
National Savings & Investments

Enterprise Architecture & Outsourcing

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Agenda

- NS&I
- 1999 vision
- 2005 state
- 2005 refresh
- The importance of history
- Capabilities versus platform
- Governance
- Lessons learned

Who we are & what we do

Who we are

We are a UK government department and an Executive Agency of the Chancellor of the Exchequer (HM Treasury)

What we stand for

Our business and brand values are security, straightforwardness and integrity – delivered with a human touch

What drives us

We aspire to be a distinct and valued part of people's savings and investments



Why we exist

Our aim is to “help reduce the cost of government borrowing now and in the future”...by issuing, distributing and servicing retail savings and investment products

How we work

We work in partnership with Siemens Business Services, the UK Post Office and now, Tesco.

How we are changing

With the help of our partners, we are modernising the operations and improving our customer offer

NS&I

- Agency of the Treasury
- Provides cost-effective funding for the government
- One of UK's largest savings organisations
 - 26 million customers
 - £70 billion invested in its products
 - Premium Bonds, Savings Certificates, ISAs, etc

NS&I timeline



- 1861** Post Office Savings Bank established
- 1956** Premium Bonds introduced
- 1968** Department for National Savings formed
- 1996** DNS becomes an Agency of the Treasury
- 1999** Outsourcing contract with Siemens Business Services (SBS)
- 2002** National Savings and Investments re-branding
Some products made available to buy online
- 2003** Direction 2007 strategy launched
- 2004** Migration to common banking platform complete
- 2005** Website re-launched – Premium Bonds sold online

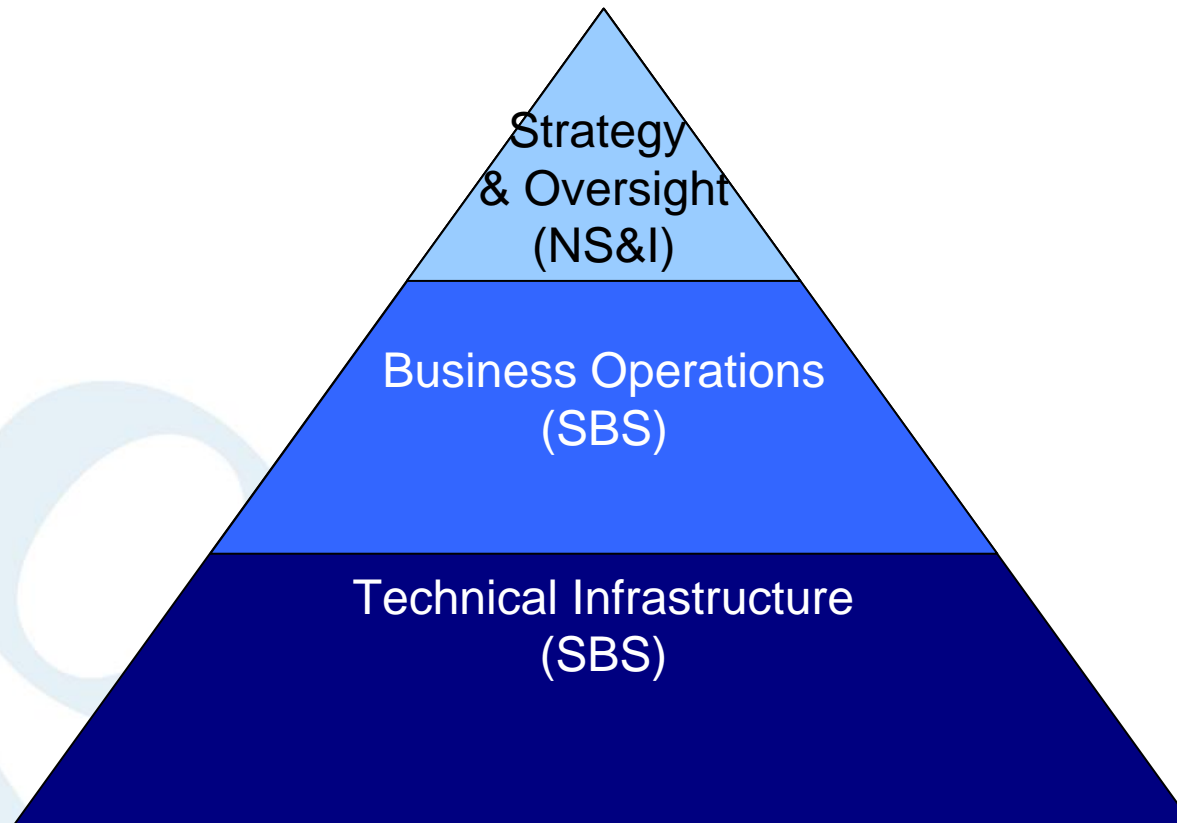
NS&I in 2005 is a different organisation



Source: ¹DNS Annual Report 1969-70; ²National Savings Annual Report 1988-89
³National Savings Annual Report 1988-89; ⁴Annual Report 2004/05

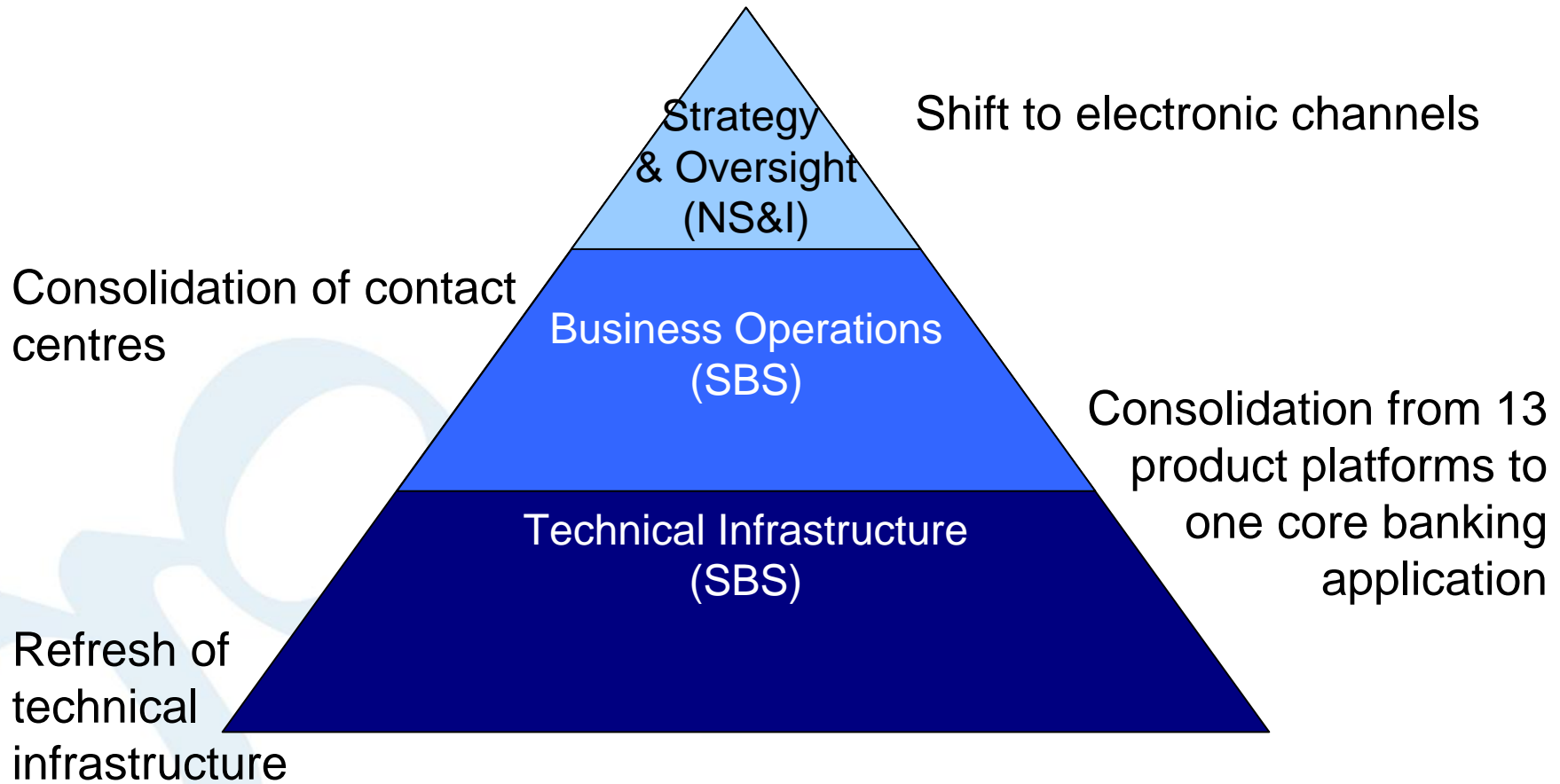
1999 Vision

- Partnership with Siemens Business Services



1999 Vision – “managed decline”

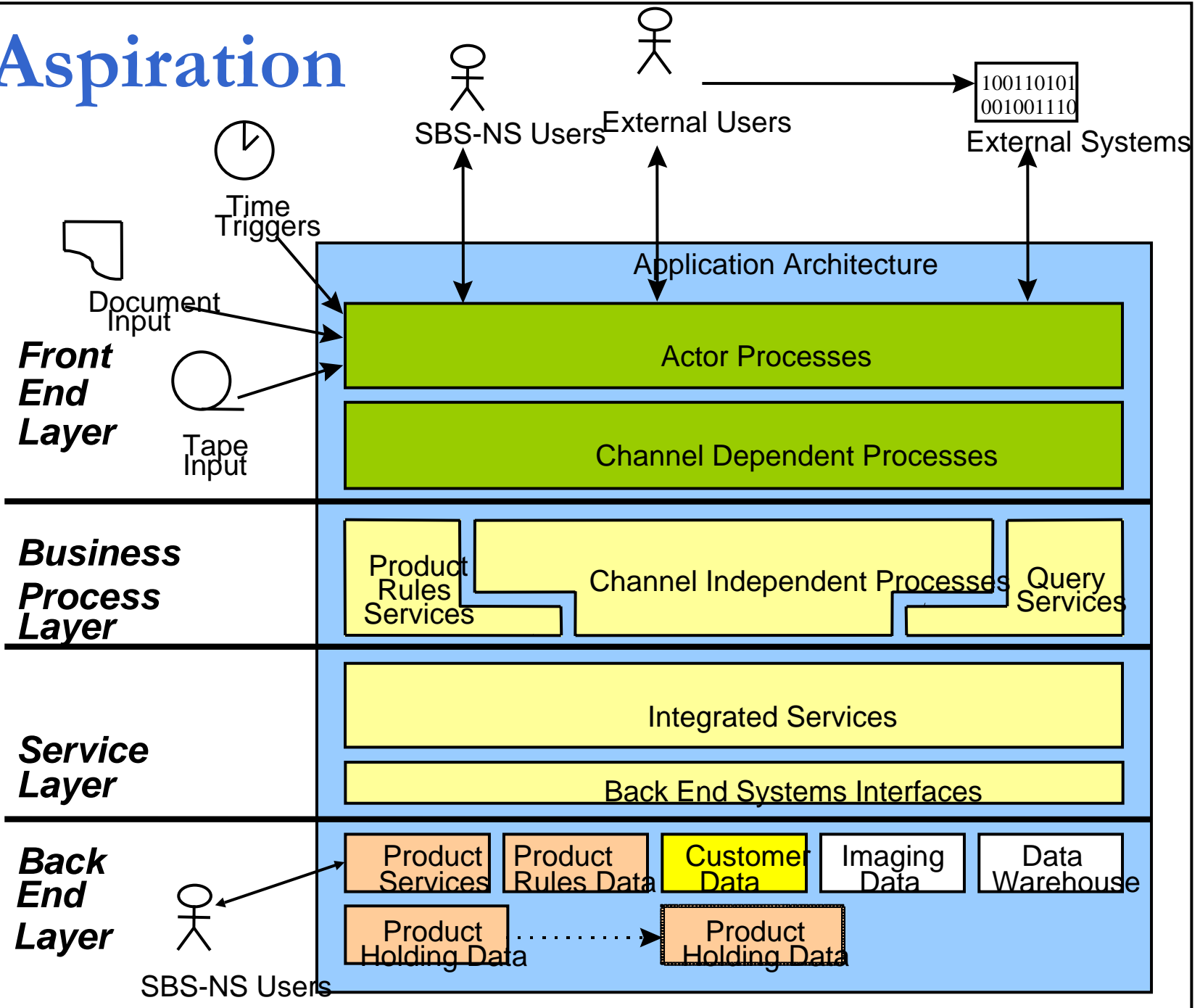
- Deliver operational cost savings through



1999 Vision – systems



Aspiration



2005 state – business vision

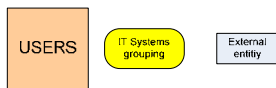
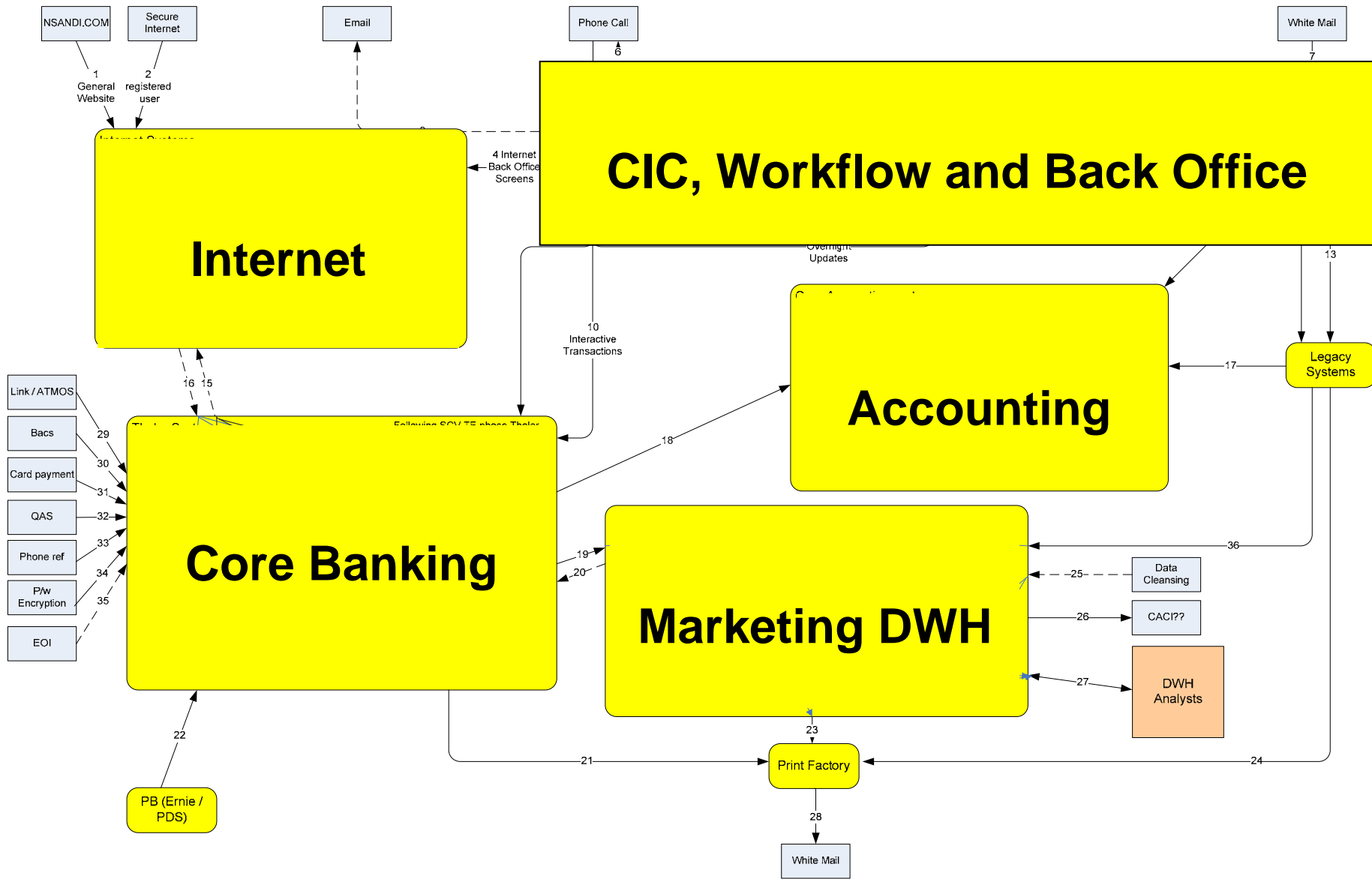
- Since 1999:
 - PSBR has grown significantly
 - Customer expectations have shifted
 - Channel possibilities have expanded
- Overall: shift from “managed decline” to growth mode

2005 state – Systems



System flows – Level 0

5/25/2005



2005 state – Systems

- 1999 vision: Flexibility through separation of concerns
 - Tried to build “best possible systems” to meet any needs
 - These were difficult to build!
 - And very difficult to cost justify when emphasizing cost cutting
- So re-focused on consolidation
- Result
 - Significant cost savings
 - Unable to “shift up a gear” & increase pace of change
 - Concerns about “been here before”

2005 NS&I IS Strategy refresh

- NS&I is not a technology leader
- Small joint team to set framework
 - Resource limits
 - Build buy-in
- Parallel track to inventory current applications / systems
- Iterative approach

2 x 2 month iterations

- Develop overview of target architecture
 - To seed discussion
- Identify likely scenarios for future
 - NS&I business direction
 - SBS operational requirements
 - Technology directions
- Gap analysis
 - Refine target architecture to meet scenarios
 - Develop roadmap to go from current state to target
- Review, and test completeness against Zachman

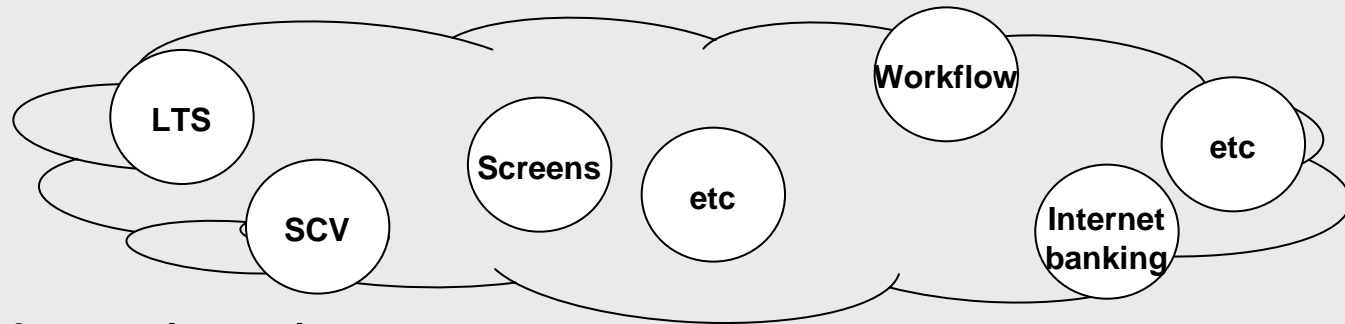
Where we thought we'd go

- Governance
- Identify key platform issues (customer data, integration)
- Refine platform vision and define projects to implement it
- Avoid SBS-only concerns
 - Technical infrastructure
 - Development process

Where we went

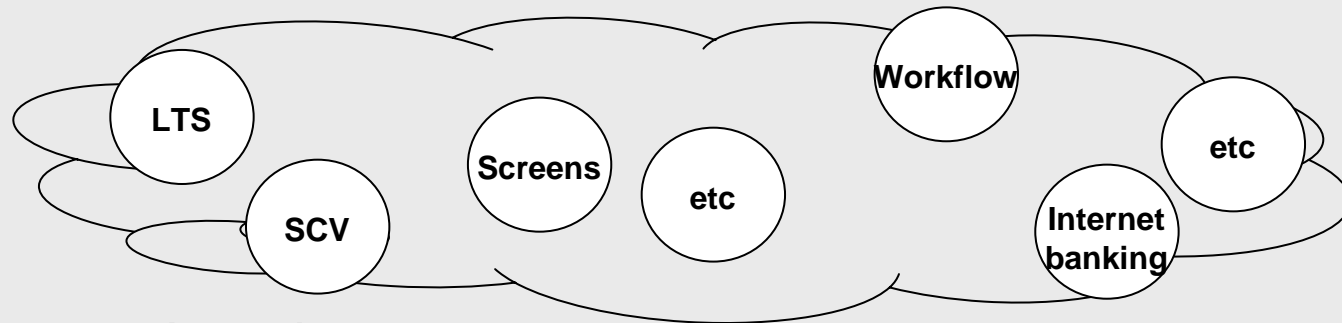
- Governance: All concerns are Partnership concerns
- Lot of time building a common view of history
 - Why wasn't the 1999 vision built?
 - Divergent perspectives across multiple organisations
 - Needed a common base to move forwards from
 - Enterprise Archaeology before Enterprise Architecture...
- Built up picture of architectural layers
- But not the layers we expected...

Business projects...



Business implementation projects

...are delivered by strategic platform



Business implementation projects

Integration & Business Process Mgt

Product

(Rapid development)

Customer

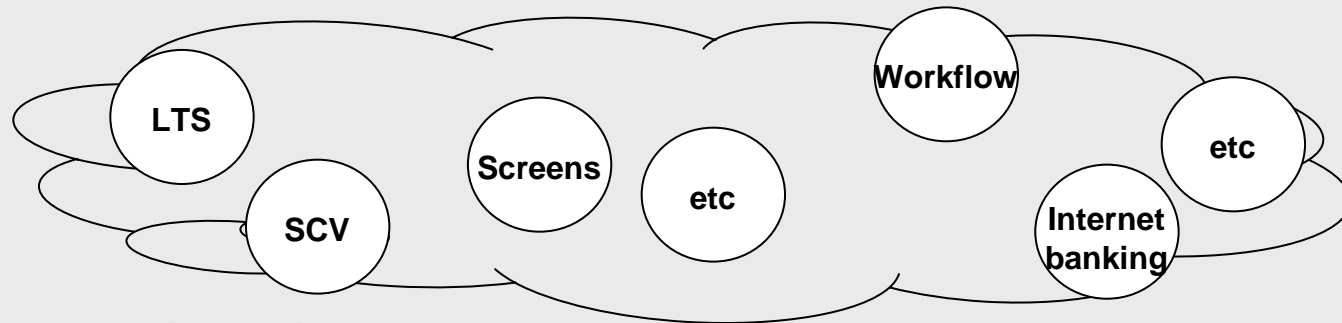
(Integrated treatment)

Channel

(Diversity)

Strategic Platform

But that's not enough



Business implementation projects

Integration & Business Process Mgt

Product

(Rapid development)

Customer

(Integrated treatment)

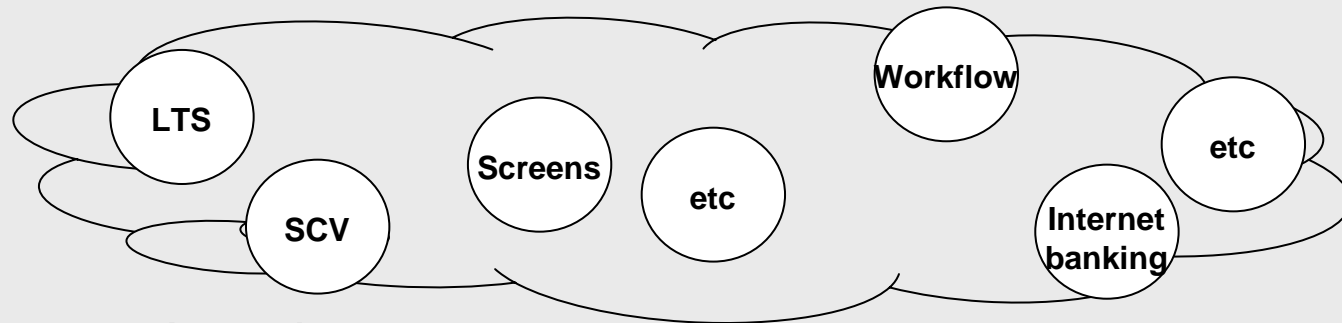
Channel

(Diversity)

Strategic Platform

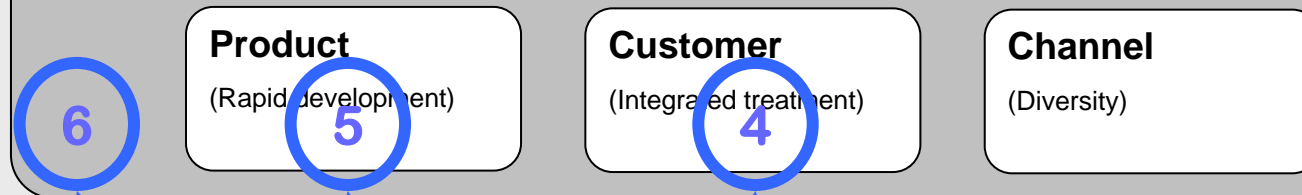
- Platform proved difficult to deliver
- “Pragmatic” version met cost but not flexibility goals
- No amount of refining the vision will shift this

Focus shifted to capabilities



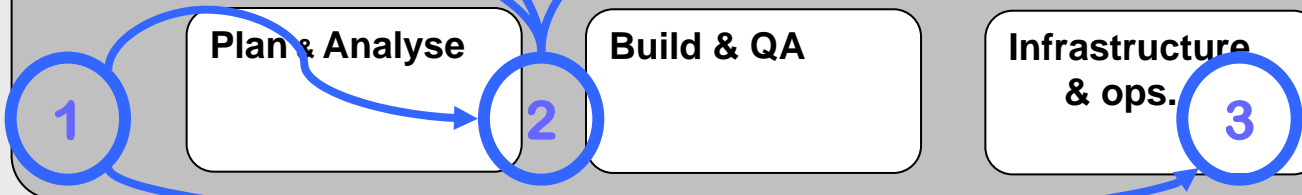
Business implementation projects

Integration & Business Process Mgt



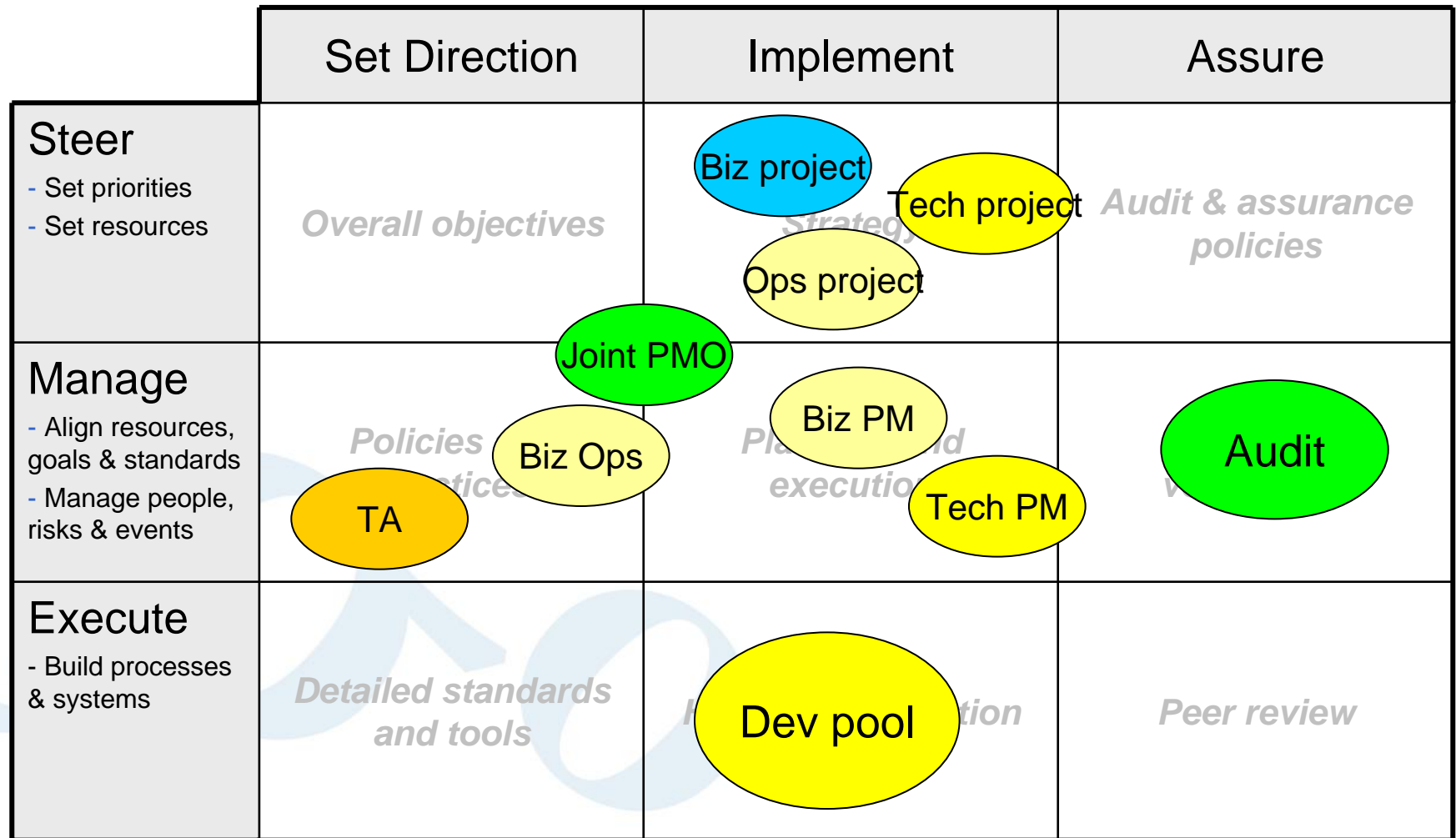
Strategic Platform - LONGER TERM FOCUS

Governance

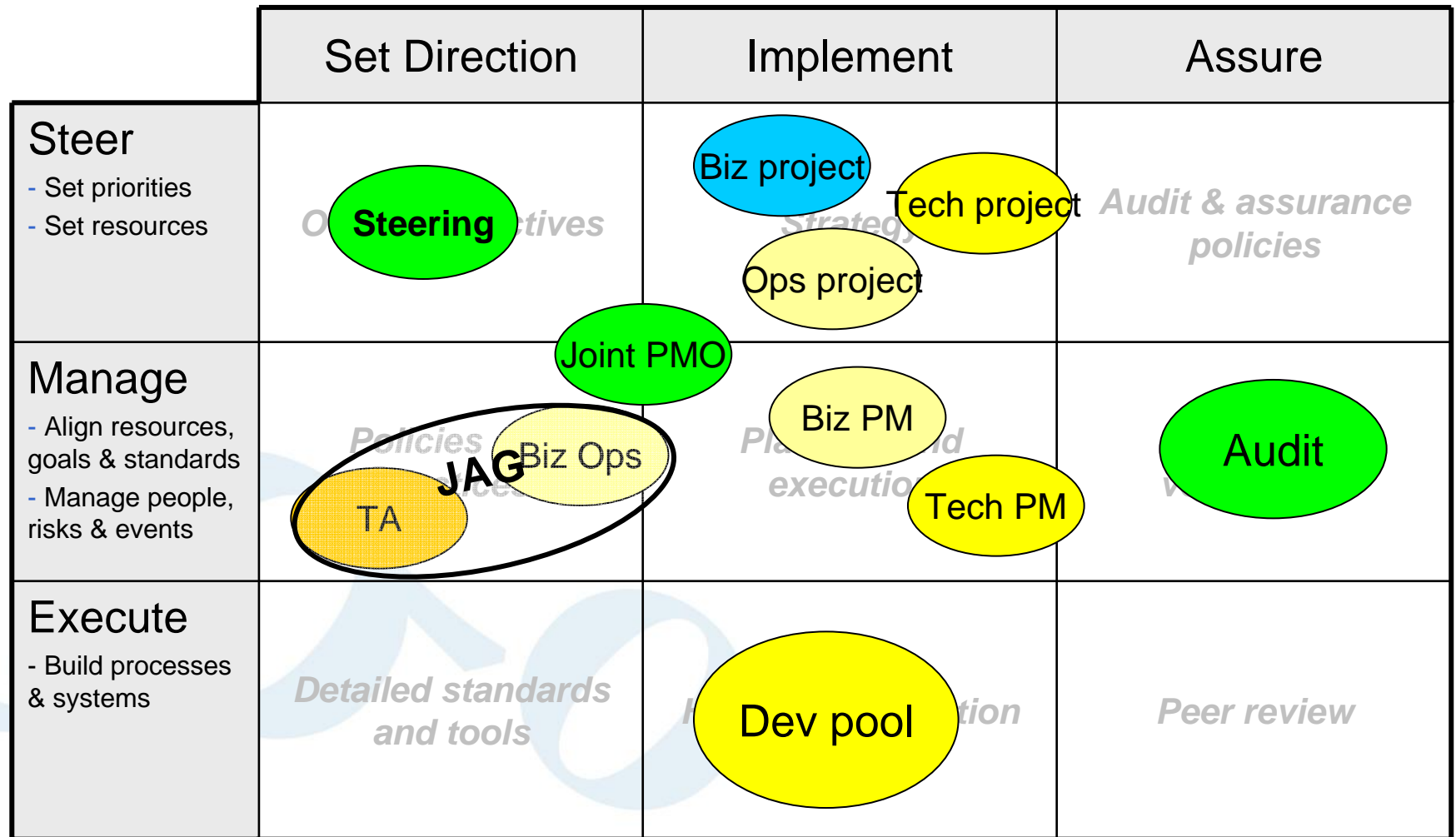


Strategic Capabilities (skills & processes) - INITIAL FOCUS

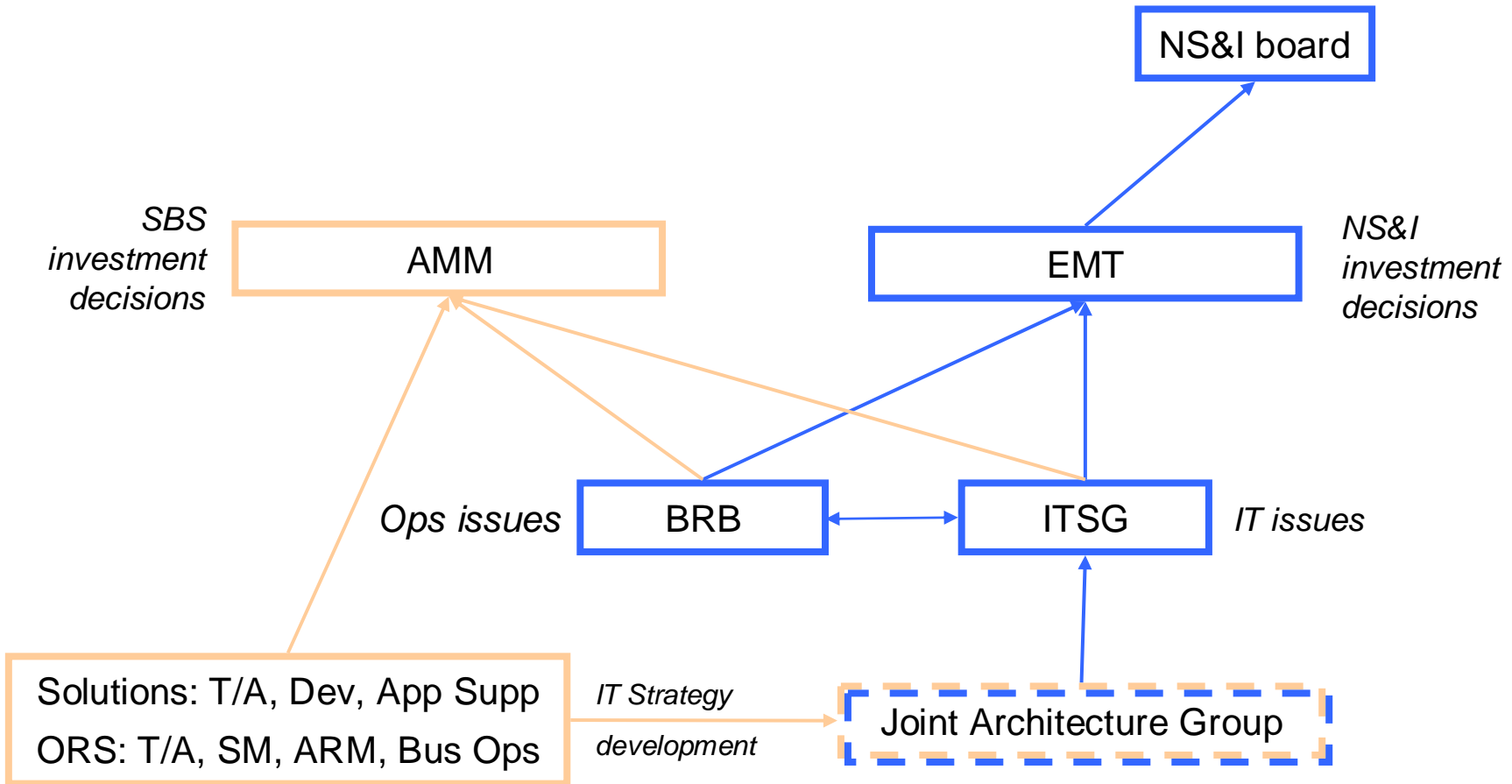
Governance



Governance - changes



Fit with other groups: to discuss



Does this strategy match our initial aims?

- Strategy is pragmatic rather than exciting.
 - We stick to the path NS&I has trod for the last 10 years, developing & extending product, customer & channel capabilities. Strategic focus is on enhancing our ability to move quickly and respond to new demands along this path.
- This is a realistic strategy for a technology follower.
 - NS&I's strategic advantage comes from other areas, so IS focus is on supporting their demands, not leading the charge.

Lessons learned

- Understand history
- Governance is joint & operates across multiple levels
- Step outside the platform boundaries
 - Development skills & process drive flexibility
 - Technical infrastructure & service management can constrain
- Details are strategic
- Time is a key resource, even with budget

Summary

- Two phases to EA at NS&I
- Platform focused
 - Develop vision
 - Refresh and consolidate systems
 - Reduced cost of technical and business operations
 - Didn't give product and service flexibility
- People focused
 - Governance
 - Development skills and process
 - Will build out the platform over time
- Needed to move down the stack so could move back up

Thank you

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■ ***Making sense of technology...***

- ❑ Many organisations are caught up in the complexity of technology and systems.
- ❑ This complexity may be inherent to the technology itself. It may be created by the pace of technology change. Or it may arise from the surrounding process, people and governance structures.
- ❑ We help untangle this complexity and define business strategies that both can be implemented and will be adopted by people throughout the organisation and its partner network. We then help assure delivery of implementation projects.

■ ***Clients...***

- ❑ **Sony Computer Entertainment** – Defined common product approval process for global units
- ❑ **National Savings & Investments** – Helped NS&I and BPO partner develop joint IS strategy
- ❑ **Amnesty International** – Defined ECMS strategy for researchers, activists and campaigners
- ❑ **Cisco Worldwide Education** – Researched competitive marketplace for e-learning assets
- ❑ **The Open University** – Defined enterprise architecture, CRM and product development strategies
- ❑ **Oxfam** – Helped defined strategy for content management, CRM and e-Commerce
- ❑ **Intermediate Technology Development Group** – Knowledge sharing architecture
- ❑ **MessageLabs** – Implementation assurance for customer service portal
- ❑ **Sapient Ltd** – Risk management strategy for customer billing solution



Enterprise Architecture Conference Europe 2006

From Technology Simplification
To Business Innovation

dates

12-14 June
2006

venue

Radisson SAS
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London, UK

www.irmuk.co.uk/eac2006

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