



Removing the cause of Litigation

By applying the ValueAdding.com 5-step approach, a process improvement project in one London Borough has demonstrated that an intended saving in process time can actually result in saving millions of pounds.

The borough had chosen the reactive repair of highways as a pilot Business Process Redesign (BPR) project. Street inspections were being carried out by Highways Inspectors who then raised works orders for an external contractor to fulfil. This resulted in a massive 880 street backlog



- *Delays in fixing faults in the streets meant that the council was more exposed to the risk of accident (or a spurious claim by the unscrupulous) - so more claims were being made.*
- *Demonstrating that a street is routinely inspected is a key factor in denying a claim. A missed routine inspection makes the council more vulnerable to claims, and more claims are successful.*
- *Poorly maintained streets contribute to higher crime rates, themselves a factor in the generation of spurious claims.*

THE SOLUTION

The simple BPR objective was to redesign the process to reduce the time from report to fix, and to free up Inspectors' time by making the whole process simpler and more efficient. Using our 5-step approach, we worked with council staff to:

- *Set up a cross-functional project team to guide the project, meeting weekly;*
- *Facilitate a Highways staff workshop to map the process and identify the hand-offs and non-value-adding activities;*
- *Facilitate a verification "drop-in" day for managers and staff;*
- *Facilitate a Visioning workshop involving managers, staff and the external contractor's Managing Director and Contracts Manager;*
- *Develop the vision into an implementation plan with risk and change management plans;*
- *Facilitate the production of a Business Case for approval.*

The new process described the Contractor as the "owner" of the street, with the Highways Inspectors acting as "auditors" to ensure that repairs were carried out within time and standards targets. Reports from the public were routed directly to the contractor, without any pre-inspection and without any works order being raised.

IMPLEMENTATION

Because the key managers, staff and the external contractor were all involved in the development of the new process, its adoption was simplified. The timing of the project had been planned to coincide with a contract review point, so its revision was simpler too.

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of routine inspections. The time from fault report to fix exceeded target in 22% of cases – 24 hours for "urgent" repairs and 28 days for others.

At the outset the BPR team identified that the time taken to fix a fault, taken from the time the fault was reported, was a key measure from the citizen's point of view, and this determined their measures to assess the success of the new process. However, on talking to senior management, the team discovered that because litigation was increasing at an alarming rate, the already hard-pressed Highways Inspectors were being diverted to undertake retrospective claims investigations to the detriment of routine inspections - hardly surprising since the overhanging claims were for £2 million! A vicious circle had been created.

- *Inspectors assigned to investigate claims could not simultaneously inspect streets to spot faults before they became hazards – so more hazards were occurring.*



One-Day Training in BPR Costing, using ABC

Due to repeated requests, we are offering our one-day ABC (Activity-based Costing) process-costing course as an open course for all local authority delegates. (ABC is the best way to assess costs, i.e. the real unit cost of a service deliverable, to quantify VfM delivery, and assess whether savings are cashable or non-cashable.) We also offer optional post-course support to help you with practical implementation in your own environment.

15 March 2006 - Birmingham
16 March 2006 - Central London

The course focuses on the practical knowledge and skills necessary to derive cost information for your current services and planned improvements. It uses exercises and worksheets to help delegates understand the techniques, and to practice them in a supportive environment. For more information about 'Practical Delivery of Value-for-Money Savings using ABC' visit www.ValueAdding.com/public_sector_courses.htm.

WHO WILL BENEFIT FROM ATTENDING?

All public sector managers need to demonstrate the impact of Value-for-Money (VfM) initiatives on operational savings. This seminar will instruct you how to use Activity Based Costing in a Local Authority context.

POST-COURSE SUPPORT

We know that it can be difficult to apply all you have learnt once you get back into the office. Ensure you get full benefit from this session by booking optional half or full day Post-course Support. We will review your costing project and help you to build your own cost model.

BOOK YOUR PLACE NOW

- *£295/delegate includes refreshments and course materials*
- *£50 discount for readers of Briefing Notes who book by 28th Feb*

Places are limited, so book now by visiting www.ValueAdding.com/public_sector_courses.htm to download and email a form. Or e-mail: Roger.Cooper@ValueAdding.com for more information.

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Two in-house BPR Practitioners, trained by ValueAdding.com, took over the project management, and implemented a pilot of the new process in one half of the council area. The pilot ran for six months and achieved the following results:

- **90% improvement in time from report to fix;**
- **100% of faults fixed within PI target – was only 88%**
- **Backlog for routine inspections down from 80% to 0**
- **Urgent repairs on un-inspected streets down from 57% to 0**
- **Improved customer feedback survey results**

The council has now put the contract out for tender for the whole borough. It confidently expects:

- **accident claims to fall, as streets are better maintained.**
- **a significant reduction in successful claims against the council, especially those made towards the end of the three-year time limit that canny solicitors use to the full in the hope that a council's poor record keeping will prevent mitigation.**
- **that improved street repairs will positively contribute to crime reduction.**

Annual Efficiency Statements – attempting the impossible?

As the witching hour approaches for the next set of AES promises, and a review of how well the last ones were met, the task may seem even more daunting!

We found in the first year of Annual Efficiency Statements that many of the attractive-looking gains promised had already been “planned for” anyway. Clearly this won't be the case in following years!

We also found that in the majority of cases the AES was prepared by the Financial Director or equivalent, and that, in many councils, the Service Heads or Directors did not know what had been submitted on their behalf in terms of efficiency promises.

As additional efficiency gains become harder to achieve, we believe councils will face failure unless they achieve full ownership of efficiency gains by the Service Heads tasked with delivering them.

IN OUR EXPERIENCE, SUCCESSFUL COUNCILS HAVE:

1. **Engaged Service Heads at the earliest point in the AES preparation;**
2. **Elicited the views of Service Heads about the choice and scale of efficiency gains;**
3. **Asked the Head of Performance to stimulate cross-functional, cross-cutting initiatives;**

4. **Asked the Financial Director (or a corporate manager) to coordinate the gains and avoid double counting;**
5. **Genuinely engaged Members in the final AES document, rather than inviting a rubber stamp.**

We believe that councils with a detailed knowledge of their process transaction costs are more likely to succeed, because “what is measured gets done.” They can also benchmark against others to establish a target. ValueAdding.com can help in one of two ways. We can:

- **Conduct a “deliverability study” to test the level of engagement of the Departments tasked with delivering promised gains;**
- **Provide training in the measurement of process transaction costs.**

We are currently compiling some benchmark data regarding the transaction costs for local authority purchases. These currently range between £20 and £70! If you would like to receive a copy of this benchmarking data for the ‘purchase-to-pay’ process, please email Lynsey.Brooks@ValueAdding.com

Script-writing for customer service centres

Many strategies for local e-Government endorse electronic service delivery and increased accessibility for customers through all access channels. This is why more and more Local Authorities are choosing the Customer Service Centre (CSC) route as a means of achieving their e-Government and efficiency targets. Deployment of new CSC processes and technologies can simultaneously increase effectiveness, improve customer service and reduce costs.

The challenges of setting up a CSC are immense:

- **Customer Service staff will front any number of different services;**
- **They must have the correct information at their fingertips;**
- **They must meet targets of 80% plus first time call-resolution.**

ValueAdding.com help Local Authorities to

overcome these challenges through process ‘workflow’ and ‘scripting’. Workflow describes the actions, procedural steps, people and information needed for each step in the process, and is described by the ODPM as a key ‘enabler’ of e-Government. The script enables CSC staff to deliver the service consistently.

We have developed a four level hierarchy for LA services within the Authorities departmental structure described by the esd-toolkit, which provides a short-cut to a tailor-made set of scripts.

We begin by identifying all potential enquiries to the CSC, using the Local Government Service List in the esd-toolkit (previously known as the “PID List”). This describes every service that a council might provide, and it has now been incorporated into the Integrated Public Sector Vocabulary. We then customise this list to get a true, individual representation for a Local Authority, reflecting

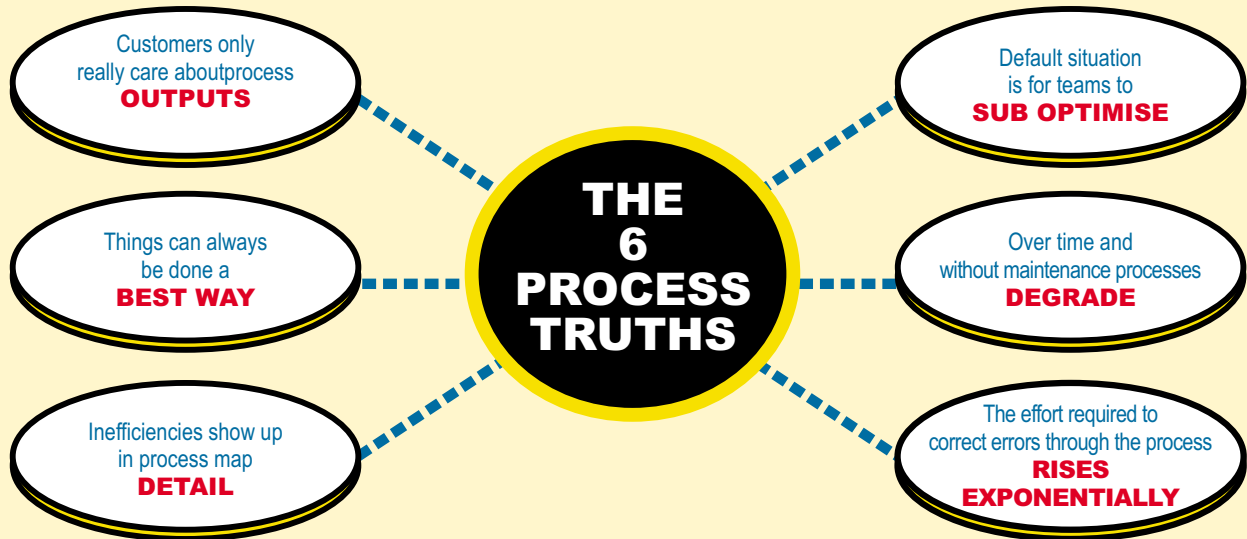
local vernacular and slang. Scripting usually follows a Business Process Re-design project, which will already have identified which processes will go into the CSC and which will remain in the ‘Back Office’. We then script every possibility for every enquiry via every access channel (post, email, web, phone, and face-to-face).

We work closely with the ICT Team throughout, to ensure that the workflow will translate into a ‘workflow engine’ (usually a CRM system) as well as integrate with back office systems.

Good script development results in more responsive and consistent services, offering first-time resolution to customers; improved management of business processes through the standardisation of working practices; greater transparency across services, enabling performance monitoring and measurement; improved efficiency; and reduced costs.

THE SIX 'TRUTHS' ABOUT PROCESSES

In our many years of working with processes, we have uncovered some universal truths about the way processes behave over time - especially when they are not managed correctly. Instead of becoming frustrated by process behaviours, we should accept that they happen, and look for ways to minimise their effects.



Processes **DEGRADE** over time (if there is no 'maintenance')

In a dynamic environment, processes will be modified continuously to meet new challenges and demands. This adds complexity, which builds up over time. It is rare for a process to be reviewed to remove redundant activities.

The **EFFORT** needed to correct errors **RISES EXPONENTIALLY** through a process

Fixing problems is always much more wasteful than preventing them.

Customers only really care about process **OUTPUTS**

They don't care about any internal problems we have, and they are not impressed by our excuses.

The 'default' situation in any organisation is for teams to **SUB-OPTIMISE**

Human nature means we all tend to become 'tribal', especially when times get tough. This can have a high impact on cross-functional processes.

Inefficiencies will show up in the **DETAIL** of a process map

Non-valueadding activities are associated with error loops, bureaucracy and delay. These do not often show up in a high level map.

There is always a **BEST WAY** of doing things

Process consistency. People who do the same tasks/processes should do them in the same way - no variants allowed!

If you have uncovered another 'truth' about processes, we'd love to hear it. Please e-mail any new (serious or otherwise) truths to alastair.watson@ValueAdding.com

Worried about getting saddled with the wrong ICT Solution?

Step change improvements to processes often call for a new ICT solution, but most council managers want an early understanding of the ICT options available, so they can plan for change without painting themselves into a corner with one standard ICT solution. They especially want to understand costs and timescales as well as potential changes to their current systems. And they want this information now.

What they really need is a view from THEIR department, not of what meets other agendas or

initiatives within the Authority. However, many managers face lack of resources within the council and lack of experience within their own staff, and therefore cannot address these issues. (Embarking on a drawn-out skills learning curve for a one-off exercise is not an option, and ICT system suppliers are hardly going to provide an impartial recommendation!)

ValueAdding.com can help. We have delivered several projects which answer these needs specifically. We review the processes and agree the improvements required. If necessary, we also consider other projects,

such as the split between front and back office. The essential point is that re-design of the business processes is complete before any new ICT contacts are let. Ideally, the new processes will be proven first, increasing the success and impact of the new technology. An independent survey of ICT system suppliers equips the manager to assess the ICT options and develop the overall improvement plan.

Such projects are typically completed within 10 weeks, with our consultant working on a part-time basis.

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Where do you start - front office or back office?

Over the last decade many organisations have launched Customer Contact Centres, able to handle all media - e-mail, text, fax, letter, phone calls and face to face. So, with all this investment in technology, marketing, staff training and staff facilities, and the rapid growth of the Call Centre industry, why do so many organisations still stand accused of providing poor service?

They fall into the age-old trap of investing time and resources in the front office without understanding the interface between the front office and the delivery, or back office, part of the organisation (such as installations or billing.)

When we consider a Customer Contact Centre we need to start by identifying the services it will need to supply. Only once this prioritisation has been agreed can processes be reviewed.

THIS PROCESS REVIEW NEEDS TO CONSIDER:

- *Who is responsible for the process;*
- *What the process steps are and who undertakes the activity, i.e. front or back office;*
- *What the handoff is between the 'front' and 'back' office;*

- *What information needs to be captured and shared;*
- *The service level agreement between the two areas;*
- *The escalation process;*
- *Feedback between the two areas to ensure quality is maintained and the process is continuously improved;*
- *The change implications for the process, such as communication, training, organisation structure and IT;*
- *KPIs and critical success factors for the process from front and back office perspectives;*
- *A contingency plan should processes fail, once implemented.*

Prior to any processes being migrated, there needs to be clear understanding as to what activities are to be carried out by the front or back offices. (Not just activities, but what advice or information can be given out.)

This is important for two reasons. Firstly, customer expectations must be met, and the information they receive must be accurate. But secondly, if incorrect information or advice were supplied, about such sensitive subjects as social care,

mortgage advice or health advice, the organisation could be liable to litigation.

By working with the staff who will operate the processes, i.e. the teams in the Contact Centre and the back office, it is easier to define activities which identify the handoff between the two, and the information that needs to be shared and captured. SLAs and KPIs can also be agreed between the two areas, enabling working practices which reflect the end-to-end process. This in turn helps to produce a culture of supporting each other and not 'passing the buck.'

Most organisations don't continuously review processes to ensure that they are efficient and take advantage of developments in technology and legislation, or best practice. By taking the opportunity to review and possibly to re-design processes, the organisation can also eliminate activities that do not add value. This enables the whole organisation to be customer-focussed instead of relying on the Contact Centre to be the customer-focussed element.

If the back office support functions have been left to their own devices, there is a high risk of ending up with a happy, courteous, Contact Centre which is unable to offer secure promises or to set customer expectations correctly. What a waste of all that investment in training, IT, marketing and staff!

New Faces

Andrew Woodhouse



Andrew is skilled in the implementation and management of computer systems, project and programme management as well as performance management, service planning and Comprehensive Performance Assessment.

He has experience of Business Process Redesign and Change Management both as an internal Practitioner and as a consultant, and this has given Andrew considerable experience of local government. He has worked for councils in London, the South West, and in South Wales in a range of service areas, including parks, libraries, street services, waste management, improvement

& performance and corporate IT.

Andrew says "I am often asked what the key is to successful change management. To me the answer is the second of Stephen R Covey's Seven Habits - Begin with the end in mind. There are of course many other factors but the simplicity and truth of this makes it easier to understand and remember!"

Key Contacts

At ValueAdding.com "We help clients to respond to customer requirements by improving their processes and costs through the skills of their people."

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Prior to joining ValueAdding.com Ltd, Andrew project managed the Shape-it.org programme, which is the largest of its kind in Europe and aims to bring about community regeneration and empowerment through developing and delivering innovative IT solutions.

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