

Project

Choice of Partners

Andersen Consulting Canada was selected from among five firms to develop, in association with HRD-NB, a new model for managing services and a technological system adapted to client needs. For Selection Committee members, there was no question that Andersen Consulting Canada was the firm whose expertise outweighed that of the other candidates. Prior to signing their partnership agreement, HRD-NB and Andersen Consulting developed a project plan whose solutions addressed the Department's specific needs.

Mandate

The totally integrated solution proposed to the Government by Andersen/Accenture in association with HRD-NB covered:

- Project management;
- A definition of work methods;
- The design of applications;
- The development and introduction of services;
- The acquisition of hardware, software, a network and installation services;
- Change management and training services;
- Ongoing support, system maintenance and operation.

Initially, Andersen/Accenture believed they could carry out the project within two years and the project timetable was based on this assessment. The performance-based contract signed by the partners after 14 months of cooperation was unique: the private partner, Andersen/Accenture, agreed to finance the entire cost of the project (\$15.5 million) and financial expenses (\$5.5 million) for a total of \$21 million. The conditions stipulated that the firm's fees (a fixed base price) would only be paid when the savings targeted by the project were achieved (\$85 million). The project costs would be repaid over five years, with the firm's fees deducted from the savings from lower general administrative expenses, the prevention of over-payments, a reduction in the number of eligible applicants, and an increase in the amounts recovered. The firm would only be unconditionally reimbursed for the costs of the computer hardware and software required for the project. The firm faced a serious risk of not earning a profit. Andersen/Accenture normally relies on the earnings generated directly by a project rather than on the probability of longer-term profits. In the event of success, Andersen/Accenture would reap a \$16.5-million profit; otherwise, its loss could reach that amount.

Project Implementation

The transformation of HRD-NB had to produce a new way of delivering services that was adapted to the needs of social assistance beneficiaries and focused on results. The project had to introduce automated work methods, a computerized case management system, and new job definitions. For this to happen, a means of evaluation and supervision had to be introduced to help case managers in their dealings with clients. With case management, priority is assigned to creating a work plan for each client with personal career and progress goals. The Department had to change from a system that kept clients in a state of dependency to one that encouraged clients to become self-reliant by enabling them to acquire the skills necessary to re-enter the job market.

The transition from a cheque production and delivery system to a case management system meant changing the work involved and how it was done, recycling personnel, and establishing new relations between employees and clients. The project had to develop a computer system based on client needs and named "NB Case", the only tangible deliverable from the client's standpoint. In so doing, the project had to change the Department's focus and work culture. Since the objective was to put clients back into the labour market, clients had to be made to realize that the financial assistance provided by the Department was but one dimension of the social benefits available.

Five key stages of the project emerged, regardless of the specific duties of the teams that may or may not have been involved in each stage: 1) mission statement; 2) business plan; 3) selection, migration and training; 4) pilot project; and 5) province-wide implementation.

1) Mission Statement

First, a new vision of what HRD-NB should become was developed, credit for which went to the Deputy Minister at the time, who worked relentlessly to create an atmosphere of cooperation, produce an inspiring vision, and build a consensus around that vision.

2) Business Plan

The business plan indicated that the Department was overstaffed, that a radical reorganization was essential, and that major savings could be achieved by a new service-delivery system, and not just by reducing the number of social beneficiaries and eliminating fraud.

3) Selection, Migration and Training

The new technology eliminated 125 jobs, but led to the creation of 75 new case management positions. A selection process served to fill the new positions. This was a painful, difficult period that gave rise to considerable uncertainty and anxiety. An employee training and recycling program was established in association with the Université de Moncton and Acadia University.

4) Pilot Project

When the pilot project got underway in Fredericton in October 1997, no one had foreseen the number of bugs that would lock up the system. The situation turned into a nightmare: it took many months of steady work by Andersen/Accenture programmers in association with the test team to complete most of the adjustments and modifications.

5) Province-Wide Implementation

The final key stage of the project was the province-wide introduction of NB Case in October 1998. The quantity and precision of the information collected by the system reinforced the impression HRD-NB personnel had that at least they knew what was happening in terms of social services and were able to manage cases efficiently and with knowledge of the underlying causes.

From the outset, in the first year of the project, a lack of focus and concentration led to major setbacks in the timetable. Too many things were added to the initial project and the envelope kept getting fatter. This led to some lack of control over the implementation of phases and a scattering of resources and energy. This was aggravated by a misassessment of the time required to develop the new computer system. Moreover, no allowance had been made for setbacks and delays. As a result, while the other teams met their deadlines, the computer system wasn't ready; so the Department was stuck with neither a system nor the proper personnel, and for about 18 months had to rehire employees to do things the old way.

Introduction of the new case management system also encountered setbacks. At first, HRD-NB participants complained about the lack of information and training prior to the project: most team members had to learn the skills required to do the work on the job, and this led to a considerable waste of time. A specific task often took a day instead of an hour; HRD-NB personnel had computerized management tools at their fingertips but did not know how to use them. Moreover, Andersen/Accenture had overestimated the computer literacy of government personnel.
