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**Principal Learning**

# **Information Technology**

**Level 3**

**Unit 7: Making Projects Successful**

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**Pre-Release Material**

Paper Reference

**IT307/01**

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## Opulent Mobiles Ltd

*Opulent Mobiles Ltd* is a small company that designs exclusive, luxury mobile phones. They sell the phones through their three retail premises, located in Edinburgh, Belfast and Cardiff. Their main office and design suites are based in Stratford-upon-Avon.

Interest in *Opulent Mobiles Ltd's* range of phones is growing and, as a result, the company are updating their business plan for the next two years. They currently only advertise their products in high-end magazines. The directors wish to raise the profile of the company and increase sales and have decided to invest in an e-commerce website. This will show the complete range of mobile phones and provide customer support.

*Opulent Mobiles Ltd* is hoping to improve customer relations and extend their customer base by 30% before November 2011. The directors have predicted that by raising the profile of the company they will achieve the targeted £35 000 increase in sales by year end.

The e-commerce project will be released in three phases:

- phase one – design and creation of the website to advertise the product range and IT installation
- phase two – provide e-commerce facilities
- phase three – include interactive customer guides, forums and real-time communications.

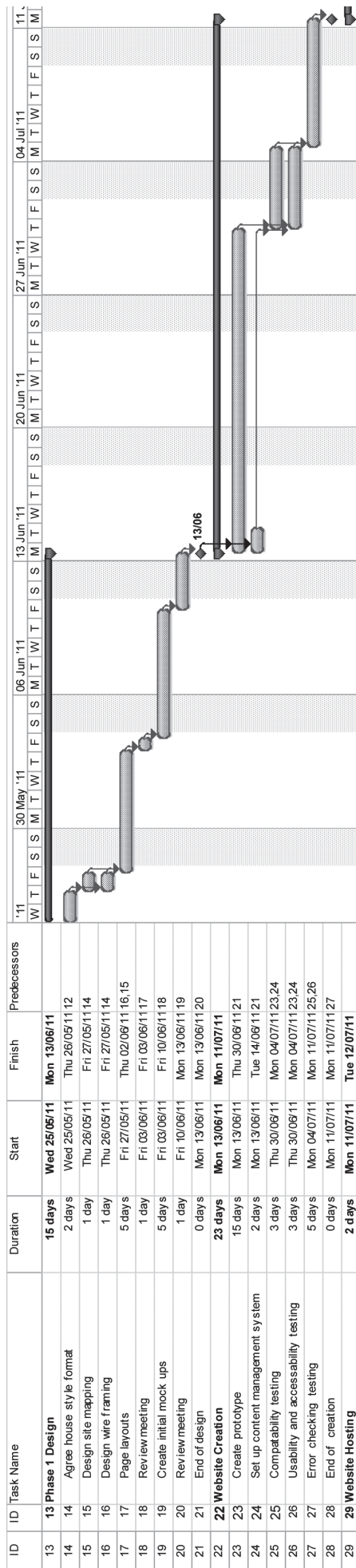
A project manager will be appointed. The marketing team at *Opulent Mobiles Ltd* will supply all the product details and photographs.

*E-Guru Consultants* will be responsible for designing, developing and creating the website.

*Processors Direct* will be responsible for supplying and installing 10 new PCs. Two PCs will be installed and wirelessly networked in each retail premise. The remaining four PCs will be wirelessly networked at the main office. *Processors Direct* will also be responsible for providing the web server.

The budget for the e-commerce project is £30 000 and will be funded by *Opulent Mobiles Ltd*.

The e-commerce project will start on 16th May 2011 and finish by the 31st July 2011.



**Figure 1 – Extract from the Opulent Mobiles Ltd Project Plan**

## BRITANNIA BUILDING SOCIETY

### “Really Big Programme”

Britannia Building Society was founded in 1856 in Leek, Staffordshire. It has retained its mutual status and grown to become the UK’s second largest building society with over 3 million members and some 5,000 staff. The “Really Big Programme” involved replacing the Society’s complete IT infrastructure to create a “single view” of each of its customers and their savings and investment accounts, mortgages, loans and other financial products.

“The ‘Really Big Programme’ set out to deliver three key objectives: to fix known problems with the Society’s IT Infrastructure; to deliver the benefits stated in the programme business case; and to leave the Society ‘fit for the future’ in terms of its change capability. The problems were fixed, the business case was over-achieved, and Britannia’s capability for change is being proved as at July 2006 in the integration of the newly acquired Bristol and West branches into our business. Without the ‘Really Big Programme’, we would not have had the IT infrastructure or the confidence in our change capability to undertake this venture within the challenging timescales that the business set itself.”

*Britannia Building Society*

#### **Cost**

£60 million.

#### **Supplier**

TietoEnator (formerly AttentiV Systems and Lynx Financial Systems) – financial package; FINEOS – customer management package; LogicaCMG – system integration partner; KPMG – system design partner.

#### **Timescale**

March 2000 – March 2004.

#### **Current status**

The programme was completed in March 2004, following successful implementation of all planned systems.

#### **Key components of success**

- The business change was led by a capable and experienced programme manager, fully supported by the Society’s Main Group and Executive Boards.
- The Group Board maintained close scrutiny of the business case’s assumptions and projected benefits, revising these in response to changes in the financial markets and agreeing significant changes at board level. The programme team always ensured that the Board had real choices, and were never presented with a painful fait accompli.
- The programme team recognised the importance of building strong team relationships between Britannia staff and those of its suppliers and contractors; a “one team” approach.

## Aim

**1** In 1999, Britannia Building Society started work on a new five year Corporate Plan, including a major review of its Information Systems Strategy. The review identified that key elements of the Plan could not be achieved using the Society's existing IT systems, which organised data on a product-by-product basis. Information on members with mortgages was stored on one system, while information on members' savings accounts was stored on another and dealt with by a different part of the Society. Customer service suffered because of the lack of a single view of the customers' product holdings and the difficulty of maintaining accurate customer information across multiple systems, and potential sales opportunities were being lost.

**2** The "Really Big Programme" aimed to create a customer-centric organisation by implementing new IT systems to store information around customers rather than products. With a single view of all a member's products with the Society, staff could increase sales by identifying which customers would benefit from being offered new products, such as offset mortgages whereby customers can "offset" interest from savings against mortgage payments.

## Ensuring senior level engagement

**3** The "Really Big Programme" was a fundamental business change for the Society and the Group Board of executive and non-executive directors retained close scrutiny throughout. To ensure the programme would achieve the Society's objectives, the Group Board conducted formal reviews of the business case at six-monthly intervals and approved the programme manager's plans and any significant cost and scope changes. To inform the Board's decision making, prior to the Group Board Review the programme manager confirmed with business managers whether the assumptions and benefits relevant to their areas still held or whether these needed to be changed. For example, the marketing department revisited its assumptions about sales targets, margins, and the market size for particular types of mortgages that could be offered once the "Really Big Programme" delivered the new IT infrastructure.

**4** To strengthen further the Board's control over "Really Big", the programme manager requested the Board to authorise only a three per cent contingency in the programme's original approved budget. For any additional resources, the programme manager would present justification to the Board, accompanied by alternative options. Careful analysis of costs and benefits enabled the Board to make key decisions on the technology needed to achieve its sales and customer service goals. For example, in the second half of the programme, it became apparent that to achieve the originally agreed level of integration of savings, mortgages and investment information, an additional £7 million investment would be required. The Board was given the choice to authorise this additional spend or to agree on a lower level of integration that would still leave the Society with a stable and much improved infrastructure (and a still viable business case for the programme). They chose the former.

**5** Below the Group Board, scrutiny and co-ordination of the programme across the business were strengthened by the Society's Executive Board supplying the programme sponsor, who chaired the programme's Steering Committee, jointly, with the programme manager. Every Executive Board and Steering Committee member had monthly one-to-one meetings with the programme manager to discuss the programme's impact on his or her area of the business and for the programme manager to address issues and concerns.

**6** The regular business case reviews undertaken by the Main Board and the strong engagement by the Executive Board provided strong leadership and regular access to the Society's decision makers. When in April 2003 the programme sponsor left the business, clear reporting lines to the top of the organisation and active involvement of both Boards ensured that delivery remained on course.

**7** To support scrutiny of the programme and its suppliers, Britannia engaged the Concours Group to provide formal quality assurance reports, which were circulated to the Group and Executive Boards as well as the Steering Committee. Independent quality assurance reports built trust and confidence between senior management and the programme team, as well as alerting senior management when issues needed to be addressed; for example, the need to give the Steering Committee greater autonomy in taking decisions to change some of the Society's business processes to enable them to be supported by off-the-shelf software packages.

## Designing the business change and recognising the risks

**8** In the programme's design phase the programme team, including an external consultant acting as design partner, worked to identify and mitigate key risks by endeavouring wherever possible to roll out the programme incrementally. However, in the final phase of the programme, the team identified problems in rolling out the new Teller System across the retail network in phases and in separating this from roll out of the new Investments Administration System. To assess the options, the programme's Steering Committee ran a workshop where the implications of going "Double Big Bang" – implementing both systems over a single weekend – were identified and quantified until they were fully understood. These were compared with the alternative of implementing a new interim system requiring bespoke software development that would run the new systems in parallel with the existing infrastructure and allow for phased implementation. Although "Double Big Bang" had high risks, these were more readily identifiable than the risks of developing a new temporary system based on bespoke software, which provided a better basis for developing contingency actions. On this basis of clearly understanding the risks, the programme decided to take the option of the "Double Big Bang".

## Creating constructive relationships with suppliers

**9** To avoid the risks associated with developing bespoke software applications, Britannia took the decision to build its new infrastructure and all future systems using commercially available financial packages. For the programme manager, this meant managing package suppliers as well as contractors. The programme manager saw integrating supplier, contractor and Britannia staff into effective project teams led by good project managers as essential for delivering the programme. To create strong teams, the most skilled people were appointed project managers regardless of their "home" organisations. Consequently, Britannia staff led some teams, but some teams of Britannia staff were led by suppliers and a project manager from one supplier might lead a team of staff from another supplier. To foster team identity, all project staff wore Britannia's name badge.

**10** Early in the programme, Britannia ran workshops to identify the behaviours most likely to encourage successful delivery. Empathy, a positive attitude, and teamwork were identified as key behaviours. The teams met quarterly to review whether they were displaying the key behaviours and agree any changes they needed to make. Placing an emphasis on behaviour as well as process and structure was highlighted as a key success factor in the programme's nomination for the British Computer Society's Business Achievement Award.

## Realising the benefits

**11** Key tangible benefits of the programme for Britannia are its new product capability, increased profitability and efficiency gains through reducing duplication of staff activity and systems. All Britannia's mortgage products are also now based on daily interest calculations, which were impossible to offer with the old IT systems.

**12** The key intangible benefit was the significantly increased change capability, and confidence in that capability, that came from not just the success of the programme but also the way it was run, resourced, and supported throughout the business.

**13** For 2004, the impact on profit of increased mortgage sales was £2.2 million; over the life of the Business Case (up to 2009) it is anticipated to be £72.8 million.

**14** In 2004, the British Computer Society awarded Britannia Building Society its Business Achievement Award for the "Really Big Programme".

(Source: © National Audit Office)