Australian Taxation Office
Easier, Cheaper and More Personalised Change Program

Independent Assurer Report
Version 1.0
Period covering 9th – 31st January 2006

Commercial In Confidence

- **Executive Summary & Assurance Approach**

- **Recommendations**

- **Assurance Findings**

  - **Program Management & Governance**

  - **Change Management**

  - **Design & Development**

  - **Testing & Deployment**

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Overall Workstream Ratings Summary.	
Workstream	**Overall Rating**
Program Management & Governance	Amber
Change Management	Red
Design & Development	Red
Testing & Deployment	Amber

Key Issues:

1. **Schedule Compression** of the Release 2 timeframe around testing activities continues to heighten the risk to a full agreed functionality high quality system being delivered by cutover,

2. **Design, Build & Architecture** concerns remain which are continuing to impact Release 3 contingency. These include: lack of closure on TAS Code Quality, R3 design, and R2-to-R3 interim technical architecture.

3. **Business Preparedness** is considered inadequate due to :
   - The business' lack of information or planning around deployment detail and
   - Failure to plan or address mindset /behaviour shifts necessary to embed: an enterprise business model; modified work processes and generate support for potentially significant R3-related process re-engineering.

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1. **Schedule Compression:** Completion of build activities in Release 2 have slipped which has delayed key testing (IPT and early UAT). This has increased the risk to a high-quality full functionality *business-ready* system being deployed at cutover.

   The original 8 week timeframe allocated for testing (plus a 4 week contingency for the overall release) has had two of the four weeks contingency consumed. ***If there is more significant slippage in the test schedule, the CPExec/SC will need to make a decision around the "quality / functionality / Go-Live-date" equation.*** The time for such a review is recommended to be at the end of Cycle 1 of the IPT.

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2. **Design, Build & Architecture:** Some minor build issues remain to be resolved in Release 2, but these are felt, by the Implementer, to be immaterial to the Release 3 design.

   The recent organisational change to merge the Release 2 & Release 3 Siebel design & build work within the one group is a sound move and is supported by the IA. A similar approach to the integration developments for Release 3 will also have benefits.

   Work on the conversion of TAS to ICP is progressing yet there is still no agreement on the level of change required to the COBOL code base (referred to as 'Code Quality'). The quality of the code base will affect two key aspects of the system going forward: ease with which the build & test can be conducted, and maintainability post-production. Until an agreement is reached, all parties are exposed commercially and technically. The issue needs to be resolved within the next few weeks as the Release 3 build could be impacted due to the need to re-work the code base.

   It may be approaching a time where the code base issue cannot be agreed due to lack of available detail, so perhaps a solution could be to link the quality and maintainability of the system through an extended warranty period.

   The ability of the underlying infrastructure of Release 1 (and soon-to-be Release 2) to cope with Release 2 volumes, its integration refresh rates and storage I/O efficiency, is still questionable and under review. Some key planned improvements to the Siebel platform are still outstanding. These developments currently extend through to March so performance testing of the current Release 2 would appear of little benefit given the platform performance is expected to change significantly as a result of these improvements. It is essential the platform is improved as soon as possible to ensure it is stable, and the project has a view of its ultimate performance limit going into Release 2.

   The program should prioritise performance testing (and associated decisions) so as to highlight performance issues in a timeframe where they can be addressed ahead of Release 2's introduction.

3. Business Preparedness: The IA highlights three key change management issues this month:

a) The Change Program is now at a stage where the planning effort conducted inside the Change Program by BRG team leaders, sponsors and Core Design Team members, now needs to move out to the workplace. The skilling and mobilising of ATO management [down to Team Leader and Site Co-ordinator levels] will allow time for them to cultivate the workplace environment for change. Merely 'telling' ATO stakeholders what's happening to the business will not 'engage' them – they need to be asked to participate and act, and be given support from their management to do so. This situation is complicated by the fact that the documents produced to date don't give the business adequate clarity about the scale and impact of the deployment on the staff. Details such as the hours associated with training and what is expected of each deployment role need to be outlined as soon as possible. The Change Program needs to rapidly 'transfer ownership' for detailed workplace implementation planning to the business.

b) The Central Change role of cross-stream co-ordinator appears to have been devolved into the Release Team. This has the effect of an absence of direction to the business. There is a need for leadership and co-ordination of the business effort required to prepare for R2 deployment. We believe that while the authority for this leadership lies with the line management, Central Change plays a critical co-ordination role. The consequence of leaving this role under-resourced or disempowered will cause problems, such as: delay in mobilising decision-makers and action within BSLs and sites; a lack of integration between 'People & Place' and the Change Program in deployment some of the aspired behavioural and process change.

c) At this stage the Change Program and its deliverables appear to fail to cultivate the climate for users to understand and support the desired change. The business curriculum and communications content needs to include messages relating to mindset & behaviour shifts; enterprise thinking and new work processes [as they effect each business role].

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Cross-Program Improvements:

As recommended by the IA in recent reports, the CP has commenced a change to cross-program management of the key areas of design, build and integration. This is a positive indication of a more program-wide approach for the work streams which shall improve end-to-end cohesion of the solution, and help address issues of continuity, conflict, & contradiction across the program. This will assist with alignment of plans, resourcing numbers, skills & IP, and help provide a standardised, structured Change Management approach to the introduction of the solution right to the users.

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Approach of the Independent Assurer Role Going Forward

As commenced in the November report, the IA approach continues to examine the CP form a cross-program and forward-looking perspective. This approach shall complement the release-based approach of the program to identify issues and opportunities for improvement that might otherwise escape detection.

This shall be done through continued focus on the cross-program areas of PMO & Governance, Design & Build, Test & Deployment, and Change Management.

In the November report, this approach proved effective in identifying several opportunities for improvement in the program; for example the change in the Siebel design team to work across R2 & R3 as a single focus. This was identified by the IA as an opportunity which has been agreed by the program as a better approach and is currently being implemented.

Further, it is considered the IA can provide best value by concentrating on cross-program issues that can be changed before they become critical. The current issues with the production system are being actively addressed by the program in its day-to-day activities, and the IA cannot add further to this planning or effort. Therefore, from this January report, the production system shall not be examined beyond where it is seen to potentially impact Releases 2 & 3.

Key Areas of Examination of the January Assurance:

In accord with the cross-program approach, the IA concentrated this month on the following key areas:

- Resource and finance planning & management,

- Design Completion & Resource Continuity

- Schedule Adherence & Impacts, and

- Business change and the ability of the business to take on the system.

- **Executive Summary**

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  - **Program Management & Governance**

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Program Management and Governance

PM&G.1 Reflect the low confidence level in base data into reports affected by PDays obtained from Project Server. This may be achieved by attributing the Time Sheet submission rate to earned value reports and ATO Labour efficiency rates for NTE reporting as an example.

PM&G.2 As an Independent Assurance activity the IA should review the monthly accruals input from the releases.

PM&G.3 The business be provided with a consolidated Program wide view of business resource requirements to provide BAU with a holistic view of both R2 & R3 resource needs.

Change Management
Shared Vision & Strategy, Leaders Engaged & Aligned, High performing Project Teams

CM.1 Strengthen Central Change's influence on the Change Program as the expert advisor that shapes and is accountable for the ATO's change management effort. Redefine its critical charter, deliverables and contribution across releases and within each release to reflect this accountability. Central Change should assume an additional role working across deployment streams as an overall co-ordinator for the business.

CM.2 Central Change should actively drive the coordination, production and dissemination of critical change tools including: Journey Maps and business readiness development; an up-to-date business-wide resource impact statement and roll-out logistics co-ordination. (Note: These last two points have since been addressed with the introduction of BSL co-ordinators and resource detail supplied to the CP Steering Committee).

Behaviour & Culture Gaps Addressed
CM.3 People & Place, Central Change and work streams need to build products or activities into plans to support mindset shifts and behaviour change identified in the Staff Impact Statements.

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Upgraded Skills & Competencies

CM.4 People & Place; Central Change and BSL Leaders need to workshop roll-out logistics associated with training - seeking new ways to minimise resource drains and productivity impacts on the business. Training delivery support from the change network, communications resources and site management should be engaged together in this problem-solving.

People Processes Updated

CM. 5 People & Place and BSL Team leaders need to work with HR & Job Alignment to define the numbers of employees populating the 5 new roles; their location and adjustments to structures around those positions.

Aligned Processes & Organisation

CM 6. 'Work process alignment' deliverables need to be completed by an agreed date so training products can be completed in enough time for accurate roll-out resource planning; materials piloting & editing; 'Train-the-Trainer' cascading to Power User & Team Leader training.

Communications & Stakeholder Management

CM.7 The change agent network [including NPMs; BSL Team Leaders and those nominated for other change roles] need to be briefed / coached and tasked to roll-out communications products at site level.

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Design & Development

DD.1 The Outcome Improvement Team should revisit the Operational Analytics Implementation Strategy position paper and complete a basic assessment of options to a standard that would enable the ATO to endorse the decision with confidence in its objectivity and completeness. Specifically, this can be done by adding weighted comparisons to the decision criteria across the apparent 3 major options (Teradata, SAS and Custom Development) in at least the following areas:

- Estimated cost of implementation
- Estimated cost to run
- Functional Fit (e.g. candidate selection and re-assessment, creation and maintenance of treatment plans, conflict management, channel allocation, workload management, etc.)
- Strategic and Architectural Fit (e.g. COTS vs Build, etc.)
- Risk factors (e.g. leverage existing infrastructure vs new, specialist skills, comparative use similar environment, etc.)

DD.2 ATO Subject Matter Experts in the area of existing business rules should be made available to the Change Program to ensure adequate focus on determining the future ICP Business Rules and dependencies are addressed.

DD.3 Release 3 should provide an increased design capability to address the larger than anticipated effort to close out the Analysis & Design activities within the planned timeframe.

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Recommendations

Testing & Deployment

TD.1   Undertake contingency activities to provide a Level 3 environment for Release 3 as it is unlikely the existing Level 3 environment will be available as planned.

TD.2   Reschedule activities associated with the early User Acceptance Testing until after the solution has passed product testing.

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- **Executive Summary**

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  - **Program Management & Governance**

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Program Management & Governance

Overall Workstream Rating:	Amber	
Criteria	**Rating**	**Key Findings**
Program Management & Governance - January Report Focus		This month, Independent Assurer activities for Program Management & Governance (Program and Release level) have focussed on: - Resource planning and management - Governance & Quality - Risks & Issues

Resource Planning & Management	Amber	• Poor adherence to timely timesheet reporting in Project Server has continued over the Dec-Jan period. The IA acknowledges the difficulty in enforcing rigour over this period and that the CP is making efforts to resolve the issue through line management.
		
		• The impact of poor timesheet reporting coupled with Project Server issues will continue to impact on Earned Value calculations, which was highlighted in the November Report. Inaccurate ATO PDays from Project Server is adversely affecting:
		  • the efficiency value attributed to ATO labour that is used as an indicator to for the 'Not To Exceed' figure for ATO Labour, and
		  • The capitalisation of ATO Labour.

Green = On Track

Amber = Concerns raised. Mitigating actions in plan

Red = Major issues identified. Impacts to timeline and/or budgets

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Overall Workstream Rating:	Amber	
Criteria	**Rating**	**Key Findings**
Resource Planning & Management		• The IA acknowledges there has been activity late in January which reviewed the remaining resource requirements for R2 and the roll on to R3. This activity will need to continue to ensure that any impacts of R2 schedule movement are closely coordinated with R3 to minimise contention. The continuity of specific resources should be carefully managed with respect to the retention of corporate knowledge. • The existing practice for recognising accruals has led to the program being about $15m behind in recognising ACN costs (Dec 05 Figures). Close scrutiny of R2 accruals is required to ensure the correct amount of cost is reflected. • There is no program-wide view of the significant R2 and R3 resources required of the business in terms of skills and tenure. These requirements should be coordinated at program level.

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Overall Workstream Rating:	Amber	
Criteria	**Rating**	**Key Findings**
Resource Planning & Management		**Conclusion:** • Given the systemic problem with Project Server PDay output, reporting should reflect the low level of confidence in the base data. (Refer to Recommendation PM&G.1) • Timely resolution of the accruals is required to align the accruals with R2 release timeframe. (Refer to Recommendation PM&G.2) As an assurance activity, perhaps the IA should review the monthly accruals input from the Releases. • In order for the business to accurately understand what is required of it from the CP as a whole, establish a program wide view of resource requirements. (Refer to Recommendation (Refer to Recommendation PM&G.3)

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Program Management & Governance

Overall Workstream Rating:	Amber	
Criteria	**Rating**	**Key Findings**
Governance & Quality	Green	• The PMO has identified actions to address concerns raised in the IA Quality Review. Most actions propose suitable resolution to the recommendations. • The proposed restructure of the Top Sharepoint site is a large improvement. A consistent look and feel across the programme would be advantageous. **Conclusion:** • The PMO should progress the proposed improvements resulting from the IA's Quality Review and the CP Sharepoint Review.
Risk & Issue Management	Amber	• The recent focus on the resolution of aged issues and dependencies resulted in a considerable improvement in closing out such items. The measures of accountability that were introduced have been effective and should continue. A concerted effort is required to close out issues and dependencies as R2 approaches the release Stage Gate.

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Overall Workstream Rating:	Red	
Criteria	**Rating**	**Key Findings**
Change Management – January Report Focus		The assessment of Change Management has been enhanced in this report to highlight its effectiveness both in relation to the program Deployment Streams, as well as against key Critical Success Factors. The enhanced approach complements our previous approach and aims to highlight detail for action. CM activities are critical for Release 2 takeup by the business so this month, the IA activities for Change Management are focused on harnessing active involvement from the ATO business to support output from the Change Program. Historically, the assurer has made recommendations directly against the deployment streams as defined in Deployment Plans [i.e.. Journey management, HR & Job Alignment etc]. Some observations and recommendations made over several reports remain unactioned and are now critical – particularly for R2. The structure of Deployment Plans themselves [structured by deployment stream and separate releases] may be inhibiting integrated coordination activities – particularly in the critical areas of leader & stakeholder alignment; development of supporting behaviours & culture and business resourcing. This section of the report (Change Management) offers a complementary framework that still relates to the Deployment Plan's stream structure, but aims to enhance focus on what the assurer refers to as 8 Critical Success Factors (CSFs) for Change – initially shared with the Program in May 2005. Both the business streams and the CSFs have been rated on the following sheet. Research, observations and recommendations have been made against each key CSF. The potential impact of these gaps may undermine R2 deployment efficiency, R3 readiness and the chance for a positive change legacy left inside the ATO.

Overall Change Management Ratings Summary Overall Rating **Red**	
Deployment Streams	**8 Critical Success Factors [CSFs]**
Journey Management **Red**	1. Shared Vision & Strategy **Amber**
Organisational Alignment **Amber**	2. Leaders Engaged & Aligned **Red**
Training & Performance Support **Red**	3. Stakeholder Management & Communications **Red**
Communications **Red**	4. High Performing Project Teams **Amber**
Deployment Readiness **Amber**	&5. Upgraded Skills & Competencies **Red**
Business Introduction [not defined]	6. People Processes Updated **Amber**
	7. Aligned Processes & Organisation **Amber**
	8. Behaviour & culture gaps Addressed **Red**

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Overall Workstream Rating:	Red	
Criteria	**Rating**	**Key Findings**
Shared Vision & Strategy **Leaders Engaged & Aligned** Deployment Plan workstream: Journey Management	Amber Red	**Discussion of Finding:** • NPMs continue to call for clear definition of the CP's impact on the business – both in terms of the impact on processes, roles and functions and one detailed picture of the consolidated resources expected from the business (i.e comprehensive staff numbers / hours committed / and timing by role and location – across releases). • Journey Maps and the production of a consolidated resource requirements plan are behind schedule. • The Journey Maps remain as the resource that could deliver a consistent picture of the future-state [vision] but they have yet to be signed off. Central Change (CC) has not completed these products and has now devolved them into the R2 HR & Job Alignment stream for their completion as a data tool - rather than as behavioural maps for workplace change. • The Change Program's inability to define, agree and communicate a clear future state [post go-live] at 'job cluster; BSL and capability levels is now of grave concern. Without these maps, behaviour shifts sitting behind modified processes, job tasks or enterprise-wide thinking cannot be clarified or developed. • Leader's communication; management of potential employee & industrial sensitivities; training and service & productivity output at go-live could be enhanced if the Journey Maps were used well.

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Overall Workstream Rating:	Red	
Criteria	**Rating**	**Key Findings**
Shared Vision & Strategy **Leaders Engaged & Aligned** **High Performing Project Teams** **Stakeholder Management** **(Cont'd)** Deployment Plan workstream: Journey Management	Amber Red Amber Red	**Discussion of Finding:** • Resource needs are now being defined against capability stream and change roles then referred to the Executive for signoff. However, comprehensive resource planning is not being co-ordinated from within BSLs, regions and sites. • The December Deployment Workshop and the BRG team-leader meeting in January have helped consolidate Program direction and clarify essential decisions and the critical paths for deployment. • One observation is that the pace and leadership of these forums has evolved to be about achieving the stream leads' agendas rather than providing time and space for the business to work on its needs / agendas as well. • To date, engagement has involved business lead executives hearing about plans and reading communications, rather than responding to 'calls to action' or participating in activities at site or regional levels.

Overall Workstream Rating: **Red**

Criteria	Rating	Key Findings
Shared Vision & Strategy **Leaders Engaged & Aligned** **High Performing Project Teams** **Stakeholder Management** **(Cont'd)** Deployment Plan workstreams: Journey Management & Deployment Readiness	Amber Red Amber Red	**Discussion of Finding:** • Current effort and urgency inside the Change Program appears strong. Business action and teamwork (outside the Change program) however appears limited. The Change Program needs to welcome this active engagement - despite it's apparent limited returns to the Change Program's immediate objectives. • The assurer notes that the January readiness workshop was conducted with only BRG team leaders (rather than whole BRG teams]. Contracting the groups of those tasked to progress plans may enhance groups' efficiency but may further erode business engagement beyond those inside the Change Program itself. • The current 'high drive / limited dialogue' approach may aid implementation but at a high price. The ATO may be learning to be driven through processes, rather than enhancing its own change leadership capability.

Change Management

Overall Workstream Rating:		Red
Criteria	**Rating**	**Key Findings**
Shared Vision & Strategy	Amber	**Discussion of Finding:**
Leaders Engaged & Aligned	Red	• Central Change [CC] can describe a range of ideal actions required to ready the ATO for effective change implementation. People & Place has also produced a comprehensive assessment: 'Capacity of the People & Place Systems Capacity to Support the Roll-Out'. Despite this insight, Central Change and People & Place seem to have rationalised their approach to meet rigid timelines. The assurer suggests both units could offer more value if stakeholders helped them change their style of leadership; influence and action within the Program.
High Performing Project Teams	Amber	
Stakeholder Management	Red	
(Cont'd)		• P&P is following the line that this is 'a systems change only'. Although understanding the significant behavioural component behind the Change Program, People & Place report that they believe there is no time now to address the behavioural aspect of change. Work on optimising culture and organisational development was seen as needing 'to come later'. The assurer does not share this view and emphises the importance of addressing this as part of the deployment plan.
Deployment Plan workstreams:		• Getting the system 'in on time' appears to be the dominant focus, rather than optimising the **way** this is done for a longer-term benefit.
Journey Management & Deployment Readiness		• Most interviewees assumed that correcting gaps raised by the assurer meant adding tasks to their already challenging workload. Rethinking the way tasks are executed could offer a means to correct many gaps reported in this report.
		• ' The Deployment Activity and Roles Statement' offers a link from the Change Program back to business stakeholders however, . Multiple roles have the business remains unclear about action taken by roles numbers of those in each role.

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Overall Workstream Rating:	Red	
Criteria	**Rating**	**Key Findings**
Shared Vision & Strategy **Leaders Engaged & Aligned** **High Performing Project Teams** **Stakeholder Management** **(Cont'd)** Deployment Plan workstreams: Journey Management & Deployment Readiness	Amber Red Amber Red	**Discussion of Finding:** • People & Place said they were initially focused on the development of 1,200 BSL Team Leaders who they saw as key resources. The Change Program has instead identified a wider group of change roles. An integration step is required to ensure alignment across all change roles to ensure consistent messages; plans; skills and teamwork at site level. • The change tracking tool (The Change Management Survey) is to be disseminated in February. The 20 questions asked predominantly refer directly to respondents' awareness, involvement and clarity about The Change Program itself - rather than exploring the impact of the Program. The aim is that survey provides base-line data now and be administered repeatedly. Further clarity is required now on: survey frequency; how feedback on results will be returned to employees and the feasibility of taking corrective action in time for 'go-live'. Identifying responses from different locations so corrective action can be targeted may also be difficult unless the surveys are coded. • Feedback from interviewees about Central Change's [CC] driving role; active input, timely output and co-ordination remains poor. Some respondents appeared not to value the potential significance of CC's role; some appeared resistant to CC's input when offered; others reported frustration with CC's change leadership. • Responding to this, CC reported shifting their focus to work from inside releases. Although they feel they may be able to have more impact at this tactical level, this may undermine their focus and action on macro change issues than span releases.

Overall Workstream Rating:		Red
Criteria	**Rating**	**Key Findings**
High Performing Project Teams Deployment Plan workstream: Journey Management	Amber	**Discussion of Finding:** • The focus of the ATO CC assurer role has also migrated into more of a a 'doing' role. Both functions were always performed however there has been a shift in the balance towards more 'doing'. Both changes suggest the need to review CC's purpose, management, drive strength, sponsorship, support & resources.
Behaviour & Culture Gaps Addressed Deployment Plan workstream: Training & Performance Support	Red	• The careful focus and management of the human [psychological / behavioural and cultural] side of the change program's impact appears limited. • Statements were offered to the assurer this month that included: "we are deploying to a stable structure"; "work won't change, just the tools people use" and "the Change Program is not about Changing the ATO's culture". The assurer understands that the Change Program is not being used as a lever for change in these 3 areas. However, ATO structures, work processes and employee behaviour **will** be impacted by R2 & R3 deployment. Managing that impact needs to be factored more overtly into plans. • Behaviour continues to be referred to inside the Change Program as technical tasks and activities rather than employees' attitudes and ways of thinking & working. Attitudes will be critical if the ATO wants to leverage new productive management routines and an enterprise mindset as part of its benefits realisation from the system.

Change Management

Overall Workstream Rating:	Red	
Criteria	**Rating**	**Key Findings**
Behaviour Gaps Addressed	Red	**Discussion of Finding:** • People & Place appear to have a comprehensive insight into the work ideally required to support the roll-out but recently stated that any work on behavioural shifts will have to come later. • Mindset impacts have been defined in the Solution Profiles section of the R2 Staff Impacts Assessment document [eg 'less control, ownership and customisation of processes for current BSL publishing staff']. Mindset shifts such as these appears to have no plans, solutions or tools identified to directly address each impact – other than workplace support offered by the change network. • R2 design delays have impacted on user acceptance testing (UAT). Inadequate UAT may adversely impact users later confidence in systems and their response to training, or the system, at 'go-live'.
Upgraded Skills & Competencies Deployment Plan workstreams: Training & performance Support HR & Org. Alignment	Red	• Training aims to deliver technical systems knowledge and skills predominantly via e-learning done at the users' desks with support from a trainer who, in effect will be more like a power-user or workplace coach. Training content does not appear to address behaviour shifts. • Logistics detail is still being confirmed and has lead to dialogue about the perceived need for between 400 -1,500 trainers. The business' ability to service this emerging / undefined resource load remains in doubt and so the productivity impact remains undefined. This offers a real risk to service levels and clients at 'go live'.

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Overall Workstream Rating:	Red	
Criteria	**Rating**	**Key Findings**
Upgraded Skills & Competencies **(Cont'd)** Deployment Plans address workstream: Training & performance Support HR & Org. Alignment	Red	**Discussion of Finding:** • The assurer sees calls for hundreds of trainers as a 'call for help' with implementation. Explaining the specific actions and workload of roles like BSL Team Leaders may reduce the Trainer-to-user ratios being debated. The training delivery model planned aims to reduce workplace resistance from users expected to work through hours of self-paced materials online [a concern raised by some users in R1 deployment]. Access to a trainer [effectively a power user] in the learner's workplace is expected to contextualise the material for users at the time; answer questions and assist training roll-out. Much of this could instead be handled before 'go-live' through site management communication sessions. • At this stage training packages' duration remains undefined. Reportedly, one package of training entailed 27 hrs of instruction. People and Place are trying to manage logistics planning and trainer deployment schedules without this essential detail. • The full scale of training downtime must be clarified, so managers and BSL Team Leaders can plan training to meet conditions (peaks and troughs) and help minimise productivity and service disruption during 'go-live'.

Overall Workstream Rating:	Red	
Criteria	**Rating**	**Key Findings**
People Processes Updated Deployment Plan workstream: HR & Job Alignment	Amber	**Discussion of Finding:** • The HR & Job Alignment impact from R2 is reportedly limited to 5 new roles. Numbers of those populating these roles is yet to be defined. • Journey Map drafts delegated to this deployment stream from Central Change need to clarify the interaction between new roles and existing roles. Clarity on both is a resourcing input required for a comprehensive resource impact picture.
Aligned Processes & Organisation Deployment Plan workstreams: HR& Job Alignment Organisational Alignment	Amber	• Incomplete work processes are now compressing training preparation time and People & place's capacity to meet deadlines. The Journey Maps that may have supported this task would P&P contextualise training for roles - although they appear to have limited understanding about their potential usefulness. • Related work being undertaken by People & Place that supported each work stream activity was not easy to appreciate in existing deployment plans. • Deployment tasks being undertaken by the business [outside the Change Program's remit] appear in plans as dependencies - only where these exist. There is clear definition about where the Change Program's scope stops but less clarity about where the business' scope begins. • More work could be done to scope; project manage and communicate all the work the business is doing [via Central Change & People and Place] to help build a fertile ground for R2 & 3 deployment.

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Overall Workstream Rating:	Red	
Criteria	**Rating**	**Key Findings**
Aligned Processes & Organisation **(Cont'd)** Deployment Plan workstreams: HR& Job Alignment Organisational Alignment **Communications** Deployment Plan workstream: Communications	Amber Red	**Discussion of Finding:** • R3 functionality offers significant opportunities to rethink organisational structures, roles and tasks. HR & Job Alignment needs to start work on this now – rather than waiting to see output from R3 business process mapping done in in the design or build stages of R3 deployment. • Communications plans appear comprehensive and progress on the development of communications collateral or quality was not reported as an issue of concern this month. • The gaps reported in leader clarity and change network engagement' suggest communications plans may also need to focus immediately in communication from inside the Change Program to those outside the program. • Information-sharing and dialogue with NPMs; BSL Team leaders and those nominated to change roles must include frequent updates on issues being resolved such as training logistics, resourcing and should offer support actions they can take now to support the Change Program. [See earlier engagement comments.] • A significant blockage was reported relating to getting completed communications materials out into the business. The blockage involved fundamental roll-out gaps like not knowing who to send site materials to and how to ensure they met their target audiences. • There is currently no means of gathering feedback about : where communications materials went; their reception / impact assessment or any enhancements required.

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Design & Development

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Overall Workstream Rating:	Red	
Criteria	**Rating**	**Key Findings**
Design & Development - January Report Focus		This month, Independent Assurer activities for Design & Development (Program and Release level) have focussed on: - Release 2 Business Process Alignment - Release 2 Build - Release 2 & 3 Outcome Improvement - Release 3 Design - Release 3 Build - Release 3 Conversion
Release 2 Business Process Alignment	Red	• Significant effort remains to complete Business Process Alignment deliverables (covering transition, contingency, and some extras areas not originally identified). These deliverables are predecessors to several major deployment activities including training, report development, business communications, production support and UAT. The current schedule aims for completion of the business process deliverables by the end of March 2006. • A request for approximately 110 resources from the business to complete this work currently sits with the capability leaders. The detail was tabled at the BRG meeting on 20th January (Release 2: Business Impact Overview document). **Conclusion:** • The March delivery date is at risk and therefore significant risk exists for those dependant deployment activities. • Refer to Recommendation CM.6 and PM&G.3

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Overall Workstream Rating:	Red	
Criteria	**Rating**	**Key Findings**
Release 2 Build	Red	• Slippage in the build schedule continues to impact testing. • Build for 'new build work' is due to be completed by early Feb. See 'Test and Deployment' for further details. • The intention to create a 'common pool' of Siebel developers to be shared across R2 and R3 will enable continuity in development approach and maintenance of design knowledge. This is strongly supported by the IA. Continuity in the resource may be an issue.
Release 2 & 3 Outcome Improvement Team	Amber	• An Operational Analytics Implementation Strategy position paper has been drafted that seeks to "detail considerations made in reaching the decision" of approach for realising Operational Analytics. This is essentially a 'buy versus build' decision. • A significant level of effort is planned as part of Release 3 to complete the Operational Analytics implementation. **Conclusion:** • Whilst the paper is not intended as a formal assessment of options, it does not contain expected decision criteria. For instance, comparison of the 3 main contenders on relative costs (to implement and run) or functionality fit was not included. • Refer to Recommendation DD.1

Independent Assurer Report

Overall Workstream Rating:	Red	
Criteria	**Rating**	**Key Findings**
Release 3 Design	Amber	• The level of CP staff involved in analysis and design effort has been restructured and the level of staffing will taper down to a minimum by April. • Significant design effort remains to be completed across multiple solutions in Release 3. • Design issues remain requiring investigation, debate and resolution. • Approx 10k lines of design documentation feedback has yet to be fully addressed. More will be forthcoming as more design documents exit peer review and are distributed to the Business Review Group. • Business rules in ICP (encompassing forms processing, notices & correspondence, and codes tables) are to be developed beyond those already discovered in earlier work and represent a critical input to the ICP solution. Due to insufficient documentation of current rules, ATO SMEs need to be directly involved to complete development. **Conclusion:** • Analysis and Design effort is being closed out and the design focus is switching to communication and education. • Given the high level of effort remaining, reducing the design staff levels may prove premature. • Refer to Recommendations DD.2 and DD.3.

Independent Assurer Report

Design & Development

Overall Workstream Rating:	Red	
Criteria	**Rating**	**Key Findings**
Integration	Amber	• Work on the conversion of TAS to ICP is progressing yet there is still no agreement on a starting position for the COBOL code base (referred to as Code Quality). • The underlying technical architecture of Release 1 is still to be confirmed as adequate for Release 2. • The 19 point plan to improve the R1 performance and robustness has still not been completed. **Conclusion:** • A sound starting position for COBOL code quality has yet to be determined. • The technical architecture under the CRM solution has yet to be proven to be adequate for Release 2.

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Overall Workstream Rating:	Amber	
Criteria	**Rating**	**Key Findings**

Testing & Deployment - January Report Focus	Amber	This month, Independent Assurer activities for Testing & Deployment (Program and Release level) have focussed on:
		    - Integrated Solution Test
		    - User Acceptance Test
		    - Performance Test
		    - Site Preparation
		    - Deployment
		    - Support

Integrated Solution Test	Amber	• Program has incurred a minimum 6 week impact due to delays in the solution passing Product Test; • Complete solution is unavailable for end to end testing until after Drop 4 on 13 March; • Scripting for Integrated Product Testing for end to end testing scheduled to be completed 27 Jan; • Release 1 of the Change Program required 11 cycles to pass testing, including 9 eFixes for the last run to pass. By contrast, this current release has scheduled only 3 cycles which appears overly optimistic. Continued over page…..

Independent Assurer Report

Overall Workstream Rating:	Amber	
Criteria	**Rating**	**Key Findings**
Integrated Solution Test (Cont'd)	Amber	• There is no contingency planned for Release 2 to exit Level 3 IPT at the end of April and handing the environment to Release 3. This is despite a Release 2 drop scheduled for July/Aug and Release 2 Case Extensions scheduled for April/May 2007. Both need a test environment. **Conclusion:** • The current test schedule is under high compression which will increase the risk of the product not making the schedule's release date if issues are found. There is the risk of introducing a culture of 'just push it through' within this final phase of the 5.4 Release which may cause a suboptimal solution to be introduced into production release. (related to Change Management observations about culture)
User Acceptance Test	Amber	• Scheduled to commence in Level 4 on 27 March; • Business scenarios for User Acceptance Testing have just commenced being scripted; • Environment will be shared with preproduction Integrated Solution Testing and the independent penetration test; • Early User Acceptance Testing should wait until the solution is available for integrated solution testing;

Overall Workstream Rating:	Amber	
Criteria	**Rating**	**Key Findings**
User Acceptance Test (Cont'd)	Amber	• Environment is currently assigned to CPSF as a preproduction eFix environment; **Conclusion:** • Use the available resources to develop a comprehensive set of business scenarios whilst waiting for an acceptable solution that has passed Integrated Product Test. • Whilst having UAT early in the schedule can be beneficial, the full benefits may not be realised as the solution shall not be at a level of completion that allows users to do full business level runs against.
Performance Test	Green	• Initial High Risk Performance Test has completed; • Environment has now been made available for solution deployment; • Test scripting for more detailed Application Performance Testing has commenced; • Environment is to be shared with Trial Data Conversion work; • Trial conversion runs have yet to be scheduled; • Unable to determine commencement date for full performance testing. **Conclusion:** • Early running of Performance Test has helped to isolate issues earlier in the cycle reducing rework at the end. The absence of case creation analytics and successful IPT runs needs to be factored into the Performance Test planning.

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Overall Workstream Rating:	Amber	
Criteria	**Rating**	**Key Findings**
Site Preparation	Green	• Site resources have not be identified; • Specific site preparations are not scheduled to commence yet. **Conclusion:** • This is still a work in progress; most of the focus has been on the system deployment. Environmental planning has started.
Deployment	Green	• Pilot deployment to 350 users has not been finalised and signed off; • Transition procedures between the pilot group and BAU are currently being drafted; • Support arrangements are yet to be finalised for pilot group(s); • Roll-out plan has not been finalised; • Transition arrangements not defined between deployed functional groups; • Contingency planning has not been undertaken at site level. **Conclusion:** • The deployment to the business is still under discussion. This needs to be confirmed to allow the technical deployment, the implementation to the users, and support arrangements to be finalised.

Overall Workstream Rating:	Amber	
Criteria	**Rating**	**Key Findings**
Support	Amber	• Support staff are being engaged in the Application Performance Test Team; • Release 1 production environment support and maintenance changes have been provided to the Release 2 build team for incorporation into the solution; • Regression testing of the retrofitted changes is the responsibility of the release testing teams; • Performance baseline for the technical environment is currently in planning stage; • Dedicated eFix environment for supporting production Change Program needs immediate priority to remove dependencies on environment for the Release 2 User Acceptance Testing. **Conclusion:** • Early engagement of the CPSF staff with the Release team is beneficial to the later support of the system. • The dependency of Release 2 UAT environment and the CPSF eFix environment should be on the critical path.

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