

**The biggest IT integration in banking history**  
**Lloyds Banking Group's groundbreaking IT practice pool**

***Introduction***

***Lloyds Banking Group (LBG) was created following the acquisition of HBOS by Lloyds TSB which has been the biggest integration in banking history to date. With IT functions underpinning all fundamental processes in a modern bank, from customer-facing services through to transaction-processing, addressing the technology requirements whilst managing the team of 11,000 IT staff in time for the integration launch date in November 2009 was a challenge***

***The 1000 IT project managers and business analysts spread across the organisation had a pivotal role to play in the integration, but their 27 different locations and seven different operating models presented a logistical problem. Ensuring key personnel were utilised to maximum effect during this period was crucial and creation of a single practice pool, managed by a real-time technology solution was designed to address this issue.***

***The product***

The product, called RTC, shows the status and availability of each IT project manager and business analyst at any given time, creating the opportunity for faster and more informed decision-making for staff deployment.

In just three months, this new system was created and implemented at a fraction of the cost that would normally be associated with a project of this scale and has given the bank a flexible foundation for the future.

***The team***

Tarik Chowdhry, Lloyds Banking Group's Head of Practice Pool, and Nick Lush, Practice Pool Head of Operations spearheaded the integration of the operating models between the two organisations.

Sharon Atherton is the head of the team of Resource Allocation Analysts that used RTC daily to effect all of the efficiency changes.

Their role was to ensure business as usual across the entire bank with no dip in performance, while meeting over 10,600 integration milestones.

***The concept***

IT project managers are often needed at relatively short notice to respond to demanding technology needs. During the peak of the integration process, 65% of resource demands had a 14 day lead time and of those, 60% were at five days notice or less.

The size of the team had grown in line with the integration project to around 1000 project managers, – a 300% increase from the previous level of 250, but these individuals were dispersed nationally, in different departments, each with their own time management process. This created a huge obstacle to see availability and location, let alone drill down into relevant skills for different projects.

Nick Lush, LBG Practice Pool Head of Operations commented:

“In most areas of the combined bank, the operational divisions effectively 'ring-fenced' resources. They operated in silos with project managers, implementation managers and business analysts dedicated to specific business areas.”The creation of a single practice

pool of expert project managers needed to be brought under one umbrella. Ideally, their time and availability would be managed by one resource team, who would have overall availability of everyone's location, skills and status.

The aim was to utilise professional skills that did not specifically rely on the domain in which project managers were currently working but on analysis, initiation, planning and delivery expertise that could be transferred to any division in the bank. Duplicated roles needed to be eradicated and the ability to respond rapidly to often very short-notice demands for resources paramount.

### **Timeline**

The project team consulted with various organisations, including industry analysts, who all voiced concerns over the scale of the project. It was widely viewed that unless LBG engaged an established software solution provider to build a product at a prohibitively high cost, it would be difficult to achieve an effective solution in such a short space of time.

With the help of the consultants from Curium Solutions, the change management specialists, RTC was recommended and subsequently implemented. RTC is a cloud hosted service solution that provides real-time, up-to-date information supporting effective decision-making. The service is rapidly and easily deployed, without any impact on the existing IT infrastructure and at a fraction of a cost compared to building an in-house system from scratch.

Sharon Atherton says - "We were able to design bespoke resource allocation process in less than three months and we recouped the investment almost instantly due to the resource efficiencies provided. We have also been able to avoid additional cost: by removing the need to employ more staff to collect and collate data, a potential additional overhead that we estimate would have been circa two million over a three year time period. The Resource Allocation team that previously managed one of the legacy project manager teams of around 250 people now manage resourcing for around 1000 colleagues, without any increase in headcount"

For the members of the Practice Pool, one of the biggest advantages has been the 'business as usual' aspect because the opportunity to use existing interfaces i.e. Excel spreadsheets to access the new system is still possible despite the underlying technology being quite different.

For the Resource Allocation team in charge of project manager deployment, the new Practice Pool business model has not just increased their potential capacity but saves time so efforts can be focused elsewhere.

Sharon Atherton, Supply Manager and part of the Resource Allocation team explains:

"We've been able to concentrate the majority of our time on resourcing, rather than inputting into a system. This has been possible because accountability for updating our management information lies with individual users, rather than with the Resource Allocation team as it has been traditionally. The only manual input into the system by the central team is to maintain the headcount position to reflect starters, leavers and change, provide weekly copies of the project list and audit checks. It also automatically creates short lists for each resource requests, which is an enabler for decisions to be made on best match to the request form."

### **Empowering people**

The practice pool was implemented on time, on 2<sup>nd</sup> November 2009. By official implementation over 200 pieces of work were successfully assigned.

The design of RTC has been a key factor in empowering employees within the organisation. As a customer-facing organisation, LBG employees are positioned at the front, middle and back of every department. RTC has been invaluable in integrating people further up the value chain, creating career paths & opportunities as it has provided a framework for executive development. For example, where many of the best projects were previously allocated to contractors, by having more visibility of projects, there are better chances for in-house staff to carry out the work.

## **The Statistics**

Within the first nine months, the new system's success was becoming evident:

- Revenue per project manager increased from 1.2 million to 1.4 million
- In order to measure the effectiveness of the new Practice Pool approach, some key metrics were defined – for example 'how long does it take from initial request through to successful candidate placement? These metrics were enshrined in Service Level Agreement (SLA) terms and then measured by RTC constantly throughout each day. 100% of these SLA targets were met and of those, 92% in less than the agreed SLA timescale.
- Employee engagement increased from 48% to over 69%
- Sarbanes Oxley compliance is in excess of 98%
- Over 80 people have been promoted and others recognised and rewarded within the company's new 'Three Peaks' incentive scheme
- Approximately 2000 milestones for the bank's integration were met
- 1500 resource requests have been fulfilled (over 100 per month)
- The practice pool have enabled over a billion British pounds sterling of deliverables
- RTC has helped the team save approximately £2m over a 3 year period by removing the need to recruit additional resource allocation analysts to cope with increased demand.

The financial benefits and efficiencies that have been achieved are important for LBG. Creation of the practice pool, underpinned by a system that will flexibly mould around the bank's evolving requirements, has given Lloyds Business Group the framework within which to nurture, grow and retain talent into the future.

**RTC solution** <http://www.realtimechange.com/>

RTC is a cloud-based service, hosted on the Microsoft SharePoint platform using semantic technology. Semantics encode 'meaning' separately from the data, content and computer code with which it is associated, which means that information can be understood and queried more easily. Says Nick Lush: "This would not have been possible without using cloud computing. Beforehand, technology would have been the barrier to achieving something like this. Now, it is the enabler." Additional features and functions are being built into RTC and it can also integrate and complement existing strategic systems.