BRITISH EVENTING

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The Board of Directors of British Eventing Limited
Abbey Park, Stareton,
Kenilworth, Warwickshire CV8 2RN

BY EMAIL

IT Programme Strategy Review Task Force – Phase 1 Report

Ladies and Gentlemen

Pursuant to its Terms of Reference, upon completion of Phase 1 of Initial Assessment the Task Force presents its attached Report.

Purpose and Background

The purpose of the IT Programme Strategy Review is to analyse the current IT situation, fully assess the associated capabilities and risks of the IT programme; and provide recommendations to the BE Board for next steps, including a short-, medium- and long-term strategy for the direction and level of further investment. These recommendations will be designed to help resolve the operational issues and ensure that any future spend on these IT systems is sensible, realistic and effective.

The first step in this work has been to immediately and directly canvass organisers, entries secretaries, entries agents, riders, owners and scorers in an open and transparent way to establish the true situation with regard to the effectiveness of the software combined with the supporting functional processes and the training of users. This was done through the use of targeted workstreams populated by people who are the direct end users of the systems involved.

The workstreams were composed of end-users and BE's IT and executive personnel. Each workstream canvassed end-users to identify and characterise all outstanding issues according to Critical, High, Medium and Low priority.

The workstreams dealing with end-user issues relating to Entries and Event Management were:

> Entries, Substitutions and Withdrawals
> Timetabling, Balloting and Waitlist Management
> Stabling
> Scoring and Results
> Sectioning and Times

Three other workstreams focused on the processes operated by BE's Head Office:

Membership and Registration
Financial Reconciliation
Reporting and General Administration

The final three workstreams focused on the costs, architecture and governance processes of the IT system:

IT Running Costs Analysis
Tactical Architecture Review
IT Change Control Process

In the course of our work, we have identified a number of findings, risks, and recommendations which are set out in detail in the Report. In this letter, we provide a high-level statement of each of these.

High Level Statement of Phase 1 Findings

After 11 weeks of work and following consultation with approximately 40 end-users and British Eventing (BE) staff , the findings from Phase 1 of the Strategy Review of BE's IT systems can be summarised as follows:

- In 2020 the BE IT systems operated to run events throughout the year in the context of a difficult COVID-affected season

    o Many more short-notice changes were made to rules and regulations as well as to event dates and classes.
    o Many more events balloted than usual and more were abandoned again at short notice and as a result many more refunds were processed.
    o New procedures for printing numbers and paying start fees in advance were accommodated with little lead time.

- The ability to run events under these circumstances was made possible by the addition, at very short notice, of Eventingscores, a third-party system, to the BE IT infrastructure. For this purpose, the 3-month break in the sport due to lockdown was fortuitous as it allowed the combined BE and Eventingscores IT team to build the necessary features and interfaces in both Eventingscores and the BE infrastructure.

- The hybrid EARS/Eventingscores model has meant that since the sport resumed in July, Eventingscores has taken over the following event management functions from the BE EARS system:

    o Scoring and Results
    o Sectioning and times
    o Event timetabling (other than the outline timetable)

- The following event management functions remained in EARS:

  - Entries, Substitutions and Withdrawals (including the processing of refunds)
  - Stabling
  - Timetabling, Balloting and Waitlist Management

- The Head Office processes within the IT system included the following:

  - Membership and Registration,
  - Financial Reconciliation
  - Reporting and General Administration

The workstreams produced the following specific findings:

- **Entries and Event Management**: There are 33 Critical issues arising with respect to Entries, Substitutions and Withdrawals; Timetabling, Balloting and Waitlist Management; Stabling; Sectioning and Times; and Scoring and Results. In particular:

  - The **Entries** process works without major issues for grassroots riders entering one horse at a time, but it has some substantial issues for Entries Secretaries and Entries Agents. In particular the financial control around withdrawals and other changes to entries is a critical issue as is the validation of entries, with a number of examples of horse/rider combinations being accepted for classes for which they were not qualified. Of all the workstreams, Entries, Substitutions and Withdrawals identified the largest number of issues including 10 Critical ones

  - The **Stabling** and hook-up functionality is not fit for purpose and as a result, a number of events have chosen to manage the booking of stables outside the system.

  - Whilst **Balloting and Waitlist Management** can be completed within the system it is unnecessarily time-consuming and error prone. Timetabling is now primarily completed using Eventingscores and manual spreadsheets.

  - The **Scoring and Results** functionality developed in EARS is not fit for purpose and is not in use, instead Eventingscores provides all scoring functionality and passes the results to EARS.

  - The **Sectioning and Times** functionality within EARS is not fit for purpose, and all users now use Eventingscores to create sections and allocate times.

- **Head Office Processes:** There are 6 Critical issues arising with respect to the processes managed by Head Office relating to Membership and Registration; Financial Reconciliation; and Reporting and General Administration

- o The **Membership and Registration** functionality works for initial horse and member registration but lacks functionality for joint ownership, lifetime members, multiple horse registrations and syndicates. The partial sale of jointly-owned horses is also not handled well.

- o The **Financial Reconciliation** functionality for timely and accurate recording and reconciliation between amounts received by BE from entries, and amounts paid out by BE to event organisers, including dealing with refunds, presents some issues. However, these are mainly due to the manual nature of the process at the moment, and the numbers are immaterial. A new financial report has been developed by BE which addresses some of the issues.

- o The processes relating to **Reporting and General Administration** are quite well supported by the new IT infrastructure. Most of the identified issues relate to functions that are still manual which could be automated, some reports still being run from the old BE legacy database and some time-consuming frustrations with the creation of event schedules.

Our more general findings included the following:

- All entries secretaries, scorers and stable managers were adversely affected by the introduction of EARS for all aspects of event management at the beginning of 2020, and by the continuing use of EARS for the aspects of event management not currently provided by Eventingscores, and a number of those involved report an increase in workload of anywhere from 20-100% even allowing for the unique circumstances of the 2020 season.

- As a result of the new IT structure, BE has taken on the role of collection agent for entry fees on behalf of organisers. This has led to additional work in BE Head Office to receive, reconcile and pay out funds. This process is not fully automated, and it is supported by a number of manual processes and the exchange of control spreadsheets. Whilst the errors so far have been small they are all time-consuming to resolve. In addition, the sums handled are large enough that at any given time they are likely to exceed the limits of the Government's deposit guarantee scheme, exposing BE to the risk of bank failure.

- Our assessment includes an estimate of the running cost of the end-to-end IT system. It is recognised that the development of BE's current IT system was driven by a decision to implement an end-to-end model enabling the sport to be managed and run through a bespoke, centralised structure. The development was also required to address the need to provide an alternative to the use of third-party entries systems (particularly BDWP given its unavailability from 2020). However, maintaining the existing hybrid model as it currently stands without any adjustment requires additional resources to mitigate the risks and provide adequate support in maintenance and ongoing development.

- The current proposed IT budget for 2021 of £383,000 does not fully cover the costs of a sustainable IT team sufficient to remove single person dependencies and pay for the ongoing use of Eventingscores.
- Adding the identified resources would lead to a budget of approx. £600k in 2021; however it is unlikely that this will be necessary given the opportunities to make adjustments to the IT operating model such as the immediate enhancement of Eventingscores to cover additional event management functions, as set forth below in our recommendations, and to adopt additional risk mitigation strategies.
- Despite having taken on the role of software supplier and entries agent to the organisers for the first time this year, BE is unable to recoup its costs for these new services based on commitments to maintain charges at the level charged by the previous supplier (approximately £25,000)
- No additional revenues or cost savings arising from the implementation of the IT system have been identified to date

- The overall technical infrastructure is complex and not yet fully in place.

  - The BE Head Office continues to rely upon the old BE legacy database to complete validations of entries as the current validation service points to the results and rules held in that database. In addition, a copy of the new database is used for access to membership data. In order to periodically keep old and new databases in sync, it has been necessary to put in place additional processes
  - The website in particular is poorly designed and constructed, and this element is not well understood by the current IT team
  - The infrastructure is now at risk to at least two separate key person dependencies which is the specific risk the new system aimed to remove.
  - The Task Force has identified 168 issues across all the workstreams with the operation of the current IT system, of which 39 are Critical.

- Change management and overall IT governance processes are underdeveloped.

  - There is no current functioning IT Steering Committee that includes end-user representation
  - User requirements and final testing are not routinely signed off in a consistent and fully documented manner by the appropriate user community, resulting in new functionality not necessarily being fit for purpose.
  - There are no cost or time estimates in place that identify the cost of fixing the critical and high priority issues

High Level Summary of Risks Identified

Based on its extensive canvassing and review work the Task Force has identified a number of key business risks facing BE that should be addressed and mitigated. At a high level, these include:

- A primarily bespoke IT infrastructure runs the risk that all future costs have to be borne by BE alone and opportunities to benefit from innovation and economies of scale could be missed.
- The lack of appropriate change control procedures runs the risk that future IT spend does not deliver the best value for money and that the requirements of end users are not fully understood or prioritised
- The current infrastructure has two critical key IT person dependencies and to mitigate these would require BE to recruit additional technical specialists. There is a risk that BE may not be able to attract and retain the best candidates.
- Operating without a well thought-out, agreed and regularly revisited IT strategy runs the risk that the future needs of stakeholders will not be met
- An IT infrastructure that does not meet all the user requirements risks BE's ability to retain event operations staff, exposes competitors to safety issues and destroys confidence in the integrity of financial and operational information.
- Lack of regular, detailed communication about IT plans to all members and stakeholders runs the risk of BE members losing confidence in BE and damaging these key relationships.
- Taking on the role of payment agent has introduced additional BE risks and costs associated with moving approximately £7m annually between entrants and organisers.
- The continued use of Eventingscores as a third-party system that implements a number of BE rules and regulations runs the risk that those rules are not implemented correctly as changes to the system are not controlled directly by the BE team.

High Level Summary of Phase 1 Recommendations

Based on the findings set out above the Task Force has the following recommendations for implementation, in order of immediate priority:

- Establishment of a properly formed IT Steering Committee reporting to the Board, with

    o membership to include independent persons with key competencies and full representation of all end users
    o published terms of reference providing for the creation and maintenance of a detailed set of milestones and cost/benefit reporting
    o regular reporting to the Board and to BE membership and stakeholders
    o responsibility for the continued development, management and implementation of the IT roadmap defined by the Task Force

- Pending immediate review by BE management of the commercial implications, the enhancement of Eventingscores to provide the additional event management functions of balloting and waitlist management, with no further development of the

EARS functionalities for scoring and results, timetabling, balloting, waitlist management, sectioning and times other than to provide the necessary interfaces for Eventingscores to carry out these functions in time for the start of the 2021 season. Two specific risks will need to be mitigated: the key person dependency on Miranda Collett and the risk that BE rules are not properly implemented in Eventingscores

- Continuing work on the entries function in EARS to address as many as possible of the Critical issues before the start of the 2021 season

- The development, as far as is possible, of a mitigation strategy addressing all of the risks currently presented

- The development of an outline roadmap for BE's future IT infrastructure, including short-, medium- and long-term actions.

- A review of third-party applications that perform some or all of the activities currently undertaken by BE, for purposes of informing the future roadmap

We appreciate your attention to this letter and the Report, and look forward to an opportunity to present its key points to you and to answer any questions you may have.

We would like to take this opportunity to express our thanks to all the members of the Task Force and those who participated in the various work streams, for the time and attention they have freely given in the interests of our sport. Special thanks to the BE team, particularly Wendy McGowan, for taking time from their other duties to provide their views in a collaborative and constructive way.

Yours

Di Brunsden
Chair, IT Programme Strategy Review Task Force