CLEAR STAR

CASE STUDY

Supporting A Government Departments Move to Fund Portfolios Rather Than Projects & Programmes

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Situation

This large Government department, responsible for delivering and operating vital digital solutions for defence, struggled with the overheads and constraints of securing funding and approvals through business cases for each new initiative

- **With approximately 300 Business Case submissions each year,** the department was spending significant costs on the preparation, qualitative management review and approval governance processes each year
- **Business Cases were taking 18-25 months from draft to approval,** meaning that the Department was unable to keep pace with user demand and react to operational needs and technological change.
- With new Business Cases required for each change to project or programme scope, and with Business Cases often covering multiple projects and programmes, **project governance and tracking of spend and value for money against business cases became next to impossible** due to the complex alignment of delivery work to business cases.

The Department had recently transformed itself from being organised around projects and programmes to being organised around Services and Portfolios of Services, and senior leaders wanted to:

- Adopt a new Business Case regime aligned to Portfolios of Services rather than to Projects and Programmes
- Dramatically reduce the number and frequency of business cases
- Create space for empowerment and local decision making by Service Leaders within Business Cases, including the ability to make in year decisions to veer and haul people and money based on emergent user needs and requirements
- Ensure that all enabling and supporting functions (finance, commercial and assurance) were engaged and supportive
- Align to a wider change initiative being driven by the DG Finance, DG Commercial and Executive Committee of the Department's parent organisation

Task

Clear Star were asked to:

- **Develop a Capability Portfolio Management Business Case** approach for Portfolios of Services which would be aligned to the wider organisational changes, have the support of senior leaders, and that could be piloted within the Department
- **Identify potential pilot areas** and support the case to senior leaders to sponsor one or more pilots
- **Develop a process for Services to migrate to these new business cases**, including an assessment of their current state and the building of a backlog of required work

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- **Support the pilots in multiple Services**, including the changes to internal controls and assurance process to enable the delegated authority required by the new Business Case
- **Secure the support of affected functions (finance, commercial and assurance),** and to help them understand the changes and to develop a roadmap for their support
- **Educate and build a community around the adoption of these business cases**
- **Maintain engagement and alignment with the wider organisational change initiative**

Actions

1. **Built consensus and support for a new Capability Portfolio Management Business Case for Portfolios of Services**
    - Engaged the wider organisation change initiative to shape their plans and proposals to meet the Departments requirements
    - Facilitated conversations and discussions between the wider organisational change initiative and local senior leaders to build understanding and acceptance
    - Secured senior leadership agreement on the Capability Portfolio Management Business Case model
2. **Secured agreement to run pilots within the Digital Department**
    - Worked with the Department's Portfolio Team to short list potential candidates based on a maturity assessment and alignment to different aspects of the Business Case process
    - Engaged and briefed Service Owners and Service Leadership Teams on the mechanics and potential benefits of the new Capability Portfolio Management Business Case model
    - Supported three Service Owners to make their case to the Senior Leadership Team for their Services to be pilots of the new approach
3. **Worked with pilot Service Owners to identify and prioritise the pilot backlog of experiments**
    - Completed a readiness assessment across the functions of delivery, finance and commercial to establish a prioritised backlog of work to prepare the Business Case.
    - Identified and agreed the highest prioritised work, and secured commitments to release the necessary people with the relevant knowledge and experience to support the experiments
    - Established cross-functional teams that could test and learn what changes to governance, delivery and assurance were required.
    - Agreed cadence of iterative reviews and planning cycles to enable reprioritisation based on progress and emerging issues
    - Ensured progress was visible and transparent across the functional leadership teams, so that learning was shared, and influencing other transformational change initiatives.

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4. **Experimented with new approaches to governing Portfolios of Services**

    - Experimented and incrementally implemented new governance approaches to managing portfolios of Services
    - Formed new cross-functional Leadership teams, that shared accountability to maximise the delivery of value to their customers at the lowest possible cost. Moved away from simply tracking Project Milestones and Financial Forecasting.
    - Experimented with new data, reporting and decision-making processes that supported the new delegated financial authorities and accountabilities for Innovation, Change and Run.

5. **Experimented with new approaches to Delivery**

    - Provided training, coaching and other learning opportunities to improve foundational understanding of agile delivery practices amongst the Leadership and Delivery teams
    - Piloted new approaches to quarterly planning, big room planning, risk management and reporting processes to explore and demonstrate how this could improve delivery rigour and increase alignment between delivery and portfolio governance
    - Included a broad range of multi-functional stakeholders, inc Policy, Finance, Commercial, Users, and other Service Portfolio Leadership Team members, so they could experience and learn what the changes might mean to them in the future.

6. **Engaged Internal and External Stakeholders**

    - Brought together a broad spectrum of stakeholders, through a variety of workshops, reviews, briefings, demonstrations and communities of interest to expose the learning from the Pilot and gain insight from pilots in other parts of the Department.
    - Participated in briefings and workshops with external stakeholders, including other government departments. Capturing any initial concerns and risks and latterly providing insight into the Pilot and the emerging new approaches (across the functional spectrum of Governance, Assurance, Security, Finance, Commercial etc) that would be documented within the business case to meet the 5-case Model.
    - Engaged and supported affected functions (finance, commercial and assurance) to build their understanding of the new model and to support them in developing their roadmaps for supporting its rollout
    - Maintained engagement and alignment with the wider organisational change initiative across the pilot work

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Results

The pilots established a series of transformative outcomes, even before the business case had been approved:

- We helped secure agreements that the new single Capability Portfolio Management Business Case would include elements traditionally associated with OBC, IOC and FBC and operate on a 'rolling approval to operate'. This would be based on a set of guardrails that would follow an approval by exception assurance approach.
- The new Delivery practices were adopted by other Portfolios of Services (who were not piloting the new approach) as they saw the value in improving rigour, reporting and predictability in their operational delivery teams.
- Because of their engagement with the pilots, both the Finance and Commercial departments pivoted their largest internal change initiatives to align with the emerging new ways of working.
- New corporate data strategies have been developed to support the newly emerging metrics and reporting requirements that will support the pilot approach to governing Portfolio of Services

This pilot also estimated the potential future cost savings for each Portfolio of Services as:

- An 80% annual reduction in Business Case submissions.
- A 60% reduction in time to approve a Capability Portfolio Management Business Case
- At least 4 FTE worth of effort each year

These figures would scale significantly in the future, if the new approach was rolled out across all the Portfolios of Services within the Digital Department.

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