

Nottingham City Council & Leicestershire County Council

Building a strong platform for Fit for the Future
Programme

20th October 2017

Purpose & context

Leicestershire County Council and Nottingham City Council (the 'Partners') appointed Capgemini to support them in laying out a clear direction of travel for the future of their corporate systems and processes, underpinned by an option appraisal and outline business case.

Having assessed the Partners' baseline position and assessed the potential options for the way ahead, it is apparent that the status quo is not sustainable. There are lessons learnt from the previous implementation of Oracle eBusiness Suite, which include the need to focus more on configuration and product optimisation, rather than customisation, data quality improvement & reporting needs, and greater focus on business change rather than system change.

As the Partners move forwards, it is clear that a number of preparatory, non-system-specific activities should be mobilised in order to maximise the Partners' opportunity to successfully implementing fit for purpose, efficient corporate systems and processes. Indeed, from our initial work, the following conclusions have been drawn:

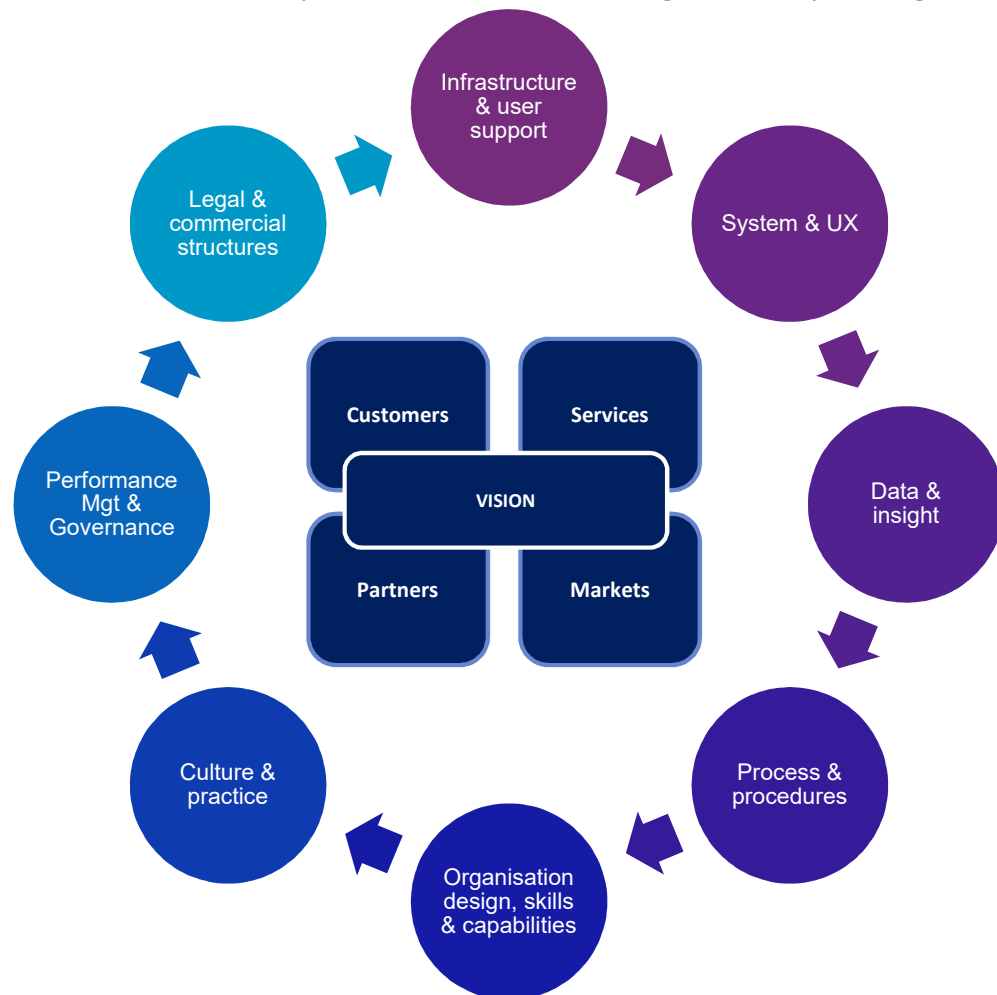
- The emerging business case work has revealed a strong case for transformation
- Without transformation, the benefits of the investment in a new information system will not be realised.
- Certain work should be undertaken in 2017 in order that a strong foundation is laid for the technology investment (referred to as 'readiness').
- The programme requires management and governance appropriate to a transformation programme and not to a system implementation project.
- A jointly resourced team will be optimal.

This document sets out Capgemini's proposal to support the Partners to initiate these preparatory workstreams, as part of the 'Fit for the Future Programme'. The work will help to ensure that any future investment in systems and business change will enable a significant improvement in the user experience and performance of corporate support services (within Nottingham, within Leicestershire and within EMSS).

Our proposal has been requested by the PSG, as part of the "Fit for the Future Programme".

Being “Fit for the Future”

Transformation is typically defined by a substantial change in an operating model, the behaviour of staff and performance of the organisation. The Partners have already made a substantial change to the operating model for the delivery of business support



services (HR, Finance, Procurement) by entering into partnership and forming East Midlands Shared Services (EMSS). This has already yielded significant benefit by way of a reduction in operating cost, but progress has been inhibited by the current systems & processes. An investment in a new solution could facilitate further improvement, improving the user experience, reducing costs and improving value.

Current State

To blame the current challenges on the current software solution would be misplaced. Issues regarding core design structures, data quality, business processes, control and staff training have all contributed to current problems. Furthermore, EMSS acts as a shared function with different work being done for each authority and with some measure of duplication, rather than a conventional shared service.

Future

It is acknowledged by leadership in both NCC and LCC that replacement of the current information system, in and of itself, will not allow the authorities to realise the opportunity in full and therefore a transformation programme (*Fit for the Future*) has been initiated to address the broader scope of work required and inform the development of the information system.

Scope of Transformation Work

The work to address the transformation need, divides broadly into two parts. The work to implement an information system successfully will have direct interdependencies with those segments called out below. For instance, the system chosen will require certain hardware and infrastructure, but will also require changes to be made in process and some measure of training.



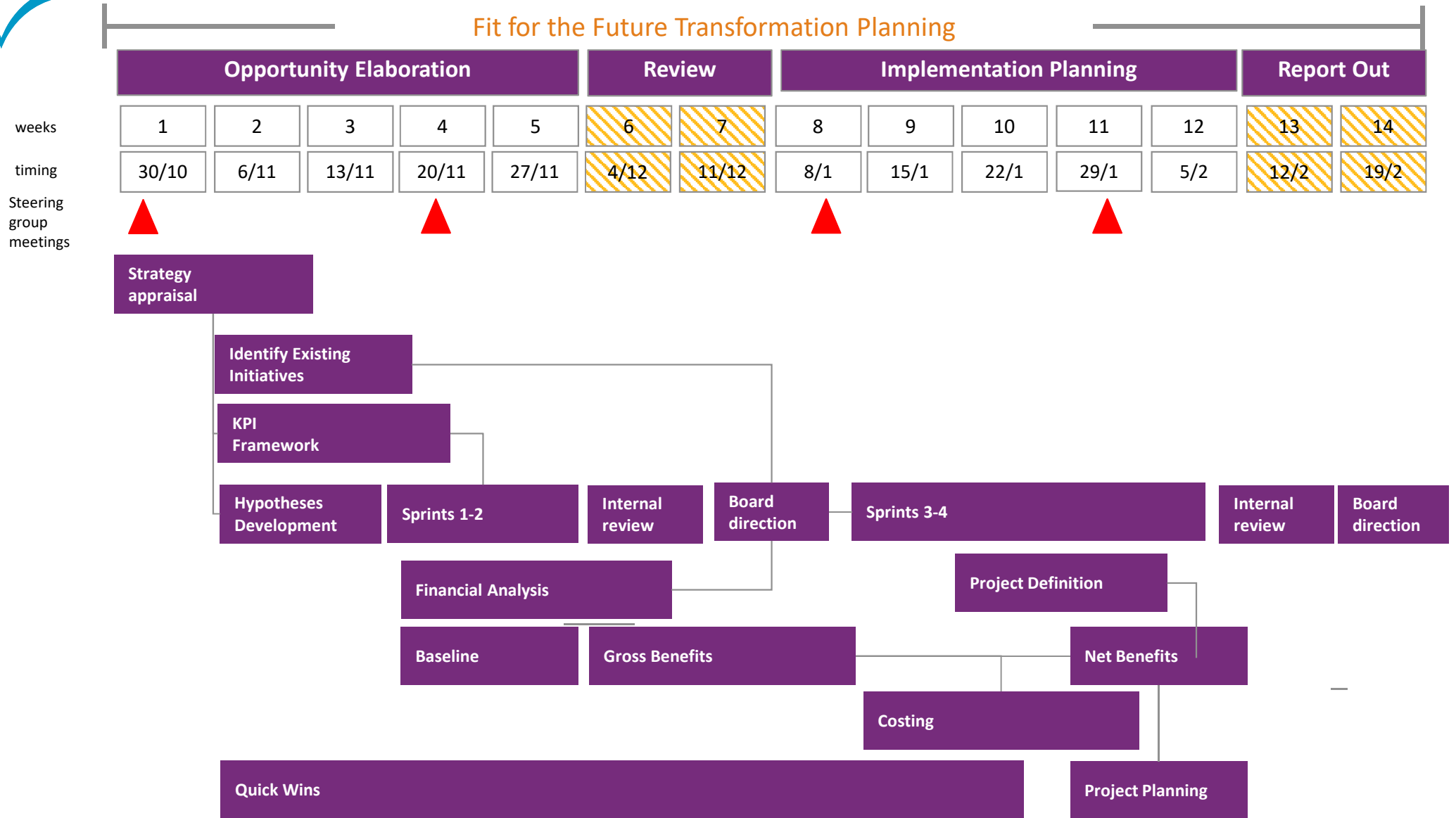
Strategic Direction

In order that the work called out in the diagram to the left can be performed without being stalled by overarching strategic questions, it will be important to set the parameters clearly with a 'strategy validation'. This will need to involve senior sponsors from the Partners. For instance, if there is an ambition to commercialise EMSS, the capabilities required will differ, which will have a knock-on impact upon processes, performance management, skills, culture, governance and some aspects of system design. If that decision is not made now, it requires that certain work is done in an environment of uncertainty and some design decisions may be more difficult to make and need to be revisited. There is likely to be a consequential cost to this. In our proposal, we have therefore made provision for Strategy Validation in parallel to some of the other work.

Opportunity Elaboration

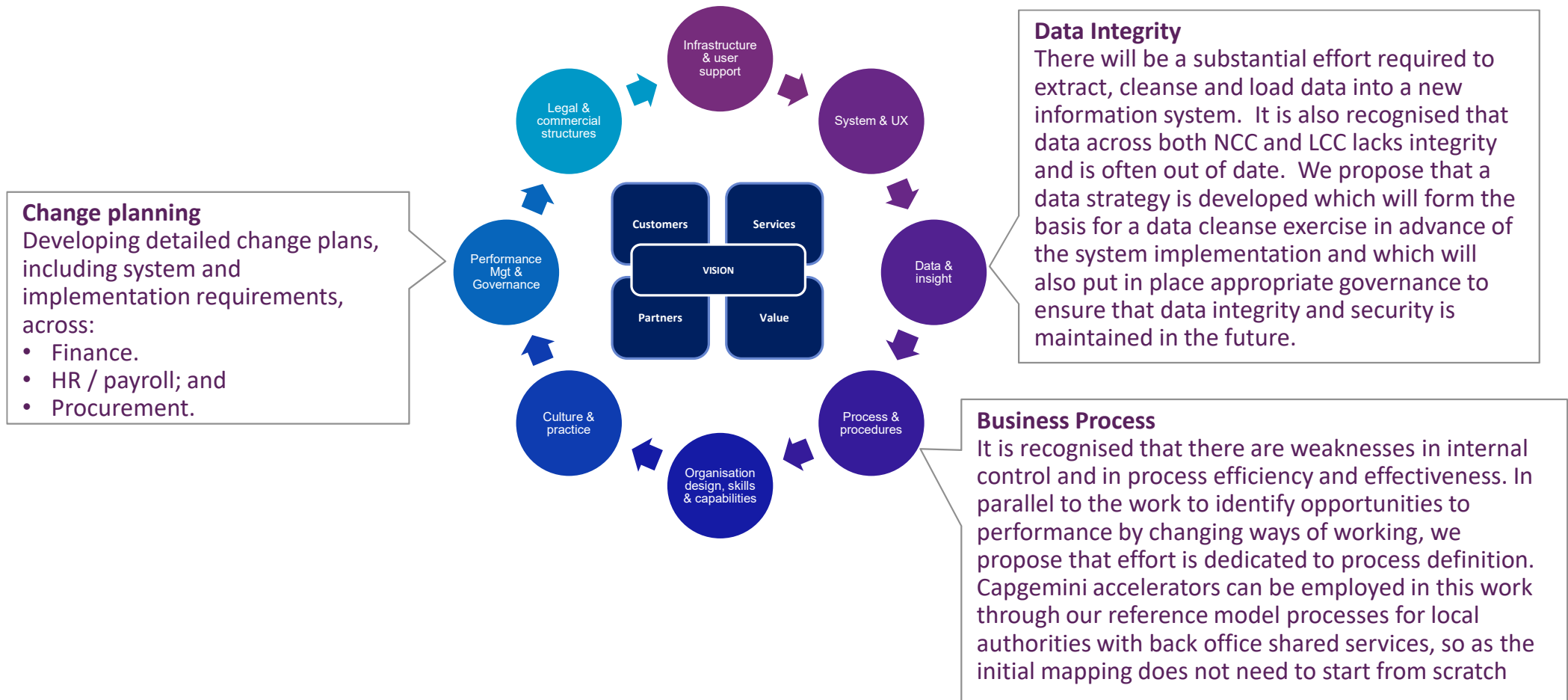
The greatest benefit is achieved most quickly by elaborating a set of opportunities for performance improvement, looking at the operating model wheel 'holistically' rather than one segment at a time (as process re-engineering would). This requires a more agile approach to work, where multiple opportunities are pursued in parallel and presented at key stages of elaboration, to Council leadership to provide further direction. We have therefore proposed three streams of work addressing each of the core functions in scope.

An outline approach



Priorities to maximise readiness

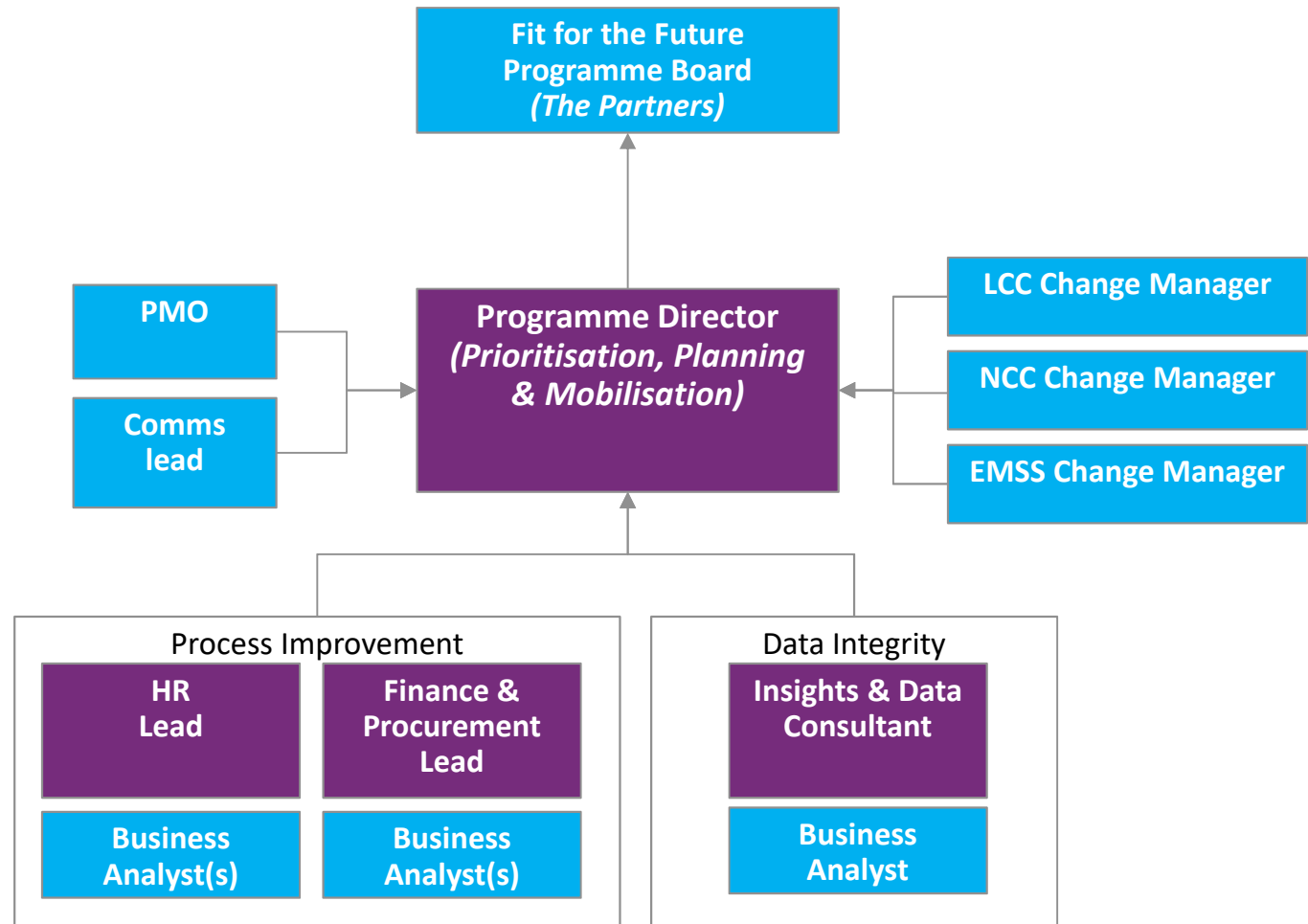
In addition to the work required to develop the Transformation Programme, certain activity which is required for 'business readiness' for a new system implementation has already been identified. Two areas can be specifically addressed in the coming weeks:



Suggested delivery team

Key activities

- *Programme Planning* – this is to prioritise short term improvement activities, design the overall implementation programme and identify the key programme milestones / dependencies / risks / issues.
- *Communications* – plan the communications activity and initiate short term communications, in collaboration with the three change managers.
- *Process improvement* – progressing the identified improvement opportunities within current operations, refining requirements and clarifying integration requirements, etc.
- *Data integrity* – to start revisiting data structures (e.g. CoA, org design, approach hierarchies) and master data quality (e.g. suppliers, customers, etc.)



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Partners

Workstream definition & outputs

The three key workstreams will be:

Workstream	Key objectives	Approach	Outputs
<p>Workstream1 – Plan & Mobilise The workstream will define the transformation programme, including workstreams, resources, timescales & establish governance.</p>	<ul style="list-style-type: none"> Define the transformation programme & draft programme plan; Develop the resource profile and programme team structure Identify and plan 'quick wins' which can be progressed in accelerated timeframe 	<p>Work with key business stakeholders & IT to develop the programme plan. Develop the proposed programme design & governance model for consultation with strategic stakeholders.</p>	<ul style="list-style-type: none"> Programme & project plan Resource profile Governance & programme design
<p>Workstream2 – Process Improvement This workstream will identify priority process improvement opportunities, including quick wins that could be potentially initiated before solution replacement. This workstream will also undertake more design activity.</p>	<ul style="list-style-type: none"> Identify process improvement opportunities. Inform the blueprint for the information system development & integration requirements. Identify synergies in the performance of shared service functions. 	<p>Adopt an agile approach to opportunity identification and elaboration. We will use a set of 'reference model' accelerators in order to avoid the need for a lengthy 'As Is', 'To Be' exercise.</p>	<ul style="list-style-type: none"> Definition of 'Epics' & target processes Clear 'hand offs' to EMSS Quick wins
<p>Workstream3 – Data Integrity This workstream will help the Councils to prepare cleansed data in advance of the system implementation and put governance in place to maintain it, and begin the design work for reporting.</p>	<ul style="list-style-type: none"> Cleanse data in areas such as employee records, supplier records and customer records. Put strong governance procedures in place to maintain data integrity. Develop Management Information' requirements 	<p>Adopt an agile approach to develop the Data Strategy and master data structure design. Also, use an agile approach to start the requirements analysis for Management Information.</p>	<ul style="list-style-type: none"> Data structures Data integrity strategy MI requirements

Workstream plans

We have developed an initial 3 month plan (6 fortnights) to initiate and drive the 'enabling' workstreams (planning, process improvement & data). The high level plan below is structured by workstream, with the timeline shown in 2 weekly sprints:

Activities		FN1	FN2	FN3	FN4	FN5	FN6
Mobilisation	Agree approach & plan	Active					
WorkStream1 – Planning	Programme design & plan		Active	Active			
	Resource & activity plan			Active	Active		
WorkStream2 – Process Improvement	Gap Analysis		Active				
	Process sprints 1-4			Active	Active		
	Mapping of Opps					Active	Active
Workstream3 – Data Integrity	Data Strategy & cleansing	Active	Active		Active	Active	Active
	Data Structures sprints		Active	Active			
	MI sprints				Active	Active	Active

Estimated inputs & fees

Our total estimated fees for this 'readiness & mobilisation' work are shown in the table below. For this piece of work, we would suggest working on a Time & Materials (T&M) basis and have applied a discount to our daily rates. We propose to recharge expenses at cost and would suggest that £11,000 be budgeted for this (a cap of 7.5%). Figures are exclusive of VAT.

Role	Name	Nov	Dec	Jan	Feb	Total days	Rate	Total
Programme Director	Matt Bird	15	8	15	7	45	£1,241	£55,845
Finance Lead	Iain Oakley	15	8	14	0	37	£961	£35,557
HR Lead	Colin Smith	15	8	12	0	35	£961	£33,635
I&D Consultant	TBC	10	8	15	0	33	£723	£23,859
		45	66	45	159	150		£148,896

Programme Director – Matt Bird

Qualifications

- BA Hons, English Literature
- ACA PQ
- MoR (Mgt of Risk) Practitioner
- PRINCE2 Practitioner
- Member of Change Management Institute

Languages

- English, Spanish

Key Roles

- Shared Services Implementation
- Organisational Transformation
- Business Change Lead
- Benefits Realisation



Contact Details

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✉ matt.bird@capgemini.com

Matt is a Principal Consultant and is the Deputy Head of Business Transformation Consulting in the UK business. With over 12 years in Professional Services and 8 in industry. He has worked across industry including Local Government, Police, Utilities (Water and Energy), Transportation (Airports, Rail and Airline) and Retail sectors. He has always had a focus on the ‘people’ aspects of Organisational Change and Transformation, including Organisation Design, Education & Training, Culture Change and Benefits Realisation, enabled by technology implementation. Matt’s motivation is in making a difference to the outcomes for his clients and in developing staff in the practice.

Skills

- Operational Model Definition & Transformation Strategy
- Organisational change management
- Programme & project management

Industry Focus

- Local Government
- Police Service
- Central Government Agencies
- Utilities & Transportation
- Consumer Products & Retail

Relevant Professional Experience

- **Local Authorities and Police** – Matt has led the organisational transformation effort at London Borough of Havering to institute shared services and subsequently at One Oracle (6 London boroughs) as well as Cornwall Council (after becoming a unitary authority) and in the police service at Cheshire and Northamptonshire and Norfolk and Suffolk.
- **UK Airport Group**– Matt oversaw the organisational change components of a programme to move four UK airports onto SAP from Oracle and define a Transformation roadmap for a group finance function. The work was conducted over 18 months and covered the functions of HR, Finance and Procurement.
- **UK Retailers**– Matt led two projects to implement new ways of working using collaboration tools based on salesforce.com and microsoft platforms. The two programmes required a global workforce to be mobilised and to adopt very new ways of working, including cultural change..
- **UK Water Utilities** – Matt has worked on both customer service transformation and also knowledge and document management programmes in water utilities. He is familiar with the AMP reporting periods and with the business of water. For a number of years, he specialised in this industry and attended events such as Water UK.
- **UK Energy**– Matt has led the organisational change streams of programmes to separate gas distribution in the UK and also to move an energy utility onto an SAP platform across a number of business divisions.

Finance Lead – Iain Oakley

Qualifications

- BA Hons, University of Kent
- CIPFA
- SAP Certified – FICO, SEM

Languages

- English, Basic French, Basic German

Key areas of expertise

- Finance transformation
- Shared Services Implementation
- Supply Chain / P2P optimisation
- ERP Package Selection
- Change management



Contact Details

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✉ iain.oakley@capgemini.com

Iain is a CIPFA accountant with over 20 years experience in delivering complex ERP, shared service and back-office transformation programmes. Iain has local government experience, but also has wider Government & commercial sector expertise, and previously worked for PwC in their Finance Transformation practice. Importantly, he has extensive experience in helping clients to realise the operational and financial benefits from major ERP and process improvement programmes, and mitigate the numerous challenges that such programmes bring.

Skills

- Finance and Supply Chain Process optimisation
- Organisational Change Management
- Business Performance Management
- Benefits Management & Realisation

Industry Focus

- Local Government
- Central Government
- Utilities
- CPR
- Oil & Gas
- Financial Services

Recent Professional Experience

- **UK Local Government** – Iain led the redesign, deployment and optimisation of finance, procurement and asset management processes as part of a corporate ERP and shared services implementation.
- **Government Department** – Iain was the Transition Manager for SAP/Shared Services migration and rollout of Business Intelligence (including Board-level progress reporting). The scope covered migration of back office services and deployment of new solutions into central (corporate & policy) functions, with responsibilities including cross-programme client lead for defining BI and period-end financial reporting requirements.
- **FTSE250 Beverages Company** – Iain led the delivery of this client's business transformation and optimisation programme within its Irish subsidiaries, which included ERP, Business Intelligence & CRM. Iain's responsibilities included project management, business requirements definition, solution deployment and stakeholder management, across finance, supply chain and commercial processes.
- **UK Water Utility** – Iain was the Finance & Supply Chain Lead for a major ERP transformation programme, including process design, change impact assessment, deployment planning and management, process benchmarking and performance management, and Board reporting.
- **Airport Group** – Iain was the Business Transformation Lead on two recent projects to build and deploy mobile engineering/asset management apps to support a mobile workforce. Responsibilities included business process design, requirements definition and delivery management, stakeholder engagement, change management, user training, support model design and business readiness.

HR Lead – Colin Smith

Qualifications

- BA Hons, Industrial Psychology
- Postgraduate Diploma in Management
- LSS Green Belt

Languages

- English & Afrikaans

Key areas of expertise

- HR Transformation
- Shared Services Implementation
- Change Management



Contact Details

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✉ Colin.d.smith@capgemini.com

Colin is a experienced HR and business change professional, with experience across a broad range of sectors, including local government, and geographies. He particular strength is in supporting client's to transform their HR operating model, exploiting the capabilities of ERP and talent development solutions, and also more broadly support clients with the people and change aspects of complex, business transformation initiatives. Areas of expertise include HR Transformation, definition and implementation of new business operating models, business process design and mapping, managing strategic change, cultural and behavioural change, senior stakeholder engagement, and organisational design and development.

Skills

- HR Transformation
- Digitally-enabled Business Transformation
- Organisational Design & Cultural Transformation

Industry Focus

- Central & local public sector
- Telecommunications
- Financial Services
- Retail

Recent Professional Experience

- **Major UK Police service – “Back-office Organisational Transformation”**. Colin led this project, to redesign and implement their operating model and business processes for HR, Procurement and Finance, as well as identifying, and supporting the client to manage the change impacts and opportunities for further transformation.
- **HMRC** - Organisational Design review, recommended HR operating model, organisational structure, competency framework, HR process taxonomy, HR capability development strategy, Key Performance Areas.
- **Mobile Phone & Retail Operator** - Led the Business Transformation aspects of the operational transformation programme (using ERP). This included the establishment of a Shared Services capability, new Retail outlets, and Centres of Excellence, including HR and Finance. Delivered an overall Talent Management Strategy aligned to the new operating model and re-designed processes. Managed a number of people related workstreams including L&D, Change, People Transition, and Communications.
- **Business Change Implementation (Oil and Chemicals)** – Led the People and Change aspects of the operational transformation programme (using ERP). Included Organisational Design, Business Process re-design, Training, Communications and Change Implementation streams
- **Organisational Culture Transformation (Financial Service)** - Identified and managed the cultural and leadership integration issues around a merger of two organisations. This included defining common values and ways-of-working, identifying opportunities for HR and Finance Shared Services, performance management, employee engagement and communications.

Insights & Data Consultant - TBC

Thinking ahead to implementation



Creating a successful programme

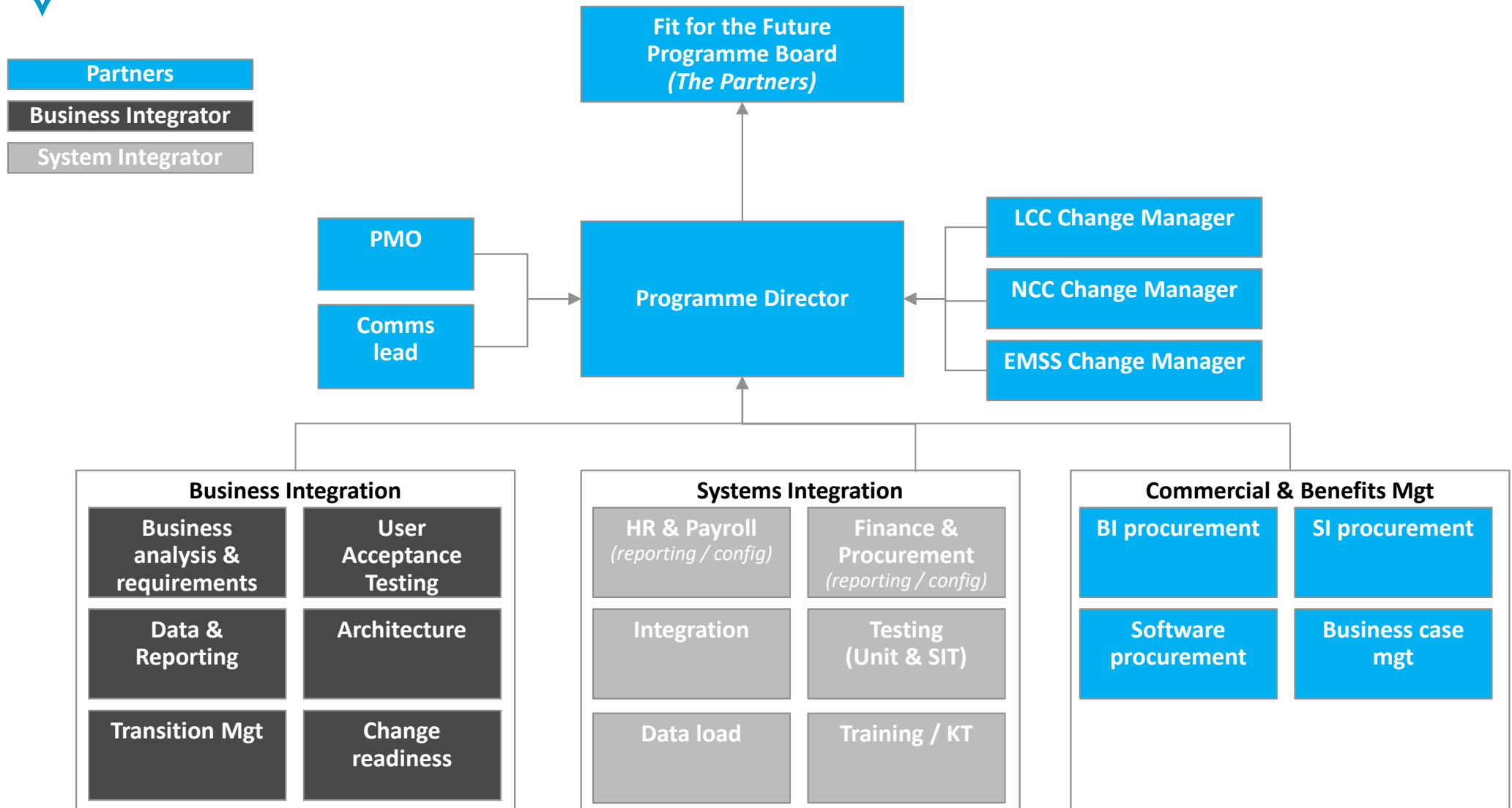
It is apparent that the Partners' current use of ERP and shared services has struggled to deliver the level of benefit that was originally intended. From our baseline analysis, it would seem that the root cause relates to both the design of the ERP solution & processes, and its operational adoption. Operational processes and working practices are significantly different between the partners, with Nottingham in particular, having adopted various workarounds to overcome the perceived limitations of the ERP solution.

Moving forwards, poised with the need to make a significant investment in new technology and process transformation, we believe that the Partners need to seek the right balance of technology delivery with business change. At the same time, the Partners also need an explicit focus on ensuring commercial discipline and delivering the business case. To ensure that this happens, with an explicit focus on both streams of activity we believe there is a need for three aligned workstreams:

- Commercial & benefits management – this team will be responsible for the procurement of partners, delivery of contractual obligations, managing project costs and retaining a relentless focus on benefits realisation;
- Business integration – this team will be responsible for engaging and empowering users, driving requirements, redesigning business processes, clearly identifying how operational improvements (process, user experience and cost) will be delivered, managing the delivery of these improvements, addressing data quality and data structure issues, ensuring that training and business readiness is delivered on time, defining and managing contingency and cutover plans;
- Systems integration – this team will be responsible for implementing the selected software solution, configuring the solution to the Partners' requirements, integrating the solution with other systems as specified, providing training and ensuring that the solution is transitioned to operational IT support effectively.

Our readiness and mobilisation support will be largely focused on the establishing the 'business integration' workstream, creating the foundations for a successful programme by identifying and starting to tackle the remedial actions required to address current operational issues.

Potential future Programme Management model



People matter, results count.

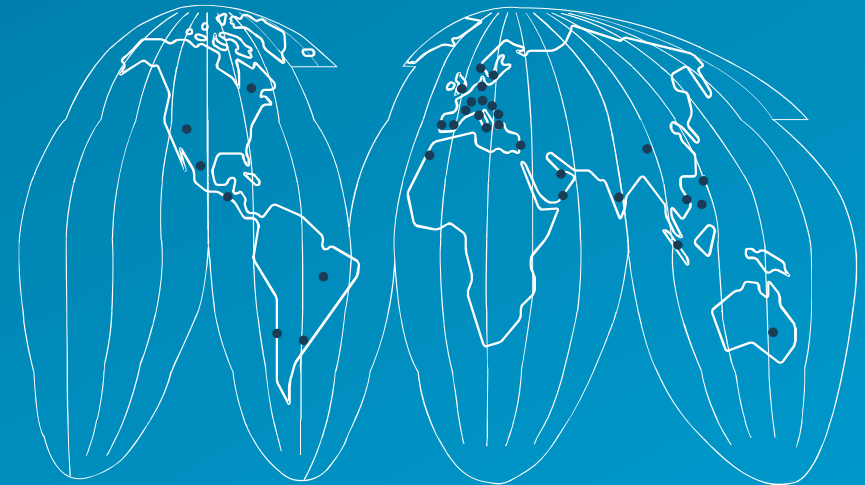


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Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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