

Realization breaks the rules with management software

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SAN JOSE, Calif. — Reducing work-in-progress, starting projects later, and adding time buffers to projects may sound like a sure way to decrease efficiency. But for Realization Technologies Inc., they form the key ingredients of its project-management software.



Gupta

with only a single project at any given time," said Gupta.

According to him, creating precise schedules for people and tasks is a recipe for disaster in multi-project situations - even though it might be acceptable in single projects when time margins are added to account for uncertainties and ensure the project finishes on time.

"However, with multiple projects, small uncertainties multiply and become immense because delays on one project cascade to all other projects due to shared resources," he said. "As a result, the required safeties to accommodate them also become very large. All too often, turnaround time for tasks that should take hours become several days."

Companies are spending over \$2 billion every year on inefficient project management software, according to Gupta.

"Organizations are simply automating single project rules for multiple projects and

getting caught in an automation trap," he said. "They need to break the rules."

Realization's main product, "Project Flow" identifies the most limited resources across all projects and help executives select the most profitable project/product mix given those constraints. In addition, it also places time buffers on select stages of a project to ensure that overall the project keeps moving without local delays.

"These buffers absorb and lessen the shocks from uncertainties," Gupta said.

"Buffers are at the end of a series of tasks and, hence, more efficient than safeties within each task," he said. "Explicit buffers also encourage people to hide fewer safeties, making project plans shorter. Less safety in tasks also reduces the tendency to procrastinate or to keep polishing already finished work."

"This all makes logical sense, but it sounds quite esoteric and we realized early on that it would not be a fast initial sell," added Gupta. "Instead of wasting our time arguing with industry analysts, we decided to discuss our product with customers whose multiple projects were getting destroyed by an overabundance of planned safeties. One customer then quickly led to another because breaking the rules worked."

Realization has over 100 customers. These include the U.S. Air Force, Marine Corps and Navy, the National Space and Aeronautics Association, Lucent Technologies Corp. and Pfizer Inc.

Gupta founded Realization in 1999 along with co-founders Ajay Kapoor and Ravi Shankar. Realization was a spin-off of ThruPut Technologies Inc., which Gupta founded in 1993.

Realization now has over 40 employees and made \$7 million in revenues last year.

The company's revenues have increased by 50 percent in each of the last three years, said Gupta.