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CASE STUDY

eLGAR's Smarter Systems Project

eLGAR comprises the Libraries of:

Waitakere City, Rodney District
North Short City, Manukau City, Auckland City

Presenters

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eLGAR's Smarter Systems Project

Executive Summary

eLGAR is an informal consortium of the libraries of five of the local authorities in the greater Auckland Region. eLGAR's vision is Smarter Systems : Better Libraries: Greater Auckland. The consortium's biggest project has been the Smarter Systems Project which was the joint specification of, search for, purchase and installation of shared library management software (LMS) and the associated hardware.

The planning stages for the project began in 2002 and go live on the software was completed by mid-2005. Joint management and operation of the software is now underway with additional modules having been installed and an annual upgrade having been successfully completed.

The Smarter Systems Project was the largest, most innovative, collaborative IT project undertaken by local government. It provides a single shared library management system for the five eLGAR consortium members and their customers using the San Francisco developed Millennium software package. Facilities provided include:

- public access to the 2 million record catalogue of the 5 libraries (the largest database of its type in Australasia) via the internet in English or Te Reo;
- management of core library processes;
- access to an extensive range of commercial databases; and
- customer management of some customer information.

The regional approach is made possible by the shared development of common business rules and processes across all 5 libraries, despite the fact they still operate as separate libraries responsible to their own local authority. Processes are in place to ensure ongoing coordination of this common approach to system use and development. This common platform puts in place an infrastructure which will enable further regional resource sharing initiatives in the future, such as joint purchasing.

The IT infrastructure and network is delivered through a regional hosting solution provided by CITAG (Communications and IT Advisory Group - the ITC managers of each of the five Councils). Auckland City's ITC Group provides on CITAG's behalf the core hosting services.

Initial Environment

In June 2001 the five library managers met to discuss whether there was a common belief that by working together better customer services could be provided. A series of facilitated meetings led to:

- an agreed long list of customer service opportunities;
- an understanding of our different working styles; and
- an agreement to create a formal structure for working together.

Subsequently a short list of four agreed priority projects was established. The shared need for a new, modern library management system was on this short list and became the main piece of work for the next few years.

Memorandum of Understanding

This was developed to create a framework for what came to be called the Smarter Systems Project. The MoU was a record of how we would work together, what our objectives were, how we would share costs, how we would manage intellectual property, how we would manage disagreements, how we would exit the project if that became necessary – indeed it was somewhat like a prenuptial agreement!

Spending several months on developing the MoU meant that the library managers had an opportunity to talk through all the relationship and operation issues of the project – and by doing so enhance our ability to work together. We developed a strong commitment to the project which was later extremely useful as we faced tough decisions.

Description of the Project

Purpose and objectives

The overall objective of the project was “to work together to evaluate the costs, benefits and feasibilities of jointly purchasing a replacement library management system and, if these were proved, to proceed to purchase, implement and jointly operate the system”¹. All 5 libraries were individually operating legacy systems which were outmoded and we knew that we had many customers in common who could benefit from a standard approach within the various libraries.

The project was divided into various stages:

- each library specified its needs for a new system;
- these specifications were merged (with surprising ease) into a shared specification;
- software procurement;
- hosting procurement; and
- implementation

Following the RFP phase of the software procurement, which resulted in all parties involved in the selection unanimously choosing Innovative Interfaces’ Millennium product as the preferred solution, it was agreed to proceed to joint ownership and operation of the software.

The Smarter Systems project objectives were as follows:

- Deliver improved customer services for each Council’s public library
- Work collaboratively together to achieve better outcomes and contain costs
- Create a basis for further cooperation and sharing of expertise
- Achieve staff involvement and buy-in
- Ensure smooth transition from legacy systems to Millennium
- Ensure staff were well trained in the new system and processes
- Deliver the project on time and on budget
- Deliver a shared common database
- Deliver common data structures and customer interfaces
- Manage and minimize disruption to customers during transition to new systems
- Put in place a support structure for post go live
- Provide a supportive, learning and fun environment for the team
- Deliver a consistent set of processes

¹ eLGAR MOU

These objectives are summed up in the eLGAR vision of 'Smarter Systems, Better Libraries, Greater Auckland'. Smarter systems are about efficiency and effectiveness, by containing costs and sharing processes and expertise. Better libraries are about value, providing customers with improved service delivery and easier access. Greater Auckland is about vision and leadership for the region, ensuring libraries contribute to the development of the region as a knowledge economy to help build economic, knowledge and social capital.

The shared library system now provides a common platform for further resource sharing and cooperation between the libraries, and further shared purchase opportunities, e.g., two libraries are going to market together for an RFID security system – and the other eLGAR partners will be part of the selection process as they may subsequently adopt the same system.

Governance and leadership

- Governance

The regional CEO Forum was the governance body for the project. Having written the MoU, developed an outline project plan and drafted a budget, the library managers individually briefed their Council management on the project and then presented the project proposal to the CEO Forum.

It was agreed, once they had readily decided to back the project, that the CEO Forum would be the sponsoring body, with one CEO being the particular sponsor, whilst the library managers would make up the project steering committee. The relationship between the CEO Forum and the Steering Committee (subsequently renamed the Smarter Systems Board) was quite relaxed, with the Board being asked to report to the Forum at project milestones. The definition of milestones was left to the Board to determine! In practice, we reported to the CEO Forum 4 times only and mostly in the early days of the project when we needed their guidance or support.

The process was that the Board identified issues that needed input from the CEO Forum, we would discuss and determine our preferred solution, test that solution with the project sponsor and then meet with the Forum to update them on progress, describe the issues and the solutions and make recommendations on preferred solutions. At all times our recommendations were accepted by the Forum. The kinds of issues taken to the CEO Forum were budget adjustments (to cover legal advice and risk management), cost allocations, decisions on sourcing legal advice from within Councils versus externally, and management of potential conflicts of interest.

- Ownership

The ownership of the project sat firmly with the libraries and the Smarter Systems Project Board. The Board was responsible for all planning, budgeting, employment, communications and process management. Project managers were employed for the system specification and procurement stages and a programme manager for the implementation stage.

- Political involvement

Political involvement varied according to the internal practices of each local authority and to the stage of the project. Some library managers were required to brief their

Council or Council Committee in detail about the project, others simply had to provide outline information.

The two most politically visible stages of the project were immediately after the successful go-lives when the CEO Forum was updated and the regional Mayoral Forum was briefed on the project, and then at the regional “launch” which was held on “neutral” ground (the Auckland War Memorial Museum) and each local authority was presented with a memento of the project.

Financial management

Costs were shared by two different formulas at different stages of the project. The system specification and procurement stages saw the costs being shared equally – as it was felt that the smaller libraries would have needed to purchase more assistance than the larger libraries and therefore dividing the total cost by five was the fairest representation of the benefits received.

The system purchase and implementation was funded on a per capita basis as the size of a library system is largely driven by the population served.

On-going operational costs are also generally funded on a per capita basis although at times individual pieces of work have been funded equally if that is considered more appropriate.

One library offered to be banker for the project, and manages all payments and financial reporting, and invoices the other libraries for their shares of the costs.

Hosting

One of the objectives of the project was to deliver a common standard of excellence in library services across the region. For the library managers that meant that if there was to be shared software there needed to be shared hosting so that all upgrades and developments could be implemented at each local authority at the same time and without repeat negotiations with individual Council IT departments.

It was anticipated that to find a common host we would need to go to the commercial market as there was no existing working relationship between the Council IT departments. However, there was also considerable concern expressed by those IT departments at the prospect of a key piece of infrastructure being hosted externally.

After some considerable discussion, including discussion with our risk managers, Audit New Zealand regarding possible conflict of interest issues, it was decided that the Board would write a full RFP for hosting services but issue it only to the IT departments. If those departments, working together, could produce a response that convinced the Board that shared internal hosting was possible, then that was the path that would be taken.

In the end a contract was signed with the IT departments (known for the purpose of the project as CITAG – Communications and Information Technology Advisory Group) for hosting and Auckland City provides the core hosting services on behalf of all the Councils.

Key issues

- Communication

As this project was a first for local government and for libraries in New Zealand, there was considerable interest in the project which brought demands on time to answer questions and deliver presentations. As well as external communication, sponsor communication and briefing Council management, the Board needed to keep approximately 1400 staff informed about the project.

- Demands on staff time

For the system specification and procurement stages of the project the only additional staff employed were the project manager and some clerical assistance. All other input into the project was from staff seconded on a part time basis from their “real” job. This created considerable stress for staff although they also enjoyed the opportunity for learning that came with project involvement. When seconding staff part time, it is difficult to provide back fill staff to compensate and therefore others had to carry the additional workload.

During the implementation stage there were a considerable number of contractors employed and a number of staff were seconded on a full-time basis as well as a number on a part time basis. Full time staff were generally replaced on a temporary basis and the costs were met by the project. Part time secondees were in some cases replaced although that cost was generally the responsibility of the employer.

The Board met fortnightly throughout the project and towards the end began meeting weekly to ensure all issues could be addressed. This was a huge impact on all Board members and in part reflected a structural difficulty with the project – the Board was there for strategic work and leadership but there was no structural component for operational leadership. This is an issue that is close to resolution.

- Aligning business rules and processes

The only way to make shared databases across five local authorities work was to minimise differences in business rules between the libraries. Staff put a considerable amount of work into analysing all processes and rules, negotiating changes and reaching common standards. The only really difficult area was in the rules directly impacting customer relations – how many books can be issued; what charges are levied; when do things become overdue; how many notices (using what words) should be sent and when; etc. Charges were considered particularly difficult because these are mostly set by Councils not by officers.

Despite the difficulties agreement was reached in all cases – although at times the agreement was to a theoretical standard and individual libraries were able to vary from the standard.

- Training

Having a staff of over 1400 to train spread across a very large geographic area was a particular challenge. The old library management systems were not windows based and the new one is, so we had to start by assessing whether staff had basic screen navigation skills and could use a mouse. All staff had to undergo an assessment and individual training was developed for each person. All team leaders later had to determine which software modules would be used by every staff member and standard training was delivered to all users of each module. A variety of training locations were

used to try and minimise the travel for staff. The project also placed a strong emphasis on communications and change management to ensure that staff understood the regional nature of the project and were ready for the changes.

- Risk management

As this project was a first for local government and for public libraries the Board was conscious that there was a high degree of interest in the project and we were therefore concerned that we ensure our processes would withstand scrutiny. We also took advice from another library who said they regretted not having risk management advice from the beginning rather than being audited only at the end of their project.

We therefore contracted with Audit New Zealand to both review sections of the project and to provide real time advice on process. We had initially investigated using one of the Council's risk management departments, but on testing this out with our sponsor we came to the agreement that an external agency would be the best solution.

In the same way we contracted with an external legal firm for advice on the MoU and on the contract stages of the project. Some local authorities still chose to use internal or independently contracted legal advisors – it is hard to determine whether the additional time and cost this involved was balanced by relatively minor changes to the documents.

Results

The project was delivered on time and under budget and with minimal disruption to the public. Research with the staff indicated that there was a high level of readiness for the change to the new software and the post go-live review indicated a low level of operating or technical problems with the switch over. Most libraries closed for the morning of the go-live and this assisted with both catching up with tasks that had been backlogged during the go-live and in giving staff confidence in working with the new system in real life rather than a training environment.

A regional system support team has been established – this ensures that there are always staff available to support the system rather than the somewhat precarious situation previously when some libraries only had one support person and no-one to call on when that person was away.

The customer research that has been done has indicated a positive response to the software and to some of the process efficiencies that the new software has enabled. For example:

- Auckland City Libraries has seen a significant increase in the number of items being processed by the cataloguing staff.
- During the same period the time taken to process items ready for shelving in the libraries has decreased.
- Since the introduction of the Millennium system, customer's satisfaction with collection organisation and information access tools has increased 2.5% from the previous year.
- A North Shore customer survey showed the majority (78%) of respondents found the new library system 'easy' or 'relatively easy' to use.

Since the initial go-live new functionality has been added – for example wireless enabled devices such as phones and PDAs can access the catalogue enabling customers to search for items and to request them.

All libraries now have their catalogue in Te Reo – an initiative that most of the libraries could not have afforded individually. And this brings us to one of the biggest benefits of having done this project. It was never a cost saving exercise; rather it was a way to get best value for what we could jointly afford and thereby to provide a more consistent - and consistently higher - standard of customer service.

Overall, the benefits can be grouped as follows:

Financial Benefits:

- Containment of costs of procurement and implementation by taking a shared regional approach
- Containment of system support costs through sharing skills, expertise and processes
- Development of regional training frameworks
- More effective customer communications through joint design and printing
- More system functionality purchased than would have been possible individually
- Possibility for more add on features in the future than could be afforded as individual libraries
- Containment of costs for database record creation, or record purchase, and of maintenance

Non-Financial Benefits:

- Delivered improved Millennium functionality without loss of existing functionality
- Shared bibliographic and customer databases
- Empowerment of customers in use of library services
- Ability to offer wider range of electronic services
- Customer information seeking skills and confidence are developed
- Develop the knowledge capital of the Auckland Region
- Enhanced access to knowledge resources held in libraries, across multiple channels
- for shared technical support centre and shared library call centre
- Achieved staff involvement and buy-in
- Provided for professional development opportunities for staff
- Built shared services capability and structures which can be applied across all Council activities
- Benchmark example of shared service possibilities

Prospects

The Smarter Systems Project was not just an end in itself. While it was essential to replace the legacy systems the libraries had been using, it was also a step towards a different future. The shared software creates a platform for future developments that will affect a wide range of our business.

That the project has been successful is demonstrated by the awards won – the project has received a TUANZ awards, two Computerworld awards, a Maori Language Commission award, the 3M award for innovation in libraries, and a SOLGM New Zealand Post Management Excellence award.

In the short term we are working with the two other public libraries in the region to make them part of the eLGAR consortium. We have a longer term plan to explore other opportunities for working together which range from investigating resource sharing (for example, enabling materials held in one library to be freely available to customers of another library) through investigating shared technical services (technical services encompasses the purchasing, cataloguing and making shelf ready items added to the collections) to a regional platform for digital media.

We are establishing a shared eLGAR Programme team to manage the joint work we are undertaking and putting in place a structure to simplify and streamline the challenges that come from balancing local and regional needs. The role of system support has been transferred to Auckland ITC. Since the completion of the Smarter Systems Project we have been managing this work with seconded and part time staff – this has not been sustainable hence the move to a more permanent team.

We are exploring a distributed leadership model for our governance structure. A critical success factor has been operating as equals and a distributed leadership model will enable that to continue. This model would see one organisation taking the responsibility for employing staff, another being responsible for financial management, etc. However, there is considerable discussion happening in the Auckland Region on governance issues – who can see the future?

Adaptability / Transferability

This is a highly transferable model. Libraries in the Bay of Plenty are developing a regional catalogue, and libraries in the Waikato region are on the cusp of a similar decision.

What it does take to achieve this result is:

- a high level of commitment to a vision;
- the willingness say (and act on) “what do we need to do to deliver the vision” rather than “what does my organisation want?;
- people who understand relationship dynamics and can behave in a way that supports the development of mutual trust and confidence;
- time, effort and persistence;
- senior management support and their willingness to trust you to deliver; and
- a willingness to take managed risks.

Conclusions

The Smarter Systems project has demonstrated that a major change can be initiated and implemented where there is a strong vision and a willingness to look to the future. Change at this level does require senior level commitment, excellent working relationships amongst the parties and significant staff support.

It is easy to underestimate the time and effort such a change takes and therefore the commitment of the department leaders is essential. This is not the kind of project that works well if it is mandated from outside as it is highly relationship affected and business oriented.

A willingness to invest in relationship building, in clarifying purposes and agendas, in planning, planning and re-planning all contribute to a successful outcome.

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