

Client Case Study



The City Of Edmonton Adopts a New Decision Making Tool Called “Value Management”

Based on Fujitsu Consulting’s Enterprise Value Management (EVM) Methodology

Profile

Situated along the banks of the North Saskatchewan River, Edmonton is Alberta’s capital and Canada’s fifth largest city. It has a population of approximately 712,000 within its boundaries, and is nearly one million within the metropolitan area.

The City of Edmonton has proudly emerged as one of Canada’s most exciting and fastest growing cities, offering civic services that contribute to the safety, security, well-being and enjoyment of Edmontonians.

Business Need

As one of the fastest growing cities in the country, the City of Edmonton is constantly stretched with resources, time and dollars to support the growth. In addition, the City, as is the case for most municipalities, is not a “single-line-of-business” organization. As a matter of fact, there are at least 43 distinct lines of business and in many cases, focused on very different strategic goals and objectives. This makes decision-making an incredibly challenging task for the City’s administration. Further, as government organizations change worldwide, there is an increasing focus on accountability and on results. Managing to those results and governing the City’s decision-making processes to achieve business success is starting to become a critical service delivery issue to both the City Council and Edmonton’s citizens.

In 2003, the City of Edmonton reviewed its IT Governance processes, with particular interest in understanding how to achieve the maximum value from its technology-related strategic initiatives. The City of Edmonton was looking for improvements in both selection and execution of its initiatives. It already had, in many departments a defined business case review process in place, but recognized the need to:

- Standardize this process across all of the departments
- Provide the decision-making bodies with better tools to help them make consistent/repeatable/supportable decisions
- Commit to achieving specific, measurable outcomes from these investments



Think
Value
Management

This required a new understanding of what value actually means to the City, how risk was defined and what was measured to determine performance success for the proposed initiatives, so that the City's strategic objectives could be confidently achieved.

At the same time e-Business was taking off in Edmonton, as a means of increasing the reach and responsiveness of its services to citizens, employees and suppliers, whilst helping reduce costs.

As part of the set-up for the new e-Business Steering Committee, it was agreed upon that this group would be a perfect test-bed for a new governance process that, if successful, would then be extended to the next target segment of the decision-making process.

Approach and Scope

A pilot test of the Fujitsu methodology was conducted for the year 2003 on the e-Business initiatives. A team from Fujitsu Consulting was contracted to complete the requisite Value Cases and provide the decision-making body (the e-Business Steering Committee) with the comparative results to help them make their decisions. Upon the successful completion of the pilot test of the methodology, the City's Senior Management Team, and the newly formed IT Business Council approved the use of the methodology for all IT-enabled business change initiatives.

As it had done in the past, the City licensed Fujitsu Consulting's MacroScope®, this time, in 2004, adding a suite of modules specifically designed to help implement Enterprise Value Management (EVM) to manage its e-Business portfolio. A joint program team (Fujitsu and City resources), working within the Corporate Services Department, was then formed with a first phase goal of preparing the tools and techniques for implementation along with taking a serious look at exactly how that implementation would happen successfully. Fujitsu Consulting worked with the city to develop a plan to embed EVM into all of the City's processes and to take ownership of it as the City's new approach to decision-making and then further to garner the stated business success from IT-enabled changes for the subsequent year

The activities in the preparation year, 2004, included:

- Development of City specific EVM templates and usage guides, calibrated to the City's objectives ("citifying the tools")
- Preparation of an initial candidate list of initiatives for application of the EVM process (e-Business initiatives were mandatory participants, but there were also voluntary participants who wanted to test out the new process)
- Development of process models to assist the integration of EVM with the City's other governance processes (there was a complementary yet parallel change initiative at the time that was looking at the budget processes at the City to try to align them and have them work together in a more seamless manner)
- Preparation of a transition and communications plan for the implementation of EVM (recognizing that the transition to Value Management was a significant cultural change and required a structured, managed approach to ensure that sustainable change continues through the years)

On successful completion and review of phase one, the City approved and initiated the implementation phase to integrate EVM into the City's governance processes. This was the first stage where the City truly took ownership of the methodology and made it their own.

This phase, implemented in 2005, included:

- Further refinement and development of a change strategy
- Development of an identity and marketing materials for Value Management
- Development and delivery of training materials for designated coaches and/or key influencers in the use of the methodology
- Coaching on value case development and facilitation of workshop sessions

Testing of the new monitoring, measuring and reporting process for highlighting business as a result of the value cases initial planning (investment decision) and the on-going management of the project to completion. The next phase, scheduled for 2006, will have an additional focus on implementing this last component of Value Management

Benefits

The plan from the initial test project was to introduce the concepts at the City to the point where the methodology was broadened to include all IT projects. The strong support to move forward with it in exactly that way for the IT Business Council is a testimony to the pilot project's success. The EVM techniques were also applied to service (non-IT, operational) issues, which provided additional insight into the key service delivery gaps or issues requiring attention in order for the City to achieve its objectives.

Two full (4-day) training courses were held, and the transfer of skills from Fujitsu Consulting to the City is well underway. Through training support provided by Fujitsu Consulting, the City now has 4 EVM coaches in training and has trained a total of 36 stakeholders in the EVM processes. The City has also conducted 10 short, 90-minute familiarization sessions to a total of approximately 100 individuals, and has, to-date, conducted 30 value cases with anywhere from 2-20 participants in each. The word is spreading and participants in one value case are often starting to be participants or sponsors of additional value cases.

Through the use of EVM, the City of Edmonton is working to integrate its investment decision processes to its ongoing performance measurement, establishing a tie between selection and execution, a key component of successful strategic management.

As the City of Edmonton moves forward with the full vision of Value Management, Fujitsu Consulting remains a loyal business partner, committed to the further enhancement and development of the EVM Program and concepts. Fujitsu Consulting continues to provide coaching and supplemental resourcing, supporting the City's transition to self-sufficiency in managing for Enterprise Value.

About Fujitsu Consulting

A trusted provider of management and technology consulting to business and government, Fujitsu Consulting is the North American consulting and services arm of the \$43.2-billion Fujitsu group. Fujitsu Consulting integrates the core expertise of the Fujitsu companies and its partners to deliver complete solutions in the areas of enterprise information management, packaged application implementation, legacy systems modernization, IT governance, managed services and business process services. Through its full range of IT consulting, implementation and management services and its industry-recognized strategic approach, Macroscopic®, Fujitsu Consulting enables clients to build more value into their IT investments and drive their leadership in the marketplace.

We work with you to create solutions and produce results that drive your business.

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