

# Managing Programmes for Environmental Change

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Maurice Aizlewood

Business Systems Manager

# Content

- Background on the Carbon Trust
- Historical development highlighting the key issues at each stage
- Summary of the 10 key recommendations

# What is the Carbon Trust?

- Government funded company created to lead the UK's response to its Kyoto obligations
  - Private company (not for profit)
  - Government funding (with all the rules)
- Objective to reduce UK carbon emissions by promoting energy efficiency and investing in new low-carbon technologies
  - Site surveys, tailored advice, interest-free loans
  - Medium to large companies / government bodies
  - *Commercial* investment in new technologies
- 5 years old
- > 150 people
- Budget of £100m in 2006/7, set to double over next 3 years



# The Challenge

- > 2500 projects / year
- Government funding (200 funding streams)
  - Different mandates
  - Monthly spend forecasts
  - Audit scrutiny
  - State-aid restrictions
- 4 Offices (England, Scotland, Wales, Northern Ireland)
- Small number of core staff managing 6 Main contractors (Delivery Partners) with 300 staff who in turn manage a further 400 consultants
- Rapidly growing / changing organisation
  - Staff numbers double each year
  - Restructuring at least once each year
  - Funding structure changes each year
  - Ill-defined and evolving business processes

# Carbon Trust System Requirements

- Support CT Business Processes
  - Decision making and work approval
- Enforce good Programme/Project Management
  - Audited budget management
- Support Financial Reporting
  - Accuracy/accountability/accessibility of management information
  - Reporting requirements to the Government
- Available to all CT stakeholders
  - Security

# Rapid Spec and Select

- Spec
  - Requirement for programme management *not* project management / finance management / resource management etc
  - Off the shelf (but flexible!) rather than custom
  - Capable of representing the funding structure
- Select
  - Market-look, Winter 2002
  - 50 products
    - 6 short-listed
      - Artemis Portfolio Director (now Artemis 7) selected January 2003
  - Go-live April 2003

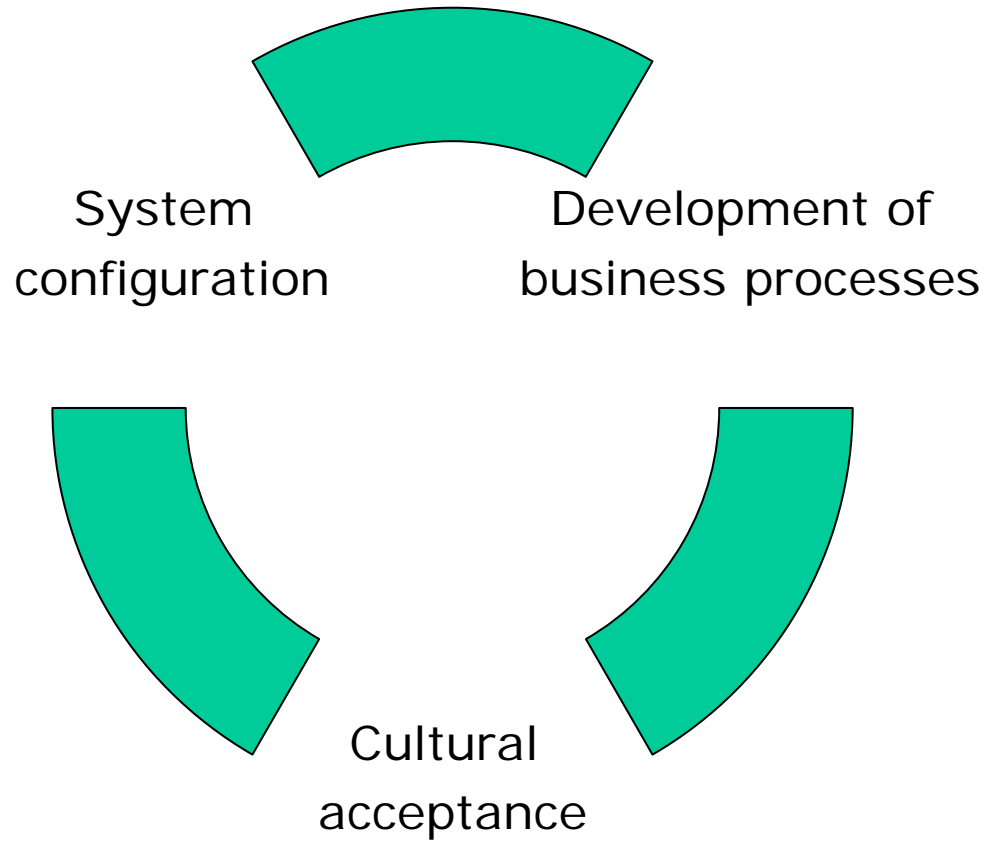
## Initial Implementation, April 2003 - Scope

- Limited to 40% of the business
- Urgent need in that part of business
- Artemis chosen to meet needs of that area but with a view to potential roll-out across company
- c30 Internal CT users, c100 users in Delivery Partners

# Aids to a rapid implementation

- Management sponsorship
  - FD as customer “this will happen!”
- Focussed core team
  - Operations Manager as day-to-day driver
  - Business Systems Manager, understanding of business requirements and existing business processes
  - Artemis, initial training and workshops
  - Use of 3<sup>rd</sup> Party Consultant with the ability to understand the business processes as well as the IT, and act as “Devil’s Advocate” ★
- Wider team (12 people) involved in detailed configuration and User Acceptance Testing
- Jelly babies!
  - Active participation
  - ‘Locked room’
  - Not by consensus

# Initial Implementation – 3 aspects



# Initial Implementation – System Configuration

- Means of tracking Budgets / Forecasts / Actuals for each project against multiple funding streams
  - “Who pays for what?”
- Monthly data (vs. Quarterly, yearly)
- Lifecycle stages
  - Various stages of work in progress or planning
- Approval methodologies
- Role definition
  - Designed for secure remote access by Delivery Partners

# Initial Implementation – Development of Business Processes

- Monthly reporting and forecasting cycle
  - Key dates and responsibilities
  - Roll-up for monthly funding forecasts
- Audit trail of approvals
  - “Who approved what and when?”
- Integration with Delivery Partner contracts
  - Generation of Purchase Orders as part of system
  - Management of KPIs
- Financial delegation through layers of system from funding streams to portfolios to projects.
  - Directors to Project Managers to Delivery Partners

# Initial Implementation – Cultural Acceptance

## Win “Hearts and Minds” ★

- Carrot
  - Extensive consultation with internal and DP staff
  - Broader project team become early adopters / “evangelists”
  - Better than the spreadsheets!
  - DP KPI bonuses for correct use of system
- Stick
  - CT internal acceptance driven by Finance Director
  - DP acceptance driven by contracts

# Initial Implementation- Not Included

- Benefits
  - CT benefits mainly non-fiscal and difficult to quantify
- Widespread use of milestones
  - Lack of reporting
- Risks and Issues
  - Minimal requirement to track risk

# Initial Implementation- Philosophy

- One set of data, viewable from any location (with appropriate security access)
- Walk before run ★
  - Target most appropriate area
  - Focused on key requirement (Financial control)
  - Take a long term view
- Configure before customise ★
  - Bend process to meet tool
  - Wait for processes to mature
  - Accept 80% of requirements met
- Multiple ways of doing things but keep simple by choosing one consistent approach ★
- Delivery Partner management by exception

## Year 2

- Roll-out to 2<sup>nd</sup> CT Directorate
- Simplification
  - Less stages in the approval methodologies
  - Removed split % funding of projects
  - Removed sub-projects
  - Avoided too small projects
- Necessary customisation ★
  - Locking of historical actuals
  - Automatic generation of project reference code
- Enhance reporting via Excel ★

# Year 3

- Roll-out to whole company (100 internal users, 150 in Delivery Partners)
  - Including overhead activity
  - Including reluctant users!
- Refinement of System and Process
  - New cost types
  - Income streams
  - Management of business plan throughout year
- Extensive formal training ★
  - 2 day CT course
  - 1 day DP course
  - Cribsheets
  - CT specific system documentation
- Improved reporting (via 3<sup>rd</sup> party tool)
- Archiving of old data
- Simplified again where possible

## Year 4

- Integration between Artemis 7 and CT's finance system 'Exchequer' ★
  - Substantial savings on double-entry and reconciliation
  - Further tightening of processes
- More reporting – v6 includes major upgrade of reporting capabilities via built-in Excel links ★

# The Future

- More customization – locking of other historical fields
- More reporting
- More focus on delivery (milestones, benefits etc) rather than just finances

## Key Points ★

1. 3<sup>rd</sup> party PPM consultant
2. Keep it simple
3. “Walk before run”
4. “Configure before customise”
5. Targeted customisation
  - Lock historical data
  - Use the Account Codes
6. Win “Hearts and Minds”
7. Formal training
8. Improve reporting
9. Link with finance system
10. Improve reporting even more!!

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  - Reporting requirements to the Government
- Available to all CT stakeholders
  - Security
- Consistent way of doing things
  - Stability amidst change

# Making Business Sense of Climate Change