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Making IT Work

The Pre-Conditions For Public Sector Systems Success

Introduction

The UK Government has embarked on an unprecedented level of ICT spend to help achieve its 2005 targets for Modernising Government, including Health, Education, Law and Order, Transport and Housing, but this is only part of much bigger changes in business practice. To reduce the risk of failure there are major initiatives to improve public sector programme management and the planning and procurement of large projects. These include the Office of Government Commerce Gateway Review system, changes to the NHSIA (National Health Service Information Authority), the creation of the CMPS (Centre for Management & Policy Studies) and OPSR (Office of Public Sector Reform), IPPD (Improving Programme and Project Delivery), SPRITE and the Senior IT Forum (joint with suppliers).

For these to succeed they need the sustained support of politicians, officials and suppliers who are committed to working together to reduce the risk inherent in large projects for organisations whose structures, let alone objectives, may well change before implementation is complete. This entails change to the way objectives are set and policies formed and announced, not just how they are implemented. It requires cultural change on the part of politicians and suppliers, not just officials (see EURIM Briefing 35 – Modernising Government: Time for the Next Steps). The suppliers must be in the business of long term delivery partnerships, including open standards and interoperability (contractual and managerial as well as technical - see EURIM Briefing 36: Interoperability) - not short term profits, proprietary lock-ins, complex performance measures and inflexible terms and conditions. We need to learn from fifty years of computer assisted change why good practice has not been followed in the past, is not being followed in many current projects and may again be bypassed to meet supposed political imperatives in the future. If we do not, another generation of expensively consulted and procured “partnership” systems will collapse around us and the electorate will take its revenge on those they perceive to be responsible - suppliers as well as officials and ministers.

Recommendations

1. Replace the culture of blame avoidance and cover-up followed by witch-hunt by one of risk management with recognition and reward for delivery of outcomes. (See EURIM Briefing 33) This will only be achieved when the National Audit Office, Audit Commission and Public Accounts Committee report as much on success as on failure.
2. Reduce risk by moving from “big bang” projects to “interoperability frameworks” for change programmes, with small “proof of concept demonstrators” which can be thoroughly tested for scalability and applicability (one size will rarely fit all) before mass roll-out. This will entail major change to procurement routines and timescales.
3. Ministers should agree and announce programme objectives but should not announce which “demonstrators” will be rolled out regionally or nationally until they are known to work.
4. Rebuild the public sector skills base at all levels (not just the top) with the competences to plan, procure, implement and monitor partnership projects successfully. The current level and volume of training is commendable but there is also a need to provide practical experience (including of shared service delivery). Senior civil servants should not be expected to perform roles outside their experience or to supervise contractors to do so unless and until they have received appropriate training.

Why Projects Fail

The causes of failure are listed in many reports. Technology failure rarely makes the top five, save where customers failed to mandate the use of tried and tested products and services, with claims of interoperability or reliability validated before or during the procurement process.

The top five can be summarised as:

- Failure to undertake a proper analysis of business needs or to allow for the likelihood that these will change before implementation, let alone afterwards.
- Over-ambition, less with regard to what can be done in theory than with what can be done in practice, given the people, time and budgets available.
- Delay, particularly at the start of the project with delay in planning and procurement leading to staff turnover in the implementation and monitoring teams before the project gets underway.
- Lack of top management commitment and involvement, although the problem is more often lack of experience in how to get value for money as a customer or in how to manage the associated change programme. This underlies the three causes above and is the single most important cause.
- Failures in project or team management, because of shortage of staff with the right skills and experience and lack of continuity. This leads to untrained and inexperienced "B" teams trying to salvage already doomed systems after the "A" team has moved on.

The OGC Gateway review process is designed to address the first two problems - and has been picking up 10 common problems:

- inadequate resourcing, such as appointing the wrong "senior responsible owner" and staff without the necessary skills;
- unclear roles and responsibilities;
- unclear business case;
- undefined success criteria;
- weak financial control;
- inadequate stakeholder communications;
- benefits realisation not considered up front;
- contract management not considered up front;
- weak market awareness, including of the need for the strategic management and motivation of suppliers;
- weak risk management.

These have been summarised as:

- failure to set clear objectives;
- lack of understanding of what things cost;
- failure to put in people with the right skills.

The Gateway process should be mandatory across the public sector, with follow up reviews in the event of slippage on procurement.

A number of training programmes are now under way to improve management skills but these are commonly focussed at the top, not designed for the middle rank officials who will be responsible on a day-to-day basis.

The Senior IT Forum should address the problem of suppliers selling delivery by the A Team before sending in the B team but there is a similar need to ensure that the customer's A team, which planned and negotiated the contract, is similarly responsible for managing delivery.

Lessons From The Past - The Hallmarks Of Success

The rules for success have changed little over the past thirty years.

- *Manage customer expectations.* Begin with what is realistic, given the time and resources available. This requires that the policy formation team includes individuals with practical experience of delivering exercises similar to those proposed.
- *Ensure clear lines of communication,* so that decisions are timely and well informed and roles and responsibilities understood, thus reducing the risk of conflicting instructions to the project team and its suppliers and partners.
- *Confine risk to one dimension at a time.* For example, if there is a high risk that the objectives or organisational structures will change you should avoid changing the

supplier and/or the technology at the same time.

- *Set and maintain clear priorities and objectives.* Overall programmes can be complex but any project with more than six has none and is doomed. And only the top three count.
- *Develop team skills and motivation.* The training and experience of the team (including "owners" and users) are critical. Projects will rarely be delivered to time and budget unless those in key roles who are due to move on after implementation know their next assignment and are looking forward to it, but also know they will not be free to do so before completion.
- *Walk before you run.* It is important to learn from the experience of others, their mistakes

as well as their successes. If the key individuals in the implementation team do not have a track record of successfully working together on a programme of this type it is essential to begin with a series of small projects to build experience with some quick wins.

- *Start small, test hard, scale fast.* However large the programme, it should be broken into modules (in line with current OGC recommendations). It used to be the case that projects which took more than three years were more likely to be cancelled than to go live. Today, private sector projects which take more than three months are more likely to be cancelled than to go live. Projects which take more than six months to plan/procure are commonly doomed.
- *Conduct regular reviews of progress,* including in business context (not just project isolation). Quarterly reviews have a down side but the way they go right to the top in the private sector reduces procrastination and the risk of projects starting months or years late because of delays over planning or procurement. End of project reviews, bringing back team members who have moved elsewhere, are essential to improving future performance.
- *Give honest and early attention to the six "Re's".* Imposing change on staff whose commitment is essential to success is high risk. **Re**-skilling and **re**-motivation may not provide all the new capabilities needed. **Recruitment** may be necessary to provide additional skills and new perspectives. **Redundancy** programmes may be needed for those unable to acquire the new skills or because new ways of working need fewer in post. Improving face-to-face delivery may

entail **restructuring** and **relocation**. Some will see flexible working as empowering and others as a threat to status/security. Attempts to play down or ignore the "Re's" will lead to distrust, lack of co-operation and failure.

- *Assume only skills you have.* If those in post do not already have necessary skills for planning, procurement, implementation and operation you must reduce the ambitions until they have been reskilled or replaced. To see results by 2005, the priority for 2002 must be to rebuild the public service skills base - NOW. Given the lack of practical experience of so much of those in post it is essential to begin with "experiments", which incur limited cost and provide learning opportunities if they do not work.
- *Retain customer control.* The ICT component is rarely more than 20% of the overall programme and major systems are rarely implemented as planned and are commonly changed shortly after implementation. We also have to regain public sector customer control of planning and procurement (commonly lost during a period when outsourcing was carried too far) with mandatory interoperability (including multiple sourcing wherever practical) at all levels, so that information and services can be moved between departments or suppliers as policies and structures change, opportunities emerge and experience of practical delivery performance is gained.
- *Manage the risks of early adoption.* When innovative products and services are used the risks need to be understood with particular attention to monitoring, testing and the sharing of experience - as with the Pathfinder projects.

Why Are The Lessons From The Past So Often Ignored?

The pressures of global competitiveness and the more recent high tech boom and bust has forced much of the private sector to learn from past failure and to adopt successful behaviour. The public sector has not yet been subjected to such pressures and we can see widening differences in culture, practice and expectations which delay the adoption of good practice. These include:

- *Traditional career development rotations* of the Civil Service militate against individuals having to live with their own past decisions. Those who plan ambitious policies using latest technology are too commonly promoted to repeat their mistakes elsewhere before they have time to learn. The private

sector is now putting a premium on continuity in key roles.

- *Advance announcements:* Public sector projects are usually announced in advance with inflexible budgets and contracts. This can lead to increasingly desperate attempts to fix any problems in private, without calling for changes or additional resources. Notification up the chain of command is a last resort. By contrast, in the private sector there is a growing tendency to announce projects only after they have been fully tested and are ready for launch and for high-fliers to seek reputations as successful trouble-shooters rather than seek to avoid

reporting problems lest they acquire reputations as trouble-makers or failures.

- *The Doctrine of Ministerial Infallibility:* The effects of political timescales, imperatives and visibility are compounded by what can be called “The Doctrine of Ministerial Infallibility”. Once a proposal has been said to have Ministerial support it acquires a mystical status, to be justified and defended at almost any cost, until such time as a new Minister can announce that technologies have changed and thus justify a change.
- *Motivation and skills:* Many public servants joined for a career based on service, security and shared responsibility. If they had wanted to be risk-taking, competitive, entrepreneurs they would have gone into the private sector. Less defensible is the quality of public sector in-service training, given the common expectation that senior Civil Servants can perform roles outside their experience or can supervise contractors to do so. A particular lack is the provision of supervised and structured experience, especially with regard to the calculation and management of appropriate risk. The culture of private cover-up, followed by public witch hunt once those responsible have moved on, delays corrective action while problems grow. It also helps ensure that no-one learns - other than to avoid responsibility for

implementation. By contrast, those in the private sector often see opportunities to gain a reputation for successful implementation, including spotting and sorting problems, as career enhancing, not as career limiting. This used not to be peculiar to the public sector. It was also found in large businesses until the pressures of global competitiveness made it so obviously counter-productive.

- *Accountability for Public Funds:* The public sector separation between the programme or project manager responsible for change and the departmental accounting officer responsible for public funds introduces a significant delay factor in responding to both problems and opportunities. Officials commonly avoid risk in order to protect accounting officers who have much to lose in the event of problems and little to gain in the event of success. In the private sector it is commonly the project manager who decides, even though the project accountant may also report to the Finance Director.

It is vital to change the current negative role of the Public Accounts Committee if we are to change the culture and attitudes to risk of public servants. The management of risk requires rapid action on emerging problems, not complex approval systems that allow problems to escalate until they are picked up by the National Audit Office or Audit Commission.

Conclusions - The E-Government Imperative

The pressures for change are mounting rapidly. There are many departmental targets of varying complexity but the “real” target is simple. By 2005 voters must believe services are improving or they will not vote for the Government, if they vote at all. They no longer believe what they are told as opposed to their own personal experience.

The E in E-Government is likely to be E for Excuse for not delivering on the service levels of modernised government. Electronic delivery is not a relevant target unless it does indeed improve accessibility, ease of use and reliability, preferably with departments joining up to improve service and reduce delay. Voters are remarkably reluctant to pay more taxes and hidden taxes, like employers national insurance, drive jobs abroad and reduce the tax base. Therefore value for money is another imperative. The “business” objective is improved services levels, including through new ways of organising delivery, not the use of latest technology. It has long been known that complex methodologies can do more harm than good: “For forms of government let fools contest, whate’er is best administered is best” (Alexander Pope); “The Best is enemy of the good” (Voltaire). The need is to spread the use of good practice - with training and supervised experience for all who may have to run change programmes and the component projects over the next decade. Government has already gone a long way to achieving this, with improvements in training, the provision of excellent guidance material and an evident commitment to achieving real modernised government with its concomitant service benefits. This paper supports these achievements but seeks to alert those responsible for proposing major policy initiatives (politicians and political advisors as well as officials) to the areas that still need attention. **In particular, the OGC Successful Delivery Toolkit should be read by all who are proposing and planning policy change, not just those tasked with delivery. It can be found at www.ogc.gov.uk/sdtoolkit**