Challenge
The Home Office is the UK government department responsible for leading the national effort to protect the public from terrorism, crime and anti-social behaviour. In October 2000 the Home Office awarded Fujitsu a ten year Private Finance Initiative (PFI) contract to provide IT infrastructure, telephony and support services for 25,000 users. During 2003 the Home Office implemented the first fully integrated Enterprise Resource Planning (ERP) solution in central government, covering Finance, Procurement and Human Resources (HR). The system, called Adelphi, was based on the Oracle E-Business Suite and Fujitsu was contracted to build and manage its ongoing operation.

Three years later the Home Office decided to upgrade the Oracle application and tailor its functionality to suit its specific operational requirements and processes. It also wanted to introduce a shared service model for the management of its back-office functions in order to improve their efficiency and cost-effectiveness. So, in 2006, the Home Office initiated a Shared Business Service (SBS) programme to achieve these aims.

John Collington, Group Commercial Director, Home Office, says, “SBS was a demanding project for the Home Office and got to the point where it was officially described as ‘challenging’. However, before I took over as Programme Director, it became clear that the main reasons for this were a lack of clear leadership and focus concerning what the project was trying to achieve.”

Solution
As Phase 1 of the SBS project, the Home Office had already committed to moving its Accounting Service for Adelphi on an ‘as is’ basis to a Shared Service Centre in Newport, Wales, operated and supported by HM Prison Service (HMPS). So, the transition of its existing accounts payable, employee expenses and Oracle user support facilities was successfully completed in February 2008.

At the same time, the Home Office began a series of intensive workshops with representatives from all levels of HR, finance and procurement to determine exactly what they expected the upgraded Adelphi system and shared service to provide. The Home Office found these ‘deep dive’ reviews very enlightening as they were a real catalyst for change and showed a clear need for business ownership by each department. It also chose to appoint Fujitsu as a strategic partner to help drive the SBS programme, because of its experience and expertise in Oracle upgrades and willingness to share some of the risk.

Initially, Phase 2 of the new SBS project plan developed by the Home Office and Fujitsu focused on achieving some ‘quick
wins’ by exploiting Adelphi’s existing functionality, such as the use of e-payment slips. Not only did this help to restore confidence that things were finally moving forward, but it also ensured that staff started to use the system, because it meant that they had to be registered.

Phase 3 of the project was broken down into three key elements. Phase 3.1 involved the upgrade of Adelphi’s underlying Oracle E-Business solution from version 11.5.9 to 11.5.10 and this was successfully completed in October 2008. The upgrade went very well, but came very close to the deadline. So the Home Office and Fujitsu focused on the ‘lessons learnt’ and realised that there was a need for much more system and user acceptance testing.

As a result, a further three weeks of user acceptance testing was scheduled into Phase 3.2. This was designed to enhance the Finance and Procurement applications and pilot the use of HR self-service functionality, such as expenses and absence management, with 2,500 users. After just two weeks the HR department was so impressed by the new tools that it asked to extend the pilot to a total of 8,000 users.

The final Phase 3.3 saw the roll-out of the HR module to all 23,000 users within the Home Office. Paul Marriner, Client Engagement Lead, Fujitsu, says, “The department wide roll-out went supremely well. Even though we added over three times the functionality compared to Phase 3.1 the number of issues was a tenth – just 16 calls. This was mainly due to the increased user acceptance testing and the Home Office’s internal audit was very complimentary, especially about the team’s ability to implement the lessons learnt.”

The final Office of Government Commerce (OGC) gateway review also confirmed that a “troubled project had been turned around” and gave the whole project and ‘Amber Green’ status – and ‘Green’ status specifically for Phase 3. John Collington agrees, “With Fujitsu’s guidance and expertise, we successfully delivered a major government IT programme, on time and to budget, which is now delivering tangible benefits to the business, including cost savings of £40-50 million. We can also share the lessons learnt with other departments and realise an even greater long-term return. So the decision to appoint Fujitsu as a strategic partner and our faith in its capabilities have been totally vindicated.”

Based on the success of the project, the programme has now been renamed Adelphi Services and the Home Office is currently working with Fujitsu to bring other parts of the department and agencies onboard in order to achieve and even greater return on investment.

Benefits
Fujitsu’s services in developing and managing the Shared Business Service programme, including the upgrade of the Adelphi system, have helped the Home Office to:

• Improve productivity – provides a better quality of service and more functionality, including a high degree of self-service and more transparency in areas such as sickness and absence
• Optimise performance – by streamlining processes and utilising best practice procedures. So, for example, staff expenses can now paid within days and 93% of supplier invoices are paid within 26 days – an increase of 23% in just five months
• Enhance management – provides more accurate and timely operational information to support improved decision-making

Working with Fujitsu has not only delivered significant savings and improvements, but it has also helped the Home Office make the first steps into outsourcing. John Collington explains, “We’re now in a unique position compared to other government departments, being ahead in terms of our services and the maturity of our thinking. In fact, the SBS programme was the first example of an inter-departmental shared service of this size, so you can’t under-estimate the progress that we’ve made.”

Approach
The active involvement of user departments was critical to the immediate and ongoing success on the SBS project. As well as initiating the ‘deep dive’ reviews to understand their specific requirements, the Home Office also changed the project’s governance model, so there was a steering board including Directors from both operational units and IT, as well as Fujitsu. It also has an Operational Board to drive continuing progress.

Fiona Spencer, Director of Shared Services, Home Office, comments, “Key to the SBS project’s success was good governance and a proven methodology as it meant that there was clear accountability and transparency. And that enabled strong leadership and business ownership, the ability to make tough decisions and trust between all partners. There was also the drive and determination of the Home Office and Fujitsu to make it happen. So, the business owned the programme, but the programme drove the business to deliver, on time and to budget.”

Expertise
With over 40 years experience of supporting the needs of the public sector and businesses around the world, Fujitsu has a proven track record in complex systems integration and application development and management services that reduce costs, improve productivity and customer services and deliver a compelling return on investment.

“There are many reasons why the SBS programme was successful, but the quality of Fujitsu’s people was excellent – as good as any project that I’ve worked on of this nature,” confirms John Collington. “But more importantly we were all working as one team – with a great deal of trust on both sides.”