



ValueAdding.com approach to Mobile Working wins APSE Award

Chesterfield Borough Council has won the Association for Public Service Excellence award for 'Best Efficiency Initiative' on account of their implementation of Mobile Working. Within the first 18 months they had not only improved worker safety and flexibility but gained 9% in productivity, saving £487k along the way.

From the outset of the project, ValueAdding's Paul O'Reilly worked with John Howe, the Council's OSD Manager, to design the best processes, manage the changes and choose the relevant ICT.

AN OVERVIEW

Bearing in mind that the range and variety of services delivered by Local Authorities means that best practice for one service can be less than perfect for another. The only way to ensure the right approach is to undertake an end-to-end process review.

The major hurdles to be overcome in a move to Mobile Working lie not so much in the concept or the process, as in the people and culture. Access to back office appointment diaries, loss of freedom, responsibility, stupid computers, big brother and fear of control are all real and critical issues for people.

Mobile devices need to be integrated into many systems - CRM, workflow, scheduling and GPS, not to mention the many back office functions.

We know that the customer needs change very quickly, and that a new process will not be right first time. Continuous improvement starts with measuring process performance, and instigating a robust process for reviewing further changes logically and quickly. Don't forget to budget to enable future changes.

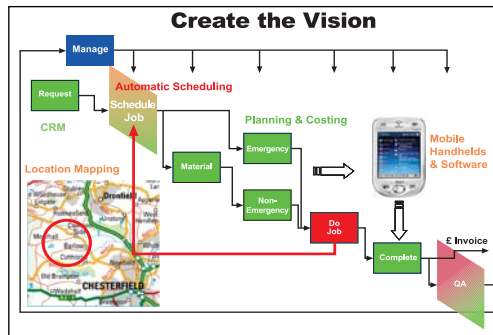
THE NEW PROCESS

Staff must be involved in designing the new process and must understand the changes required of them.

Clarifying the right first time information that needs to transfer along the process reduces a lot of downstream cost and delay. Design what the process should be, and do so at a detail level, before selecting the ICT solution.

New technology, and its integration, will be costly and challenging, and the major risks will be at the integration points. But solving these problems is relatively straightforward once the task has been clearly defined. The bigger challenge is:

- *Agreeing what the new process should be for each service*



- *Ensuring that it is an improvement over the original*
- *Implementing the changes and keeping the staff with you*
- *Optimising the service and meeting changing customer expectations*

A task for a mobile worker passes through five sub-processes.

The **Customer Service Centre (CSC)** receives requests and gathers sufficient information to task the mobile worker. Different calls will require different information to be collected. For instance, caller ID is not necessary when reporting Graffiti. Location, size and medium are more important to the Mobile Worker (the Cleaner).

The CRM software must collect and transfer the data - but can it qualify it? Are you going to try to diagnose the problem in the CSC, to reduce the downstream variables and increase the efficiency of the mobile worker? Bear in mind that CSC agents

will deal infrequently with each service type, and this will limit their knowledge and diagnostic skills.

Where complex back office databases have developed, such as in Education or Social Services, the amount of processing that the CSC can perform may be limited. The added costs and delays may outweigh the benefits for everything but the simplest of tasks.

The Process Owner sets and maintains the service, and should be based in the back-office. The Customer Service Centre reports to the Process Owner.

Workflow. How will operations be tasked - in real-time, hourly or daily? How will urgent tasks be alerted? Do we need workflow software or system integration, or could CRM be distributed into the departments?

Scheduling is the optimisation of workload and allocating tasks to individual staff. Scheduling complexity increases with the number of tasks, variety of task type, number of mobile staff, skill, availability and capability mix and geographic restrictions. Specialist software can bridge the gap between CSC and the back office where this information is usually gathered and managed.

Scheduling a meeting with a customer is arguably best performed during the first call and should therefore reside within the CSC.

A mobile computing device receives the work instruction and returns the task completion notification.

Robust PDAs, mobile phones and laptops all have this capability. Consider the skill level of the

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ValueAdding.com joins the Planning Advisory Service framework

ValueAdding.com has won inclusion in the Planning Advisory Service framework, which provides support to local authorities who have been identified as "at risk" in achieving their BVPI for major planning applications from March 2007.



planning advisory service

Our expertise in undertaking BPR within Development and Building Control coupled with our experience in Rough-cut Activity Based Costing has resulted in our listing on this framework. We will provide support (through process analysis, mapping and costing) to any of the 80 local authorities who have this specific need and put forward recommendations to release process blockages and improve efficiency.

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operatives and their working environment. Will they need to read the address when driving between appointments? Real time or batch update? One way or two way? GPS, cameras, panic buttons, integrated phone and SMS can all add process functionality. Consider the cost-benefit of managing the photo albums before introducing digital records.

Back-office Operations will manage the execution of the task through sub-processes and support systems, many of which will need to integrate with the mobile device to deliver significant benefit.

Think about: Inventory to ensure material is available at the time required; Purchasing - for the same reasons; Human resources - diaries, skills, holidays, payroll; Accounts for invoicing and possible cross charging for work performed; Closing the task and updating the CRM system.

Implementing these raises more change management issues than technical ones. For instance, will your staff accept centralised diaries?

IS THE NEW PROCESS ANY BETTER?

Benefits derive from being clear about the business objectives and looking at the entire process end to end. What service improvements are actually being sought? Have these been agreed between Senior Management, Operations and the CSC - as misunderstanding and different objectives lead to a poorer customer

experience. The following are real examples:

- *Lack of real agreement has seen back-office refusing to co-operate with the "higher paid" CSC. Some departments are re-instigating their own telephone staff to meet their service objectives.*
- *Diagnosing Housing Repair problems is difficult to perfect. Some CSCs use specialist software while others simply organise an inspection visit and remove all the variables. The costs are higher and the completion time for repairs can be longer. But the tenants are happy.*
- *Benefit claims can be supported by telephone calls, but putting the expert in touch with the customer in the first place is reducing overall claim times. From 70 to 28 days for office based experts, to one day when home appointments are involved.*
- *Replacing the back-office system with a distributed CRM system has removed the need for integration, workflow and dual system maintenance for Crime & Disorder Reporting in one authority.*
- *Defining the best scheduling parameters can be difficult. Piloting different approaches in one London authority showed that by controlling the appointment diary at an individual level the lead time for a surveyor appointment reduced from 36 to 8.5 days. This pilot approach defined the software specification, business case and the process prior to purchase and implementation.*
- *Relaying jobs overnight to the mobile device*

enabled operatives to work from home. This reduced their travel time to the first appointment and prevented the early morning office bottleneck.

- *Corporate policy to use SAP purchasing would have involved £160k+ in integration costs for one department. The stand-alone solution only cost £20k.*

IMPLEMENTING THE CHANGES

Obtain budget approval for the whole project at the start!

Few ICT suppliers can offer the complete spectrum of tools required. However, selecting "best of breed" from several suppliers risks integration issues - which can be a major hurdle to achieving business benefit. The larger names offer partner suppliers but often do not understand the details of the functionality or provide the best options. Some mobile suppliers offer a leasing option which provides a low risk entry.

Most implementations are completed in several stages. This spreads the expenditure load and reflects how much change the organisation can really handle all at once. Clarify what can technically be implemented in what sequence and what brings the most benefits, then manage the procedures through each change.

ValueAdding.com has extensive experience of helping local authorities get the most from Mobile Working.

If you'd like to discuss this, please contact Paul O'Reilly - Paul.oreilly@valueadding.com

Training Course for Productive Time and Process Costing

Despite the success of local authorities in achieving the first year's AES efficiency targets, it is clear that improvement in subsequent years will become significantly harder. Without accurate process costing and a clear understanding of productive time this might be nigh on impossible for some councils.

The DCLG clearly states the need for process costing in their Efficiency Toolkit notes.

ValueAdding.com consultants have been working in the commercial sector with Activity Based Costing (ABC) since it was first developed two decades ago, and we have now developed a simplified ABC methodology called "rough-cut" ABC to assess the cost of service outputs and process costs. This allows process costs to be gathered, and tracked, within services and across departments. Its accompanying 'value add analysis' is ideal for the identification of productive time.

The DCLG is currently evaluating our approach to rough-cut ABC as the preferred method of process costing.

*For a one day course on the subject check our next public dates at:
www.valueadding.com/public_sector/learn/abc_courses.htm*

*We have already helped a dozen local authorities to adopt rough-cut ABC to cost their service outputs and process costs. Take a look at our approach at:
www.valueadding.com/public_sector/resource_management/abc.htm*

SENIOR DISCUSSION FORUMS

ValueAdding.com are proud to announce two Discussion Forums for senior local authority management - rare opportunities to share experiences with like-minded Councils. These forums are intended to offer participants the opportunity to share achievements, problems and solutions, and take advantage of a unique Benchmarking opportunity.

Attendance is free of cost. Refreshments and lunch will be provided. Full details about both Forums can be found at: www.valueadding.com/public_sector/learn/learn.htm

If you are unable to attend these events and would like information regarding future sessions please contact Richard Coombes: Richard.coombes@valueadding.com

Introducing e-procurement methods

PENRITH. THURSDAY 5TH OCTOBER 2006.

Understanding the true costs of current Purchase to Pay processes, and making a strong case for a move towards electronic methods will result in substantial efficiency gains and make significant contributions to a Council's AES. Building a business case depends on understanding your current process and transaction costs and we shall explore how to quantify these using Rough-cut Activity Based Costing.

If you are considering your options, and want to replace labour and paper intensity with value-adding activity, this Forum is a must.

Process and Organisational change in HR

MANCHESTER. WEDNESDAY 18TH OCTOBER 2006.

Some HR processes are transactional, some advisory and others professional, and in theory they will be the same for all departments. However, often they are not, and this is a cause for concern throughout local government.

Whether you are thinking of solving the problem through BPR, new software, organisational review or shared service centres, you will gain from frank discussion with your peers, and exposure to Best Practice and the mistakes made by others.

Fail to win over your people ... and lose the initiative on Transformation

No matter how large or small the project, its success will relate directly to the amount of effort put into managing the change, i.e. winning over the people who manage that part of the organisation, as well as the people at the coal-face.

THE COST OF FAILURE

The new NHS IT system for patients' records has featured prominently in the news recently. It is reportedly two years behind schedule and looks to be costing twice as much as the original estimate of £6.2 billion. Interestingly, it was not the hardware, software or project management that was criticised in the National Audit Office report, but the failure to win the support of NHS staff.

The chairman of the Commons Public Accounts Committee, said "If this project is to succeed, it not only has to be delivered on time and to budget, but also win the hearts and minds of the staff who work daily in the NHS. This is not happening. Many staff, including GPs, are alarmed and dispirited by having the new systems imposed by diktat from above. They are also often confused about what the new systems are going to do and when."

The NAO report said that three out of 10 staff "knew nothing" about the programme, just under half "knew a fair amount" and just one fifth said they knew a "great deal" about the programme. Four per cent of all those questioned said they had "not heard" of the project. Within staff groups, awareness of the project was lowest among doctors, nurses other health workers and highest amongst IT managers.

This project has some of the brightest people in the country working on it. They haven't wilfully avoided the good change management principles that we all know about. However, when the pressure to deliver intensifies, and costs are escalating, the

main casualty in any project is too often the change management element - and with it goes the project as a whole. A false economy!

We have seen the same effects on a more local scale in Councils around the country:

- *A city council that has developed several business cases for change, but cannot gain the commitment of all senior managers or a shared vision. The result has been no progress despite compelling data for the proposed changes.*
- *A unitary council that failed to convert its change strategy into a detailed transition plan. The managers within Social Services were never convinced or committed, and the new ICT system was still not being used, three years after installation.*
- *A borough council that failed to train the first line managers and help them to lead the new processes. The processes are not working as well as they could, with system and process indiscipline as the major cause. Several of the benefits from the business case are still to be achieved, and things are 'in limbo' rather than moving forward towards the next improvement.*

WINNING HEARTS AND MINDS

On change project, it is important to assess how prepared the people in the organisation are for each stage in the change process. The easiest and most reliable way of assessing their readiness for change is to check on their attitudes, commitment and awareness, by means of small surveys - but only at the right times. These points in the change path are called 'gateways'.

Experience shows that moving through these gateways without having addressed the key elements of the previous stage, will make change more difficult,

take more time and cost more money.

Most managers have been on training courses and know that managing change is important. The most common reasons given for failing to manage change well are:

- *Time pressures make communication and engagement a low priority;*
- *The leaders of the change team fear to explain the vision, as they will be held accountable for the results and may be criticised;*
- *The costs associated with change management are difficult to equate to tangible benefits - "Can we get away without doing it and spend the money on more hardware?"*
- *The project picks up a momentum of its own and it becomes 'too late' for change management events;*
- *The senior management spotlight is on the project deliverables, creating a task focused environment for all involved;*
- *The team leader doesn't know exactly what to do at the right time in the change project/programme;*
- *Change management is seen as 'soft and fluffy' by project managers - "Do we really have to do this?"*

MANAGING COMPLEX CHANGE

Every change project, or programme, can be split into three stages, each with its own gateway:

1. **Vision, Strategy and Leadership**
2. **Transition Planning**
3. **Change Execution**

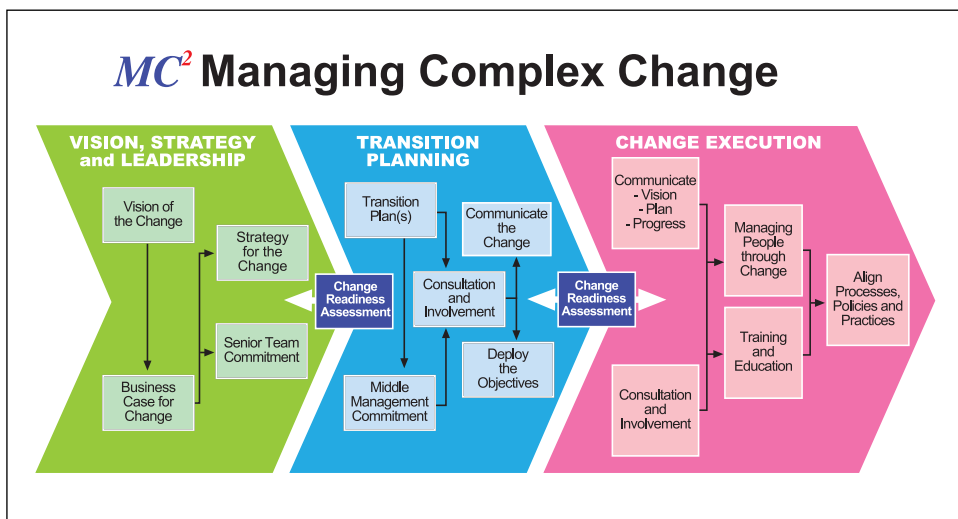
A change management programme is different at each stage. However, once the change has been announced, staff will demand as much information as possible.

Our straightforward change model - ValueAdding's MC2 - will guide you through the elements you need to have in place for successful change. Every programme will be different, but the basic elements are common to all complex change projects.

To be successful, the organisation needs to consider its approach to each of the three Stages of the MC2 Model.

ValueAdding.com has been involved in many substantial projects and programmes involving complex change and can help with visioning workshops, coaching, mentoring, development of a business case, business process redesign or project management. We can support your change programme in the areas you require and never take ownership away from your staff.

Contact Alastair Watson for a preliminary discussion. Alastair.watson@valueadding.com



New Faces



Eliza Holland

Prior to consulting, Eliza spent four years working for the Ministry of Defence. As a former Fast Stream civil servant, she has a proven track record of delivery in the public sector. With extensive experience of Brussels bureaucracy as well as Whitehall, Eliza now focuses on business process transformation and strategic planning.

Eliza speaks fluent French and German.



Richard Wells BSc (Hons)

Richard has extensive experience of developing and delivering learning and development programmes to support and enable organisational change. He has worked for the last 15 years as a Management Development Consultant in both the public and private sectors. In the last two years he has worked with the Department of Work and Pensions, the National Blood Service (now NHSBT), Jobcentre Plus, the Learning and Skills Council, and Doncaster Metropolitan Borough Council.

Experienced in working with teams at both operational and strategic levels, Richard has facilitated strategic planning sessions as well as project teams tasked to deliver radical change in service delivery. He focuses on performance management in particular, developing internal performance management consultants, delivering coaching for performance programmes, and developing evaluation methodologies for learning and development, in order to establish ROI.

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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KNOWLEDGE TRANSFER

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Over-spend on the Purchase-to-Payment process

In conducting process costing and efficiency projects for council clients, we are frequently asked "How do we compare with others?"

Clients want to know how much they spend on the purchasing process, how this compares with other authorities, and whether they can realise significant efficiency savings through smarter purchasing methods.

The ValueAdding.com preliminary benchmarking study of local authorities indicates that their costs per transaction range from £3.32 to £80, in contrast to equivalent transactions in the private sector, which often average below 50p. (The Purchase-to-Payment process involves transactions costed from order-placement to payment, as distinct from the overall procurement process, involving supplier-identification and tendering.)

According to Roger Cooper, these process transaction costs can be cut by 50-80%, and if local authorities adopted Rough-Cut Activity Based Costing in order to find the true cost of their purchase to payment processes, they could use these costings as the basis for their Annual Efficiency Statements.

ValueAdding.com spoke to more than 50 local authorities across the country to ask them about their process costs. 65% of these authorities said that they did not know them.

As a result, a further study is in preparation, both to extend the quantity of local authorities reviewed, and to probe more deeply into the

processes and costing methodologies in use. We would be pleased to hear from any local authority that would like to participate.

Within the local authorities who provided data, five basic methods of purchasing were identified - paper-based purchase orders, IT system purchase orders, e-marketplace/e-Procurement, on-line Catalogues and corporate cards.

Some local authorities had a number of processes in place, indicating departmental autonomy rather than centrally-driven Best Practice. In 54% of the respondent authorities, paper based systems are still being used. 22% of these authorities use only a paper based system although some of these authorities are moving towards more cost effective methods. 46% of the respondent authorities use two or more process methods, with a small number using four or all five. In general terms, the smaller the authority, the larger the number of processes in place.

ValueAdding.com courses on using Rough-Cut Activity Based Costing for process transaction costing have been attended by local authorities, and by central government departments and agencies including VOSA, GCHQ and the National Audit Office.

To download a copy of our report go to: www.valueadding.com/public_sector/resource_management/p2p.htm

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