

Ministry of Defence reoccupies Whitehall Head Office ahead of schedule with IBM.



Overview

■ The Challenge

- Redevelop head office building in line with transformation goals
- Manage complex Private Finance Initiative (PFI) contract, procurement and delivery
- Ensure compliance with contracts, budgets and timescales

■ The Solution

- IBM Business Consulting Services
- Project management, change management and PFI procurement advisory services

■ The Benefit

- Redevelopment completed on budget, two months ahead of schedule
- Smooth employee integration into the new environment
- Redevelopment programme catalyses broader transformational change

The Ministry of Defence's (MoD) mission is to defend the United Kingdom and promote international peace and security. The MoD has 100,000 civilian employees that support about 200,000 regular military personnel.

The MoD's head office is called 'Main Building' and is based in Whitehall, London. By the mid-1990s it was clear that the building's 80-year-old design could not support the MoD's ongoing transformation into a more efficient, best-practice organisation. The design reinforced the hierarchical working methods of an earlier age, with labyrinthine corridors connecting hundreds of offices. Heating and power were inefficient, and the building was increasingly expensive to maintain.

Some 2,600 people worked at Main Building, but large numbers of staff worked at other MoD sites across London. The MoD aimed to divest five of these sites and house the majority of its head office personnel in Main Building. The challenge was to increase Main Building's capacity, modernise the building to support more open, collaborative working, and at the same time introduce a new state-of-the-art IT infrastructure.

Expert project management

The scale of the redevelopment required was enormous, and the decision was taken to finance, procure and deliver the 30-year, £750 million project under the PFI. Ensuring the project met the MoD's aims and provided value for money required expert help, and the MoD turned to IBM for support.

"The IBM Business Consulting Services team gave us invaluable support across the lifecycle of the programme, with in-depth project, PFI and change management expertise," said John Quigley, Assistant Director of Main Building Redevelopment, MoD. "They assembled a talented group of technical advisors, helped design the contracts, managed the procurement process and ensured that what was being delivered was what we set out to procure."

IBM Business Consulting Services specialises in managing complex building projects, and has a track record of success guiding large, complex capital programmes. IBM's initial role was to ensure the PFI and project output specifications met the MoD's needs on completion of the new building, and over the lifecycle of the 30-year PFI contract.

"The specifications had to be flexible to allow for change over the course of a four-year construction programme, while being specific enough to meet our requirements," said John Quigley. "In spite of the scale of this programme, our redeveloped Main Building went live on budget, two months ahead of schedule."

The heart of '>home'

More efficient use of space has increased the building's capacity from 2,600 to 3,300 employees, and the isolated offices of the past have given way to a collaborative working environment with greatly enhanced facilities. Such a radical change from the previous environment had to be managed carefully if the new building was to support a real transformation in business practices. This was the function of '>home', the MoD's Head Office Modern Environment programme.

"The '>home' Programme is designed to help our personnel make the most of the opportunities of the new building and new IT infrastructure," said Dave Woods, the MoD's '>home' Programme Manager. "IBM Business Consulting Services helped us establish a benefits-led change programme that required each major business function to develop its own plans to exploit the new environment. The response so far has been extremely positive."

IBM consultants supported the '>home' team with change planning and project management advice to ensure the action plans were achievable and measurable. This process began during redevelopment, continued through the move back into the enhanced premises, and remains an important part of the project as actual practices are evaluated against change plans in the future.

Bucking the trend

A report from the UK National Audit Office highlighted the good management of the project, and for many public commentators the Main Building redevelopment has reversed the trend of late, over-budget projects in the public sector.

Dave Woods concluded: "IBM expertise has helped us to run an extremely tight programme in spite of its size and complexity. With ongoing performance measurement of the contractors involved and of our personnel as they exploit the potential of the new working environment, we're setting a new standard for projects within the MoD – and, we hope, a benchmark for more successful PFI."

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