



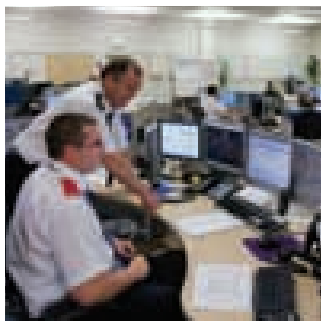
## Planning to celebrate

The Olympic strategy explained

annual conference

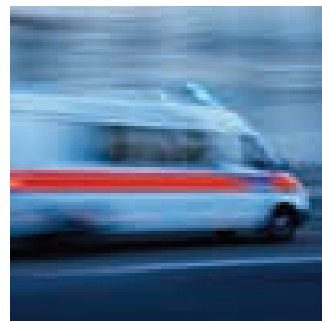
# Managing Strategic Performance<sup>2010</sup>

A conference for Police Service leaders and managers



**Tuesday  
20th April**

**One Whitehall Place  
London**



## Beyond Efficiency to **Transformation**

A day for people passionate about accelerating transformational change to deliver the required gains in quality, service and efficiency in the face of uncertainty and the toughest cuts in public spending in over 20 years. The challenge ahead is to make a journey that goes beyond efficiency. But where do we start and how do we make it happen?

**Join with leading figures from the UK's Police Services, participate and learn from facilitated debate and dialogue around the burning platforms facing police today.**

**Keynote Speaker:**

Steve Finnigan, Chief Constable, Lancashire Constabulary

**Conference Chair:**

Peter Langmead-Jones, Head of Corporate Analysis, Lancashire Constabulary

**Speakers so far:**

Peter Vaughan, Chief Constable, South Wales Police

Simon Ash, Chief Constable, Suffolk Constabulary

Andy Hayman, Former Assistant Commissioner, Metropolitan Police

Mick Creedon, Chief Constable, Derbyshire Constabulary

Ian Smart & Mike Astbury, Directors, Alexander

**Limited spaces left - book now to avoid disappointment**

For more information or to book your place please call Grace Massey at Alexander on **023 8022 5520** or email [grace.massey@alexander-ecc.com](mailto:grace.massey@alexander-ecc.com)

**Ian Smart** examines a transformation approach to achieving more with less resource within the UK Police Service.

# Beyond efficiency

**Ian Smart** is a founding director of Alexander, the change management consultancy that works with the UK police service to deliver sustainable transformation and continuous improvement. He qualified as a chartered engineer, working within supply chains of companies such as Toyota and Sony. He has also lectured in higher education on subjects such as strategy, quality and change management.

There are times when the size of the financial challenge we face is bigger than our efficiency opportunity alone can provide. Times when doing the things we do now more efficiently will not be enough. On these occasions we know we have to do something new; something bigger and more radical. If now is one of those times, then we need to be very clear about the absolute size and scale of what we must achieve, so that we know what 'enough' is.

To know where the improvement will come from we must be clear about why we are here and what it is that our communities and service users need and value most. Getting it wrong will mean more pressure on our already stretched resources, given that dissatisfied customers always make more demand on services.

We need to fully understand these drivers and the size and nature of the challenge ahead so that we can describe and communicate the reasons we have to change – the 'burning platform'. We then need to understand and show people where to start and what the journey is going to look like – the 'blueprint for change'.

The burning platform shows us why we need radical change and the blueprint shows us what it looks like. Often when we think about transformation we do what we have mostly done before.

We think about new structures and infrastructures – merged services, shared services, outsourcing and new information and communication technology (ICT). We want to jump straight on the vehicle for delivery.

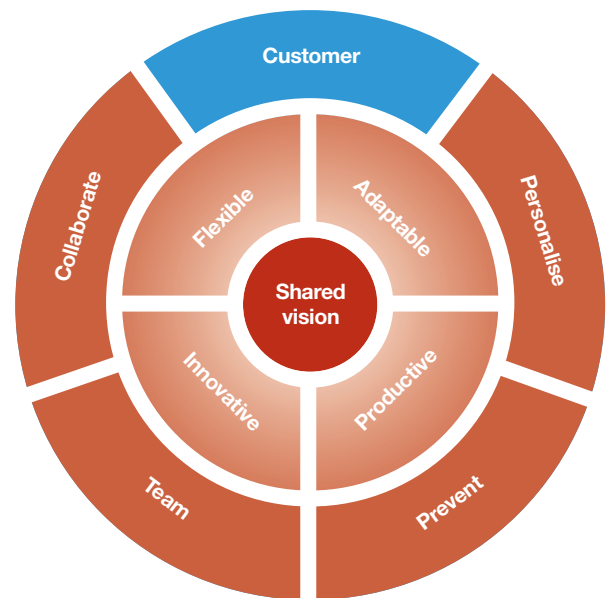
We should remind ourselves that it is easy to create these new structures without realising the benefits or changing the thinking and behaviour we need to make the change sustainable.

## A framework of guiding principles

The current climate offers an exciting opportunity to transform; invest in the kind of change that will deliver long-term benefits to communities and long-term savings for police services.

It is perhaps easy to sign up to the notion of transformation, but more difficult to do in practice. We have a generation of leaders, many of whom have experienced only growth, and a requirement to do more with more. We have developed and invested in talented professionals who understand the technical aspects of their work but who may lack the necessary understanding of managing productivity.

Increasing productivity will only help us if we are rigorous about realising the gains – 'cashing' the efficiency through redeployment of people to do more in areas of higher priority for our communities, or reducing the numbers of people we employ. Transformation requires new skills and a new framework of guiding principles – princi-



**Transformation Principles Framework**

ples that are easy to communicate and understand; principles that, when taken together and applied rigorously, will underpin our ability to achieve more with a lot less resource.

## Customer

The need to save money is our main reason to change and our instinct might be to look at change only from this financial perspective. It might work for a while, but eventually we will see that we can no longer withstand the erosion of resources and still deliver the services that are required. If we focus on understanding the customer, their needs and what they value, we will be better informed to make judgements about how we meet that need and deliver that value in the future. If we understand this, we have the basis upon which we can begin to see what we can do differently. We can begin to see the magnitude of the waste that exists in our current systems. All transformation should be guided by customer need and value.

To gain some perspective on this, we should reflect that typically only five per cent of any (private or public) service activity is directed towards what customers actually value (value adding), 35 per cent is necessary for the health of the organisation and the other 60 per cent is waste. If this is difficult to accept, remember that over the past 12 years, public sector productivity has gone down by 3.4 per cent while at the same time in the private sector it has risen by 28 per cent.

When looked at in this way, people can start to believe that it is possible to achieve more with far fewer resources.

We must redesign services that add value, with waste reduced or removed. If we do this we will improve outcomes and reduce costs. Quality services and low cost are not mutually exclusive concepts.

If we focus just on short-term cost reductions we will almost certainly create more demand and, therefore, add more cost, because dissatisfied customers make more demands on the system. True, it is sometimes necessary to cut costs quickly. When we do, we must understand the implications for the customer.

This principle should be extended in a number of important ways:

### 1. The community

Our communities are diverse, fluid and their needs change. Relying on an 'inside-out' view of customer need based on demand alone might be too simplistic. In the future, we need a rich picture of our communities, one that describes all the different groups (segments) within it.

Real transformation should start with an 'outside-in' view of what police services should do. Understanding the different parts of our customer base will need to move beyond the usual demographic and socio-economic, towards a more sophisticated, nuanced picture of motivations, beliefs and behaviour. Then we can better understand which other organisations' services they use and steer us to who we should collaborate with in the future.

### 2. Customer journey and experience

To gain the deep insight we need, we must know more about our customers' lifestyle, life events and their experience of our service. We need to understand how that experience can vary, systematically eliminate the root causes of failure and make automatic the things that ensure success.

### 3. Internal customer and 'supply chain'

When frontline policing services are redesigned, their needs as customers of support services will change. Customer insight should not just apply to the outward facing parts of our organisations. Customer need, demand and value must be understood throughout the internal 'supply chain'.

## Personalise

If we understand our customer groups, we will be able to design services that meet that group's needs. Our goal should be to meet each unique need and demand when it is demanded – right first time, every time.

Self-determination and self-service will be at the heart of this personalisation. The more that people can choose and do for themselves, the more their specific need is met, demand and cost to the organisation is reduced. This requires us to challenge what and why we do things so that we can innovate and find new ways of delivering services.

We could start by looking for ideas from our own experience. Whether it's Amazon, which appears to remember who we are and what we like, or insurance companies, which get you to do all the work so they don't have to; the recurring theme is that they get to reduce the number of people it takes to deliver the service and you get what you want, when you want it, at lower cost. Win-win? Quality service and low cost are not mutually exclusive.

We should embrace this thinking and adapt the principles

to all our services. However, unless we are prepared to 'cash the efficiency dividend', work will expand to fill the gaps and the opportunity will be lost.

## Collaborate

We must break down the artificial departmental and organisational boundaries that exist. Our society and communities are complex systems with complex needs and problems. Our public sector organisations were not originally designed with this view in mind. Systems thinking should inform and drive our solutions because:

- Solving social problems and the creation of social value are not within the gift of any police service to deliver.

- With diminishing resources, some organisations will reach a critical financial mass below which they will struggle, and then fail, to be able to deliver services effectively.

Regardless of what some people may say about economies of scale, the current strong financial and social need to collaborate is very likely to lead to consolidation of police services within merged services, shared service or other shared arrangements.

As long as new organisations and services are designed from the 'outside-in' based on need, demand and value, then we can do more for customers and reduce costs.

## Prevent

Prevention is always better than cure. Prevention is cheaper in the long term and often cheaper in the short term. Too much of our energy and resources are committed to putting things right after they have gone wrong. Often, putting things right becomes part of the job and we accept it as normal. We are often happier reacting with a quick fix, a sticking plaster that makes the problem go

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away, but we now recognise that failing to deal with the root cause of a problem will always create more call on services (demand).

Embracing the principle of prevention will afford us the opportunity to make significant quality and productivity improvements.

However, we do need to look at this principle from a number of different and balanced perspectives.

**Preventing social problems, creating social value** – We should recognise that many of our services are designed to react to, manage and control social problems. This is expensive and does not stop the demand.

If we want to improve society and generate long-term savings we must turn our attention to designing new services that focus on upstream prevention of deep-seated social problems that are rooted in individual/group attitudes and behaviour.

To do this we will need to better understand why people think and behave in the way they do. Telling people not to do something because it is irresponsible or bad for them doesn't work – 80 per cent of awareness leafleting doesn't change behaviour.

New approaches, such as social marketing which seeks to understand and change individual behaviour for social benefit, will gain traction in the policing field as we need to turn our attention to root cause and away from sticking plasters.

This will reduce demand on our systems and costs in the long term

**Right first time, every time** – What our organisations can do immediately, and should continue to do every day, all day, is focus on the systematic identification, reduction and elimination of problems and waste in our systems.

Whether it is through service design and improvement interventions, or a continuous improvement culture, we must make removing waste an essential part of what we do

**If we remove waste we are left with value.  
And value is what satisfies customers.**

every day. If we reduce waste, we can reduce costs. If we remove waste we are left with value. And value is what satisfies customers.

If you paid a visit to any organisation that excelled at 'lean' or other systematic improvement approaches, you might expect to see 60-70 per cent of staff involved in continuous improvement teams. Those teams would be empowered by their leaders to apply a way of thinking and a set of tools that improve the process and solve day-to-day operational problems.

Imagine that; the majority of your people empowered to

think and work out ways to reduce waste and add value? In this idea, you might be able to see how your organisation can make year-on-year improvements to quality and productivity with fewer resources.

### Team

The basic building block of all organisations is the team. Empowered, self-managed teams are more productive and innovative. Increasingly, our thinking and effort as leaders should be focused on how we galvanise and mobilise all the intellectual resources we have to achieve more with a lot less.

Transformation will mean that we will need to encourage our teams to suspend their assumptions about the working world they inhabit and enable them to spend time to think about the problems they experience in the context of the wider systems they work in.

People in teams understand best how things work and equally, why things go wrong. They see it and experience it every day. We need our people to be active and willing participants in transformation. Part of our transformation challenge is to break the culture of compliance and decentralise responsibility for leadership to all levels of our organisations.

■ The Managing Strategic Performance conference is being held on April 20, 2010, at One Whitehall Place, Westminster, London. For more information visit <http://www.alexander-ecc.com/> or to book please call Grace Massey on 023 8022 5520.

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