



# Information Sharing Lessons Learned from Gateway Reviews: Gate 0 – Business Need Review

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The purpose of this document is to share lessons learned to support agencies to better identify opportunities to improve productivity and efficiency and to help make project teams more aware of alternative approaches to project delivery that may increase the realisation of benefits.

This document presents the lessons learned from Gate 0 – Business Need Reviews held since the Australian Government's implementation of the Gateway Review Process in 2006 and are drawn from the three project types: ICT, Infrastructure and Procurement. Regardless of their origin, the lessons learned are beneficial and provide good practice that can be applied across all project types.

The Gate 0 – Business Need Review provides assurance to the Sponsoring Agency responsible for the Project, via the Senior Responsible Official, that the scope and purpose has been adequately assessed, communicated to stakeholders, and fits within the agency's overall business strategy and/or whole-of-government strategies and policies. It also aims to test whether stakeholders' expectations of the program or project are realistic, by reference to planned outcomes, resource requirements, timetable and achievability.

The lessons learned provided in this document are a subset of all recommendations and are grouped into the Gate 0 Key Focus areas. The percentage distribution for all recommendations is as follows: Policy and Context (17 per cent); Business Case: Scope and Stakeholders (24 per cent); Review of Current Phase (14 per cent); Management of Intended Outcomes (14 per cent); Risk Management (13 per cent); and Readiness for Next Phase – Business Case Review (18 per cent).

## Policy and Context

***Clearly outline the Project's goals – develop clear goals for the Project and outline how to achieve these goals and the roles of key individuals and stakeholders.***

Clearly outlining the Project's goals involves:

- defining roles, responsibilities and accountabilities of key project personnel and the working groups, and associated management and reporting lines;
- outlining and communicating how these will be achieved through statements of work and their relationship to project benefits;
- establishing a long term business vision to guide project development;
- developing a plan for the provision of skilled resources to assist in the Project's development;
- considering the Project in the context of broader government objectives and whether it should form part of a program;
- formalising project governance through the commencement of regular meetings of both the Steering Committee and the Project Board; and
- including, where appropriate, external representation on either or both of the Steering Committee and Project Board to provide independent assurance and a customer focus.

## Business Case: Scope and Stakeholders

***Develop a robust Business Case that incorporates benefits realisation*** – benefits realisation should be considered from the commencement of the Project as it is integral to the strategic delivery of business change.

***Proactively engage with stakeholders*** – to ensure that stakeholders are clear on the Project's goals and understand the common purpose.

Developing a robust Business Case that incorporates benefits realisation involves:

- developing a Business Case that defines the deliverables and associated linkages to outcomes, benefits, costs and timeframes;
- undertaking detailed project planning to identify and commit the resources (finance, equipment and staff) required for the Project, and manage any shortfalls;
- articulating interdependencies arising from related projects within project management and risk management activities and documentation;
- incorporating current and projected performance metrics into the Business Case as a foundation for benefits realisation;
- identifying, quantifying and valuing all of the benefits contributed to by the Project, including attribution of benefits to key stakeholders, indirect and future benefits, and identifying measures to track and report on realisation. This valuation should be considered in developing the costing methodology and differentiate between immediate benefits and the broader benefits to government and the community;
- adopting a modular approach to capability delivery linked to business needs and benefits realisation;
- ensuring the Business Case clearly identifies options, including a range of alternatives that are achievable in the event that full funding is not approved, or a "Do Nothing" option should no funding be approved;
- for projects with extended lead times to project initiation, reviewing cost estimates and potential solutions on a periodic basis to ensure the assumptions underpinning the Project remain valid; and
- for ICT projects, determining key system characteristics and assess options for leveraging existing Government capability and develop sourcing strategies so that in-house and external resources are utilised in the most effective manner.

Proactively engaging with stakeholders involves:

- developing and implementing a Stakeholder Management Plan and Communications Plan for the Project;
- consulting with all relevant stakeholders regarding the Business Case to ensure that it accurately reflects combined expectations and presents a realistic and practical outcome;
- involving, where appropriate, key stakeholders in identifying the benefits and key performance measures that will assist to define the Project's success; and
- providing feedback to stakeholders on the outcomes of their submissions, where appropriate.

## Review of Current Phase

***Confirm the Project is on track*** – review the project plan and strategy to confirm appropriate resourcing and risk mitigation planning.

Effectively reviewing the Project's progress involves:

- developing a detailed project plan, including dependencies with other projects, and validating the phasing strategy for the development and implementation of the Project;
- establishing an approved baseline schedule for the Project and applying version control;

- implementing best practice project management principles, including, where appropriate, appointing a dedicated and appropriately skilled and experienced project manager within the Project Management Office for the delivery of the Business Case;
- implementing a probity framework and appointing a probity adviser where appropriate;
- identifying the source of funding to progress the required work in the next phase;
- engaging with other agencies that have recently undertaken similar projects, particularly large and high risk projects where relevant, to draw on their knowledge and experience; and
- ensuring that within the project team, there is an appropriate number of sufficiently experienced senior staff, noting that adjustment of the budget may be required to attract quality staff.

## Management of Intended Outcomes

***Manage change and identify intended benefits*** – develop a Benefits Management Plan and organisational change plan to identify and manage outcomes.

Effectively managing outcomes involves:

- developing a Benefits Management Plan to document the expected key benefits and outcomes of the Project;
- developing KPI's to measure the outcomes;
- developing a comprehensive organisational change plan and communications strategy to manage the transition;
- utilising skilled project managers to assist in identifying the project structure, process, governance, stakeholder management and risk management;
- for ICT projects, developing a strategy for the management, transition and decommissioning of legacy systems; and
- also for ICT projects, considering a disciplined approach to contain scope and test business requirements by using commercial off-the-shelf products, where appropriate.

## Risk Management

***Implement good risk management practices early*** – establish a Risk Management Plan and identify roles and escalation procedures.

Early management of risk involves:

- establishing a rigorous Risk Management Plan that includes an assurance function;
- ensuring that the Risk Management Plans take account of responsibilities, escalation procedures, risk and issues registers and project phases including; policy and planning, procurement and implementation;
- where appropriate, commissioning a risk assessment workshop and implementing risk treatment strategies, including for immediate and short term risks, and recording and tracking processes;
- implementing a systematic way of managing risks and issues, and accountability for mitigation at both project team and Steering Committee/Project Board levels;
- including risk management in the roles and responsibilities of the Steering Committee Charter/Terms of Reference and as an agenda item at each Steering Committee/Project Board meeting; and
- developing a contingency plan in the event that there is reduced or no funding approved or available.



## Readiness for Next Phase – Business Case Review

***Prepare for the next phase*** – undertake planning that considers the Business Case, change management, stakeholders and resourcing required to reach the next phase.

Preparing for the next phase involves:

- undertaking detailed implementation planning in consultation with business stakeholders and agency officials that is supported by an explicit change management program;
- bringing together the necessary elements of the Business Case at the required level of detail in order to maintain focus on the business need throughout the Project's lifecycle;
- developing and actively managing a detailed project schedule with accompanying critical path analysis and resource allocation;
- establishing the Project through allocation of resources and formalising contingency planning to assist in securing timely resourcing;
- for ICT projects, planning data migration including documentation of datasets, cleansing existing data, and planning the archiving of inactive data; and
- also for ICT projects, ensuring that the roles and responsibilities between the tenderer and the in-house ICT section for the provision of technology components are clear and optimised to ensure lowest risk to the Project.