

ERP Programme

Programme Update

05.05.2022





Content

Background

- Background and Scope
- Journey So far
- Programme Drivers
- Key Lessons Learnt

Timelines:

- Pre-Implementation
- Implementation PoaP (Plan on a Page)

Programme Update

- Programme Dashboard
- Programme Risks

Questions

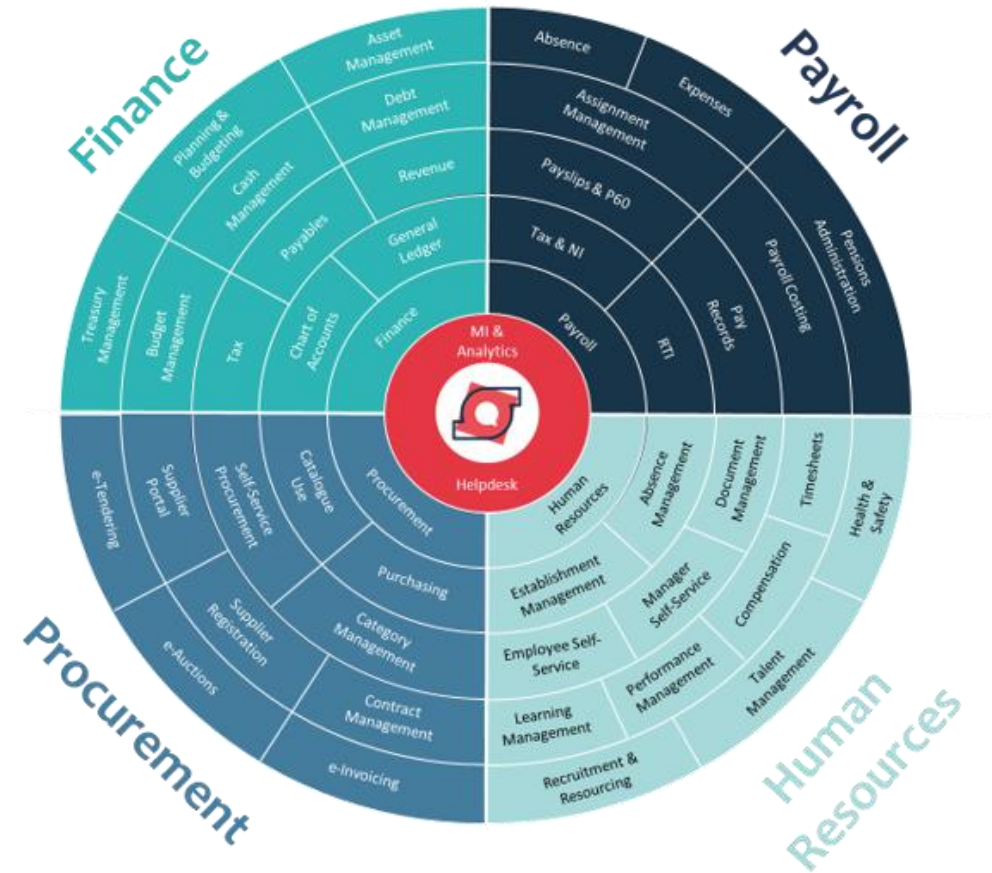
Appendices



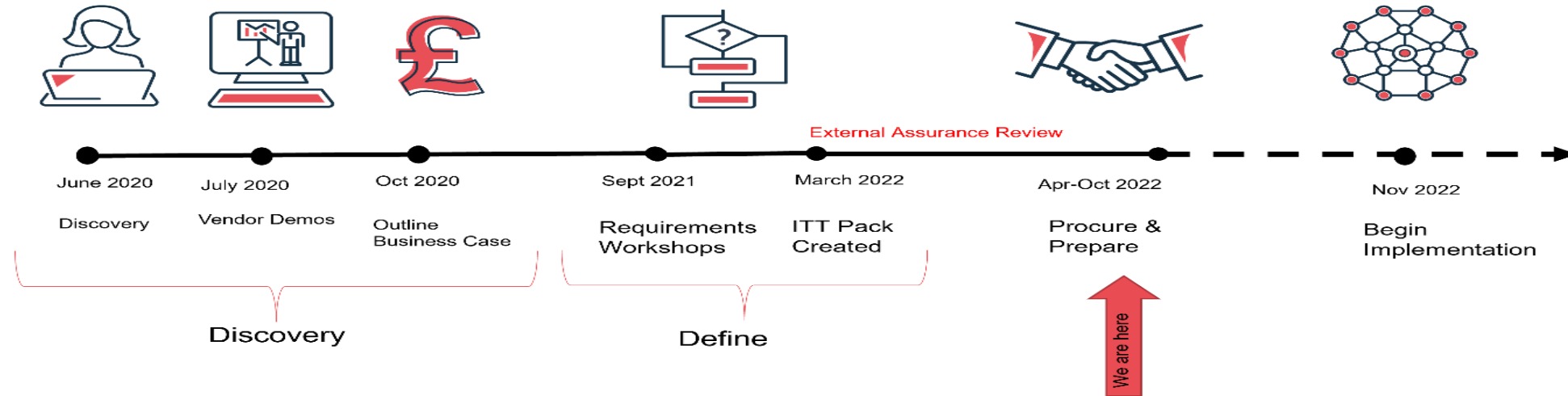
Programme Background

Programme Background and Scope

- This Programme aims to deliver the replacement of the current HR, Payroll and Finance systems (Midland HR and Oracle) into a single ERP solution
- This is a Transformation Programme and not just an IT system replacement
- The diagram to the right illustrates the areas in scope. Detailed Requirements have been defined for all four areas and they will be included in the Procurement.
- Property, Income and Treasury Management are out of scope for this programme, however they will be closely considered for integration purposes.



Journey So Far



Discovery Phase

During the discovery phase, workshops were held to identify the strategic drivers for the programme and understand the pain points in the current solution. Through soft market testing, we invited several vendors to provide system demos to help us understand the current market and the various ERP solutions available. A thorough options appraisal was undertaken and we delivered an Outline Business Case that recommended to go to market for an Integrated ERP cloud solution.

Define Phase

This phase had two main activities in focus: definition of detailed requirements and the creation of the ITT pack in preparation to go to market for a new solution. We have just concluded this phase and currently external assurance review is being carried out to ensure readiness to go to market.

Procure and Prepare

We have also initiated this phase which is twofold: 1. The tendering process including the evaluation of vendor proposals; 2. Preparing the business for implementation. We are currently working on the mobilisation of this phase that includes a number of activities such as: planning, resourcing, stakeholder analysis, benefit analysis, governance and communication strategy.



Programme Drivers

During the discovery phase a number of strategic drivers were identified by senior stakeholders. These informed the options appraisals and recommendation for a one integrated ERP solution, and will guide the design decisions throughout the programme

Mobile / Agile Workforce:	Enable a more mobile and agile workforce to support our frontline services
Greater Automation:	Reduced manual intervention and Greater automation to facilitate best practice
Adopt not Adapt:	Look to adopt best practice out of the box, reducing costly customisations and complex business processes, whilst ensuring the product meets the needs of the City
Increased Self Service:	Increased levels of self service for our business and our citizens
Single Source of Truth:	A single source of truth supported through improved integration reducing the need for multiple systems
Enhanced Analytics:	Real-Time Management information and enhanced flexible analytics used to facilitate decision making



Key Lessons Learnt

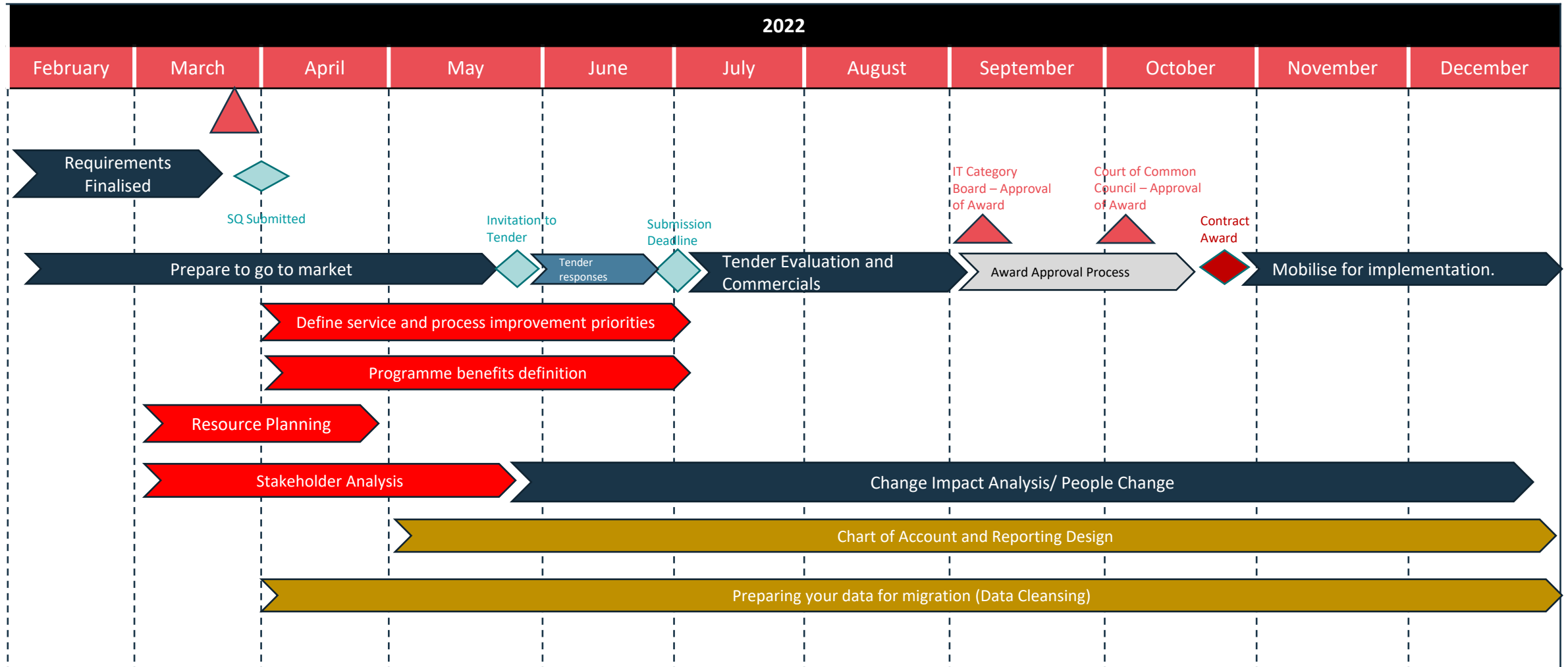
Following the last ERP Programme there were several key lessons learnt identified. A summary of these are:

- The limited capacity of the Corporation to absorb and deliver change to itself.
- The resistance by departments and people to accepting new ways of doing things.
- The lack of resources to deliver change; the capabilities of contractors and significant challenges faced along the way led to high attrition rate of staff throughout the project.
- With the benefit of hindsight product selection should be more robust and challenging but also business led.



Programme Timelines

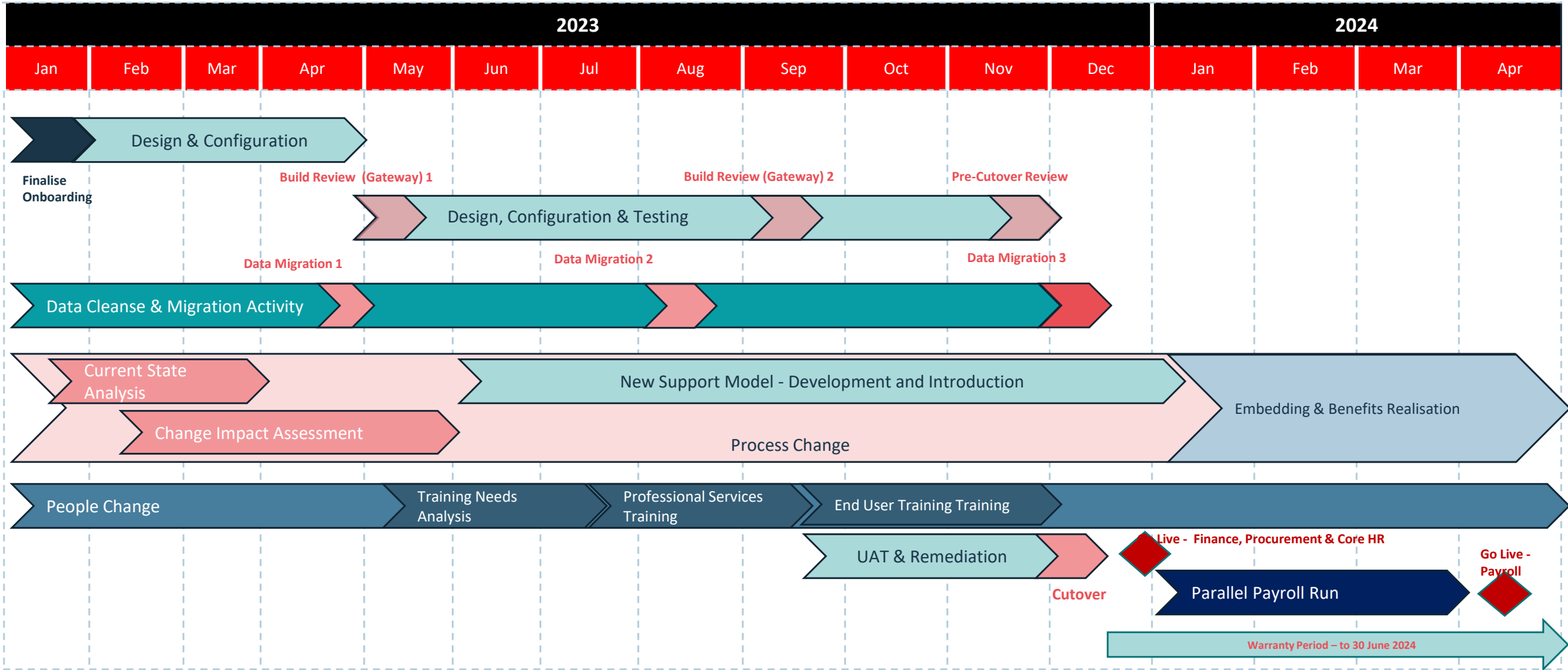
Programme Timescales – Pre implementation





Implementation PoP – For discussion

The implementation timelines below are indicative and yet to be agreed and signed off by programme board and steering group





Programme update

Project Dashboard

ERP Programme Dashboard April 2022	SRO Prog Manager	Caroline Al-Beyerty (CAB) Sonia Virdee	Current Overall RAG April 22		Future Overall RAG	
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Executive Programme Summary	Return/Remain to Green Plan	ETA
<p>The focus has been to ensure business readiness to go to market for a new ERP solution. As part of that the following activities have been carried out:</p> <ul style="list-style-type: none"> Chief Officer Programme Board to be identified – SRO to take update to next ELB. Berkley partnership have carried out programme assurance based on the following documents provided: the full ITT pack, detailed requirements, Gateway 2 report and the last PB Update slides. Reviewing these documents Berkley partnership have identified some gaps. The procurement process has been put on hold for the next 3 weeks, to enable us to address these gaps. To do so, workshops outcomes from the discovery and define phase will be reviewed. It has been identified that a full time internal Programme Director would be needed in order to enable progress. While Sonia Virdee has been acting as Programme Director on a part time basis, more focus and availability would be required as the programme progresses towards mobilisation and implementation. Finance Project Manager, Paul O’Sullivan has joined the programme on a full time basis, experience also includes HR and Payroll ERP implementation. 	<p>The items below remain relevant as they yet to be addressed:</p> <ol style="list-style-type: none"> Baseline PoP commit to key dates Commit key resources Issue ITT Finalise and agree project budget Kick off Business Change activities 	<p>Apr22 Apr 22 May 22 Apr 22 May 22</p>

Key Criteria	Previous RAG	Current RAG	Update	Return/Remain to Green Plan (Stay Green)	ETA
Programme Plan	Green	Amber	<ul style="list-style-type: none"> Procurement timelines have slipped. Assurance review has identified gaps in the tender specification which need to be addressed. Drivers for ERP implementation need to be reviewed and planned into timelines. Needs commitment from all – responses need to be prioritized in order to stay on track. 	<ul style="list-style-type: none"> Need to set and commit to go-live date 	Apr 22
Programme Costs	Green	Green	<ul style="list-style-type: none"> The system is only reflecting part of the project budget and cost, with some of the cost not allocated correctly. Programme Management and the Capital Team are working on the correct cost allocation, spend so far and appropriate budget reporting structure 	<ul style="list-style-type: none"> Correct project structure for the entire project life cycle to be set up and budget correctly allocated for the various phases. 	Apr-22
Resources	AMBER	AMBER	<ul style="list-style-type: none"> Loss of key lead from Procurement – SF, PMO only two days a week Changes introduced by the TOM have impacted programme resources and their availability, loss of knowledge and experience Some additional resources have been secured but work is ongoing 	<ul style="list-style-type: none"> Identify key process owners and backfill approach Identify external resource need and recruitment route 	Apr 22 Apr 22
Business Change	Green	Amber	<ul style="list-style-type: none"> Wider business awareness communication have not started yet. Rumours may set wrong expectations and raise concerns Business Change team to be formed/recruited 	<ul style="list-style-type: none"> Senior communication to be sent to wider business Change Approach to be finalised 	Apr 22 Apr 22
Steering Group	Amber	Amber	<ul style="list-style-type: none"> Due to elections, there will be changes to the SG. SG approval could potentially delay procurement process 	<ul style="list-style-type: none"> PB to advise on governance options and whether PB approval would be sufficient to initiate the procurement 	Apr 22



Key Risks and Issues

No	Issues	Issue Owner	Mitigation	Mitigation Owner	Rag
1	Loss of key personnel and capacity issues, in particular departure of programme manager	CAB	Mitigation bringing in project director and have already appointed a dedicated Finance Lead	CAB	R
2	Assurance review has identified gaps in the specification which need to be addressed before we go out to tender Gaps relate to key transformation objectives from the new ERP system	SV	Delay procurement for three weeks- whilst the gaps are plugged	SV	A
3	Process owners to form the WG (working group) have still not been identified and committed to the project by senior management. There are several gaps in the structure due to TOM related changes	SV	SRO to gain ELB commitment to ensure team positions are filled	CAB	R

No	Risk	Risk Owner	Mitigation	Mitigation Owner	Rag
1	Lack of Senior Stakeholder ownership and drive risks lack of progress	SV	Senior stakeholders identified for the programme board to actively engage and support progress	PB	R
2	Lack of communication risks causing concerns among impacted stakeholders	CAB	Draft and circulate communication regarding the ERP Programme	CP/SV	A
3	Lack of pre-implementation scope such as process review/standardisation and organisation/CoA structure definition, risks delays during implementation	SV	Work with process owners to identify and mobilise pre-implementation design work in readiness for implementation	CP/PO'S	G



Questions



Appendices



The role of the Project Board

The Project Board has been established to coordinate, direct and provide oversight to the Joint ERP Programme. It provides a mechanism to review the activities of the ERP Programme and of the teams and groups which support the City in the delivery of the objectives of the Programme. The Project Board's objectives and functions will include the following:

- Championing the ERP Programmes vision and objectives at a senior level.
- Approve key programme deliverables, including the strategic vision of the business, the Target Operating Model and requirements that will be created and lead into procurement and delivery activities.
- Approve the programme plan, the communications strategy, and the programme budget spend.
- Provide continuous support and direction on the vision and programme delivery.
- Provide or be a point of escalation for significant risk and issues, including cross organisational challenges, difficulties in applying the programme vision in practice, and addressing blockages and barriers as they arise.
- Supporting the ERP Tender Working Group in the management of key representatives
- Ensuring that business need or opportunity has been identified correctly and is supported by robust information
- That all elements of the programme and the project success criteria are clearly defined and agreed with the client
- The solution meets the brief set out in the PID/Blueprint, is consistent with the Corporate Plan, makes sense commercially and provides best value for money
- The programme delivers to Time, Quality and Budget
- Programme independencies are understood and managed. All project risks are identified, owned and mitigation actions managed
- All stakeholders are consulted and appropriate buy-in achieved
- The design and method of execution is best value for money and reflects the likely availability of resources, both in terms of the initial investment and any ongoing resource requirements
- The project follows the City's agreed Project Procedure, obtains the appropriate approvals and that any variances are reported in the appropriate way
- Project & Programme controls are in place and signs off and approves the documentation set
- Ensures lessons learnt from pervious Oracle implementation are addressed.



The role of the Working Group

The process owners will form the WG and they will meet on weekly basis. . The process owners should have a good understanding of the CoL specific processes and requirements in their business areas and be in the position to make decisions and sign off the future solution for their area. The process owners will need to be involved in the tendering process and programme preparation on an ad-hoc basis. Experience shows, that achieving the desired solution and facilitating the adoption of this, works best if process owners are fully allocated to the project during the implementation. This should be taken in consideration when identifying resources, and an approach to backfill their BAU role will need to be identified.

Note: We have identified some gaps in internal resource availability in some areas, where we are considering resourcing externally, and rely on external SME's (process owners) to get up to speed with the internal processes, identify gaps and help with improvement suggestions for the future solution.

During implementation a workstream PM with specific knowledge of the chosen solution is recommended to work closely with the process owner to ensure the best outcome. The PM can be either SI, other 3rd party or internal resource if the expertise exist in house.

The role of the working group and detailed activities throughout the various phases of the programme will vary, however, some of the key responsibilities will apply throughout the programme:

- To develop a collaborative and transparent joined up approach across functions throughout the life of the working group to support the ERP Programme and aim to ensure alignment with the City's principals and governance
- To ensure key business requirements have been captured and signed off across functions
- To consider the programme drivers and objectives when defining requirements and business process
- Commit to the benefits set out and work towards realising them throughout the programme
- Identify any gaps that may jeopardise the delivery of objectives and benefits
- Work with the project board to identify appropriate resources to support the programme delivery
- Identify/highlight any risks, issues and dependencies and work with the programme team to mitigate and resolve those
- Actively consider and apply lessons learnt from previous similar programmes
- Be change champions
- Review and approve the ITT pack and recommend it for sign off to the steering group
- Contribute to the future solution design adhering to the design principles agreed



The role of the Steering Group

The ERP Member Steering Group will be established to provide a strategic oversight of the responsibilities undertaken by the ERP Solution Project Board. Its objectives and functions will include the following:

- Provide a speedy governance process throughout the lifecycle of the ERP Programme
- Provide a strategic steer on the approach, vision and objectives at a senior level and across the board
- Approve key programme deliverables where this is required over and above Project Board approval
- Ensure that the deliverables align with other projects across the Corporation (including the implementation of the Target Operating Model)
- Be a point of escalation for critical risks and issues, and facilitate the timely resolution of these
- Support the ERP Project Board in the change journey and provide clear messaging regarding the objectives and design principles of the programme
- Meet regularly (once a month) to review programme updates and unblock challenges that may hinder programme progress
- Encourage stakeholder engagement across the board
- Represent the stakeholder committees and facilitate prompt decision making

Detailed Lessons Learnt

1. The product selection process should be much more robust and challenging. Visits to Bolton or BAA as users in part of OPN were not robust enough or the answers and references were too easily put to one side or ignored. Both of the reference sites explained that they were limited users of OPN but the implications of this weren't fully considered.
 2. The proof of concept was too high level and failed to address how short comings would be resolved. Given the level of bespoke development we did not see the end to end process before signing the contract
 3. Future projects involving this level of business complexity should be business led. Although Oracle started off with a business led project board and steering group, it wasn't business led until directors took over responsibility for delivery of specific work streams. The change really helped the business understand the system, to a detail it had not previously appreciated
 4. The greater level of detail required increased resourcing. Estimates on the amount of contractor and staff time required for complex, bespoke projects should not be underestimated. Appropriate staff resource levels need to be in place from the outset and the duration to avoid fatigue and high attrition rates.
 5. The R12 Financial upgrade and OPN implementation were undertaken on an unrealistic financial budget. Enhanced project robustness in budgeting both regarding time and resources is required. Reducing the number of PWC development days has cost the programme in both time and internal resources.
 6. Programme management and coordination starts with and delivers the fundamentals of Change Management. Staff involved in the programme were often Page 188 NOT FOR PUBLICATION IT Division Page 13 of 17 unfamiliar with project terms and acronyms which led to confusion and anxiety. The big picture and end result is important to describe but so are the basics to ensure everyone is together on the journey
 - Programme governance played a vital role in the successful delivery of this programme. It was setup to ensure the effectiveness of the programme, helping to ensure that the right projects were done well. There were however areas of governance that needed tightening up at times. Programme governance needed:
 - The ability and confidence to challenge the language, actions, verbal and written of consultants.
 - More regular validation programme progress against agreed milestones and time lines.
 - To ensure consultants and suppliers fully engaged with the appropriate parts of the business and their needs and views were fully understood.
1. CoL is still siloed as an organisation; and culturally there is a desire to do things „the way we have always done it“. Sometimes this is entirely appropriate; in other instances it hinders improvement. It is always difficult to change behaviours in any organisation, but we have had years and years of customising the way we do things to fit various stakeholder requests. It takes time and planning and being able to see how the end to end processes work to change this. As the Oracle Property module had to be tailored to fit the UK and then to CoL - we were not able to see how the process should work end to end before implementation - which proved to be a challenge and disadvantage
 2. We also did not understand at the beginning that Oracle Property module was not an integral part of the Oracle functionality- such integration is important as we had a key goal of „one version of the truth“. OPN is a separate module that speaks the same language. Had we understood this, the business case for OPN would not have been nearly so compelling.
 3. We had to scale back deliverables in order to achieve go live on time i.e. General Ledger forecasting and Project Accounting had to run to later time frames. This will only be successful if these streams get the same level of commitment from the organisation to deliver them as would have been as part of the project governance
 4. The City of London has long recognised that, as a world class organisation, we need to define not just what we do, but how we do it. In order to focus on this, Chief Officers have identified three core behavioural values: Lead, Empower and Trust. These Values are part of the Core Behaviours of the Performance Development Framework used in appraisals however people appear to fear making a decision that they may be later „blamed for“ or perhaps people are so used to working in their own areas and doing things in a specific way that they struggled to form a suitable solution from an objective standpoint. It became apparent throughout this programme that Chief Officers and Directors were required to spend unwarranted amounts of time in meetings to resolve issues that ought to have been resolved at more junior grades.



Programme Objectives

- Collaboration: Improved communication and streamline processes between departments and use of automation where applicable.
- Infrastructure: simplified IT estate (on-premise), reduced support costs of hardware, decreased reliance on third party partners (Agilisys, MHR, etc) related to upgrades, data management, system faults, downtime, etc.
- Administration: Improved quality of service to users of the system, centralised support team to manage user queries and resolve problems, data available as a single source of truth, reporting made easier and accessible across the organisation.
- Business Management: Better management of; departments and budgets, supplier and support contracts, adaptability to business or legislative change, Improvements in Self Service and maintenance request management
- Alignment: align the operational and corporate strategy
- Partners: improved relationships with partners, ability to negotiate better pricing on additional functionality, closer working relationship in developing the solution
- Enterprise: Clear enterprise wide communication, reduced training needs as one product range, improved user experience and quality of service
- Costs: reduced IT estate, reduced third party support, decommissioning of systems
- Scalability and Flexibility: ability to adjust to the expanding needs of The City (i.e. future business interests), ability to deploy IT systems quickly to differing ways of working and ability for OnDemand access to essential IT systems using different equipment (laptops, tablets, mobile phones) or software (mobile apps or web apps)
- Data: Recording, reporting and auditing data from a single source of truth.
- Knowledge: improved delivery of training to personnel as a single system provides L&D manageable means to develop and deploy training business wide. This increases user knowledge and upskilling of staff is made easier as personnel as already proficient in using a familiar system

Programme Approach

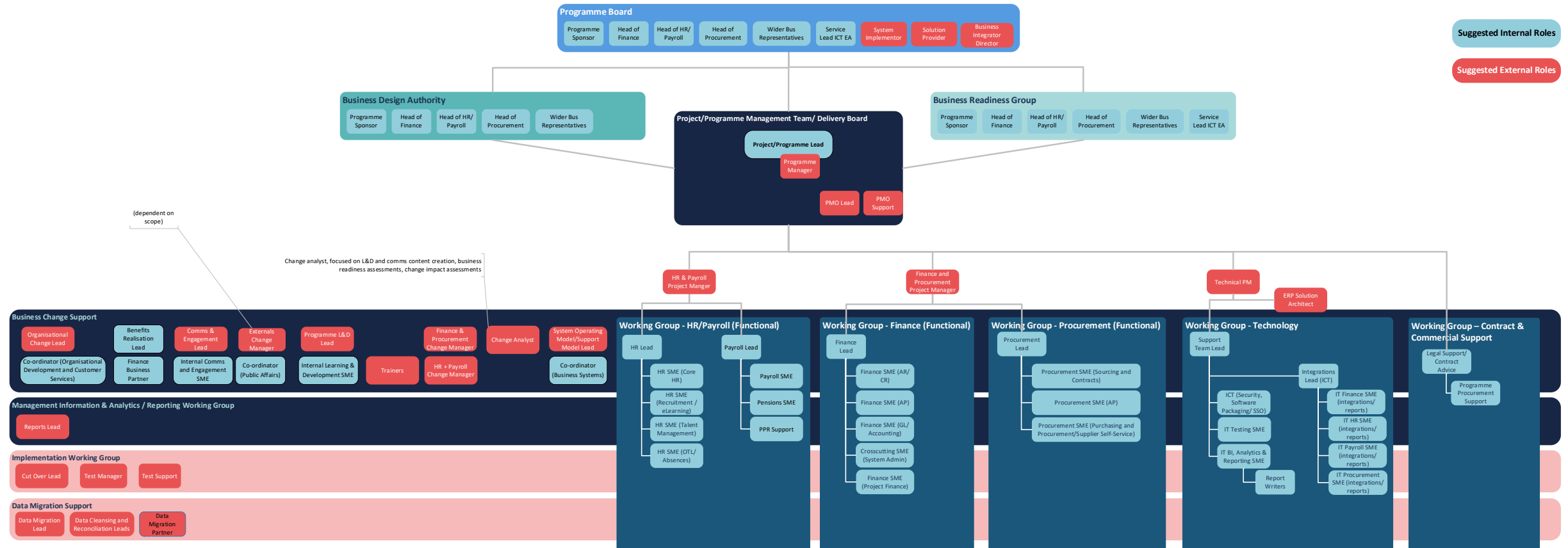
In partnership with Socitm Advisory, we used their standard ERP Framework phases to guide us on our ERP journey:

Discover	Define & Develop	Procure & Prepare	Implement	Embed	Scale, Improve, Refocus
<ul style="list-style-type: none"> Understanding the as-is and your current Performance and pain-points Building your case for change 	<ul style="list-style-type: none"> Defining your future organisational direction Defining Service and Process Improvement priorities Developing your functional, reporting, technical and interface requirements Developing your principles and requirements of your Implementation approach Gaining Commitment to your Outline Business Case Preparing to go to market 	<ul style="list-style-type: none"> Procuring new suppliers Making key Organisational Design Decisions that will influence system design and configuration Mapping your transformation journey Preparing your data for migration Preparing your People for Change Preparing to measure your benefits Putting all necessary plans and approaches in place Identifying and mobilising Implementation Resources Gaining final approval to proceed 	<ul style="list-style-type: none"> Overall Assurance of Programme success Strategic & Service Readiness, including transitioning to new Systems Operating Model and delivering identified Service Improvements People Readiness Process Readiness Systems, Data and Reporting Readiness Developing Benefits evidence Ensuring Information Compliance Assuring Programme Delivery Assuring Commercial Performance 	<ul style="list-style-type: none"> Ensuring adoption of the new system and new processes Embedding and Improving your new Operating Model Realising benefits 	<ul style="list-style-type: none"> Measuring outcomes delivered and identifying any gaps Reflecting on lessons learned to inform future transformations Agreeing your next areas of focus for Transformation



Programme Resources

The organisation chart below illustrates a typical ERP Programme team structure. We are currently working with stakeholders on detailed programme resourcing, assigning individuals for the various roles and identifying gaps and ways to fill those gaps.





May 22 - Actions

No	Action	Owner	Due by
1	Define and Agree Pre-Implementation Scope	WG	15/05/22
2	Gain Chief Officer commitment to the ERP Transformation Programme- update and requests to Executive Leadership Board	CAB	31/05/22
3	Project Board to be expanded based on ELB recommendation.	CAB	15/05/22