

Learning and Development Business Case



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Purpose

The purpose of this Business Case is to document the justification for the implementation of a new organisational model and technical solution for the Learning and Development process within Leeds City Council based on an options appraisal, estimated costs and anticipated business benefits. It proposes the use of QA (Cornerstone) a Software as a Service (SaaS) solution integrated with the Corporate HR Service (SAP).

DOCUMENT CONTROL

Version History

Version	Status	Revision Date	Summary of Changes	Author
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1.1	Final	22.07.11	Final modified after project board feedback 8 th July	Ian Jones / Dave Rowson
2.0	Final	10.08.11	Includes projected savings following approval at Resources Leadership Team and Cllr Wakefield briefing	Graham Sephton / Ian Jones / Dave Rowson
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Approvals

Title	Approval Details	Date
Improving Workforce Development Project Board	Decision	29 th July 2011
ICT Commissioning Board	Business case and Capital	July 2011
Strategic Investment Board	Capital subject to political support	22 nd July 2011
Resources Leadership Team	Decision	4 th August 2011
Councillor Wakefield	Business case and political support	10 th August 2011

Review/Consultation

Name	Title	Details	Date
Helena Phillips			
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Simon Cowen	Technical Services		12.07.11
Roger Green	PM ESS MSS		12.07.11

Document References

Document Name	Owner
Learning and Development Options Review	Improving Workforce Development Board

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1. Executive Summary

- 1.1 This business case has been produced from an internal consultancy exercise that considered the core business vision for Learning and Development. The exercise reviewed the key business processes, the organisations and stakeholders involved and the requirements for ICT systems to deliver the required business outcome.
- 1.2 Learning and Development are key business process areas which are essential to support effective workforce development. These processes include staff appraisals, training needs identification and sourcing and delivery of the training. However there is currently no fully effective corporate solution in place across LCC with a mix of ad-hoc local solutions in use.
- 1.3 The development journey of an employee within the organisation allows an employee to receive training and development opportunities related to job role competencies as they develop over the employees' career. Although the employee development journey is understood there is no joined up approach to delivery. There are several systems and processes in place which support parts of the employee journey. This creates a fragmented approach.
- 1.4 The clear business need is for a solution providing Learning Management Services (LMS) that integrates with Central HR Services (SAP) provides the ability to interface with the Training and Development partner (QA) and therefore fully supports the employee journey and workforce development. The relationship between the Learning Management function and the Corporate HR system needs to be very close and integration of the organisation structure must be delivered.
- 1.5 A series of workshops and interviews were held with key stakeholders to define the business vision for learning and development and then a detailed analysis of the available options conducted. There were essentially two options available to meet the stated requirements –
 - 1 Implement the QA provided Learning Management System (Cornerstone product) available to be supplied by QA under the Learning and Development framework contract or
 - 2 Expand the use of the Council's SAP system through implementation of further modules.
- 1.6 The QA Learning Management System is an externally hosted solution requiring no additional ICT infrastructure (hardware and software) and minimal technical implementation support as it is a standard Software As A Service offering that is configurable by business administrators. Cornerstone is a strategic partner of QA the Learning and Development provider for Leeds City Council and would provide integration to the QA course catalogue and booking systems as part of the standard offer.

- 1.7 The SAP HR system is an internally hosted and managed system that requires technical implementation services and support from both internal and external partner professional services.
- 1.8 A project definition workshop was held to ratify the business vision and objectives for the project. This was seen as essential due diligence in finalising the most appropriate solution to meet the business need.

The key elements arising from this workshop are outlined below.

The guiding principles to be adopted in delivering these objectives were described as :

- To provide tools for employees and managers to self serve
- Automation of business processes to reduce administration
- Improved access and visibility of management information
- Improve productivity and contribute to efficiencies

The specific objectives are as follows :-

a. To have a single streamlined and integrated system for all formal training QA (learning partner), in-house provided or other 3rd party provision by March 2012

This to include requesting training, booking training, recording the completion of training, recording the evaluation of training, capturing and managing associated costs and budget information for training.

Training we deliver includes – classroom, e-learning, blended. Individual training components and also programmes of training to deliver an agreed outcome.

This capability to be available for all staff with access to a pc or the internet.

b. To have all appraisals recorded on-line by July 2012

Appraisal functionality including appraisal date with employee and manager comments, personal development plan (including identifying method of delivery), assessment of performance against corporate skills, assessment of performance against corporate values / behaviours, assessment of performance against business / service objectives (employee and/or team).

This again to be available for all staff with access to a pc or the internet.

- 1.9 Following this session the two suppliers provided demonstrations and presentations of how they would deliver this vision. The SAP session also explored if the existing Training Events Management module currently available to Leeds could deliver against this vision.

- 1.10 Following this the recommended option is the Learning Management System (Cornerstone) from QA for the following reasons:-
- Timescales for deployment and ease of support
 - Quality of implementation support services outlined
 - Confidence for the board that working with a learning partner and not just a system implementation
 - Fit with business vision, best of breed supplier in this space
 - Appearance and functionality provided within the web user interface
 - Includes integration with QA course catalogue and booking system

1.11 The adoption of the QA Cornerstone product for learning and performance management would mean the Council would no longer use the existing Training Events module in SAP and would therefore align internal training administration resources to the QA Cornerstone product.

1.12 To deliver the required functionality will require a release of capital funding of £225k to cover internal ICT resource, external supplier implementation services and additional business resource to support the implementation. There is also a contribution from other business resources from existing revenue funding.

The annual software rental of £170k per annum will be funded from existing Council training budget provision. Again it is assumed that staffing costs to run the system will be absorbed within existing revenue budgets through realignment of resources.

Efficiencies will be driven through on-line automation of business processes (see section 3.5). It is therefore anticipated that the revenue required to support the system will not impact on available training budgets for services. This will be planned in as part of the implementation project.

1.13 Careful consideration will need to be given to the business change element of deployment and alignment with activities around the Employee and Manager Self Service project. In particular with regard to communications to the business and line managers. There is also clearly a dependency around data quality in relation to organisation structure and associated line management approvals.

1.14 The business case was presented and approved at the ICT Commissioning Board and then the Strategic Investment Board (SIB) for release of the required capital funding.

1.15 Recommendation

The Improving Workforce Development Board accept the conclusion to implement the QA \ Cornerstone solution.

2. High Level Project Requirements

The guiding principles in delivering the project objectives were described as :

- To provide tools for employees and managers to self serve
- Automation of business processes to reduce administration
- Improved access and visibility of management information
- Improve productivity and contribute to efficiencies

2.1 The specific objectives are as follows :-

a. To have a single streamlined and integrated system for all formal training QA (learning partner), in-house provided or other 3rd party provision by March 2012

This to include requesting training, booking training, recording the completion of training, recording the evaluation of training, capturing and managing associated costs and budget information for training.

Training we deliver includes – classroom, e-learning, blended. Individual training components and also programmes of training to deliver an agreed outcome.

This capability to be available for all staff with access to a pc or the internet.

b. To have all appraisals recorded on-line by July 2012

Appraisal functionality including appraisal date with employee and manager comments, personal development plan (including identifying method of delivery), assessment of performance against corporate skills, assessment of performance against corporate values / behaviours, assessment of performance against business / service objectives (employee and/or team).

This again to be available for all staff with access to a pc or the internet

2.2 Business Benefits

The financial pressures facing the Council and the need to respond to a changing workforce as a result of the efficiency drive has placed effective workforce planning at the heart of the council's agenda. The ability to deliver effective and concise learning through a range of cost effective learning interventions has never been more critical.

The ability to match individual development plans and skills to meet corporate resource shortfalls and/or re-skills employees quickly to meet demands is paramount.

The ability to engage all employees effectively through a quality appraisal process and gather and respond to the needs of the service and the workforce are critical and a prime driver and commitment from the Chief Executive and CLT.

Currently there is no common system to manage this information and so the prime benefit of this project is to put in place a Learning Management and Performance Management system capable of supporting this corporate agenda.

This project is therefore about improving the quality of service and management information. However, through adoption of the proposed system there will be opportunities to automate processes and remove duplication of effort and systems as well as review resources utilised for training administration.

The Improving Workforce Development board will develop a benefits realisation plan to seek efficiencies in the following areas.

No	Benefit	Description	Method	Cashable / Non Cashable
1.	Savings in Staff Time	Change organisational processes associated with OD	Remove manual processes including reporting, appraisal notifications and central record updates	Non-cashable
2.	Better working practices	Ensure workforce development processes are targeted appropriately.	Mandate policies and procedures	Non-cashable
3.	Cost savings and efficiencies	Savings through streamlined end-to-end process, minimising manual effort	Mandate policies and procedures and introduce additional controls. Enforce workflow	Non-cashable
4.	Management Information	Greater visibility of management information on skills gaps and competencies	Ensure management information is easily accessible	Non-cashable

3. Options Summary

3.1 Options Appraisal

No	Title	Selection \ Rejection
1	SAP Learning & Development Modules	Accept – Meets business vision and requirements
2	On-Site Commercial Solution	Reject - Does not meet requirements and ICT technical strategy
3	Generic Open Source LMS	Reject - Does not meet requirements and ICT technical strategy
4	Externally Hosted LMS	Accept – Meets business vision and requirements
5	In-House Development	Reject - Resources not available
6	SAP Forms Info Types	Reject - Will not achieve desired objectives
7	Do Nothing	Reject - Will not achieve desired objectives
8	Existing SAP modules Training and Events Module	Reviewed as part of project board due diligence phase after initial option appraisal. Rejected – exercise verified that this option cannot deliver a fully integrated learning solution. Deployment of the functionality provided could not be done in the required timescales set for project delivery. Functionality demonstrated was not as functionally rich for managers and staff.

3.2 Option Analysis

No	Option	Implementation (Capital)	5 Year Costs	Accept \ Reject
1	SAP Learning & Development Modules	£565k	£500k	Reject – not deliverable within the required timescales, higher capital costs, more complex technical implementation, not as functionally rich for end users.
4	Externally Hosted LMS	£225k	£925k	Accept – speed of deployment, quality of implementation

				services, lower capital cost, limited technical impact and reduced ICT support overhead. Investment cost neutral.
8	Existing SAP modules	£200k	£150k	Reject – cannot meet the business vision, not capable of providing a fully integrated learning management solution. Not deliverable within the required project timescales, not as functionally rich for end users.

3.3 Detailed Comparison (Full Solution implementation) Acquisition and Implementation

SAP Costs (£565k)

Module	Engine	Licences (ESS\ MSS) ¹	Implementation
SAP ERP HCM Performance	£0	£0	£50k
SAP Enterprise Learning & Development	£230k	£0	£50k
Training & Development	£0	£0	£25k
Technical Support and Leeds City Council ICT Services	£0	£0	£70k
Integration services			£50k
Business resources for implementation			£90k

External professional services assumed at £100k. Lower than quoted costs from SAP partner on basis of BSC performing activities but allowed a reasonable contingency.

Costs included for integration with the QA booking system.

¹ There may be additional hardware and software required for the deployment that have not been considered for the ESS / MSS roll-out – these are not quantified and have not been included.

Cornerstone Costs (£225k)

Module	Engine	Licences	Implementation
Learning	N/A	£0	£15k
Performance	N/A	£0	£30k
Talent Management	N/A	£0	£20k
Analytics	N/A	£0	£0
Training	N/A	£0	£5k
Technical Support and Leeds City Council ICT Services	N/A	£0	£50k
Integration	N/A	£0	£15k
Business resources for implementation	N/A	£0	£90k

3.4 Revenue Costs and Maintenance (5 years) **

Based on utilisation of the full functionality over a 5 year period.

SAP Costs (£500k)

Module	Year 1	Year 2	Year 3	Year 4	Year 5
ICT service desk	£15k	£15k	£15k	£15k	£15k
ICT technical SLA	£35k	£35k	£35k	£35k	£35k
SAP ERP HCM Performance	£0k	£0k	£0k	£0k	£0k
SAP Enterprise Learning & Development	£50k	£50k	£50k	£50k	£50k
Total revenue cost	£100k	£100k	£100k	£100k	£100k

No costs of any additional hardware included as this was not quantified.

Cornerstone Costs (£925k)

Module	Year 1	Year 2	Year 3	Year 4	Year 5
ICT service desk	£15k	£15k	£15k	£15k	£15k
ICT technical SLA	£0	£0	£0	£0	£0
QA Cornerstone	£170k	£170k	£170k	£170k	£170k
Total revenue cost	£185k	£185k	£185k	£185k	£185k

ICT Service desk assumed to respond to peak of activities around core performance cycles.

** Assumes administration and internal management costs are the same for both solutions.

Full 5 Year Costs

Solution	Acquisition and Implementation	5 Year Costs	Total
SAP	£565k	£500k	£1,065k
Cornerstone	£225k	£925k	£1,150k

3.5 Cornerstone Efficiencies Analysis

Efficiency type	What	How Much per year	When saving first realised	Total saving over a 5 year period
Cashable savings	Staffing savings linked to automation of on-line training administration- reduction of 5 fte administration posts (from 22 fte to 17fte) Note 1	£108,000	2012/13	£540,000
	Staffing savings linked to centralisation and utilisation of QA contract - reduction of 3 fte administration posts (from 17fte to 14fte)	£64,800	2012/13	£324,000
Cost avoidance	Provision of standalone E-Learning system - if we do not have Cornerstone, we will need to pay for alternative e-learning platform	£26,000	2011/12	£130,000
Volume discounts on training delivery	2% discount applies on spend of £500K with our preferred learning provider, QA	£10,000	2012/13	£50,000
Centralised commissioning	Conservative 10% saving through Council-wide commissioning of shared training and qualification needs	£25,590	2012/13	£127,950
		£234,390	Total 5 year saving estimate	£1,171,950
Further productivity gains	elimination of duplicate processes and systems, databases and spreadsheets			
	More effective targetting of training budget spend - bigger impact, less waste			
	Less off-contract spend, results in higher value for money through QA, plus bigger discounts			
	less local (service based) investment in e-learning platforms and systems			
	Manager and employee time released as a consequence of moving to on-line system			

Note 1: Subject to full process review and risk analysis of reduction in spend e.g. Academies

3.6 Cornerstone 5 Year Business Case

	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Expenditure:							
Capital	225						225
Revenue							
Cornerstone Costs		185	185	185	185	185	925
Financing Costs (5 yrs)	26	53	53	53	53	27	265
Total Revenue	26	238	238	238	238	212	1190
Savings							
Staffing		(173)	(173)	(173)	(173)	(173)	(865)
Discounts - training		(36)	(36)	(36)	(36)	(36)	(180)
Cost avoidance - e learning platform	(26)	(26)	(26)	(26)	(26)	(26)	(156)
Total Savings	(26)	(235)	(235)	(235)	(235)	(235)	(1,201)
Net Cost/(saving)	0	3	3	3	3	(23)	(11)
Balance from Corporate Initiatives/Directorate Training Budgets	0	(3)	(3)	(3)	(3)		

4. Recommendation

- 4.1 The recommended option is option 4 - Externally hosted LMS delivered as Software as a Service (SaaS) solution for the following reasons:-
- Timescales for deployment and ease of support
 - Quality of implementation support services outlined
 - Confidence for the board that working with a learning partner and not just a system implementation
 - Fit with business vision, best of breed supplier in this space
 - Appearance and functionality provided within the web user interface
 - Includes integration with QA course catalogue and booking system
- 4.2 The product requires minimal technical implementation support as it is a standard Software As A Service offering that is configurable by business administrators. Cornerstone is a strategic partner of QA the Learning and Development provider for Leeds City Council and would provide integration to the QA course catalogue and booking systems as part of the standard offer.

5. Strategic Case

- 5.1 As expressed earlier the clear business need is for a solution providing Learning Management Services (LMS), integration with Central Services (SAP and FMS) and the Training and Development partner (QA) enabling corporate support for the employee journey and workforce development.
- 5.2 The proposed solution will provide the capability to significantly improve the workforce development across Leeds City Council and also leverage maximum benefit from the relationship with QA learning and development provider to Leeds City Council.
- 5.3 The business case above is predicated on the system paying for itself through the automation of business processes and rationalisation of training administration resources.
- 5.4 The ICT strategy 2011-2015 recognises that moving towards a web delivered managed service capability is the direction of travel for ICT provision in the future.

6. Risks

6.1 The following risks have been identified for this project and should be monitored by the Learning and Development Board

Description	Probability <1,2,3,4,5>	Impact <1,2,3,4,5>	Risk Mitigation
Failure to obtain approval and funding for the project.	2	5	Revenue funding required £200k to deliver improvements in a priority area. Can be self funding from training discount / credits. Capital is available for the implementation within the capital programme.
Failure to build a project team that can deliver the improvements identified	3	4	Assign a dedicated project team and apply formal project management methods to control delivery. Clearly understood requirement and supplier with track record of delivery.
Organisation structure data is not accurate	4	4	Work with ESS MSS and BSC to ensure data cleansing is undertaken. Work arounds within cornerstone product to assist.
Fails due to business areas not fully engaged with process changes.	4	4	Gain Chief Executive and CLT buy-in to the project. Develop effective communication and business change / engagement plan.
Many staff do not have access to a pc at work which will limit the impact of the system	4	4	Develop plan and approach for capture of required information. Web home access, drop in points, managers data capture etc
Business not ready to adopt required changes to exploit the solution.	4	5	Phased implementation plan. Right project team and methods – business change and project management. Conduct business process reviews as part of the project.

7. Critical Success Factors

7.1 Successfully achieving the outcomes and objectives of this proposed pilot will depend on a number of critical success factors. The project will require:

- Strong Corporate Leadership from the very highest level, including active and visible sponsorship from the most senior officers, cascading down through all layers of management.
- Nominated Senior Managers from each Directorate to 'Champion' the initiative and to promote and assist in the required organisational change

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8. Affordability and Funding

8.1 Revenue

The revenue funding of £170k per annum needs to be provided for the on-going provision of the service.

The business case above (section 3.6) is predicated on the system paying for itself through the automation of business processes and rationalisation of training administration resources.

There is the ability through the discounts applied for volumes of training to generate this from the throughput negotiated on the QA learning framework contract to self finance the supporting system.

8.2 Capital

The capital element of the solution would be a bid to Strategic Investment Board for allocation from the available ICT capital in 2011/12.

8.2 Procurement

The use of Cornerstone via QA is supported under the existing QA learning framework contract and therefore there is no need to undertake a market led procurement. This will form part of an addendum to the agreed SLA with QA as part of their value added services.

== END ==