

In Search of Clarity



Winning \$10m in Project Funding ClarityCollege

Clever accommodation of gatekeeper concerns got Elizabeth the \$10 million in funding she needed: and fast too

Many people I have talked associate storylines with documents. However, while storylines are very powerful tools to use when preparing documents they are equally powerful in a range of other situations.

In this example, Elizabeth beats difficult odds to win out-of-cycle funding for a \$10 million project using three storylines, only one of which forms the basis for a document.

Read on to learn from her story and to see the storylines and the document she prepared to secure her \$10 million in funding within a couple of weeks of the regulator issuing the project requirement.

Elizabeth's story

Getting out-of-cycle funding for new projects can be difficult, particularly if – even though mandatory – they won't immediately add to your bottom line. Fully understanding each of your gatekeeper's concerns and pitching them individually at their point of interest (not yours) will increase your chances of getting the funding you need.

Elizabeth, a project manager with a large Australian finance house, proved this recently.

Elizabeth received a request from the industry regulator to improve the way her business was reporting on some of its activities. The request required her to undertake approximately \$10 million in work – significant for any business. Her first reaction was to approach the finance team for funding: the project was mandatory and she could not do it without extra funding. However, she realised that finance may well say 'no' as her division had a heavy balance sheet and a habit of running a budget surplus.

To solve this, Elizabeth negotiated her way through three different agendas using a clear understanding of each audience's position to craft a storyline for each interaction: one for the leadership team, one for finance and one for her manager who would need to approve her strategies and support her during the leadership team conversations. Here is how she got there:

She first worked with a colleague to use neosi to map out the general architecture for the stories she needed to take to the leadership team and to Finance.

Once these were bedded down, she prepared a story for her manager to gain his approval of both her strategy and the general content of her presentations to both audiences. It was a short meeting: In 10 minutes she talked through her storyline to him (which was in her head, not on paper), he agreed with her strategies, signed off on the presentation storylines and also agreed to support her approach among the other leaders.

Her next step was to arrange a slot in the next leadership team meeting to discuss the budget prioritisation and use neosi to convert the storyline into a short prose paper as pre-reading for the leadership team.

This meeting was predictably difficult with team leaders not wanting to give up their budgets, however with quite some negotiation she extracted \$2 million seed funding for the project. She then tweaked the Finance storyline to add in the details stemming from the leadership team meeting.

Finance was also predictably reluctant to part with such a large sum, and agreed to allow her to start the projects by running them in deficit, effectively over riding the leadership team's protection of their budget numbers.

Although this was not a result she had anticipated, it enabled her to start the projects straight away and meet the regulatory requirements.

Here are the three storylines that Elizabeth prepared during her negotiation, as well as the paper for the leadership team.

Elizabeth's documents

- **Storyline to prepare for her conversation with her manager**, which was purely for her own use: to clarify her thinking around the conversation with him
- **Storyline to use when talking with her manager about the approach to take with the leadership team**: this was used as the foundation for the leadership team's pre-reading
- **Paper prepared for the leadership team**
- **Storyline used to shape the conversation with Finance** in relation to the funding request. She used the storyline in the conversation and provided backup documentation about the request from the regulator and the project plan itself to further justify the request.

Storyline for her manager:

We need partial funding from the leadership team for the new project

Context	The industry regulator requires us to do a big project, which will cost around \$10 million over the coming year.
Trigger	However, we do not have enough cash to fund the extra project on our own.
Question	How can we fund the extra \$10 million project?

By working with the leadership team to get partial funding to demonstrate that we cannot fund this ourselves before going to Finance.

We need \$10 million on top of our current funding to run the new regulatory project.

- The preparatory phase will be expensive, requiring us to hire external consultants to fill skill and capacity gaps in our team
- The analytical piece will be complex and cannot be rushed if we are to meet their requirements and avoid expensive system rework
- The implementation and testing phases will be complex as the work touches mission critical systems and cuts across all areas of the business

However, Finance is unlikely to give us the \$10 million very easily.

- Finance has recently indicated that our business unit's habit of running a significant surplus at the end of each financial year is no longer tenable.
- The current budget environment is tight - and getting tighter
- Finance has received many requests recently for critical new projects that were not budgeted for at the start of the financial year

Therefore, we need to demonstrate to Finance that we really need the extra funding.

- Explain that completing the project is not a choice: it is mandatory
- Describe the complexities of the project
- Show them that we are willing to cut our spending to meet them part way
- Agree that running a large surplus is untenable in the current budgetary environment

Storyline for the leadership team:

We need to identify sources of seed funding for new \$10 million regulator project

Context	The industry regulator requires us to do a big project, which will cost around \$10 million over the coming year.
Trigger	However, finance is unlikely to fund it while we have a heavy balance sheet and a history of surpluses.
Question	How can we get funding for this project?

Identify sources of seed funding from Business As Usual and project activities before approaching Finance for the remainder.



Identify funded projects that have been delayed or have not started and transfer some of their allocated funding across

- Project 1 has started late and so has not spent its budget so far
- Project 2 has been running slow due to staff shortages and has spent less than expected as a result
- Project 3 has had some surprise early wins that might mean it comes in under budget

Look for areas within regular Business As Usual activities that are not using their allocated funding

- We have recently renegotiated our software contracts, which has cut costs
- We have recently found a new training provider, which has cut our staff development costs

Allocate 'rainy day' cash from the balance sheet that could be allocated to the project

- Every year, for the past five years, we have run a budget surplus
- This year's spending patterns appear to match those of the past years
- Therefore, we can anticipate a surplus that could be used to contribute to this project

The paper to the leadership team

Executive Summary

Meeting Number	2014 / 11 / 2
Purpose	Information / Discussion / Decision / Action
Meeting Date	2014 November 12
Author	Elizabeth Project
Sponsor	Mike Manager
Title	Identify ways to find part of the required \$10million project funding from BAU and project activities before approaching Finance for the remainder

Purpose and Value at Stake

The industry regulator requires us to do a big project, which will cost around \$10 million over the coming year.

However, finance is unlikely to fund it while we have a heavy balance sheet and a history of surpluses.

We need to agree how to fund this project

Recommendation

I recommend identifying ways to find part of the required \$10 million project funding from other BAU and project activities before approaching Finance for the remainder.

- Identify funded projects that have been delayed or have not started and transfer some of their allocated funding across
- Look for areas within regular Business As Usual activities that are not using their allocated funding
- Allocate 'rainy day' cash from the balance sheet that could be allocated to the project

Rationale

Identify funded projects that have been delayed or have not started and transfer some of their allocated funding across

There are three particular projects that may offer potential funding for this new project:

- Project 1 has started late and so has not spent its budget so far
- Project 2 has been running slow due to staff shortages and has spent less than expected as a result
- Project 3 has had some surprise early wins that might mean it comes in under budget

Look for areas within regular Business As Usual activities that are not using their allocated funding

There are at least two potential areas of saving that could provide funding for this project:

- We have recently renegotiated our software contracts, which has cut costs
- We have recently found a new training provider, which has cut our staff development costs

Allocate 'rainy day' cash from the balance sheet that could be allocated to the project

Every year, for the past five years, we have run a budget surplus. This year's spending patterns appear to match those of the past years. Therefore, we can anticipate a surplus that could be used to contribute to this project

Next steps

- Elizabeth to contact Finance to seek remainder of funding
- Elizabeth to report back at next meeting regarding Finance response

Storyline for Finance:

Despite BU contribution, we need \$8 million to fund regulator project

Context	The industry regulator requires us to do a big project, which will cost around \$10 million over the coming year.
Trigger	However, we do not have enough cash to fund the extra project on our own.
Question	How can we fund the extra \$10 million project?

By seeking \$8 million to cover the portion of the work that our business unit cannot cover in the current budget.

The business unit leaders have agreed to provide \$2 million toward this project.

- They have shaved \$800K from projects that have been late to start or slow to spend their budget so far this year
- They have identified \$700K from Business As Usual activities that could be given to the project
- They have provided another \$500K by delaying some other activities

However, even a tightly managed program will require another \$8 million on top of the leadership team's allocation

- The preparatory phase will be expensive, requiring us to hire external consultants to fill skill and capacity gaps in our team
- The analytical piece will be complex and cannot be rushed if we are to meet their requirements and avoid expensive system rework
- The implementation and testing phases will be complex as the work touches mission critical systems and cuts across all areas of the business

Therefore, we need an extra \$8 million to run the project

- We need assurance that we have the funding so we can hire the contractors within the next two weeks
- We need \$2 million delivered in irregular increments during Q1
- We need the remaining \$1 million per month for the following four months

To learn how to achieve these kinds of results yourself ...

- Sign up for *The Big Idea*, an occasional newsletter full of ideas like these
- Visit www.claritycollege.co to learn more about how storylines can help you deliver more insightful communication, rather than just 'information'
- Visit www.neosi.co to try neosi, software which will help you prepare storylines by reminding you of the rules that underpin the connections between your ideas while you work and also create Word and PowerPoint documents directly from your storyline