



ANATOMY OF A FAILED TRANSFORMATION: THE \$2.2 BILLION SHARED SERVICES DEBACLE

After two decades overseeing major enterprise transformations, I recognise the pattern of failure instantly. The 2023 decision to write-down the \$340 million GovERP software project was merely the final, embarrassing chapter in a policy catastrophe that has cost the Australian taxpayer an estimated \$2.2 billion over the last decade.

The single-system GovERP initiative was the last, desperate attempt to validate a flawed **Shared Services strategy**. The core mandate was a total system upgrade for 70+ entities, but the effort was doomed from the start.

Let's be clear: this was **not a technology failure**. This was a **catastrophic breakdown in governance and executive vision**, rooted in the same predictable mistake that kills transformations in the private sector: starting with the tool and ignoring the human element.

The Policy Failure: Inverting the Sequence

The \$2.2 billion loss stems from leadership getting the transformation sequence fatally wrong. They focused on Tools Process People, resulting in a decade of wasted investment:

1. **Tools First (The Focus):** The primary focus went to procurement, platform selection (SAP), and the technical build of a "common operating environment." This approach assumes that once the technology is in place, the rest will follow.
2. **Process Second (The Conformance Trap):** Agencies were then expected to redesign complex workflows to conform to the rigid software template. This created intense friction and drove massive, expensive customisation requests to make the tool fit the existing work.
3. **People Last (The Resistance):** Operational staff were the last consideration, relegated to basic training on a non-intuitive process using a system they had no hand in designing. This is the moment when user resistance becomes outright rebellion.

As an executive, you can't look at that sequence and wonder why it failed. The \$340 million GovERP write-down is the clearest financial measure of this systemic error. They built the software, and it never worked for a single end-user. It was an exercise in building expensive shelf-ware.

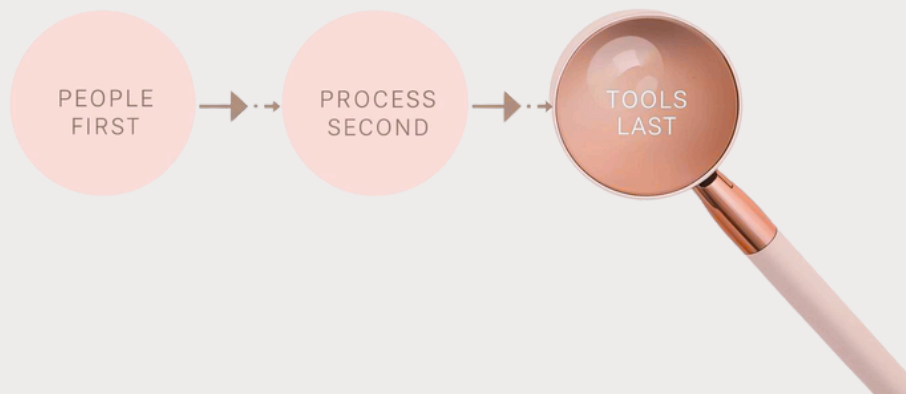


Executive Considerations: *The P->P->T Principle*

The lesson of the \$2.2 billion Shared Services saga is that executives must flip the sequence entirely. The truly successful, value-generating programs are governed by the inverse principle: **People→Process→Tools**.

To prevent the next catastrophic write-down, executive steering committees must commit to this inverse sequence:

- 1. People First (The New Mandate):** Bring users into the conversation like high-paying clients. What is their lived experience? What would genuinely make their work better? The mandate must be centered on maximising user adoption by solving real pain points.
- 2. Process Second (The Blueprint):** With user input secured, build workflows that are optimized, logical, and align with the desired user experience. This streamlined design, not the software, becomes the non-negotiable blueprint for change.
- 3. Tools Third (The Enabler):** Deploy technology that seamlessly supports the validated process and user experience. The tool must conform to the people and process, not the other way around.



The Bottom Line: People don't adopt technology; they adopt better ways of working. The \$2.2 billion loss is what happens when executives prioritise procurement over governance.

You cannot buy standardisation; you must govern it.

If your transformation is prioritising tools over people, we should talk before you write the next nine figure cheque. Telos Program Partners prevents expensive shelf-ware by getting the sequence right from day one.

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Sources: The \$340M figure and GovERP capability failures are from the 2023 Independent Reuse Assessment (DTA). The \$2.2B cumulative cost reflects the decade-long Shared Services policy failure.