EFFICIENCY, PRODUCTIVITY & FINANCIAL IMPROVEMENT

CASE FOR CHANGE

V1.3: 2021

PROCHAINMATRIX

enabling smarter organisations through information technology

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This document in a series, highlights some of the issues with the current processes and systems embedded in organisations for delivering efficiencies, productivity and financial improvement (FIPs), transformational, change, and income programmes.

Both in the wider public & private sector the challenges are similar albeit some of the methodologies and drivers for change may differ.

CHALLENGES

CHALLENGE 1

Focus tends to be on annual planning and delivery cycles. No multiyear planning and delivery of benefits for a 3 or say 5 year period are developed. Big-ticket projects typically take 1-2 years to plan-to-deliver-to-benefit.

CHALLENGE 2

Ensuring that all key stakeholders are clearly identified, engaged and kept up to date with regular communication. Communication is fed not made accessible.

CHALLENGE 3

Lack of succession planning causes project benefits and deliverables to leak and waste away. Individuals leave with knowledge 'taken' away with them. Lack of knowledge management.

CHALLENGE 4

Lack of true lessons learnt and post project reviews. Non-financial risk and performance indicators identified (during the early stage of the initiative) are not adequately monitored and mitigated, causing loss of benefits and increasing organisational risk.

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CHALLENGES

CHALLENGE 5

No coherent and organisational wide agreements (contracts) repository and spend profiling. Or if it does exist, it is not complete and is dealt within silos. This implies that executives do not have an overview of potential opportunities available or risks to be mindful of to the organisation.

In terms of non-pay (non-staff) costs the trend amongst public and private sector organisations has been that only 15%-20% of the total non-pay costs can easily be proven to be identified against a 'credible' contract.

Furthermore, the management of contracts is seen as a sourcing function, whereas it should be the responsibility of all the major service delivery business units with the oversight from the executive. Management of the organisation's contracts should not be seen as an extension of a procurement exercise.

CHALLENGE 6

Ideas generated in isolation with little or no input from the operational heads who will have to deliver the benefits and live with the changes. Change management is superficial which means benefits would be reversed shortly after "claiming' a success. No coherent methodology of capturing ideas from operational heads and therefore no ownership post-delivery. Email or a simple one-line electronic form is not a structured or effective method to communicate ideas.

CHALLENGE 7

Where a project/programme management office (PMO) exists, the focus is limited to capturing ideas and keeping spreadsheets updated. If a toolset is available to operational heads, they can/should maintain their own data. This will enable the PMO to redirect focus on projects/benefits delivery.

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CHALLENGES

CHALLENGE 8

A lack of a quality manual which clarifies and 'enshrines' a set of procedures, roles and responsibilities of each business unit, involved in the initiatives management process. This results in weaker governance, infighting and silo-working amongst key stakeholders and business units. Further promoting unhelpful conflict within the organisation.

CHALLENGE 9

Efficiency, productivity and transformation & collaborative programmes have become a business-fact for organisations. Such a fundamental reality cannot be run and managed on spreadsheets and disparate systems and processes. Nor can it be done in piecemeal fashion, where expensive, temporary or interim resources are brought in only to (in reality) help capture ideas with superficial plans, on spreadsheets and PowerPoint slides. The initiatives management process must be operationalised and therefore requires a structured process and a quality approach.

CHALLENGE 10

Spreadsheets.

Currently the majority of organisations deliver their initiatives programmes using spreadsheets which are linked to the following difficulties:

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CHALLENGES

CHALLENGE 10 - SPREADSHEETS

1. Vulnerable to fraud;

2. Susceptible to trivial human errors;

3. Difficult to troubleshoot or test:
a. Finance and PMO expert resources, have to take part in necessary and lengthy reconciliations; and
b. Unacceptable down time of key members of team. It is not unusual for senior individuals to withdraw for days or a week once a month to finalise monthly reports;

4. Obstructive to regulatory compliance:
Audit trail facilities generally have logged, who created the record, however it will not be easy to record the number of times the record has been amended and by whom each time:
i. Who created the record;
ii. How many times the record has been modified; and
iii. Who has modified the recorded;

5. Unfit for agile business practices:
a. Cut-off – Transactions relating to a subsequent month cannot be entered until the current month is finalised and this may take up to a week. Reporting intervals, and the inevitable delay in updating systems and producing reports, means having to rely on three weekly 'forecasts', and a monthly final position in programme reporting; and
b. Communication of changes can only be done through emails – the number of times PMO said they sent the email and the spreadsheet controller replied email not received;

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CHALLENGES

CHALLENGE 10 - SPREADSHEETS

6. Not designed for collaborative work:
Silo working between Service leads, PMO and Finance department:
i. Service leads have little or no access to the workings, as only receive an output and so are not able to review if transaction has been entered correctly into spreadsheets;
ii. For financial benefits, Finance are given entries by PMO to put into the ledger;

7. Hard to consolidate;

8. Not suitable for embedding transparency & governance;

9. Unsuited for business continuity; and

10. Scales poorly.

> With organisations currently operating in a disparate manner there is a need to streamline business processes to ensure that improvements and efficiencies are driven out across the organisation and service-systems - where organisations are collaborating.
>
> Deploying a solution that supports better tracking and management of initiatives and their benefits in transformational projects, efficiencies and financial improvement, in an easier and slicker way, would act as the catalyst for change incorporating a full review of operational, day-to-day business processes, ensuring improved productivity are delivered in the right place and at the right time.

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