



BEST PRACTICE EFFECTS

STRUCTURE OF THE PROJECT TREE

INTRO

Before you start your project in FALCON you have to make some basic decisions regarding the setup.

First and foremost the structuring of your project in the tree structure. So that you can get the best out of your project, we will show you some possibilities and of course the worst case - so that you can avoid it.

FALCON'S PROJECT TREE

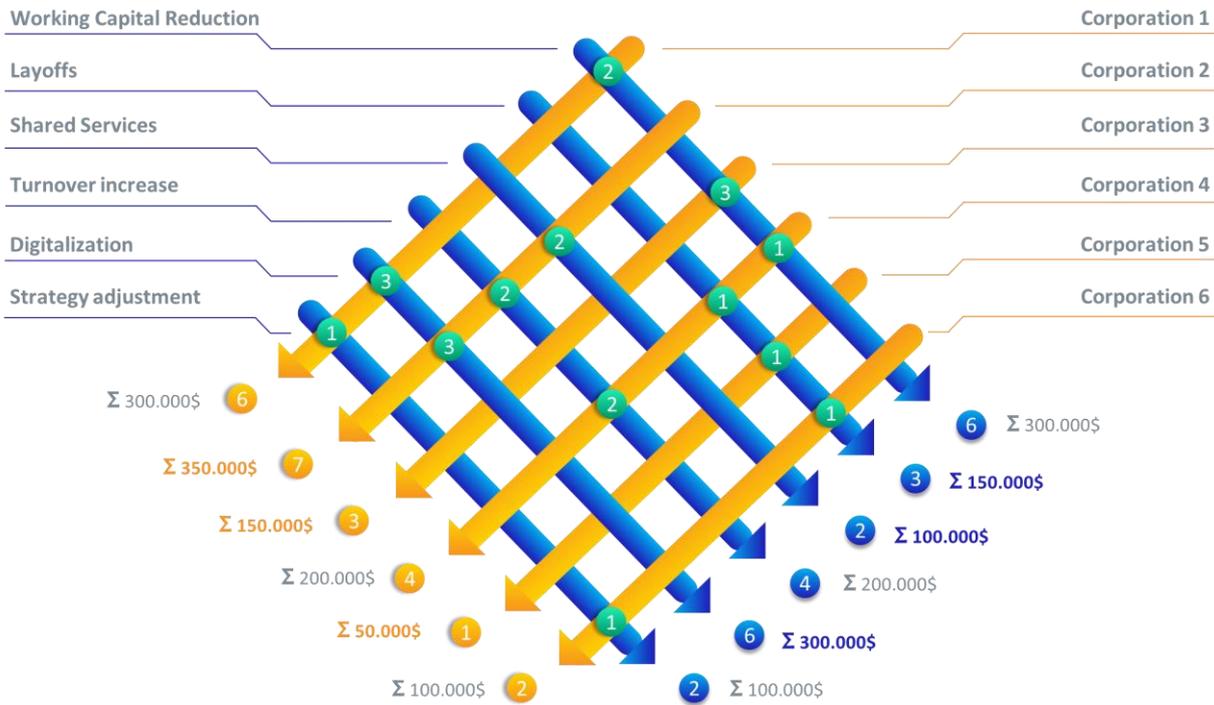
Projects are displayed in Falcon in a clear tree structure. The lowest level is the measure. Here, for example, it is tracked who does what when (the schedule) and what the measure may cost or generate (the effects). Related measures are arranged in packages in which the schedule and effects are aggregated. All packages of measures form the project in the same way.

STRUCTURE THE TREE

Measures with the same target (so-called initiatives) can easily be combined in one package. If, for example, you are planning several measures to reduce working capital, you can combine all these measures in one package (for example, working capital reduction). These could be, for example, a measure "inventory reduction" and an adjustment of payment targets. Both

measures would then be at home in the same package. All effects and activities of the measures flow together in this package.

The logic of the tree-structure should be planned carefully and checked before filling. In the sense of a matrix structure different tree constellations are possible, which affects the distribution of the measures:



Σ 23 Measures
 Σ 230 Activities
 \$1.15 Mio. Effects of measures

Structured by corporations:

	EM	M	A
Group	Σ 1.150.000\$	23	230
+ Corporation 1	Σ 300.000\$	6	60
+ Corporation 2	Σ 350.000\$	7	70
+ Corporation 3	Σ 150.000\$	3	30
+ Cash Desk			
+ Inventory reduction			
+ WC funding			
+ Corporation 4	Σ 200.000\$	4	40
+ Corporation 5	Σ 50.000\$	1	10
+ Corporation 6	Σ 100.000\$	2	20

Structured by initiatives:

	EM	M	A
Group	Σ 1.150.000\$	23	230
+ 1. Working Capital Reduction	Σ 300.000\$	6	60
+ Adjustment of credit terms			
+ Cash Desk			
+ FCFS Introduction			
+ Inventory reduction			
+ Product range reduction			
+ WC funding			
+ 2. Layoffs	Σ 150.000\$	3	30
+ 3. Shared Services	Σ 100.000\$	2	20
+ 4. Turnover increase	Σ 200.000\$	4	40
+ 5. Digitalization	Σ 300.000\$	6	60
+ 6. Strategy adjustment	Σ 100.000\$	2	20

EM Effects of measures
 M Measures
 A Activities

Presumptions:
 • 10 Activities per measure
 • \$50.000 effect per measure

But often other organizational forms of the tree also make sense. It could be that several parts of the company or even companies are affected by the project. It often makes sense to organize the packages of measures according to companies.

The advantage here is that all the measures of a company are in one place and the overall effect for the company flows together at package level. The disadvantage is that you have content-related measures at different locations. In our example, you would no longer be able to click on one level and see all the activities and effects of the working capital initiative.

The advantage of both variants is that you always find the same result at project level. Because here all measures flow together - no matter where they are hung up.

WHAT TO AVOID

The advantage of structuring a project is lost if you create several projects. So it would be conceivable that you create one project per initiative and then one package with all companies - or even one package and one measure per company. Of course, this approach could also be reversed. So you would have one project per company and the initiatives at package level with the corresponding measures.

BY THE WAY...

measure packages should



... be consistent in content

... preferably make up < 20% of the total project effect



... be evaluated within the first 3-5 report cycles

... not last longer than 1/3 of the time of the overall project duration



Not only would you lose the aggregation over the entire project with this approach, you would also massively increase the complexity of the project management. Therefore approaches of this nature - even if possible - are not to be recommended.

Especially project participants who are not familiar with project planning are quickly overwhelmed by such complicated tree structures. Breaking up the tree into several projects is therefore usually only meaningful if there are really several independent projects.

Do you have any further questions on how best to structure your project?

Do not hesitate and contact us at any time:

support@nordantech.com

In our support area you will also find further useful information about the project setup:

 [ADD A PROJECT](#)

 [ADD A MEASURES](#)

 [MOVE PROJECT TREE ELEMENTS](#)

 [ADD A MEASURE PACKAGE](#)

