

DELIVERING COMPLEX SEPARATION

In 2014, the decision was made to separate The Co-operative Bank from the wider Co-operative Group and General Insurance company.

Project One and the Co-operative Group had previously led the divestment of the Life and Savings business, a massive separation programme. The team were therefore well positioned to undertake the next challenge of the Joint Separation Programme (JSP) between the Bank and Group in 2015.

The separation programme attracted a great deal of scrutiny from internal and external auditors, and the regulators, as data had to be separated from 76 IT applications and 26 million records.



“WE DID THIS DIFFERENTLY TO HOW OTHER ORGANISATIONS MIGHT HAVE TACKLED THE CHALLENGE. WE CHANGED OUR APPROACH TO ALLOW PROJECT ONE TO DO WHAT THEY’RE GOOD AT. WE BUILT A STRONG TEAM OF 100, THE RIGHT PEOPLE, WITH THE RIGHT SKILLS, TO DO THE RIGHT JOB.”

Andy Maher, Head of IT, CFSMS, The Co-operative Group.

THE CHALLENGE

There were a substantial number of 'shared' IT applications in use between the Bank and the Group which needed to be remediated to facilitate the exit of each organisation.

The full extent to which either the Bank or Group were dependent upon these 'shared' IT applications was not known. For the Bank to be fully separated from the Group, it was necessary to investigate the IT application usage and deliver the work necessary to facilitate the 'exit' of Group or Bank dependence, for each 'shared' IT application. It was also critical that the data belonging to each entity was identified and separated. The target was to achieve IT separation by December 2016, which gave a 15-month project plan, and within the finite budget.

The separation programme would also attract a great deal of scrutiny from internal and external auditors and the regulators.

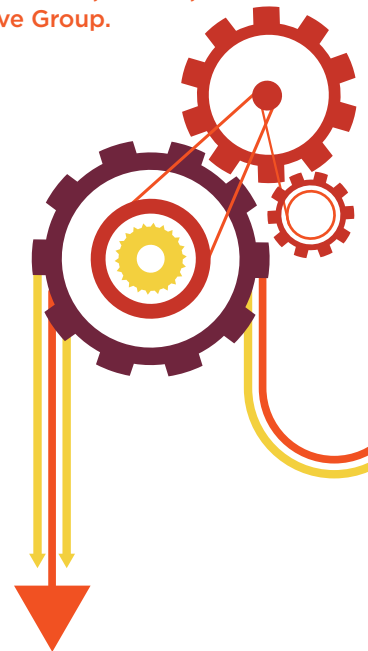
Using their tried and tested methods, the team set out to

remediate 76 IT applications, joined at the hip between the Bank and Group, and in one example separated 27 million correspondence records and 400,000 complaints. This was a huge undertaking to ensure this was delivered and the day to day service within the businesses and for customers was not impacted. The IT systems, applications, batch and data had to be separated cleanly, making sure each entity only took its own applications and data.

Separation programmes are typically very different from other programmes, as the team are not functionally building something. This means the normal life cycle and tool sets are not usually fit for purpose, so Project One developed bespoke life cycles and programme collateral, leveraging from the experience of the previous life and savings separation.

"We had already successfully separated the Life and Savings business, so it made sense to use the same team to separate the Bank and Group to allow them to go on their own transformation journeys."

Andy Maher, Head of IT, CFSMS, The Co-operative Group.



"WE HAD TO IDENTIFY THE AREAS OF CROSS OVER AND UNDERTAKE AN ANALYSIS OF THE RELEVANT SYSTEMS; WHERE THE OVERLAP IS, WHERE THEY SIT, HOW IT'S STORED - SO WHEN YOU PULL THEM APART THERE IS A CLEAN CUT FOR WHAT BELONGS WHERE AND ENSURE THERE IS NO INTERACTION OF THAT DATA GOING FORWARD."

Andy Maher, Head of IT, CFSMS, The Co-operative Group.

THE APPROACH

Project One provided the leadership for the JSP, which was jointly run and governed between the Bank and Group, over the 15-month period.

Key to the success of the separation was getting the Bank and Group to make decisions quickly and effectively and enable them to work closely to reach their outcomes. To achieve this the team worked hand in glove with the Bank, running a joint governance structure, with all decisions made jointly between the two organisations, taking account of the interest and stake for each.

“Whilst we were brought in by the Group, we operated on behalf of both the Group and Bank, providing a level of independence and objectivity to decision making for both organisations.”

Tony Edwards, Senior Consultant, Project One.

“There was great satisfaction in seeing the Group and Bank working together with third parties, pragmatically, to come to a solution very quickly.”

Nick Cains, Programme Director, Project One

Alongside this, it was key to ensure all senior stakeholders (Co-op Group CIO – Simon Bourne and Co-op Bank CIO – Steven Friedlos), were engaged with the Programme, always clear on what was happening, and all pushing in the same direction.

Having the Leadership capability and Programme Management disciplines, underpinned by strong technical expertise, and establishing the right team culture, was vital to the success of the programme.

“WE TOOK OUR LEARNINGS FROM THE LIFE AND SAVINGS DIVESTMENT AND REFINED OUR APPROACH. HAVING THE RIGHT PMO, STRUCTURE AND DOCUMENTATION IN PLACE AND CHECKPOINTS AT THE RIGHT TIME. THERE WAS A LOT OF SCRUTINY, AND INTERNAL AND EXTERNAL AUDITS. IT’S TESTAMENT TO THE TEAM HOW WELL WE CAME OUT OF THESE AUDITS. IT WAS AN EXTREMELY WELL ORDERED, CONTROLLED AND ORGANISED PROGRAMME.”

Andy Maher, Head of IT, CFSMS, The Co-operative Group.

THE OUTCOME

What does this mean for the business? The Bank and Groups General Insurance business can now go on their own transformation journeys, taking their own applications and data, and neither is hindered by the other.

This Programme successfully delivered the separation 'treatment' of 76 shared applications, one month ahead of the original plan and well under budget. It was held up as a very big success within the Group and the Bank. The team received great feedback and strong recognition from the both Executive bodies.

"Please pass my thanks onto all of the team for a brilliant achievement. I took great pride in telling Group Board today that you had separated 27 million correspondence records and 400,000 complaints - they were suitably impressed! Well done to everyone involved."

**Simon Bourne, Group CIO,
The Co-operative Group.**

When working on a Programme that doesn't independently drive the business forward, but you must do it, you want to do it as quickly as possible and for the least money, as every pound spent is not spent developing the business, and the more you save the more they can invest.

We asked Andy Maher what he was most proud of;

"I'm more than pleased with the result. It was a highly visible, regulated project, separating two regulated entities. We delivered on time and under budget, which is a great testament to the team and capabilities working on the programme.

I'm also proud of the feedback from the team; they love coming to work, we've created a great working environment. You wouldn't know who's a contractor, permanent or a Project One employee. We had a real team culture, Nick and Tony, from

Project One have had a huge influence in creating that. How you do things is key, and you achieve that through the people. The team were motivated and worked hard. If you get the culture working right - you're on to a winner.

It was key we had the continuity of the Project One team, bringing the skills, depth of expertise and core capabilities needed to deliver the complex outcomes we wanted.

Project One are different - they work with you, understand you, and are easier to work with as they're on board with what you're trying to do. We work towards the same outcomes together to deliver the right thing."

**"IF YOU GET THE
CULTURE WORKING
RIGHT- YOU'RE ON
TO A WINNER"**

“THIS IS THE ADDED VALUE YOU GET FROM PROJECT ONE — YOU EXPECT THE PROGRAMME MANAGEMENT SKILLS, BUT YOU ALSO GET THEIR EXPERIENCE AND KNOWLEDGE ON HOW TO DO IT BETTER.

WE HAVE A JOINT APPROACH THAT WORKS. WE’RE VERY LUCKY TO HAVE UNDERTAKEN TWO VERY SUCCESSFUL SEPARATION PROGRAMMES, WHICH IS RARE. WE TOOK OUR LEARNINGS AND PUT THEM INTO PRACTICE.

WE KNEW WE SPECIFICALLY WANTED TO WORK WITH PROJECT ONE AGAIN AS OUR PARTNER, AS WE KNEW WE HAD A WINNING FORMULA.”

Andy Maher, Head of IT, CFSMS, The Co-operative Group.

OUTCOME

- 1 month ahead of plan
- 37% under budget
- Separated 76 Applications
- Separated 27,000,000 correspondence records
- Separated 400,000 complaints

OUR CLIENTS KNOW
THAT REAL CHANGE
DOES MAKE A REAL
DIFFERENCE

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WE WORK TOWARDS

THE SAME OUTCOMES

TOGETHER TO DELIVER

THE RIGHT THING