True costs and cake

27 November 2019

@AdaptaforNFP

adapta
processes, people and technology

INSTITUTE OF CONSULTING
RECOGNISED PRACTICE

Adapta Consulting

We are:
- A specialist information systems consultancy
- We only work with membership organisations, charities, associations, trusts and others in the NfP sector
- We are completely supplier-independent
- Our consultants have held senior positions in a broad range of different organisations
- Our advice and guidance is based on practical experience gained over many years.

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Programme

14.00 **Arrival and welcome**
        Introductions and overview
14.15 **The true cost of IT procurement and implementation**
        Iain Pritchard, Adapta Consulting
14:35 **Case study**
        David Conroy, Kapia Consulting (Maudsley Charity)
15.00 **COFFEE AND CAKE**
15.15 **Case study**
        Emrys Jones, Evangelical Alliance
15:40 **Round table discussion**
        All
16.45 **Review and close**
   Iain Pritchard, Adapta Consulting

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Introductions

True costs

True costs

- CRM systems are complex

- Design and Build is a technical process

- You need an experienced project manager

- Organisational energy

- Processes, people and technology
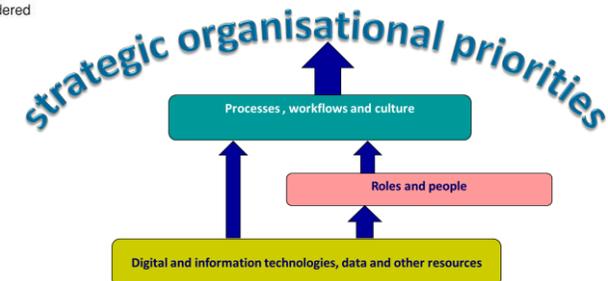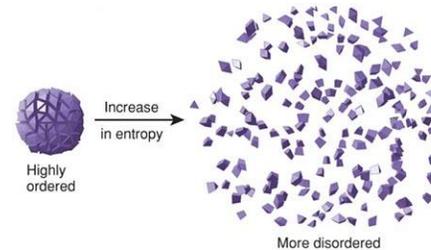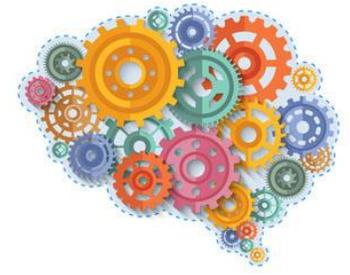
True costs

Item	Indicative £000s (Excl. VAT and/or employer costs)		
For a 30-user CRM system	**Yr 1**		
Other services (eg lawyers' fees, project governance support)	5		
Licences	25		
TOTALS	**30**		

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True costs

Item	Indicative £000s (Excl. VAT and/or employer costs)		
For a 30-user CRM system	**Yr 1**	**Yrs 2-5**	**TOTAL**
Guidance and support up to system selection / initial contracts	25	0	**25**
Other services (eg lawyers' fees, payment for prototyping, project governance support)	5	10	**15**
Licences and support for 5 years	25	100	**125**
Implementation, incl. configuration, data migration, training (and then ad hoc customisations)	90	110	**200**
Project management (for two years)	60	60	**120**
Project admin, business analysis and other (P/T) IT support	0	200	**200**
TOTALS	**205**	**480**	**685**

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The true cost
of IT procurement and
implementation

David Conroy

Kapia Consulting Limited

A little about me …

- Accountant by trade
- Transitioned into general management
- System implementations in large and small organisations
- Both as key user and Project Manager
- Last 15 years managing finance & construction projects across a range of industries

- Not from around here!

Question:

Ever undertaken a project with:

- detailed planning
            - over a long period of time
                        - and still fallen short?

We know the feeling!

All Projects should have agreed

- Scope
  - What are we trying to achieve
  - How will it be put it together
  - How long will it take

- Budget
  - What Resources do we need
    - Hardware/Software
    - People

- Governance
  - How will we keep on top of things

Maudsley Charity

Backing Better Mental Health.

Maudsley Charity's experience

- Independence Day - 1 April 2018
- Complete independence
  - Email/Domain/Internet
  - Document Management
  - Accounting - Access Financials
  - Grant Management - SmartSimple
  - Banking
  - Payroll
  - HR

  Focus of this presentation are core projects

Tale of 2 projects - Accounting

The Good

- Clearly defined set of outcomes
- Agreed delivery timeline
- Agreed pricing
- Executive support

The Bad

- Tried to manage with existing resources - experience gap
- Limited governance
- Competing priorities
- Project fatigue

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Tale of 2 projects – Grant Management

The Good

- Well defined process
- Structured system delivery
- Off-track identification

The Bad

- Inadequate resources
- Mismatch of technical knowledge
- Modular testing
- Not integrated into the business
- Limited governance

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Backing Better Mental Health.

Tale of 2 projects – Grant Management

The Ugly

- Change strategy!
- Scope creeeeeeeeeep
- Holding supplier to account

BUT

- Increased resourced
- System stripped down
- Base processes streamlined
- Integrated delivery approach
- Actively used – well understood
- High acceptance
- Great data

Question?

- From what I describe, from a Budgetary perspective, where did we under invest:

  - Things

  - People

All Projects should Budget **PROPERLY**

Be Realistic

- Not just software costs

- Time kills costs

- Is scope necessary?

- Governance first

- People cost money

- Time is money

- Complicated things take time

- Structured meetings - RAG

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All Projects should Budget **PROPERLY**

Smart Simple Steering Group – Project Administration Tracker

Item	Description	Category	Lead	Contingent	Due date	Status
4	Confirm deletion from Smart Simple of all test data.	Operational	DC	26	30/11/19	On Track
5	List views to be changed in SS 'How to' guide for changes to be made by staff	Operational	DC	31	28/11/19	Under Threat
11	Clarification of Job roles	Planning	LW		15/11/19	Miss
33	Due Diligence	Operational	LW		02/12/19	On Track
36	SmartSimple junk email issue	Operational	DC		28/11/19	Complete

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All Projects should Budget **PROPERLY**

- Not just software costs
- Time kills costs
- Is scope necessary?
- Governance first
- We is better than me
- Cash resources are scarce
- Assess risk of failure

Be Realistic

- People cost money
- Time is money
- Complicated things take time
- Structured meetings - RAG
- Cannot do it alone
- Must be prioritised
- Will Rome burn?

Thoughts

- Make sure you <u>and the business</u> answer these first<u>:</u>
  - What you want?
  - Why you want it?
  - How you will manage it?
  - What resources do you need to deliver it?
  - What it will totally cost?
  - What is the risk if you fail?

- Then go for it!

Questions?

CRM 2.0 - Learning from failure

Emrys Jones – Director of finance and operations

evangelical alliance
together making Jesus known

about

- Founded 1846
- Representing >2 million evangelical Christians
- Largest and oldest evangelical unity movement in the UK:
  - Serve and strengthen the work of the church in society
  - Resource Christians to act upon their faith in Jesus
  - Speak up for the Gospel, justice, and freedom
- Footprint: London, Cardiff, Glasgow & Belfast
- 45 staff
- £2.5m voluntary income

dimensions

- membership organisation
- 100,000 records:
  - individuals
  - churches
  - organisations
- 32,000 email addresses
- 18,000 direct debits
- 10,000 weekly emails

evangelical alliance
together making Jesus known

a burning platform

- Incumbent database: Progress
- 15 years old
- No documentation
- Sole 'expert' user
- Not supported

evangelical alliance
together making Jesus known

timeline to failure

Date	Event
Mar 14	Project team forms
Feb 15	Invitation to tender
Feb 16	Proposal to select Salesforce and partner
Mar 16	Initial 'define' stage with partner
Jun 16	Contract with partner (T&M)
Jul 16	Development work starts
Jul 17	Project stops, budget spent, solution not complete
Dec 17	New fixed price contract
Jun 18	Adapta project management and healhtcheck

Adapta project healthcheck findings:
- Solution only 50% ready
- Cost/effort to complete substantial
- Solution not built to industry standards: overly customised/complex; long-term risk/cost; independently verified
- Partner not viable

why did it happen?

- Selection process flawed:
  - Fundamental requirements largely ignored during selection
  - Too great an emphasis on need for flexibility and integration
- Unrealistic estimates of effort, budget and timescales
- Partner lacked the required experience to deliver
- Organisation/staffing and limited organisational experience
- Partner failed to use the NPSP leading to overly customised solution
- Partner contract terms failed to protect the client

options

- Continue?
- Pause and switch?
- Stop and change?

should we have been surprised?

- Salesforce reaction

- The MemberWise Network (a network of 5,000 membership organisations) finds that 61% of its members report failed CRM implementation projects.

how we recovered

- Beg, borrow or steal the expertise required
- Communicate to the key stakeholders
- Better project governance

governance
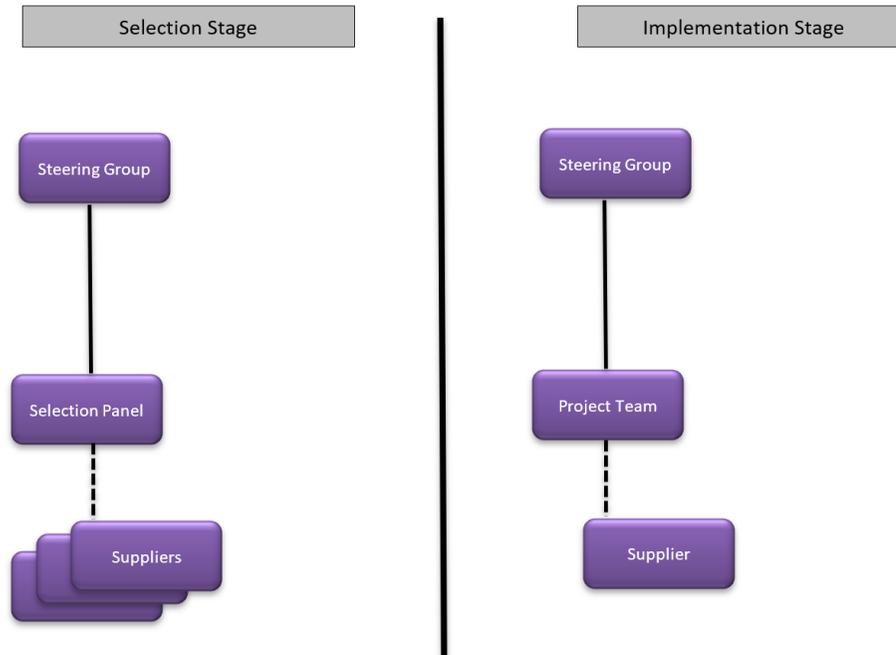
Selection Stage	Implementation Stage
Steering Group	Steering Group
Selection Panel	Project Team
Suppliers	Supplier

how we recovered

- Beg, borrow or steal the expertise required
- Communicate to the key stakeholders
- Better project governance
- Invest in some staff training to give breathing space
- Be realistic about the cost
- Reform with a new team
- Change the RFP paradigm

prototyping

- Membership and finance processes
- Churches and individuals relationships mailings
- Role groups
- Multichannel comms
- Fundraising prospecting and pipeline

how we recovered

- Beg, borrow or steal the expertise required
- Communicate to the key stakeholders
- Better project governance
- Invest in some staff training to give breathing space
- Be realistic about the cost
- Reform with a new team
- Change the RFP paradigm
- Be sceptical – trust no-one

thanks for listening

- Any questions?
- E.Jones@eauk.org
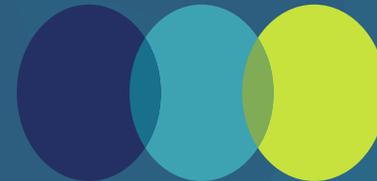
Discussion and feedback

Review and close

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