

# Learning Lessons for the Future

## Outcomes report

12<sup>th</sup> September 2022

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## 1. Introduction

The Best4Business programme was responsible for the replacement of the Councils' legacy Oracle solution for Finance and HR/Payroll with a replacement called "Unit4 ERP" (or, at earlier stages in the programme, "Business World").

The programme was both complex and challenging –in terms of its scale and ambition. Whilst the programme ultimately achieved the overall objective of introducing a replacement ERP solution, it did so over a significantly longer period, and at substantially higher cost, than originally envisaged.

As a result, those involved will have been exposed to valuable learning about what went well, and what could have been done better. It is important, therefore, that these lessons are captured, shared and used to inform approaches to delivering other major programmes in the future.

As part of agreed programme governance arrangements, a lessons learned review has been commissioned by Members, to support a recommendation to close the programme, and to ensure that future learning from this complex programme are captured and taken forward to inform future similar schemes.

To support members and attendees of the lessons learned day, comprehensive reports and key information to document the history of the programme were gathered and shared as pre-reading for the review. The following report details the output and lessons learned review only.

This report has been produced as the formal output following the Lessons Learned review held on 1 August 2022, which was facilitated by the Centre for Governance and Scrutiny in the format of "Scrutiny in a day". This session aimed to gather information and to allow the attendees to form recommendations to inform this report, which will be considered by relevant Members through appropriate Committee reporting.

**The challenges, reflections and future learning contained in this report are formed from a perspective of hindsight, the decisions taken during the programme were based on the best information and evidence available at that time.**

The following report outlines in detail all of the learning following this review at each stage of the programme, in addition to this detailed learning, three essential learning points emerged that are key to any future shared programmes:

1. Ensuring that there is clear accountability and effective governance throughout the lifecycle of any programme.
2. Creating and sustaining a shared understanding of the vision for the programme across all stakeholders.
3. Maintaining a balance of skills and resources across each organisation.

## 2. Overview of this report

The Best4Business programme was a complex multi-year programme, at a high level there were 8 clear stages to the programme:

1. **Pre-procurement activities:** The development of the business case and agreement in both Councils, engagement with providers informally and gaining understanding from other Councils.
2. **Procurement Launch:** The formal procurement phase, development of detailed requirements forming a procurement specification, external readiness assessment and procurement launch.
3. **Procurement Evaluation:** Shortlisting of bidders to the final 4, engaging through detailed dialogue, contract negotiation and award
4. **Implementation Phase 1:** Working with the successful bidder to mobilise, finalise solution design and engagement with the bidders previous customers and user acceptance testing of the solution.
5. **Programme Pause:** Outline of the rationale for the pause, refocussed governance and roles.
6. **Implementation Phase 2 – Go Live 1 (Finance):** Contract reset, Implementation and prioritisation of functionality, User acceptance testing, launch and hypercare.
7. **Implementation Phase 2 – Go Live 2 (HR & Payroll):** Implementation and prioritisation of functionality, User acceptance testing, launch and hypercare.
8. **Programme Closure:** Transitioning Unit4ERP into the business and closure

The diagram overleaf at Figure 1 provides a high-level overview of the programme, grouped into the eight stages above, following the timeline of the programme from inception of Best4Business in 2015 through to successful implementation and technical programme closure.

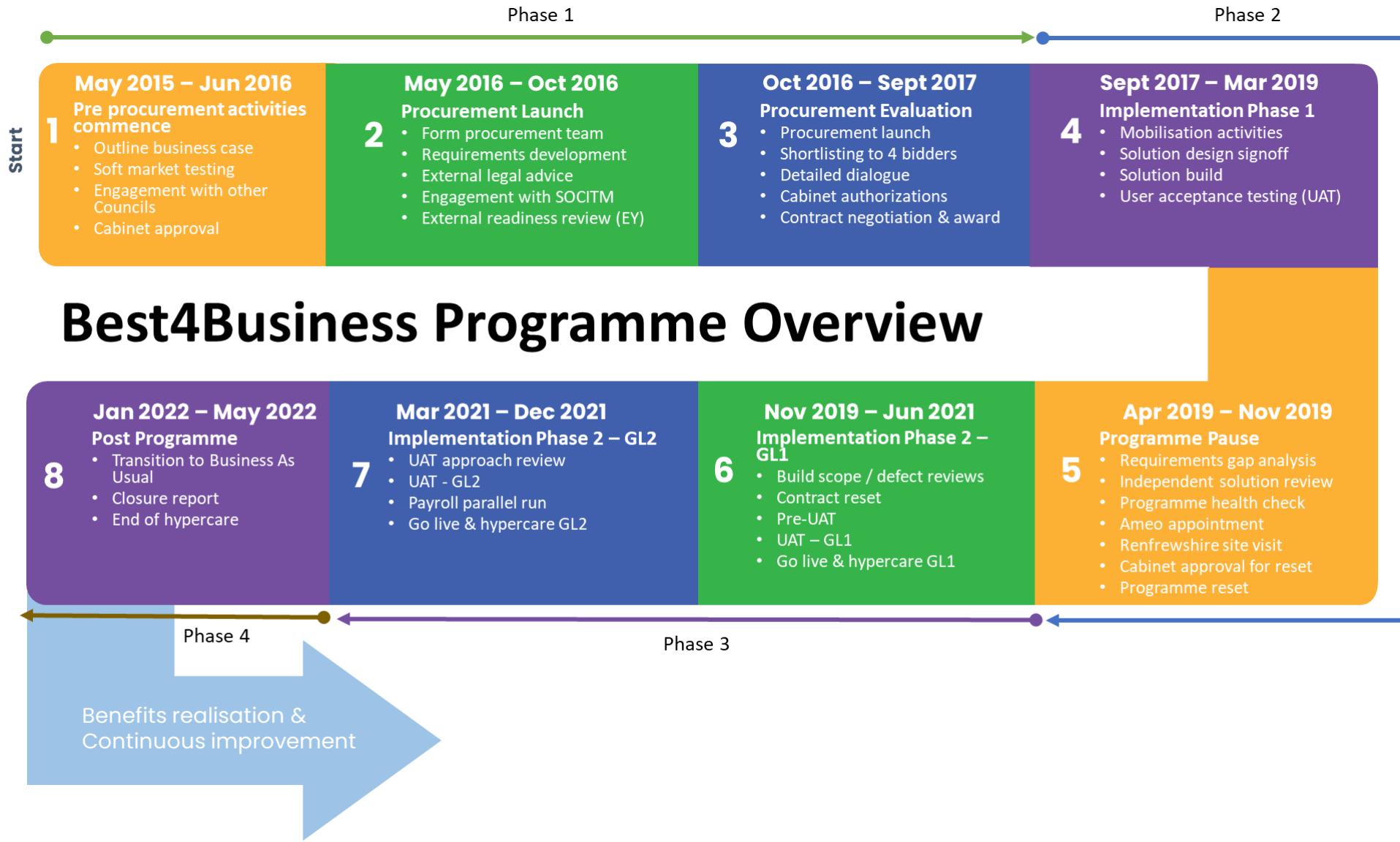
For the purpose of the lessons learned review, the eight stages above were grouped into four logical phases:

- Phase 1: Business case and procurement processes
- Phase 2: Implementation phase 1 and programme pause
- Phase 3: Implementation Phase 2 for Go-live 1 (Finance) and Go-live 2 (HR & Payroll)
- Phase 4: Programme closure and transition to business as usual

The following sections of the report provide more detail about the key events during each stage of the four phases, elements of delivery, the key challenges faced by the programme and the lessons learned from each of the phase with the benefit of hindsight.

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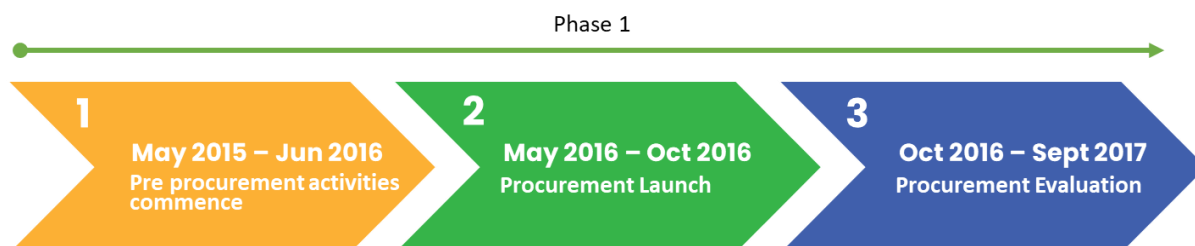
Figure 1: Programme timeline overview



### 3. Phase 1: The business case and procurement process

*May 2015 to September 2017 (stages 1, 2 and 3)*

#### Overview of phase 1



The pre-procurement stage covers the key activities leading up to the formal procurement and the Councils’ approvals to launch the procurement process, this includes the production and agreement of the business case

The procurement launch stage focusses on the key activities and external advice that was taken as part of the initial procurement stage which prepared for the formal procurement process.

Procurement evaluation stage focusses on the key activities leading up to and including contract award.

This phase considered lessons learned from the following areas:

- Soft market testing to identify potential future HR and Finance systems and suppliers
- Engagement with other Councils to gather feedback and inform planning
- Development of an outline business case for replacement of our existing HR and Finance system, Oracle, which was approved by both Cabinets
- Development of detailed requirements for a replacement solution
- Engagement with a range of external advisors, including a formal procurement readiness assessment
- Launch of formal OJEU-compliant competitive procurement exercise
- Recommendation of preferred bidder for implementation of a replacement HR and Finance system, which was approved by both Cabinets
- Formal contract award for implementation and operation of the Unit4 ERP system

Phase 1: Key events & Timeline:

Stage	Key events	Time
1	Developed outline business case	From May 2015

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1	Soft market testing – supplier demonstrations	Late 2015 / early 2016
1	Contact with a number of Councils	Multiple events during 2016 and beyond
1	Cabinet approval to launch procurement June 2016	June 2016
2	Requirements development	May to August 2016
2	Appointed of external legal advisors	July 2016
2	Engagement with SOCITM (Society for Innovation, Technology and Modernisation)	July 2016
2	External procurement readiness review (Ernst & Young)	August 2016
2	Bidders' day	September 2016
2	OJEU notice issued (formal procurement launch)	October 2016
3	Evaluation team formed and trained	October 2016
3	Shortlisting (selected four bidders out of 20-30 expressing an interest)	November 2016
3	Detailed dialogue with 4 shortlisted bidders:	November 16 to April 2017
3	Cabinet authorisation to appoint	July 2017
3	Contract negotiation and award	September 2017

### Phase 1 - Key delivery

The Best4Business programme during this phase of the programme completed a number of key steps to support a robust procurement process was in place and the Councils were ready to commence with a significant and complex procurement, these included:

- Gathering comprehensive system requirements that were defined and led by functional and technical experts across the Councils.
- Supplementing internal professional advice on the procurement process with external specialists.
- Conducting significant soft market testing with potential suppliers

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- Engaging with six other local authorities to understand their procurement experience prior to the formal procurement launch.
- Gaining external validation of the programme's readiness to begin the procurement through Ernst & Young.
- Engaging Internal Audit early in the process and receiving positive assurance in relation to the procurement process and outcome.
- Gaining Initial interest in the procurement from 14 initial bidders of whom 4 were shortlisted for further assessment but only 1 bid was received.
- Initiating business change workstream early which ran alongside the procurement process.
- Creating comprehensive member reports, setting out the recommendation to proceed with a procurement which included an outline business case, and the recommendation to award a contract to the preferred bidder, which included a detailed business case.

### Phase 1 - Key Challenges

Through-out the stages of the business case and procurement phases, the programme faced a number of challenges that were reflected upon with the benefit of hindsight, these have been grouped into the themes below,:

#### Strategy / approach

- Despite internal and external advice and validation, the intended timeline at the start of the programme was ambitious for a major technology-led change programme across two large complex organisations.
- The business case for best4business reflected what was known at the commencement of the programme but elements such as the commercial case could have been updated to reflect the single bidder scenario.
- There was limited experience to foresee that challenges around the consequences of delay or disagreement during the future implementation phase.
- With hindsight, Members could have been more guidance and training on their role on a major change programme, how best to fulfil it and what guidance and support they required from officers and third party advisors.
- Accountability for the Programme was across both Councils and across several officers.

#### Resourcing

- The resources & skills supporting the programme in the early stages of the pre-procurement preparation experienced challenges linked to the scale and complexity of the activity.
- The balance of resourcing at this stage of the programme was dis-proportionately weighted to Cheshire West and Chester Council.

#### Requirements



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- The Councils' requirements, although comprehensive in relation to the required solution, with hindsight were not sufficiently detailed in respect of the approach to implementation. The expectation at this time was that an established solution would be procured, and the expertise and experience of the supplier would bring a best practice approach to implementation.

### Business change

- Although business change delivery began alongside the procurement, more consideration should have been given to business change requirements throughout life of programme and into "business as usual" required, with supplier proposals being assessed against these requirements.

### Final Procurement stage

- Three of the four shortlisted bidders withdrew from the procurement during the dialogue phase of the process.
- The reasons for the withdrawal of three of the bidders could have been used to enhance the dialogue with remaining bidder to used to inform specific additional dialogue with the remaining bidder prior to awarding the contract.

## Phase 1 – Future Learning

The identified lessons for future programmes arising from this phase include:

### Strategy / approach

- Develop a procurement / implementation strategy, drawing on internal and external advice, which sets out strategic objectives, which anticipates supplier behaviours, and which assesses whether the Councils' requirements and proposals will translate into a viable market proposition and valid procurement outcome.
- Build expectations of slippage / failure into contract design – build appropriate break clauses into contracts - and hold dialogue with bidders to understand how they would respond to delivery challenges.
- Ensure the business case is continually updated and follows leading practice such as the treasury 5 case model.
- Seek and implement advice and training on how best to engage and support Members in complex programme governance and decision-making.
- Ensure there is a clear lead and accountable organisation for shared programmes.
- Build appropriate break clauses into contracts - and hold dialogue with bidders to understand how they would respond to delivery challenges.

### Resourcing

- Ensure appropriate levels of skills and resources for complex pre-procurement activities from the outset.
- Ensure appropriately balanced resources from all organisations involved.

### Requirements

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- Be more prescriptive about requirements relating to the implementation process as well as the required solution.

### Business change

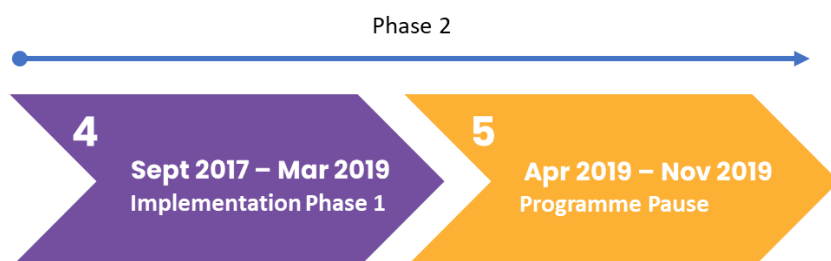
- Develop clear requirements around business change relating to major programmes, based on external advice / best practice, and ensure bidders are able to meet these requirements.
- Involve stakeholders in development and approval of the vision supporting major programmes.

### Final Procurement stage

- If complex procurement process leads to limited number or single bidders,
  - Go as far as possible to seek assurances from other customers from multiple areas and industry sectors about the bidders.
  - Consider the viability of the procurement and whether to change the specification and procure differently.
- Gather more detailed information from withdrawing bidders as to what their reasons were for withdrawing, and use this to inform dialogue with remaining bidders.

### 4. Phase 2: Implementation Phase 1 and the ‘programme pause’ decision

*September 2017 to November 2019 (stages 4 and 5)*



#### Overview of phase 2

The initial implementation stage covers the activities that the Councils undertook, including engagement with other Councils that had implemented a similar solution, solution design sign off, and the first phases of user acceptance testing (UAT).

During the implementation stage, User Acceptance Testing (UAT) was carried out, which is the process where all the system capabilities are tested by users to ensure they sufficiently support our services. Following the initial UAT a programme pause was needed to clarify expectations between the Councils and their partner.

Through programme pause, external support and further engagement with another local authority was undertaken.

This phase considered lessons learned from the following areas:

- Development and approval of full Solution Design
- Solution build carried out by provider based on the Solution Design
- Business change activities carried out in parallel with system build activity
- A number of phases of “user acceptance testing” seeking to confirm acceptability of the built solution, with unsatisfactory results
- A decision to pause the implementation and carry out an independent solution validation and an analysis of the gaps between our requirements and the built solution
- Completion of a programme health check review
- Appointment of Ameo as strategic advisors to the remainder of the programme
- Development of a proposal to reset the contractual relationship and complete the programme with new management and governance arrangements, which was approved by both Cabinets
- Formal renegotiation of the contract

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Phase 2: Key events & Timeline:

Stage	Key events	Time
4	Mobilisation	September 2017
4	Visit with 2 Councils	November 2017
4	Solution design signoff	December 2017
4	Visit by LGSS	February 2018
4	Build showcase	March 2018
4	First UAT (became “UAT 0”)	May 2018 to June 2018
4	UAT 1 cycle 1	July 2018 to August 2018
4	UAT 1 cycle 2	Sep 2018 to Dec 2018
4	Independent solution review	January 2019 to March 2019
4	UAT “Final”	January 2019 to April 2019
5	Requirements gap analysis	March 2019 to May 2019
5	Augere programme health check	June 2019
5	Ameo appointment	August 2019
5	Site visit to Council	September 2019
5	Cabinet approval to programme reset	November 2019

Phase 2 - Key delivery

Following on from the procurement phase, the programme entered into the implementation phase assuming a relatively templated solution orientated to local government needs would be implemented. This phase led a divergence of expectations and a decision to pause the programme. There were a number of elements which were put in

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place during this phase to support implementation and ultimately inform the decision to pause the programme:

- Creating a multidisciplinary Councils team with-in partnership with our supplier with a positive commitment to achieving the agreed programme plan.
- The Council team achieved good continuity over this period – there was some turnover in key roles but overall stability was maintained and a more balanced programme team was achieved between the Councils.
- The Council put in place strong internal governance processes, for example management and reporting of plan delivery, risks, issues, and actions.
- Initial business engagement was positive – numerous business readiness workshops were held, and a team of “Change Champions” were mobilised and trained to support the planned go-live.
- Introduction of a large testing team drawn from multiple areas of the business was formed to support user acceptance testing.
- Applying the agreed contractual acceptance criteria robustly and insisted on delivery of a high-quality product.
- Introducing independent third parties to assist with resolution of the programme impasse, when testing results were not as required, and to drive subsequent commercial negotiations with our supplier leading to a contract reset.
- Taking pragmatic decisions during the contract reset to ensure a sufficient delivery for the Councils.

### Phase 2 - Key challenges

Through-out the Implementation and programme pause stage, the programme faced a number of challenges that were reflected upon with the benefit of hindsight and have been grouped into the themes below:

#### **Solution design**

- The Councils anticipated a pre-built solution configured to deliver processes suitable for local government – testing cycles identified that the built solution was not compatible with expectations.
- There was limited access to the system through the solution design stages of the programme. The Councils’ first opportunity to examine the built system in detail was during user acceptance testing – at this point the contract was designed with an expectation of successful testing and signoff – but a high number of defects were reported during each phase of testing.
- The supplier and the Councils had significantly different approaches to testing, with the Councils seeking to test processes holistically rather than focussing on individual functions.

#### **Resources**

- Teams were allocated to focus on functional area of the system linked to their skills and experience (i.e. Finance, Payments, HR) this led to a challenge in being able to

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take a more holistic view of the solution and the relationships between the functions.

### Business change

- The business change team was well resourced during this phase of the programme – but was unable to engage effectively with the workstreams and teams leading system delivery and testing due to delivery pressures.
- End user feedback could not be routinely catalogued and responded to during the course of the implementation due to the level of failures and time pressure.

### Supplier relationship

- Roles and responsibilities around programme management were not clear.
- The contract and the agreed payment milestones did not take account of the possibility of delay – the only available mechanism in the contract in the event of disagreement was the formal contract dispute processes – this created pressure to proceed at every stage, rather than allowing a pause where this would be advantageous to the overall programme.
- The supplier managed the programme plan with a focus on achievement of the agreed payment milestones rather than with a more holistic view of programme delivery and outcomes – this included raising formal dispute notices at key stages of the implementation, which distracted Council resources from programme delivery.

### Pause and reset

- When resetting the supplier contract and relationship, the Council team experienced some initial difficulty in letting go of past expectations and focussing on key priorities for future go-live dates.
- When focussing on go-live critical system elements and agreeing to pause delivery of lower priority elements, there was a lack of clarity on how and when the paused items would be picked up and delivered following each go-live.
- With hindsight, Members would have benefitted from more informal briefings on programme delivery challenges and options for resolution, prior to formal decision-making – particularly given the election cycle and some significant changes in Members representation as part of programme governance.

## Phase 2 – Future Learning

The identified lessons for future programmes arising from this phase include:

### Solution design and delivery

- When working across multiple organisations, ensure focus on delivering shared solution and only allowing organisational variations by exception.
- Build time into the programme plan to allow for thorough initial solution validation / expectation exchange between the supplier and the customer, and allow time for changes to the anticipated solution if required before testing.
- Consider building suitable break clauses into contracts allowing the Councils to cease implementation if proposed solutions are not viable.

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- Ensure the design and build approach requires Council team involvement in the build process (so-called “assisted build”) and takes an agile / prototyping approach to system delivery to ensure issues are identified as quickly as possible.
- Spend more time planning our approach to testing of complex solutions – prepare scenarios and test data in advance, and do not start user testing of a new system until the system build phase is fully complete.

### **Resources**

- Ensure balanced programme team resourcing from all affected organisations at all levels of the programme.
- Plan sufficient time for subject matter experts on a complex programme to take a holistic view of the intended outcomes and to input into all programme workstreams as required.
- Consider how continuity and knowledge transfer can best be maintained in the event of multiple staff changes.

### **Business change**

- Allow sufficient time in the programme plan for the business change team to be able to engage fully with the wider programme delivery team and with key customers.
- Ensure all mechanisms for end users to provide feedback are formally monitored with responses and updates being shared on a regular basis.

### **Supplier relationship**

- Engage trusted third party advisors to the Council from the outset of a potentially complex delivery programme – assess the internal skills which are available, and agree what is needed from third parties to supplement those skills.
- Ensure programme delivery roles are very clearly defined prior to contract award, with appropriate support and skills being secured to ensure strong client-side programme and relationship management.
- Regardless of the outcome of the procurement process and the relationship which has been built with the successful bidder, be prepared for supplier challenge during the delivery programme, and ensure the Council team manages the programme plan accordingly.
- Build mechanisms into the programme plan and the contract to allow for pragmatic management of delay or disagreement without reverting to formal legal procedures, and test these mechanisms through dialogue prior to contract award.

### **Pause and reset**

- Where in-scope elements of a programme are parked to maximise focus on core delivery, ensure those parked items have a clear plan for future delivery.
- Ensure active sponsor involvement in prioritisation of changes during the course of a delivery programme, to ensure focus on go-live priorities – be prepared where necessary to let go of programme history and focus entirely on high priority outcomes.
- Ensure an appropriate level of formal and informal briefing of Members, including on a cross-party basis, and in a fully consistent manner across multiple organisations,

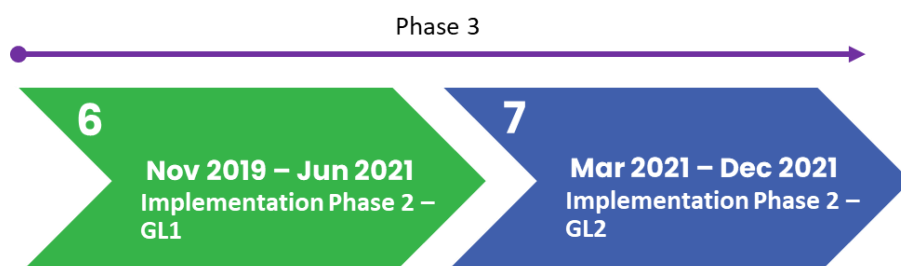
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prior to significant decision-making events in the context of complex delivery programmes – including being mindful of timing within the election cycle.



### 5. Phase 3: Implementation Phase 2 for Go-live 1 (Finance) and Go-live 2(HR & Payroll)

November 2019 to December 2021 (stages 6 and 7)



#### Overview of phase 3

This phase outlines the activities that took place to reset the programme including the contractual reset that was required, a refreshed programme governance approach and implementation plan.

This led to a revised and split implementation approach to go live, with Go Live 1 (GL1) activities in relation to Finance and the final implementation Go Live 2 (GL2) activities in relation to HR and Payroll.

This phase considered lessons learned from the following areas:

- Go-Live 1 and the Finance functionality:
  - Amendments to built solution
  - Initial system testing
  - User acceptance testing to confirm acceptability of the solution
  - Migration of data from legacy Oracle system
  - Ongoing business engagement and training
  - Finance system “go-live”
  - Post go-live support
- Go Live 2 and the HR and Payroll functionality:
  - Amendments to built solution
  - Initial system testing
  - User acceptance testing to confirm acceptability of the solution
  - Comparison of Unit4 ERP payroll outputs with Oracle outputs to ensure accuracy (“payroll parallel run”)
  - Migration of data from legacy Oracle system
  - Ongoing business engagement and training
  - HR and Payroll system “go-live”
  - Post go-live support

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The programme was split into 2 logical groups for separate go-live events.

- Go live 1 (GL1): Financials and core HR for approvals
- Go live 2 (GL2): HR & Payroll

The benefits of a split go-live approach were:

- Lower risk of remaining implementation issues with Finance modules
- Reputational benefit of delivering Finance solution elements while continuing to develop HR / Payroll
- Earlier delivery of some business benefits
- Phased training programme with reduced impact on business resources
- Any go-live issues would be smaller in scale
- Opportunity for lessons learned prior to second go-live
- An unexpected delay in Finance go-live could be addressed by reverting to a combined go-live

Phase 3: Key events & Timeline:

Stage	Key events	Time
6	“Decision tree” reviews confirming position on defects, solution gaps and required changes	Sept 2019 to Nov 2019
6	Contract reset	March 2020
6	Agree revised training and communications strategy	May / June 2020
6	Pre-UAT (User Acceptance Testing)	July 2020 to November 2020
6	“HRMGR Process” testing issue and timeline impact review	October 2020
6	UAT for GL1	Dec 2020 to Feb 2021
6	GL1	February 2021
6	End of GL1 Hypercare	June 2021
7	UAT for GL2	April 2021 to October 2021
7	UAT approach review	August 2021
7	Payroll Parallel Run (PPR)	June 2021 to November 2021

7	Go Live 2	November 2021
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### Phase 3 - Key delivery

The decision to reset and effectively reform the programme governance, roles & responsibilities along with introducing additional external specialist support led to a renewed focus and traction in relation to delivery.

Key changes and delivery achieved by the programme during this phase include:

- The relationship between the Councils and our supplier was successfully reset – clear responsibilities were defined to move forward with implementation.
- The Councils made strong and effective use of experienced external programme management advisors – building on the lessons identified during earlier phases.
- Key roles on the Programme Board and the programme delivery remained well balanced across both Councils and continuity was maintained throughout this period in the main.
- The programme plan was successfully restructured to support a split approach to launching the new system, with a focus initially on Finance functionality and a later focus on HR and Payroll.
- Continued robust challenge to our system supplier was maintained with an insistence on quality through further testing.
- A focus on prioritisation of the most important system changes required to support safe go-lives was adopted.
- With the support of our third party advisors, the Councils maintained a robust commercial relationship with our system supplier, ensuring a fair split of the cost of delivery for this phase of the implementation.
- Greater use of external expertise to support delivery of business engagement and training activities during this period – building on the lessons of the earlier phases
- The programme successfully and quickly responded to the challenge of the COVID-related lockdown period by redesigning and delivering user training in a fully virtual and agile manner.
- Regular reports were provided to Members on this Committee and the Best4Business Joint Scrutiny Working Group, including scrutiny of each of the go-live decisions to launch new functionality.
- The successful implementation of GL1 & GL2.

### Phase 3 - Key Challenges

There were a number of challenges linked to the contract reset and new relationships that were introduced over this phase. The pace of delivery needed to increase significantly to ensure the Councils didn't incur significant additional costs from maintaining the existing ERP solution alongside Unit4ERP. The main challenges faced by the programme during this phase that were reflected upon with the benefit of hindsight include:

### Delivery

- The Council experienced turnover in some key programme roles, including Cheshire East Executive Sponsor, and the Programme Director.
- There were continued resource conflicts where subject matter experts were required to contribute to multiple areas of activity, their own functional area, technical interface development and business change & training activities.
- Testing phases for each go-live were extremely pressured and continued up to the point of each go-live decision.
- There were many challenges with achieving successful testing of interfaces between Unit4 ERP and other Council systems.
- The process of migrating data from Oracle to Unit4 ERP at the live cutover points was different to earlier testing phases of this activity, and was not clearly understood.
- The subsequent process and sequence of loading additional data into the live system was also not fully understood and required tight management.

### Engagement and Training

- The end user community was well engaged and positive about the programme during the first phase of implementation, but this momentum was lost as a result of the pause and reset.
- Training delivery was inevitably impacted by COVID and the ability to deliver face to face classroom training to some groups of users.
- The start of training was repeatedly delayed due to continued work on system testing and resulting resolution of defects.
- The training programme focussed on “how to use the system” rather than “how the process works” and so did not fully convey the extent of changes from existing business processes – this hampered the programme’s intention to “adopt” the processes delivered by the new system rather than to seek to “adapt” processes to align with existing business practice.
- The training programme aimed at end user took a “one size fits all” approach and was not tailored to account for different levels of skill and experience in the use of IT systems.
- Communications around each go-live were frequent, to the point where some users stopped reading them.

### Go-live

- At each of the go-live decision points, there was a challenge in balancing the risk of going live (eg asking users to use the system with unresolved defects in place, leading to user dissatisfaction and support challenges) with the risk of continuing testing (eg significant additional programme cost, damage of delay, cost of maintaining legacy systems).
- Not enough resource was set aside to manage the highly complex cutover process – more direction was required for end users – this situation was made more complex by each go-live being mid-year rather than at end of year / start of year.

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- The split go-live approach resulted in programme team focus following Go-live 1 (Finance) on Go-live 2 (HR and Payroll) delivery – this was at the expense of post Go-live 1 (Finance) issues which required resolution.
- Other than those Members closely involved in the programme, Member-specific communications were high level, and did not appropriately brief Members on how to respond to issues relating to the new system highlighted through their own networks and caseloads.

### Support

- The Council’s internal support team were not fully trained in all system administration processes at the point of each go-live.
- Following each go-live was a period of enhanced support known as “hypercare” where additional support resources were available to resolve immediate priority defects – in each case the hypercare period lasted longer than expected – with more time and resource required to ensure defects were fixed and user queries were resolved.
- End users did not embrace the preferred “self-service” approach to support or make as much use of Change Champions as anticipated – leading to the support team being inundated after each go-live with requests for assistance.
- End user feedback has been that the resources available to allow users to resolve their own queries, eg online training and guidance, are not presented in an intuitive manner which supports ease of use.

### Phase 3 - Future Learning

The identified lessons for future programmes arising from this phase include:

### Delivery

- Ensure a fully resourced programme plan including the time required for teams to support each other’s delivery priorities.
- Ensure a clear plan for system testing with resource requirement confirmed – allow sufficient time for testing failures / rework / retesting and also end-to-end / cross system testing and “negative testing” (ie attempting to use the system incorrectly to test error handling) – ensure this time is reflected in key delivery milestones from the outset of the programme.
- Ensure regular proactive cross-team planning and delivery – avoid resource and time pressure leading to working in silos.
- Where a new system is required to exchange data with other existing systems, ensure sufficient time for prototyping / piloting / early testing of interfaces prior to formal user acceptance testing.
- On a system replacement programme, ensure full clarity on the approach to data migration from the legacy system, particularly on how the timeline and approach may vary at the point of go-live.
- On a long running programme team, use roles with continuity to ensure “new starters” are fully and quickly briefed and brought up to speed.

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- Consider how Council business continuity arrangements would be invoked to protect programme delivery in the event of a major incident or disaster.

### Engagement and Training

- On a long running programme, particularly if timelines have changed, consider assessing engagement levels at key points and putting in place additional engagement and communications to maintain momentum.
- Do not underestimate the amount of time which is needed to engage with all relevant user groups prior to go-live to ensure their full understanding of changes – take schools as an example of a relevant specific user group for consideration.
- Ensure training addresses all aspects of changes relevant to end users, including culture and expectations, and does not focus on one element such as “how the new system works”.
- Ensure training approaches consider varying levels of skills and experience in the end user community, and offers opportunities for users to engage with training and support activities that builds their confidence.
- Ensure sufficient time is available in the programme plan for testing and subsequent fixing of issues and retesting prior to the launch of user training.

### Go-live

- Plan sufficient time and resource for cutover planning and execution as a specific workstream – and recognise the challenges of a mid-period cutover.
- Be sufficiently risk averse in respect of going live with a new system with known defects in place – do not underestimate the impact on users and the support effort required to resolve the issues following go-live – clearly communicate the rationale for a go-live decision.
- Give consideration to the role of Members as a stakeholder group with a role to play during the launch of a major system, process or service, and provide them with appropriate briefing which will allow them to provide appropriate support.

### Support

- Put in place a communications plan which ensures end user communications are planned and scheduled rather than reactive, so that users know when to expect relevant communications.
- Communications should be open and honest about any known defects in place when a new system goes live, so that expectations are managed.
- Ensure the support team for any new system are fully trained prior to go-live - allow sufficient time prior to go-live to complete this, and ensure it is a factor in any go-live decision.
- Assume that enhanced support will be required for a reasonable time frame following launch of a new solution – ensure sufficient expert resources are in place to provide that support.
- Where multiple options are available to end users to seek support following the launch of a new solution, and where the aim is to direct users to follow a defined route in order to spread demand, ensure this route is very clearly communicated multiple times prior to the solution go-live.

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- Involve end users in the design of material aimed at encouraging a self-help approach to support as part of a major system or process change, to ensure the material is as accessible and usable as possible.
- Invest sufficient time in establishing a robust network of Change Champions across all affected areas of the business, and ensure they are fully trained and engaged in good time to build their confidence before they become part of live support arrangements – consider the role of Members in this context.

With the benefit of hindsight – it is clear that the decision to pause and reset was a major factor in completing the programme – from this phase onwards the programme governance and delivery improved, all parties had clarity on roles and delivery was broadly in line with timelines and budget

## 6. Phase 4: Programme closure and transition to business as usual

January 2022 to May 2022 (stage 8)



### Overview of phase 4

Following the implementation phases of Go live 1 & Go Live 2 the programme activities outline in this stage covered the transition to “business as usual” and programme closure.

This phase considered lessons learned from the following areas:

- Transition from enhanced post go support (“hypercare”) to business as usual support model
- Establishment of business as usual governance for solution management and closure of programme governance mechanisms
- Completion of technical post implementation reviews for each go-live

Phase 4: Key events & Timeline:

Stage	Key events	Time
8	Transition to BAU plan	February 2022 to May 2022
8	Closure report	April 2022
8	End of Hypercare	May 2022
8	Lessons Learnt – “scrutiny in a day”	Aug 2022

Phase 4 - Key delivery

The transition to business as usual (BAU) of the ERP solution involved a number of key achievements by the programme during this phase:



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- Regular post go-live meetings in place with our supplier to ensure focus on high priority issues.
- A managed handover from programme governance to Business As Usual governance with post-programme governance arrangements signed off by the Programme Board before its closure.
- Continual monitoring of supplier performance, costs and delivery of the outputs they are accountable for.
- Recognition following Go-live 2 that there were a range of post go-live issues which required attention before “business as usual” could be achieved, and development of a tactical plan to deliver the required actions.
- There was a conscious delay to the decision to close the technical programme until transitional issues were resolved satisfactorily.
- End user feedback was monitored closely following go-live with key user issues being a focus for the support team.
- It was identified in the aftermath of go-live that too many issues were being worked on simultaneously leading to a lack of actual issue resolution.
- This led to the creation of a forward looking work programme for the support team to focus on – this provided them with a structured approach to the resolution of priority issues.
- User feedback following each go-live was initially very “noisy” and required the support team to step back and take time to identify and prioritise key issues.
- User feedback has been recognised and gathered during the post go-live period.
- Additional post-programme support reviews are being commissioned to optimise the Unit4 ERP product and the resulting user experience.
- The programme team and the post go-live support team have shown incredible resilience, commitment and dedication to achieving the best possible outcome – the programme would not have succeeded without this dedication over an extended period of time.
- The importance of a formal lessons learned exercise supporting final programme closure was identified well in advance of programme closure, leading to this review exercise taking place.

### Phase 4 – Key Challenges

A number of challenges that were reflected upon with the benefit of hindsight and have been grouped into the themes below:

#### Capacity

- The biggest challenge has been staff capacity and balancing end user expectations with delivery capability – users have expected immediate responses to all issues, which has not been possible or indeed expected to be possible.

#### Support

- Supplier support processes were not agreed in detail prior to go-live, and have evolved in practice, leading to a lack of clarity - the detailed “service management

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plan” setting out support arrangements with the supplier was not agreed due to a focus on go-live preparations and post go-live issues.

- Some defects which were in place at go-live are still in place (although they are low priority items).
- The support team remains under resource pressure due to continuing demands from end users for rapid resolution of issues regardless of severity / priority.

### Users

- User concerns have been raised around the efficiency of the processes supported by the new system and their understanding and use of system reports.
- Feedback from some users remains negative, despite active and ongoing engagement.
- Schools have been a demanding customer group – the risk of increased loss of schools business resulting from dissatisfaction with the new system has been raised – this has resulted in a heightened support response to this group.

### Culture

- The demanding programme culture of working long hours to deliver required outcomes within tight deadlines has continued into the support team’s ways of working, which is not sustainable.
- The support team have not always felt empowered to highlight the responsibility of business owners in relation to the effective and correct use of the system.
- There have been occasions where the support team have flexibly offered to complete a task or process on behalf of a business owner as a tactical solution, which has resulted in a perception that the task or process now belongs to the support team as a permanent solution.
- There is a tendency amongst some users to blame others for difficulties in using the system and to avoid taking accountability for their own responsibilities when using the system, including making full use of all available training and guidance material.

## Phase 4 - Future Learning

The identified lessons for future programmes arising from this phase include:

### Support

- Arrangements for live support should be agreed in detail prior to the commencement of the live support service, including detailed practical arrangements for support provision, and the content of formal supplier contractual performance reports.
- Be more prescriptive about requirements relating to the business as usual support process as well as the required solution.
- Ensure the support team for a new solution has received full training prior to go-live
- Clearly communicate the package of support available to different user groups in advance of the launch of a new solution.

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- Plan central support resources around peak times to better manage demand, continually assess support demands once live, and react as support demand fluctuates.
- Where a partial / split go-live is taking place, ensure sufficient time is made available to spend on resolving first phase issues before the focus moves to the second phase – consider “phase two entry criteria” to ensure the delivery team are in a position to change focus safely.

### Users

- Plan and make resources available to support sufficient engagement with all key user groups both before and after go-live – identify key user groups in advance and plan support resource accordingly.
- Ensure users who receive additional focussed training (for example “heavyweight” users, change champions) are able and ready to take queries from their colleagues as part of an overall approach to support.
- Manage end user expectations in relation to post go-live support provision in a positive and realistic way to build confidence and avoid frustration.

### Culture

- Ensure training addresses all aspects of changes relevant to end users, and does not focus on one element such as “how the new system works”.
- Put in place a communications plan which ensures end user communications are planned and scheduled rather than reactive, so that users know when to expect relevant communications.
- Where multiple options are available to end users to seek support following the launch of a new solution, and where the aim is to direct users to follow a defined route in order to spread demand (including adoption of a self-service approach where possible), ensure this route is very clearly communicated multiple times prior to the solution go-live and repeatedly reinforced following go-live.

## 7. Programme Case for Change and business case

As part of the lessons learned review, Members reviewed key elements of the original approved business case, and the experience in delivering these elements as part of the Best4Business programme. These elements were:

- The case for change
- The approach
- Financial case

Further detail is set out below.

### Case for change

The first element of the business case was the overall “case for change”, i.e. the rationale for changing the system itself and the anticipated benefits of the new system:

Theme	Original business case	Outcomes
Case for change	<ol style="list-style-type: none"> <li>1. Replace aging Oracle solution and associated hardware – “do nothing” option not available</li> <li>2. Modernisation opportunity – “cloud first” approach to system hosting and support</li> <li>3. Ease of access to information held in system –more engaged workforce</li> <li>4. Flexible licencing model</li> <li>5. Flexible and mobile working opportunities</li> </ol>	<ol style="list-style-type: none"> <li>1. Oracle product and hardware has been replaced</li> <li>2. Modern cloud-hosted solution implemented (mainly hosted by Unit4)</li> <li>3. Reporting capabilities have improved – but recognised that more work is needed</li> <li>4. Support costs are now driven by user numbers with flexibility</li> <li>5. Still work to do on mobile working / other modernisation opportunities</li> </ol>

The above table shows that by implementing our chosen system the programme has achieved what was expected in the “case for change” – with some further work, currently in hand, to ensure the reporting requirements are completed. There are also further enhancements to be considered to allow fully modernised and flexible ways of working.

### The approach

The second element of the case for change was to consider the approach taken to delivering the business case:

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Theme	Original business case	Outcomes
Approach	<ol style="list-style-type: none"> <li>1. OJEU-compliant procurement process</li> <li>2. Standardised best process solution</li> <li>3. Use of third party expertise</li> <li>4. Strong governance including Members</li> </ol>	<ol style="list-style-type: none"> <li>1. Compliant procurement - albeit with single bidder outcome</li> <li>2. Initial supplier built solution required further changes – minimal differences between East and West Councils</li> <li>3. Greater use of third party expertise in second phase led to success</li> <li>4. Strong programme governance model</li> </ol>

Overall the procurement was robustly managed and compliant, but the Councils believe they may wish to give more consideration to any future procurements where the process leads to a limited number of bidders or a single bidder. There was also consideration as to whether, as part of major programmes in the future, third party implementation expertise should be brought in at the outset, as it was felt this approach clearly enhanced the delivery of this programme.

### Financial Case

The third element of the case for change was to consider the financial element of the business case.

Theme	Original business case	Outcomes
Financials	<ol style="list-style-type: none"> <li>1. Forecast savings: £2.1m annually</li> <li>2. Anticipated cost of change resulting from procurement exercise: £11.8m</li> </ol>	<ol style="list-style-type: none"> <li>1. Savings achieved: £1.7m annually</li> <li>2. Cost of change - £25.1m programme cost (Phase 1: £11.5m &amp; Phase 2: £13.6m)</li> </ol>

Note that the stated programme cost is as at the time of reporting. A final budget reconciliation will be provided during financial year 2022/23 when all cost and commercial / legal elements have been confirmed. This is not expected to materially change the financial position outlined above as these are small scale outstanding items to be resolved.

The financial element of the programme is complex given the duration of the project, the changing nature of the relationship with the implementation supplier, and the fact that a “do nothing” option did not exist throughout the programme.

Some key financial milestones and decision points during the programme are set out below:

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- At the outset, a detailed financial case was produced that estimated that the cost of implementing the new system was estimated at £5.2m less than the “do nothing” option over the initial seven year contract term (as reported in July 2017).
- By the end of the procurement process there was only one eventual bidder, with others withdrawing during the process. A decision to award a contract was taken, with a programme cost of £11.8m estimated (as reported in July 2017).
- This took account of external legal advice, the cost of doing nothing which still existed, and the cost of ending the procurement and beginning again, which were assumed to be an additional estimated £1.4m, being the cost of the initial procurement exercise. This excluded any potential legal costs arising from the decision to cease what was a compliant procurement process, with bidders incurring costs by participating in it. There was no guarantee at the time that a revised procurement would produce a better outcome, and the existing provider of our legacy system was still proposing to remove support, reinforcing the fact that a viable “do nothing” option did not exist.
- In the first implementation phase of the programme, some delays occurred in the timelines needed to achieve the programme milestones set out in our contract with the supplier, and extensions to the go live date were agreed, targeting November 2018 and then March 2019, at a contract cost of between £600,000 and £700,00 for each extension.
- Each extension was negotiated between the Councils and the supplier at reduced fees, taking into account an agreed apportionment of the responsibility for each delay and extension. At these points, it was assumed that any decision to abandon the programme would result in legal costs arising from the resulting dispute, plus the “do nothing” cost or the cost of restarting the procurement and implementation process from scratch.
- The decision to pause and reset the programme and change the programme management arrangements in November 2019 was a significant and bold decision. It gave the Councils control of the delivery timeline and programme plan, and also importantly it transferred to the Councils ownership of the asset (the system as built at that point) itself.
- If the Councils had stopped at this point the potentially abortive costs would have been £13.9m. Again, at this point, it was considered that any decision to abandon the programme would result in legal costs arising from the resulting dispute, plus the “do nothing” cost or the cost of restarting the procurement and implementation process from scratch. The Councils knowledge of its requirements on implementation also suggested the upgrading cost of the current system may also now be far greater than the £5.2m do nothing option used earlier.
- The estimated cost of completing the implementation on the proposed reset basis with the Councils in control was £10.7m (as reported in November / December 2019) and was considered the better option compared to stopping the current programme.
- The reset programme targeted new go live dates on a phased basis rather than as a single implementation, with Finance going live in October 2020 and HR Payroll in February 2021. Programme budget was approved in support of the estimated cost of £10.7m to complete the programme.
- Due to further unanticipated complexity throughout the revised implementation process, these go live dates were extended. The first extension was for Finance to

go live in February 2021 and HR Payroll in March 2021, the cost of this extension being £1m. The Finance go live date was achieved, but the HR Payroll go live date was extended again, ultimately to November / December 2021, at an additional cost of £1.5m. Additional budget approvals were secured at each stage and the programme was completed in January 2022 within approved capital and revenue budgets.

- By this stage, due to the revised relationship with the system supplier, the risk of legal challenge arising from a decision to abandon the programme was much lower. However the sunk cost of the programme at each point was significant, and the cost of restarting the procurement and implementation process from scratch remained a significant factor.
- As noted above, the programme has delivered £1.7m of permanent savings in the Councils' budgets across ICT and corporate services. There is further scope to seek further business efficiencies across the wider Councils in order to increase the return on investment resulting from this programme.

### 8. Taking forward the lessons learned

In order to ensure the lessons from this programme and this review are appropriately embedded into the delivery of future programmes of this scale, the Councils will take the following steps:

- Immediately share the lessons documented in this report with Council teams involved in current and future project and programme delivery, and require teams to carry out an immediate gap analysis against their current plans and delivery mechanisms, to identify any immediate changes which may be required.
- Provide a report to each Council's senior leadership team, setting out key lessons learned and actions to ensure lessons are embedded in future practice.
- Engage with the teams within each Council responsible for defining best practice in relation to programme delivery, to ensure the lessons from this programme are built into standard guidance which will be utilised by future delivery programmes, ensuring these lessons become part of good practice.
- Engage with the Internal Audit teams within each Council, to share the lessons from this programme and ensure appropriate assurance checks are built into future independent reviews of major programmes by the Audit functions.

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