

IT Strategy

Strategy

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Key points

Legacy investment in a high quality IT infrastructure has already delivered material efficiency savings. The opportunity exists to leverage further savings on information assets and this will be pursued.

We need to ensure the continued viability of our infrastructure through alignment of our investments with those of our key suppliers. Total cost of ownership of our chosen systems is high; SAP has a high overhead.

There are emerging opportunities for cost reduction and risk mitigation from Public sector specific Transformational Government and IT market place changes, also from “pay-as-you-go” business models for software (SaaS) and we will actively engage with the key players.

We will shift our IT investment focus onto customer facing products and services.

We need integrated management of information as a corporate asset and our knowledge as a USP through stronger business processes and affordable information management tools such as MOSS (Sharepoint 2007).

We need more effective user exploitation of our IT investment through broader promotion of our IT skills and high visibility of the Account Management function.

Our Information systems comprise a number of elements. For the purposes of this paper, information systems are defined as complete solutions; from the server where the application resides, to the user wherever either is located.

We have implemented a high quality data communications network to support a global deployment of SAP, enabled by a standardised desktop environment. The complementary justification for the investment in technology was the development and exploitation of customer facing propositions, development of the extant business model into a one addressing a bigger, more distributed audience. We have moved from an organisation with centrally identified, locally implemented solutions to an organisation with the opportunity to exploit the benefits of standardisation and more effective global control and management of our information assets. These attributes were identified as being critical to the Council’s transition into a global learning organisation with the ability to effectively share knowledge and reach a much wider audience.

This IS strategy addresses:

- Maintenance of the legacy environment, the drivers being minimum cost at an appropriate quality, convergence of our environment and consolidation of the existing support teams into a coherent interface that provides easier access for users into the support community.
- A development and delivery capability that is better aligned with the emerging needs of the Council, with a focus on delivering services that support the Council’s future products and services.
- Effective governance and management of our information assets to allow the sharing of knowledge across the organisation, underpin and enhance our USPs and protect our reputation.

The Existing Environment

Cost extraction & rationalisation

We have implemented a high quality data communications network and a standardised desktop environment (GTI2). These changes were essential to enable the implementation of our Finance and Back Office Systems solution, based on SAP.

We have consistently applied a strategy of convergence, simplification and consideration of the total cost of ownership of our IS systems, and this has resulted in a number of changes in the global system and support model. There have been hard benefits of reduced cost both within Global IS and in the local, in-country environments. It is our intention to continue this rationalisation of systems and their support, aligned with the Council's business approach of implementing fewer, bigger products globally.

The greatly improved connectivity solution allows more effective remote support for some Council activities, with associated savings in direct (IT) and indirect support requirements. An example is the global deployment of a Microsoft standard application; Systems management Server (SMS). This allows remote deployment and management of software and central management of hardware assets, eliminating the need to perform some tasks locally and affording better standardisation of the core tool set.

We have been pursuing the simplification of local in-country IT environments where such simplification does not impact on the Council's ability to conduct its business. One example is the elimination of local servers. The server-less office has a number of advantages including reduced regional or country running costs (staff time, office space and utilities), reduced need for local IT support staff and maintenance requirements, greater organisational efficiency through one or two single points of accountability and administration globally and improved compliance due to fewer technical staff in countries. Reducing the number of physical IT assets that are deployed overseas also reduces risks related to loss of these assets or the information stored on them. A complementary service, the provision of an effective remote working solution (ROAM) has enabled these changes to be made for some locations.

Co-incidentally, the rationalisation of our server estate, increasingly using virtualised servers to minimise hardware assets, also has an environmental benefit in that our overall electricity consumption is reduced.

In parallel with these changes, there has also been some rationalisation of the IT Hubs (managed through Global IS), again making use of the improved connectivity and standardisation of our IT.

In total, these changes have realised savings in operating costs of circa £2 million per annum. Further consolidation of the IT Hubs and reduction of our server estate overseas is currently under development. Operating models have been produced for both the staff support and technical solutions and they are being implemented.

Detailed plans have been developed to address further rationalisation of the technology model and the required staff support.

BC System Life Cycle Management

Rationalisation of costs and resources is one focus. We have also to consider the life cycle of our IT assets in respect of hardware, software and support skills required. We have a technical refresh programme that ensures we have no machines that are more than four years old. This requirement is driven by the supply market and the need to ensure our infrastructure and applications are within the maintenance window of our respective suppliers.

Continued consolidation in the software industry means that many products are reaching the end of their support capability, combined with the endless improvements manifest by new releases of products already established in the desk top environment. (One example is Windows Vista, the latest release of the core desktop tools for PCs; the rate of uptake across

industry has been slow since there appear to be few business advantages in changing this particular software platform at this time).

The SAP environment is also changing on a continuing basis and there is a similar need to refresh our software, and hence the supporting hardware platform, to ensure we do not run the risk of operating outside of the prevailing maintenance window for these products.

For both the Microsoft and SAP environments, supply side changes represent significant on-going costs. Road maps for this integrated MS/SAP environment are in preparation. These will comprise outline activities, application changes and costs for change and on-going maintenance of these platforms.

Supply side changes

The software industry is going through a revolution in delivery models with software as a service (SaaS) and business process outsourcing undergoing substantial innovative investment and growing rapidly. In future, decisions on our platform will need to consider a wide range of application delivery options. The up-side is that these developing alternatives transfer some of the risks associated with the endless technology change to the supplier.

Our future investments in infrastructure will need to be informed by changes in the supply market, and SaaS will likely be a factor at some point. The current delivery model for our SAP solution has some of the attributes of a SaaS in that the application is accessed over the network via a web-based solution. Future changes will provide opportunities for rentalising such applications rather than the Council making up-front capital investments in the infrastructure that supports our instance of SAP.

The second major change in the supply side is the development of a more integrated public sector procurement approach, as described by the Transformational Government agenda. Transactional activities, and support for activities in HR, Finance and IT are all being considered as areas of opportunity for more effective delivery. There is a number of initiatives currently under way including the Flex offering (a Cabinet Office initiative procured through Fujitsu) and a combined procurement of a replacement for the public sector communications network in the UK (GSi) and the FCO's global data communications network (FTN).

The Council is engaged in these activities in different ways. We are using the Flex offering to calibrate our existing IS delivery model for commodity desk top services. We will be in a position to make informed choices once the model has been implemented and stabilised. Similarly we are participating in the joint procurement exercise for public sector connectivity so that we can ensure the Council's likely future needs are met, affording the possibility of improvements in quality and reductions in cost. These activities are being conducted recognising the need to protect the Council's status as an NDPB. Participation in these programmes allows us to maintain our position as an informed buyer of IT services.

Applications in support of our customer facing activities

Over the last four years the Council has moved from an IT delivery model where the central IT department (Corporate IT) took responsibility for the infrastructure (development and delivery of the desktop platform and the development of corporate standards for other key elements of IT) to a more integrated global delivery model. This has been enabled through the changes outlined above and we now have a global delivery and management model for our infrastructure.

In the near term, aligned with the Council's more focused approach on product identification and development, we need to shift our emphasis on the effective use of technology from back office transactional activities to those related to our engagement with our customers. On-going security problems and constraints on public access to our buildings are most likely to make delivering virtual services an even more important part of our strategy.

We need to demonstrate that we are extracting value from the significant investment in our infrastructure to enable more effective working and more effective products and services in the virtual world. Knowledge management and electronic records were planned to roll out with the new infrastructure. This project was planned to deliver a system to allow enhanced electronic storage, recall and sharing of documents and meet Government targets in this respect.

Technology support for business agility

We need an agile response to changes in the operational environment, whether geographical (e.g. shift of operational focus away from Eastern Europe to the Middle East) or structural (e.g. the shift away from premises to Outreach). These have cost and time implications for IT infrastructure investment. The decoupling of our IT infrastructure from our physical presence through the use of remote data centres will enhance such agility, and we shall also investigate virtualised desktop environments which require nothing more than a local device (typically a screen, keyboard, mouse and internet connection) to access centrally delivered IT services. This may be thought of as an extension of the existing ROAM application with applications such as Microsoft Word being accessible through the local screen without Word being installed on the local equipment.

There are some geographical regions, such as (parts of) Africa, where this may not be fully feasible and where we have to retain a more conventional approach, but otherwise this will enhance global mobility in that there is little legacy hardware to be relocated or disposed of, and the set up costs and timescales for IT in new premises will be reduced. In addition the use of standardised services will enable more convergent methods of information and knowledge management in support of our aspirations around better product and market knowledge.

Virtual presence and on line activities

The British Council's business strategy proposes to reach a larger audience through a virtual presence delivered through an internet based service. This is likely to be predicated upon the use of commoditised conferencing technologies for many-to-many real time events, and the use of services such as wikis, blogs, and viral distribution media such as YouTube, as well as more conventional media such as discussion forums and e-mail based mailing lists.

One primary characteristic of such services is that the technologies involved are highly volatile and are driven by customer choice of the preferred channel, and this choice can change materially in a matter of months. This requires a different and more flexible approach to the use of such media, where the British Council concentrates on quality of content, the moderation of customer engagement, and the collation and monitoring of feedback metrics rather than on our choice of specific technologies. The pace of change in this environment indicates that we need to adopt a more dynamic approach, engaging with successful participants and communities. Our approach will be adapted to match the pace of the market and technology changes. We will experience more failures since it is not possible to predict success, but our approach will allow us to explore use of a much wider set of routes to market and audiences than at present. This activity is currently under the banner of the On-line Transformation Programme.

In parallel with exploiting new tools to reach the market, our current web presence needs to be rationalised; 600 web sites and poor overall governance represent risks to our brand and reputation. We need to implement an adaptable approach depending on nature of web solution and the particular dynamics of the market for example;

- project for Corporate brochure ware at one extreme (attributes will be resilience, quality content, ease of access to information, simplicity);
- quick delivery of riskier options to address volatile customer interfaces aligned with our products and services (fast development & fast decisions on success or failure)

We also need more proactive consideration of initiatives to develop different business models (bricks to clicks), exploiting technology to address some of our market reach and security (both physical and information security) issues.

Maintaining our Unique Selling Point – Face to Face contact

In the context of an operational environment which increasingly relies upon remote engagement Face to Face contact is perhaps better referred to as a “personal contact”, whereby we have a defined relationship with a named customer, in contrast with the essentially anonymous engagement that occurs through on-line activities. The quality of the relationship will be defined, in part, through our ability to deliver the required service through the customer’s preferred choice of delivery channels.

From an IT perspective this requires investment in applications which give us access to business intelligence data about the customer – their contact history with the Council, their demographic group, their needs and aspirations. This may not be best served through conventional CRM applications, and an approach that uses a blend of information discovery tools and techniques which trawl existing repositories such as SAP Campus, the Exams database, and the many other legacy data stores that exist in the Council will be evaluated. The technology aspects of the preferred delivery channels will be focussed on commoditised services that can be acquired and disposed of without the need for material infrastructure investment by the Council.

Better integrated Product and Service Research & Development

The current R&D model (development and delivery of customer facing solutions) is not aligned with the overall direction of the business. IT is still perceived as the solution provider, engaged when products and services are close to being completely defined. Delivery and engagement models have changed so dramatically since the arrival of the Internet. Many organisations find that the central control and delivery of “traditional IT” is not sufficiently flexible to support the pace of change in the virtual world.

Product and service development activities need to consider the role of technology as an integral part of the development life cycle. The development of well constructed business propositions (target market, route to market, clarity on product or service offering, and clarity on criteria for success) will enable more effective exploitation of technical solutions that deliver to our customers.

At present the Council is not sharing solutions and exploiting them effectively on behalf of the whole organisation. There are many examples including multiple developments of contacts management and alumni databases, facility booking systems, SMS solutions etc.

This behaviour is a pragmatic response to the internal service provider (Global IS for example) being perceived as slow and out of touch with the dynamic environment faced by our customers, and our reward system. Centralised service providers are inevitably not able to keep up with the large range of markets and opportunities experienced by an organisation like the Council.

This diversity of our markets and potential products indicates that we need to become much more effective as an organisation in our research and development of products and mechanisms for addressing our target markets than we have been in the past. Currently we are making decisions on customer facing services at a local level, with some successes and some failures. A more centralised approach to R&D would incur less risk and would likely deliver organisational benefits, offer opportunities for cost reduction and encourage the development of more robust products and services through better focused investment. We need a more coherent approach to R&D and exploitation of technology.

Some form of portfolio analysis would assist in refining our overall decision making process, making our investment decisions more visible and auditable. A pilot using the approach adopted by the Office of Government Commerce has been piloted by Global IS. The pilot demonstrates how a holistic analysis informs overall decision making.

Business intelligence and information management

The effectiveness of the British Council is dependent upon staff having timely access to quality business information and the capability to make informed assessments. The outcome is that quality business decisions are made that lead to enhanced capability to deliver against corporate KPIs. Effective information management will not be achieved by the ever-increasing legacy data storage overhead of e-mails, documents and transactional data. Technology can help through discovery tools and the appropriate use of document management solutions for documents and e-mails and the deployment of data warehouse solutions for transactional data (such as SAP BI) but it is also essential that British Council staff take responsibility their use of these resources. The large set of material currently stored on our global IT platform does not represent an asset to the Council because the majority of it is relatively customised to the individual and inaccessible to a wider internal audience. This is a poor data set that does not support our USPs.

Poor management of our data also represents a risk to the Council from lack of compliance with legislation, specifically the Freedom of Information and Data Protection Acts. Unmanaged storage of data storage carries with it increased infrastructure management costs for storage, backup and potentially impacts on operational performance. Our ability to identify, access, retrieve and store critical business information is significantly compromised. We will continue to operate storage quotas for e-mail, and introduce storage quotas for documents and other unstructured data. We propose to introduce and operate industry good practice around the archiving and retention of transactional data in FABS and for corporate records.

We are in the process of implementing an improved technical solution (possibly MOSS 2007 – current version of Sharepoint) which will allow rationalisation of our information storage globally. The challenges here are not technology (although a good technical solution will be an asset) but in changing culture and recognition that effective information sharing will enhance overall organisational performance.

Success would be recognition of information as an asset; knowledge as one of our USPs. At present our approach to storage of, and access to, information represents a cost and risk. There are positive implications for IT resulting from better control of our information; reduced IT costs (reduced backups and load on systems, lower storage costs) and lower risk, better management of corporate knowledge.

The user community

The benefits of investment in IT are only realised if colleagues using technology are trained to the required level of competence. An example is the introduction of interactive whiteboards into the classroom. While the technology allowed real time access to bitable information in a teaching environment, the pedagogic implications and support requirements were not well understood. (If a teacher cannot use the IWB in a comfortable and competent manner it will impact on their ability to teach effectively. Such use of technology introduces a dependency; the stability and utility of the IWB, that did not exist in a conventional classroom.) There are a number of initiatives to develop individual accreditation in the effective use of IT applications that benefit both employers and employees. For example, most ministries in the Gulf are now insisting their staff go through the ICDL (international Computer Driving Licence) program as a minimum requirement for contract renewal and is now considered as a desirable, if not essential proven level of competency.

When aligned with the staff development this approach provides some calibration of the required skill levels for colleagues to be successful in their roles and potentially relieves some of the pressure on the technical support resource. The development of good transferable skills also enhances colleagues' performance in their roles. An appraisal of our IT skills should be included in the proposed review of skills by HR so that the training requirement can be calibrated.

The Account Management function has a vital role to play in this area, acting as intermediary between the technology-focused IT community and business users at all levels. Account Management should act as an intelligent filter in the dialogue with the businesses, ensuring that realistic expectations are set for users in the context of our extant infrastructure and investment plans. There also needs to be intelligent exploitation of existing products across our regions, and Account Management have a role in sharing knowledge of our existing portfolio of IT products and services, assisting the business in using them effectively. The Account Management function provides a critical link between the regionalised (federated) Council and the centrally governed IT infrastructure and products.

Technology adoption and our services

Our markets are at widely varying states of technological maturity and there is no fixed path of technology adoption that will be followed. As an example, the investment in telephone land lines in Thailand was very low hence the telecoms market was immature. The adoption of mobile phone technology has been high, enabling the country to avoid significant investment in outmoded technology and “leapfrog” countries with legacy investments. The adoption and varying rates of penetration of different technologies in our target markets therefore influences the tools we use in different countries.

This reality suggests that we need a federated approach to the delivery of local solutions, but we should also seek to capture the corporate benefits of developing customer-facing solutions. We operate centralised control of the infrastructure; corporate funding for infrastructure technology and global business tools is UK-centric. Our customer facing R&D in supporting technology is dispersed, lacks integration and coherence.

We are moving towards a controlled but federated approach to the development of business solutions. The location for development should be driven by the prevailing market pull, and our expertise. This suggests a move to centres of expertise in the regions, exploiting existing solutions rather than developing local ones. The IT service providers would be incentivised to deliver rapid solutions, and would be close to our customers. By implication, such centres of excellence would require a critical mass of IT skills to be viable.

This federated model requires strong central management and organisational commitment to ensure that the benefits of convergence, simple operation and the benefits of scale are not lost. The objective is to carry out developments once, in a quality way within the constraints of the prevailing infrastructure and with “corporate visibility”. This approach indicates that critical mass of IT expertise would need to reside in more than one location, and fits with a “hub based approach to support of our technology. The deployment and support of SMS from Delhi is a practical example of how well this approach can work.

Our objective is to maintain a suite of supported products, appropriate to our various markets and their states of technological maturity. Overall governance would be centralised and the infrastructure tightly controlled. Product development would depend on regional or local demand, but delivered within a corporately controlled federated framework. On a broader front, we need to challenge the perceptions of differences in our approaches to individual markets and the services and products they require, and work towards improved development and delivery of supported products across the portfolio of our customer-facing activities.

Asset management

Investment in IT and asset management are inextricably linked. Expenditure on IT is often used to mop up “surplus” funding at year end, purchasing equipment; plasma screens or video conferencing equipment, or replacing existing equipment that is coming to the end of its useful life. Our overall expenditure on IT is therefore not managed, and often the associated operating or maintenance costs of equipment are not recognised. This is of concern where there are infrastructure cost implications for example the purchase of equipment that is bandwidth hungry, like video conferencing. A similar approach is sometimes adopted with licensing of local applications. There has been significant consolidation of applications and

licensing through the implementation of GTI2, and we should seek to ensure that standardised applications are procured centrally to maximise our leverage with suppliers.

Technical refresh of hardware is funded from the UK via the Global IS budget. The centralised approach needs accurate data on the existing IT assets and their capabilities. Ad hoc local purchases need to be managed as part of this overall approach to ensure that Council capabilities are maintained and that maximum advantage is obtained from our procurement leverage.