



CASE STUDY

HOW TO “GREENLIGHT” PROJECTS BASED ON CORPORATE STRATEGY

Navy Federal Credit Union (Navy Federal) is the world’s largest credit union, managing nearly \$36B in assets for three million+ members. Founded by seven civilian Navy personnel during the Great Depression as a way to provide an economic safety net, Navy Federal now provides financial services to all military personnel and their family members, including active duty members, reservists, contractors, and employees across all areas of the Department of Defense.

THE CHALLENGE

Navy Federal has always maintained a strong commitment to the members it serves. With that commitment comes the ongoing challenge to maintain service excellence, a competitive portfolio of products, and the most current customer and financial systems. To address these challenges, Navy Federal had embarked on nearly 100 functional and technical projects. However, not all projects were clearly defined or in alignment with corporate goals and objectives. Simply put: the ability to plan, fund, and measure all projects systematically needed to be more consistent and a part of everyday business practices. As a result, resource and capacity planning across business units were very challenging, and there were opportunities to improve gaps between budgeted initiatives and overall corporate strategy.

THE SOLUTION

To address this business challenge, Navy Federal’s senior management team embarked on an end-to-end **Project Portfolio Management (PPM)** project that would ultimately define a framework for “greenlighting” all projects going forward. To assist them with the effort, Navy Federal engaged consulting partner North Highland to implement a rigorous and proven approach to portfolio management. Working side by side with Navy Federal executives, North

THE CLIENT

The world’s largest credit union, Navy Federal Credit Union, who provides financial services to all military personnel and their family members.

THE CHALLENGE

Approved corporate initiatives were not always in line with Navy Federal’s business strategy and there was no consistent way to prioritize and fund those initiatives with the highest return.

THE SOLUTION

A rigorous Project Portfolio Management program that included:

- Rationalization of all current projects
- Governance and management structure for future initiatives
- Business case tools and training for all project initiators

THE VALUE

A significant number of man-hours have been redirected from non-value add projects to those that are much better aligned with Navy Federal’s overall strategic direction.

UNIMAGINABLY ACHIEVABLE

When you engage North Highland consulting, you can rest assured that we will deliver an innovative solution to the project. We are driven in our pursuit of unique, creative answers, tailor-made to your specific needs. However, we are also diligent in making sure that any implementation is based in reality. What we propose must always be achievable and work in concert within your enterprise as a whole.

“North Highland is the most client-centric partner we’ve encountered in over 20 years of working with consultants.”

NAVY FEDERAL EXECUTIVE

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Highland reviewed and prioritized all corporate initiatives based on a predefined set of criteria that aligned directly to Navy Federal’s corporate vision. The new portfolio included both strategic and tactical projects and, once approved, was communicated throughout the organization.

To gain buy-in for the new portfolio, the team used a proven, six-step approach:

1. **Develop** simple, objective criteria to prioritize projects
2. **Prioritize** all eligible projects (both strategic and tactical) using these criteria
3. **Construct** a baseline project portfolio and gain consensus across the organization
4. **Establish** an ongoing, rigorous PPM framework, including required business cases for all projects over a particular threshold
5. **Articulate** a set of concrete actions and owners to implement and govern the framework
6. **Train** all levels of management on how to prepare and submit business cases for future projects

Once the new portfolio was well-defined and communicated, North Highland helped Navy Federal design and implement a **governance program** that was launched to the entire organization. This governance program is the management structure for all future Navy Federal projects and guarantees that approved and funded initiatives will be strategically aligned with its corporate objectives. To do so, each and every business case presented for funding will be carefully evaluated according to Navy Federal’s core strategies: improving member services, increasing membership, increasing profitability, driving efficiency, developing talent, and improving information management. In addition, the program includes benchmarks and metrics to ensure that projects are not only funded according to these objectives but are also meeting or exceeding forecasted benefits. Some of the key elements of the program included:

- Business case models and project evaluation tools (including supporting documentation)
- Guiding principles for successful PPM, including specific roles and responsibilities of key PPM stakeholders
- A rigorous governance process (including decision-making and “appeal” process)
- Formal “portfolio rebalancing calendar” with associated measurements and toll gates
- Processes for review, prioritization, and execution of projects above and below defined thresholds
- Project portfolio management dashboard and reporting templates

THE VALUE

As a result of this engagement, Navy Federal was able to either defer or eliminate 40% of projects from its portfolio—literally redirecting a significant number of man-hours that would have been expended on non-value add initiatives to only those projects that were objectively determined to be more strategic and of much higher value to the organization. The prioritized portfolio that remained, and all future initiatives, are now objectively evaluated against predefined criteria for funding authority. This new **disciplined portfolio management process** has provided Navy Federal with an increased level of confidence to meet its long-term strategic goals and ensures that it is well positioned for the future.