

**REPLY BY THE DEPUTY MINISTER OF THE TREASURY AND RESOURCES DEPARTMENT TO QUESTIONS ASKED PURSUANT TO RULE 6 OF THE RULES OF PROCEDURE BY DEPUTY P GILLSON**

**Question 1**

*What standards/comparators will be used for benchmarking to measure changes in efficiencies in service provision as a result of the introduction of SAP? Please detail by function, i.e. Estates, Financial, Procurement, HR – management and HR – recruitment.*

**Answer**

The States of Guernsey have been running SAP for over a decade. This project has been about enhancing our usage of a system we already had and implementing new functionality to better improve our back office processes. It is important to remember that this project is not simply about implementing new software, but implementing a fundamental reorganisation of the way we work and the SAP software supports that. The real issue is not SAP, but the organisation's ability to change the way it works to deliver improved value to the taxpayer and improved business controls to protect taxpayers' funds

The ultimate measure will be in cost reduction in the departments and the value of appropriate management information and improved business controls.

**Question 2**

*Did T & R / the SAP project team collect any baseline benchmarking data in relation to areas identified in the answer to question 1? If so from which departments?*

**Answer**

Not beyond the information provided in the original States report. The matter was considered by the Project Team at the time but they did not believe that it would be possible to collate departmental specific baseline benchmark data on work flows that would be meaningful, timely or comparative. The main reason for this is that that information was not readily available or measurable. In the main this was because we did not have standard work processes as they had developed differently over time across all States departments due to the silo nature of the organisation. Many of the working practices were paper based and if they were measured there was not a standard approach. The strength of SAP is that in future, and over time, we will have far more robust management information. There are clear indicators designed for the HUB when it reaches steady state to measure performance. The original business case, as presented to the States was based on an assessment of other implementations to arrive at a potential staff reduction figure across the States as well as other benefits. These are published in the relevant Billet (Billet d'Etat XVII of 2011).

**Question 3**

*May I have an example of the baseline benchmarking data for each of the functional areas as well as confirmation of when it was collected and when it was collated into baseline data?*

**Answer**

See answers to questions, 2,4,5 and question following question 5 which is not numbered

**Question 4**

*If no baseline benchmarking data was collected, could you explain why it was thought appropriate not to collect any and how changes in pre-SAP and post-SAP services will be measured and compared?*

**Answer**

See answer to question 2. The approach to identifying cost reductions was to work with departments to identify the benefits that sharing core back office services, automation through SAP could provide. This looked at what work would transfer to the Shared Transaction Services Centre and where automation and standardisation of processes would result in less staff time. This resulted in its estimates of staff reductions that informed the design of the new organisation both in the HUB and in departments. This involved many hours of staff discussion with the all departments.

**Question 5**

*Was any baseline data collected which was specific to individual departments which was not provided to the relevant department?*

**Answer**

Not that we are aware of. The departments were involved in developing the information described in the answer to question 4.

*If so may I have a copy of the data? (I have asked departments for departmentally specific data the SAP project team provide to them and do not want to duplicate the request here)*

**Answer**

See answer to question 5. The benefits analysis documentation contains personal employee-related confidential information that it would not be reasonable to place in a public domain. It

is not possible to redact that to such a level that would be meaningful. The data as presented to the States is available to you in the relevant Billet (Billet d'Etat XVII of 2011).

**Date of Receipt of the Question:** 2 July 2013

**Date of Reply:** 16 July 2013