



Business Transformation Programme

Determining Contribution Value
(SEE ALSO Scope Rating Approach – Overview)

Contribution value

The contribution value is determined by the intersect between **Benefit Contribution** and **Delivery Cost**

Benefit Contribution is measured against one or many of the following:

- Business case: Customer (anticipated compliance effort and or cost, incl. improved experience)
- Business case: Government (expected impact to assessed revenue)
- Business case: Inland Revenue (anticipated change to IR administration costs)
- Cross-agency/3rd party collaboration
- Organisation Change Impact
- Technical impact A: Contribution to Reduction of Risk
- Technical impact B: Reduction or Elimination of Technical Debt
- Technical impact C: Contribution to Operational Cost Savings (a more efficient IR)
- Where the benefit impacts occur across more than one category, the **impact should reflect the highest rating**
- The impact may be negative or positive
- Scope items do not need to contribute all benefits

Delivery Impact is measured against:

- Schedule (critical path and/or deliverables)
- Cost (delivery and/or resource)
- *Using the tables in the following slides pick the impact & value and plot these on the scale provided on slide 8. The JIRA scope record will also ask for these values to be maintained.*

Benefits Contribution: Business Case

IMPACT	CONTRIBUTION (The business case / benefits impact includes benefits within three broad categories)			Contribution Value
	Customer (Compliance Effort)	Government (Assessed Revenue)	Inland Revenue (Administrative Cost)	
The impact may be negative or positive	CUSTOMER: Imposed additional or relieved customer effort required to meet tax obligations and/or seek entitlements”	GOVERNMENT: Expected impact to and/or additional Crown Revenue	INLAND REVENUE: Change to / savings to IR administrative costs	
	Customers experience compliance cost savings, will find it easier to meet their obligations and receive their entitlements, benefit from improved integration to accounting and payroll, with reduced complexity, Improved self- service tools	The Revenue System will be simpler, more resilient, and recover quickly from failure, there will be improved architecture , improved system resilience, Improved system maturity, lower complexity	Time and cost for Inland Revenue to implement (policy) changes (agility) will be markedly reduced, changes will be reduced and there will be an improvement to agility	
	None or very little	No change	No change	
Low	< 10% change 2 hours p.a. (\$40m)	Less than \$20m p.a.	Less than \$100k p.a.	1,2,3 5 and 8
Medium	< 25% change 3 hours p.a. (\$100m)	Less than \$50m p.a.	Less than \$1m p.a.	13 and 21
High	< 50% change 9 hours p.a. (\$500m)	Less than \$100m p.a.	Less than \$10m p.a.	34 and 55
Very High	> 50% change 24 hours p.a. (\$2,1bn)	Greater than \$100m p.a.	Greater than \$10m p.a.	89 and 144

- Impact can be one or a combination of the above
- Reflect the highest rating

Benefit Contribution: Organisation and People

Impact	Organisation & People Change Impact	Contribution Value
	<i>Policy (legislative), Business processes and policies, Tax & social policy products, Systems and applications, Working environment including location, tools, user support & procedures, Organisation structure & team composition, Capabilities and skills, Ways of working and culture shift</i>	
Neg	Minor to No change to existing Not likely to cause any disruption to business activity.	
Low	Some change to existing Minor disruption to business activity could result.	1,2,3
Medium	Many changes to existing Major disruption to business activity could result.	5 and 8
High	Introduction of completely new Significant disruption to business activity could result.	13 and 21
Very High	The cumulative effect of changes to already rated as high impact represent a very high or extreme risk according to the Enterprise Risk Rating	34 and 55

- Impact can be one or a combination of the above
- Reflect the highest rating
- See the detailed impact assessment criteria in the Appendix

Benefit Contribution: Technical

The benefits/value contribution for technical scope falls into three broad categories:

- A: Contribution to Reduction of Risk,
- B: Reduction or Elimination of Technical Debt, and
- C: Contribution to Operational Cost Savings

When entering a scope item, indicate the contribution on a numerical scale 1 being low and 144 being a very significant contribution.

Scope items do not need to contribute all benefits.

Benefits Contribution Value	1, 2 and 3	5 and 8	13 and 21	34 and 55	89 and 144
	No change	< 10% change	<25% change	<50% change	> 50% change
A: Contribution to Risk Reduction	NEGLIGIBLE	LOW	MEDIUM	HIGH	SIGNIFICANT
B: Contribution to Reduction or Elimination of Technical Debt	None or very little	< \$100,000 p.a.	< \$1m p.a.	< \$10m p.a.	> \$10m p.a.
C: Contribution to Operational Cost Savings	None or very little	< \$20m p.a.	< \$50m p.a.	< \$100m p.a.	> \$100m p.a.

Delivery Cost and Schedule Impact

	1, 2 and 3	5 and 8	13 and 21	34 and 55	89 and 144
	No change	< 10% change	<25% change	<50% change	> 50% change
DELIVERY COST One-off implementation Cost	None or very little	<ul style="list-style-type: none"> (<\$1m) 	<ul style="list-style-type: none"> \$500K (>\$1m) 	<ul style="list-style-type: none"> \$1M (>\$5m) 	<ul style="list-style-type: none"> \$5M (>\$10m)
DELIVERY COST Resources (Work effort)	None or very little	LOW < 10% change	MEDIUM < 25% change	HIGH < 50% change	SIGNIFICANT > 50% change
SCHEDULE Impact to critical path	None or very little	No affect to critical path or key milestones	No affect to critical path but will affect key milestones	Will affect critical path and/or key milestones	Will affect critical path and/or key milestones
SCHEDULE Impact to deliverable date	None or very little	Affects deliverable dates by < 2 weeks	Affects deliverable dates by < 4 weeks	Affects deliverable dates by <= 4 weeks	Affects deliverable dates by > 4 weeks

Applying the Scale

Benefit Contribution

144	V/High Value	V/High Value	High Value	High Value	High Value	High Value	High Value	High Value	Medium Value	Medium Value	Medium Value
89	V/High Value	V/High Value	High Value	High Value	High Value	High Value	High Value	Medium Value	Medium Value	Medium Value	Medium Value
55	V/High Value	V/High Value	High Value	High Value	High Value	High Value	Medium Value	Medium Value	Medium Value	Medium Value	Medium Value
34	V/High Value	V/High Value	High Value	High Value	High Value	Medium Value	Medium Value	Medium Value	Medium Value	Medium Value	Low Value
21	V/High Value	V/High Value	High Value	High Value	Medium Value	Medium Value	Medium Value	Medium Value	Medium Value	Low Value	Low Value
13	V/High Value	High Value	High Value	Medium Value	Medium Value	Medium Value	Medium Value	Medium Value	Low Value	Low Value	Low Value
8	V/High Value	High Value	High Value	Medium Value	Medium Value	Medium Value	Medium Value	Low Value	Low Value	Low Value	Low Value
5	High Value	High Value	Medium Value	Medium Value	Medium Value	Medium Value	Low Value	Low Value	Low Value	Low Value	Low Value
3	High Value	Medium Value	Medium Value	Medium Value	Medium Value	Low Value	Low Value	Low Value	Low Value	Low Value	Low Value
2	Medium Value	Medium Value	Medium Value	Medium Value	Low Value	Low Value	Low Value	Low Value	Low Value	Low Value	Low Value
1	Medium Value	Medium Value	Medium Value	Low Value	Low Value	Low Value	Low Value	Low Value	Low Value	Low Value	Low Value
Unknown Benefit	1	2	3	5	8	13	21	34	55	89	144

Delivery Impact (Cost & Schedule)

Scope Categories (MOSCOW)

A: Must Do - Committed : No further assessment is required.

Qualified, Definitely in, Fully Committed, No argument, a Quick Win, Required to deliver the programme outcome and/or minimum viable product – no further assessment required.

(These are the issues that are an imperative to fix. This is usually because there is related time-pressure (e.g. a legislative change), there isn't a workaround, or a workaround isn't a viable alternative: Customer/IR integrity impact: major

B: Should Do and/or Could Do - For Consideration: On the list but needs a Value Assessment. Use the framework to assess and rank, is aligned to Business Priorities (e.g. data quality, failure-driven demand, peak season flattening, partner efficiency) is needed to ensure the Technology strategy is delivered but is currently unqualified – complete definition and use framework to rank. **Should Do:** Is in IRs best interest to resolve. Customer/IR integrity impact: medium-high. **Could Do:** Fixing these issues would either result in an improvement, or make things easier either for IR or IR's customer. Customer/IR integrity impact: low-minimal

C: Won't Do in BT Programme: No further assessment is required.

Not in current scope but external influences such as policy, legislation or other may require us to revisit it in the future, it is not clear what the business or customer value is, and we expected there is a lot of analysis required to establish this – no further assessment at present. These issues may impact a small number of customers. Changes that fundamentally impact how START has been designed fall into this category. Customer/IR integrity impact: minimal

D: Wont' Do At All: No further assessment is required.

Definitely out, the business has found a better way or the requirement and/or problem has gone away.

Digital Experience Scoping Definitions

Some items are a **Must-Do** (e.g., to get Child Support live)

- **1** Must-do

Some are a **Should-do** due to alignment to Business Priorities

- **2d** Data Quality
- **2f** Failure-driven Demand
- **2p** Peak Season Flattening
- **2t** Partner Efficiency (e.g., tax agents, payroll providers etc)

And/or a **Should-do** to ensure technology strategy is delivered

- **2x** Technology Enhancement

Items in the BT backlog that are bigger than DES and need business/x-stream analysis / design

- **3** Business- / Analysis-driven

Some items are a **Won't Do** (e.g., agreed as such in a prior release, or the external party won't be ready within BT timeframes)

- **4** Won't Do

- These are mostly Info Shares and Supplier interfaces.
- We will use the well-proven approach from previous releases to deliver these.

- These are mostly Gateway Services, with a few Info Shares and Supplier interfaces.
- They require a value case to be created but we expect this be quite straight-forward.
- DES have enough information to be able to drive early analysis/design in conjunction with the BTMs/Product Owners/externals.

- It is not clear what the business/customer value is, and we expected there is a lot of analysis required to establish this.
- For these items, integration is only a small part of the overall answer. Implementing an interface won't resolve the underlying problem without other business/process changes.
- DES are keen to support the analysis work (including external engagement).

- Note that these might end up going into a "BAU backlog" but they will not be delivered under BT.