

Promised the earth...

How did a government careers service prevent a £200,000 cost blowout in a vital IT project?

CLIENT

CAREERSESSEX EMPLOYMENT SERVICE

PROBLEM

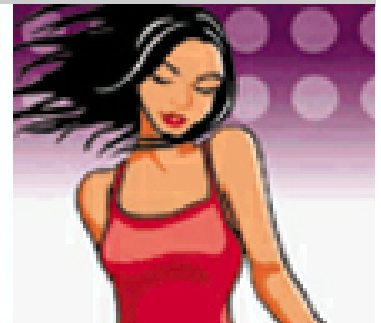
IT PROJECT THREATENS TO GO MORE THAN 25% OVERBUDGET

SOLUTION

BPG ELIMINATES ADDITIONAL COSTS

RESULT

"WE'D STILL BE TRYING TO FINISH IF IT WASN'T FOR BPG."



Says Mark Longhurst, ICT Manager of CareersEssex, "if a salesman promises me the earth, I want the Earth. And with our mobility project and BPG, I got it."

Like all UK careers services, CareersEssex faces a limited budget and a large workload. The organisation's main role is help put an army of teenagers in touch with prospective employers and explore further education avenues.

And so in early 2003, the group decided to look at IT-based ways to make its service more efficient. Its key idea was to make its advisers more mobile. By making its central databases accessible through the Web or via laptop, CareersEssex would be able to do more work on site at schools and colleges.

But while the organisation was aware it needed new IT, its management was

hesitant about allocating budget. "We had been badly burned before with IT projects," Longhurst says. "So this time round, we decided we wanted to be better protected."

Enter BPG, a consultancy that helps its clients build IT systems that come in within budget, and work as originally planned. BPG's project-management mentoring, Longhurst believes, saved his organisation an immediate £50,000 in costs CareersEssex would otherwise have had to pay their IT vendor. It also created £200,000 in longer-term savings and eliminated much of the argument that usually accompanies IT development.

How? By applying the risk-management techniques used in traditional procurement to IT. According to Allan Watton, managing director of BPG, the first step is to ensure that its clients only ever work with "expert" vendors.

Says Watton, "many of the cost over-runs in IT result from 'scope creep' - the customer expecting that their system will perform particular services that the vendor had not been formally requested to provide as part of the original quote. So when the customer realises the vendor hasn't planned to support a particular function, they request it only to be told 'that'll cost extra!'"

It's important that organisations only ever work with expert vendors, Watton adds. "An expert is contractually obliged to be more careful when costing work. When they plan a new system, an expert is obliged not just tell you what services it

might perform. They must also alert you to anything not included that you might reasonably expect to have been included. A generalist vendor, on the other hand, does not have to consider what might be missing, so issues fall 'through the cracks'."

Luckily, CareersEssex's vendor had marketed itself as an expert, allowing BPG to convince the vendor to eliminate more than £200K of scope creep.

The mobility system is now up and running. But even with the project finished, CareersEssex maintains a link with BPG through the consultancy's mentoring program. This gives the agency access to advice, risk-management methodologies and contract reviews.

Mark Longhurst points to a conversation with his IT vendor as proof that BPG has been critical to cost control in his IT department. "[The vendor] admitted that we are their first customer to get 100% of what we'd been promised. Using BPG let us save significant management time. Without their help, we'd probably still be trying to finish this project."

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