

IMPLEMENTING THE AUSTRALIAN **BUSINESS EXCELLENCE** FRAMEWORK:

Eight Local Government Case Studies

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JUNE 2011



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Contents

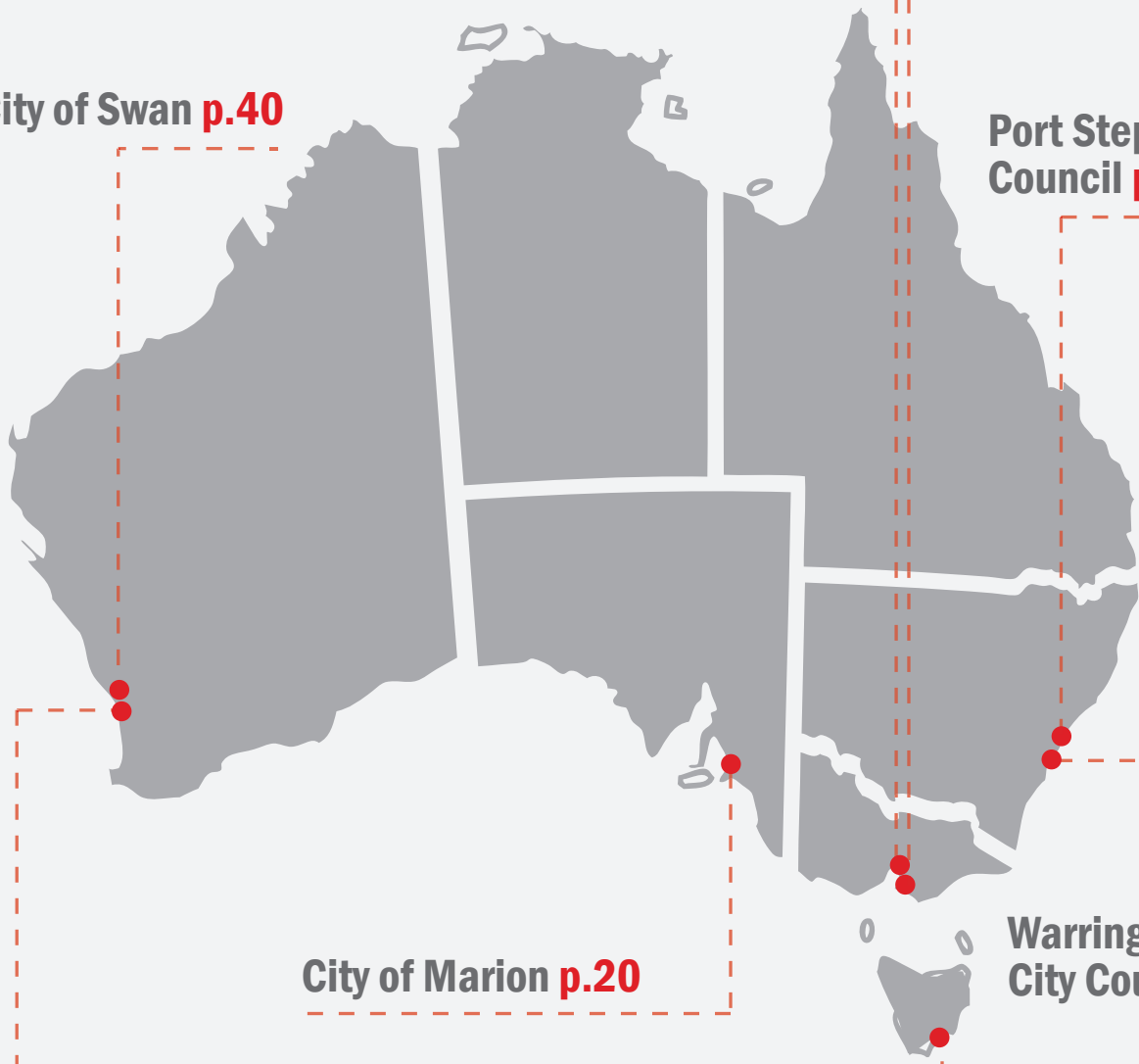
○ Introduction p.3

Bass Coast Shire Council p.6

Yarra Ranges Council p.53

City of Swan p.40

Port Stephens Council p.33



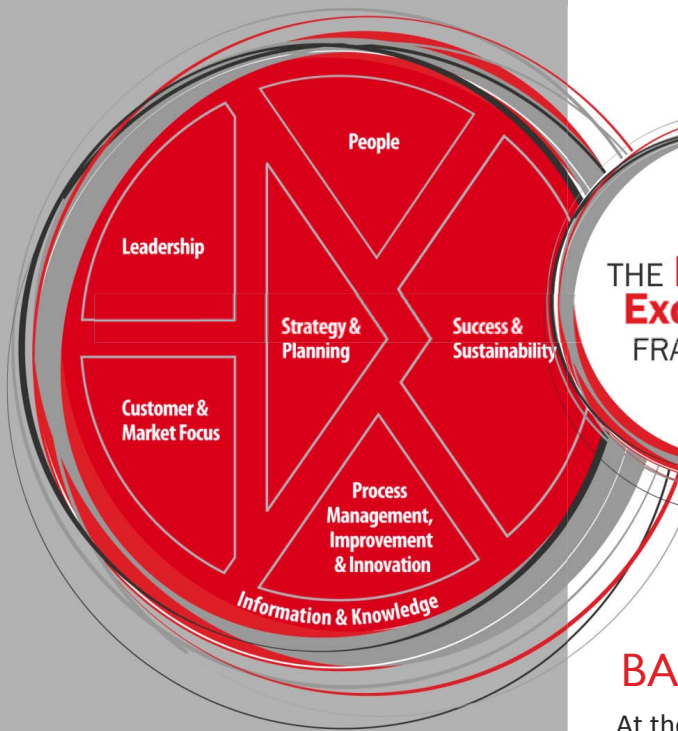
City of Marion p.20

Warringah City Council p.46

City of Melville p.27

Hobart City Council p.12

Conclusion p.60 ○



THE **Business Excellence** FRAMEWORK

BACKGROUND INFORMATION

At the Australian Council of Local Government (ACLG) meeting in November 2008, the Prime Minister announced funding support for a Centre of Excellence to showcase innovation and best practice across local government and encourage adoption of innovative practices and solutions.

One of the Australian Centre of Excellence for Local Government (ACELG) consortium partners, the UTS: Centre for Local Government is working in partnership with SAI Global (SAI) to review the use of the Australian Business Excellence Framework (BEF) within Australian local government. The ultimate aim of this project is to provide local government with a model which promotes excellence within the sector.

The Local Government Business Excellence Network (LGBEN) is a national network of councils who are actively using the BEF, and are interested in building and strengthening its use in the Australian local government sector. A survey of LGBEN councils conducted in 2010 confirmed that the BEF provided a structured process for continuous improvement, a facilitator of better communication, a tool for team building and aligning the organisation to corporate priorities, a catalyst for finding financial savings, and a vehicle for providing access to best practice (ACELG, 2010). However both LGBEN and SAI are interested in exploring ways that the BEF can be further enhanced and tailored to facilitate broader takeup within Australian local government.

INTRODUCTION IMPLEMENTING THE AUSTRALIAN BUSINESS EXCELLENCE FRAMEWORK: EIGHT LOCAL GOVERNMENT CASE STUDIES



This review includes the documentation of case studies to inform two significant project initiatives:

1. Firstly, SAI have commenced a review of the BEF to occur later in 2011. These case studies aim to canvass the experience, knowledge and opinions of the local government sector to inform that review and tailoring of the BEF to meet local government's changing needs for continuous improvement;
2. Secondly, ACELG is partnering SAI to develop a detailed implementation guide which will assist the local government sector by outlining the principles and associated practices of the updated BEF.

Local Government Business Excellence Network (LGBEN)

LGBEN was formed in 2003 by a group of Victorian Councils undertaking Business Excellence journeys. The Network has since expanded to include Councils from New South Wales, Queensland, South Australia, Western Australia and Tasmania. The original aim of the Network was to learn from each other and others outside the Network about implementing excellence in local government.

LGBEN is centered around connecting those in the local government sector who use the BEF. Therefore it is of high importance to a large number of councils that the LGBEN continues to operate and grow in a structured way.

In addition, a 'Better Practice' group has been recently established in Western Australia under the banner of the LGMA, and this group also aims to share better practice across the local government sector.

Preparing the Case Studies

Eight councils throughout Australia have been selected for the case studies contained within this report. The case study councils are known for being progressive and innovative in their approach to continuous improvement, and they were selected in consultation with SAI and LGBEN. The selected councils represent a cross section in terms of size, geographic and demographic profiles.

The author of this report was Zoe Pattison, Business Excellence Co-Ordinator for Port Stephens Council who was seconded to the UTS: Centre for Local Government to prepare the case studies. Zoe visited each council and conducted interviews with key staff to obtain their opinions and experiences. Each council was asked a number of questions which included:

- What were the drivers behind the decision to implement Business Excellence?
- How have you implemented the Business Excellence Framework? What resources and training were required?
- What have been the benefits of adopting the BEF?
- What are the opportunities for improvement both in relation to the Framework itself and how it could be better utilised within the local government sector?
- What were the lessons learnt?



Participating Councils

The following table lists the councils and the individuals who participated in the development of the case studies:

Council Name	CEO/General Manager	Other Participating Staff Members
Bass Coast Shire Council (VIC)	Allan Bawden	Felicity Sist Sharon Fowles
City of Marion (SA)	Mark Searle	Andrew Lindsay Peter Bice
City of Melville (WA)	Shayne Silcox	Kylie Johnson Dick Dowse (consultant)
City of Swan (WA)	Mike Foley	Kym Leahy
Hobart City Council (Tas)	Nick Heath	Gary Randall
Port Stephens Council (NSW)	Peter Gesling	Wayne Wallis
Warringah Council (NSW)	Rik Hart	John Warburton, Ben Wicks; Melanie Gurney
Yarra Ranges Council (VIC)	Glenn Patterson	Jill Colson Nerida Wood



BASS COAST

BACKGROUND INFORMATION

Bass Coast Shire Council is a local government area (LGA) in Victoria. It is located in the south-eastern part of the state, less than 90 minutes from Melbourne, and includes the popular tourist destination, Phillip Island. The LGA covers an area of 890 square kilometres and has an estimated population of 29,800. It is the fifth fastest growing LGA in regional Victoria. Bass Coast Shire was formed in December 1994 by the merger of the Shires of Bass and Phillip Island, the Borough of Wonthaggi and parts of the Shires of Woorayl, Korumburra and Cranbourne.

The population of Bass Coast is aging with 30% of residents aged over 60 and only 11,000 employable people within the Shire. 40% of ratepayers are non-resident and there are 4.6 million visitors annually. During the holiday period more than 70,000 people locate in the LGA causing a considerable strain on council's resources. This is compounded by the need for significant infrastructure renewal. For example this increased number of users has a detrimental impact on the many unsealed roads and aging drainage system.

A \$3 billion desalination project has recently been located in the LGA. This has a significant effect on the Council as well as local businesses.

BASS COAST SHIRE COUNCIL (VIC)

INTERVIEWS
CONDUCTED BY
ZOE PATTISON
WITH ALLAN BAWDEN,
FELICITY SIST AND
SHARON FOWLES

What were the drivers behind the decision to implement Business Excellence?

Bass Coast has been using Business Excellence since 2003. At that time the CEO was looking for an improvement framework that would assist the Council to become more sustainable. Bass Coast was also looking for a less reactive approach which was prevalent at the time in Victorian local government due to the implementation of compulsive competitive tendering and then later 'Best Value'. At that time some new directors had come on board with previous experience at Wodonga City and Baw Baw Councils. Both of these organisations had used Business Excellence with very positive results.

How have you implemented the BEF?

During the initial four to five years, Bass Coast focused heavily on process improvement. There were many processes which had not been reviewed for some time and were, as a result, reactive to situations. In particular, the organisation used the PDSA (plan, do, study, act) tool and spent time training and working with staff to review and improve processes. After a number of tangible improvements were achieved, the Council then moved its focus to people and relationships.

The employee satisfaction survey indicated a feeling amongst staff that "my team and I are OK, it's just everyone else that is letting us down." Consequently Bass Coast consciously made the effort to provide a program to allow staff to explore their own behaviour and motivations. The Enneagram program was run by Rob and Veronica Noble, who facilitated one-on-one sessions and staff workshops. Whilst it was voluntary, the program was widely taken up.

At this point employee survey feedback indicated that second and third level managers needed leadership training in the L&D program. Bass Coast is now putting nominated senior staff and a number of emerging leaders through the Australian Applied Management Colloquium.

In the last 12 months the improvement journey has been reassessed using a Financial Sustainability Framework as the basis for reviewing the current state of play and identifying and prioritising improvement initiatives for the future.

Built into the annual planning process and incorporating the Business Excellence Principles, the Framework enables Bass Coast to identify and prioritise improvement initiatives in an integrated manner. The Framework asks that each service provider answer a number of questions about the department and the services they provide.

The department considers the following:

- Department mission
- Responsible manager
- Directorate that they report within
- Recent achievements
- Business planning context (strategic documents, policies, legislation)
- Who are your internal partners?
- Who are your external partners?

- Number of staff within this department?
- Number of female staff?
- Number of male staff?
- Number of staff according to age bracket? (17 – 25; 26 – 35; 36 – 45; 46 – 55; 56 – 65; over 66)
- Number of staff who may take a career break in the next four years? (maternity leave, paternity leave, leave without pay, secondment)
- Number of staff who have indicated they wish to retire in the next four years?
- What are the key skills required for service delivery?
- Is there a skill shortage in the market for a service area?
- What are the key issues facing the workforce in the next four years?

Each service within the department then goes on to answer the following questions:

- Service aim
- Core processes
- Strategy
- Secondary outcomes
- EFT taken to deliver the service
- Reporting year
- Current approach
 - What is the current expenditure for this service?
 - What is the current revenue for this service?
 - Is this service supported by grants?
 - Is there any capital works expenditure associated with this service?
 - Are consultants or sub contractors used to deliver this service?
 - Who are the customers who use this service?
 - Is this service consistent with the objectives in the Council Plan?
 - What impact does this service have on the local economy?
 - If the service was not delivered what would the impact be on Council's image and public safety?
 - What proportion of the community is affected by the service?
 - What performance measures do you use to measure this service?
 - Who are you benchmarking this service against?
 - What are the key themes identified from your customer feedback?
- Future Approach
 - What is the expected growth of this service into the future?
 - What are the major issues that this service faces into the future?

This tool allows the organisation to understand its business and highlight improvement opportunities. Gaps are determined through self assessment and internal audit and evaluated using

a risk management approach.

Whilst it is still early days, Bass Coast will ensure that this tool is integrated into its yearly planning process, ensuring a structured approach to identifying, prioritising, addressing and tracking gaps.

In recent times the Council has consciously moved away from making reference to the name Business Excellence. In part this is due to the major focus it has placed on process improvement which has worn thin in some areas. The Financial Sustainability Framework has provided an opportunity to rebrand the approach to continuous improvement whilst still using the BEF as a lens.

There are no specific people charged with coordinating the Business Excellence improvement plan. Instead there are a number of “champions” who contribute greatly to assisting the executive leadership team determine and develop appropriate programs.

Training is outsourced. Over the years this has been provided by SAI Delivery Partners, Noble Work and more recently the Australian Applied Management Colloquium for leadership training.

How have you maintained momentum for implementing the BEF?

Bass Coast, like many other councils, has struggled to keep on course in relation to continuous improvement. They recognise that Business Excellence is not designed to produce quick results in a prescriptive manner. The organisation uses it to focus on gaps using the Framework as a lens only, not as an exhaustive list.

The Financial Sustainability Framework is Bass Coast’s answer to reviewing progress and identifying opportunities for improvement. It allows the CEO and his team of Directors to focus their energies on the right things and provides a mechanism to allocate and manage accountability.

What are your Council’s strengths and opportunities for improvement?

The approach to streamlining and integrating planning and reporting has allowed for a number of improvements, such as:

- Staff performance being measured against achievement of strategic direction
- Increased satisfaction from staff having an input into Council’s strategic direction (data)
- Improved achievement of Council Plan activities
- All service areas have an active business plan
- Improved achievement of the CAPEX program

Bass Coast does acknowledge that there is an on ongoing need to develop its leadership capability and has begun to address this gap.

What benefits have been achieved from adopting the BEF?

Improvements at Bass Coast have come in incremental steps. The initial focus on PDSA allowed for some initial widespread process improvement. Fortunately Bass Coast were self aware enough to understand when this single focus was starting to become detrimental. The move to supporting individual self awareness and development as well as the recent leadership development program has resulted in a workforce that is ready to embrace the Financial Sustainability Framework and move towards a structured improvement program. The results are yet to be realised although the monthly continuous improvement program has:

- Created a line of sight for staff to the organisation's strategic direction
- Introduced a level of accountability through business plans
- Promoted achievements through reporting
- Developed a culture of cross functional planning
- Built project management capability in the delivery of actions
- Developed meaningful performance reviews for staff
- Increased the delivery of the CAPEX program

What improvements are needed for the Framework to be better utilised within the local government sector?

Although Bass Coast does not use the BEF in a prescriptive manner they do have a very thorough knowledge of its contents. And whilst they do not support a special local government framework, they do see benefit in developing an implementation guide for the not for profit sector. This could include:

1. An interpretation of the Framework
2. Developing an understanding of how to build capability and culture
3. How to run an organisational self assessment
4. Options for implementing the intent of each category
5. Lessons learnt
6. An option to connect organisations

The challenge for Bass Coast, as for other councils, is to get their leaders on board. They feel that there is an opportunity for improvement in developing a program to better assist leaders understand how the framework can assist.

State and federal governments make it challenging for local government to stay true to the long term sustainability that comes as a result of using the framework due to the governance measures placed on local government. Equally, the role of Councillors makes it difficult to stay true to a sustainable continuous improvement program.

What were the lessons learnt?

Bass Coast understands the importance of capturing both the hearts and the heads of staff if the continuous improvement program is going to work.

This includes setting the vision, i.e. “don’t just supply the Lego blocks without a picture of what to build”. Bass Coast learnt that improvement happens as a result of prioritising activities based on a long term vision whilst creating short term “to do” lists.

The organisation knows that there are many tools to assist them move forward however they acknowledge that it takes commitment, both in terms of energy and time, from at least the top three levels of management if there is to be any sustainable improvement. This requires a degree of inventiveness to ensure that the way the program is delivered suits the people involved.



HOBART CITY COUNCIL (TAS)

INTERVIEWS
CONDUCTED BY
ZOE PATTISON
WITH GARY
RANDALL

BACKGROUND INFORMATION

Hobart City Council's (HCC) local government area (LGA) covers an area of 77 square kilometres and has a population of approx. 49,600 (ABS Estimate, 2008) with around 5,600 businesses. In 2009, the greater Hobart population – encompassing an additional four LGAs – was 212,000 people. The Hobart LGA population is diverse, including the student population of the University of Tasmania, families, and residents keen to live close to work. The population doubles on weekdays with the influx of workers from the surrounding LGAs.

HCC employs about 764 people (approx 595 FTE) who provide around 280 services to the local community and businesses. Services range from the traditional “rates, roads and rubbish”, to heritage planning, supporting non-profit community organisations, running events such as the Christmas Pageant, the Taste Festival and Salamanca Market.

The Council's mission is to “ensure good governance of our capital city”. The vision for 2025, developed following extensive consultation with the community, states that Hobart will be a city that:

- Offers opportunities for all ages and is a city for life
- Is recognised for its natural beauty and quality of environment
- Is well governed at a regional and community level
- Achieves good quality development and urban management
- Is highly accessible through efficient transport options
- Builds strong and healthy communities through diversity, participation and empathy
- Is dynamic, vibrant and culturally expressive

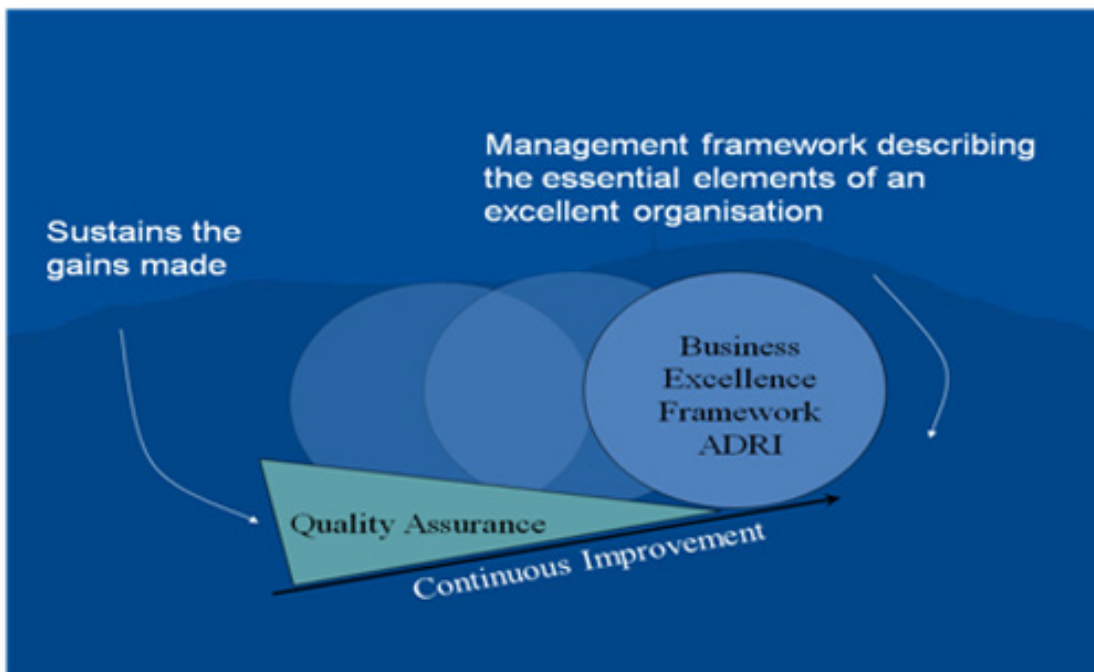
What were the drivers behind the decision to implement Business Excellence?

Hobart City Council uses the Australian Business Excellence Framework as a lens to guide strategic decision making.

During the 1990s the Council experienced a number of challenges. Three General Managers came and went during a relatively short period of time. With significant changes to local government on the horizon including amalgamations and the introduction of compulsory competitive tendering, the General Manager at the time, Brent Armstrong, needed a tool to focus the organisation. In particular he was looking for something which would offer a systematic approach, be non-threatening and offer a long term solution.

He made the decision to modernise the Council’s operations through restructuring business units, expanding IT, emphasising customer relations, and introducing Quality Assurance (QA) and Business Excellence initiatives. This process started in 1997. A lot has changed over the past 14 years. HCC now has a very strong culture of continuous improvement - it is “how we do things.”

HCC couples the BEF with QA, including Certification to ISO 9001, to sustain the gains made through the application of the Framework. Using the BEF and the Quality Standards lenses has proved a successful mix.



The General Manager appreciates the enormous value of the BEF to Hobart City Council and has challenged Hobart City Council to go from being nationally to internationally recognised.

How have you implemented the BEF?

HCC has prioritised its business excellence journey using self assessment and evaluations. This has been managed through a mixture of internal self assessments against the Categories of the BEF and external award applications through SAI. The timeframes for these have been/are:

- 1999 Organisational Performance Review (previously known as the Guided Self Assessment)
- 2000 External Evaluation - Foundation Award
- 2002 & 2004 Internal Self Assessment
- 2005 External Evaluation - Silver Award
- 2007 Internal Self Assessment
- 2008 External Evaluation - Gold Award/Excellence Medal
- 2010 Internal Self Assessment
- 2013 External Evaluation

The initial self assessment provided information and data regarding strengths and opportunities for improvement with these results informing the development of the first structured improvement projects. Decisions about the direction of the improvement projects were confirmed when the results of the first external assessment were collected.

Since then HCC has consistently made choices about their journey based on a scheduled program of internal and external assessment. In each case the resulting projects can be assessed by both internal measures, for which the project manager is held responsible, and through an external review process.

The organisation currently has a 20 year focus. The sustainability reporting system is recognised as best practice with other organisations regularly benchmarking against it.

The Strategic Plan is available in a simple and effective pocket sized visual guide that covers:

- The organisation's vision and mission;
- The strategic performance measures (shown as graphs);
- The approach to learning;
- The improvement cycle; and
- The Business Excellence focus for the next 12 months, sorted by category.

HCC has taken a unique approach, adding one more category to the BEF that of "Social Inclusion" (Category 8). HCC's vision includes a commitment to community so adding this additional Category gives them the opportunity to focus on building community capacity and resilience.

Specifically "Category 8" explores how a community focused organisation works to develop appropriate programs, services and support to build strength, develop resilience and to acknowledge and value diversity. The Category has been split into two items:

1. Item 8.1 - Building Connected Communities
2. Item 8.2 - Building Strong & Resilient Communities

Examples of activities scheduled for the next 12 months in relation to this category include “implement the social improvement plan” and “implement the community consultation and engagement policy”.

Until recently responsibility for both Business Excellence and Quality was resourced through one individual, with very clear leadership direction. With the recent retirement of this staff member, the resourcing of the Business Excellence function and associated activities has changed. The risk and quality components of the role have been removed from the Business Excellence function, the latter now having a more holistic Organisation Development focus.

In the early days HCC used an SAI delivery partner as a coach; however this is no longer required. This is partly due to the philosophy being entrenched within the organisation and clearly led from the top. The use of tools such as PDSA (plan, do, study, act) and the ADRI (approach, deployment, results, improvement) model are embedded in the way people work and are now just viewed as tools to support continuous improvement. This has been supported by the Steve Griffith Leadership program which most managers have completed.

HCC offers employees the opportunity to undertake the Graduate Certificate in Business Excellence. Staff who work towards this qualification contribute to self assessment as part of their study. Business Excellence graduates are increasingly being re-engaged with the process and encouraged to champion business excellence within their Divisions. This group (which includes the General Manager) will have a vital role to play in preparation for the Council’s next external assessment.

How have you maintained momentum for implementing the BEF?

The self assessment process for prioritising projects keeps Business Excellence alive. It forms a very clear action plan to which the CEO holds his staff accountable. The reinforcement of decisions made through applying the principles of QA ensures that all continuous improvement activities are sustainable and align with the overall Strategic Plan.

Improvement projects identified through self assessments are built into unit, divisional and organisational planning, further embedding the expectation for these projects to be completed.

What are your Council’s strengths and opportunities for improvement?

The following graphs show the organisation’s strengths and opportunities for improvement. They also clearly demonstrate how HCC has been able to track improvement and plan for future improvement projects:

Our Results - 2000	Immature 0-39%	Promising 40-59%	Good 60-79%	Excellent 80-100%
1. LEADERSHIP & INNOVATION				
1.1 – Strategic Direction		●		
1.2 – Organisational Culture	●			
1.3 - Leadership throughout the organisation	●			
1.4 – Environmental and community contribution			●	
2. STRATEGY & PLANNING				
2.1 – Understanding the business environment		●		
2.2 – The planning process		●		
2.3 – Development and application of resources		●		
3. DATA, INFORMATION & KNOWLEDGE				
3.1 - Collection and interpretation of data and information		●		
3.2 - Integration and use of information for decision-making		●		
3.3 - Creation and management of knowledge	●			
4. PEOPLE				
4.1 - Involvement & commitment		●		
4.2- Effectiveness & development		●		
4.3 - Health, safety and well-being		●		
5. CUSTOMER & MARKET FOCUS				
5.1 – Knowledge of customers and markets		●		
5.2 – Customer relationship management		●		
5.3 – Customer perception of value		●		
6. PROCESSES, PRODUCTS & SERVICES				
6.1 – Innovation processes	●			
6.2 – Supplier and partner relationships	●			
6.3 – Management & improvement of processes		●		
6.4 – Quality of products and services		●		
7. BUSINESS RESULTS				
7.1 – Indicators of success		●		
7.2 – Indicators of sustainability	●			

Our Results - 2005	Immature 0-39%	Promising 40-59%	Good 60-79%	Excellent 80-100%
1. LEADERSHIP				
1.1 – Strategic Direction			●	
1.2 – Organisational Culture			●	
1.3 - Leadership throughout the organisation			●	
1.4 – Environmental and community contribution			●	
2. STRATEGY & PLANNING				
2.1 – Understanding the business environment			●	
2.2 – The planning process			●	
2.3 – Development and application of resources			●	
3. INFORMATION & KNOWLEDGE				
3.1 - Collection and interpretation of data and information		●		
3.2 - Integration and use of information for decision-making		●		
3.3 - Creation and management of knowledge		●		
4. PEOPLE				
4.1 - Involvement & commitment			●	

4.2- Effectiveness & development			●	
4.3 - Health, safety and well-being			●	
5. CUSTOMER & MARKET FOCUS				
5.1 – Knowledge of customers and markets		●		
5.2 – Customer relationship management			●	
5.3 – Customer perception of value		●		
6. INNOVATION, QUALITY & IMPROVEMENT				
6.1 – Innovation processes		●		
6.2 – Supplier and partner relationships		●		
6.3 – Management & improvement of processes			●	
6.4 – Quality of products and services			●	
7. SUCCESS & SUSTAINABILITY				
7.1 – Indicators of success			●	
7.2 – Indicators of sustainability			●	

Our Results - 2008

Immature 0-39% Promising 40-59% Good 60-79% Excellent 80-100%

	Immature 0-39%	Promising 40-59%	Good 60-79%	Excellent 80-100%
1. LEADERSHIP				
1.1 – Leadership throughout the organisation				●
1.2 – Leading the organisational culture				●
1.3 - Society, community & environmental contribution				●
2. STRATEGY & PLANNING				
2.1 – Strategic Direction				●
2.2 – The planning process				●
3. INFORMATION & KNOWLEDGE				
3.1 – Generating, collection and analysing the right data to inform				●
3.2 – Creating value through applying knowledge				●
4. PEOPLE				
4.1 – A great place to work				●
4.2- Building an organisation capability through its people			●	
5. CUSTOMER & MARKET FOCUS				
5.1 – Gaining knowledge of customers and markets				●
5.2 – Effective management of customer relationships				●
5.3 – Customer perception of value				●
6. INNOVATION, QUALITY & IMPROVEMENT				
6.1 – Identification & management processes				●
6.2 – Process improvement & innovation			●	
6.3 – Process outputs				●
7. SUCCESS & SUSTAINABILITY				
7.1 – Measuring & communicating organisational performance				●
7.2 – Decision-making based on key stakeholders' perception of planned outcomes				●

HCC has been able to demonstrate Excellence across all the Categories and since 2008 have been focused on the two green areas, i.e. “building the organisation’s capability through people” and “process improvement and innovation”. All core processes have now been mapped and are now audited and measured in accordance with QA standards and guidelines. The Organisation Development approach to Business Excellence allows the focus to shift from compliance, better to embrace the “People” Category.

Examples of recent improvement projects include the Strategic Plan and Council’s approach to working with the community. The Strategic Plan has enabled all staff to understand where they fit in with a very clear line of sight between the 20 year vision and the individual work plans. Accountability is clear and performance is measured according to key result areas. Results are tracked and reported on, with work programs reflecting what needs to be achieved.

What benefits have been achieved from adopting the BEF?

It is often quite hard to quantify improvements that have come as a result of Business Excellence, particularly as continuous improvement is ongoing and not necessarily measured in the form of dollar savings.

All improvements at HCC are logged in a database and monitored. The main measure for specific improvements comes about as a result of the self assessments and the externally validated SAI awards process. The improvements support the achievement of the goals in the Strategic Plan; therefore the ultimate measure of success is against these goals. This is one reason why it has not been necessary to involve Councillors in understanding the “nuts and bolts” of Business Excellence. The General Manager sees the BEF, along with QA, as tools to achieve the vision set out in the Integrated Strategic Plan.

What improvements are needed for the Framework to be better utilised within the local government sector?

Whilst HCC is opposed to the creation of a special “local government” framework, they do acknowledge that the current Framework is built around the private sector. In most cases this is about interpretation rather than a failing in the Framework.

However, HCC has found it easier to develop an Eighth Category to assist them to stay focused on the community component of their vision.

What were the lessons learnt?

HCC knows that using a structured approach to planning, developing, implementing and reviewing improvement initiatives and projects has been the key. Improvement projects are identified through self assessment and award feedback, and have formed the work program. In other words they have acted on feedback and can demonstrate improvement over the years.

BEF and the various associated tools including ADRI, PDSA, and process mapping have greatly assisted them to plan, design, deliver and review each improvement project and have become embedded as ways of operating.

By the same token, HCC has used QA to drive accountability and process improvement as this has kept them on track. They are now at a mature stage where there is an embedded culture of “improvement”. HCC did not just adopt the Framework; they adapted it to suit the outcomes they were seeking. Therefore the fact that the BEF was a private sector framework seems to have been of no consequence to HCC.



CITY OF MARION (SA)

INTERVIEWS
CONDUCTED BY
ZOE PATTISON
WITH MARK SEARLE,
ANDREW LINDSAY
AND PETER BICE

BACKGROUND INFORMATION

The City of Marion (CoM) council area is located about 10km southwest of Adelaide CBD and covers 55 square kilometres, including 7km of coastline. It is one of South Australia's largest metropolitan councils and has a population of 84,000. The area features a diversity of housing, topography and cultures and has a significant industrial sector.

The Council employs 334 equivalent full time positions, has an operating budget of \$62.3 million and has assets of \$665m. Its community programs are supported by more than 300 volunteers. The Council is in a strong financial position and is soon to be home to the South Australian Aquatic Centre.

What were the drivers behind the decision to implement Business Excellence?

In 2000 the CoM's current CEO, Mark Searle, was new to the organisation and the Council faced financial deficit and instability, a high level of staff turnover, and a culture which did not support improvement.

In 2002/03 the organisation searched for a framework which would support and enable sustainable improvement. The framework was required to provide a common approach and language as well as the mechanism to complement and build on the work already underway which aimed to shift the culture.

A number of the senior leadership team members were charged with this exercise and found that the BEF met the most of CoM's criteria for an organisational improvement model.

The CoM's improvement philosophy is centred on culture, with leadership being the driver for change. As a result, the CEO is very focused on building the capacity of managers and people.

To complement the BEF, the organisation also uses the Human Synergetics Constructive Culture tools to build capacity and measure improvements.

How have you implemented the BEF?

In 2004 the CoM began its Business Excellence journey and in 2005 completed its first Organisational Performance Review. This provided a common language and a standardised "to do" list.

Over the years the CoM has undergone both internal and external assessments. This has allowed for appropriate goals and associated result measures to be set and has enabled the tracking of improvements. The CoM recently won a Gold Award at the 2010 Business Excellence Awards. The Award itself recognises achievement, and more importantly, gives the organisation future improvement goals that can be project managed accordingly.

In order to implement Business Excellence all staff have received varying degrees of training. Initially this was by way of a series of targeted workshops, with differing focuses depending on the audience. In 2008, the Sustainable Excellence Manual was developed. This is a comprehensive folder on what Constructive Culture and Business Excellence mean for the City of Marion.

In partnership with Rob Palmer the CoM developed this document with over 140 pages covering the following areas:

- The Business Excellence Framework and Constructive Culture Working Together
- Understand and Live the Principles of Constructive Culture and Excellence
- Commit to Understanding and Improving the Whole System
- Assess the Current State of the System
- Improve using the PDSA Improvement Process and Tools
- Implement Improvements and Capture the Memory
- Roadmap of the Excellence Journey

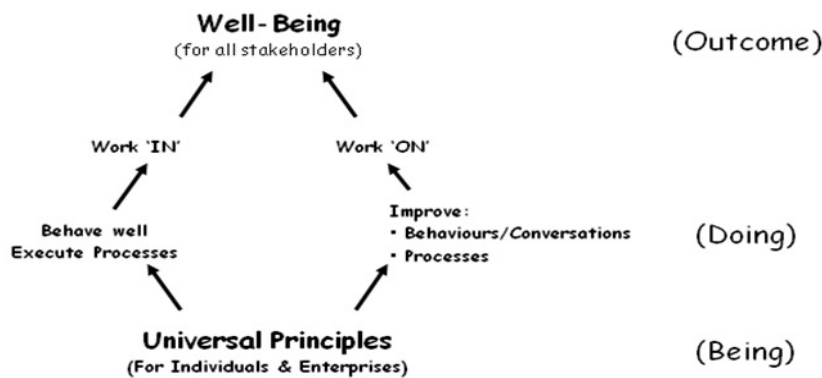
- Lead Excellence
- Work in Teams
- Build Emotional Fitness
- Resources

The Sustainable Excellence Manual is currently being reviewed to incorporate recent improvements; however it remains a very useful and comprehensive guide.

The CoM uses the Five Element implementation model which is structured around the Organisation Well-Being Model (as below). Whilst neither of these models are unique to the CoM, the Well-Being Model is a very effective tool which facilitates an understanding of the importance of balancing working “in” and “on” the system.

The Well-Being Model

The following overarching ‘Well-Being Model’ is one way of facilitating conversations about making an enterprise ‘Sustainably Excellent’ – and capable of supporting well-being for all stakeholders.



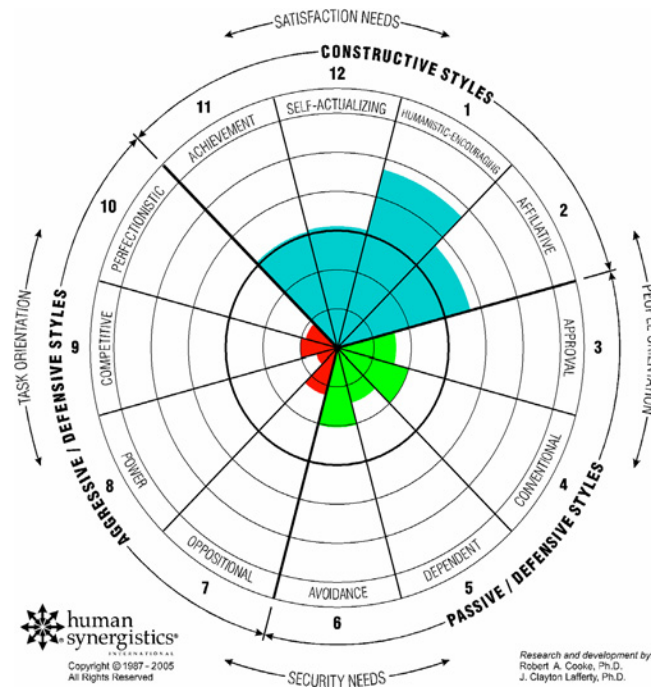
The Business Excellence Framework and Associated Improvement Model provide a Best Practice methodology for working 'ON' the System.

The meaning of 'Well-Being' will be determined by the Culture, Vision and goals of an enterprise. Examples are customer satisfaction, staff satisfaction, lifestyle, emotional well-being, financial sustainability, occupational health and safety etc.

The CoM has complemented the Framework with two additional tools:

Firstly, it has incorporated the Constructive Culture framework provided by Human Synergetics. Through assessment, CoM is able to track its changing culture in order to align it with the principles required for continuous improvement. Since 2002 there has been a measureable positive shift in the culture from predominantly defensive styles to constructive styles.

June 2009 N=342



Secondly, the organisation is focused on partnering. The elements of the CoM Performance Partnering framework are aligned to preferred behaviours around a constructive culture which include:

- Achieve meaningful outcomes
- Develop and grow
- Enjoy your work

These are held together through “partnering”. The CoM have developed a number of programs that align with this concept to build capability through “capturing the memory”. These include performance partnering, coaching and mentoring.



The CoM employs a full time Business Excellence Partner who is responsible for providing Business Excellence related strategy, information and advice. The Business Excellence Partner works closely with the Service Quality Partner as they strive to develop programs which will:

- Support visionary and inspirational leadership
- Engage teams and raise staff satisfaction
- Deliver service quality, customer service and satisfaction
- Focus on achievement
- Help people meet their self actualising needs
- Enhance the organisation's capacity to manage change
- Improve the organisation's effectiveness and capability
- Further strengthen and maintain strong financial performance
- Enable further innovation in products and services
- Continually improve business planning processes
- Raise productivity and reduce operating costs
- Improve the organisation's decision-making capabilities

A range of Business Excellence training is developed and delivered in house including Awareness Training, PDSA, Lean/Six Sigma and Statistical Thinking. Leadership development for people managers is facilitated by an external agency; however it has been tailored to ensure that messages delivered during the training align with the principles of Business Excellence and Constructive Culture.

Like the other Councils that have been surveyed, the CoM has found the combined knowledge and experience of LGBEN an extremely valuable resource and will continue to support this national network.

How have you maintained momentum for implementing the BEF?

The CEO, Mark Searle, drives Business Excellence from the top. He has very clear views on how the continuous improvement journey should be structured and has the courage to ensure that they stay on track. As Mark says, "paint the dream and hold people accountable".

The recent Business Excellence Awards provided feedback about opportunities for improvement. Projects to bridge the gaps identified have been allocated to second level managers who are not, in their normal roles, responsible for the related operational component of the Opportunities for Improvement (OFI) This approach supports systems thinking, in other words, it assists in building relationships and breaking down silos.

Business Excellence is embedded into the Enterprise Agreement and associated performance tools. In addition, the performance outcomes align to the Business Excellence journey.

What are your Council's strengths and opportunities for improvement?

The recent Award process highlighted that the CoM's approach to working on their culture has had a very positive impact with high scores given for the following areas:

- Leadership Throughout the Organisation
- Leading the Organisational Culture
- The Planning Process
- A Great Place to Work
- Building Organisational Capability through People
- Achieving Sustainability

In recent years the CoM has also received the Human Synergistics Cultural Transformation Award which demonstrates that it has made major inroads into improving their culture.

The organisation is now focusing on improving processes and an enhanced method of creating value through applying knowledge.

With a culture that supports improvement, the CoM is in a good place to work on these recently identified OFI's.

What benefits have been achieved from adopting the BEF?

The CoM consider that the Framework has delivered on its initial brief, which was to provide a common approach and language for achieving long term sustainability.

Mark Searle's approach to developing the right culture has meant that they have employed a number of programs to bring about improvements in the leadership and people Category. The results show that this has reaped enormous benefits. Not only is the staff turnover rate at an optimum level, CoM is in a financially strong position and there is a very positive working relationship between the leadership team and the Councillors.

What improvements are needed for the Framework to be better utilised within the local government sector?

It has been suggested that in time an implementation manual for Councillors be developed. Whilst Councillors may not need to know the ins and outs of the Framework, they could have a continuous improvement program of their own, e.g. leadership development; how and what to benchmark; how to run best practice committees; understanding the underpinning Business Excellence Principles for being an effective board member, etc.

While the CoM does not support a "local government specific" framework, it does support the development of an implementation guide to assist at two levels: CEO coaching and operational implementation. This should not be a prescriptive manual, but rather a collection of options available to an organisation.

What were the lessons learnt?

The CoM believes that once you have a clear direction and clear approach you must stick to it. On reflection, the CEO asks ‘What is a sustainable pace of change? Could we have made more and harder decisions earlier? Would the change program have fallen over?’ It seems to be a matter of intuition as to what pace of change an organisation can sustain. With the benefit of hindsight, there are some hard decisions that could have been made earlier.

One lesson learnt was the importance of recognising, lining up and engaging the key internal resources early on. Internal resources are a tremendous asset and can make a significant difference to the pace of change.

When you say that you are going to do something, it is important to “do it” and be consistent. In all ways, the success or otherwise of the continuous improvement journey comes down to leadership, hence the reason CoM have invested so heavily in this aspect.



City of
Melville

BACKGROUND INFORMATION

City of Melville is located on the Swan River in Perth and is located 8 km from Perth's CBD. The local government area (LGA) has an area of 52.87 sq km featuring 18.1 km of foreshore. The City consists of 18 suburbs divided into six wards, connected by over 531 km of local, arterial and major roads.

With a population of approximately 102,434 living in 40,545 dwellings, the City of Melville is the fourth largest local government authority in the metropolitan region. Its total population is expected to increase by more than 6,761 people to 109,195 by 2031, an average annual growth rate of 0.44%.

The City has 9384 registered businesses and over 150,000 square metres of retail floor-space. Retail is the largest employment sector in the community. The City has a self sufficiency ratio of 60%; there is a labour force of 47,318 and 28,594 people work within the City. The regional commercial centre is Garden City Shopping Centre in Booragoon, with six supporting district commercial centres, and 29 local shopping centres. The LGA includes 195 parks and reserves comprising 600 hectares of public open space and 300 hectares of bushland.

The organisation employs more than 700 full-time, part-time and casual employees, and provides more than 200 products and services. In the past 10 years there have been three CEO's with quite differing operating styles. The current CEO, Shayne Silcox, has been with the organisation for three years.

CITY OF
MELVILLE (WA)

INTERVIEWS
CONDUCTED BY
ZOE PATTISON
WITH DR SHAYNE
SILCOX, KYLIE
JOHNSON AND
DICK DOWSE

What were the drivers behind the decision to implement Business Excellence?

The City of Melville has been using the BEF in some shape or form for the past 13 years. Like other Councils within the local government industry, it faces a number of challenges such as financial constraints, ever increasing compliance requirements, changes in customer expectations, as well as the reality that local government is quite often expected to pick up additional services within current budget constraints. As a result the City of Melville has clearly defined and reviewed its services and products and developed a framework to manage and responsibly respond to demands.

Although the three CEO's that have led the organisation over the past 10 years have had significantly different operating styles, each supported the Business Excellence Framework.

The current CEO, Shayne Silcox, has an expectation is that managers know how to run their respective areas of responsibility. The BEF supports this approach and it is used as a management lens. The councillors have a mature understanding of how the BEF assists the City of Melville to deliver the agreed results and have a clear expectation that it will continue to drive business decisions.

How have you implemented the BEF?

The City of Melville has embedded BEF in its planning and reporting.

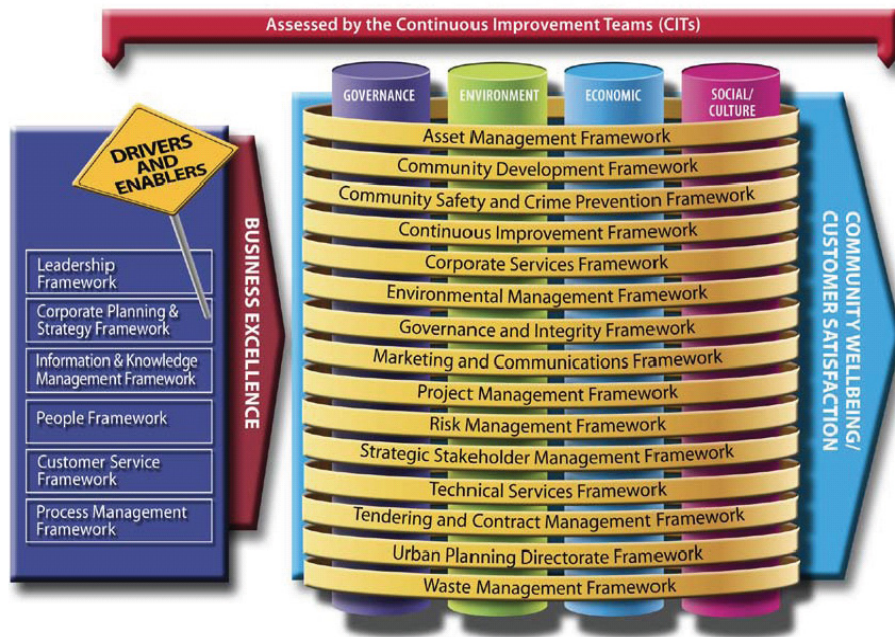
The outcome of the "Business Excellence" goal is to create an environment for excellence in governance and continuous improvement.

This means maintaining an organisational culture that undertakes rigorous planning whilst being adaptable. This is achieved by:

- Identifying long and short term goals and outcomes
- Deploying resources to achieve these goals in a sustainable manner
- Setting specific targets and outcomes to be achieved
- Continually monitoring performance to ensure actions are meeting desired outcomes
- Investigating and adapting if targets are not being met or where further opportunities are identified
- Eliminating waste in human talent, capital, time, equipment, etc.

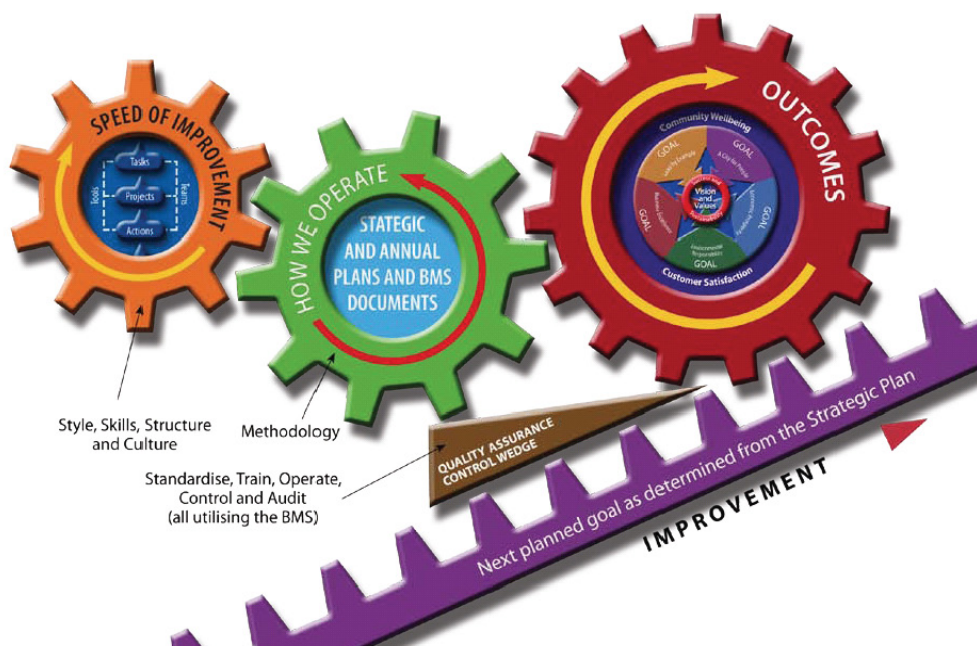


In order to do this the organisation has taken the BEF and developed its own implementation framework for each of the categories.



These individual frameworks provide a solid approach to setting appropriate goals associated with the categories and for ensuring accountability. The individual frameworks are allocated to appropriate members of the executive team and are reported on at regular intervals.

There is a direct link between these frameworks and the corporate planning documents providing a clear line of sight between the improvement activities and the long term strategic plan. Each item in these individual frameworks is scheduled and reviewed using ADRI (Approach, Deployment, Results, Improvement).



The model above is a clear representation of the relationship between all the cogs in the improvement journey. External facilitators undertake self assessment for the frameworks on a regular basis. This allows for external validation of progress against plans. Any remaining gaps are factored into the next planning cycle and allocated accordingly.

The City of Melville has a business improvement team of four who report directly to the Organisation Development Manager. The OD Manager reports directly to the CEO and has responsibility for the “People” framework as well as for providing support to the rest of the organisation in relation to business improvement.

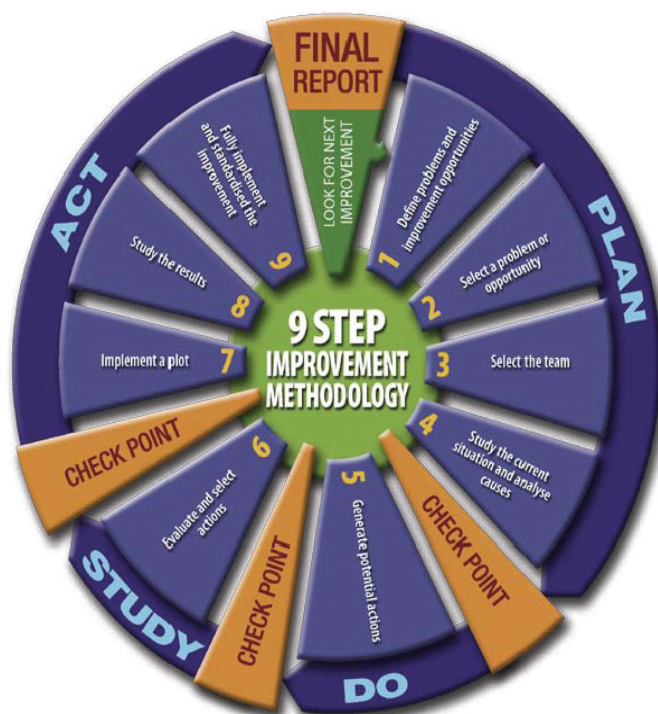
The CEO has structured the organisation so that business improvement is the responsibility of the leadership team rather than a unit. The role of the business improvement team is to assist responsible managers. The CEO expects business improvement to be implemented at the operational level and holds his leadership team responsible for ensuring that this occurs.

Outside consultants assist in the development of the individual frameworks and provide feedback on progress against plans. Regular assessment of progress for each framework is undertaken through performance reporting to the management team on a regular basis.

Internal staff run training such as Business Excellence Awareness for new staff and how to use a number of the improvement tools.

All OFI suggestions are captured and reviewed by the continuous improvement team (CIT). There are three types of CITs, and each has a slightly different process. Tier 1 and 2 CITs are permanent groups working on broad topics, such as ‘Customer Service’ or ‘Asset Management’, whereas “STInTs” (short term improvement teams) are temporary and issue based.

Process improvement is undertaken by Continuous Improvement Teams using PDSA (plan, do, study, act).



How have you maintained momentum for implementing the BEF?

The challenge for the City of Melville is to ensure that the whole approach is owned by everyone. Each area has been allocated a “framework” based on their area of responsibility. This encourages accountability; however, it can also allow “silos” to develop.

The CEO is committed to breaking down these silos and has developed meeting schedules and agreements aimed at ensuring that the organisation works as one.

The City has been using Business Excellence for a long time and has very clear performance measures in place around the categories of the framework. As a result Business Excellence is now deeply entrenched within the senior ranks. The challenge, however, remains to make sure that staff at the coordinator level are on board.



What are your Council’s strengths and opportunities for improvement?

The individual frameworks are a strength. During the past couple of years there has been a focus on “getting back to business basics” which has led to some staff feeling burnt out. As a result the “People” category has focused on developing the “People Plan” which has five pillars:

1. Well being/employee satisfaction
2. Communication and involvement
3. Leadership
4. Learning development
5. Recognition and reward

There has been great progress made against this Framework with recent data indicating that the approach and deployment is proving a success.

The integrated approach to continuous improvement is also a strength.

What benefits have been achieved from adopting the BEF?

The organisation recognises that if it had not been using the BEF and the associated “frameworks”, it would not have been in a position to deal with the challenges that have been thrown its way. The City of Melville has a clear integrated approach which allows it to make decisions based on principles which enable long term sustainability.



What improvements are needed for the Framework to be better utilised within the local government sector?

Shayne Silcox has been working with the BEF since the early 1980's. In the early days, the Framework was much simpler and, in his view, much more effective.

He believes that the current Framework is too academic, complicated and repetitive. For example, there is the potential for confusion because the intent of Items occurs in a number of different Categories.

The Framework needs to be simplified to better support the Principles. It should not be a prescriptive list, rather an interpretative document which allows organisations to ask questions and challenge ideas based on the Principles. Items in Categories should be a guide to allow organisations to approach improvement by meeting the intent, rather than an aspirational list.

What were the lessons learnt?

The City of Melville is acutely aware that they need to bring the whole organisation with them and that they must not underestimate the power of "What's in it for me?"

They have come a long way in recent times and recognise that improvements have happened as a result of commitment from staff and the resources to undertake the changes.



BACKGROUND INFORMATION

The Port Stephens local government area (LGA) is located in the Hunter Valley region of New South Wales, at the boundary of the Mid North and Central Coasts. It covers an area of 858.9 square kilometres and is approximately 55 kilometres from east to west and 30 kilometres from north to south. It is located just north of Newcastle and is bisected by the Pacific Highway which runs through Raymond Terrace, the largest town. The LGA is named after Port Stephens, the major geographical feature of the area.

Within the LGA is Williamstown, the location of a Royal Australian Air Force base that shares its airfield with Newcastle Airport. Port Stephens Council (PSC) is the co-owner of this regional airport, one of the fastest growing in Australia.

Population growth in PSC is one of the highest in New South Wales. The LGA currently has a population of just under 67,000 but this number triples during the summer months due to the booming tourist industry in the Nelson Bay area. Whilst this is good for the region it places a strain on the Council's resources and infrastructure.

There is a significant number of low income families in the LGA however this is balanced against the many self funded retirees located principally around the shores of Port Stephens.

The Council is made up of four Groups and has an equivalent full time staff of 473 employees. In recent times PSC has recognised that there is a very real need to review all services and how they are delivered. In response to financial pressures, rate capping, government cost shifting and increased costs, a holistic sustainability review has commenced. This will include an assessment of each service to develop a clear strategy using information about what service should be provided, at what level and how best to do this.

PORT STEPHENS
COUNCIL (NSW)

INTERVIEWS
CONDUCTED BY
ZOE PATTISON
WITH PETER
GESLING AND
WAYNE WALLIS

What were the drivers behind the decision to implement Business Excellence?

PSC first explored Business Excellence back in the late 1990's. At that time Council's General Manager, Peter Gesling, was looking for a structured and consistent framework to assess progress when and where it was required. PSC had previously responded to the Federal Government's requirement that all works undertaken using federal funding be assessed by a quality management system by way of the Australian Quality Council program. However the General Manager recognised that this approach alone was limited. In the early days there was also strong Councillor support for the BEF.

In 2001, the first self assessment against the Business Excellence Categories took place which produced a structured, prioritized list of activities.

In 2005, PSC started to use the Framework in a more holistic manner and resources were allocated to develop the understanding and application of the Principles and Categories.

PSC has a mission statement which is to "develop as a high performing organisation that has a strong culture of *working together by doing the right things the best way*". The current challenges and drivers for change can be summarised as:

- Ever-increasing expectations from the community regarding the quality and quantity of services Council provides;
- Council's income in real terms continues to decrease;
- State and federal governments continue to increase the regulation and legislation that Council needs to comply with, and all of this comes at a cost;
- A changing global and political context. Issues such as the global financial crisis continue to affect Council; and
- An inconsistent approach to continuous improvement. This remains one of the real obstacles holding Port Stephens Council back from optimal performance.

How have you implemented the BEF?

In 2009, with the arrival of a new Group Manager, the Business Excellence journey was re-invigorated and re-focused in response these challenges. Over time things had become too complicated, and there was an inconsistent approach to continuous improvement with leadership not really understanding Business Excellence.

In response to the need to "get back to basics" the tag line of "working together - doing the right things, the best way" was developed.



PSC acknowledges that window dressing with tag lines does not change behaviour, i.e. living the Business Excellence philosophy. A structured approach to using the Framework was, therefore, developed and has become integral to their improvement journey.

Firstly, Council has adopted the Five Element implementation model to assist Councillors, leaders and staff understand key components.



Like other organisations, Council uses the BEF as a lens to assist in the alignment of outcomes to the principles of Business Excellence. The Five Element Model is a tool designed to help the organisation implement the Business Excellence philosophy based on the critical elements associated with continuous improvement. Once the Five Element implementation model was developed PSC began to use it as the basis to strategically plan and execute improvement projects.

The **Business Excellence Roadmap** provides a yearly “to do” list. It focuses improvement activities so that they support the strategies, objectives and goals in Council’s Integrated Plans. The Roadmap is a simple A3 document which lists all the improvement projects and activities to be undertaken within

the 12 month period in relation to the Five Elements. Ultimately, the Roadmap is owned by the Senior Leadership Team, and progress is discussed every fortnight at their combined leadership team meeting.

The map is created using the results of regular self assessments as well as the **Opportunity for Improvement (OFI) database**. This database is centralised and captures all OFI’s submitted by staff. The Business Excellence Coordinator for triages all submissions and distributes them to the responsible officer to review and prioritise according to organisation wide criteria of urgency, importance and impact. The person who made the suggestion is kept in the loop as to the outcome of each idea.

The Five Element implementation model also forms the basis for all Business Excellence related training. All Business Excellence related information is aligned to one of the Five Elements and is stored on Council's intranet site.

The Systems View tool reengaged Councillors in Business Excellence as it provided the Mayor with a tool to identify the key priorities against which to hold the General Manager accountable.

Implementation of Business Excellence is resourced primarily through a full time Coordinator who provides Business Excellence related strategy, information and advice. This includes coordination of the yearly Roadmap, provision of training, managing the intranet site, process data base, OFI database, together with advice and facilitation of Business Excellence related discussions/workshops.

The full time coordinator position has only been in place since 2009 providing support and working with teams. Additionally, PSC is building internal capability by developing a Business Excellence network of staff members who are able to facilitate continuous improvement related discussions.

Port Stephens Council works with Rob Palmer (an SAI delivery partner) as an organisational mentor. Rob not only coaches the Business Excellence Coordinator, he mentors the General Manager and executive leadership team.

Port Stephens Council recognises LGBEN as a critical resource. The network provides opportunities for sharing and learning from other councils and for CEO/GM peer support and mentoring. It also provides collective data, information and knowledge greatly assisting Port Stephens in their journey.

In addition, there are a number of training courses that have been developed and run in house. These include:

- **Business Excellence Awareness** – a three hour session that looks at Business Excellence in Five Easy Steps
- **Systems Thinking** – a three hour course that allows staff to understand the importance of systems thinking and how to use the systems view
- **Deployment Flowcharting** – a half day session designed to assist staff understand the importance of processes, how to map them and review steps so that they add value
- **PDSA** – a half day session giving participants the tools to use PDSA
- **Statistical Thinking** – a half day session which allows participants to explore what to measure, how to capture and analyse data and use this information to inform future decision making

PSC has also made other training available such as a High Performing Leadership program, facilitated by Steve Griffiths, and the '7 Habits of Highly Effective People' facilitated in-house.

Port Stephens Council measures the success of training on a one dimensional level, i.e. the experience on the day. It recognises that it does not measure change/improvement that has come about as a result of the training; however, the introduction of a Business Improvement register is a step in the right direction.

How have you maintained momentum for implementing the BEF?

Keeping on course and staying focused, particularly in NSW where local government has less financial capability than in other states to provide the required services is a real challenge.

PSC has found that the most useful tool for keeping the improvement journey on track is the Business Excellence Roadmap. This approach is now included in the long term Community Strategic Planning process.

The General Manager, Peter Gesling, is given regular reports outlining progress against improvement project goals.

However, it is acknowledged that it is a struggle to keep PSC on track as continuous improvement is not yet fully embedded in the organisation's culture, for example while many processes are documented there is still a struggle to ensure that staff follow them. Striking a balance between working "in" and "on" the system remains a challenge.

What are your Council's strengths and opportunities for improvement?

Port Stephens Council has an Integrated Business Operating System, a central document which outlines activities and outputs for each of the BEF Categories.

This has not only helped the organisation align all outputs to categories in one place, it has allowed PSC to highlight the activities and outputs which are strengths and outputs and activities that are opportunities for improvement.

Particular strengths are:

- Values and "Behavioural "I" statements



- Streamlined integrated plans aimed at improving the sustainability of local communities by encouraging councils, residents and state agencies to work together on long term plans
- Systems Views completed up to Level 4, with links to Service Level Agreements, associated output measures, associated legislation, processes, etc

- A comprehensive workforce strategy
- Centralised process data
- OFI data base
- PDSA processes well documented, supported, mapped and tracked
- Audit committee
- Centralised performance management system
- 360 degree measurement of Senior Leadership based on leadership competencies

The integrated Business Operating System aligns Business Excellence with the quality, safety and environmental requirements. As a result, PSC has chosen not to have a separate quality system to satisfy organisations as the NSW Roads and Traffic Authority. The Business Operating System is sufficient to demonstrate that PSC aligns its operations with the standards they require.

What benefits have been achieved from adopting the BEF?

It is difficult to quantify improvement benefits as gains made through efficiency are reinvested back into services. To address this, the General Manager has recently requested that all improvements are recorded and reported on. Whilst not enough data has been collected yet, it is envisaged that this information will assist PSC to quantify and qualify the direct benefits of improvement initiatives.

PSC has made significant inroads into understanding the processes that deliver improvement outputs with many Council areas now starting to measure processes in terms of cycle times and defects. This data provides information about improvements that can be made. Equally, there is also now a much better understanding of who the customer is as opposed to stakeholders.

What improvements are needed for the Framework to be better utilised within the local government sector?

PSC is of the belief that the Framework itself is not the reason why the local government sector is slow to pick up Business Excellence; however it acknowledged that the BEF is geared towards the private sector. An interpretation manual would go a long way to addressing this concern. For example, while the Framework talks about Corporate and Social Responsibility, the implementation guide could refer to community, civil and social responsibility associated with running towns and communities.

Over recent years a number of NSW State Agencies have tried Business Excellence; however there has been a struggle to embrace the Framework. As a result, the local government sector has had to implement the BEF largely without the political clout which the support of the State Agencies would provide.

Many local government organisations are struggling to find the resources necessary to access the Framework and the associated implementation material. The intellectual property is owned by SAI

and it is costly to purchase. It has been suggested that ACELG could hold multiple licenses to ease this financial burden and that it could act as an educator using such tools as on-line learning.

PSC does not underestimate the importance of having a good mentor and a connection to LGBEN.

Some of the perceived blockers to BEF being used more widely include:

- Ownership/Intellectual property
- There is a plethora of other tools. Whilst many different tools can be used to implement aspects of the Framework, there is confusion about where to start
- People are uncertain about which tool should be used and at what stage
- It is unclear where to start and how to prioritise improvement efforts
- The culture of the Australian people, i.e. thinking outside the box, not structured followers of process
- There is a lack of understanding about the simplicity of the framework, which causes unnecessary confusion
- The training offered by SAI is costly
- The lack of experienced mentors within the Local Government Sector

What were the lessons learnt?

PSC has been on the Business Excellence journey for some time, however only recently has continuous improvement of processes and relationships started to become part of the culture. They still have a long way to go.

Prioritising and tracking improvement initiatives is important however staff become disenfranchised when the approach is over complicated so the lesson is to keep things simple and relevant.

Getting a mentor and being active in LGBEN has assisted PSC enormously, as has setting appropriate goals, sticking to and holding staff accountable for achieving agreed outputs and using the Framework as a lens to measure success is the key. PSC recognises that Business Excellence allows incremental but sustainable improvements.

BACKGROUND INFORMATION

The City of Swan (CoS) local government area is the largest within metropolitan Perth and is one of the fastest growing urban corridors in Australia. The LGA is 21 kms east of Perth's CBD and has a population of over 100,000. At over 1,042 square kilometers, the City offers a diverse range of business spaces from rural through to high tech industrial.

The Swan Valley is Western Australia's oldest wine region and has earned its reputation as Perth's Valley of Taste. Guildford is the oldest inland settlement in WA and is heritage listed by the National Trust of Australia (WA), while Midland is the commercial centre of the Swan Valley with two major shopping centres and markets.

The Council's vision is 'One City - Diverse Places' and the City aspires to:

- Be a connected and cohesive community;
- Value and celebrate the diversity of its people and places;
- Be a recognised and significant gateway to Perth; and
- Build organisational capability to meet community expectations.

With a staff made up of 610 equivalent full time positions, the CEO, Mike Foley is committed to meeting the many challenges facing the CoS. For example, as a result of the Global Financial Crisis the City suffered a significant financial loss of approximately \$9M, which in turn led to the need to review its operations. Likewise, the introduction of the WA Department of Local Government's Integrated Planning and Reporting Framework (as part of local government reform) has also provided Swan with the opportunity to refocus and ensure an integrated approach is deployed, reviewed and improved upon.

CITY OF
SWAN (WA)

INTERVIEWS
CONDUCTED BY
ZOE PATTISON
WITH MIKE FOLEY
AND KIM LEAHY

What were the drivers behind the decision to implement Business Excellence?

In 1996, the Shire of Swan (which became City of Swan in 2000) was undergoing major growth and the then CEO introduced the BEF to assist the organisation through the transition stages.

Over the last 15 years the City has continued and will continue to use the Framework. CEO, Mike Foley, considers it a user friendly Framework that drives improvement. It allows the organisation to make its own interpretations and apply the Principles and Categories in the most effective way. The Council has accepted the use of the Framework and it forms part of the CEO Performance Targets.

How have you implemented the BEF?

During 1996 the CoS adopted the Australian Business Excellence Framework as part of the Australian Quality Council Model. The initial Organisational Performance Review (previously known as the Guided Self Assessment) was conducted in 1997 and

then followed by a further Organisational Performance Review in December 2000. The Organisational Performance Review results were used as a tool to establish a base-line for strategic and organisational change and continuous improvement. The 2000 Organisational Performance Review revealed that the City had, from a process perspective, taken some system improvement steps. The Executive had displayed a high level of committed leadership by building the organisational system to ensure business sustainability in a changing environment. This was also evidenced by the achievement of the WA Municipal Association Leadership in Best Practice Award in 1998.

The then CEO recognised that there was a need to work “on” the system, but many of the managers were operationally focused and this was not occurring. As a result, there was a restructure whereby the CEO created an additional level of management (reporting to the Executive Team) who were responsible for the deployment of corporate initiatives.

In 2003 an Organisational Self Assessment (OSA) was undertaken which was reflective of the commitment to training key staff in the required Certificates III and IV qualifications. An improvement plan listing key opportunities was developed and this formed part of the business planning process for 2004/05.

The replacement of the City's core information technology systems between 2003 and 2005 consumed the resources usually assigned to organisational development. This meant that the previous focus that had been allocated to business planning, performance monitoring and continuous improvement was not achievable. The role of the Group Manager was later revisited and removed from the structure, giving responsibility for deployment of corporate initiatives to the Executive Managers and Business Unit Managers.

In 2006, along with the appointment of the current CEO, Mike Foley, the CoS undertook a Organisational Performance Review to establish a baseline upon which he could redesign the organisational system. The result was the development of a Strategic Improvement Plan that led such projects as the City's Plan for the Future and shift in focus to integrated business planning.

The Organisational Performance Review was repeated in 2008. During this two year period there was little change in the overall Organisational Performance Review score, however the organisation was becoming healthy again. With the improvement opportunities now firmly embedded into **The City of Swan Capability Plan**, delivery occurred through the Annual Business Planning and Budget processes and monitored through quarterly reports. The 2010 Organisational Performance Review provided concrete evidence that the City of Swan was achieving results through the planning process, the commitment from the Executive team and sufficient resourcing through the Organisational Planning & Development business unit.

The Capability Plan has a three year time frame and largely drives annual planning for internal service providers. As a result it clearly assigns accountability, timeframes and deliverables for improvement initiatives.

Specifically, the Capability Plan is aligned with the Categories of the BEF and outlines initiatives to optimise leadership and management systems. These elements are interrelated and interdependent, emphasising the holistic and integrated nature of the Framework. CoS recognises that it cannot achieve sustained success without sound systems and processes in place for all elements of the Framework.



In response to the gaps highlighted in the Organisational Performance Review as well as to Mike Foley’s approach, the organisation has reviewed and revised its values. Interestingly, these now include accountability, which was previously called “openness”. This sends a clear message that there is an expectation that the activities outlined in the Capability Plan are undertaken.

The organisation intends to continue undertaking its bi-annual facilitated assessments against the BEF. Along with the data which is collected against the Corporate Key Performance Indicator for organisational capability, the qualitative



feedback from the BEF self assessment assists the Council to understand the health and future requirements of the business.

The City is committed to developing the capability of staff to use the BEF. All Executive, Managers and other key staff are trained in this area - approximately 35 staff.

The CoS has an Organisation Planning & Development (OPD) team that reports directly to the CEO. The team's purpose is to develop and support the organisation so that people have access to skills, tools and resources they need to do their jobs. They achieve this by assisting and facilitating Executive and Managers in the development of business plans, performance reports, measurement, process, and policy and risk management. These are considered critical components of the business because they design and monitor the way work happens - they are management tools to make sure that the Swan community receive excellent services.

Examples of the work led by the team of eight include:

- Designing systems to support integrated business planning and performance reporting - this is to ensure that the changing needs of their community are met and sustainable development can be achieved;
- Developing and deploying corporate initiatives using the BEF because there is a commitment to striving towards excellence;
- Creating an organisational culture focussed on adaptive improvement and learning through process review and improvement; and
- Embedding a foundation to manage business risk and optimise opportunity.

The organisation also employs Helen Hardcastle (Business Excellence consultant) to deliver training and facilitation.

How have you maintained momentum for implementing the BEF?

The Capability Plan has had a huge impact on the success of Business Excellence as there are very clear expectations that are aligned to the Framework.

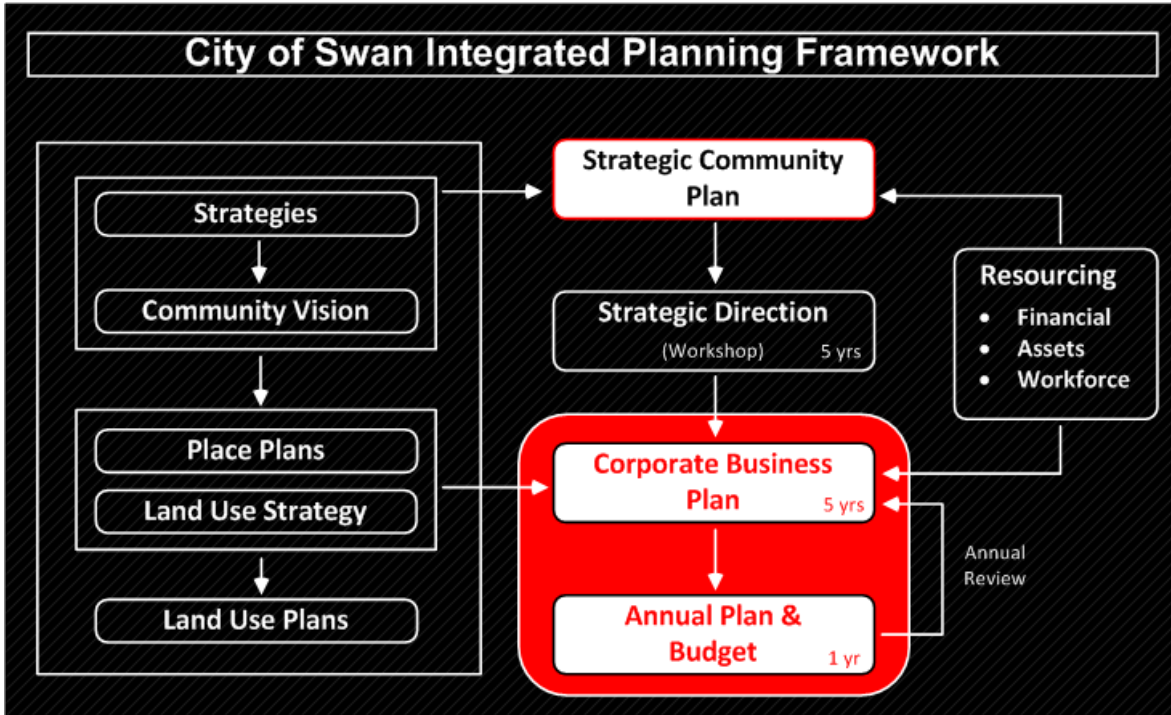
The CEO has performance targets which include the improvements listed in the Capability Plan and the implementation of the plan is also one of the Corporate Key Performance Indicators.

The Framework is widely used within the Executive team and Mike Foley believes it is not causing any issues or being blocked. He is therefore keen to continue down the current path. A recent example of keeping Business Excellence alive is the CEO's change in the Executive meeting structure to ensure that time is spent undertaking scenario planning which uses the BEF as a platform for discussion. There have also been BEF Roadshows where staff learn about Business Excellence within their own working environment to show its relevance to all levels of the business.

What are your Council’s strengths and opportunities for improvement?

One of the CoS’s significant strengths is their integrated planning process which aligns strongly with the intent of Category 2 “Strategy & Planning”.

This includes a comprehensive integrated plan and associated business models.



The City of Swan has worked hard over the past five years to move away from a model of “developing an approach” and then letting the organisation work out how it will deploy this. There is now a very clear deployment strategy to ensure that all the elements of ADRI (approach, deployment, results, improvement) are included from the beginning. This has had a direct impact on the success of programs being initiated.

The organisation is now focused on developing its approach and deployment strategy for a number of “People” based initiatives to be driven by the Strategic Human Resources Plan. These activities are included in the three year Capability Plan.

What benefits have been achieved from adopting the BEF?

The City of Swan very simply believes that through the use of Business Excellence they have been able to deliver more and at the right level. The efforts put into integrating plans have developed clarity around what is delivered and at what level. Using the Framework reduces the gap between what is expected and what is delivered. The Organisational Performance Review process measures improvements, assigns accountability for future strategies whilst ensuring that all initiatives are aligned to integrated plans.



What improvements are needed for the Framework to be better utilized within the local government sector?

The Framework is considered fairly solid however there is some room for improvement around the following:

- More emphasis could be placed on governance
- There is limited reference to the environment
- Occasionally there is potential for confusion as the intent of the items is listed in numerous places within the Framework - signifying the integrated nature of the Framework

The CEO believes that there is benefit to other councils in seeing how other organisations have deployed the Framework - not only within local government.

What were the lessons learnt?

The City of Swan's CEO, Mike Foley believes that the organisation must pay careful attention to areas of the business that need improvement. To enable this and to monitor progress, the City of Swan ensure that all improvement initiatives are included in business planning.

As a result of experience, the organisation has carefully avoided referencing the Framework in a prescriptive manner. For example, they do not say "let's review 6.2", instead the approach is "tell us what you do and let's document it". Their philosophy is about ensuring that the Framework is a tool to assist them to manage their business rather than a prescriptive list of things they must do. Integrating improvement into their business planning process has allowed them to deliver improved services to their customers in a sustainable manner.



Warringah Council

WARRINGAH COUNCIL (NSW)

INTERVIEWS
CONDUCTED BY
ZOE PATTISON
WITH RIK HART,
JOHN WARBURTON,
BEN WICKS AND
MELANIE GURNEY

BACKGROUND INFORMATION

Warringah Council is located in the Northern Beaches region of Sydney. The local government area (LGA) overlaps with a number of suburbs from the Manly Council area to the south and the Pittwater Council area to the north. It includes a number of popular beaches (which are also suburb names) for swimming and surfing such as Narrabeen, Collaroy and Dee Why.

There is a population of more than 144,000 within the council area, which covers more than 150 square kilometres. Warringah was ranked 41st out of 590 LGAs in Australia in the BankWest Quality of Life Index 2008. It is currently in a strong financial position. There is a staff of 640 full time equivalents; the organisation is focused on providing value to its customers.

The Council was previously under administration for five years with an elected body being reappointed at the last election. As the Council has only recently had an elected body in place, it has proved challenging for both the organisation and the new councillors to adjust to the change. This has resulted in a conflict in priorities based on the time and resources needed to deal with the approximately 800 councillor requests received each year.

What were the drivers behind the decision to implement Business Excellence?

Warringah Council started using Business Excellence in 2007, when the current General Manager, Rik Hart, commenced with the organisation. Rik has a background in the use of the Baldrige Framework whilst working at his previous organisation in New Zealand. He has been keen to replicate this success at Warringah so chose to use the BEF.

In Rik's experience, the Baldrige Framework supports the delivery of strong business results that can be demonstrated and benchmarked. Therefore, it was his expectation that the BEF would deliver the same results.

While Warringah Council is committed to delivering value to the customer, their initial approach to using Business Excellence did not achieve any tangible improvements. The drivers for business improvement remain unchanged, i.e. delivering value to the customer whilst maintaining a strong financial position, but their approach changed significantly in the past 12 months.

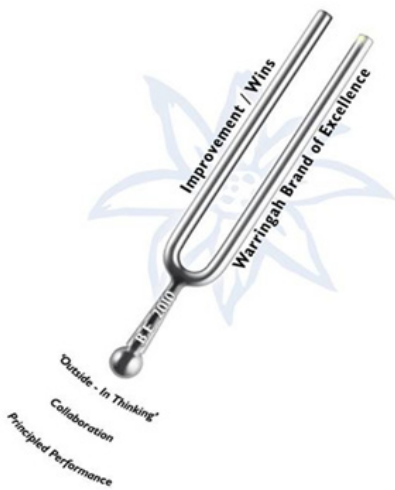
How have you implemented the BEF?

In 2007, Warringah started using Business Excellence in partnership with SAI. They charged an employee who did not have a continuous improvement background with implementing the Framework and used SAI Delivery partners to assist with training.

Unfortunately, this strategy produced "a lot of action but very little benefit" and they decided to re-think their approach.

This included:

1. The employment of a staff member with a strong background in business improvement;
2. Development of in-house capability to design and run appropriate training;
3. Rebranding to remove the stigma associated with Business Excellence with a focus on business improvement and not on continuous improvement;
4. Removal of "unnecessary" components and a focus on using Six Sigma to improve processes;
5. Development of a more holistic business improvement strategy.



2010

1. Education based on BE and the Six Sigma improvement methodology

2. Alignment to organisational values in the brand definition of excellence

3. Translation into a consistent practice of excellence across the organisation

'Outside-in' Thinking Collaboration Principled Performance

2011

Focus on:

- Continuous Improvement
 - Additional demonstrable efficiencies and gains
- Self Assessment
 - Undertake informal assessment across the organisation
 - Based on Warringah's definition of Excellence

2012

Focus on:

- Continuous Improvement
 - Organisations' DNA
- External Evaluation
 - Assess position to undertake external assessment through the ABEF Awards process

With the change in approach and a revamped strategy, business improvements occur as a result of financial/business imperatives for change. The General Manager has a clear picture of financial information and, where necessary, asks teams to respond to the need to change using appropriate improvement methodology. For example the libraries and childcare centre were required to operate more efficiently with considerable cost saving.

Improved outputs to the customers happen as a result of people and better processes. Therefore a process management strategy has been developed which incorporates the purchase of the appropriate software to allow the organisation to map, review, measure and manage its business processes. There are three goals associated with this approach:

1. Capture the memory and improve knowledge management capability
2. Understand process performance
3. Drive improvement

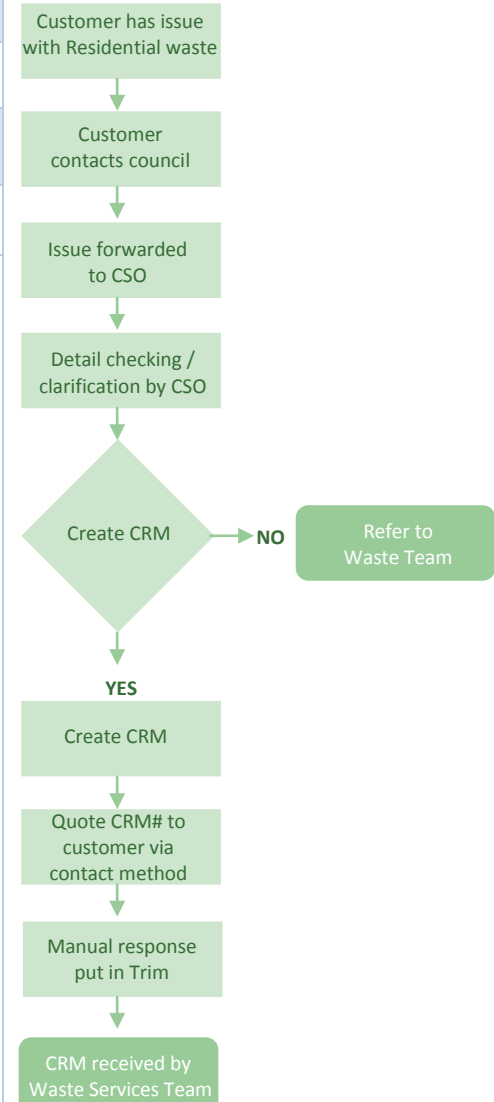
Project objectives associated with the process management strategy include:

- Identify and implement a business process management tool to meets Council's needs
- Identify all of the core business processes and their owners across Council
- Document all core processes and provide a central repository where they can be accessed from and maintained organically
- Create a business process culture and discipline across Council

The organisation plans to implement the objectives through:

- Identifying, mapping and reviewing all core business processes across Council
- Establishing a core group of Process Owners to create, maintain and improve processes in the chosen solution
- Providing information to educate and inform all staff on how to access business process information

It is still early days however this work will provide a solid platform for sustainable business improvement. The traditional "Systems View" is not used, instead a tool associated with Six Sigma referred to as the Landscape View or 'SIPOC' meaning Supplier, Input, Process, Output, Customer was chosen. Below is an example of how this works with a review of waste service requests.

Supplier	Input (Nouns)	Process (Use verbs 5-8 steps)	Output (Nouns)	Customer
Residents	Counter Visit	 <pre> graph TD A[Customer has issue with Residential waste] --> B[Customer contacts council] B --> C[Issue forwarded to CSO] C --> D[Detail checking / clarification by CSO] D --> E{Create CRM} E -- NO --> F[Refer to Waste Team] E -- YES --> G[Create CRM] G --> H[Quote CRM# to customer via contact method] H --> I[Manual response put in Trim] I --> J[CRM received by Waste Services Team] </pre>	CRM in T1	Waste Services Team
Councillor on behalf of resident	Web Submission		Web Submission	Customer Service team
Staff on residents behalf	Phone Call		Manual Response	Customers
Records	E-Mail		Auto Response	

There are three in-house staff to support business improvement which includes the Business Excellence Manager, Business Improvement Coordinator and a Business Improvement Facilitator.

Their role is to develop and implement the Business Excellence strategy, for example to build the educational and awareness program, develop the approach to process mapping and supporting governance requirements as well as providing administration support to improvement teams.

Training programs being developed and run in house include:

- Facilitator training
- Business improvement training for leaders
- A two hour awareness training program

How have you maintained momentum for implementing the BEF?

Keeping on track has been a challenge in the most part due to the struggle to find a “burning platform” for change. There has, in most cases, been no pressure to make any changes, affecting the take up of the initiatives.

The initial approach to implementing Business Excellence caused harm as staff did not understand why they were required to undertake all this “extra work”. This may have had an impact on today’s level of commitment to continuous improvement.

The General Manager feels that the Baldrige model is better at keeping the organisation on track with its benchmarking and clear results orientated measures. In lieu of this component within the Business Excellence Framework, a strong financial model that gives the General Manager and the executive team the necessary data to drive change has been developed.

In time the General Manager would like to see clear Key Performance Indicators (KPIs) in place. These sorts of measures will help develop the elusive “burning platform”. However this is still a challenge given the culture within both the Council as well as within the NSW local government industry.

What are your Council’s strengths and opportunities for improvement?

The recent Insync Employee Satisfaction survey and associated yearly pulse surveys indicate that the Warringah Council is operating well in relation to all Categories of the Framework with the exception of Leadership and People. Whilst the overall score across all Categories increased, these two areas of Leadership and People have become worse over time. In adopting a strong focus on getting results, trust within the organisation has diminished. As a result, Warringah Council is working on an approach to meet this gap with the development of a “People Plan” which will be implemented in the coming months.

The organisation has a number of demonstrable strengths in the Category of Information and Knowledge. These include:

- A document management system that is used correctly
- A financial system that records data
- Asset plans that are informed by data and information
- The strong and accurate use of financial data to inform decisions

What benefits have been achieved from adopting the BEF?

The efficiencies that have occurred at Warringah Council since the introduction of Business Excellence are quantifiable through the improvements made by the Children’s Services Unit and the Libraries. Both these services have made significant financial savings without, in the long term, affecting the level of service offered. The use of tools such as Six Sigma has resulted in process analysis, measurement and improvement based on the paradigm of customer value. The focus is now on the development assessment process with the expected financial savings to be significant.



What improvements are needed for the Framework to be better utilised within the local government sector?

Warringah Council's General Manager would like to see either the BEF being weighted to include business results or the industry start to adopt the Baldrige methodology. There needs to be an improvement methodology, however Warringah would like to see this include a strong element that focuses on benchmarked outcomes to hold leaders accountable.

Warringah Council has not embraced such tools as PDSA (Plan, Do, Study, Act) or Systems Views and has, instead chosen to use some of tools associated with Six Sigma. There is a feeling that the SAI Business Excellence Awards process is limited and does not add enough rigour to the application process, as compared with the approach within New Zealand.

What were the lessons learnt?

Keep things simple and relevant to staff. Resistance to change both within the organisation and the NSW local government sector is very high. Warringah Council is keen to develop the necessary "burning platform" to shift the inertia of staff so that continuous improvement is something that they just do rather than resist.

Yarra Ranges Council

BACKGROUND INFORMATION

Yarra Ranges Council is located in the outer eastern and north eastern suburbs of Melbourne extending into the Yarra Valley and the Dandenong Ranges. The municipality covers an area of 25,000 square kilometres and a population of approximately 147,000. It is the seventh largest local government area in Melbourne in terms of population size and the largest in area.

Yarra Ranges balances a mix of urban and rural communities. Around 70% of its population live in the urban areas of the municipality that represent approximately 3% of its landmass. The rest of the population is distributed throughout the remaining area. There are over 55 suburbs, townships, small communities and rural areas within Yarra Ranges, making it one of the most diverse of any municipality in Victoria.

YARRA RANGES
COUNCIL (VIC)

INTERVIEWS
CONDUCTED BY
ZOE PATTISON
WITH GLENN
PATTERSON,
JILL COLSON AND
NERIDA WOODS



The Council employs approximately 850 staff and delivers 140 different services.

What were the drivers behind the decision to implement Business Excellence?

In 2008 the Yarra Ranges Council employed a new CEO, Glenn Patterson, and began using the BEF as a model for continuous and sustainable improvement.

As a new CEO, Glenn was keen to build on existing strengths. With his executive team he adapted the BEF Principles to sit within the organisation's sustainability framework which identify 13 strategic objectives which contribute to the sustainability of the community and the organisation. The new principles guide decisions and actions in every area of activity:

1. **Leadership** - Lead by example, provide clear direction, build organisational alignment and focus on the sustainable achievement of goals;
2. **Community and customers** - Understand what our community and customers value, now and into the future, and use this to drive organisational design, strategy and services;
3. **Systems Thinking** - Continuously improve the system. Be aware of wider issues when developing local responses;
4. **People** - Develop and value people's capability and release their skills, resourcefulness and creativity to change and improve;
5. **Continuous improvement** - Develop agility, adaptability and responsiveness based on a culture of continual improvement, innovation and learning;
6. **Information and knowledge** - Improve performance through the use of data, information and knowledge to understand variability and to improve strategic and operational decision making;
7. **Corporate and social responsibility** - Behave in an ethically, socially and environmentally responsible manner; and
8. **Sustainability** - Long term rather than short term actions. Focus on sustainable results, values and outcomes.

Accordingly, the implementation of Business Excellence is known as Sustainable Excellence at Yarra Ranges to ensure that it was not seen as a new fad but rather, an extension of the work that had been undertaken to date.

The Executive Team also spent some time developing a 'destination' statement or core driver for Sustainable Excellence which has now become the organisation's mission statement as follows:

Yarra Ranges is a high performing organisation providing great service to our communities.

- The customer is the focus for everything
- Our leadership is inspiring and innovative
- Our organisational systems are dynamic, adaptable and responsive
- This is a great place to work and live
- We love the diversity and beauty of Yarra Ranges

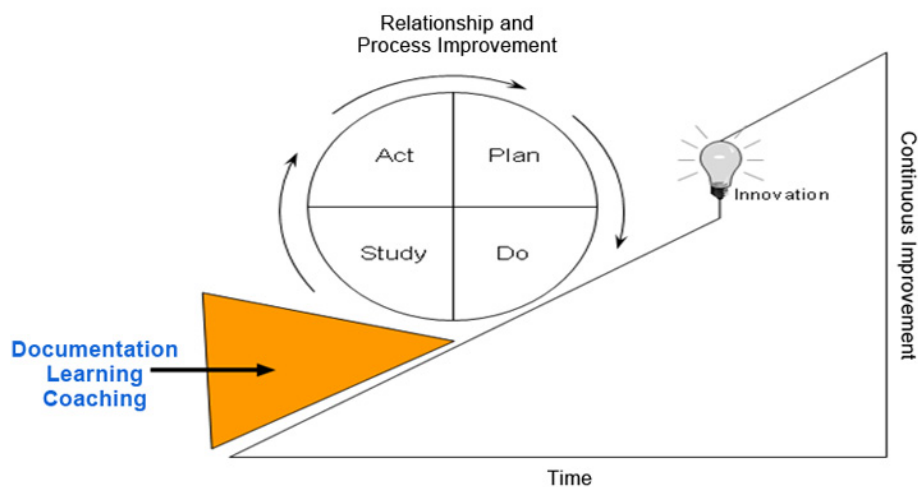
- We work in partnership with our community

How have you implemented the BEF?

Yarra Ranges Council has only been using the Business Excellence Framework for 18 months. During that time they have consciously chosen an action learning approach that focuses on learning by doing.

This has meant that staff have undergone process improvement in a number of key areas allowing them to demonstrate the benefits associated with Business Excellence.

Very early in their journey, Yarra Ranges Council undertook an organisational self assessment to identify the biggest gaps. As a result two PDSA (Plan, Do, Study, Act) teams were trained to review a



number of processes. One of these focused on the DA Planning process. There were significant, demonstrable and visible improvements that occurred as a result of this investment, encouraging others in the organisation to follow suit.

These days Yarra Ranges use a slightly different tool called DIAGNOSE. This is a six step process that is quite clearly aligned to the nine step PDSA approach.

1. **D**efine the **I**ssues and scope of the project
2. Collect information and **A**nalyse root causes
3. **G**enerate solutions
4. Implement **N**ew processes
5. Review and check **O**utcomes
6. **S**ustain the **E**ffort

Yarra Ranges Council acknowledges that it is still early days and they are focused on the following elements of their Sustainable Excellence Program:

- Continuous Improvement (CI) teams and process improvement activities will continue to focus on priority areas of ‘customer focus’ and ‘process management, improvement and innovation’;
- Continue to implement and evaluate The Ideas Garden (good ideas generation and cultivation) including an innovation master class to be delivered as part of the Corporate Learning Program;
- Establish refreshed priority areas of the Organisational Self Assessment to evaluate progress against the excellence categories; and
- Assess readiness to enter the 2012 Australian Business Excellence Awards to evaluate progress and benchmark ourselves against other organisations.

Yarra Ranges Council has a Learning and Development Advisor who, in addition to providing organisational learning and development, works closely with the People and Performance Manager and the Executive Team to assist in the delivery of the Sustainable Excellence program.

A small number of external providers assist in the delivery of programs for process improvement and leadership development. In the early days Yarra Ranges Council used SAI delivery partners to assist them with Continuous Improvement training, however today they work closely with the Australian Continuous Improvement Group to build internal capability.

Yarra Ranges Council, in consultation with the Australian Continuous Improvement Group has developed very comprehensive manuals for both internal CI facilitators and team members.

How have you maintained momentum for implementing the BEF?

The Executive Team are all committed to using the BEF as a lens to ensure that Yarra Ranges is a high performing organisation providing great service to its communities.

The CEO holds his senior leadership accountable for meeting their key performance indicators (KPI) and uses ADRI (Approach, Deployment, Results and Improvement) for reviewing and reporting against progress.



What are your Council's strengths and opportunities for improvement?

At Yarra Ranges Council, the use of the BEF is still relatively new. However, through the practical application of a number of Continuous Improvement tools they have focused their energy on making significant improvements to a number of processes where there are long levers for change, such as:

1. Local Laws process improvements
2. Festival and Events Management review
3. On-boarding and Induction process review
4. Planning referrals process improvements
5. Traffic and Drainage improvement review
6. Licences and Leases process review
7. Internal Prosecutions process review
8. Tender process improvement
9. Planning Services Certification process review
10. Accounts payable workflows

In particular the self assessment process indicated that the People Category is an organisational strength with staff feeling empowered to suggest and be a part of improvement programs.

A large focus has also been placed on leadership development with a group of 50 key organisational leaders participating in programs such as Leader as Coach and 360 degree feedback to develop the capabilities necessary to build innovative and empowered teams.

The organisation is focused on creating process improvement teams to support Customer First and Information Management Strategies (corporate) and areas identified in business planning process. At the same time they will further develop the Yarra Ranges Council CI methodology and toolkit, continue to implement organisational self assessment outcomes and further embed process mapping methodology.

What benefits have been achieved from adopting the BEF?

Within a relatively short period of time, some tangible benefits have been identified.

Key outcomes to date from the above include:

- Customer satisfaction as reported in the Department of Planning and Community Development (DPCD) Survey has increased from an indexed mean of 66 in 2009 to 74 in 2010.
- 15 internal facilitators have been trained to support continuous improvement projects. To date, nine projects have involved staff from across the organisation with excellent results. By way of example, the Planning Services team has applied the Sustainable Excellence principles to streamline its processes and improve levels of customer service.

The team has significantly increased the number of decisions made within statutory time limits (60 days) from 52% in July 2009 to 80% in August 2010. This is a major improvement on past years. It significantly exceeds the Victorian state average of 62%, and is equal to the Department of Planning and Community Development's [DPCD] target of 80%.

- Activities such as the Good Ideas survey and Ideas Garden program encouraged staff to contribute and execute ideas for improvement and remove unnecessary steps and bureaucracy. To date over 70 ideas have been implemented, resulting in improvements in areas such as information technology, streamlined communications, accounts payable processes, etc.
- The 2009 Employee Opinion Survey indicated that Yarra Ranges enjoys a highly committed workforce, with an 83% engagement rating and 95% of staff recommending working at Yarra Ranges to others. In reviewing the survey results against the Framework Categories, five of the seven categories are in the second quartile (top 50%) when compared with approximately 800 other private and public sector organisations.
- The 2010 Organisational Alignment survey results indicate that 80% of respondents describe Yarra Ranges Council as a 'better place to work' as compared to 12 months ago.

As the CEO, Glenn Patterson likes to quote from Marian Wright Edelman:

"We must not, in trying to think about how we can make a big difference, ignore the small daily differences we can make which, over time, add up to big differences that we often cannot foresee".

What improvements are needed for the Framework to be better utilised within the local government sector?

As the organisation does not use the BEF religiously they have limited comment about improvements to the nuts and bolts of the wording in the Framework. They use the Framework in a manner that assists them run their business rather than as a prescriptive list.

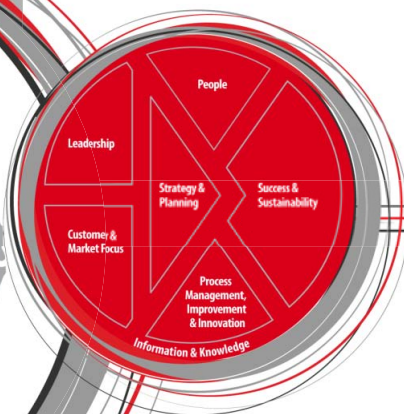
Yarra Ranges Council has found it more cost effective and sustainable to develop capability in-house rather than rely on SAI's involvement so have moved away from being reliant upon SAI and their delivery partners.

What were the lessons learnt?

Yarra Ranges Council is committed to keeping the momentum and focus going. They have not complicated things and keep going back to their approach of learning by doing.

From Glenn's experience in other organisations, he recognises the importance of:

- Building on what's gone before – respect that
- Developing a robust evidence base
- Pushing 'low hanging fruit' OFI's through, particularly where there is deeply entrenched poor practice
- Actively engaging people in change
- Ensuring senior leadership models new behaviour and removes barriers to higher performance
- Focusing on people, leadership development and the customer



SUMMARY OF FINDINGS

Each of the councils profiled in this report use the Business Excellence Framework (BEF) as an integrated leadership and management system that describes the elements essential to sustainable organisational excellence.

These councils are all facing a number of common challenges, such as:

- State government reform agendas;
- Growing community expectations on service standards;
- Increasing levels of public scrutiny;
- Technology improvements;
- Skills shortages;
- Rate capping and fiscal constraints;
- Complex legislative environment; and
- An overall mandate to achieve more with less.

The participating councils understand that the Framework can be used to assess and improve any aspect of their organisation, including leadership, strategy and planning, people, information and knowledge, safety, service delivery, product quality and bottom-line results.

CONCLUSION
IMPLEMENTING
THE AUSTRALIAN
BUSINESS EXCELLENCE
FRAMEWORK: EIGHT
LOCAL GOVERNMENT
CASE STUDIES



Commonly Expressed Frustrations, Comments and Concerns

A number of the councils who participated in the case studies expressed similar frustrations, comments and concerns.

Firstly, there is acknowledgement that the improvement journey for each organisation has not been smooth sailing. This may be the result of changes in leadership, political issues, lack of strategic vision as well as the challenge associated with staying true to the course when times get tough. There was acknowledgement that a good BEF mentor assists councils to stay on track in difficult times.

There are concerns that SAI has not lived up to expectations in terms of training, ongoing support and affordability. However, there is also an acknowledgement that the company is currently working toward addressing this.

A number of the CEOs commented that some of the Items in the BEF are ambiguous and cannot be used as a prescriptive list. Rather, the Framework should be interpreted in a way that allows organisations to ask questions and challenge ideas based on Principles.

There was a shared understanding that balancing the corporate good with any self interest that can show itself is a significant challenge to implementing Business Excellence. Business Excellence does not in most cases produce short term transformational change.

Differences in Focus and Associated Outcomes

The BEF is a tool that allows each organisation to explore its own unique situation. Each of the participating councils has been challenged to look within and address key questions, such as "How are we really performing as an organisation?" and "What are we good at?" and "What do we need to improve?"

As a result each organisation has a different focus as it works to continuously improve outcomes. The case studies reflect this, and while each council begins on its BEF journey with an organization performance review, the continuous improvement programs in each of the councils varied depending on their identified strengths and weaknesses.

Bass Coast Shire Council has developed a Financial Sustainability Framework as a tool to identify and prioritise improvement initiatives for the future. Built into the annual planning process and incorporating the Business Excellence Principles, the framework provides a tool for the organisation to identify and prioritise improvement initiatives in an integrated manner.

The City of Marion has an improvement philosophy centred on culture, with leadership being the driver for change. As a result, the organisation has focused on building the capacity of the managers and people. In recent times the City of Marion has commenced a program to address gaps around its use of information and knowledge as well as process improvement.



The City of Melville is focused on creating an environment for Business Excellence in governance and continuous improvement. Business Excellence is one of the five strategic goals of the organisation, thereby promoting a culture which undertakes rigorous planning whilst being adaptable. The organisation has created individual frameworks around the Categories of the BEF which provides the organisation with a solid approach to setting appropriate goals and ensuring accountability.

The City of Swan has a measured approach to using the BEF as a driver for the integrated planning process through the development of a Capability Plan. The Capability Plan has a three year focus and largely drives annual planning for the internal service providers. As a result it very clearly assigns accountability for improvement initiatives.

Hobart City Council has a structured improvement program based on scheduled self assessments. The organisation couples the BEF with Quality Assurance, including Certification to ISO9001, to sustain gains made through the application of the Framework.

Port Stephens Council uses a Business Operating System to outline how the organisation does business in relation to each of the categories of the BEF. In recent times its focus is on undertaking a Sustainability Review program aimed at delivering both long and short term efficiencies.

Warringah Council is focussed on delivering value and maintaining a strong financial position. The organisation has developed a business improvement strategy and uses a number of tools associated with Six Sigma to deliver on this goal.

Yarra Ranges Council is relatively new to Business Excellence, however is now using the Framework to build on previous improvement initiatives. Its focus is on Identifying OFI's and undertaking associated process improvement to address the gaps.

Similarities and Differences in Approach

Whilst these differences in the overall focus exist, there are a number of similarities in terms of implementing the Framework. In each of the case study councils the following were evident:

- Genuine commitment from the CEO/General Manager;
- Reference to Business Excellence in the council's Integrated Planning documents;
- Completion of an organisation performance review against the BEF to determine strengths and opportunities for improvement;
- Development of strategies to address the gaps;
- Use of a number of continuous improvement tools and process improvement methodologies; and
- A commitment to using Business Excellence as a long term focus based on universal principles.

This said a number of differences in implementation also exist. Within the case study councils there were variations in:



1. Methods to undertake organisation performance reviews-

For example, the City of Melville undertakes regular assessments against its individual frameworks, and these assessments are facilitated by external consultants. In comparison the City of Hobart uses the Business Excellence Awards process and SAI to assess its organisation. The City of Swan uses a mixture of internal self assessments and externally facilitated Organisational Performance Reviews.

2. Resources to deliver training –

As an example, Port Stephens Council has employed an internal officer to develop and deliver Business Excellence related programs and associated training. Yarra Ranges complements its in-house learning and development program with an external facilitator employed to provide process improvement training.

3. Interpreting the framework to facilitate implementation -

The City of Marion uses a Five Element implementation model whilst still assessing itself against the seven categories. Hobart City Council has added an additional eighth category. The City of Melville has created its own individual implementation frameworks based on the seven Categories.

4. Referencing the BEF in Integrated Planning documents -

For example, the City of Hobart has a model of its eight categories and associated initiatives clearly displayed in their two page pocket-sized plan. In the case of the City of Melville, one of its five organisational goals relates to Business Excellence with this clearly articulated to the community and staff.

5. Process improvement methodology -

As an example Port Stephens Council uses the Plan-Do-Study-Act model whereas Yarra Ranges uses a similar tool called DIAGNOSE. Warringah is moving towards Six Sigma, and the City of Swan has a holistic approach to process management using a technical product called 4TQ to support its initiatives.

Next Steps

These case studies highlight the benefits for local government in adopting the BEF in assisting them to aspire to excellence. The case studies also demonstrate its use as an organisation development tool which can foster better understanding of key strategic issues and harness the energies and efforts of all staff and managers in identifying and implementing improvements.

ACELG will continue to work with SAI Global to review the BEF in order that it might more easily and effectively address issues of significance for local governments in Australia. In particular ACELG will continue to engage with interested councils in its participation in the upcoming review of the BEF, and will seek experiences and examples of good practice in the development of an implementation guide which will be made freely available for all councils.





ABOUT ACELG

ACELG is a unique consortium of universities and professional bodies that have a strong commitment to the advancement of local government. The consortium is led by the University of Technology's Centre for Local Government, and includes the University of Canberra, the Australia and New Zealand School of Government, Local Government Managers Australia and the Institute of Public Works Engineering Australia. In addition, the Centre works with program partners to provide support in specialist areas and extend the Centre's national reach. These include Charles Darwin University and Edith Cowan University.

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ABOUT SAI GLOBAL

SAI Global assists organisations around the world with information services and solutions for managing risk, achieving compliance and driving business improvement. SAI Global provides a range of programs developed to generate sustainable success across key business categories outlined in the Business Excellence Framework.

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