

The Department for Work and Pensions forges a rapid e-transformation path

Executive Summary

CUSTOMER NAME

- Department for Work and Pensions

INDUSTRY

- Public Sector

CHALLENGE

- Aligned with its modernisation vision, the DWP wanted a rapid deployment capability to drive efficiency, secure cost advantage and instil positive culture change across the organisation

SOLUTION

- With Cisco's help, the DWP has accelerated its move to e-enabled Human Resources – delivering early synergies, organisational learning and a new set of behaviours and values

BUSINESS VALUE

- With over 130,000 employees due to benefit, the DWP has rolled out its staff information system in record time, releasing around 100 people from its Service Centres and delivering savings of £1.2 million per annum
- The use of 'Ruthless Execution' methodology and the considerable organisational learning from the pilot will significantly improve delivery of the DWP's Resource Management System, which is a strategic Oracle e-Business suite implementation for DWP-wide HR and Financial functions

With policies and programmes that affect virtually every family in the United Kingdom, the DWP places efficiency at the heart of its organisation. Leveraging Cisco's experience of implementing complex projects in rapid timescales, the DWP has introduced Oracle e-Business suite functionality, delivering early savings and laying the foundations for future culture change. Equipped with a blueprint for managing fast change projects, the DWP continues to accelerate towards its vision for modernisation.

CHALLENGE

The Department for Work and Pensions (DWP) is responsible for the Government's welfare reform agenda. Through policy it deals with serious UK social issues, such as sustaining employment levels, providing security for those who cannot work, reducing poverty among children and pensioners, and improving the rights and opportunities for disabled people. The DWP currently employs around 130,000 people UK-wide.

In response to the Government's plan to transform social services in the UK, the DWP is undergoing major change. New working practices, the demand for higher standards of operation and greater access to information have all had a profound effect on shaping the organisation's future strategy, as it continues to strive to improve welfare delivery, productivity and efficiency.

Modernisation, however, presented a significant challenge. Already aware of inefficiencies – due to process and resource duplication, diverse support systems and high levels of manual processing – the DWP understood the complexity and scale of the transformation task. A move towards a new business model would necessitate



Prepared by Cisco Systems, Inc.
Internet Business Solutions Group

not only changes in current technology, and its use, but also fundamental cultural change.

CISCO EXPERIENCE SHARING

Cisco Systems is a strategic supplier to the DWP and there is a history of best practice sharing between the two organisations. The DWP's executive team was interested in the potential benefits of e-transformation and invited Cisco's Internet Business Solutions Group (IBSG) to prepare a preliminary report on the network infrastructure requirements of an e-enabled organisation.

The initial report was well received. IBSG ran a series of 'mentoring' workshops across the organisation – based upon Cisco's own experiences and its collaboration with other companies that had run successful e-transformation programmes – and worked with the DWP to identify 'hot spot' areas that would benefit most from e-transformation.

Following this study, IBSG was asked to engage with the DWP HR senior team responsible for providing employee services. A major business objective for the HR community was to achieve significant headcount reductions through the early delivery of savings from the implementation – across the HR, Finance and Procurement functions – of an 'out-of-the-box' Oracle solution for a Resource Management System (RMS).

“RUTHLESS EXECUTION IS ABOUT OPEN COMMUNICATION, TRUST AND CLEAR LEADERSHIP TO CHANGE CULTURE IN A WAY THAT BENEFITS STAFF AND THE ORGANISATION ALIKE. THE TOUGH WORDS HAVE NOTHING TO DO WITH THE OLD BLAME CULTURE OF SANCTIONS AND CHANGE BY DIRECTIVE. CISCO HELPED US TO EMBRACE THIS PHILOSOPHY AND BRING IT TO LIFE.”

Sandra Robinson, IS Director HR and Finance, DWP

Drawing on Cisco's experience, the HR senior team realised very early on that the sheer scale of RMS – delivering a packaged solution and new system to over 130,000 employees and the magnitude of cultural change it represented – was a major task. The DWP was also faced with another big business issue: employee sick absence was reaching unacceptable levels, returning a daily average of around four per cent across the whole organisation.

RUTHLESS EXECUTION

IBSG ran a series of back-to-back presentations on a management concept called 'Ruthless Execution' to over 500 HR personnel, providing examples of how other organisations had adopted the methodology – which focuses on governance, competencies, metrics, and project segmentation – to establish realistic targets and timeframes, and execute quickly on opportunities.

The presentations explained that *Ruthless Execution* are two words that nearly everyone misinterprets in the business context: Walking over people to meet a goal or firing them if they don't complete the project on time and on budget is *not* ruthless execution. The concept is more complicated than simple statements such as, 'When the going gets tough, the tough get going.'

In a true atmosphere of ruthless execution, leaders at all levels instill a culture of operational excellence and focus: If you've exceeded expectations, you've met your goal. More important, it also means that failure is acceptable. No matter how hard a team may work, sometimes a

project's complexity is more intense than originally anticipated, making it impossible to complete on time or on budget. If leaders create the appropriate cultural environment, failed projects won't ruin careers. Instead, the company will identify lessons learned as a natural part of the project cycle and apply them to future projects.

Governance, competencies, metrics, and project segmentation are the elements that make Ruthless Execution work.

Sandra Robinson, IS Director HR and Finance for the DWP, explains: "Ruthless Execution is about open communication, trust and clear leadership to change culture in a way that benefits staff and the organisation alike. The tough words have nothing to do with the old blame culture of sanctions and change by directive. Cisco helped us to embrace this philosophy and bring it to life."

Building on the success of the presentations, and the foundations this had laid for culture change, IBSG worked with the senior HR team to develop the HR Rapid Ruthless Execution project and implementation of the staff information system – a bare bones implementation using standard Oracle HR functionality in vanilla form.

"ALTHOUGH SIMPLE IN CONCEPT, GIVING INDIVIDUALS ACCESS TO THEIR OWN RECORDS REPRESENTED A MASSIVE STEP CHANGE IN TERMS OF CULTURE."

Esther Stewart, HR IS/IT Modernisation Programme Manager, DWP

PATH TO E-TRANSFORMATION

The staff information system had several objectives. It offered a path to delivering important headcount targets and a tactical solution to commence reduction of the negative trends in sick absence – empowering line managers with web-based automation. By providing a stepping-stone to RMS, the staff information system represented a pilot to highlight valuable lessons to the project team and user community ahead of full implementation of the Oracle HR e-Business applications. Importantly, it helped to demonstrate what could be achieved by using the Ruthless Execution methodology, and continued to build support for change across the DWP organisation.

With functionality limited in the initial pilot to the creation and management of a staff database, covering sick absence and transfers, for the first time managers and employees were able to access and validate their own records online. Esther Stewart, HR IS/IT Modernisation Programme Manager in the DWP puts this into context: "Although simple in concept, giving individuals access to their own records represented a massive step change in terms of culture."

In the months leading up to the project launch, IBSG supported the HR project team and the IT functions, helping to oversee the various partners involved in the staff information system implementation – such as Oracle, Cap Gemini and EDS – ensuring the project made progress and remained on track with regular checkpoint meetings. Adopting the governance principles of Ruthless Execution, the project team's 'can do' mindset, strong leadership and effective decision making began to instil further cultural change.

However, it was not all plain sailing. Interfaces had to be built between legacy systems and the new HR Oracle database, enabling legacy systems to continue to function in parallel. The project team's Ruthless Execution approach had to be applied to replace bureaucratic, lengthy processes and procedures with new 'fast-track' working practices. For example, the process for standard system changes that used to require detailed functional requests and multi-approval signatures, was replaced with scheduled 'sign-off' workshops – minimising any potential conflict while ensuring every business unit retained a say in system design and functionality.

The staff information system pilot was launched to plan, initially within the Disability and Carers unit, and has been rolled out across Jobcentre Plus, the Pension Service and the Child Support Agency, increasing the number of connected users to over 130,000 employees.

“CISCO ACTED AS OUR TRUSTED ADVISOR, IMPARTIAL FACILITATOR AND CATALYST FOR CHANGE. THIS PROVED OF REAL VALUE IN ACHIEVING THE CHANGES NECESSARY TO MOVE AWAY FROM BESPOKE SOFTWARE DEVELOPMENTS – WITH HIGH CUSTOMISATION NEEDS – AND FOCUS MORE TOWARDS INTRANET-BASED INDUSTRY STANDARD, PACKAGED SOLUTIONS.”

Sandra Robinson, IS Director HR and Finance, DWP

BUSINESS VALUE

With minimal risk and significant return, Cisco has helped the DWP to introduce e-enablement and secure early benefits ahead of the implementation of RMS. Employees are now able to access their own records and amend their personal details – gaining experience of Oracle self-service functionality – and have already updated over 25 per cent of records held by HR. Digitalised HR processes have removed thousands of person-days of IT activity – previously associated with managing this data cleansing task – with annual savings of over £1.2 million. Automated sick absence reporting and workflow management has replaced manual processes and enabled HR to identify headcount savings of around 100 people from its Service Centres.

The staff information system is expected to provide other key benefits to the organisation including better management information for sick absence – where the DWP is currently monitoring results – providing more accurate staff records and improved training availability with access to courses through a central booking function.

However, while the delivery of headcount efficiencies, financial savings and other benefits are strategic imperatives, in many ways the real business value lies in the organisational learning and new cultural foundations provided by the project. With a lead time of only six months, from concept to implementation, it has enabled the DWP to create a blueprint – through the adoption of the Ruthless Execution methodology – to drive change and manage future complex projects in rapid timescales.

Looking ahead, IBSG has produced an extensive report to capture the key learnings from the staff information system project implementation and has presented a set of recommendations to help the DWP to apply these learnings to future projects. With a clear migration path to

RMS – delivering further efficiencies and savings within its Finance and Procurement functions – and a new strategy to accelerate change, the DWP is well positioned to deliver its vision for modernisation.

Sandra Robinson concludes: “Cisco acted as our trusted advisor, impartial facilitator and catalyst for change. This proved of real value in achieving the changes necessary to move away from bespoke software developments – with high customisation needs – and focus more towards intranet-based industry standard, packaged solutions.”

RUTHLESS EXECUTION BLUEPRINT

Based upon the work done by Cisco Systems in researching the success criteria of organisations that have undertaken e-transformation projects, it has become clear that those organisations exhibit a different set of characteristics to ones that are less successful or have failed. One of those characteristics is Ruthless Execution.

The Ruthless Execution methodology is based on the concept that successful organisations possess the ability to execute quickly on opportunities – establishing realistic targets and timeframes to achieve their goals and being prepared to cancel projects where it makes business sense. Governance, competencies, metrics, and project segmentation are the key elements that make the methodology work.

A robust governance model that explicitly states responsibilities and identifies decision makers is essential – as opposed to project teams that employ consensus reaching because it carries low accountability and offers ‘protection’ if projects fail. Typically the project lead or executive sponsor will make the decisions for the team to follow.

Measuring success with meaningful metrics, before and after project implementation, is another key element. Finally, it is important to divide projects into three-month increments. In today’s fast-paced business environment a project’s original objectives can start to drift beyond this, and putting team members – often top performers with other day-to-day responsibilities to manage – on exhaustive long projects can prove costly.

Ruthless Execution is not only a set of principles but also a culture in itself. In a true Ruthless Execution atmosphere, leaders at all levels instil a business philosophy of operational excellence and focus – where failure is acceptable and blame is replaced by a willingness to identify lessons learned as a natural part of the project cycle and apply them to future projects.

MORE INFORMATION

For further information on Internet business solutions, visit <http://www.cisco.com/go/ibsg>



Corporate Headquarters
 Cisco Systems, Inc.
 170 West Tasman Drive
 San Jose, CA 95134-1706
 USA
www.cisco.com
 Tel: 408 526-4000
 800 553-NETS (6387)
 Fax: 408 526-4100

European Headquarters
 Cisco Systems International BV.
 Haarerbergpark
 Haarerbergweg 13-19
 1101 CH Amsterdam
 The Netherlands
www-europe.cisco.com
 Tel: 31 0 20 357 1000
 Fax: 31 0 20 357 1100

Americas Headquarters
 Cisco Systems, Inc.
 170 West Tasman Drive
 San Jose, CA 95134-1706
 USA
www.cisco.com
 Tel: 408 526-7660
 Fax: 408 527-0883

Asia Pacific Headquarters
 Cisco Systems, Inc.
 168 Robinson Road
 #28-01 Capital Tower
 Singapore 068912
www.cisco.com
 Tel: +65 6317 7777
 Fax: +65 6317 7799

Cisco Systems has more than 200 offices in the following countries and regions. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at www.cisco.com/go/offices.

Argentina • Australia • Austria • Belgium • Brazil • Bulgaria • Canada • Chile • China PRC • Colombia • Costa Rica • Croatia • Cyprus • Czech Republic • Denmark
 Dubai, UAE • Finland • France • Germany • Greece • Hong Kong SAR • Hungary • India • Indonesia • Ireland • Israel • Italy • Japan • Korea • Luxembourg • Malaysia
 Mexico • The Netherlands • New Zealand • Norway • Peru • Philippines • Poland • Portugal • Puerto Rico • Romania • Russia • Saudi Arabia • Scotland • Singapore
 Slovakia • Slovenia • South Africa • Spain • Sweden • Switzerland • Taiwan • Thailand • Turkey • Ukraine • United Kingdom • United States • Venezuela • Vietnam • Zimbabwe

Copyright © 2005 Cisco Systems, Inc. All rights reserved. Cisco, Cisco Systems, and the Cisco Systems logo are registered trademarks or trademarks of Cisco Systems, Inc., and/or its affiliates in the United States and certain other countries.

All other trademarks mentioned in this document or Website are the property of their respective owners. The use of the word partner does not imply a partnership relationship between Cisco and any other company.

(0406R) 09/05
 Printed in UK