



Information Sharing Lessons Learned from Gateway Reviews: Gate 4 – Readiness for Service Review

October 2013

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 4 – Readiness for Service 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 4 – Readiness for Service Review provides assurance on whether the planned solution is robust and ready for delivery - assessing organisational readiness to implement changes that occur before and after delivery, considering the basis for evaluating ongoing performance and the benefits that are likely to be achieved.

While delivering the Project is an important milestone, it is not the final step. Project delivery is the start of the process to deliver the actual benefits initially envisaged by the Government. Gate 4 is therefore an important transition point in the life of the Project towards the realisation of benefits – Gateway reviews have shown that being prepared for, and managing, this transition is critical.

The lessons learned provided in this document are a subset of all recommendations and are grouped into the Gate 4 Key Focus areas. The percentage distribution for all recommendations is as follows: Business Case and Stakeholders (23 per cent); Review of Current Phase (35 per cent); Risk Management (15 per cent); and Readiness for Next Phase (27 per cent).

Business Case and Stakeholders

Make good use of the Business Case – it will assist in preparing the agency for the transition to delivery and in retaining a focus on realising the overall intended outcomes.

Review stakeholder and communications management – keep stakeholders engaged; consider sign-offs to formalise their commitment; and review and analyse stakeholder groups to ensure that they remain up to date.

Effectively using the Business Case involves:

- updating the Business Case to reflect current scope, timings, project outcomes, consolidated project budget position, and quantifiable costs and benefits;
- ensuring the Business Case reflects the Benefits Realisation Plan, and outlines the expected benefits with links to how each benefit supports the objectives of the overall Project;
- ensuring the Governance Body approves the updated Business Case and that it is updated in consultation with other areas as part of the package of documentation to be handed over during transition; and

- ensuring that the Business Case, in line with the project schedule, outlines the transitional arrangements prior to and after each milestone/system release, including business changes, technical training and the transfer to Business As Usual (BAU).

Effective communication and stakeholder management involves:

- using the Communication Strategy and Plan to address expectation management of key stakeholders, maintain continuity between early delivery and longer-term vision, and include an actionable engagement plan integrated into the overall project schedule;
- regularly reviewing the Terms of Reference and membership of high level and cross-agency governance bodies, ensuring appropriate levels of engagement for all stakeholder groups and responsibility for clear strategic and operational delivery decisions;
- preparing for system releases by paying careful attention to sign-off by jurisdictions/relevant areas and coordination of communications releases at different organisational levels;
- engaging with stakeholders to ensure utilisation as intended to deliver a seamless user experience, including post-release monitoring of market trends, sentiment and take-up;
- prioritising production pilots amongst competing priorities to provide a tangible product that supports continuing stakeholder commitment and assurance of operability; and
- considering the value of conducting an independently facilitated planning day with all key stakeholders to review and agree all issues related to the transition and operation of the new facility/system.

Review of Current Phase

Actively manage the Project – *finetune governance structures, project management methodologies and required skill sets to assure the delivery of overall outcomes and benefits.*

Ensure governance bodies are suitable and consider the right things – *review the information going to the Body to ensure it is pertinent to its role, and continue to review membership to ensure that it is well constituted and well integrated with other related boards.*

Closely monitor resource management – *this extends beyond financial management and can hinge on maintaining and managing the capability of personnel.*

Active project management involves:

- developing a project definition document that is comprehensive and regularly updated (e.g. after each stage or tranche), to guide the development and management of the Project;
- implementing robust management processes across the project lifecycle, including: issuing project documents from a single source; implementing clear mechanisms for tracking document changes and approvals; and developing a process to monitor and manage the dependencies on external or out-of scope projects;
- undertaking timely and forward-looking project budgeting that allows budget and resource planning within the budget cycle. Additionally, scenario planning and detailed approaches should be developed to manage any savings (if applicable) which have been harvested by virtue of the Project;
- developing project contractual agreements that do not restrict the agency's ability or timeframe to implement project contingency plans. If (re)negotiating with suppliers, agencies should consider maintaining appropriate balance between Earned Value Payments and Payments for Deliverables (including a clear definition of deliverables);
- incorporating early and disciplined processes for requirements' finalisation into project planning, ensuring eventual realisation and appropriateness of deliverables, administrative closedown of the Project, and preparation for evaluation and performance review;
- proactively engaging with the contractor to progress project outcomes, and setting milestones and proposing resolutions to resolve unexpected delays; and

- undertaking regular project reviews to assess progress against delivering the intended outcomes as set out in the New Policy Proposal, providing regular assessments of any benefits realised to date and identifying lessons learned to date and expectations of the future.

Good governance involves:

- integrating the Steering Committee and/or Project Board with the appropriate project and operational governance models and conducting regular meetings to provide oversight of significant project developments, remediation and progress updates;
- co-ordinating inter-related projects and their governance to ensure projects deliver value without duplication of effort. The role, responsibilities and decision-making functions of the Steering Committee and/or Project Board need to be clearly articulated;
- ensuring that the Project Board receives and signs off on quarterly operational reviews of all aspects of the Project, including system availability, service management, agency and project performance, stakeholder engagement, contract management and benefits realisation;
- ensuring that the Project Board assigns risks to the appropriate staff and is provided regular financial updates on expenditure (budget and actual) and financial planning; and
- engaging senior executives and members of the Project Board in a strategic enterprise-wide lessons learned activity at regular intervals across the Project's life, identifying lessons learned to date and providing an opportunity to learn from peers.

Resource management involves:

- producing and maintaining a consolidated budget (with actual expenditure records) for the Project and regularly clarifying and reporting the amount and purpose of project funds compared to the appropriation. This includes identifying if funds are no longer available and if the remaining budget is sufficient to deliver the outcomes expected by Government;
- developing a consolidated schedule and budget to ensure, even at advanced project stages, that outstanding deliverables, handover and transitional arrangements are realised as planned;
- ensuring that sufficient resources are available to support existing client services and carefully balancing the resource requirements of both the Project and BAU;
- developing and agreeing a detailed plan, outlining the appropriate knowledge/information transfer, for example, from departing contractors and implementation team to BAU; and
- testing and confirming the effectiveness of communications and training activities by capturing feedback from project providers and other stakeholders during initial training and early stages of operation. Subsequently, allow for follow-up training of staff and providers on a contingency basis during the first few weeks of operation.

Risk Management

Be proactive in assessing and managing risks – risks and mitigations will change throughout development and the transition to production will bring new risks to the fore.

Proactive risk management involves:

- implementing a Risks, Issues and Change Framework that conforms to best practice, ensuring that change within the Project and the wider agency is focused, harnessed and controlled and considers external risks (e.g. changing Government and business priorities);
- ensuring that the Project Risk Management Plan is updated following risk workshops (involving and supported by all relevant stakeholders), construction, handover and operational stages (as relevant), and that the Risk and Issues Register is updated and maintained to identify residual risks and issues for future releases/construction;
- considering the benefits of conducting a complete reassessment of risk and management strategies prior to transitioning from development to production that includes analysing the risks associated with data migration, business risks within the existing technical risk framework and the risks reported by stakeholders;

- ensuring that comprehensive risk reporting is implemented at all project governance levels, and consider undertaking monthly formal and quarterly higher level strategic reviews of the project risks and mitigation activities so as to avoid creating a culture of risk acceptance, often reflected in schedule slippage; and
- considering the development of a Service Continuity Plan and associated Disaster Recovery Plan, ensuring all disaster recovery and service continuity issues are resolved where possible. Consideration should be given to requesting the suppliers to demonstrate their business continuity arrangements.

Readiness for Next Phase

Effective change management is a necessary ingredient for success – transition and ongoing support should be offered to change business practices and embed the new capability.

Remain focused on what is the ultimate goal – have an effective Benefits Realisation Plan in place and maintain and follow it.

Be thorough and challenge performance testing – involving stakeholders in the specification process is important but it can also be valuable to challenge the counterfactual through the use of independent assurance tools.

Effective change management involves:

- establishing a business change management function to be accountable for alignment of all organisational change activities and adoption of the capability offered by the Project;
- assessing, planning and executing change management (including business change and technical training) in line with the updated Business Case and schedule, and address internal/external stakeholder requirements;
- developing robust transition, ongoing support and service delivery plans prior handover/external release date and agreeing these with relevant stakeholders where appropriate. For example: reviewing current governance arrangements; developing and socialising cross-agency and internal strategic and operational structure; aligning Service Level Agreements with providers; and developing roles, responsibilities and BAU procedures to service the new environment;
- Providing a schedule of all manuals, schedules, drawings, supplier lists and spare parts that are expected to be received from the Contractor at completion of their work. The Project Manager should review this against the stated contractual requirements so that any expected items which are not to be provided by the Contractor can be identified and action taken accordingly;
- ensuring that back-out plans are in place and appropriately documented for each release, with these plans being tested prior to release;
- finalising hand-over criteria in accordance with existing work plans, including project artefacts to be transferred, system to be delivered, service arrangements including warranty period arrangements, responsibility for confirming, measuring and managing benefits, stakeholder management arrangements, roles and responsibilities, and the temporary co-location of agency staff (if applicable); and
- following release of the Project, undertake a review to assess the extent to which the original scope of the Project has been achieved and any requirement for further delivery. This will determine the transition to BAU and the closing of the Project.

Maximising benefits realisation involves:

- implementing a formal, centralised and evidence-based Benefits Management Plan and methodology that incorporates specific, measurable, achievable and realistic measures to define, consolidate, quantify and rationalise the available benefits realisation information and how each benefit supports the objectives of the overall Project;

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- establishing the associated measures and baselines of project benefits at the earliest opportunity to link benefits realisation to cost saving and business improvement projections;
 - developing clear Key Performance Indicators and associated baseline values for each benefit and collecting sufficient benefits metrics to support evidence-based benefits reporting and trending. Accountably translating benefit reporting to the Business Case;
 - developing the Benefits Realisation Plan in conjunction with project support plans, that provides adequate resources and formally articulates responsibilities (who, what and when) for the management, measurement and realisation of identified benefits; and
 - completing the End Project (or Closure) Report for all components of the Project, comprehensively acquitting the capability delivered, benefits realised, the costs of the Project, the lessons learned (including how these lessons are being addressed and made available for future projects) and, if applicable, transferring ownership of the projects benefits realisation.

For ICT projects, the following lessons learned regarding Performance and Testing should be also considered.

Thorough performance and acceptance testing involves:

- introducing a disciplined and timely process for requirements' finalisation, with specification for the Project agreed to the satisfaction of stakeholders/jurisdictions;
- establishing a formal and structured performance and load-testing regime and implementing testing metrics for all aspects of testing. Consider utilising user focus group input to inform design and testing phases, with particular reference to the overall user experience;
- seeking assurance that any connectivity issues between Project systems are addressed to ensure broader Australian Government outcomes from the systems are achieved;
- developing and administering a Release Management Plan (across the Project) that includes a detailed schedule of tasks to ensure cohesive and achievable content across releases that match resource availability and delivery feasibility, which include clearly defined critical paths;
- reviewing and addressing sustainment/support and other risks prior to release, including independently assessing the robustness of the solution and readiness for service;
- considering the benefits of conducting a review of system readiness from an independent quality assurance provider before accepting the system into production and ensure all acceptance testing sign-off processes are complete prior to moving into service; and
- undertaking post-implementation consolidation and planning to establish a firm base for subsequent system releases. Consider the need for a small team to take a strategic longer-term view of future releases, including developing a process for formal acceptance of future releases.