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Brexit - The biggest Transformation Programme ever

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In the aftermath of the referendum there is clearly a massive change on its way and as programme management is all about delivering strategic change, we thought it would be a good idea to start to think about it in turns of a transformation programme.

We thought it would be useful to illustrate how Managing Successful Programmes (MSP®) would handle the challenge.

MSP is made of a number of stages that are intended to control progress and minimise the risk of failure, for more information on the Managing Successful Programmes framework, please click here

Stage	Summary
Identifying a programme	The start-up phase is where the idea is rationalised and validated into a coherent proposition
Defining a programme	This is where the detailed development of the outcomes and benefits is undertaken followed by the development of the programme plan.
Managing the Tranches	These are the waves of change. The projects create the capability in terms of assets and people to move to higher levels of performance, this stage is called "Developing the Capability". The transition and exploitation of the capability is undertaken using a stage called "Realising the Benefits"
Closing the programme	This stage covers the structured closure of the programme (can happen at any point) and handover of assets, contracts and ownership of continuing improvement.

Each of the stages have a number of pre-defined steps to provide a coherent sequence of activities to help support success. In this paper, we work through the Identifying a Programme steps to see how the way ahead should be managed.

Before starting, research has shown that these are the characteristics of programmes that will fail, which may be worth bearing in mind:

- Insufficient executive level support
- Leadership is weak
- Insufficient focus on benefits
- Unrealistic expectations of the organisational capacity and capability,
- No clear picture (blueprint) of the future capability
- Poorly defined or poorly communicated vision
- The organisation fails to change its culture
- Insufficient engagement of stakeholders

To make it relevant to Brexit, replace "organisation" with "nation".

Pre programme scenario

Up to the 25th June, there were two competing views of the strategic direction for the programme, one was the do nothing option (Remain) and the other (Leave) was based on a vision for the UK to go solo in the world.

There are two key groups of stakeholders, the electorate and parliament. The electorate voted to Leave by a small majority, roughly 48% of the electorate are opposed to the programme and 28% didn't actually give an opinion. It is not clear what the proportion of MPs are supporting the Leave vision but it is believed that they are in the minority.

There is a mandate to negotiate the exit of the UK from the EU with a strategic business case from the Leave group that outlines the following outcomes from the programme:

- The economy will grow and everyone will be more prosperous
- £350m per week will be saved from EU membership fees and spent on the NHS
- There will be control and reduction of immigration through a point based entry system
- Membership of the single market will not be affected

In effect the above is a mandate that enables the programme to begin, with a deadline of two years for the technical exit from the European Union.

MSP step 1 - Establish the Sponsoring Group

Logically this would normally be the "guiding coalition" of executives that have the biggest stake in the change. As the people involved in the two campaigns were cross party, it would be logical that the Sponsoring Group would be the leaders of the Westminster political parties and representatives of the European Union who have a major stake in the future.

However, two major stakeholder issues exist.

1. It now transpires that the leaders of the Leave campaign do not actually have a manifesto as would normally happen in an election, and in fact they seem to disagree greatly on the direction and what was promised, it appears they had different agendas during the engagement with the electorate leading to the vote.
2. The Parliamentary stakeholders (MPs) are both in the process of establishing leadership election contests and as such are not in a position to nominate members for the Sponsoring Group just yet.

MSP step 2 - Confirm the programme mandate

The second step is for the Sponsoring Group to "Confirm the programme mandate". This is simply agreeing to take responsibility for delivering the objectives and achieving the outcomes. Normally this is relatively straight forward as much of this is done as part of establishing the Sponsoring Group, but in the absence of a Sponsoring Group this simple step could be more complex than usual as who will validate the mandate?

The majority of the electorate who voted for the Leave vision, appear to be of a different political persuasion (Labour) from the party (Conservatives) that are in power. As such it is going to be very difficult to confirm what the actual mandate is, as it is cross party and many of the advocates are struggling to articulate what they advocated as the mandate other than some change was needed.

There is also some discord on what is meant by two years, and in particular when the two years begins.

However, we need to find a way to confirm what the actual mandate is and who is signing it off.

MSP step 3 - Appoint the Senior Responsible Owner and programme board

The SRO is the individual accountable for delivering the programme and he/she is supported by the programme manager who will create the capability and the business change managers who will deliver the structural changes and achieve the outcomes and benefits.

So the first challenge is appointing the SRO, someone to be accountable for delivering the promised outcomes by the Leave group – there is likely to be a Minister for Brexit (there was one for the Olympics), it should not be too hard to find one who is committed to the cause but it might not be so easy to find one that has the support of all the Parliamentary parties, let alone electoral stakeholders.

The SRO and programme board will be to appoint the programme team to deliver the changes. Don't forget that the Prime Minister cannot be the SRO, as they will need to be independent and able to resolve escalations and disputes.

The appointment of the programme board is even more difficult, but based on MSP someone will need to manage the programme to build the capability in terms of legal changes and trade agreements by government departments. Finding a good organiser shouldn't be too difficult.

The other side of the programme is the leadership and implementation needed to take advantage of the new capability, MSP called them Business Change Managers, but in this case we should probably call them National Change Managers, it will be business sector leaders, multi-national leaders, the City, government departments and local authorities. Each one of these will need to change, so this is where the role of BCM fits into this particular programme as they will deliver the strategic outcomes and the benefits promised by the Leave campaign.

Finding National Change Managers who can talk with authority on behalf of each of these disparate groups could prove to be a little bit challenging, however, as evidence from history informs us that without them the outcomes and benefits will not be delivered.

MSP step 4 – Produce the programme brief

This is normally where the work really starts as it is the point where the programme has a leader appointed by the Sponsoring Group and it begins work on the next level of detail of how the objectives will be achieved.

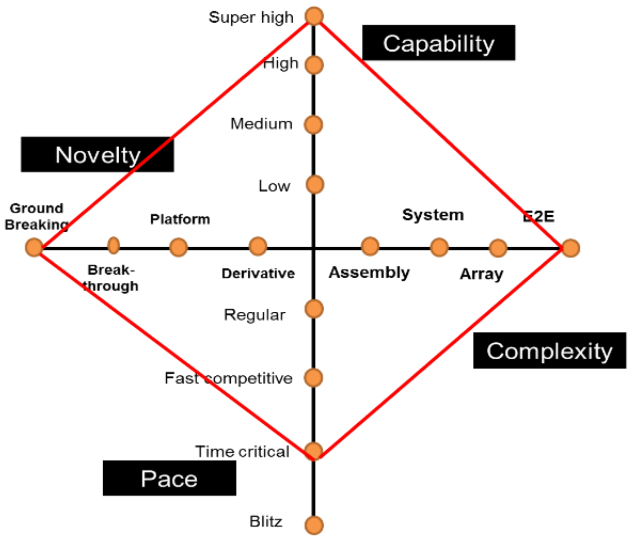
The contents should be:

- **Vision Statement** – an engaging picture of the future that the stakeholders can commit to

- **Estimates** – how much the programme will cost to implement in terms of resources, time, capital and ongoing revenue implications
- **Risks** – a profile of the overall likelihood of successfully achieving the outcomes and the initial risks which need to be managed.
- **Benefits** – initial analysis of what, where and how the benefits will be delivered
- **Alignment of existing initiatives** – current projects that can be included to enable the achievement of the objectives and those that can be stopped.
- **Assurance strategy** – how the programme will ensure it remains achievable and realistic through independent advice.

The first task is to set out the vision for the nation that the stakeholders can buy into and that all the nation can commit to. The last thing that is needed is wrangling amongst our own stakeholders when engaging with the other nations of Europe and the world that would be a recipe disaster.

The work on the programme brief can only begin once the programme board is in place and as the programme is a little light on detail at the moment, this is something we should be looking at in the months ahead.



It is good practice to take an overall perspective on the level of risk when initiating a programme. As such we have used the Shenhar and Dvir Diamond Model to provide an overview of the level of risk to success.

Capability – normally this is Technology but the majority of the work will require **super high** capability in the areas of legislation, trade agreements and creating fiscal structures for independence. Currently little of the capability exists.

Pace – there are deadlines that are immovable and challenging but they would not be categorised as blitz as the programme has control of when the countdown starts, so the pace will be **time critical.**

Complexity – is it complex in terms of the level of change, processes and numbers of organisation involved. In this case there are a vast array of interdependent laws and agreements that need to be unravelled and restructured, as such there is **end to end (e2e)** change required at a national level.

Novelty – assesses if there is precedence and case studies to learn from and how often has the organisation done this before. This is **ground breaking** as no nation of this size has ever left the EU before and had to negotiate trade agreements with the rest of the world from a standing start, the only precedence is Greenland who had a particular interest in fish, as we do.

The risk profile of the programme currently appears to be not just high risk, but alarming using this industry standard model, a new level that we haven't really seen before.

MSP step 5 – Develop the programme preparation plan

The programme preparation plan sets out how the next stage of the programme will be managed. In the case of Brexit, this will cover the development of a blueprint for how the country will operate in the future and the negotiations for achieving this, in simple terms the plan will need to cover:

1. The development of a blueprint for the nation, how it will now be governed and operate once it is no longer within EU domain
2. Development of benefits models to show where and how the benefits promised by the Leave campaign will be delivered
3. Creation of plans to deliver the blueprint and vision with supporting governance and controls
4. Creation of a programme plan to cover the next 10 years. The tranches would appear include:
    a. Negotiation of the release agreement.
    b. Preparation for the departure and development of new legislative and policy framework capability
    c. Go live transition to stable economic operations within the framework
    d. Economic and social benefits release

Remember, that this is the plan to design the programme, not the plan to deliver the Brexit mandate.

MSP step 6 - Independent assurance

Successful programmes listen to the voice of experience and learn from their successes and failures.

In this case there is little previous experience to learn from in terms of exiting the EU, however there is experience in re-inventing economies and negotiating trade deals. The only predecessor is Greenland, the only economy to actually leave the EU.

The obvious source of independent assurance would be the Chinese trade ministry, who have transformed their economy in the last 20 years and negotiated trade deals across the world. The other alternative could be the USA which also has a wealth of experience in this area.

Other options for advice on EU collaboration would be Norway or Switzerland and possibly Canada, who have been negotiating a trade deal for the last 7 years so would have some experience.

MSP step 7 - Decision to proceed

Normally within MSP there would now be a measured and reflective decision to proceed taken by the Sponsoring Group on the recommendation of the Programme Board.

The dilemma for this programme is that the decision to proceed was agreed before any work had actually started on the programme or there had been any consideration of the end state other than a number of aspirations.

The decision to proceed appears to sit with one group of stakeholders, namely Parliament, which has the fiscal power to stop or proceed, but they have an instruction from 52% of the major shareholders to proceed, although as only 72% of the electorate voted, technically only 37.5% of that stakeholder group have voted for the programme.

It would seem appropriate to check their mandate before moving past this gate bearing in mind the level of risk.

This article has been written by Aspire Europe Ltd, Rod Sowden, Managing Director of Aspire Europe Ltd and Lead Author for MSP® and P3M3® and author of a number of other books on how to deploy programme management effectively.