

Odyssey Programme
IQA Report

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Name	Position
Carl Weller	Senior Consultant, Equinox IT

Approvals

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Executive Summary

This report provides an independent 'current state' assessment of the Odyssey Programme.

The following are the key findings of this review:

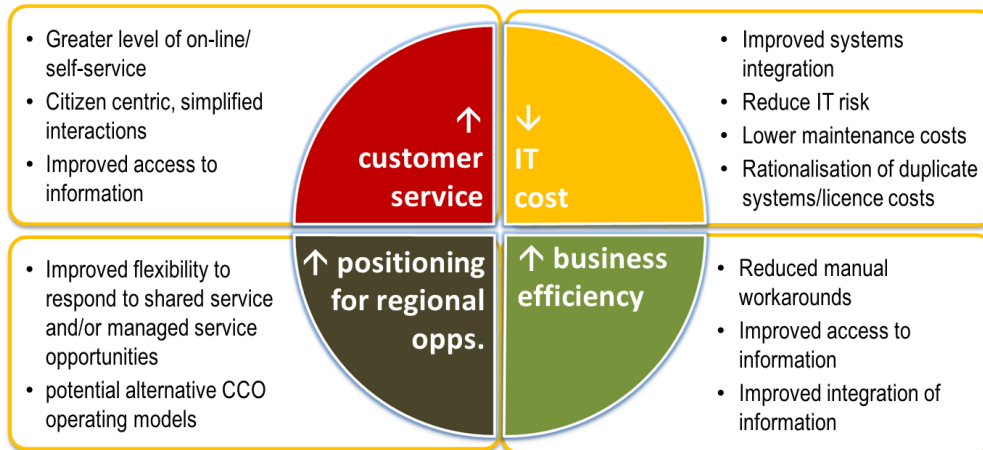
1. This is a major business transformation programme which must be actively owned and managed by the business. The Programme needs to enable and equip the business to carry out this role. Likewise, the business must be prepared to make the decisions needed for the Programme to succeed.
2. Consistent with this, it is important that front-line staff continue to be actively involved in all aspects of the Programme.
3. Support for the Programme is considered to be relatively 'soft' at present given the overall implementation timeframe and the lack of any real commitment being required at this time. This is unlikely to change in the short-term until the importance and impact of the Programme is more widely understood.
4. Communication within the Council needs to be carefully managed, particularly in terms of what to communicate to whom and when – noting that this is an art not a science. Too early and it will heighten expectations with the risk of disillusionment – too late and it has the potential to materially impact the delivery of the Programme.
5. The implications of the proposed approach as reflected in the Programme Manifesto and other key concepts underpinning the implementation of the Programme need to be more fully explored. This includes developing a greater understanding of what these principles and concepts mean in practice and the likely trade-offs that may be required.
6. The Council needs to develop a long-term view as to how services will be delivered within the context of the chosen solution (i.e. its future business operating model) and how these changes will enable it to realise the 'best practice' encapsulated within the chosen solution.
7. In choosing its preferred solution, the Council is also choosing a long-term implementation partner. It is important that this implementation partner shares similar values to the Council and has a long-term commitment to customer service and product development.
8. Very careful thought must be given to the implementation of the chosen solution. This includes the order and sequencing of modules, and the rationalisation and simplification of business processes prior to implementation.
9. The preceding actions need to inform the development of a comprehensive business case. This must clearly set out the business results expected to be achieved, and accountability for benefits realisation needs to be accepted by the relevant Business Units within the Council.
10. The management and resourcing of the Programme needs to develop in-step with its increasing growth and complexity.

Each of these findings and supporting recommendations are set out in this report.

1 Introduction

1.1 Background

The Wellington City Council is currently undertaking a significant business transformation programme – the Odyssey Programme – to select and implement a core information technology (IT) system which is expected to enable the achievement of the following objectives:



To ensure the Programme has the appropriate amount of oversight to achieve these objectives, the Council has requested Equinox IT to provide an Independent Quality Assurance (IQA) service.

1.2 Objective

The primary objective of these IQA reviews is to provide an independent assessment of the status of the Programme at a given point in time.

Following an initial 'current state' assessment (the subject of this report), subsequent assessments will focus on the project management and technical processes followed and deliverables produced over the life of the Programme.

While providing general observations and specific recommendations to assist the Council in achieving the stated objectives of this Programme, these assessments are also an opportunity to provide practical advice and guidance to the Programme.

1.3 Approach

The basic structure of each assessment includes (but is not limited to):

- Reviewing relevant documentation
- Interviewing nominated Council staff and suppliers
- Reviewing and assessing the information obtained
- Drafting the findings and recommendations for initial review

- Incorporating any changes needed as a result of this review
- Completing the final report.

1.4 Documentation

The following documents were reviewed for this report:

- Odyssey Programme Management Plan, Draft – October 2013
- Odyssey Programme Procurement Project Management Plan, Draft – October 2013
- Odyssey Programme Procurement Phase Business Case, Version 0.3 – 14 November 2013
- Odyssey Programme Status Report, 28 February 2014
- Odyssey Steering Group Minutes, 28 February 2014
- Odyssey Programme Request for Proposal, 7 March 2014
- Odyssey Programme Risk Register, 1 April 2014
- Odyssey Stakeholder Summary, 1 April 2014
- Odyssey Programme Change Management Plan, Version 1.2 – 9 June 2014
- Odyssey Programme Communications Log – 11 June 2014.

1.5 Interviews

The following people were interviewed for this report:

- Andy Matthews, Chief Financial Officer (Steering Group Member)
- Anthony Wilson, Chief Asset Officer (Programme Owner)
- Brian Hannah, Director Strategy and External Relations
- Deanna Sorrell, Business Change Manager
- Derek Fry, Director City Growth and Partnerships
- Greg Orchard, Chief Operating Officer (Steering Group Member)
- Kevin Lavery, Chief Executive Officer (Programme Sponsor)
- Nicola Brown, Director Human Resources (Steering Group Member)
- Roy Baker, General Manager Corporate Services, Porirua City Council (Steering Group Member)
- Sally Dossor, Director Chief Executive's Office
- Steve Marchant, Odyssey Programme Manager and Procurement Project Manager.

The author would like to thank all those involved for their contribution and support.

2 Findings

2.1 Scope

It is understood that the Programme originally arose out of an IT consolidation and cost reduction exercise, but was subsequently broadened to include wider business objectives. The Programme currently reflects this heritage – a view reinforced by the current selection of a ‘system’ – but it needs to continue to be repositioned as a ‘business transformation’ programme.

Such a transformation involves people, processes (business processes) and technology (software and technical infrastructure) with each area being addressed throughout the Programme.

It is important that the Programme is not seen as a ‘catch-all’ or a ‘universal panacea’ within the Council and, while its scope constitutes a large part of the Council’s business, the Programme itself is not the business.

The Programme must clearly be seen as being owned by the business, even if it is enabled through the wide-spread use of IT. The business – and Business Unit managers in particular – needs to be equipped to take responsibility for the ownership of the Programme.

2.2 Expectations

A key and on-going challenge for the Programme is the setting and managing of user expectations. There are a number of important considerations in this area which include:

- **Breadth and depth of engagement.** This covers overall engagement across the Council as a whole as well as more in-depth engagement with the various Business Units within the Council.
- **Timing and level of engagement.** The timing and level of engagement is also a continual balancing act, requiring regular monitoring and management. It is always a constant juggle between ‘too much, too soon’ or ‘too little, too late’. Interaction with the various Business Units also needs to be timed to maximise engagement – ‘providing the right information at the right time’ – with clear statements of what each Business Unit is expected to do or provide.
- **Implementation timeframe.** It is likely that the chosen solution may take up to three years before it is fully implemented. How it will be implemented has yet to be determined, and managing expectations around when the functionality required to support a specific Business Unit will be delivered is an important consideration. Maintaining the current change freeze (which has already been in place since the beginning of December 2013) will also become increasingly challenging as time passes and demand for change increases.

- **System lifespan.** The overall lifespan of the chosen solution could be between ten to fifteen years. In this context, it is important to consider the Council’s long-term positioning and likely service delivery requirements (i.e. ‘where we want to be both now and in the future’). A number of those interviewed noted that while the Council has a clear external focus as reflected in the long-term plan, it does not have a similar long-term focus internally.
- **Understanding of the Programme.** While there is a common level of understanding and a high degree of support for the Programme within the Steering Committee, this begins to dissipate as you move out into the wider organisation. The level of understanding and support at Tier 3 and below was questioned by a number of people. In many instances, this will simply be due to the fact that the Programme has had no immediate impact on their respective Business Units (i.e. it hasn’t placed any significant demands on them as yet). In some cases the response is one of ambivalence or cynicism.
- **Understanding implications of proposed approach.** There needs to be a common and consistent understanding of the implications of the Programme Manifesto (see Appendix 1), and a commitment to the principles it contains. In essence, many of these principles potentially require people to ‘give-up’ something (whether it is functionality or usability) for the ‘greater good’ of the Council as a whole. These implications currently appear to be largely untested. Likewise, concepts such as a ‘single customer view’ need to be explored in terms of exactly what this means both for customers and the Council (bearing in mind that no actual ‘customers’ have been consulted at this point) and what impact it will have. Many of these principles are also inter-related, and so cannot be considered in isolation – although they are not necessarily equal to one another (see section on Trade-offs below).
- **Enablement of best practice.** Another important assumption underpinning the Programme is that generic best practice will be ‘encapsulated’ within the chosen solution. The implementation needs to take into account how this will be ‘released’ and its value to the Council maximised. Linked to this is the Council’s own willingness to compromise and change in order for this to be realised.

As a consequence of these considerations, support for the Programme is considered to be relatively ‘soft’ given the overall implementation timeframe and the lack of any real commitment being required at this time.

2.3 Trade-offs

Following on from a more well-developed understanding of the implications of the proposed approach (see section on Expectations above), a robust discussion needs to occur around the various ‘trade-offs’ likely to be required as part of this Programme. These trade-offs include (but are not limited to):

- Short-term requirements vs. long-term positioning
- Individual vs. collective benefits
- Revenue generation vs. cost minimisation activities
- ‘Nice to have’ vs. ‘must have’ features and their associated costs.

In light of this discussion, consideration also needs to be given to the priority and order of implementing the various modules available in the chosen solution.

2.4 Request for Proposal

The Council has gone to the market with a comprehensive and well-structured Request for Proposal (RFP).

All those interviewed for this review consider that their requirements have been appropriately captured, although there is variability in the level of detail provided and the more granular requirements that these may comprise. However, it is considered that the requirements are sufficient to evaluate any proposals within the context of selecting a 'package-based' solution.

The probity of the tendering process is being overseen by the Council's own Risk Assurance group.

It is important to note that this review does not cover any activities or decisions leading up to the issuing of the RFP.

2.5 Evaluation

Front-line staff – 'the people doing the work' – must continue to be actively involved in the selection of the preferred solution including reference checking and site visits. This will help to ensure good 'grass-roots' feedback on the solutions the Council is considering.

It is also highly desirable that a significant proportion of the people who were involved in documenting the requirements are also involved in the evaluation, to ensure that their knowledge and understanding of what is required is appropriately captured in the vendors' responses and reflected in the evaluation.

2.6 Selection

The selection of the preferred solution will be a major milestone in the Programme. This selection will enable a number of currently unresolved issues to be addressed. These include (but are not limited to):

- The overall 'context' for the implementation
- The associated costs and benefits associated with the solution
- An assessment of the level of configuration or business process change likely to be required.

It is important to recognise that the Council is also selecting a long-term implementation partner, so there needs to be a strong sense of shared values and an associated commitment to customer service and product development.

2.7 Implementation

Given the likely size of the solution, it is important that the Council thinks carefully about 'how it eats this elephant'. While this is done 'one bite at a time', it is also important to 'chew and swallow' before moving onto the next mouthful (i.e. to adopt an iterative and incremental approach).

The order and sequencing of modules may also be driven by a number of factors including (but not limited to):

- Group or asset class
- Customer impact
- Business criticality and preparedness
- Financial impact (i.e. cost or revenue implications)
- Probability of success (i.e. quick wins vs. long-term returns)
- Relative stability during the implementation period.

Changes to business processes – in particular the opportunity for rationalisation and simplification – should be addressed before implementation commences. The approach to testing and data migration also requires careful consideration.

The overall implementation approach adopted will ultimately determine the success of the Programme.

2.8 Business Case

A comprehensive business case needs to be developed in parallel with the current evaluation process.

The business case needs to be shaped and informed by the discussion required around expectations and trade-offs (the implementation of a ‘vanilla solution’, for example, should lead to easier upgrades in future with a lower cost of ownership and an improved ability to access new functionality).

In addition to the costs associated with implementing the chosen solution, it also needs to clearly identify the benefits expected to be achieved through its implementation. These benefits and the accountability for their management and realisation need to be accepted by the relevant Business Units within the Council. This includes the ‘capturing of savings’ that would otherwise be absorbed or spent elsewhere.

Typically, programmes of this nature tend to over-state the benefits and under-estimate the risks associated with their implementation. It is expected that the Council will undertake a comprehensive analysis of these factors and will clearly identify the risks and the assumptions that have been made in developing the business case.

2.9 Programme Delivery

2.9.1 Sponsorship

With the Chief Executive Officer as Programme Sponsor there is a strong sense of ownership not only of the programme itself but of the organisational impact that it will have as a result.

Effective sponsorship is one of the key elements to the success of a programme of this size and complexity.

As Gartner notes, “An executive business sponsor must be personally invested and visibly committed to the success of any business initiative that involves significant organisational and process changes produced by the adoption of new IT solutions or services ... they must specifically allocate time [and staff resources] to the initiative or risk its failure by underestimating their available time or overestimating their abilities to proceed.”¹.

2.9.2 Governance

While the current governance structure is appropriate, following the selection of the preferred solution, consideration could be given to establishing an operational advisory group (comprising key Business Unit managers) to monitor and advise the Steering Group and the Programme team on the operational aspects of the Programme.

2.9.3 Management

Management of the Programme needs to develop in step with its increasing growth and complexity.

While it may have been appropriate for the Programme Manager to also be the Project Manager for the Procurement Project, any subsequent projects within the Programme need to be resourced separately.

The Programme Manager needs to be able to focus on the needs of the Programme as a whole, with a significant proportion of time being dedicated to meeting and working with the various Business Units across the Council to ensure the successful implementation of the chosen solution.

It is noted that there is no Programme Management Office (PMO) within the Council to provide advice and assistance to the Programme Manager in the management of the Programme.

2.9.4 Resourcing

As the Programme gathers momentum and more resourcing is required, it is important to look for this internally wherever possible (even if it requires back-filling to release people to work on the Programme). This will assist both with organisational buy-in and in retaining knowledge and expertise when transitioning to the chosen solution.

The expectation that Programme activities can be accommodated on top of operational (BAU) activities is not sustainable in the long-term, and is likely to be to the detriment of both (the same is often true of part-time resourcing).

2.9.5 Reporting

Current reporting is lightweight and concise – ‘short and sharp’ – but is appropriate for this stage of the Programme. This will need to become more detailed as the Programme progresses and the range of activities to be managed more complex.

¹ “Where the Buck Really Stops for Government IT Project Failure”, Gartner, 18 March 2014

It is not always easy to identify changes during the reporting period (e.g. increase or decrease in individual risks and issues) and this needs to be made more readily apparent.

Consideration should also be given to maintaining a 'decision log' to record the decisions made during the course of the Programme.

2.10 Change Management

As already noted, and as acknowledged in the Programme Manifesto, this is an organisational change management programme enabled by IT. It is therefore important that any business change arising from this Programme is actively owned and 'fronted' by the business.

A number of other change-related issues have also been noted:

- **Channels.** The Programme needs to use a range of communication channels to communicate with its various audiences, and this is reflected in the 'Communications Log' that has been developed. No one 'medium' can be relied on to reach everyone and, likewise, a key consideration is what to communicate and when (i.e. the 'message').
- **Culture.** There is a significant cultural change in moving from 'individual fiefdoms'² with highly customised point solutions to a generic solution which is expected to meet the needs of the Council as a whole. This needs to be reflected in the behaviours, decisions and actions taken in relation to the Programme.
- **Language.** Wherever possible, the Programme needs to use plain English and avoid the use of jargon and terminology the business is likely to be unfamiliar with. The focus needs to be on value rather than volume.
- **Resourcing.** There is an immediate need for additional dedicated change management resources. At present, there is a mix of communications and change management skills within the team, and these are likely to become discrete roles over time.

² A territory or sphere of operation controlled by a particular person or group.

3 Recommendations

The following actions are recommended following this review:

No.	Recommendation	Section	Council Comment
1	Regularly review the effectiveness of communication (message, medium and timing) in helping to set and manage user expectations.	2.2 2.10	
2	Ensure that Council management fully understands and accepts the implications of proposed approach as reflected in the Programme Manifesto and other key concepts underpinning the implementation of the Programme (this may be done as part of an impact assessment or facilitated workshop).	2.2	
3	Ensure that Council management fully understands and accepts the 'trade-offs' the Council will be required to make to successfully implement the Programme.	2.3	
4	Ensure the evaluation continues to involve an appropriate cross-section of front-line staff and those involved in documenting the original requirements.	2.5	
5	Ensure that a comprehensive business case is developed which clearly identifies the approach, costs, benefits, assumptions and risks associated with the implementation of the preferred solution, together with clear responsibilities for benefits realisation.	2.8	
6	Ensure the Programme is adequately resourced in line with increasing growth and complexity.	2.9.3 2.9.4 2.10	
7	Enhance reporting as Programme progresses and the range of activities increase.	2.9.5	
8	Review Change Management Plan to ensure it appropriately addresses the issues noted in this report.	2.10	

4 Next Review

The next review will focus on:

- Solution evaluation
- Implementation planning, and
- Business case development.

Appendix 1 – Programme Manifesto

The Programme Manifesto was created to act as a 'guide' for the Programme:

- The Programme seeks to deliver a configurable solution, not a customised solution.
- The Programme and its deliverables will not be over-elaborated – fit for purpose is the target.
- We will compromise and / or constrain for the greater good – a solution may be implemented if it provides a greater overall fit for Council, despite any individual function/process solution shortcoming.
- We will attain and maintain Tier 3 management commitment and support, including signoff on RFP requirements.
- This is a business change programme, with IT / IM change enabling.
- The focus / weighting of targeted benefits, and therefore an aid to decision making, is as follows:
 - 40% - customer service
 - 30% - IT / IM cost reduction
 - 20% - increased business efficiency
 - 10% - positioning for regional opportunities.
- During the procurement phase, vendor responses will not be constrained by cost.
- The Programme considers the functions of management of Customer, Property, Land and Green and Built Assets management as an indivisible package in the vendor solution offering.
- The vendor solution offerings for the functions of HR, Payroll and Finance can be considered as discrete solutions.