

Hybrid Project Methodology: A Fresh Approach to Performance Implementations

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Most performance system implementations follow a linear structure: source, validate, and load the required data; configure a storage repository for results; create a reporting system to deliver results to consumers; and finally, establish operational workflows and controls around the entire process. Given this arrangement, the customary practice has been to employ a traditional 'waterfall' project methodology, with each step neatly built upon the previous one. However, just because this methodology works does not mean it is perfect, or more importantly, optimally efficient.

In recent years, Meradia noticed limitations of the waterfall approach in large-scale performance implementations due to a few common factors:

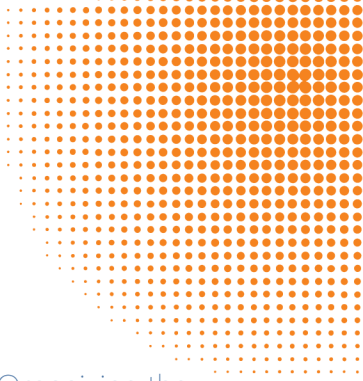
- It is challenging to generate accountability when resources must juggle project and BAU responsibilities.
- Maintaining momentum is challenging with massive project plans and extended timelines.
- Stakeholders need to see tangible, incremental progress on a regular basis.
- UAT is often performed at the very end, and no one wants surprises at that stage.
- Work on distinct phases that do not overlap, which hampers efficiency and delays value delivery.

So, we asked ourselves: "Can we take a different approach?"

Is Agile the Answer? Or Is There Something Else?

Naturally, Agile was the first place we explored when searching for a different approach. Agile comes in many flavors, but Scrum is often touted as the most popular. Scrum is built on the premise of short, iterative cycles ("sprints" in duration of one to four weeks) of highly focused work items that enable rapid progress. The project team can prioritize key tasks and reallocate resources to where they are needed most. The collaborative allocation of work items at the beginning of each sprint creates accountability and sets clear expectations for the period. Compared to a traditional waterfall approach, Scrum introduces significantly more flexibility. Teams can "fail fast" during short sprint cycles, allowing room to address issues or experiment with new ideas in subsequent sprints. Workstreams can also progress concurrently rather than consecutively when dependencies are absent.

However, a full Agile or Scrum methodology is not entirely appropriate for the performance implementations we typically work on. In software development, where Scrum is frequently used, most 'features' are independent and can be released to consumers at the end of each sprint. A performance implementation, on the other hand, rarely delivers new features to end users throughout the project. Instead, the work builds toward the next phase of the implementation, driving toward the final 'feature': go-live.



Is Agile the Answer? Or Is There Something Else? (continued)

Performance implementations must always keep that go-live milestone in clear focus. Organizing the project with a waterfall structure helps do just that while supporting planning, budgeting, and resourcing. A waterfall plan also makes it easier for the team to communicate overall progress to sponsors and stakeholders.

As a result, we settled on a hybrid approach that blends waterfall and Agile methodologies, choosing elements that work best for our needs. Although this approach is not new, we believe it has yet to be applied in performance system implementations.

Governance and Documentation in Hybrid Methodology

Now that we have assessed the benefits and limitations of each approach, it is time to transition from theory to practice in the application of a hybrid model.

The backbone of the project will be the classic waterfall project plan. The waterfall plan allows all stakeholders to delineate the tasks to complete before the system can go live. The Agile equivalent would be the backlog, but an Agile backlog is typically too loosely structured and lacks requisite clarity around interdependent tasks.

Other traditional supporting artifacts and metrics should also be created at the project's outset, for example: RAID and decision logs, project KPIs, and weekly status reports. The project plan and these supporting documents will serve as the project manager's key resources for designing each sprint.

Three recurring meetings that you will want to set up are:

- **Sprint Readouts:** These are touchpoints at the beginning of each sprint period. The project team can ask clarifying questions, adjust tasks, or suggest additional ones that make sense for the sprint. We have found that everyone leaves these meetings knowing precisely what they need to accomplish to stay on track during that period. In a typical waterfall project, we often felt that team members were not fully clear on their priorities for the week.
- **Sprint Stand-Ups:** These are short meetings (e.g., 15 minutes) where the project team meets mid-sprint to provide status updates and share any issues or roadblocks they are facing. While classic Agile leans toward daily stand-ups, you should decide the best frequency for your project. In all likelihood, team members are balancing project work with their day jobs, so daily updates may not be fruitful. Trust is also a key factor. Less frequent check-ins may be sufficient if the team can be trusted to work independently.



Governance and Documentation in Hybrid Methodology (continued)

- **Steering Committee:** This group of key decision-makers and project sponsors should meet at least monthly. These meetings are not only an opportunity for the project team to provide updates, but also a venue for escalating issues and requesting leadership support to remove blockers.

Aside from these three touchpoints, we have found that a hybrid model allows us to significantly reduce the number of forced, recurring meetings. Meetings can be scheduled on a truly as-needed basis. When a sprint task identifies a specific need, such as deciding on a particular system configuration, a small group can be assembled to focus on that item. Additionally, sprint recaps do not need to be a meeting, as the project manager can instead provide a brief update alongside each task to all the stakeholders via email.

Designing the Sprints

We learned early on that running a hybrid methodology introduces significantly more overhead for the project manager than the traditional waterfall method. The project manager needs to be deeply familiar with performance implementations for it to work well. That expertise will be invaluable when sequencing work efforts among various workstreams.

The waterfall project plan and supporting documents (RAID and decision logs) will be the north star for planning the sprints. Planning potential tasks for each sprint is done by reviewing the full project plan and supporting documents to identify what the project team can work on. This is where the project manager's expertise in performance implementations is critical - it enables them to select appropriate tasks, including those from different workstreams that can be performed concurrently.

A sprint task for a performance system implementation should be achievable within the sprint period, even if it does not fully close out a line item on the waterfall project plan. It might be something like: "One year of performance history was loaded into the system," or "The project team made a decision to distribute attribution via a secure FTP site." A future sprint would then include tasks for loading a second year of performance history and configuring the secure FTP site.

For the first sprint or two, we recommend choosing fewer, easily achievable tasks. This will help the project team build confidence and momentum in the new approach, while also helping the project manager gauge the team's capacity for future sprints.

Why Meradia



Are your projects losing momentum? Struggling to maintain accountability among contributors? It might be time for a fresh approach.

At Meradia, we specialize in driving successful performance system implementations. Our unique hybrid project management methodology blends the structure of traditional frameworks with the flexibility of agile principles, delivering faster results and keeping teams aligned and energized.

With deep expertise in performance systems and a proven history of implementation success, Meradia is equipped to help your firm adopt this approach and accelerate progress from day one.



Josh Gerwick, CFA, CIPM

Josh Gerwick brings over a decade of operational and performance experience to Meradia's client engagements. An expert in process and workflow improvement, Josh has automated repetitive tasks and reduced operational risk in trade support, settlements, corporate actions, reconciliations, security pricing, and static data maintenance for several global asset managers. In addition, Josh has experience managing large data sets while implementing data quality controls and arranging data to suit client needs. Josh holds a deep understanding of performance reporting challenges.



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