



Chapter XII

Changing the Old Order: Sequencing Organizational and Information Technology Change to Achieve Successful Organizational Transformation

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EXECUTIVE SUMMARY

This chapter describes the transformation of the motor vehicle registration and driver licensing business of the Roads and Traffic Authority of the Australian state of New South Wales. At the heart of this transformation which took place between 1989 and 1992 is a system called DRIVES. The project was innovative in the technology platform it devised and in the CASE technology it used to build the application. The new system has paid for itself at the same time as transforming the Roads and Traffic Authority's way of doing the business. In addition it has generated new strategic opportunities. The iterating sequence of steps, or looped path, by which the Roads and Traffic Authority achieved its organizational transformation is compared with the more traditional top-down path. The looped path helps prepare the organization for the information technology change, makes risk more manageable by reducing the dependence between steps in the path, and leads to strategic benefits after the organizational changes have been mastered. Thus, we say that the particular order in which change was undertaken led to the new organizational order.

BACKGROUND

The state of New South Wales (NSW) is situated in the south east of Australia. It is an area 15% larger than Texas with a population of six million. The state capital is Sydney which is the same size as Los Angeles with a population of 3.7 million. For most of the 1980s the government of New South Wales administered roads and their use through two separate departments. The Department of Main Roads planned, built and maintained roads. It was a major spending department with a billion dollar budget. The Department of Motor Transport registered and licensed the vehicles and drivers who used the roads. It collected revenues for the state Treasury amounting to approximately the figure spent by the Department of Main Roads. Although running very different types of business, the two departments were both old-fashioned in their conduct of business. The Department of Main Roads was strongly influenced by its established engineering culture rather than business values. The Department of Motor Transport was viewed as a bureaucratic backwater from which bright managers sought to escape. Staff described its business practices as “Dickensian.”

As the 1980s progressed, the climate in government and public administration began to change. Governments reduced the scope of their activities and increasingly imposed commercial values and practices on their major service providing departments.

In 1988, the government decided to merge the Department of Main Roads, the Department of Motor Transport, and the much smaller NSW Traffic Authority which was responsible for road safety. In January 1989, the Roads and Traffic Authority (RTA) came into existence as a super department of almost 12,000 employees and a budget in excess of \$A1 billion. The head of the Department of Main Roads, Bernard Fisk, was appointed Chief Executive of the RTA.

SETTING THE STAGE

Our concern in this chapter is confined to the vehicle registration and driver licensing part of the RTA’s business. Initially, the RTA had no choice but to continue to operate the Department of Motor Transport’s existing business processes. These separated the delivery of licenses and registration from back office administrative processing. Delivery was through the RTA’s 138 motor registries which are locally situated shopfronts at which members of the public pay their fees and obtain their licenses and registration documents. Registries perform a wide variety of tasks related to registration and licensing. They also administer driver’s tests.

Each registry has its own manager who is responsible through line management to a regional director. In 1989, at the time of the merger, a typical registry had 12 to 15 staff each of whom carried out highly specialized tasks. For customers this specialization resulted in a frustrating lack of customer service. They were required to join one queue to submit their application and renewal forms and then another to pay. If there were difficulties with their paperwork they might have to join other queues as well. After all that, there was a strong possibility that the registry would be unable to resolve the problem and so would have to refer them to the central administrative processing unit at Rosebery in inner Sydney which dealt with problems and handled all the data collection forms and computer processing.

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