Sydney Water Customer Experience Program (CxP)

Lessons to Emulate

NSW GOVERNMENT

"If you want to be successful,
the quickest way is to model and study
what other successful people do."
- Warren Buffett

Contents

Foreword

"The real story is a people story, a story about how people at every level made the difference. It is that aspect of the CxP Program that I would like expressed in this foreword."
- George Hunt, CIO Sydney Water

Programs like CxP are often described using the dimensions of 'People, Process and Technology', that's all very normal, especially when reviewing what went well, not so well, and what lessons we learnt.

Those dimensions are wholly relevant and appropriate for a case study review of this program for Sydney Water, there were plenty of significant process and technology complexities, all of which had to be designed, built and tested to within very rigorous standards.

But for the CxP Program that would not tell the real story that sits behind a successful outcome.

The 5 C's McKinsey framework used in this case study lends itself really well to the many things that we did right as a team, and some of the things we could have done better. Each of the criteria in the framework provide useful things to emulate in their own right.

But for every decision that was made, every challenge that was encountered, every artefact and component that was design, built and tested, and every facet of the journey of change that we took the whole organisation on, required a dedicated, committed, passionate and professional team of people that were able to understand, assess, decide and act together as 'one-team' - that's our real story and the one I would like to convey here.

From the outset we always described that delivering CxP would be a journey. A journey that would present us with challenges every step of the way. A journey that would require us to have a mix of skills and experience to navigate the hurdles and obstacles along the way. A journey that would require us to show maturity and be able and willing to make course corrections as we moved through each stage, and a journey that would require a team that could show courage, work together and trust each other to work as one-team focused on one-goal of delivering a successful outcome.

When I have been asked about CxP, the thing I tend to say the most is that this was a 'special moment in time' for everyone involved that will live long in our memories. This amazing team had been entrusted by the Board of Sydney Water to take on, and mitigate one of the most significant operational risks facing the corporation, risks that could not only impact our reputation, credibility and financial stability, but one that could severely impact our customer and stakeholder trust.

The team was selected for cultural fit, behaviour, attitude as well as capability and experience, the governance model was designed to provide the basis for a higher level of Board oversight and engagement than normal, and the planning and approach to delivery was designed to be agile enough to cope with inevitable course corrections along the way. I used to describe programs like CxP as archaeological digs, often stating 'you never know when you will hit rock or hit something unexpected' and you have to be ready for that.

I always felt that our measure of success would come down to how well we responded as a team when we encountered challenges along the way. For me it was always going to be about how the team addressed them and worked together to maintain momentum and keep moving forward.

This program has been an absolute highlight in our careers, it was a period when a special group of people came together, worked as one-team with one-goal, and without fear, took on this challenge. It was such a special journey that it became personal to all of us in one way or another, right up to the Board of Sydney Water who were simply amazing, holding us to account every step of the way, but always encouraging us and supporting us when we needed it the most.

I hope the lessons and learnings contained in this case study prove useful. We did many things right as the case study describes, but as mentioned, the real difference was the people that came together - that didn't happen by accident, they were recruited for their experience, their contribution, their judgement and most importantly their attitude and desire to be part of one-team - that's the real learning point here.

Thank you to the NSW ICT Assurance team for being part of the journey with us, you were all part of that special team and we hope you also enjoyed being part of the successful outcome.

George Hunt
CIO
Sydney Water

"Congratulations to the Sydney Water team led by George Hunt on the successful implementation of the Customer Experience Program. Any program of this size and complexity is a considerable undertaking."
- Mark Howard, Executive Director, Department of Customer Service

Backed by global research, the McKinsey Centre for Government 2017 Transformation Survey found that "80% of public sector transformations fail to meet their objectives" (McKinsey Centre for Government, 2018, p. 4). Based on these statistics, the endeavours of Sydney Water and this program represent great success.

The NSW ICT Assurance function was established in 2016 and assures the State's major ICT programs. It is designed to help Sponsors and Programs across government, deliver value and achieve their intended objectives and benefits, on budget and on time.

Through the assurance function we have access to a large panel of external experts who we carefully select to partner with Sponsors and Programs to ensure we give the right expert advice at the right time through structured independent gateway reviews. The assurance function works best when we can work closely with the Sponsor and Program to focus on the highest risk areas and any specific concerns.

I can genuinely say the engagement with the Sydney Water team was one of respect, honesty and open engagement which enabled the assurance function to contribute to a successful outcome.

One of our responsibilities is to capture and share lessons with programs who are starting out on similar journeys. This has been the purpose of partnering with Sydney Water on this paper and using the program as a case study to share learnings.

The paper has been written using a framework developed by the McKinsey Centre for Government known as the 5 C's Model (McKinsey Centre for Government, 2018). This model is based on global research that identifies "five disciplines that clearly distinguish successful transformations. Change efforts that effectively address all these … are more than three times as likely to succeed" (McKinsey Centre for Government, 2018, p. 5).

One of the key elements of any successful transformation is committed leadership and this was clearly demonstrated by the CIO, George Hunt, who provided strong leadership and flexibility in steering and championing the Program; including maintaining a

close and open relationship with the Sydney Water Board and a trusted relationship with the entire team.

We hope these insights can assist Sponsors across Clusters as they embark on ICT and business transformation to support the delivery of citizen and government services.

NSW ICT Assurance assures the State's major ICT programs. It provides independent, confidential and objective assurance to support on time, on budget delivery, in accordance with government objectives while reducing risk and achieving outcomes.

Mark Howard
Executive Director
ICT Digital Investment & Assurance
Department of Customer Service

Executive Summary

Sydney Water completed a three-year $200m billing and customer care system replacement delivering full scope as agreed by the Board and Sydney Water Executive, within timeframe, and for the costs originally approved.

Replacing core billing and customer systems are challenging projects that typically experience unforeseen issues and inevitably result in cost and schedule overruns.

This Report looks at what lessons may be learnt from Sydney Water's successful Customer Experience Program (CxP).

It uses a framework developed by the McKinsey Centre for Government known as the 5 C's Model (McKinsey Centre for Government, 2018). The model is based on global research and provides a framework for capturing the lessons (and gaps) for successfully delivering large scale public sector transformation programs.

It is concluded that Sydney Water successfully adopted all five elements of the model by establishing a Program with committed leaders, a clear purpose and priorities, a team that operated with a high cadence, compelling communication and a capability for driving organisational change.
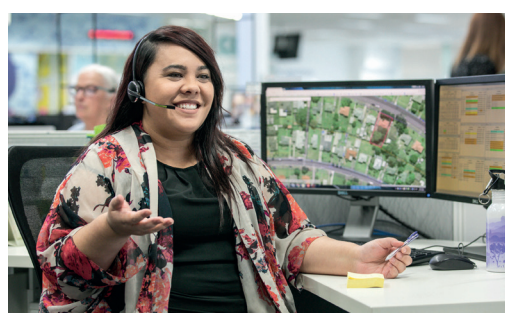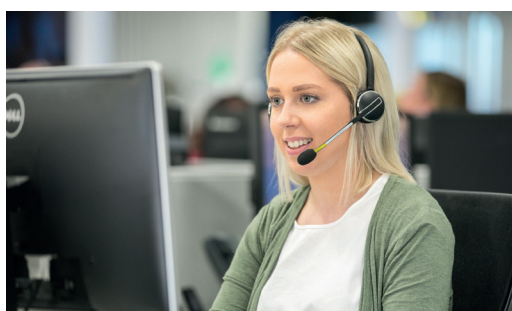
Significantly, it also concludes that integral to Sydney Water's success were "the people", how they interacted and performed - individually and collectively.

The CxP Program assembled an experienced internal team, engaged key business unit leaders and practitioners, partnered with a globally experienced system integrator, and created a 'one-team' culture with high-performance expectations. Everyone involved was encouraged to be an active participant in delivering CxP and discouraged from being an "observer in the grandstands".

Sydney Water's Customer Experience Program met or exceeded internal and external stakeholder expectations.

This Report aims to capture the lessons that may be particularly relevant to other public sector agencies and organisations with an intent that they may be similarly successful.

CHAPTER

1

Background to the Case Study

Background and Purpose for Case Study

Sydney Water's goal is to place the customer at heart of everything they do. Sydney Water promises to be there every day, every time and for everyone.

In 2011, Sydney Water identified that their 30-year-old billing system was at major risk of catastrophic failure resulting in service impacts to customers. Their legacy system, ACCESS (Automated Corporate Customer Enquiry Support System), was critical to the organisation. It was the master repository for customer and property data and enabled billing and payment functions to collect approximately $2.6 billion in revenue each year.

Sydney Water embarked upon a once-in-a-generation program to replace the ACCESS System. The $200m Customer Experience Program (CxP) was approved on 30 June 2016. Just under three years later, CxP successfully went live on 14 June 2019 delivering full scope as agreed by the Board and Sydney Water Executive, on time and on budget.

In any industry, replacing core billing and customer care systems are high risk projects. The challenges of replacing ACCESS were well understood by Sydney Water. Earlier activity on this stretched back as far as 2003 and along with various subsequent programs through to 2015, provided useful lessons that all ultimately shaped the approach taken to successfully deliver CxP in 2019.

This Report aims to capture the key lessons that can be drawn from the Program. Lessons that may be relevant to agencies and organisations other than Sydney Water. It draws upon the experience of the Author, the four ICT Assurance Reviews conducted by the Department of Customer Service (formally Finance and Innovation), and three internal Lesson's Learned Workshops conducted throughout the life of the Program. The Report uses a framework developed by the McKinsey Centre for Government known as the 5 C's Model. This Model, based on global research, provides a framework for capturing the lessons (and gaps) for delivering large scale public sector transformation programs.

The lessons included in this Report were validated by a workshop conducted with Sydney Water on 18th November 2019 after five months of successful operation of CxP and with the benefit of sufficient time to reflect upon the foundations of CxP's success.

Business Drivers and Intended Outcomes

The age of ACCESS, its dependency on multiple satellite systems, and the progressive retirement of experienced staff represented an ever-growing business risk to Sydney Water. CxP's intended outcome was to remove this risk.

It was also envisaged that CxP would deliver additional important outcomes:

> Providing a platform to digitally enable future customer service enhancements and the capability to better respond to future market and regulatory changes;

> Contributing to the Premier's Priority of improving government services;

> Providing a better customer experience by modernising billing and payment functions, improving business processes and increasing efficiency;

> Providing the ability to manage the full customer journey lifecycle from initial contact through service delivery, billing and incident management;

> Reducing architecture complexity by moving to a single SAP platform; and

> Reducing information complexity, improving accuracy and accessibility.

Packages, Suppliers, Size and Scale

CxP was delivered through a consortium of implementation partners selected from the NSW Government ICT Services Scheme and an extensive selection process. Key partners included Wipro, AC3, SAP and Articulate with external Board advisers PwC.

At peak, the program housed over 500 staff with 25 percent residing offshore. Structured testing raised and closed over 8,000 defects and over 1,100 end users were trained. In addition, the program delivered 266 hours of training, 549 simulations and 974 e-learning courses.

From a technical perspective, CxP was designed around the SAP IS-U and CRM modules using a HANA 2 database hosted within the NSW Government Data Centre.

The Program capital cost was $200m over a three year timeframe.

Program Timeline

Business Case
Board Approval
Feb 2016

Treasury
Approval
June 2016

Supplier
Announcement
Dec 2016

Design Signoff
Single Wave Decisions
Business Case Variation
Feb 2018

Go-Live
Jun 2019

Program Closure
Dec 2019

2016   **2017**   **2018**   **2019**

Wipro Mobilisation
Jan 2017 - Mar 2017

Testing
May 2018 - Feb 2019

Business Case Reviews
Detailed Planning
Sep 2015 - Jun 2016

Tendering
Jun 2016 - Dec 2016

Build Phase
Jan 2018 - May 2018

Post Go Live Support
Jun 2019 - Dec 2019

Design
Apr 2017 - Dec 2017

Familiarisation
Feb 2019 - Jun 2019

SAP Delivery Methodology

SAP - Prepare Phase
Jan 2017 - Mar 2017

SAP - Realise Phase
Jan 2018 - Feb 2019

SAP - Go Live Support
Jun 2019 onwards

SAP - Blueprint Phase
Apr 2017 - Dec 2017

SAP - Deploy Phase
Feb 2019 - Jun 2019

CxP received Sydney Water Board approval in February 2016, Treasury approval in June 2016. Design commenced in April 2017 following the selection of the System Integration Partner. Go-live occurred twenty six months later in June 2019 and the Program was formally concluded in December 2019.

The SAP Delivery Methodology was used consisting of the Prepare, Blueprint, Realise, Deploy and Support phases.

Additional detail of phases, duration and their degree of overlap is shown in the above diagram.

Breakdown of Effort by Activity

In order to appreciate the proportion of effort expended by major activity, the following table shows the breakdown of actual % effort by major activity as recorded by CxP. The intent is to provide this as a guide to what occurred in CxP that may 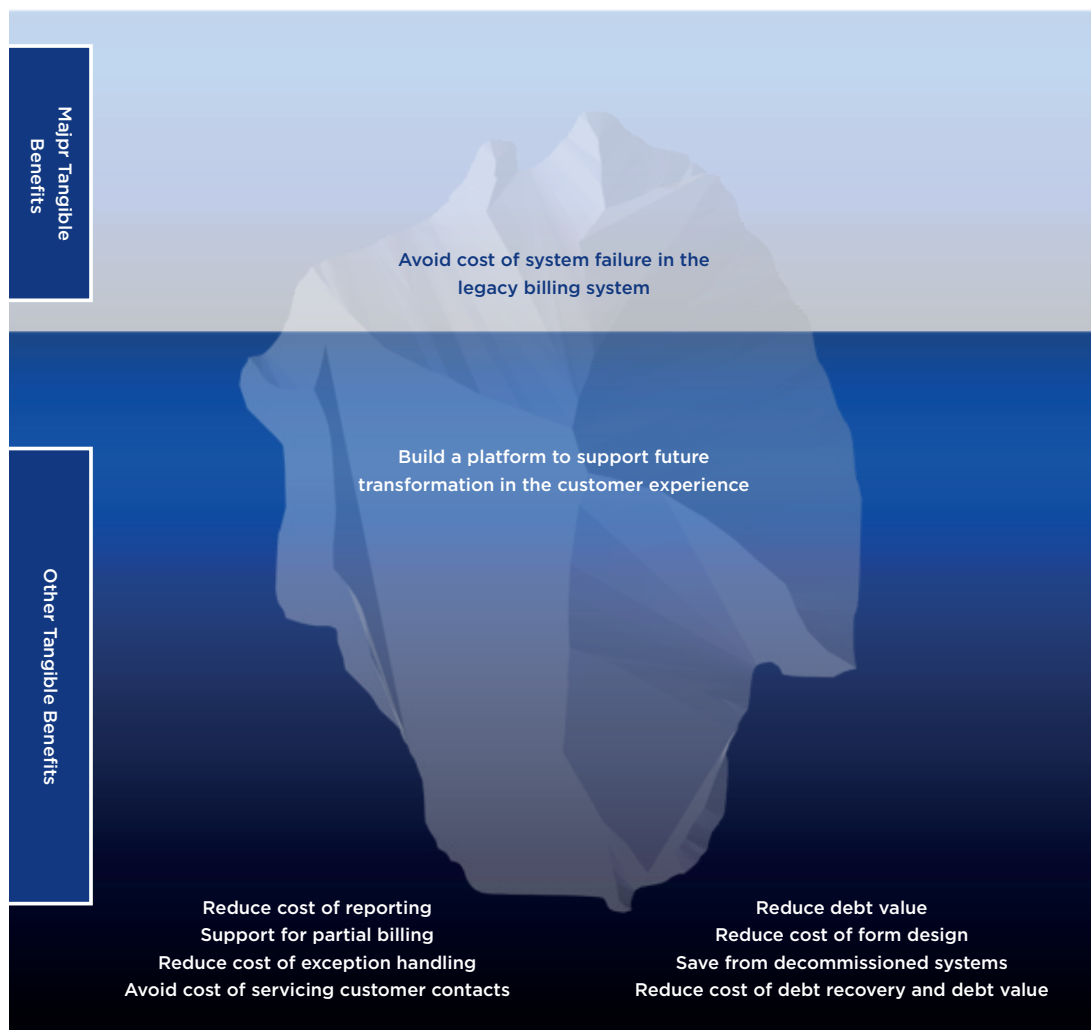be useful for testing the adequacy of budgets for other, similar programs. It is not suggested this is appropriate in all circumstances. The table shows two columns – the first being the CxP actuals and the second being benchmarks based on the author's applied experience over three decades of working on "typical" large, enterprise-scale change programs.

Effort Estimates by Major Activity

■ CxP Actuals   ■ Author's Benchmarks

Activity	CxP Actuals	Author's Benchmarks
Blueprint	27	25
Business Case	1	3
Cutover	3	5
Build	28	23
Organisational Change Management	6	8
Project Management Office	9	10
Data Migration	3	5
Testing	23	21
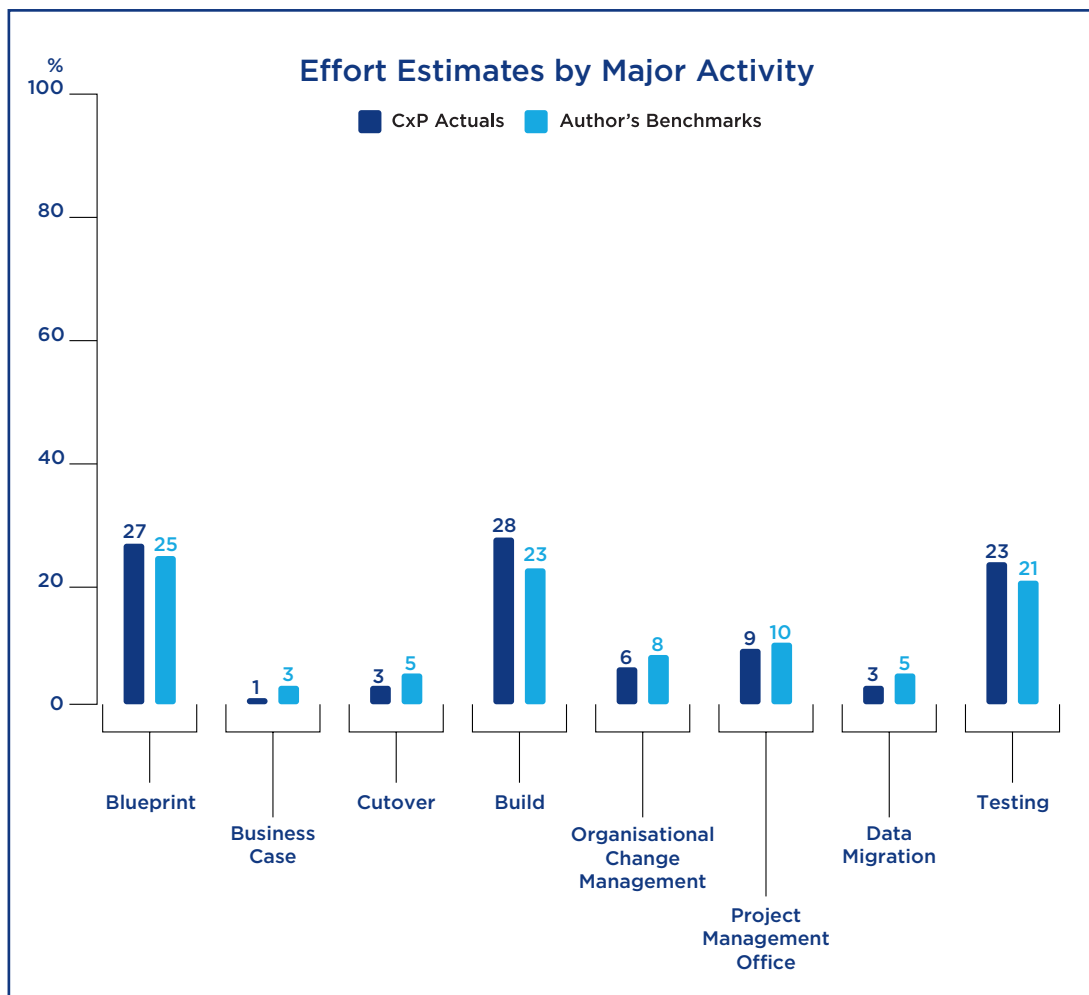
Expected Benefits

The expected benefits of CxP were, on the surface, quite clear: to avoid the cost of system failure in the legacy billing system. However, more significantly, the deep and lasting benefits of the Program were intended to come from building a platform to support Sydney Water's vision to transform customer experience and continue to put customers at the forefront of everything they do. Many other operational benefits and savings have been, and will be achieved.

Major Tangible Benefits

Avoid cost of system failure in the legacy billing system

Build a platform to support future transformation in the customer experience

Other Tangible Benefits

Reduce cost of reporting
Support for partial billing
Reduce cost of exception handling
Avoid cost of servicing customer contacts

Reduce debt value
Reduce cost of form design
Save from decommissioned systems
Reduce cost of debt recovery and debt value

CHAPTER

2

Lessons from CxP Program

Guiding Principles

A number of key principles were adopted to guide how the CxP Program was delivered and the progam kept true to these principles throughout.

Information in this section draws from the NSW ICT Assurance Framework Gate 6 Review[1.]

Key Principles Guiding How CxP was Run

> Prioritise quality over schedule

> Limit customisation of the core SAP modules

> Create a 'one-team' culture (Sydney Water, suppliers, contractors)

> Promote transparent, open, frequent communication

> Provide engaged and active governance at all levels in the organisation

1. The Gate 6 (Post Implementation) Review assesses whether benefits are being delivered, lessons learned have been considered and plans for ongoing improvements are in place.

Good Practices

The CxP Program adopted many successful approaches and initiatives supporting good practices.

Governance and Leadership

1   Provided **effective Leadership** – with equal measure of being authentic, people-oriented and having relevant experience.

2   Provided **active and effective governance** at all levels: Board, CEO, Steering Committee, Program Delivery Group.

3   Established an **open, high quality relationship with the Board** based upon a high-level of mutual trust. The Program Team felt "no fear" in reporting problems to the Board and would take pragmatic solutions to issues based on their experience. An appointed Board member maintained even closer contact with the Program and helped to raise Board confidence.

Assembling the Right Team

4 Engaged **experienced vendors** – staffed with relevant global experience.

5 Negotiation of operation and maintenance contract as part of the build contract to create **incentive for SI Partner to build-in quality.**

6 Created an **effective partnership with vendors** – global executive relationships; meeting in good times and challenging; well-structured commercial model with risk and reward sharing; and flexibility on milestone payments to accommodate schedule changes while maintaining incentive to deliver. Adopted an approach of preserving the relationship and being fair and reasonable with the vendors.

7 Created a **high-calibre Sydney Water team** who had done similar work before.

8 **Seconding selected business unit leaders** to CxP and backfilling with appropriate team members – an approach that offered broader skill development opportunity, created good-will toward CxP and enabled succession planning options for the business units.

Delivery Model and Approach
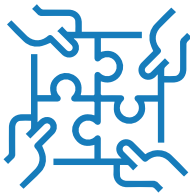
9   Leveraged past Sydney Water and other **contemporary experiences associated with highly challenged billing and SAP delivery,** as a motivator and catalyst to take the selected delivery model and approach. Board members' past experiences were highly influential.

10 Created a **delivery model** (referred to as 'the bubble') that enabled the Program to focus and move at a greater pace and momentum than is typical in normal organisational 'business as usual' cadence – although the Program Team did not try to solve every technical or business challenge inside 'the bubble' and engaged the rest of the organisation as needed.

11 **Co-located** the Program Team in a single location.

12 Built an **effective business and IT partnership** (Customer Service and Digital) with active, hands-on involvement from senior members of each organisational business unit.

13 Created a **culture of expecting and delivering high performance** coupled with mutual support and assistance to enable this.

14 Leveraged the selected package software to the maximum extent possible by conducting a detailed gap analysis during the Blueprint Phase and building business unit confidence to **adapt business processes to suit SAP** with a good understanding of the difference between the current and new world and a focus for communication and expectations management.

15 Demonstrated **agility and a capability to enact significant direction and solution change** mid-flight and not attempting to make perfect decisions in order to keep momentum. For example:

> Switching to the S4/HANA product;
> Switching to using GovDC as the data centre provider;
> Responding to an over-run (time and schedule) during the Blueprint Phase;
> Pausing other organisational programs (e.g. the Business Experience Program) to provide CxP with more attention;
> Moving from a 'phased' to a 'single-release' deployment approach;
> Changing the go-live timing very late in the process to limit impact to the team – Go Live changed from Monday to Friday and at a different time in the billing cycle.

16 Applied a disciplined use of **exit criteria** to avoid pressing ahead from one phase to the next with open and unresolved issues.

17 Implemented a **freeze on organisational / structural change** from the commencement of the build phase.

18 Placed a **strong focus on data quality and migration.**

19 **Early recruitment of additional staff** ("storm and surge staffing") into selected areas (e.g. Contact Centre) to backfill people being trained in the use of CxP and enable service levels to be maintained.

Organisational Readiness and Change Management

20 Conducted a series of **'Familiarisation'** exercises over a four-month period that increased the skill of end users and built confidence across Sydney Water.

21 Conducted three **'Dress Rehearsals'** simulating the cutover process and steps in order to identify and correct cutover issues and train the personnel responsible for cutover.

22 Conducted extensive **user-training** and **roadshows** to build user skills, ensure proficiency with the new system and promote general awareness:

> Conducted after User Acceptance Testing of the system;
> Tailored to specific roles with primary front-line users receiving ten days of training;
> Post-training follow-up;
> Process and 'ways of working' training – not just system training;
> Set expectations that the system would go-live with imperfections – but with a seamless experience for end customers;
> Coupled with other organisational change management activities (representing approximately 6% of the total work effort) such as structured marketing of CxP and its benefits and targeted, audience-tailored communication, CxP moved from being a "push" by the Program Team to a "pull" by the users.

23 **Engaged unions early** and openly to such an extent that there were no union issues despite role and procedure changes.

24 Used the impending water restrictions and a new Sydney Water operating license to create a **'burning platform'** for pressing ahead with the cutover to prevent increased operational pressures for the customer service teams.

Assurance and Contingency Management

25 Adopted a willingness to **embrace assurance** (external, internal, multi-level) and to act upon advice and recommendations. Independent assurance, and mentorship, provided to the Board on an ongoing basis was very useful – particularly in the later stages of the Program.

26 **Using assurance as means to generating understanding and "good-will"** in the event help might be needed in the future.

27 Used disciplined and sophisticated **contingency management** with contingent costs linked to risks and analysed using the Monte Carlo approach – continually reviewed and revised.

Preparation for Cutover

Successful cutovers require extensive and meticulous planning. This Report does not intend to describe the full extent of the cutover planning, preparation and rehearsal activities but instead intends to highlight fifteen actions that are viewed to have materially contributed to a smooth and successful cutover.

Information in this section draws from the NSW ICT Assurance Framework Gate 6 Review.

1. **Conducted "Familiarisation" activities** (by end users of the system) – over four months inclusive of parallel testing of the new and old billing systems prior to go-live.

2. Ensured that primary users were well trained (with up to 10 days training per user) and ensured there was a **focused, organisational change management approach and communications campaign** – which included a Program Mascot (Apollo).

3. Conducted **Dress Rehearsal Testing** (of the cutover process) – three cycles.

4. Ensured the **technical infrastructure was well-tested** (inclusive of the network to call centres and not just the technical infrastructure in the Data Centre).

5. Conducted **Business Continuity Testing** for accommodating the 3-day outage without core business systems during cutover.

6. Performed a **comprehensive final end-to-end Regression Test** (following changes that were applied from earlier test cycles).

7. Adopted a disciplined **freeze in organisation and system changes.**

8. Defined a comprehensive set of **cutover process checkpoints** and conducted review meetings involving all relevant project team and stakeholder representatives.

9. Ensured the cutover team were **well prepared to enact contingencies** that may have eventuated during the actual cutover.

10. Adopted a 'single-phase' cutover approach – all customers were cutover at the same time. (This was a **well-considered change of approach from a phased cutover** which was decided earlier in the project.)

11. Prepared comprehensive, objective (evidence-based) **go-live criteria** and checklist.

12. **Involved the Board and CEO directly in the assessment of readiness** for cutover.

13. Prepared **daily operational reporting and metrics** leading into cutover and continuing post-cutover to provide evidence-based assessment of the performance of the new system.

14. **Support post go-live** was provided by a mature Operations Team with a structured service management approach and support models.

15. Provided **multi-faceted support immediately post-cutover** for the business users (referred to as 'Bus Mate' and 'Tech Mate') and for the operations team (a subset of the project team remained in place to assist with supporting the system).

Aligning Vendor and Agency Success

Many large programs using a System Integration Partner strive to achieve a partnerial approach with common goals, shared risk and benefits to varying levels of success. CxP adopted five steps to select the right 'vendor' and establish a partnerial approach with mutually aligned success.

Information in this section draws from the NSW ICT Assurance Framework Gate 6 Review.
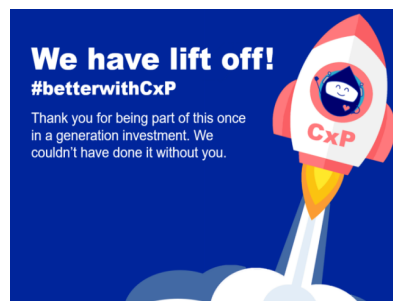
1 Find the "right" SI Partner

> Taking care to get the team that was bought – buying the 'A' team but getting the 'B' team.

> Running an interactive dialogue process to assess cultural fit, delivery approach and processes and how well they could form a team – both at a managerial level and a grass roots level.

> Testing technical solutions early on during the interactive dialogue process.

> Testing the SI Partner commercially, early on, to determine how they might react in a crisis: reverting to contract or working collaboratively on a solution.

2 Include a **pain/gain mechanism** in the contract, with a framework for agreed changes such as the minor (6 week) delay to original go-live date. The pain/gain mechanism enabled the System Integrator to take prudent actions for a successful launch while providing an incentive, on a sliding scale of reducing cost recovery, to keep delays to a minimum.

3 Include mechanisms in the contract to create **cost certainty** by adding funds retention for non-delivery or quality issues that may have arisen and thereby reducing Sydney Water's risk profile for the Program.

4 Agree the **operation and maintenance contract** (with the same SI Partner) as part of the build contract thereby creating incentive for the System Integrator to invest in the solution and build a quality product, knowing that they would be responsible for maintenance, including defect resolution, for the medium term.

5 Structure the contract to have **milestone payments, based on agreed deliverables.** The deliverables for each milestone were re-considered and mutually adjusted, when appropriate, to align with key changes in schedule. This maintained commercial incentive to deliver milestones that were challenging but realisable.

# Communications and Engagement Activities

(What's in it for me?)

Integral to the organisational change management activities were the marketing and communication campaigns. These were ongoing efforts. CxP had three simple communication objectives:

The program was understood and embraced by staff; including how their role contributes to delivering it.

Key messages were aligned and consistent across the organisation, including group-specific communications.

A connection was built between Sydney Water people and the need for change – using compelling storytelling.

Easy access to quality customer data in a single location? Yes please!
#betterwithCxP
Just search 'CxP' in iConnect

We have lift off!
#betterwithCxP
Thank you for being part of this once in a generation investment. We couldn't have done it without you.
CxP

It's moments like these you need minties
Grab a little treat to pick you back up again

Check out the CxP Learning Library
Your one stop shop for eLearning modules, FAQs, work place instructions, simulations and more.
#poweredbySAP
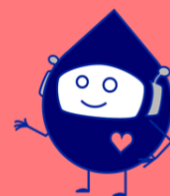
Creating a Culture of Improvement

Continuous improvement is a hallmark of mature organisations. Large IT and Business Change Programs are often one-off activities and it is difficult to achieve successful delivery within planned timeframes least of all invest time in ongoing improvement. CxP undertook structured processes at the end of the Blueprint and the Deployment and Familiarisation phases that provided the team with an opportunity to take stock, adjust and reset some key project processes – and also capture key learnings for another anticipated major program to follow (the Business Transformation Program (BxP).

Information in this section draws from the CxP Program's Internal Lessons Learnt Review.

Lessons Post Blueprint

Provided an opportunity to take stock, adjust and reset some key project processes.

156 Lessons Learnt

37 / 119
A total of 37 positive lessons and 119 challenges were identified

Topics covered in the lessons

♥ Project management
♥ Quality management
♥ Deliverables
♥ Resourcing
♥ Governance and Sponsorship
♥ Schedule
♥ Communication
♥ Dependency management
♥ High performing team

Key Findings

We are **collaborating well within functional teams** particularly across business, functional and change management resources.

We are actively **contributing to a collaborative culture** by getting people involved in design.

We did not receive enough clarity on **roles and responsibilities** and **team membership acumen** impacted delivery

We would like **better planning** for review cycles and **realistic and complete resource allocation** in the schedule

Actions

Develop, maintain and share **organisational chart** with team and individual **roles & responsibilities**

Team leaders to set up **regular team meetings** to cascade key updates and provide clarity on direction

Continue to **promote collaboration** supported by the social club, continuous improvement and planning.

Program management to review **scheduling and planning** practices addressing completeness, capacity and deliverability.

Lessons Post Deployment and Familiarisation

Provided an opportunity to learn for next time.

378 Lessons Learnt Logged

282 Suggestions for improvements logged

40 Commendations received

56 Challenges noted

Areas covered in the lessons:

♥ Data Migration during Dress Rehearsals

♥ Governance and Resourcing during Dress Rehearsals and Familiarisation

♥ Learning and Development from Dress Rehearsals and Familiarisation

♥ Dress Rehearsals Mission control, Communication & Plan.

♥ Familiarisation Activities

Key Findings

Dress rehearsal cycles demonstrated smooth execution of data migration activities with seamless support from the data migration team.

Deploy phase ensured **effective training for all relevant stakeholders participating in Dress Rehearsal and Familiarisation cycles.**

Dress Rehearsal plan could have identified **manual configurations which could be done in advance and removal of these from critical path** to improve cutover timing.

Synchronisation between deployment and mission control teams could have been better to capture **accurate progress updates** in the schedule.

Actions

Update, maintain and **share deployment plan** with team and individual owners **after incorporating feedback from previous cycle lessons learnt sessions.**

Key governance meetings terms of reference to be reviewed and **updated for effective decision making** and process execution.

Continue to **promote collaboration** across the teams during dress rehearsal and familiarisation cycles.

Familiarisation team to **reduce dependency on functional consultants** during upcoming cycles and **enable SME leads to act as Floorwalkers** simulating Go Live situation.

Sydney
WATER

wipro

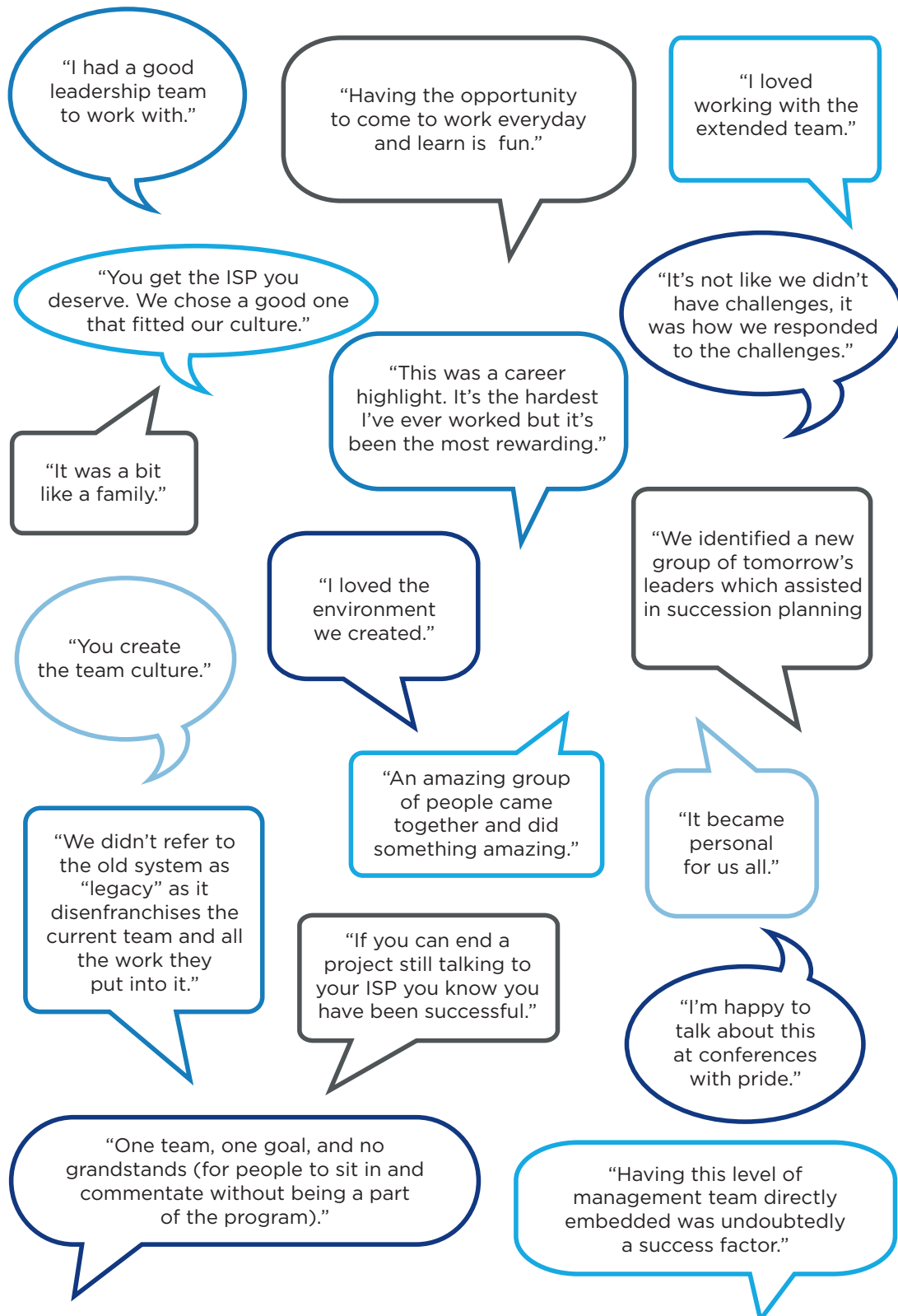# Experienced People and Team Culture make the Difference

The 5 C's Model (McKinsey Centre for Government, 2018) outlined in Section 3 promotes that the success rate of government transformations can be more than tripled by embedding five disciplines. Based on global research, embedding all five disciplines, results in 45% of transformations being rated as successful.

With a 55% chance of only partial success, what else contributed to CxP's success? In large transformation programs it often comes down to the team. CxP created a team with the right blend of skills and experience, commitment and co-operative behaviours.

**The Other 55% -
"It's all about the people"**

- Single-team culture
- Authentic, people-oriented leadership
- Engaged executive leadership
- Experienced Sydney Water team
- Experienced SI Partner with an appropriate cultural fit
- Experienced SAP Support (Max Attention)
- Internal career opportunities for backfilling leaders seconded to Program
- A culture of high performance and mutual support to achieve
- Co-location of team

The essence of the CxP team culture captured in direct quotes from team members:

"I had a good leadership team to work with."

"Having the opportunity to come to work everyday and learn is fun."

"I loved working with the extended team."

"You get the ISP you deserve. We chose a good one that fitted our culture."

"It's not like we didn't have challenges, it was how we responded to the challenges."

"This was a career highlight. It's the hardest I've ever worked but it's been the most rewarding."

"It was a bit like a family."

"We identified a new group of tomorrow's leaders which assisted in succession planning

"I loved the environment we created."

"You create the team culture."

"An amazing group of people came together and did something amazing."

"It became personal for us all."

"We didn't refer to the old system as "legacy" as it disenfranchises the current team and all the work they put into it."

"If you can end a project still talking to your ISP you know you have been successful."

"I'm happy to talk about this at conferences with pride."

"One team, one goal, and no grandstands (for people to sit in and commentate without being a part of the program)."

"Having this level of management team directly embedded was undoubtedly a success factor."

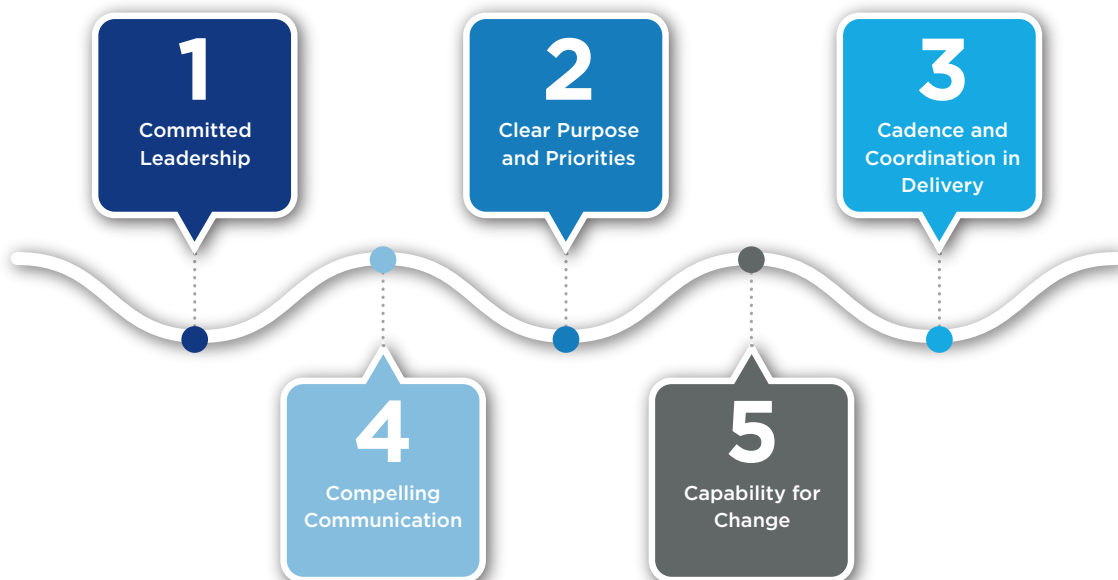CHAPTER

3

The 5 C's Model

Five disciplines that clearly distinguish successful transformations

The 5 C's Model (McKinsey Centre for Government, 2018) is a framework for capturing the lessons (and gaps) for delivering large scale public sector transformation programs. Global research showed that the disciplines identified are each a driver of success irrespective of geography, service, scope, or structure of transformation and are common for transformations in the public and private sector.

Transformations that effectively address all these disciplines are more than three times as likely to succeed than those that do not.

The 5 C's Model has been developed by the McKinsey Centre for Government.

More than three times as likely to succeed if there is ...

1
Committed Leadership

2
Clear Purpose and Priorities

3
Cadence and Coordination in Delivery

4
Compelling Communication

5
Capability for Change

1. Committed Leadership

Why ordinary management is not enough

Checklist for Success

✓ Don't launch a transformation effort if you are not able to use significant political and personal capital to make it successful.

✓ Don't rule out radical action if it is necessary, such as changing legislation, setting up new institutions, or removing transformation blockers.

✓ Show sustained commitment by spending a significant amount of time visibly leading and role-modelling the change.

What CxP Did

1 Provided effective Leadership – with equal measure of being authentic, people-oriented and having relevant experience.

2 Seconding selected business unit leaders to CxP and backfilling with appropriate team members – an approach that offered broader skill development opportunity, created good-will toward CxP and enabled succession planning options for the business units.

3 Provided ambassadors across the Program to lead adoption.

4 Provided active and effective governance at all levels: Board, CEO, Steering Committee, Program Delivery Group.

5   Implemented and responded to radical action and change

> Paused a parallel program (BxP) in order to focus on CxP

> Changed technology platform to S/4 Hana

> Moved back-office exception processing to offshore location (in a highly sensitive unionised environment – in order to manage volumes, costs, local onboarding timeframes and provide a 'follow-the-sun' model).

> Managed the impact of a change of senior stakeholder – keeping the "delivery-train" moving.

What CxP Didn't Do... but would like to have

6   Had sufficient capacity within Sydney Water to have carried on with BxP.

7   Had GM sponsorship from day 1 instead of representatives which, in hindsight, may have reduced the timeframe and cost of the Blueprint Phase and the "near death" experience for the Program.

8   Achieved earlier alignment and engagement of all executives in the first half of the Program; even risking slower progress initially to allow this.

2. Clear Purpose and Priorities

Why "less is more" in government

Checklist for Success

✓ Don't assume you know what citizens or public servants want and need – find out what really matters to them in their day-to-day roles[1].

✓ Explicitly choose and commit to a small number of specific outcomes that you are going to focus on in the transformation – and avoid making your goals too broad.

✓ Anchor the transformation in an agreed baseline, trajectory, and target outcomes.

What CxP Did

9   Primary focus was on replacing the legacy billing system. Transformation of the customer experience was to be a future focus.

10   Implemented a freeze on organisational / structural change.

11   Disciplined freeze on system changes.

12   Selected the optimum time to go-live (with most favourable conditions) and prioritised this, promoting it heavily.

13   Adopted a principle/expectation within CxP and Sydney Water that people had to "get onboard, or get out of the way", one that enabled courageous choices, confident of Board support.

1. Applicable mostly to the next phase of CxP: Customer Experience Transformation (CxT)

What CxP Didn't Do... but would like to have

14   Included the Reporting Team inside the CxP "bubble" earlier – thereby avoiding having a team with requirements that were met late, or remain unmet.

15   Sought to have all the General Managers inside the CxP "bubble" from the outset – although there are two minds on whether CxP would have been as successful if this had been done.

3. Cadence and Coordination in Delivery

Why standard public-sector processes will not build momentum

Checklist for Success

✓ Avoid planning paralysis: make planning participative and time bound and move to action quickly, in the knowledge that plans will be adapted once implementation starts.

✓ Link planning and budgeting processes to ensure alignment, demonstrate commitment, and avoid unnecessary delays when ramping up the transformation.

✓ Appoint a dedicated transformation team to set the pace, solve problems when they arise, coordinate between agencies, track performance, and hold people accountable.

✓ Deliver quick wins and fast-track decisions to build momentum, while maintaining commitment and focus until the transformation is self sustaining.

What CxP Did

16 Created a delivery model (referred to as 'the bubble') that enabled the Program to focus and move at a greater pace and momentum than is typical in a normal organisational 'business as usual' cadence.

17 Allowed the "right" people in the "bubble" appreciating that unforeseen impact on some areas may need to be dealt with later.

18 Demonstrated agility and a capability to enact significant direction and solution change mid-flight. For example:

> - Switching to the S4/HANA product;
> - Switching to using GovDC as the data centre provider;
> - Responding to an over-run (time and schedule) during the Blueprint Phase;
> - Pausing the BxP Program to provide CxP with more attention; and
> - Moving from a 'phased' to a 'single' deployment approach.

19 Producing a detailed Blueprint and avoiding straying from it.

20 Using objective measures of measuring and reporting progress with 'delivery value' and 'earned value' metrics.

21 Used disciplined and sophisticated contingency management with contingent costs linked to risks and analysed using the Monte Carlo approach – continually reviewed and revised.

22 Placed a strong focus on data quality and migration.

What CxP Didn't Do... but would like to have

23 Re-engage with the wider, less impacted areas of the Business (from within 'the bubble') sooner...the Business and Project cadences needed to re-synchronise.

4. Compelling Communication

Why lip service will never mobilise people

Checklist for Success

✓ Don't try to please everyone – while staff and citizens are core to success, attempting to address all interested parties can dilute and distract.

✓ Inspire through a compelling change story, with the "why", "where" what" and "how" – and "what is in it for each individual."

✓ Overinvest in frequent face-to-face, frontline communication, and listen as much as you talk.

✓ Communicate targets publicly to create accountability and communicate progress to celebrate success.

What CxP Did

24 Built an effective business and IT partnership (Digital and Customer Service).

25 Leveraged past Sydney Water and other contemporary experiences associated with highly challenged billing and SAP delivery, as a motivator and catalyst to take the selected delivery approach.

26 Used the impending water restrictions to create a 'burning platform' for pressing ahead with the cutover to prevent increased operational pressures for the customer service teams.

27 Market the benefits of CxP to the staff.

28 Effective "ramp-up" of communications in the lead-up to go-live – centered around a mascot, Apollo.

5. Capability for change

Why business-as-usual skills won't deliver

Checklist for Success

✓ Take training well beyond the top team – new capabilities are typically needed at all levels of the organisation to deliver and sustain change.

✓ Make sure delivery and technical experts are fully involved from the start: new capabilities mean little if the experts are not listened to.

✓ Invest real resources in training for specific capability gaps, which are often in change management, operational, and technical skills.

✓ Realign recognition systems to align with the transformation goals and remove blockers who might derail or slow down the transformation.
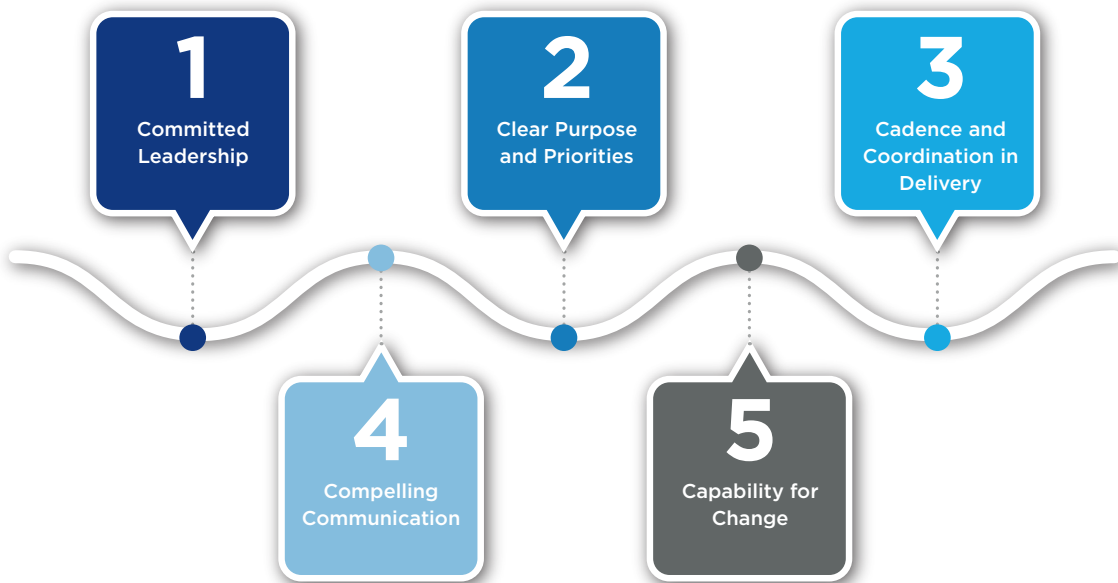
What CxP Did

29 Conducted a series of 'Familiarisation' activities over a four month period that increased the skill of end users and built confidence across Sydney Water.

30 Conducted three 'Dress Rehearsal' tests simulating the cutover process and steps in order to identify and correct cutover issues and train the personnel responsible for cutover.

31 Conducted extensive user-training – around 10 days to build skills of primary users.

32 Engage SAP experts to review the solution design and implementation (SAP Max Attention).

33 Engaged experienced vendors – staffed with relevant global experience.

What CxP Did

34 Created an effective partnership with vendors – global executive relationships meeting in good times and challenging – well-structured commercial model with risk and reward sharing; and flexibility on milestone payments to accommodate schedule changes while maintaining incentive to deliver.

35 Negotiation of operation and maintenance contract as part of the build contract to create incentive for SI Partner to build-in quality.

36 Created a high-calibre Sydney Water team who had done similar work before.

37 Created a culture of expecting and delivering high performance coupled with mutual support and assistance to enable this.

38 Adopted a willingness to embrace assurance (external, internal, multi-level) and to act upon advice and recommendations.

39 Multi-faceted support immediately post-cutover for the business users (referred to as 'Bus Mate' and 'Tech Mate') and for the operations team (a subset of the project team remained in place to assist with supporting the system).

40 Strategic success measures at the Board-level were filtered down to staff contribution plans.

The 5C's Model Conclusion

CxP created an environment that was at least three times more likely to succeed.

1 Committed Leadership

2 Clear Purpose and Priorities

3 Cadence and Coordination in Delivery

4 Compelling Communication

5 Capability for Change

Embedding the five disciplines more than triples the likelihood of success in government transformation

Number of five Cs implemented during transformation effort, % of transformations ranked as completely successful

0	13
1	17
2	19
3	21
4	32
5	45

3.5x
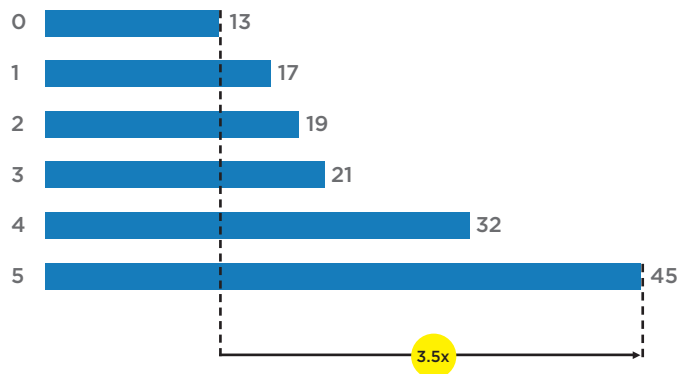
Note: Based on most relevant surveyed action for each of the five disciplines; sample size (0:747, 1,659, 2:590, 3:441, 4:338, 5:134) for each number of Cs; data weighted by proportion of world GDP, following McKinsley Quarterly weighting standards.

Source: McKinsey Center for Government Transformation Survey, December 2017

About the Author and Credits

This Report was prepared with the assistance and support of the Sydney Water CxP Team.

The author, Kim Loane, is currently an independent executive IT consultant and advisor. He has extensive experience working for a global system integrator and management consultancy over a thirty year period. He has been responsible for shaping, leading and assuring large, enterprise-scale, technology-enabled change programs across many different enterprises and agencies in the public and private sectors in Australia and overseas.

Kim Loane was most recently responsible for the management of sales and delivery risks associated with major transformation programs and proposed solutions for clients throughout Asia-Pacific. Kim held the highest level of internal quality assurance qualifications and conducted numerous on-site quarterly assurance reviews, reporting findings internally and to senior client executives.

This Report draws heavily upon the NSW ICT Assurance Gateway Reviews, particularly the final Gate 6 (Post Implementation) Review which focussed on the lessons that may be learned from CxP. This Review was conducted by Kim Loane and John Trabinger.

John Trabinger has vast experience in setting up projects/programs for success and has worked with numerous organisations supporting them with their delivery and/or assurance of high-risk programs and projects. He was the Head of the Commonwealth Government's Gateway Review Unit and has been a Gateway Reviewer and Evaluator since 2006; reviewing numerous digital transformation and infrastructure projects/programs for Australian Federal and State Governments. In a senior executive capacity in the federal public service, John has undertaken roles in central agencies, policy agencies and service delivery agencies.

References

McKinsey Centre for Government. 2018. *Delivering for Citizens: How to triple the success rate of government transformations.*

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