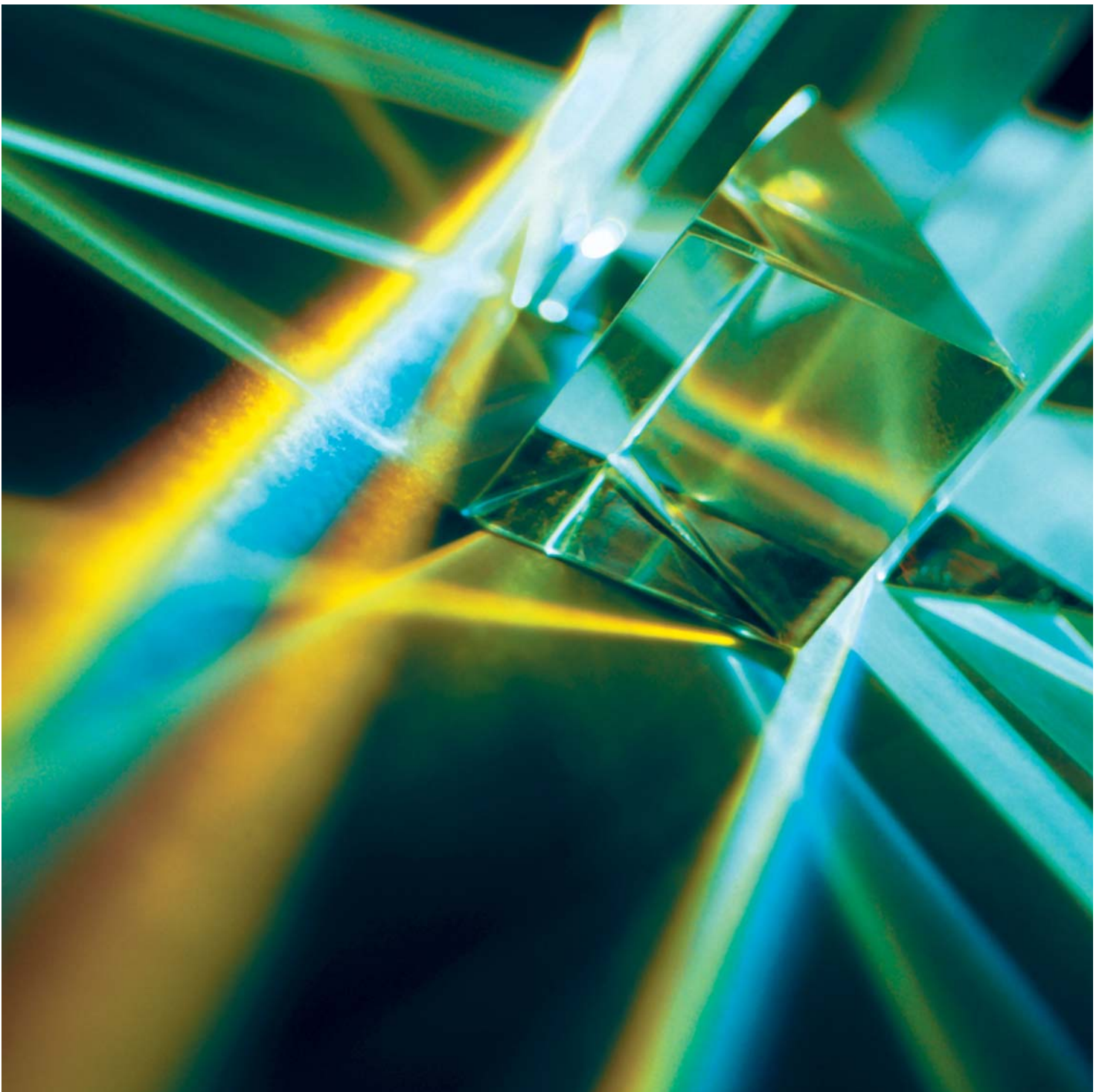


IT Supplier

▶ **Code of Best Practice**



► Foreword



John Higgins,
Director General,
Intellect

This Code of Best Practice is the articulation of a commitment to a more mature procurement and delivery environment and is designed to help to fulfil an aim, which we share with our customers, of seeing more Government programmes delivered successfully. The Code sets out the practical improvements that would be most likely to yield real benefit and has been developed, under the auspices of the Senior IT Forum, following discussions with key Customers and through careful review with a wide variety of Suppliers. It indicates the standards of professionalism that all providers of information systems and services to Government should endeavour to meet, and it reflects the very significant changes that are taking place in the marketplace, with closer and more open Customer-Supplier relationships and greater emphasis being placed on the delivery of business benefit.

The IT Industry looks forward to implementing this best practice, working hand-in-hand with our Customers.



Peter Gershon,
Chief Executive,
Office of Government Commerce

I am pleased to express my positive support for this initiative by the IT Supplier community. I particularly welcome the strong sense of commitment represented in the Code and the likely impact this will have on helping to change the culture in the Supplier side and Client side alike. Properly applied, and with the Client side playing a part, I see the Code leading to more effective Customer-Supplier relationships and more robust foundations for successful IT-enabled programmes and projects which are key to the Government's Delivery and Reform agenda.

The public sector is a complex environment with a chequered history of delivering successful IT-based programmes to cost and time. This Code gets to the heart of some of the key issues which have inhibited success and, together with improvements already being implemented by Clients, offers the real potential to drive up the success rates to the benefit of both taxpayers and Suppliers.

Acknowledgements

The following Intellect member companies and other organisations have participated in the development of this Code and their contributions are gratefully acknowledged:

- British Computer Society
- BT
- EDS
- e-skills UK
- Fujitsu Services
- IBM
- The IEE
- LogicaCMG
- Logotech Systems
- Mantix
- Microsoft
- Office of Government Commerce
- Olswang
- Siemens Business Services

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► Introduction

Vision

The aim of this Code is to facilitate a more mature acquisition and delivery environment that provides:

For the Customer:

Greater certainty of successful delivery and better value from IT-enabled programmes.

For the Supplier:

More successful and sustainable business for a fair rate of return.

Context

There is already an extensive initiative, led by the Office of Government Commerce (OGC), to raise standards of programme¹ management across Government, which has a particular emphasis on IT-enabled business change programmes.

This Code describes the standards of best practice that all IT Suppliers working in the public sector should endeavour to achieve. It reinforces much of the guidance material provided by the OGC and should be seen as complementary to the Government Procurement Code for Customers and Suppliers, which applies across all sectors. The objective of this Code is to help raise standards of professionalism throughout the supply community, thereby

contributing to more successful programme delivery across the public sector.

Scope

The Code relates to public sector business, with particular emphasis on strategic large-scale programmes, where the Customer and Supplier seek to establish a long-term partnering relationship, but its general principles have wider applicability.

The Code sets out the principles of best practice in a series of Ten Commitments. These focus on the role of the Supplier but recognise that the Code will operate most effectively in an environment where the values inherent in the commitments are complemented by the Customer's approach.

Operation and Positioning

In order to obtain maximum benefit, Suppliers are encouraged to explain and demonstrate to the Customer, during the acquisition phase of a programme, how they would put the Ten Commitments into practice. Such discussions should aid the selection process and help lay the foundations for a good relationship. The continued application of the Code throughout the programme should

reinforce the effectiveness of the Customer-Supplier relationship and so provide a continuing contribution to more successful delivery.

The Code represents best practice. Neither the Code nor its adoption by Suppliers shall of itself have any contractual status or other legal effect: the contractual arrangements between Suppliers and Customers are a matter for them to determine, as are the agreements amongst a number of Suppliers seeking to bid together under some form of joint venture.

In order to bring greater clarity and consistency to the definition and management of skilled resource, Intellect will work with the relevant professional bodies, through the Sector Skills Council, e-skills UK, towards the establishment of a common set of terminology and standards for skills and roles and their associated competencies and qualifications.

As experience is gained in the use of the Code and as procurement trends evolve, Intellect will look to amend and improve the Code in consultation with its members and the OGC.

► The Ten Commitments

- Commitment 1:** We will strive to build and maintain an effective relationship with the Customer, founded on mutual trust and openness, with a clear understanding of each other's goals and interests.
- Commitment 2:** We will make every reasonable effort to ensure we develop and agree with the Customer a full and robust understanding of the requirement and its broader business context as a firm foundation for our proposals.
- Commitment 3:** We will be ready to offer constructive challenge whenever we believe improvements could usefully be made to the shaping or delivery of a programme, with the aim of ensuring an improved solution.
- Commitment 4:** We will only bid what we believe we can deliver with a high degree of confidence and on business models that can be sustained for the planned life of the programme.
- Commitment 5:** We will declare all relevant assumptions that we make during the course of a programme (and make clear their implications) in particular those that relate to information or services provided by the Customer.
- Commitment 6:** We will ensure that all aspects of the programme are managed to a high degree of professionalism, using an agreed methodology and, wherever appropriate, with a clear focus on the delivery of business benefits.
- Commitment 7:** We will rigorously identify, analyse and manage risks and we will seek to agree solutions with the Customer that offer the best ownership and risk mitigation strategy.
- Commitment 8:** We will provide sufficient transparency throughout the supply chain that subcontractors can shape their offerings and manage their work appropriately and the Customer has suitable visibility at all levels.
- Commitment 9:** We will only nominate individuals for specific roles or as team members whom we judge to have the necessary authority, skills and experience and are expected to be available. Their contribution to Customer satisfaction and successful programme delivery will be encouraged and recognised.
- Commitment 10:** We will encourage our staff to acquire and maintain appropriate professional standards and individual competencies. We will work towards a common and agreed framework for specific roles and associated competencies.

¹ 'Programme' is used to embrace both Project and Programme and covers the provision of both systems and services.

► Commitment 1: Customer-Supplier Relationship

We will strive to build and maintain an effective relationship with the Customer, founded on mutual trust and openness, with a clear understanding of each other's goals and interests.

We will seek to establish with the Customer, at an early stage, a shared understanding of the nature of the planned programme and its management arrangements and the factors that will determine success.

We will encourage an open dialogue with the Customer as early as possible and will seek to maintain that level of openness throughout the programme.

We will be as open as possible about our approach to the programme, why we are keen to win the business, and how the programme would relate to our broader business interests. This will include our corporate aims, objectives and wider strategic interests insofar as they relate to the programme and the Customer's interests. We would look for similar openness from the Customer.

We recognise the need for strong personal leadership. We will appoint as early as possible an appropriate individual to the role of SRIE², to establish a good working relationship with the SRO. We will ensure that our SRIE has the requisite authority and top-level support to discharge his or her responsibilities.

► Commitment 2: Understanding the Requirement

We will make every reasonable effort to ensure we develop and agree with the Customer a full and robust understanding of the requirement and its broader business context as a firm foundation for our proposals.

We will encourage the Customer to explain fully the broader objectives that underpin the requirement, the scope, issues, constraints and risks to be addressed, to articulate clearly the desired business benefits and the specific deliverables, and to define the information and services that the Customer will provide into the programme.

We will seek to have an early discussion with the Customer to ensure that we fully understand the business context within which the requirement has been set, including the relevant corporate objectives and performance indicators. We will wish to review and agree in particular any key external drivers for business improvement, plans for organisational change, parallel

programmes (with potential mutual dependencies) and the effect these may have on the planned programme.

² Senior Responsible Industry Executive, as counterpart to the Senior Responsible Owner on the Customer side.

► Commitment 3: Constructive Challenge

We will be ready to offer constructive challenge whenever we believe improvements could usefully be made to the shaping or delivery of a programme, with the aim of ensuring an improved solution.

We will offer constructive challenge to the Customer, if we believe that, for example:

- The requirement is unrealistic (e.g. impractical, unsafe or not technically feasible), contains gaps or inconsistencies, or does not articulate the business benefits sufficiently clearly.
- Some of the Customer's expectations are unreasonable.

- There is a better way of meeting the requirement, such as:
 - An alternative approach that might result in an earlier or less expensive solution, or might deliver improved business benefit for the same cost.
 - A more incremental approach, with clearly defined stages and milestones.
- A relatively minor change to the requirement might significantly reduce cost, risk or timescale.

- The proposed management arrangements could be improved.
- There are further elements of best practice that should be introduced into the programme.

Should we wish to make a challenge but have concern over the possible repercussions, we will raise these concerns with the Customer. Any such challenge will be made as soon as possible and in the best interests of the Customer and the programme.

► Commitment 4: Confidence in Delivery

We will only bid what we believe we can deliver with a high degree of confidence and on business models that can be sustained for the planned life of the programme.

Before bidding for a strategic or long term programme, we will conduct a full appreciation of the programme's requirement, our resource plans and our broader corporate strategy and planning so that commitments spanning the life of the

programme are only entered into on the basis of high confidence of a successful outcome.

We will endeavour to instil in the Customer a well founded confidence in

our products, and services and our commitment to performance, risk, timescales and delivery, appropriate to each individual programme.³

³ Specific undertakings will be a matter for each individual contract.

► Commitment 5: Assumptions and Implications

We will declare all relevant assumptions that we make during the course of a programme (and make clear their implications) in particular those that relate to information or services provided by the Customer.

We appreciate the importance that a full understanding of assumptions and their implications has for the success of the programme. We will therefore ensure that all relevant assumptions we make in developing our proposals are declared to the Customer, including those that relate to information, goods or services provided by the Customer. We will also articulate

the implications of such assumptions and seek to ensure that the assumptions and their implications are agreed and fully understood by the Customer at an early stage in the programme.

We will look to the Customer for assurances that competing bids will be judged on an equivalent basis, for example

that assumptions made by one Supplier that may result in 'attributable costs' are treated consistently for all bids, and also that a Supplier's potential competitive advantage is not undermined by a frank and open discussion of the issues.

► Commitment 6: Programme Management

We will ensure that all aspects of the programme are managed to a high degree of professionalism, using an agreed methodology and, wherever appropriate, with a clear focus on the delivery of business benefits.

We will ensure that our management teams are familiar with programme and project management best practice, consistent with OGC guidance and relevant national and international standards and that this is applied in practice.

We will work with the Customer to ensure that the scope of the programme is specified and agreed as early as possible, so that both Customer and Supplier have a common understanding of the programme structure in terms of projects, deliverables, costs, inter-project dependencies, external assumptions and responsibility for each element of work, including sub-contracts.

We will distinguish between projects that result in contract deliverables and programmes that provide process

improvements and business benefits for the Customer to ensure that we have a common view of the deliverables. Where we believe that the project(s) will not support the anticipated outcomes we will advise the Customer accordingly.

We will provide, in a timely manner, all relevant information necessary for the Customer to understand the programme status and achieve a successful outcome.

We will seek to agree with the Customer the full extent of the implications of any changes that are proposed to the agreed scope of the programme on cost, timescales, business benefits and risk, before change action is initiated.

We will adopt transparent reporting based on quantitative, objective measures that

are shared by Customer and Supplier to ensure both parties have a common understanding of the status of the programme, the risks, and any variances from plan.

We will provide sufficient visibility of the basis of our estimates that Customers can understand their validity and degree of risk. We will base estimates, where possible, on recognised methods and/or experience of delivering similar solutions.

► Commitment 7: Risk Management

We will rigorously identify, analyse and manage risks and we will seek to agree solutions with the Customer that offer the best ownership and risk mitigation strategy.

We will consult with the Customer to identify risk areas at policy, programme and project levels, in terms of cost, time, benefits reduction and business impact, and we will discuss openly and frankly the options for allocating, managing, mitigating and insuring against these risks. The outcome of this discussion should be an optimum platform for managing the programme and ensuring its successful delivery.

We will seek to agree the optimum arrangements for risk allocation, management and mitigation and will be prepared to challenge the Customer's assessment of these issues if necessary (for example if we are being invited to accept

responsibility for a risk that we believe would be better owned by the Customer).

We will agree and apply a governance process for making visible and managing all risks as they are identified. In consultation with the Customer we will agree a process for ensuring visibility of risks at all levels and will agree criteria for making Supplier risk visible to the Customer. We will seek to optimise the provision for risk throughout the supply chain.

We will ensure that our teams are familiar with good risk management practice, with OGC guidance and relevant national and international standards.

We will identify and document key risks in our proposal, including: internal / technical, resources and key skills, external / assumptions and business / policy. Our risk analysis will take particular note of the common causes of IT project failure identified by the NAO and OGC. If this indicates that an alternative approach to the requirement might result in lower risk we will inform the Customer.

Where risk is created by virtue of the scale or novelty of a solution for which there is no reliable benchmark for estimation, we will, if appropriate, recommend a modular or incremental approach to reduce risk.

► Commitment 8: Supply Chain Management

We will provide sufficient transparency throughout the supply chain that subcontractors can shape their offerings and manage their work appropriately and the Customer has suitable visibility at all levels.

We will ensure the Customer is made aware of where responsibilities lie within the supply chain and is given appropriate visibility of the programme components within each sub-contractor's area.

We will seek to agree with the Customer a process for enabling sufficient transparency throughout the supply chain appropriate to the nature of the programme, recognising both the benefits of some direct

communication between the Customer and second/third tier Suppliers, and the importance of the Prime Contractor's authority, responsibilities and position not being undermined.

We will ensure that the delivery programme, when agreed with the Customer, is communicated to all sub-contractors.

We will seek to ensure that the requirement, solution and approach to delivery is understandable to all parties and that the roles and responsibilities are set out in clear unambiguous language.

When operating in a multi-supply environment we will behave co-operatively and collaboratively with all other Suppliers operating in the same space.

► Commitment 9: Management and Deployment of Skilled Resource

We will only nominate individuals for specific roles or as team members whom we judge to have the necessary authority, skills and experience and are expected to be available. Their contribution to Customer satisfaction and successful programme delivery will be encouraged and recognised.

We recognise that the challenges of Government business make it important that we assign to each programme individuals with the necessary authority, skills and experience. We are committed to providing people who meet these high standards of professionalism and skill.

We will adopt rigorous, transparent processes for job evaluation and for the assessment of skills required for our projects, having regard to the required programme outcomes, the tasks involved, the roles implicit in fulfilling those tasks and the skills and other attributes demanded by those roles.

We will undertake regular reviews at agreed points to ensure the continued relevance of our resourcing plans.

We will adopt and maintain transparent policies, supported by appropriate processes, to ensure and maintain the effective development, management and deployment of professional competence and skills.

We will promote behaviour amongst our staff (for example through individual review and reward processes) that contributes positively to the overall development of successful relationships with our Customers.

We will ensure that, where appropriate, Customers' views are sought in the selection of key individuals and their subsequent assessment.

We will only offer staff at the proposal stage who are expected to be available for the delivery stage. We will be open about any need for change and will discuss this as early as possible with the Customer.

► Commitment 10: Individual Skills and Professionalism

We will encourage our staff to acquire and maintain appropriate professional standards and individual competencies. We will work towards a common and agreed framework for specific roles and associated competencies.

In discussions with Customers and in the deployment of professional staff, attributes relating to professional competence and skills will be specified by reference to a recognised, independent framework, such as the *Skills Framework for the Information Age (SFIA)*⁴. The attainment of the necessary competencies and skills will be substantiated by a validated record of prior

experience, or by some other reliable, documented evidence, or supported with appropriate qualifications awarded or accredited by an independent authority.

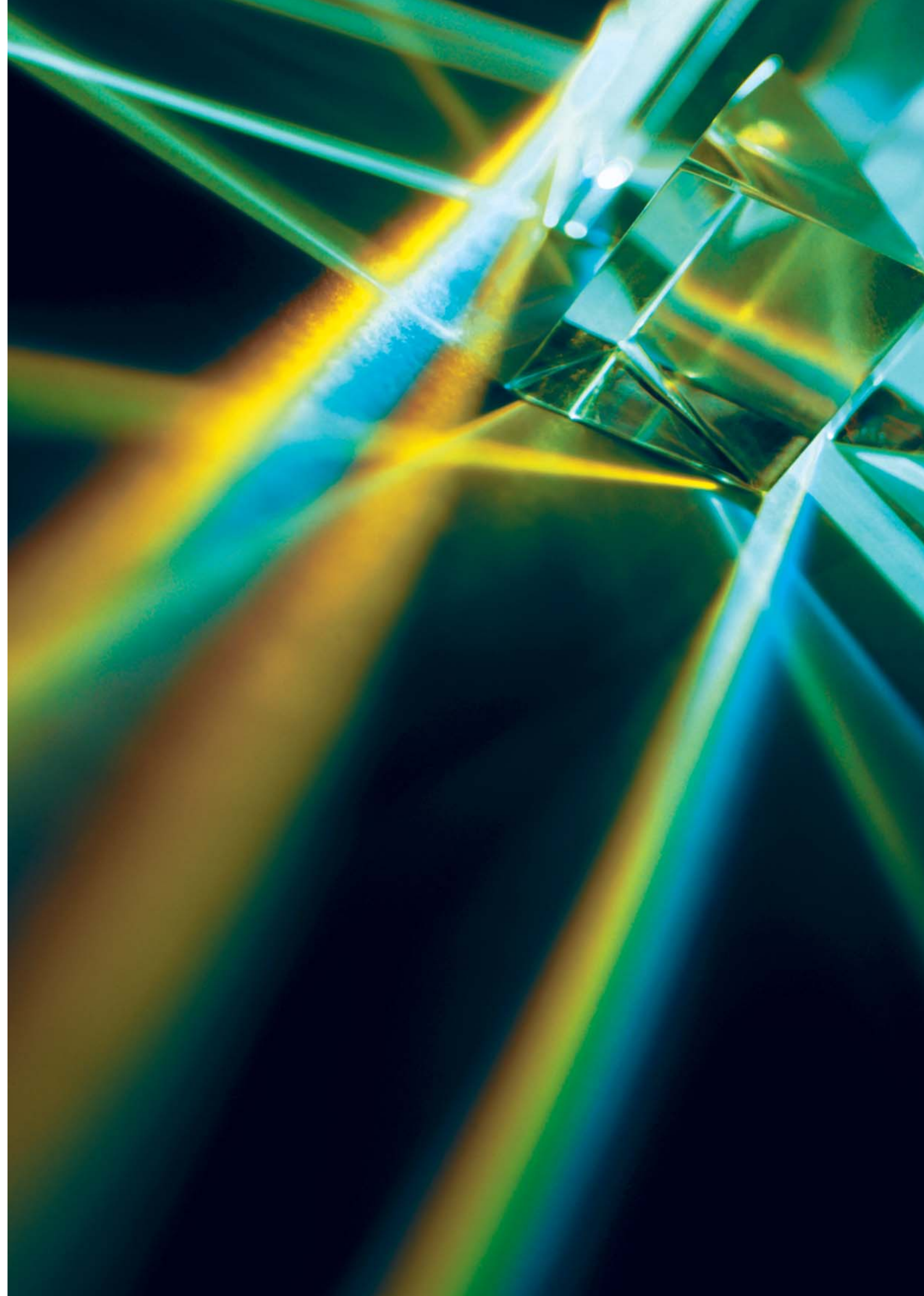
We will adopt a publicly available code of conduct for our staff covering, inter alia, their responsibilities and behaviour to the Customer.

We will encourage individual members of staff to seek independent accreditation of their professional skills and competencies, as appropriate, through the formal validation of experience and achievement and relevant qualifications, recognising that for some broad and senior roles professional accreditation may not be practicable.

⁴ www.sfia.org.uk

► Further Information

If you would like further information about the Code or its operation in practice please contact Intellect - code@intellectuk.org



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Intellect represents 1000 companies in the Information Technology, Telecommunications and Electronics industries in the UK. Intellect is committed to improving the environment in which our members do business, promoting their interests and providing them with high value services. Intellect's membership spans blue chip multi-nationals through to early stage technology enterprises and includes household names such as ARM, BAE SYSTEMS, BT, EDS, IBM, Intel, LogicaCMG, Microsoft, Motorola, Nokia, Philips, SAP, Sage, Sony and many more.

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