ESM FRAMEWORK – ACTORS INVOLVED IN CHANGE

• Requests their (own) initiatives
• Can be impacted by other teams’ initiatives

• Facilitates project selection and prioritization
• Monitors and reports on execution
• Provides project and change management

• Actively follows and fosters digital innovation
• Facilitates selection and experimenting
• Promotes and facilitates transversal innovation

• Participates in the execution of projects
• Is involved in Steering Committees of incumbent projects

Business

Project management

Digital innovation
ESM FRAMEWORK - BUSINESS PERSPECTIVE

- Same team performs BAU and project work
  - Can be complemented with external expertise
  - Requires teams to be familiar with project methodology
  - Ownership of the solution, eases adoption
  - Engagement driver
  - Clear prioritization needed to manage daily operations and project milestones
BUSINESS STRATEGY AND PROJECT MANAGEMENT
**MISSION:** The BSPM team enables the ESM to reach its strategic goals by improving organisational performance and realising organisational change.

**CAPABILITIES:** we achieve our mission by deploying all our seven capabilities:
AN ESM WIDE COMMITTEE IS ACCOUNTABLE FOR PROJECT PORTFOLIO STEERING

Corporate Project Committee approves cross divisional initiatives based on ...

- BENEFITS
- BUDGET
- CAPACITY

... ensuring alignment with the ESM strategic priorities

Once approved, execution is triggered ....
PROJECT PORTFOLIO MANAGEMENT

- On an annual basis
  - Project backlog update (identification of new ideas and negative priorities based in a reviewed ESM strategy)

- On a quarterly basis: (re) planning of the next 12 months
  - Last quarter achievements and deviations
  - Identify available capacity and budget
  - Selecting new projects for next quarter and their execution method (governance/methodology)

- On a monthly basis, monitor and resolve:
  - Project portfolio status, dependencies, risk and issues
  - Resource conflicts (e.g., between projects or with division business as usual activities)
  - Budget deviations
  - Approve project initiation (business case) and implementation (project charter)
ENABLING THE ESM TO REACH ITS STRATEGIC GOALS THROUGH PROJECT MANAGEMENT BEST PRACTICES

How do we do ensure project success?

Governance, Support, Documentation
- Standard
- Light

How do we deliver?

Project Management Methodology
- Waterfall
- Lean-AGILE
SUCCESSFUL CHANGE REQUIRES TECHNICAL AND PEOPLE SIDES

“Technical” does not just mean ‘technological’

“Technical side” executed by project management discipline

“People side” executed by change management discipline
DIGITAL INNOVATION @ESM
DIGITAL INNOVATION RELIES ON 5 LEVERS THAT SHOULD ALL BE ACTIVATED AND MONITORED

- **CULTURE**
  - ‘Test and learn’ mindset and awareness opportunities

- **PROCESS**
  - ‘Buy first’ philosophy (vs. build) + continuous scouting

- **ECOSYSTEM**
  - Transversality as one of the prioritisation criteria

- **GOVERNANCE**
  - Innovation framework and roadmap approved by Management Board
  - Integration in ESM’s project portfolio governance
  - Yearly budget for experiments

- **ENVIRONMENT**

Digital Innovation funnel involving key functions upstream in the process
START SMALL: POC VS. MVP

PROOF OF CONCEPT (POC)
- Prove feasibility / added value / interest
- Outcome can go to the bin, or constitute building blocks for final product
- **Product delivered in less than 3 months** – can be extended with longer test phase
- **Maximum budget 50k€**

→ Quick & dirty (in the limits of the objectives of the POC)

MINIMUM VIABLE PRODUCT (MVP)
- Provide the most basic version of a product, vs. full target
- **Outcome**
  - reliable, needs to be maintained
  - should evolve quickly in succeeding versions
  - scalable

COMMON OBJECTIVE: GATE BEFORE INVESTING FARTHER
INNOVATION FUNNEL: A PROCESS TO ACHIEVE INNOVATION

IDEATION & SOURCING

- Increase awareness
- Identify needs / ideas
- Identify technologies
- Source partners
- Prioritise

Qualification

- Select partner for the test
- Define test success conditions (target KPIs)

Testing

- Validate usability
- Validate technical solution
- Measure test result (KPIs)

Outcome not satisfactory

Various reasons, e.g. consolidate data before deploying

Small amount, no RFP needed, immediate deployment

Involve final users to validate need

‘Design sprint’ involving business line and relevant functions

Agile method, limited timing, business line involvement

ESM project portfolio governance

CPC

Quick Win

On hold

Abandoned

STOP OR GO:
CPC APPROVAL EXCEPT FOR BUDGET < x EUR AND NO RESOURCES OUT OF BUSINESS DIVISION REQUESTOR REQUIRED

STOP OR GO:
CPC APPROVAL EXCEPT FOR BUDGET < x EUR AND NO RESOURCES OUT OF BUSINESS DIVISION REQUESTOR REQUIRED
EXAMPLE #1: DATA RECONCILIATION TOOL

**IDEATION & SOURCING**
- Significant number of reconciliation processes
- Opportunity for automation
- Question: are novel, AI-embedded solutions bringing significant added value? Should we launch a POC?

**QUALIFICATION**
- 10+ providers identified
- First round of analysis and demos, based on high-level needs

**TESTING**
- Demos were sufficient
- Outcome: mature fields, with few differences between providers
- No preliminary testing needed

- Launch of a project
- RFP
- Implementation (on-going)

Abandoned
On hold
Quick Win
CPC
STOP OR GO
EXAMPLE #2: AD-HOC PROCESS AUTOMATION

- ESM “unique” process
- Daily process with manual intervention
- Opportunity for automation

IDEATION & SOURCING

- Low-code solution
- Internal developments

QUALIFICATION

- POC with low-code solution
- Outcome led to learnings on the platform, and use for other use cases

TESTING

- Internal development

Quick Win

STOP OR GO

CPC

Abandoned

On hold
QUESTIONS TO THE AUDIENCE
QUESTIONS TO THE AUDIENCE

• How complex is it to reconcile BAU and project work?
• How do you manage resource allocation conflicts?
• How are projects selected in your organization?
• How do you integrate innovation in your day to day?
• What are the major challenges you face when dealing with change?
CONTACT

Sara Alonso, Head of Middle and Back Office
+352 260 962 443
s.alonso@esm.Europa.eu

European Stability Mechanism
6a Circuit de la Foire Internationale
L-1347
Luxembourg

Follow the ESM on Twitter:
@ESM_Press