

FUTURE FIT

ADDRESSING CRITICAL RISKS

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ADDRESSING CRITICAL RISKS

1.1 RATIONALE FOR ACTION

FUTURE FIT identified a key emerging issue for the Meals on Wheels (MOW) network about the Customer Relationship Management (CRM) system relied on by around 120 CHSP meal providers in Queensland (QLD), New South Wales (NSW) and Tasmania (TAS).

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The technology health check, the existing CRM is nearing the very end of its lifecycle, with significant tech debt that needs to be addressed (without any capacity to do so), together with emerging security risks. A number of serious business risks were also identified.

Within the next 12 months 120 CHSP meal providers (across 355 outlets, servicing 41,793 clients) may no longer have an ability to manage their services without reverting to manual or paper-based processes. Additionally, should the CRM relied on by 120 CHSP meal providers no longer be available (with or without sufficient notice), it is anticipated that a number would not be able to remain in the market.

There is no comparable operating software. Software that may share functionality with discrete/limited aspects of the current operating system, are either cost prohibitive or not scalable.

Replacement of the MOW network's primary CRM is a dependency on the majority of the technology build, proposed in FUTURE FIT (Program 2).

1.2 EXAMINATION OF ALTERNATIVE SOLUTIONS

Miles Morgan Australia (MMA) has undertaken extensive research into the options for a replacement CRM, specifically the cost of developing and operating a bespoke solution versus a commercial off-the-shelf (COTS) offering.

In summary:

- MMA explored a number of COTS products and it is true to say that customisation costs are likely to be lower than new build costs (albeit with the level of customisation the price differential will not be as significant as initially anticipated)
- However, the ongoing licencing fees of the COTS products we have reviewed are in the order of \$65 ex GST per user per month:
 - MMA looked at two COTS offerings, and confirmed that for one offering (s47G) the licensing costs would over \$1.3M per annum (this quantum may vary depending on the definition of a user and the possibility of grouping users by job/ role) but would not be less than \$1M per annum
 - MMA notes that sharing (grouping) access – which would be required to keep costs low – is likely to raise issues with auditing, security, management and reporting
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- MMA notes there are risks of investing in customisation through a private company – not for their financial viability but for their ongoing support of customisation if ownership or management change, or against unanticipated/ excessive price rises
- We also note there are risks associated with networked owned/managed software, but these are somewhat ameliorated by:
 - The fact this will already occur with tech being built under FUTURE FIT (i.e. cost savings associated with managing network technology collectively)
 - The undertaking by FUTURE FIT to model licensing costs to different service profiles/ membership types and for State Associations to embed licensing and membership fees
 - The ability for the network (specifically State Associations) to prioritise fixes and enhancements (rather than leave this to the commercial priorities of a private company).

MMA has examined the capacity of the network to absorb the costs (or part thereof) of implementing a new CRM. We have also considered the capacity of some 'stronger services' to contribute. In summary we confirm the following:

- The largest cost to be absorbed by the network will be change management associated with the roll-out of any new system; and while some training and information and guidance will be built into any investment to ensure adoption, there is a significant amount of in-kind effort required by individual services
- There will also be data transfer costs like to be additional to any customisation or new build costs
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In looking for alternate funding sources, MOW Newcastle submitted a funding submission on 28 June 2022 as part of the CHSP ad hoc funding round (GO4265). **MMA confirms this paper replaces the MOW Newcastle funding request.**

1.3 APPROACH TO REPLACING THE CRM

Based on MMA's experience with the network over the past six months, we strongly recommend (and have costed) the replacement CRM as a bespoke build, s47G

Building the CRM as part of FUTURE FIT will result in an overall reduction in build costs (when compared to two distinctly separate builds). Importantly, a bespoke build will mean the network will operate its own software and own its own data going forward.

MMA will adopt a co-design approach, working with a CRM user group comprising several services, to design and build the CRM. This group will report directly to the FUTURE FIT Portfolio Board, led by a product owner (as required for Agile delivery).

As documented in MMA's Project Management Framework, the product owner role helps to translate business requirements to the tech team and technical requirements to the business. The product owner is responsible for the overall success of the solution being developed.

The development team (working under the direction of MMA) will use an Agile approach for complex projects. As part of the Agile approach, fortnightly briefings will occur for all interested parties in the software development process. This means frequent and timely feedback from the MOW network and prospective users, which acts as an additional layer of quality assurance, while building trust and ownership.

Applying the Agile methodology, a private beta version of the system will be released to the aforementioned MOW services (user group) to monitor and address transition and adoption challenges. Furthermore, NSW and QLD MOW State Associations will be involved in network adoption and will support the engagement and transition of individual MOW services over time (including planning and coordination of systems training).

Key capabilities including technology development, legal advice, data management, and system operations will be managed through FUTURE FIT by MMA.

To mitigate immediate risks MMA will investigate, within the existing funding allocation, the establishment of disaster recovery arrangements. This work is required to ensure the existing CRM remains available and able continue to operate reliably in the event of insolvency or other business or technological disruptions. Should the current CRM owner accept MMA's offer to establish disaster recovery arrangements, this should mean MMA will be able to recover and restore the CRM for individual MOW services within a time frame that reflects the business-critical nature of this infrastructure.

1.4 MANAGING ADOPTION

The role of CRM user group will be to work with MMA to deliver effective communication, consultation, and engagement on risks and issues as part of the replacement CRM build process.

Any stakeholder impacted, or potentially influenced by, a change to the operating environment, will be factored into our risk management arrangements. MMA's Risk Management (RM) plan documents principles, processes and reporting, which the user group will be part of.

The Agile approach is orientated around continuous development and testing throughout the development lifecycle and allows for parallel development and testing. This means there is much less wasted time spent developing in the wrong direction, with the development team well placed to respond to changes or corrections.

Core functionality will be established early, signed off through the established governance mechanisms. Work on the solution will commence immediately, with technical resources on standby.

System development will be tracked in JIRA and Confluence, ensuring effort and progress is transparent. While the project duration is 12 months, we anticipate the new operational system will be available from early 2023.

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Help desk capability will be funded through the licencing fees collected by MOW State Associations.

Change management will be coordinated between NSW and QLD State Associations and MMA. This same collaboration will be responsible for communications from initiation through to adoption. To this end, all available communications channels will be used to engage MOW services about the project, with timely and targeted support materials. MMA will also support branding and collateral to promote system adoption (required for sustainment).

The development team will also be available for risk mitigation (including all available stopgap measures) should the existing software become unavailable suddenly or earlier than expected.

1.5 BENEFITS OF A NEW WHOLE OF NETWORK APPROACH OF ICT

The development of the replacement CRM, utilising the approach outlined above, will be the most visible whole of network approach for MOW to date. This represents a significant pivot from what occurs at present, that is – services seeking to resolve the same issues independently of one another. The whole of network approach being applied will not only improve the benefits realised by the network, but it will drive considerable financial efficiencies.

A key benefit to having MOW steward the development of operating software (through the Portfolio Board) is the accompanying work to streamline and normalise processes and practices. That includes improved data management, greater ability to share resources and an improved ability to leverage impact of the network.

Moreover, our proposed CRM replacement will address the following risks to government:

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1.6 REPHASED PROGRAM COSTINGS OVER TWO FINANCIAL YEARS

As presented in the FUTURE FIT Mid-Point Check (MPC) report, the additional funding request to address this infrastructure risk and build a replacement CRM is \$1,419,00 (GST inclusive).

This additional funding covers:

- The design, development and deployment of a CRM (s47G)
- Data migration and user adoption and management (s47G).

To manage current fiscal tolerances, MMA recommends the additional funding of \$1,419,00 be phased as follows:

- An additional s47G be committed and available in FY23
- The balance of s47G be committed and available in FY24.

To achieve the above:

- MMA will re-purpose the portfolio of work to enable the design and development of the replacement CRM to become the priority in this financial year (FY23)
- Activities dependent on a CRM will be deferred or stopped (as per the MPC report)
- Key supporting technology will be rephased – and while work on other technology will continue in FY23, with existing resources to be reallocated to the CRM replacement build in FY23, delivery will be delayed until FY24 commensurate with the availability of additional funding.