

Making The Business Case for Change



Execution of the Killer Business Case



Topics Covered - 1



- ❖ **THE PROBLEMS**
- ❖ **BUSINESS CASE OBJECTIVES**
- ❖ **SECURING THE DEAL**
- ❖ **PROGRAMME EXECUTION**
- ❖ **ISSUES OVERCOME**
- ❖ **BENEFITS REALISED**

Topics Covered - 2



- ❖ **HOW DID IT FEEL FOR THE PEOPLE?**
- ❖ **WHAT COULD HAVE BEEN DONE BETTER?**
- ❖ **THE LEGACY SYSTEM CHALLENGE**
- ❖ **QUESTIONS?**

The Problems - 1



- ❖ **TOO MANY LEGACY APPLICATIONS FROM M&A ACTIVITY**
- ❖ **SOARING OPERATIONAL AND LICENCE COSTS**
- ❖ **TRANSACTION COSTS TOO HIGH FOR A CLOSED BOOK**
- ❖ **SYSTEM KNOWLEDGE DIMINISHING OR DIMINISHED**
- ❖ **RELIANCE ON REMAINING INDIVIDUALS – BUSINESS AND TECHNICAL**
- ❖ **CUSTOMER SERVICE NOT THE BEST**
- ❖ **TOO MANY BEAR TRAPS – FSA NOT HAPPY**

The Problems - 2



- ❖ **NEW ENHANCEMENTS TOO COSTLY**
- ❖ **TEST ENVIRONMENTS NOT ADEQUATE**
- ❖ **DIFFICULT TO IMPLEMENT REAL, SUSTAINABLE IMPROVEMENTS**
- ❖ **TIME TO MARKET CHALLENGES**
- ❖ **WANTED TOTAL FOCUS ON OPEN BOOK INTERNALLY**
- ❖ **APPLICATION SUPPORT COSTS TOO HIGH**

Business Case Objectives



- ❖ **MIGRATION OF 2.8M CLOSED BOOK POLICIES**
- ❖ **MINIMUM 50% REDUCTION IN COST OF POLICY ADMINISTRATION**
- ❖ **220 SYSTEMS TO BE PHYSICALLY DE-COMMISSIONED**
- ❖ **TUPE 1000 CONTACT CENTRE STAFF TO 3RD PARTY**
- ❖ **£M SAVINGS IN INFRASTRUCTURE PROVISION / LICENCE COSTS**
- ❖ **REMOVAL OF SINGLE POINTS OF FAILURE**

Securing The Deal

Q42006 – Q12007



- ❖ **THIRD PARTY SELECTION – A ONE SYSTEM SOLUTION**

- ❖ **DUE DILIGENCE COMPLETED**
 - ❖ FINANCE
 - ❖ SERVICE DELIVERY
 - ❖ SCALABILITY OF PLATFORM

- ❖ **CONTRACT NEGOTIATION & SIGNING**

- ❖ **ESTABLISHED JOINT GOVERNANCE PROCESS**

- ❖ **PROGRAMME TOTALLY DRIVEN BY BUSINESS EXECUTIVES**

Programme Execution - 1



Q22007 – Q42010

- ❖ **PROGRAMME TEAM ESTABLISHED AND LED BY BUSINESS**
- ❖ **JOINT EXECUTIVE STEERING IN PLACE FROM DAY 1 (COO LEVEL)**
- ❖ **JOINT PROGRAMME MANAGEMENT TEAM SELECTED FROM DAY 1**
- ❖ **ALL SOFTWARE CHANGES DEFINED AND AGREED**
- ❖ **INTER-COMPANY INFRASTRUCTURE BUILT**
- ❖ **TUPE SUCCESSFULLY IMPLEMENTED - OCTOBER 2007**

Programme Execution – 2



Q22007 – Q42010

- ❖ **MIGRATION ORDER OF PLAY RATIFIED – APRIL 2007**
- ❖ **DATA MIGRATION PROCESS COMMENCED – MAY 2007**
- ❖ **FIRST LIVE IMPLEMENTATION SUCCESSFUL – APRIL 2008**
- ❖ **EXECUTIVE NERVE TESTED THROUGHOUT**
- ❖ **FINAL MIGRATION COMPLETED – NOVEMBER 2010**
- ❖ **FINAL SYSTEMS NOW BEING PHYSICALLY DE-COMMISSIONED**

Issues Overcome



- ❖ **BUSINESS PROTECTION**
- ❖ **SPECIALIST SYSTEM KNOWLEDGE**
- ❖ **TARGET SYSTEM FUNCTIONALITY**
- ❖ **OVER 1BN DOCUMENT IMAGES TRANSFERRED**
- ❖ **INTERNAL PROCESSES AND WORKAROUNDS**
- ❖ **FINANCIAL SERVICES AUTHORITY**

Benefits Realised



- ❖ **300+ SYSTEMS DE-COMMISSIONED / ALL POLICIES MIGRATED**
- ❖ **PARTIAL SAVINGS ON INFRASTRUCTURE / LICENCES**
- ❖ **REALISED SAVINGS ON COST PER TRANSACTION**
- ❖ **HEADCOUNT REDUCTIONS ACHIEVED IN APPLICATION SUPPORT**
- ❖ **FOCUS MOVED TO STRATEGIC IMPROVEMENTS**
- ❖ **TOTALLY SATISFIED FSA CONCERNS (COST AVOIDANCE)**

How did it feel for the people?



- ❖ EXCELLENT FEEDBACK FROM THOSE UNDER TUPE
- ❖ TECHNICAL CO-ORDINATION WORKED WELL
- ❖ QUALITY MANAGEMENT CONCERNS ALLAYED
- ❖ TEAMS FELT EMPOWERED AND TRUSTED
- ❖ CORPORATE AWARD HAD ENERGISING IMPACT
- ❖ OUTSTANDING TEAM SPIRIT THROUGHOUT THE PROGRAMME

What could have been done better?



- ❖ **A MORE AGILE APPROACH FROM ALL PARTIES**
- ❖ **INTER-COMPANY COMMUNICATION AT THE WORKING LEVEL**
- ❖ **ITERATIVE MIGRATION METHODOLOGY**
- ❖ **OUTCOME BASED AGREEMENTS**
- ❖ **INTOLERANCE OF ENTRENCHED CULTURE**
- ❖ **ESTIMATING ON SIZE AND COMPLEXITY OF SOME SYSTEMS**

The Legacy System Challenge - 1



❖ RESULTS FROM SURVEY OF 100 CIOs / IT MANAGERS

- ❖ 47% AUDIT THEIR APPLICATION ESTATE
- ❖ 42% - DIFFICULT OR VERY DIFFICULT TO DE-COMMISSION
- ❖ ONLY 4% FELT IT WOULD BE VERY EASY
- ❖ 57% HAVE UNDERGONE SOME LEVEL OF MERGER / ACQ.
- ❖ 56% FOUND IT DIFFICULT TO GET INFO ON COMBINED ESTATE
- ❖ POST MERGER ONLY 12% HAVE ACCURATE UNDERSTANDING OF COMBINED ESTATE AND WHICH APPS. WERE USED
- ❖ 15% COMMITTED TO ACT IMMEDIATELY
- ❖ 20% - 25% RARELY OR NEVER TAKE ACTION

Source: Computerworld (commissioned by FUJITSU)

The Legacy System Challenge - 2



Source: Techworld 7th September 2010

EUROPEAN CIOs SAY THAT CONSOLIDATION IS A MAJOR CONCERN

73% OF BRITISH ORGANISATIONS THOUGHT THAT THE BIGGEST DRIVER FOR CONSOLIDATION IS : -

I.T SIMPLIFICATION

Questions



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