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Jeff Taylor, Department for Work & Pensions

CHANGING THE DWP

Transformational government – a daunting sounding term, and one that can be hard to pin down. For one thing, where do you start on such a mammoth exercise?

On face value, The Department of Work and Pensions (DWP) would seem to epitomise this challenge: a huge organisation, with 105,000 staff, encompassing a number of different units and Executive Agencies. Added to this, Sir Peter Gershon’s Spending Review 2004 targeted the Department with significant efficiency gains.

The DWP responded with a number of programmes, including the rollout of ‘Resource Management’. This involved updating and centralising core back office functions (finance, procurement and HR/payroll), assisted by one of DWP’s key partners: Fujitsu Services. The implementation of the Oracle 11i e-Business Suite with good practice processes, has allowed the Department to replace a range of bespoke systems and many clerical activities, and has also enabled the introduction of a new Service Delivery Model, with self-service being the primary means of service for the 105,000 staff within the Department.

SUMMARY OF KEY FACTS

Organisation

Department for Work and Pensions (DWP).

Service/s delivered

To implement, host and manage one of the world’s largest Oracle e-Business Suite solutions, including Finance, Procurement, Payroll and Human Resources core functionality.

Key Metrics

- Significant annual expenditure budget.
- Currently employs around 105,000 staff.

Benefits

- Increased efficiency – streamlined and fully integrated processes require much less manual intervention.
- Lower costs – will enable more effective, cross-departmental purchasing to negotiate even better value.
- Improved productivity – staff can quickly and easily access and share all of the information needed to do their ‘back office’ jobs.
- Reduced staff overheads – will incorporate a large element of ‘self service’, reducing administrative support.
- Better decisions – through consolidated information management and improved analysis and reporting.
- Simplified support – system support and maintenance is much simpler and more cost-effective.

TRANSFORMATION THROUGH PROCESS CHANGE

It’s these critical business processes that have been instrumental in changing the Department’s working practices and delivering the efficiency gains required by the Gershon Review. Since last September the Resource Management project was led by the DWP’s Jeff Taylor, who had been heavily involved in the design of many of the organisation’s original systems. Who better to update legacy systems than the man who had a hand in developing them in the first place?

Taylor comments. *“We had grown and changed so much over time, to the point where we had a number of systems, many built from scratch. All of these worked well in isolation – but the transformational programme had a wider goal, to improve the efficiency and effectiveness of the entire organisation. Fujitsu was chosen to support us in this programme as they offered both the best match to our needs and the best value. They had experience in large scale implementations within the public sector, which gave us confidence.”*

“The opportunity we saw was to move to a single off-the-shelf suite of systems. This involved centralising and consolidating HR, finance, payroll and procurement across the various organisations within the Department. This would give us far greater flexibility and, most importantly, it would give us the central visibility and control that we needed.”

CASE STUDY

DEPARTMENT FOR WORK AND PENSIONS

LESSONS LEARNED

Don't over-engineer: go for workable standards.

Work for compromise: be flexible, but think of the organisation as a whole, not just individual teams.

Engage stakeholders: set expectations, any transformation will involve change, some may find this uncomfortable.

Start small, then grow: take a phased approach to minimise risk.

Learn: work with an expert partner, and make sure you build the skills and experience of your team.

This single real-time source of management information enables the DWP to identify and target cost savings across the organisation. It now has a more complete view of purchasing activity, helping it cut unnecessary expenditure and put in process controls to prevent duplication.

“Ad hoc buying can be a problem in any organisation and by centralising control you eliminate this. It can be unpopular, as people don't have the freedom they did beforehand, but it improves our overall governance. We're cutting waste and putting in the best practice procedures that a well governed organisation needs to maintain control.”

SELF-SERVICE AND AUTOMATION

Beyond the central control and visibility, the Resource Management rollout has changed behaviours across the organisation, moving many administrative tasks to automated delivery. Jeff Taylor comments. *“We're moving to a self-service approach for previously manual tasks, such as payslips, expenses and basic HR queries. And despite this being a large and complex project, Fujitsu hit their milestones throughout, and maintained such good system performance that we experienced a pleasant 'silence' from our people when we went live with on line payslips that attracted up to 70,000 users per day accessing the system.”*

From a financial perspective, the increased accuracy and speed of reporting has been a major benefit. The DWP now closes its month end accounts in a few days, rather than a few weeks. This year's annual accounts were completed in record time.

John Codling, the DWP's Group Finance Director comments. *“We always had a really clear business case for this programme, it's essential for something of this scale, but the outcomes have been extremely positive. We've delivered increased efficiencies through centralisation and automated processes, changed working practices and have improved our general level of corporate governance.”*

ENGAGING THE STAKEHOLDERS

That's not to say that this project has been plain sailing. Jeff Taylor comments. *“One of the key challenges has been to engage all the key stakeholders and set their expectations. There will always be a compromise required from individuals; it's about moving to standards, not what's best for each person. This has meant changing mindsets – getting people to understand that the benefits to the organisation as a whole, outweigh some of the individual autonomies of particular operations.”*

Training has also been critical to the success of the programme. Functions such as payroll and HR affect all of the DWP's people, so the implementation involved e-learning tools to ensure people made the best use of the systems. The DWP also took the time to embed the new ways of working within the organisation's culture.

This approach involved doing the project in phases – which helped the team learn valuable lessons before committing to large-scale rollouts. Jeff Taylor explains. *“We started with the finance system as it affected less of the workforce, than say payroll. This way we could learn practical considerations in as low risk an environment as possible. Even so, we took the view that if anything went wrong we'd never shy away from turning off the system and reverting back to the old one. I'd never advise trying to struggle on with problems in a live environment, you'll just damage the project's reputation.”*

DON'T GO IT ALONE

Fujitsu Services was the DWP's key IT partner in the Resource Management implementation, working hand-in-hand with Oracle and IBM Consulting. Jeff Taylor sees the role of partners as essential to project success. *“You've got to have partners who will genuinely play as an extended part of your team and work together, which Fujitsu did admirably. Fujitsu offered us the reassurance of service all the way through, taking our issues seriously, resolving problems and making sure that the systems worked and stayed working, whatever the change in workloads or requirements.”*

Collaboration between project and other professions, using methodologies in a pragmatic manner, and effective governance arrangements have successfully delivered one of the largest business transformations and Oracle implementations in the world, and have placed the DWP in a unique position to provide cost-effective Shared Services across Government.

The success of the project has generated increased interest across Whitehall and the team is now talking to other government departments about learning from the experience. Jeff Taylor sums up his experience. *“It's not an IT project, it's a change project – using technology to completely redraw working practices. It's absolutely a tough journey to go on, but our organisation is in far better shape now and more able to meet the future challenges than before, but we still have a way to go to realise the potential of our investment. Above all, we know that we need to offer better value and accountability to UK taxpayers. And for me that's what the transformational agenda is really all about.”*

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