

Case Study: Increasing Product Innovation with Managing by Project

Background

Rothschild Australia Limited (Rothschild Australia), formerly Rothschild Australia Asset Management, is a licensed entity that provides the highest quality, independent financial advice and execution expertise on a diverse range of international and complex transactions – encompassing mergers and acquisitions, independent expert reports, restructuring, private placements, privatisations, equity capital markets and debt capital markets advisory services.

Rothschild Australia is part of the Rothschild Group's global network, which for over 200 years has been at the centre of the world's financial markets. Clients can access Rothschild's first-class independent advice and services through 40 offices in more than 30 countries, from the Asia Pacific through Europe to the Americas.

Challenge

In late 1999, Rothschild Australia realised they needed a new approach to project selection, prioritisation and implementation. They assigned their lead business analyst (Max Setz) to search the market and bring in the best in methodology development and implementation.

Solution

Once Max saw the unique intranet based methodology of Managing by Project he was hooked. RAAM procured the software and brought in mbh Managing Director Mark Heath to embed the cultural aspects as well as the knowledge gaps of the Managing by Project methodology. Throughout the first and subsequent rollouts of the methodology, mbh achieved in order, the following:

- Identification of a current portfolio of projects totaling close to 100
- Selection and optimisation of portfolio of projects to fewer than 10
- Training at various levels of 60 staff in the Managing by Project approach
- Launch of the Intranet methodology onto the RAAM intranet
- Stakeholder management and change tracking of the methodology
- Mentoring and coaching of project teams working on the 10 projects in the portfolio
- Facilitation of new projects selected and prioritised over the next 3 year period
- Project management on critical path projects during this period

Results

After 1999, Rothschild became recognized as one of the few innovators in product development within the market place. They were the second organisation to offer an ethical fund, released 6 new retirement funds in 2000 and developed a variety of quality hedge funds into the marketplace over 2000-2002. They also managed several

successful alliances with other fund managers in the states including Putnam, Grosvenor and other. Added to this, utilising a small IT team, they developed and rolled out 4 extranets, implemented business intelligences processes through Data Warehousing and business objects implementation and removed inefficient client servicing processes through Documentum document and web content management implementation and Verity taxonomy classification and search implementation. Added to this, they developed a well defined and targeted client segmentation model that was at the pinnacle of the industry.

All of these initiatives were able to be implemented due to the clear strategy set by RAAM executive and the robust project selection and prioritisation process followed by that executive team using the framework that mbh set up in 2000. They were also able to be implemented due to the significant upskill in project and change management of the staff and the can do Managing by Project culture.

RAAM was sold to Westpac in early 2002 for \$323m. It is recognized by ex-RAAM executive that 10-20% of the value of the business was due to their adoption of Managing by Project. This means that between \$32m and \$64m of added value was created by implementing the mbh methodology.

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