along with his colleagues decided to invest in Six Sigma and adopt the usage as their core strategy at the operational level for delivering quality at low costs. Six Sigma provided an overall roadmap for solving complex problems with unknown solutions. Soon Motorola started to achieve tangible and measurable results noticed by many competitors and companies. Other companies followed to implement Six Sigma, e.g., GE (General Electric), Bank of America, DuPont, Dow Chemical, 3M, Ford and American Express, ao. Both, Lean and Six Sigma, have some limitations, although they had produces significant benefits to many organizations. They have been integrated successfully as two powerful methodologies for business improvement and proved the usage of integrated state more beneficial than Lean or Six Sigma on its own.

Antony et al., (2019, p.21-31) is listing one of the disadvantages of using only Lean was not suitable for resolving complex problems that require intensive data analysis and techniques, while companies using Six Sigma found that not all the problems needed months and months of data collection to resolve them. Quality professionals found out that Lean principles and tools could be applied with minimum data collection and achieve results immediately. By Lean processes, the solution to the problem is known to the team. Methodology and a set of tools to implement the known solution is needed, that is why the root cause of the problem is a flow issue, Lean is likely to work well. Opposite, if the problem involves also understanding critical process parameters with impact on the output, which has significant variation due to several factors, it is becoming a good candidate for the Six Sigma Methodology. This was the major reason why some companies decided to deploy a merge of both methodologies, rather than implement them isolated, to achieve more powerful strategy for process excellence and optimization.

Boutrous and Cardella (2016, p.7-18) describe process improvement as effective and sustainable, considering core business processes, management and support processes. If all involved people in process follow well-tested set of steps, there are less errors and delays, less duplicated effort with more satisfied customers and staff. Process is relevant to all areas of the company, but due to the fact that processes are mostly invisible, many people don't consciously think about them or realize their impact on the performance.

Process improvement in short term according to Boutrous and Cardella (2016, p.7-18) can help to decrease efficiency and costs for the company, on the long term can improve competitive advantage, in addition to some other benefits associated with process improvement, like increased accountability of involved parties, improved reliability of the information, simplified regulatory compliance with diverse regulatory reports and laws, waste avoidance, enhanced efficiency, safety and security. Reasons and triggers for improving processes in every organization are different but provides similar benefits regardless the root cause which set the program in motion. Beside regulatory issues or introducing best practices in the industry, following newest technology trends, improving customer satisfaction, most common reasons fall into below seven major categories triggering process improvement engagement, such as:

- organizational factors;
- management factors;
- employee factors;

- customer, supplier and partner factors;
- product and service factors;
- process factors;
- technology factors.

Boutros and Purdie (2014, p.31-35) provide guided handbook for process improvement professionals in order to become proficient in the topics and build solid foundation for comprehensive implementation based on organization needs. According to authors, process improvement manifesto is „*built on a set of several interrelated core values*”, such as: agility, quality, leadership, communication, respect, discipline, enterprise perspective, service orientation, continuous learning and human-centred design. As every organization has very specific requirements, these core values are required to be applied and adapted to fit various situations resulting in customized standards and principles bringing competitive differentiator.

There are diverse and own set of tools and phases in every process improvement methodology, but most improvement project follow the same general outline, which list Boutros and Cardella (2016, p.29-31) in common phases, like:

- **planning** phase, where issues, problems and challenges are being identified and clarified, chartering the team to work on the project, whereby team must start with measuring applicable metrics and define success baseline of the outcome;
- **analysing phase** is being defined through documenting as-is process, gathering information, analysing data, come up with possible root causes of the problem, deciding on the appropriate metrics and by the end brainstorm solutions with decision which of them will be moving forward;
- **designing phase** is there for designing new processes and products which should solve or improve the problem and situation. In many projects this phase means also developing new technical solutions. Team is focused on identifying as many countermeasures as possible to reach the given goals of the project based on perceived impact designing to-be state;
- **implementation phase** is the change already documented and organization uses the new process. Changes are often tested in order to ensure the expected reaction and avoiding creation of new issues, risk and problems. After confirmation by team that implemented solutions work as planned, controls are put in place to ensure ongoing performance and quality. Processes are then transitioned back to the needed customer;
- **continuous improvement** is major mark of business improvement, which is the ongoing responsibility of the team that processes are continually being improved. This journey towards excellence is engaging all involved parties to monitor business processes and continually look for new and better ways of working.

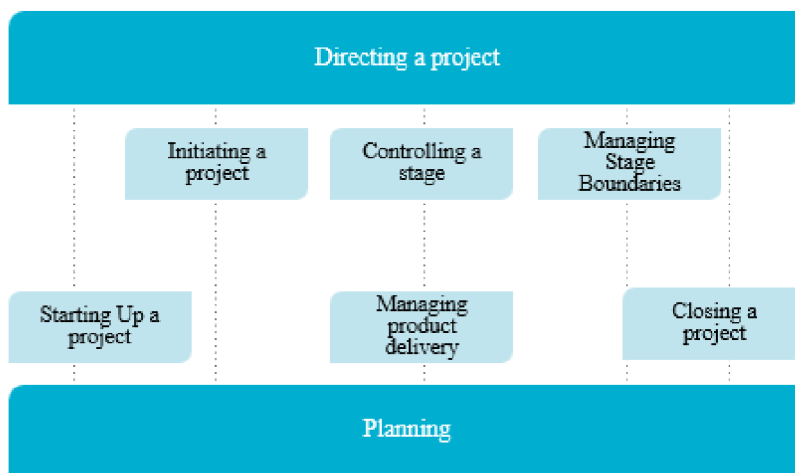
Improvement of business performance and project management (Brandon-Jones and Slack, 2018, p.42) is the purpose of the operations strategy, which must be giving the indication how this improvement is taking place, understanding operations strategy as a combination of repositioning performance and increasing overall operations effectiveness by overcoming the issues.

Prince2 (2015, p.73-251) as process-based approach is defining seven processes:

- **starting up a project** – ensuring that prerequisites for initiating a project are in place;
- **initiating a project** – establishing solid foundation for the project, scope and products;

- **directing a project** – enabling project board to be accountable for project’s success, exercise overall control and delegate day-to-day management to project manager;
- **controlling a stage** – assigning work to be done, monitoring, reporting, dealing with issues, taking mitigation actions, ensuring to keep the stage within tolerance;
- **managing a stage boundary process** – enabling project board to be provided with sufficient information by project manager in order to conduct a stage review & next steps;
- **managing product delivery** – placing formal requirements on accepting, executing and delivering project work, which is the link between project manager and team manager who coordinates the area of work to be delivered;
- **closing a project** – providing a fixed point for acceptance and confirmation for the project products as well the recognition of initial objectives set in PID (project initiation document) have been met.

Picture 5 Prince2 Seven Processes



Source: Own Graphics according to Prince2 (2015, p.25)

Prince2 (2015, p.91-93) describes quality as main focus in order to meet business expectations and enabling desired benefits to be achieved. Prince2 aims to prevent failure and supports continuous improvement with support of quality review technique, assessing the conformity of a product against set criteria, involving key parties to check product’s quality and provide, if necessary, improvements before moving to next stage and approvals.

Bottlenecks in project management processes

During each stage of project management processes there occur always some bottlenecks and hiccups where project managers and team members stumble over. It is essential to identify them and provide, if possible, the mitigation action on it. In this part the focus is on bottlenecks identification from perspective of diverse authors on this topic.

Other theoretical sources (Asana, 2022) handle the topic of bottleneck identification. Bottleneck is any point in the process which is causing delays in the workflow or reducing the pace of the project by its limited capacity. Bottlenecks are either system-based or performer-based. The first one is when the system interrupting the workflow with outdated or obsolete systems and

software, which can have impact on the workflow speed and frustrate the team members. It is not always easy to solve the system-based bottlenecks, as many times increase of the performance for infrastructure or software transformation is connected with additional costs, which might not be on plan or approval list in each impacted company. Performer-based bottlenecks is when some or whole of team is not performing at the required performance level. Solution to performer-based bottlenecks can be easier with using soft skills and trying to follow up and talk to the respective team members or project team members, sometimes also hiring additional help or outsourcing simple tasks can increase the performance. As bottlenecks are inevitable, the more important it is to identify them and contain them, such as:

- fishbone root cause diagram;
- process map, Gantt chart, Kanban, task list;
- 5 why's method.

Fishbone diagram (Asana, 2022) as the name says itself, is depicted in a skeleton of a fishbone, where the root cause is identified by further and further details of the problem until it is identified. Process map is depicting the workflow of the process, with decision points and depending on the answer yes or no, the next steps. Gantt chart is a horizontal bar chart illustrating the project timeline or tasks.

Kanban board (Asana, 2022) is described as one form of visual project management, usually used in continuous improvement in agile projects, where items are being pulled from product backlog into a steady workflow. Project board is displayed in organized columns, where each column represents a stage of work (to do, in progress, done, ao.) and individual tasks are as visual cards on the board, are moved through the columns until they are completed.

Wavelength (2022) describes the 5 why technique to identify the root cause of the problems, failures and issues. Determination of the problem is done usually in a group where one person as a leader asks constant the same question why until the problem is identified. Number five is only illustrative, it can be reached, but must not be, same is valid also if there are more questions needed.

2.5 Methodology

In this section is described the methodology and approach which was conducted to collect the data as creation base of this thesis.

In the theoretical part primary and secondary theoretical sources have been analysed, with full bibliographic record to be found in bibliography section. Processing theoretical sources was focused on consolidation of different approaches and opinions by authors on the topic of the process project management, diverse methodologies and process improvements.

The analytical part consists of introduction of the company and selected department, characteristics of the typical projects handled in the department, following by analysis of the current and actual process project management state and internal guidelines, in comparison to the application into practice in daily business. Analysis has been conducted based on observations of the process project management, during one year participation on several projects in preparation, design, implementation and closing phases.

Open, direct, structured and self-participated observation in daily business was based on observed activities in process project management, description of the current state of activities

and evaluation of the activities. Categories for observation have been split into several subgroups for information technology board preparation (IT board), solution proposal creation, detailed estimation and third-party risk management (TPRM). Focus in each category was on factors as-is guideline and then practical implication and application of the best practices in daily routine to achieve best results in a timely manner. To measure the open observation categories, every step needed in each category was measured in terms of length of questions, duration of execution of steps and needed activities according to internal guidelines in Saranga GmbH. The consolidation of the measurement was coded in frequencies which in majority occur during project process management steps. As a result of the observation analysis, bottlenecks in process project management in Saranga GmbH department have been identified as well as the recommendation based on summary results.

3 Analytical part

The analytical part is targeting to analyse the current state of project management processes in selected department of the company Saranga, comparing theory and guidelines with practical usage. The analysis has been done based on observation and investigation.

3.1 Characteristics of selected company and department

The target of Saranga company (Saranga, 2021) is to meet real client needs with real solutions which harness synergies between business in commercial banking and wealth management. Saranga is a pan-European commercial bank with subsidiaries, leveraging on an international network of representative branches in 16 countries worldwide.

The way in which these solutions are developed and provided is as important as the solutions themselves, which is why everything is done with base of two core values: Ethics and Respect. Ethics and Respect: these two values are uniting and defining Group culture – how decisions are made and how the actions reflect them.

Saranga Services GmbH is the subsidiary of the group services company which is as an external partner providing information and communication technology services, real estate, security, procurement, and back-office services.

Target and reason of creating sub-company was to consolidate operational activities during re-organization in order to deliver services in more flexible way with improved response time and correct functions.

Achievement of sustainable result is guaranteed by promoting and supporting diversity workplace, applying quotas to women in leadership, creating job opportunities for disabled co-worker applicants and work-life balance support. This means employees can work remotely up to agreed number of days from home, as well throughout their workday there is fixed core time presence needed in office around which work execution can be combined with home office. In workplace colleagues are challenged to interact in a fair way, open mind, protecting company business policies and internal guidelines while maintaining professional and friendly environment at work (Saranga, 2021).

Department is a local subsidiary of group risk management department in Austria, which is giving support on local level for IT solutions, their maintenance, implementation and design, targeting synergy with global solutions and key risk indicators for all risk categories in banking, such as Credit Risk, Market Risk, Operational Risk, Pillar II risks, ao.).

3.2 Typical projects handled in department

Projects in risk reporting department are handling mostly regulatory reporting topics, aiming to reconcile key CRO (Credit Risk Office) and CFO (Chief Financial Office) data at the end. Group-wide and local credit risk models calculations (RWA/Risk Weighted Asset, Economic Capital, stress testing) and managerial credit risk reporting are usually the main indicator for initiating complex end-to-end project management.

During project management phases, during transformation of diverse subjects as an act of defined activities and efforts, projects are being planned and handled from pre-planning phase, budget appetite, through business study with lots of diverse workshops to specify the final scope of the future initiation, including consolidation of supportive documents and information. Only after these steps, IT project managers can receive customer request in project management planning tool and can start with all processes leading to project approval and start of the implementation throughout successful testing phase until deployment to production and closure of the project. This thesis is focused on the part where customer request is submitted in the PPM tool (project planning management) and IT project manager can start to plan the project through preparation phases through IT board, coordinate the implementation until successful deployment to production (Go-Live) with stabilization post-Go-Live phase and closure of the project.

3.3 Analysis of current project management processes/methodology

In the Group Risk Department of Saranga Services GmbH, majority of projects are belonging to the regulatory or strategic projects, therefore often political negotiations and decisions based on the given target strategy needs to be made.

Prior declaring project in progress status, many processes for project management are to be met to even start. These project process management steps are described and analysed in this chapter.

Most of the projects in the impacted department are set up as waterfall type, but in reality, practical implementation has agile mindset and agile parts, like daily stand-up meetings with duration for 15min with IT project team, as well as testing phase design with agile mindset, split into blocks and tranches which have been deployed for partial functionalities within time-frame equivalent to one sprint length (four to six weeks). This way teams can work on parallel running activities in diverse legal entities and project phases. The progress and work breakdown are being tracked in JIRA tool (agile project management tool), where product backlog/list of requirements are organized in tranches/sprints and during daily stand-up meetings exchange between development team members and project manager/scrum master conduct. Throughout testing phase, test manager makes daily, up to weekly reports of the progress towards customer and reporting in IT department to the leadership of the respective project or programme. Testing progress reports are made via programming automation in the testing software tool used in the company as well as tailor made pivot tables and charts depicting the actual status in PowerPoint presentations. In preparation for the deployment to production/Go-Live, many internal processes described in this chapter later, need to be fulfilled and many pre-conditions to be met.

Throughout all the cycle of project process management, from beginning till the end, main challenge is to stay patient and come with creative ideas with critical time thinking, using established workforce network in the company, when workaround solutions are needed. After deployment to production comes the post Go-Live stabilization phase, which is streamlined through intensive phase of monitoring of production, daily meetings with customer and IT team, where facilitation and mediation between final customer of bank and IT team, as well as reporting and addressing issues correct way are main part of the project management. Usually, if not agreed otherwise during project steering committees, stabilization/harmonization phase ends three weeks after deployment to production.

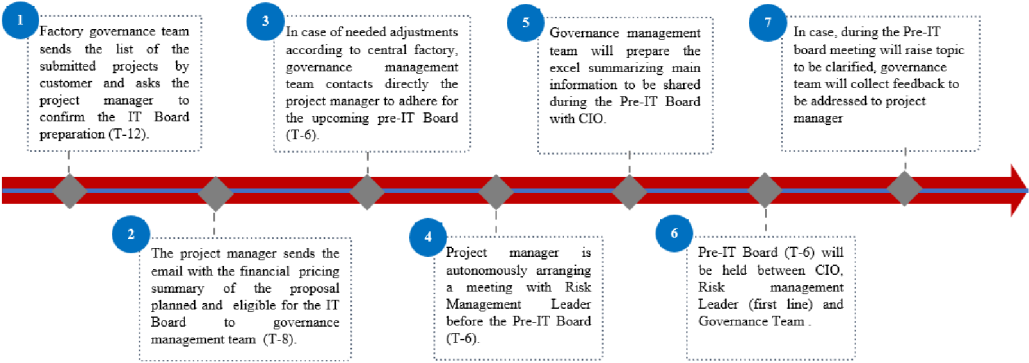
IT Board Preparation

Every project which comes from customer side submitted and requested via PPM tool (project planning management tool), needs to undergo a preparation prior IT board. The factory governance team serves as a middle point of contact between the CIO (chief information officer) and the local area manager (risk management head).

Factory governance team is regularly, based on the cut-off dates (deadlines) prior IT board, sending list of projects submitted in the PPM tool by customer in order to confirm by project manager who is taking over the project the commitment for IT board preparation. Project manager starts to collect rough and detailed estimates as primary delivery unit (PDU) from secondary delivery units (SDU), if there is more than one system application involved, usually there are several applications to be coordinated. Project manager then prepares pricing financial summary and sends to governance management team to review. In case there are no needs for adherence, project manager can continue with other steps needed in preparation which are in more detail described later in this chapter – solution proposal document, third party risk management assessment and detailed estimation.

Subsequent steps needed for the IT board preparation can be described also in depicted roadmap below.

Picture 6 IT Board preparation steps



Source: Own Graphics according to Saranga (2022)

For better orientation of the cut-off dates/deadlines prior IT board, governance team prepares in time for whole year exact list of the IT board dates, which counts as point T and derived from this date T, all the cut-off dates are fixed – T-12, T-8, T-6 – meaning 12 days prior board date, 8 days prior board date, 6 days prior board date. In the beginning only governance management team and project manager are directly in contact, later is project manager involving his direct risk management head to align on the project essentials and during pre-IT board meeting, project manager is not attending this meeting, only the delivery manager (risk management lead), CIO (chief information officer) and governance management team. If all deadlines and cut-offs are met together with strategic planning and approval from the factory side of governance team, then the project is moved to the IT board list, where administrative steps are taken and left to be conducted. The table below shows examples of cut-off dates and steps needed to fulfil IT board requirements on time.

These deadlines are hard and cannot be adjusted, there is no work around in practice for this.

Table 1 IT Board timeline cut-off dates

| IT Board date (t) | 1. Cut-off date for confirmation by project manager of the submitted project to governance management team (T-12) | 2. (3) Cut-off date for project manager to finalize Solution Proposal and financial pricing, Security, TPRM (T-8) | 4. – 5. Official list sent to CIO after project manager has held the meeting with risk management lead (T-6) | 6. -7. Pre-IT Board with CIO, Delivery Manager and Governance Team |
|----------------------------|---|---|--|--|
| Thursday 17 March 2022 | 01.03.2022 | 07.03.2022 | 09.03.2022 | 09.03.2022 |
| Thursday 07 April 2022 | 22.03.2022 | 28.03.2022 | 30.03.2022 | 30.03.2022 |
| Friday 29 April 2022 | 13.04.2022 | 18.04.2022 | 20.04.2022 | 20.04.2022 |
| Thursday 19 May 2022 | 03.05.2022 | 09.05.2022 | 11.05.2022 | 11.05.2022 |
| Thursday 09 June 2022 | 24.05.2022 | 30.05.2022 | 01.06.2022 | 01.06.2022 |
| Thursday 30 June 2022 | 14.06.2022 | 20.06.2022 | 22.06.2022 | 22.06.2022 |
| Thursday 21 July 2022 | 05.07.2022 | 11.07.2022 | 13.07.2022 | 13.07.2022 |
| Thursday 08 September 2022 | 23.08.2022 | 29.08.2022 | 31.08.2022 | 31.08.2022 |
| Thursday 29 September 2022 | 13.09.2022 | 19.09.2022 | 21.09.2022 | 21.09.2022 |
| Thursday 13 October 2022 | 27.09.2022 | 03.10.2022 | 05.10.2022 | 05.10.2022 |

Source: Own Graphics according to Saranga (2022)

Solution Proposal, TPRM, Detailed Estimation

During initiation and planning phase of a project, project manager prepares budget financials and solution proposal. Project manager is responsible for leading the project from inception to finalization and closure, managing time, budget, risk and quality, which includes planning, execution and managing the resources and scope of the project, while coordinating operations and monitoring and controlling the deliverables, observing deadlines within timeframe and financial ratio.

Project manager prepares solution proposal with inputs from business from the requirements document, which is part of each proposal document as well. Sometimes, when requirements document is not fully and clearly understandable, project manager can send back the request to business to propose to start with feasibility study first, during which exact scope and budget appetite can be defined.

In practice, although business requirements documents lack some details, clarification meetings are held to fine-tune, agree on final scope, which will be put into solution proposal and if needed business requirement are adhered as well. More often, since budget is usually topped and restricted, as well as the upfront defined budget appetite by business, project manager and his team need to fit the scope up to the budget options of the business requirements. Business and IT project manager often do this based on empiric experience, therefore assessments of budget and scope are very accurate.

In the document solution proposal, the best possible solution and deliverables is identified, with exact scope/out of scope deliverables, as well as time plan with major milestones, possible risks and third-party risk management section.

Table 2 Project milestones

| Project Milestones Summary | | | |
|----------------------------|------------|----------|---------------------------------|
| Project Phase | Start Date | End Date | Notes/Conditions/R restrictions |
| Functional Design | | | |
| Technical Design | | | |
| Implementation | | | |
| UAT Test | | | |
| Deployment (Go Live) | | | |

Source: Own graphics according to Saranga (2022)

The business requirements document coming from business, needs to be inserted in Solution proposal as well, once the questionnaire section of IT project manager is filled in.

Detailed Estimation and staffing profile are part of the phase when solution proposal is in process, where the solution identified is aiming to address the project requirements and the costs and the plan for the implementation. As the budget is often restricted and project manager needs to follow internal rules for splitting different roles attributes in certain percentage, usually these numbers are allocated in the terms of best fit into overall pyramid skills guidelines, meaning sometimes is project manager allocated as business analyst and technical analyst as well, in order to be compliant with internal rules and keep the KPI (key performance indicators) for the factory. The same is valid for business and technical analyst, sometimes project manager must practically shift some effort man days into development skill role to keep the KPI as per below example in table.

Table 3 Pyramid skillset roles

| Role | Percentage |
|-------------------|------------|
| Project Manager | 5% |
| Business Analyst | 25% |
| Technical Analyst | 20% |
| Developer | 50% |

Source: Own graphics according to Saranga (2022)

All these steps, detailed estimation with pyramid skillset roles and staffing profile, once finalized, are submitted in the PPM (project planning management) tool, before putting the project in progress.

Third party risk management (further only TPRM) process is part of the solution proposal and mainly it refers to risk management related to suppliers and vendors according to the relevant attributes of business continuity, cyber security, GDPR (general data protection regulation) and cloud data. Project manager is defining the in the TPRM which services should be required to third parties and fulfils accordingly the automated TPRM online questionnaire. After submitting, project manager receives identification number of each questionnaire which serves in connecting the vendor during ordering the vendor services and creating purchase order in automated tools.

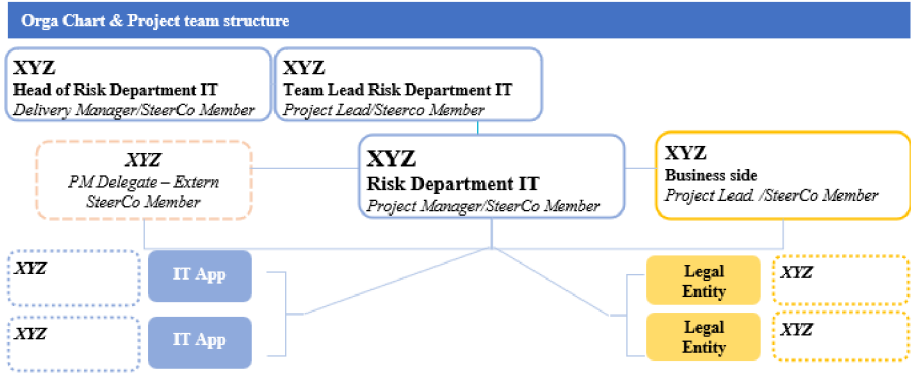
In practice project manager needs to fulfil this step and there is no workaround or speeding up the process, often project manager is copying the last questionnaire answers to the new one to easy up the process and get the submission approval on first step, avoiding further requirements in case of different answers. It is not harmful to any other process, it helps only to have easier quicker solution in place.

Project manager is requesting before, after or in parallel to solution proposal submission also the document repository to store project documents in online share drive folder.

Operations – coordination, monitoring, controlling

When the project set-up is completed, project manager is responsible to perform project kick-off meeting to formalize the project’s beginning, where steering committee, project team and relevant stakeholders are present. Steering committee has the project governance function, where project manager regularly updates the committee on project status and involves in any relevant decision about project steering (e.g., issues management, scope changes evaluation).

Picture 7 Organigram of project team

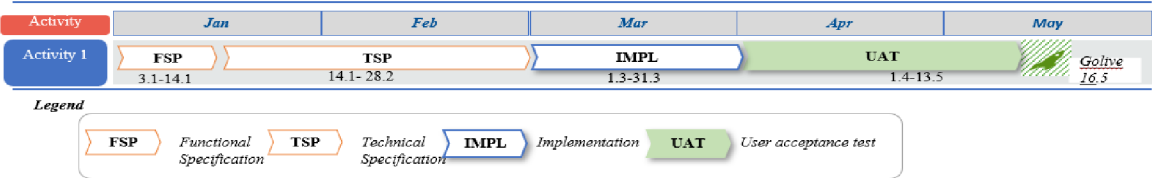


Source: Own graphics according to Saranga (2022)

Organigram, as per example depicted in the above picture is one of the deliverables presented by project manager during kick-off meeting. Project manager shares between all participants the project goals, organizational chart and project milestones within project plan with responsibilities and accountabilities. Output of the kick-off meeting is kick-off meeting presentation and meeting minutes. In the kick-off meeting presentation is identified the scope, out of scope, project organizational chart, with team members and their related responsibilities and the steering committee. It contains a chart presenting project plan with activities in planned dates, durations and milestones from solution proposal. Meeting minutes are the written output of formal meetings, ensuring common understanding of topics arised between all participants and creating formal evidence of correct information sharing, decisions taken and next steps.

In daily business the kick-off meeting is used also as first workshop meeting for business analysis. By smaller projects project manager uses the first meeting purely as functional analysis meeting, but for the administrative needs and rules he writes in the output of meeting minutes of the kick-off meeting. During kick-off meeting timeline of the project is presented with depicted example in picture below.

Picture 8 Project Timeline example



Source: Own research

Following the formal project kick-off, the project manager is responsible to coordinate the service implementation following Service Implementation Management (SIM) process, which can be activated for application development following waterfall or agile methodologies or for infrastructure implementation. According to SIM process, relevant documents need to be stored on shared drive in the document repository as well digitalized in the release management tool

– RM tool. Project manager is supposed to insert in the online tool project milestones according to pre-defined release calendar and their deadlines for finalization of functional analysis, technical design and implementation, following user acceptance phase and approved by customer approval of the protocols and business acceptance approval document. If the project milestones do not fit into overall release calendar deadlines, project manager can request special release with specific deadlines which suits the project milestones.

In practice project manager wants to find the best suitable solution in timely manner, the tool is often too slow, communication works via submitting requests and then via group mail distribution list. The restrictions for the release management are defined rigorously, therefore project manager is often forced to adjust the deadlines in the release management tool so that it fits the rules and guidelines for release management, where no overlapping of phases is allowed, and where system test cannot be same day as system integration test and user acceptance test must start only the day after. Therefore, project manager aims to insert such deadlines that are allowed in the tool, although project milestones held in the project status report or solution proposal or in the project planning management tool (PPM) are different.

Throughout the design and analysis phase, workshops and meetings between the appointed business analysis lead on requestor side and business analyst team together with project manager on IT side are conducted to define functional specifications, including also more technical details and functions than described in the requirement document. Project manager is overseeing and coordinating the meeting, if there are any concerns or scope changes raised, project manager takes action on it (as input for further analysis, risk & issues log, decision list for steering committee). At the end of the design phase for the requirements, formal approval of the agreed version of document with changes is digitally signed via the release management tool. Project manager needs to upload the document digitally and submit for approval to defined business responsible. Project manager is here responsible for obtaining approval with communicating the deadline and risks if deadlines are not met. Documentation for the functional analysis, status meetings and the documentation for functional design itself are stored by project manager on the dedicated project SharePoint.

In practice, the release management tool, where the functional specification is uploaded, has often long response times and the approver is many times not familiar with the usage of the tool, therefore project manager obtains formally via the release management tool and also via email reply approval for starting the implementation. This way a bit of time wasted with usage of the tool can be saved.

Technical implementation starts after the functional design approval, but in daily business, more often it happens, functional specification drafts are being reviewed continuously and implementation and development on IT side is happening in tranches, although project is not set up with agile methodology. This way, some time can be saved, if there are no continuous changes requested in parallel. Project manager in this phase monitors and controls during status meetings, or daily stand-up meetings, the progress of the implementation and ensures with right corrections and navigations timely development finish in order to meet project milestones deadlines on time.

The project manager is responsible to continuously control and manage the project ensuring the implementation and deployment within the project scope. Continuous management and monitoring within system implementation management (SIM) process are activities which control risks & issues, mitigation action, project milestones, time, effort and costs overview, communication and reporting as per example in the next table.

Table 4 Issues and Mitigation Log

| MANAGEMENT ATTENTION | | |
|----------------------|------------|------------------------|
| RISKS AND ISSUES | MITIGATION | DEADLINE & RESPONSIBLE |
| | | |

Source: Own graphics according to Saranga (2022)

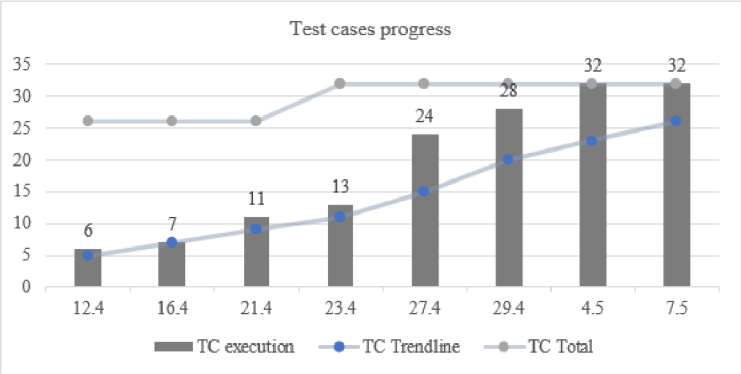
In the implementation phase, project manager monitors project risks, stakeholders’ communication and coordination, time effort and costs spent, project milestones deadlines and delivery, prepares analysis of risk & issues and actuals for defining mitigation actions or as input for steering committee. Project manager creates reports on regular basis to communicate and conduct status meetings including steering committee meeting, where based on decisions taken, project manager takes the further actions (issue and risk handling, scope changes agreement for project, ao.).

In daily business project manager aims to address the issues, depending on their severity, also in between the steering committee, some of the issues can be solved and mitigated within team earlier or solution identified upfront the meeting.

Once development of the requested changes on application level is done, changes are being deployed, presented to the testing environment for the business side on time according to project milestones, so called user acceptance test (UAT), in order to perform checks of the pre-defined test cases for the scope defined in the functional specification. Test cases are according to SIM (system implementation management) process part of the functional analysis and are uploaded in the tool for monitoring and controlling the testing phase/user acceptance test – ALMQC tool (application lifecycle management quality control). Project manager is responsible for managing, controlling and monitoring the status in the ALMQC tool, providing regular reports, which can be automated out of the tool. During status meetings is project manager presenting the actual status of the testing progress, with chart of open defects and progress in test cases execution completion.

The testing tool is having in reality its own bugs and not always the automated report is possible to generate, therefore many times project manager is better relying on excel programs to create and track manually the test cases execution and defect progress status and present statistics as per below example in graph.

Graph 1 Test cases execution report example



Source: Own graphics/research

Project manager is as well coordinating the discussion between business and IT team to discuss open defects, change requests and progress of testing. Project manager controls that the user acceptance test (UAT) is finished on time according to project milestones defined. At the end of the testing/UAT, project manager schedules final status meeting with final project status report of total defects and test cases execution for project team as well as providing the information to steering committee including the delivery manager, consisting of – final time and cost consumption, risk and issues final status, lesson learnt (if any), with the output of final project report. After this step is done, project manager organizes the final steering committee meeting, where result of the project is accepted by the steering committee. For smaller projects it can be agreed the final outcome of a project can be communicated to the final steering committee offline. The outcome of the steering committee meeting is meeting minutes with overall project presentation and clear statement of closing the implementation phase and bringing, deploying the agreed requirements based on documentation and testing formal outcomes to production. Formally project manager needs to obtain also Go-Live approval by business responsible via the release management tool. Project manager uploads the business acceptance protocol into the tool and submits for approval on the business side.

Usually, project manager obtains in parallel also approval for production deployment via eMail, so that it is formally in words approved, as the tool is often not responding, or it takes time until the approver enters the tool and if the approver is familiar with the usage of the tool.

After formal approvals also from the release management tool are in place, project manager is scheduling the deployment into production for impacted applications and clients in IT service management tool, where the date of Go-Live, descriptions and other technical details of the infrastructure are being inserted. Project manager must also digitally link the digital business acceptance protocol to the IT service management tool, so that the tracking is visible to which project the production deployment belongs to. This step is possible only if the digital business acceptance protocol in release management tool is correctly signed, otherwise the link would be incorrect, and the deployment rejected in later stages of the approval process.

Therefore, in daily business, project manager takes the time to follow up with business responsible for approval of the digital acceptance protocol, arranges a meeting if necessary, and navigates step by step the approval on business side in the release management tool to get the correct approvals later. If all information is correct in the IT service management tool, project manager makes executive summary of the change – production deployment – and sends it to the head of risk department who takes care about further final approvals. All the remaining approvals usually take few days, therefore project manager needs to have time buffer couple of days to get all the approvals on time. Project manager in this later stage of approving the It service management change needs to stay close, monitor and follow up daily the progress to meet the deadlines on time.

For the deployment/Go-Live weekend, project manager is responsible to assure that all needed resources are requested and allocated correctly, as well as the project manager is the owner of the runbook with all necessary tasks where he monitors and controls the fulfilment of these tasks. The runbook is being prepared upfront the production deployment weekend, during or at the end of the user acceptance test phase. Runbook consists of resources presence list, their phone numbers and contact info, tasks per each application or responsible, date and time of the execution and status.

To save time project manager prepares the runbook already in the beginning stages of the project, during times where it can be handy and new topics worth tracking arised. After drafting of the runbook, project manager discusses the task with IT team and then together with business responsible, until the final version is aligned. This way, time pressure at the end stages of testing

can be relieved and some time saved. The runbook task list below in table depicts the impacted Legal Entity of bank, description of task, start date & time and end date & time.

Table 5 Runbook Tasks Example

| Legal Entity | Name of the project | Go Live | |
|--------------|-------------------------|--------------------|---------------------|
| | TASK | START (CET) | END (CET) |
| 1267,73 | description of the task | 31.12.2022 0:00 | 01.01.2023 10:00 |

Source: Own graphics/research

At the end of the Go-Live, after completing all the task list from runbook for deployment and after successful internal testing, project manager informs all relevant stakeholders about the deployment to production about the outcome, where business can start to check the changes deployed on production data, sometimes already during the weekend, sometimes during next business days or monthly processing, depending on the requirements and their impact. Harmonization or post Go-Live support phase follows the deployment to production, usually it takes 2-3 weeks or in case monthly processing is impacted, the first monthly processing is being supported extra as post Go-Live support. Project manager in his daily routine is following up with business and whole project team in the post Go-Live phase, sometimes arranges short status meetings about the production harmonization to save up time.

Often, after the harmonization phase, or even during the harmonization post Go-Live phase, project manager in alignment with the delivery manager and project lead on business side, plans an unofficial offsite project team gathering to celebrate the end of the project. This gets together events connect people and team together and creates friendly atmosphere for potential future smooth cooperation.

Closure of the project

In the closing phase of the project, project manager verifies completeness of project documentation and archives it according to legal requirements or internal regulations of system implementation management (SIM) process.

Lesson learnt meeting or report can be produced, list of whole relevant experiences found in project, including what went well, what could be done better, suggestions for improvement and potential risks for the future projects. In agile projects this is held as final retrospective meeting. Project manager also manages the financial closure activities and requests project administrative closure via PPM tool (project planning management). After customer’s approval in the PPM tool, project is set to closed.

Usually in daily business, when issues occur, project manager can schedule ad hoc lessons learnt meeting on the specific topic, during each phase, and this is then revised at the end and final lessons learnt meeting together with project team. Goal here is to openly brainstorm on the issue and mark the mitigation action for future projects. It depends often on project manager’s soft skills how the issues are presented to the project team, business responsible. Project manager is the one leading the discussion and who can intervene in case the discussion is getting heated or has no relevance. These meetings are very productive and serve as well as get to know each other.

Gaps between the guidelines and application in daily business

Differences between the guidelines, processes, rules and daily usage in Saranga GmbH are to be found in every step of the process project management area. Project manager with best knowledge and intentions is trying to get the defined desired outcome and goal of the project – successful Go-Live and closure with satisfied client. Therefore, project manager during planning phase, must from the beginning of preparation of the project keep in mind the strict deadlines and rigorous rules. During IT board preparation, when submitting to the specific IT board date, there is less space for workaround as the deadlines are hard and cannot be changed. During preparation of the solution proposal, in comparison to the guidelines, project manager needs to challenge the requirements document and often clarify the detailed scope, which is more time consuming but at the end saving time and money during project for potential change requests avoidance. During detailed estimation preparation, according to process rules and KPI's project manager is allowed to allocate certain percentage of skillsets, however the reality shows different needs on every project and often project manager must leverage the skillset ratio in the way to fulfil the guideline requirements and keep the resources that are planned and intended for this project. TPRM process is supposed to be reviewed and inserted manually each time when obtaining, but also here project manager usually tries to save time and is copying the last questionnaire responses to fit into the easiest and quickest way to get the approval and TPRM identification number.

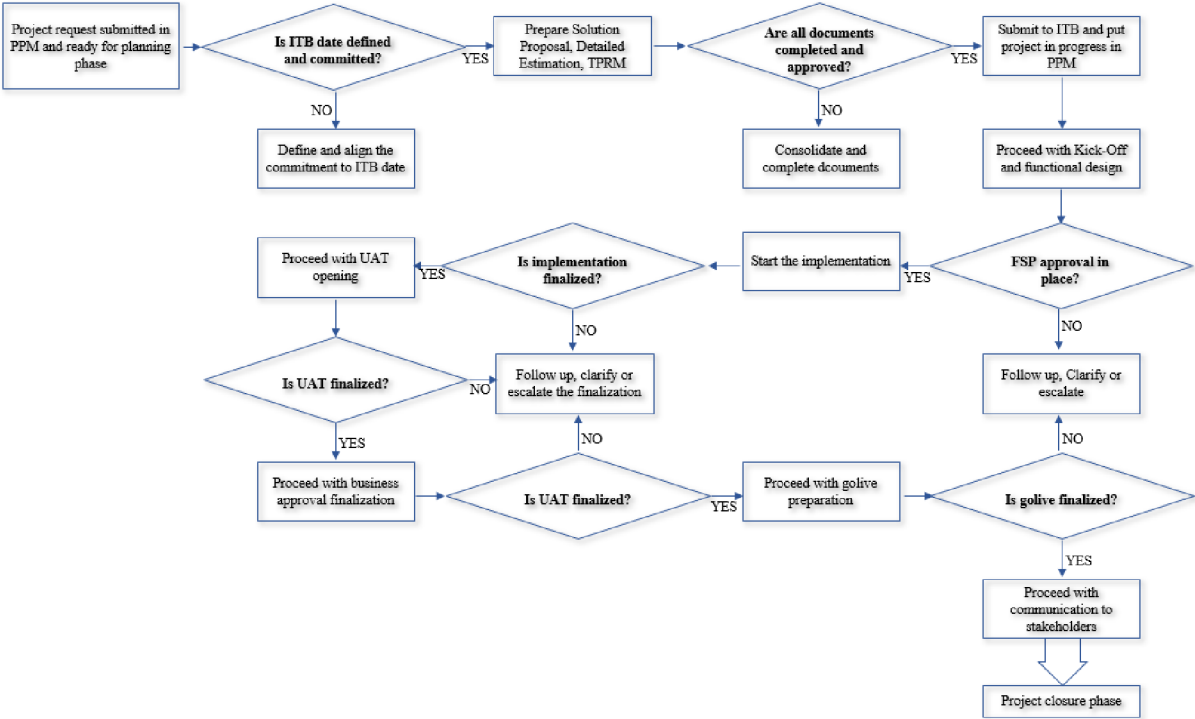
In the operations phase with coordinating, monitoring and controlling, project manager aims to find also the best suitable solution within the frame of the process guidelines. Often is the official kick-off meeting just formalized and the rest of time is used for the workshop on functional design definition. When requesting the release in the release management tool project manager should follow the given release management calendar, which in many cases do not fit the project needs and special release must be requested, where the dates for deadlines are adjusted in the way so it is compliant with release management tool rules, although the project milestones are a bit different or even overlapping in phases. For the approval of the functional design project manager is supposed to also follow the guidelines to submit via the automated tool, but due to not properly working tool, for time saving it is being requested in written form via mail as well. During testing phase project manager should generate automated reports from the testing tool, and here again, due to unresponsiveness or no reliability of the tool, project manager better creates reports in excel with manual tracking. At the end of the testing phase, automatized digital business acceptance protocol should be obtained and approved, here project manager to save time requests also in written form via mail from the approver and in parallel makes follow-up or even instructs the approver for the correct approval submission in the release management tool. For the runbook creation for the deployment to production, project manager should do this document at the end of testing phase, but in daily business the runbook creation is started by project manager even in the beginning of the design phase to save up time later.

In the closing phase of a project there are no workarounds or differences between the process's guidelines and daily implication on operative tasks.

In general, the research showed how the project manager must be able to adjust in a flexible way to the given processes and key performance indicators, while meeting the project deliverables and deadlines. Project manager is keeping up the project team motivated and dedicated to common goal, while the business customer is being held in cooperation and committed state towards the project and project milestones. Often the skillset of the project manager is not only good planning, but good negotiator, mentor, motivator and flexible mind to bend the processes into favourable outcome towards the project goals within internal process

project management guidelines timeframe. Following process map depicts the steps while project is in planning, throughout implementation, testing and closing phase.

Picture 9 Process map



Source: Own research

After analysis and comparison of the state of current guidelines and its application to practice in the following chapter is focus on the bottlenecks in the processes.

3.3.1 Bottlenecks in project management processes in comparison to theory

This part aims to describe the bottlenecks and weak points in the internal processes of Saranga GmbH company, within the risk department. Bottlenecks have been identified mainly through the process mapping and five why’s method based on self-participated direct observation in the governance area. There is never ideal world and as the theory might give a guidance on rules, many times in reality it differs and it is applied to each very specific company, area or project and persons involved, if possible. There were few bottlenecks identified, such as:

- too many processes and steps needed in between each phase of project;
- too many dependencies on the steps and processes, which lead to blocking next step if not fulfilled properly;
- too slow project management software tools, slow responsiveness or often outage;
- not trained resources for usage of the tools, more time or guidance needed to navigate through the process project management tools;
- business response and feedback take long time or not on time.

As described in chapter 3.3, during analysis of current processes, it showed too many processes in between each phase of project, which are time consuming and increase the overall effort of project manager.

Every step of the process has predecessor and successor, which often leads to blocking next step start and thus is a bottleneck to move forward in the project. Even before is project in the PPM tool set to in progress, there are several steps to be fulfilled and cannot be avoided, described in chapter 3.3 in detail. Preparation for IT board is one phase full of requirements, several procedures and dependencies between the documents needed and to be prepared for the IT board. During analysis, implementation and as preparation for Go-Live, the release management tool is set to be used, where also inside are many steps to be taken within each phase, to upload documents in the software, to get approval and without all fulfilments it is officially not allowed to move to next phase.

Software tools happen to be outdated and during usage often not responding or there is outage, which means another top on time on effort of project management and the team. During preparation of the project and documents for the IT board, the project planning management tool PPM is having slow responsiveness and sometimes project manager must wait few hours to get it fixed by the IT team or restarting computer. During analysis, implementation and preparation for Go-Live, when release management tool is supposed to be used for the SIM process (service implementation management), this RM tool is having outage on regular basis, several days per week. It is having so much impact on the daily work of project manager, that to be on the safe side, project manager is obtaining approvals for the documents also via eMail to have documents handy for the Go-Live preparation and audit.

Resources on both sides, contributing to the project are not trained well enough, many times it happens that there is additional guidance and help needed in navigation in the correct usage of the tools, leading to more time spent in the project process management tools and no efficient time utilization of all involved parties in the needed step. In the preparation phases of project for IT board, also the requirements documents are often not prepared in such a detail that no deep-dive or clarification workshop is needed. During preparation of the project some documents need to be uploaded by project manager and some need to be approved by business, and as there are no trainings updated on the tool usage, often business colleagues need help by approval, usually project manager navigates them. During analysis, implementation phase and preparation for Go-Live, where all the time release management tool should be used according to SIM processes, the RM tool is often not user friendly even by new user interfaces upgrades and business colleagues are struggling when using the tool. Release management tool is needed for the document's approval, where project manager uploads the documents and bank colleague should approve, often of course, project manager is supporting and navigating business side in the release management tool to find the right buttons, in order to meet the deadlines for quality gates deliverables.

Furthermore business feedback or other departments feedback is taking long time and prolonging the project process management steps needed to fulfil the requirements for next steps. As in many corporates, also in Saranga company there are many departments, many teams taking care about specific steps and the whole governance area is quite complex system. Unfortunately this complexity brings in daily business life many obstacles within, as specific approvals must come from specific department, but often there is no name or team lead person only mail group list and follow up on the request is needed to get the correct and in-time approval. Feedback from business side is mirroring the complexity of Saranga Group and having similarities in issues of providing feedback in due time. Naturally, pressure on business side for bank topics is arising from group policies, local policies or policies by European Central Bank, but in order to have project successfully started, implemented and finally deployed, the

cooperation is essential. Even during project preparation for IT board, when requirements document is lacking details which could be base for creating proper assumptions, estimations and solution proposal, even if the deadlines for each IT board are strict and cannot be moved or adjusted, it happens that project manager must follow up with business many times before, during and after clarification of the requirements, so that the project solution proposal can be written and approved. After IT board approval, during analysis, implementation phase and preparation for Go-Live, while release management is given by guidelines to be used and as mentioned earlier in this chapter, not only that the tool is often very slow, then personnel is not trained how to use properly the tools, on top there is lack of on-time feedback from business side when requesting approvals in the release management tool. Project manager must often follow up several times a week with business responsible to get them logged-in into the tool and provide feedback and approval, if necessary, again, help them to navigate in the tool.

In this chapter the focus was on identification of the bottlenecks and weak points in the project process management and the following chapter is aiming to provide recommendations for improvement of current processes.

3.3.2 Formulation of recommendation

In the light of overall target to reduce costs and increase performance with customer-oriented products, focus of this recommendation is to achieve all of the aspects for gaining the right performant project process management.

For too many processes in between of each phase, and depending processes in between of each step, recommendation would be, to slim-down processes, analyse them and merge in less steps with more inclusion of the customer, avoiding double steps mirroring IT and business side, providing synergies for both, business and IT department's KPIs. There is no need to cross check through several steps, starting by project manager creating and collecting inputs for the right document, then storing it on the SharePoint for audit purposes, then uploading it either to the project planning management tool or release management tool to have it also there for the compliance with SIM processes, but then also approvals from business side for the same documents, which business responsible and IT department worked together, signed already via eMail, stored in SharePoint for audit purposes, even these documents must be approved on top electronically and digitally. Digitalisation nowadays is a good thing and should simplify many things and steps. Saranga company as per recommendation should analyse processes and simplify them using digitalized solutions with properly working software and avoiding duplicities in the work on IT and business counterparty.

Budget split optimization would be worth to distinguish, mostly the budget is handled centrally and therefore many processes are in between being bent to fit the overall process management requirements. As analysis of the current processes showed, the budget and KPI's are often given upfront and design to cost measures need to be applied and some requirements shifted to next project initiative opportunity. The two many processes in between and across departments are also time consuming, costly and not bringing the visible advantage of so many middlemen. If departments locally would get a pot of own budget to be spent for projects, also processes could be slimmed-downed and thus the administration effort in project management team.

Software in IT companies is core of business and nowadays focus should be in speedy, user friendly and working software, which is bringing added value and helping to increase performance of the project manager and involved teams during the execution of required tasks.

Investment in software is question not only for budget appetite, but also the direction and strategy of the company. In the beginning of software improvements initiation, if during optimization of own software through internal implementation and speed increase, or investment into new software or upgrade of the software, it might require major investment returning later years back in a way, that teams could handle even more projects at once due to automatized, digitalized and in-time working software, and all parties involved are satisfied and motivated to achieve the target together.

Unluckily, investments in software in banking are usually rising into millions of euro which are hard to be found in the budget, as there are many projects to be done as per regulatory requirements and restricted budget or business projects. As long as bank is focused on investments on retail and commercial banking area and in parallel not in the internal processes improvements, there is the only way to optimize the systems with internal resources, who are either lacking the knowledge or capacity, because they are fully booked for necessary and approved projects.

To improve the skillset ratio of internal tools usage, trainings of personnel could be handled also internally, no need to involve external company with additional costs. Regular trainings on the current versions of project process management tools, their updates, would help all the employees and teams involved in projects and also increase the performance of project teams and thus decrease the waste of time and additional effort needed when explaining every time the correct tools usage either to business side or other colleagues within the project team.

Improving of the software, using synergies and harmonization in the processes between IT and business side, would help not only to impacted people when working in projects while using the tools, but also cross team communication and feedback. Because if resources are having the right tools which work on time, if they have right training how to use the tools, then motivation in providing in-time feedback and dedication to work or project and their co-workers cannot decrease, in opposite, can motivate all to work together efficiently.

There is no general recipe for improving processes, however every company should take the important and hard decision for itself – if to keep the internal processes as-is and focus on client experience or to invest also in internal equipment and tools which is keeping the personnel motivated and on board in company longer period without high turnover of employees. Because competition is not sleeping, competition is running faster than one can imagine and only continuously improved processes and companies keeping up with the latest trends can survive, keep current clientele and personnel and focus on discovering new areas for customer journey satisfaction.

4 Conclusion

All in life begins and ends with a process. Processes are the core of every action and everything we encounter, and the realisation of this is as important as is the focus on the overall improvement that can bring added value to organisations, its employees and the endurance of the corporation as whole.

Key to successful business execution in nowadays globalised production is the discipline of process execution, which many world-wide organisations have already successfully adopted. Dynamic changes and the ability to adapt certain amendments in operations of the corporation is the core part of all of the competitive enterprises.

Goal of this final thesis was to analyse and compare different theoretical sources in comparison to the analysis of the current state of project management processes in Saranga corporation, application and implication of the guidelines and processes on day-to-day business, identification of blockages and discovery of their solutions for improvement in the process project management area.

In the first part, theoretical sources found in literature that are describing and handling topics of projects, project management, project management processes and improvement of project management processes. Several definitions of project management by Czech, but also Anglo-American authors, as well as project management institutes such as Prince2 and PMI, or other authors focusing on FinTech and banking industry in risk management, can be found in first chapters dedicated to the primary definition comparison, followed by introduction of different project management methodology theories. Separate chapter is dedicated to evaluation of the project's theory with diverse approaches of authors and institutions (continuous improvement, KPIs, lessons learned, ao.). Project management processes and improvement processes definitions and trends in processes focused on banking sector, digital transformation and improvement of processes according to diverse methodologies (e.g. Prince2) after identification of the bottlenecks.

Theoretical and analytical part is bridged by methodology used in this final thesis, mainly through self-participated observations in daily business in the impacted department.

The analytical part, where the analysis conducted in the credit risk department sector of Saranga company, is split into several sections. In the introduction of the company and department, Saranga company is described as leading pan-European bank, whereby the department where the analysis for this final thesis has been conducted is focuses on group risk initiatives and regulatory projects. Following analysis of the current internal guidelines and actual rules within the process project management describes all phases and stages of project from initiating, planning through coordinating, monitoring and controlling. The analysis of the implementation and application of internal guidelines and rules in practice has shown, there are many gaps and differences between guidelines and daily application. Project managers are aiming to optimize the processes and time effort within the framework to achieve the KPI's and project goals. Bottlenecks analysis is following with the major outcome in defining the current bottlenecks lying mainly in too many processes and steps, dependencies between predecessor and successor process steps, old-fashioned software, not very well-trained resources and lack of prompt feedback across departments or from end users. Closing the analytical part is conducted by the identification and formulation of recommendations for Saranga Services GmbH. Main recommendation is identified as the roadmap towards synergy and simplification of processes, slimmed-down structures of processes, digitalisation of processes, investment and optimization of the software, which can be huge financial impact on short-term and also big financial and

competitive gain or advantage in long-term run. Not to be forgotten is the recommendation into the people as main pillar of the company. Internal trainings should be properly improved to increase knowledge and mainly motivation of personnel.

Synergy in all organisational parts of business, mainly in technology services in banking sector, is lately much more important than previously, as the business process and information technology innovation undeniably and cooperatively belong together and jointly benefit the corporation's existence from a long-term perspective, because only highly flexible IT systems are the best for designing, implementing and improving business processes solutions.

Today's business world requires acting in a versatile, timely efficient and agile manner, impacting all corporate cultures and its subsequent operational practices, sustaining and improving industry competitiveness. and strengthening the placement of the corporation amongst the other establishments.

Organisations are now more than ever focused on attracting, motivating and keeping talented employees who are adequately experienced and well trained into their corporate roles, have foundations in process management improvement skills, therefore contributing this way to enterprise market success.

In the last decades, term process management improvement has found a solid base in key concepts of management and is widely accepted worldwide.

All over the industry nowadays, companies are seeking to improve operations and adopt process driven methodologies and mindset. As an outcome of this thriving, demand for process improvement expertise has tremendously increased, introducing many tools for systemic analysis and business improvement. Maximising synergies, critical thinking, smart working, time management, reducing duplication with focus on improving customer experience. This is in a nutshell how project managers nowadays should act in the dynamic ever-changing environment. Not only the skillset, knowledge, competencies, but also bringing added value to the colleagues, project teams, and spreading the high motivation while staying self-motivated are the basis for success in the project process management world.

In order to conclude this study, it is necessary to emphasise the importance of constant learning and knowledge seeking of new studies and processes, understanding that we are part of an ever-changing dynamic environment and versatile multi-cultural society with multiple waves of innovative ideas.

Therefore processes in daily life as well as in business are to create challenges that we can find solutions for, so that we can constantly implement improvement of processes in different sectors, both professionally and personally, grow and strengthen the pillars of gained learnings with symbiosis of new modern innovation solutions, so that the processes executed by people and the world itself can gradually improve and grow for the better.

Having said that, we can clearly understand that there is a good basis and ground to tackle and challenge project management processes, now and in the future, aspiring with creativity to simplify and improve not only processes, but also our daily life and work-life balance.

At the end its indeed the challenges that create opportunities for improvement.

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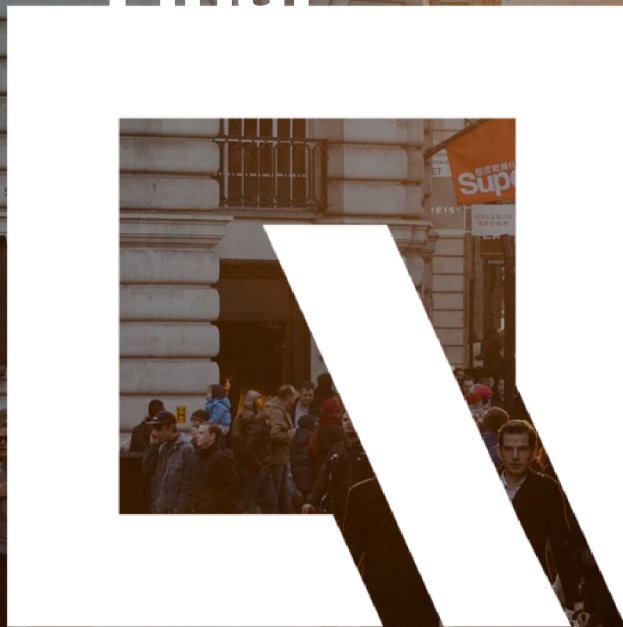
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Final



Thesis

Evaluation of project management processes in credit risk department of company XY - Saranga

Mgr. Zuzana Hlubinakova, DMBA44

Presentation of the matter

introduction

Final thesis and evaluation of the project management processes in IT banking, conducted in one of pan-European commercial bank.

problem

Project management processes analysis, comparison with theory, application in daily business. Analysis of bottlenecks and recommendation.

approach

Comparison of theoretical sources in project management, project management methodologies and project process management with practical application in the selected department of company Saranga.

Theory definition highlights

Project management according to PMI

An accomplishment of appropriate application and integration of the forty-seven logically grouped project management processes, categorized into five groups:

- 1) Initiating;
- 2) Planning;
- 3) Executing;
- 4) Monitoring and controlling;
- 5) Closing.

Project management processes according to Svozilova

Processes groups in project management



Theory definition highlights

Bottlenecks in project management processes

- ❖ bottleneck can occur in any point in the process which is causing delays in the workflow or reducing the pace of the project by its limited capacity
- ❖ bottlenecks can be either system-based or performer-based

Bottleneck identification methods according to Asana

- ❖ fishbone root cause diagram;
- ❖ process map, Gantt chart, Kanban, task list;
- ❖ 5 why's method.

Analysis and evaluation

source

Internal processes and guidelines in Saranga company and first-hand experience with and at the company.

gaining

Follow through the company guidelines and best practices.

processing

Break-down analysis of processes and guidelines. Identification of bottlenecks.

Analysis highlights

department and projects

- ❖ local subsidiary of credit risk management department in Austria
- ❖ support IT solutions & maintenance, implementation and design
- ❖ synergy with global solutions within Saranga Group
- ❖ regulatory and strategic projects

project management processes

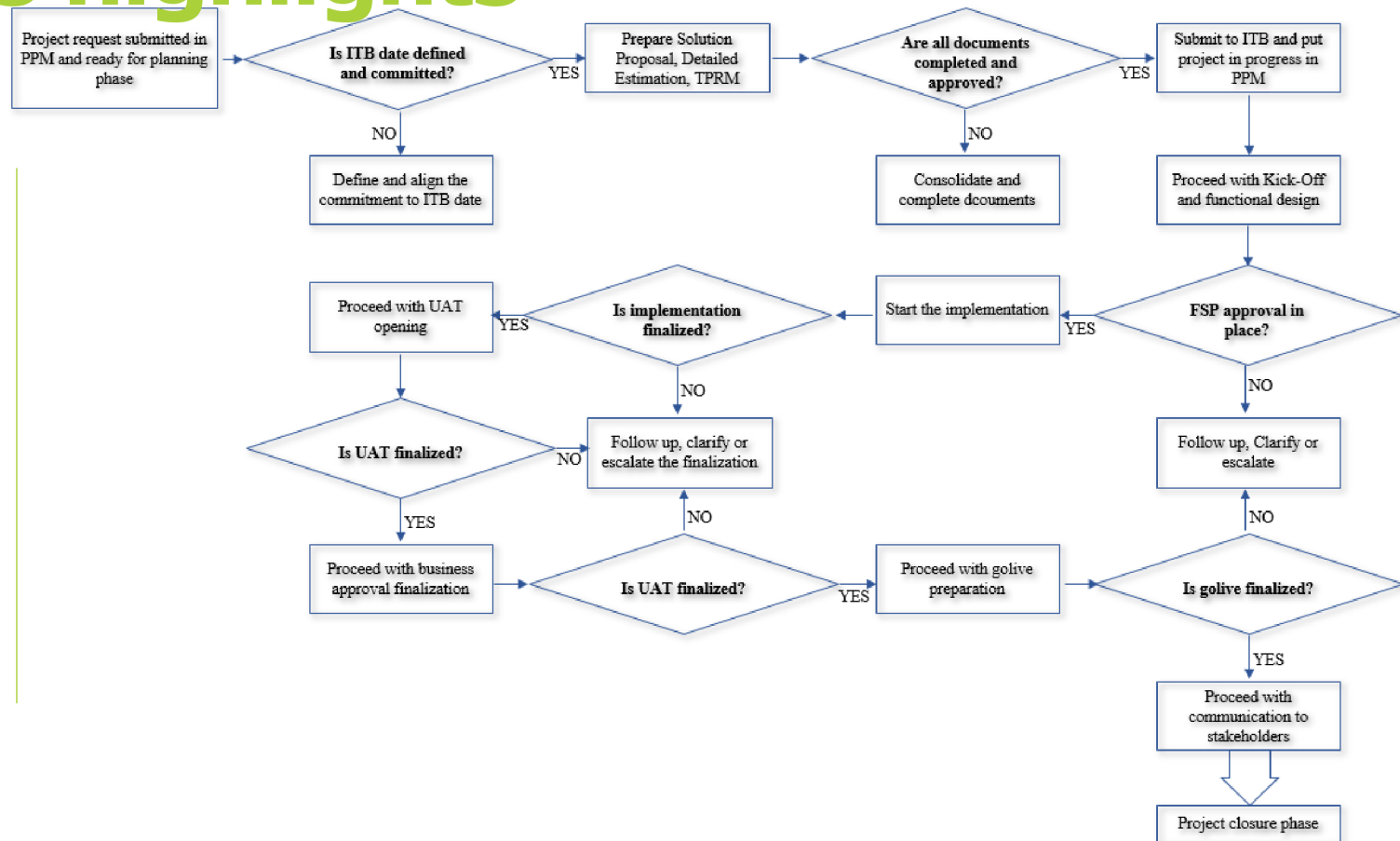
- ❖ initiation and planning – IT Board preparation
- ❖ operations – coordination, monitoring, controlling
- ❖ closing

Analysis highlights

Process map

❖ Analysed steps and processes in project phases:

- ❖ planning;
- ❖ implementation;
- ❖ testing;
- ❖ closing.



Analysis highlights

Bottlenecks

- ❖ Identified through process mapping and through 5 why's method:
 - ❖ too many processes, steps needed in between each phase of project, with many inter-dependencies, leading to blocking next step if not fulfilled properly;
 - ❖ too slow project management software tools, slow responsiveness or often outage;
 - ❖ not trained resources for usage of the tools, more time or guidance needed to navigate through the process project management tools;
 - ❖ business response and feedback take long time or not on time.

Conclusion



Evaluation of project management processes in banking IT industry in pan-European bank.



Analysis of as-is processes in project management in the selected department and comparison with daily business usage.



Theory comparison with practical application of internal guidelines and process mapping has led to bottlenecks identification and formulation of recommendations:

- ❖ slim-down processes;
- ❖ invest in software upgrade;
- ❖ improve people management and motivation.

VŠEM VYSOKÁ
ŠKOLA
EKONOMIE
A MANAGEMENTU

**Thank you
for your
attention**