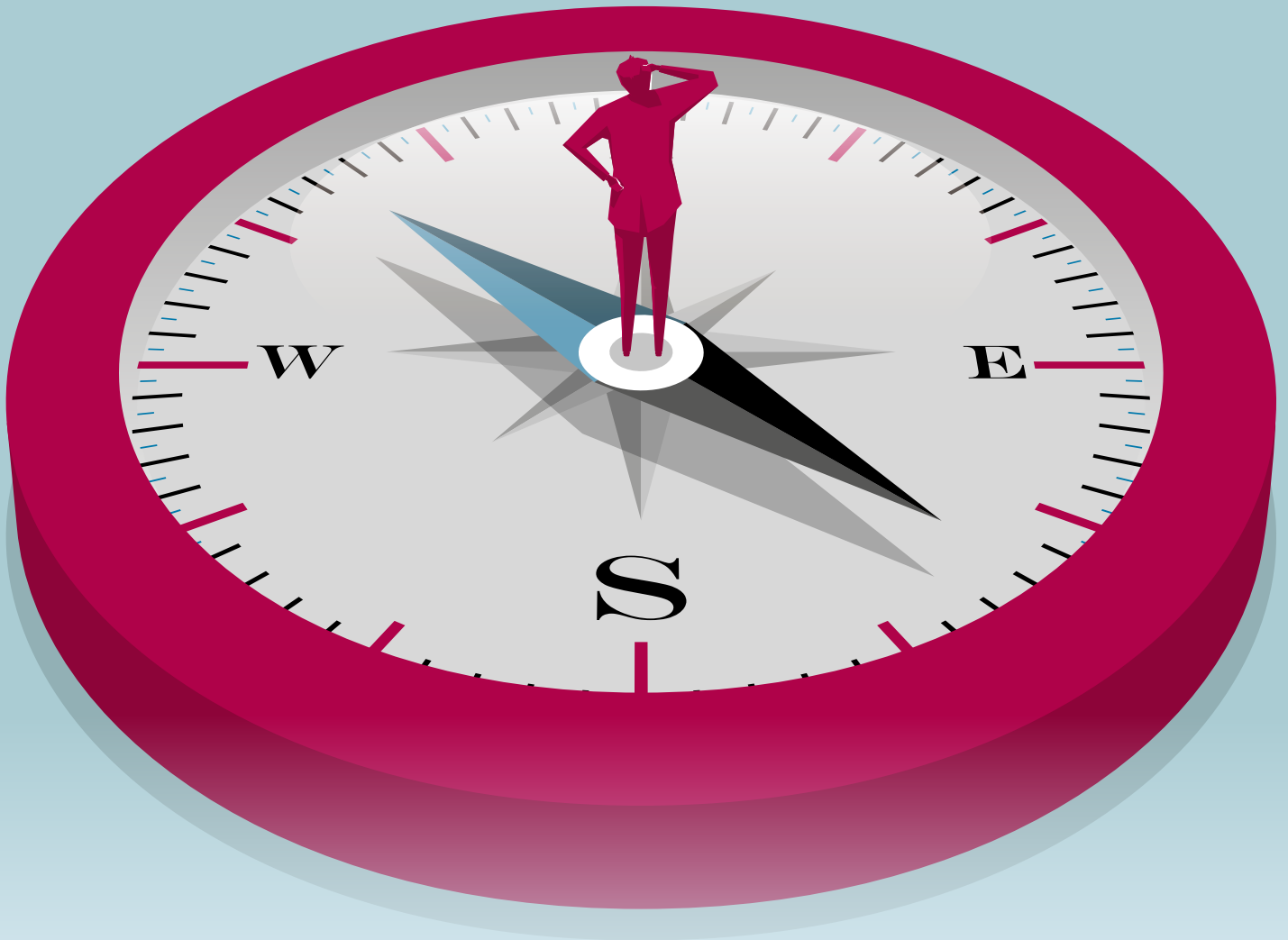


Change Mastery



Agility and lean transformation in Angus Council by Philip Atkinson and Janine Wilson.

This is a case study describing how a Scottish local authority implemented significant change in service delivery, by creating a strong ethos of business transformation. The authors outline the significant cultural and behavioural changes that have been implemented, by using lean business transformation. They focus on the passion and energy required to bring about the change and how their efforts have relied more on implementing improvements rather than debating theory.

There are various myths in change management, and one is that change takes a long time to implement within the public sector, and especially in local authorities. A major characteristic

of the change initiative that unfolds here in this article is that this is not the case. Change has been fast to take hold and a large number of early adopters have been keen to commit their time and energy to become part of this change process.

Angus Council's lean transformation started in 2013 with the service manager, governance and consultancy (co-author) leading a team of six people on the personal and professional journey to gaining their lean Six Sigma organisational development (OD) certification. This formed the basis for the development of a lean framework for the council which would directly support the council's wider transformation programme, 'Transforming Angus'.

The framework developed and implemented used lean concepts, but the overarching influence is behavioural change research applications, and successful implementation in the use of OD.

Starting with the end in mind

Angus Council is a small rural local authority situated in the north east of Scotland. Based in Forfar, the council employs around 5000 staff, servicing a population of 116,000. The council provides all unitary service through a mix of direct provision, ALEOs (arms length external organisations) and joint arrangements.

Where do you start when you have the responsibility to bring about change in a fairly traditional local authority environment? It does not happen overnight, and successful organisational change comes about through planned interventions which focus almost entirely on implementation rather than theory. It starts with taking a strategic view and ensuring you have the right structure in place.

Structure for change

In 2013 the council implemented a fundamental management restructure, to deal with a recognised need to modernise to meet the new demands and pressures facing the council in the future. Under the leadership of a new chief executive, the council streamlined and re-aligned service structures around three directorates, people, resources and communities, and a small set of core corporate functions within a chief executive's unit. The organisational structure was flattened, requiring a new management and leadership style to drive the changes home. The restructure was the first part of a major refresh and expansion of the Transforming Angus change programme, one of the seven priority areas identified to deliver the strategic vision of 'Angus being a place where a first class quality of life can be enjoyed by all'.

What was important at this stage was recognising that the council had a huge change agenda that would have to be implemented in the context of major financial pressures. The programme, through its four streams of digital, agile, improved customer experience and improved business process, will need to find some £35m of savings over the next three years, on top of the 20% overall budget reduction that has taken place between 2009-10 and 2016-17.

The council was keen to implement a culture of continuous improvement. The indications from the initial training in lean Six Sigma OD, highlighted lean tools and techniques that could underpin a continuous improvement ethos, and the team were keen to put their new skills to work to develop this. Six Green Belts and a Black Belt with the council lean advisor (co-author) would lead this process.

Immediate benefits in influencing and change skills

Those attending the training had a background in audit and risk, or came from a learning and development or OD background. They were no strangers to change projects and hit the road running. All committed to the process and drove and facilitated workshops sessions, ranging from process mapping, undertaking group problem solving, facilitating change and working face to face with core stakeholders.

Change has been fast to take hold and a large number of early adaptors have been keen to commit their time and energy to become part of this change process.

Pilot projects and testing the mettle

The challenge to the seven trained staff was soon to appear in the form of a lean pilot programme, designed to:

- Support cultural change through laying the groundwork of lean and continuous improvement (CI).
- Test review three operational areas using lean techniques, giving the lean team experience and selling the lean message across the council.
- Developing a framework and methodology to take forward the concept of lean in Angus.

Pilot project results

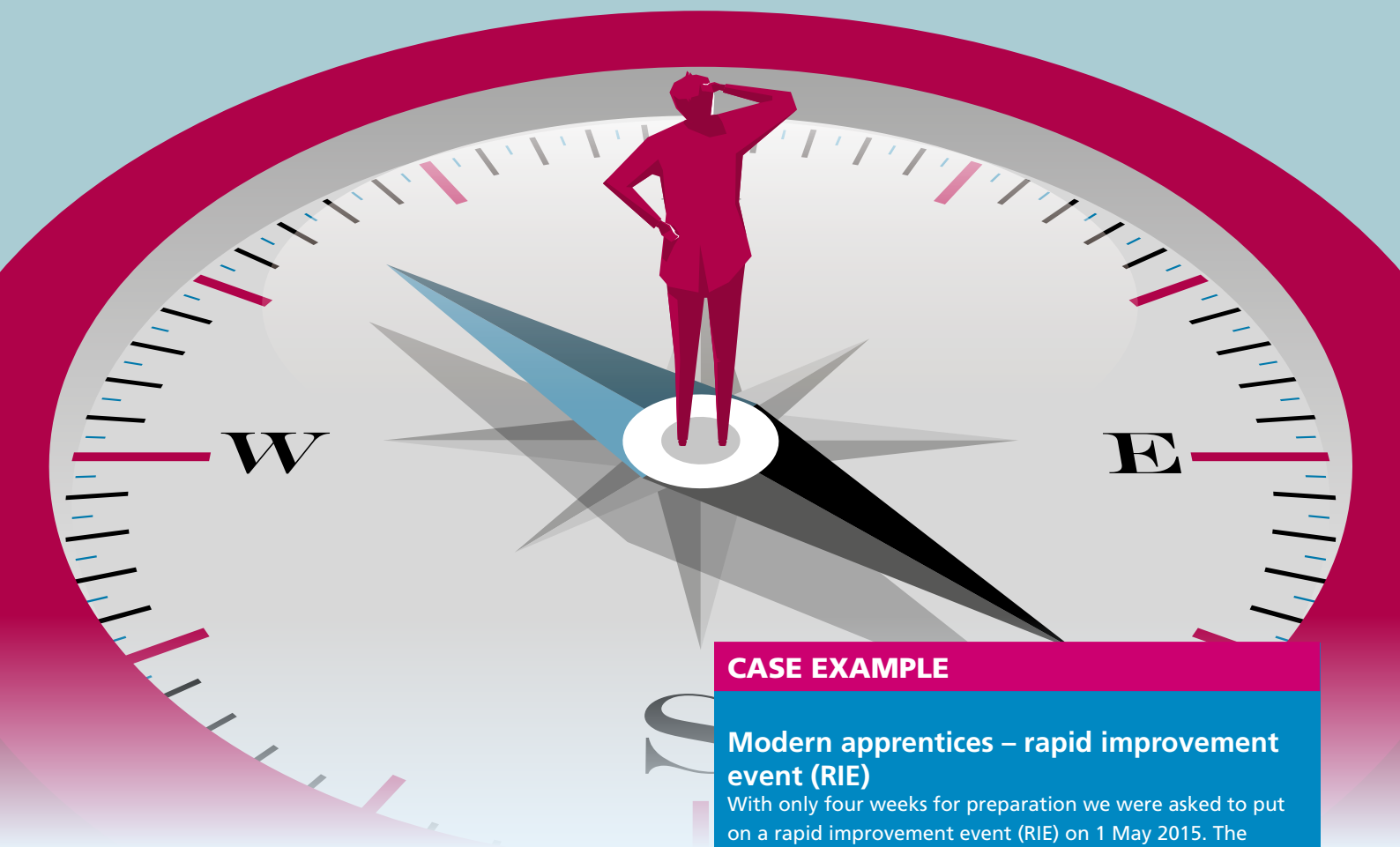
Pilot projects delivered significant results on all counts. The pilot demonstrated the strategic fit of lean and lean CI to the transformation agenda. In addition to the lean team, around 30 staff were involved in the operational reviews, and their willingness and commitment to implement lean customer focus demonstrated their openness to change and improvement. It was obvious that the employees 'on the ground' were keen to embrace the change potentials and the personal development that the new empowerment culture in the council fostered.

Operational reviews within the pilot made a considerable number of recommendations for improvement to processes around streamlining, digitising, coordination and a better balance between control, authorisation and speed.

Experience in the pilots influenced the development of our lean strategy under the banner of DELTA (delivering excellence through lean transformation in Angus) and this bespoke framework allows us to use the DELTA lean principles in innovative ways, from strategy and policy development, through operational process reviews, to underpinning the agile agenda and supporting teams in their CI efforts.

DELTA and culture change

Early on in our working with the pilot projects, we had some fairly intense discussions around the whole concept of lean. In many cases, lean is perceived as a cost cutting and head reduction exercise as it originated in manufacturing industry in the USA. We have had to explain in some depth that lean is pretty well misunderstood if you think of it in terms of its early history. We now have rebranded lean as continuous improvement and use the DELTA branding. We have highlighted that Womack and Jones, the authors of *Lean Thinking* in 1990, have often stated that, if they had their time again, they would have chosen a different 'label' for the ideas because to



CASE EXAMPLE

Modern apprentices – rapid improvement event (RIE)

With only four weeks for preparation we were asked to put on a rapid improvement event (RIE) on 1 May 2015. The purpose of the exercise was to establish the possibilities and appetite for setting up an innovative approach to modern apprenticeships in construction. The proposed scheme would establish a Trust to employ young people on a four year apprentice programme, and the apprentices would gain experience with local businesses that would have difficulty funding a full-time apprentice.

Working closely with partners from the local college, which would be the training provider, we were able to develop a framework which would enable the council to support the proposal and for it to become self-funding in less than a year. This would require minimal outlay and also require a number of partners to come together to make this a reality.

Running a RIE is very difficult and a complex process, and requires a great deal of interaction, debate and negotiation with the core actors and stakeholders. In this case, we had over 50 attendees and we had representatives from the council, the college, local businesses, Scottish Builders Federation, the Construction Industry Training Board and Skills Development Scotland, all brought together for just one day to create a new and exciting methodology which would support and increase the employment prospects in Angus. Over a four year period, some 48 young people will get a real guaranteed apprenticeship opportunity.

At the end of the event we had obtained agreement to the principle and constructed a project plan to take this forward. The first intake have now started their apprenticeships. This was a stimulating project which delivered the results in record time and demonstrates that change can be driven at the rate at which the major adherents want the plan to work.

understand lean is to understand that no change will take place without changing behaviours and the underlying culture by which people do business.

DELTA is working for those who have passed through our certification programme in lean OD. Currently, we have a Master Black Belt, a Black Belt, six Green Belts and 22 Yellow Belts, using a creative e-learning and group coaching process. It is anticipated that we will expand the certification and internal change programme to all directorates, and all areas and management levels within the Council, effectively doubling our matrix team of practitioners over the next 9-12 months.

Change takes as long as you want it to take

A huge myth in change management circles is that change, and in particular culture change, takes a very long time. We would counter that myth with a strong belief that if you have create powerful change agents, time is never an enemy. This really goes to show that using the potential and the power of people, with some simple tools from lean OD and business transformation, a great deal can be achieved in a time pressured environment.

Transferability of learning

All the exercises that we have undertaken in the last few years are achievable in any organisation of any size. We will outline how this can be achieved, based on the learning and feedback that we have had from those who facilitated and contributed as key players in making 'business transformation' happen. We will

Angus Council: Major achievement overview

So far, the Virtual DELTA lean team have:

- Conducted a number of strategic and operational lean/DELTA projects.
- Built organisational capacity through supporting the formal certification of a virtual DELTA team, comprising both members with formal certifications in lean Six Sigma OD and bespoke Angus Yellow Belts in lean OD.
- Drafted 12 DELTA modules/toolkits for use across the council, and delivered a number of presentations to interested groups within the Council.
- Developed the links between DELTA and the agile programme through one of the 12 DELTA modules (CANDO agile).
- Developed a customer journey mapping process, which is being tested as part of a piece of work for the Customer Care Scrutiny Panel.
- Outlined and commenced a specific DELTA programme for the Communities Directorate.

disclose how this can be achieved in the following pages, and this relates to any organisation in the public or not for profit sector.

It does not matter if you are in local or central government, in a NHS healthcare organisation, the third sector, education or housing association – it is possible and desirable to set these changes in place. It so happens that you have to assess your readiness for change and then commit to lead the process.

When we look at potential beneficiaries of this business transformation process, there are a number of enthusiastic and willing adherents and practitioners for such a change. Just consider the number of councils in the UK who could benefit from this approach.

What is also of interest is that many of the 'strategic and operational interventions' we have outlined in the boxed insert are applicable to any council in the wider UK. Consider, any council in the UK will have to deal with these issues, and with 418 principal councils in the UK, there is real scope for improving services for residents and citizens, and at the same time protect the public pounds and provide best value.

You must have a bias for action over procrastination

It is very simple, you have to focus on action and implementation rather than theorising. You have to create a 'can do' mentality. Too many organisations over-analyse situations, rather than taking action and reviewing feedback from that action.

The road less travelled – where to next

So, where do Angus Council go next? We have made a good start on the road to continuous renewal and transformation and they can up the pace further.

1. Continuous improvement and workout

Although we have developed a process whereby suggestions for improvement activity and project improvement are in place, we do need to ensure that the concept of workout and continuous improvement is really in place. That means we have to ensure that any member of staff can contribute their ideas, and these ideas are to be taken seriously and reviewed for implementation.

2. The customer journey and the internal customer

The customer journey is still requiring refinement. We find that staff who interact regularly with residents and citizens

Major strategic and operational Interventions

- Angus modern apprentices (see case study).
- Developing a strategic approach for reshaping older peoples' housing in Angus.
- Reviewing payment performance and rework in ordering process.
- Developing a lean pre-application process for larger development projects.
- Improving the process for booking council premises.
- Streamlining housing allocation processes to reduce voids (rent loss).
- Improving the staff recruitment processes.
- Revamping the process for school placement requests with a specific customer focus.
- Streamlining the process of Teacher recruitment.
- A workout to consolidate different complaints systems into one corporate process.
- Designing a new process for monitoring, review and reporting of Service level agreements.
- Streamlining the administration of the staffing establishment processes.
- 'Developing lean internal audit

Around 30 staff were involved in the operational reviews, and their willingness and commitment to implement lean customer focus demonstrated their openness to change and improvement.

How to create a business transformation strategy?

You cannot just take it off the shelf and apply it. You cannot commit to just training people and hope that their motivations will see them influence change. Here are some of the ideas and innovations that have worked for us.

You have to assess your readiness for change

You have to undertake a review of how ready the organisation is for change, and work on those areas where change is best accepted. You need to build change champions and early adaptors for your change to work – so you have to be selective with those early pilot projects in choosing people who have the capacity and willingness to learn and make things happen. Look for positive and optimistic activists.

You have to tailor the process

What works for one organisation will not necessarily work for another. A template or road map that works for a housing association may need significant adjustment and development for a county or metropolitan council in England. Avoid quick fixes and solutions from the shelf. Work closely with trusted associates and be willing to develop your own people to lead the way.

You have to structure for change

Your organisation may not be suited for change, so you have to work through your goals and strategy, and create a structure that will achieve it first, before attempting anything too cavalier or innovative. You need a sound foundation in place before you start building the culture around it.

You have to lead the process

It is difficult to transform your business if you fail to commit to the leadership to drive it. Initially, leadership requires push and energy, and this is not so common in the workforce. You have to work on identifying people at all levels who will challenge the way things are done, who can create a vision or idea for improvement and who are willing to act, rather than theorise, stand still and ponder.

You have to scope the projects

Don't be too ambitious – and restrict initial projects so you don't have too many internal customers and suppliers and stakeholders involved in problem solving. Start small, and build up and learn from experience. Adhere to the DMAIC process in lean (define, measure, analyse, improve and control) and constantly review the progress, the learning and the failures.

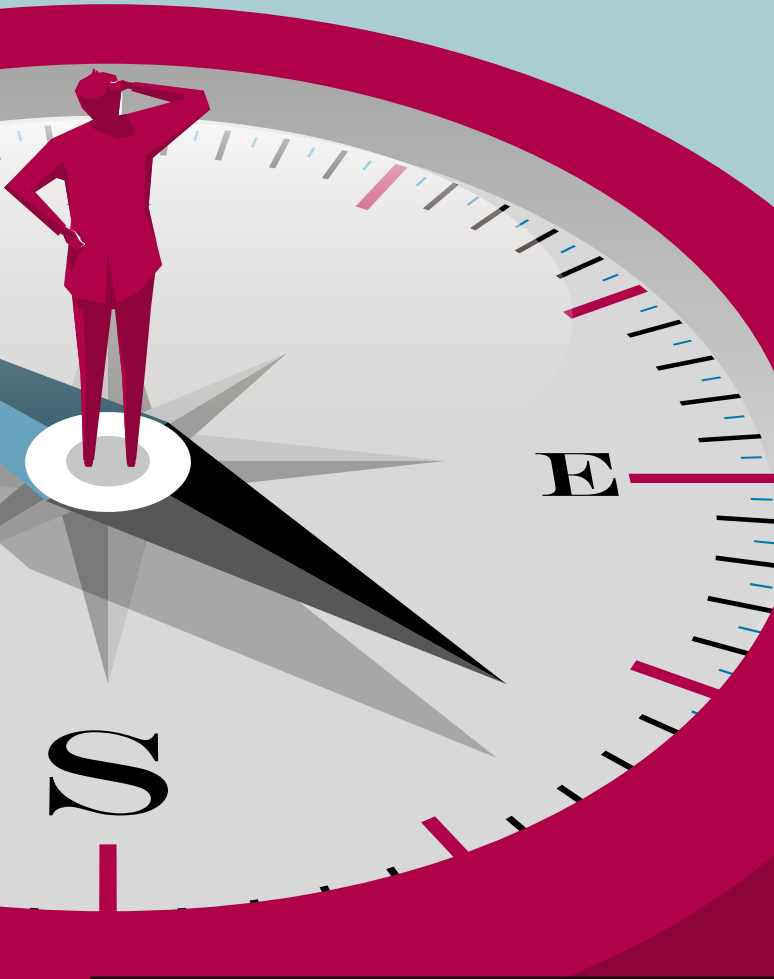
You have to build the capacity and the learning infrastructure

It is vital to create a team of people whom you are confident will support your efforts when times are difficult and things are not going well. We think it's rare to over train people to manage change, but we are willing to try. For all training or development work, you have to ensure that you have the resources and a positive ROI for any learning or development activity. We use coaching, training input, learning management systems and group working for installing training. Investment in soft skills training focusing on change implementation is time and money well spent.

Elearning modules to support DELTA team facilitators

- Introduction to DELTA – a broad introduction the concepts, principles and practices of the DELTA process.
- Identifying waste – looking at potential wastes around wait, application, synergy, transportation and excess.
- COSD – looking at the cost of service delivery and shifting the balance from rework to prevention.
- Charting and rework – looking at identifying, measuring and managing the cost of rework and service delivery.
- Creativity in problem solving – looking at brainstorming for creative thinking.
- Force field analysis – looking at the helping and hindering factors in change and improvement.
- Process mapping – a guide to the use of this core tool for improvement.
- DELTA and the customer – looking at the customer journey and how this can be improved.
- Change and change champions – looking at the actors in the change process, sponsors and the change journey.
- Workouts – using the workout concept for small continuous improvement in services.
- CANDO – specific module to start a team journey to working in an agile environment.





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can quickly adopt a customer friendly and 'customer focused' approach. They really do see that the end user is their customer, and they expect just as much quality service as an external customer purchasing Council services.

The difficult element is ensuring that those who interact minimally with the end user devote their energies and their time to supporting those who are customer facing.

3. Cost of service delivery

In our lean transformation, we have focused on efficiencies, but there is still progress to be made on reducing the costs of service delivery, by getting rid of rework and taking corrective action. Taking a more positive aspect of designing processes and people to invest in the prevention of problems is critical. We still hear the phrase: "We never have time to invest in prevention" but our response: "So you say, but you always have time to fix and rework it". We think significant savings can be made, not by reducing headcount, but isolating those areas where there is most rework, and developing a culture of getting it right first time that really revolves around process improvement.

4. Process improvement

In our journey we have found that many processes are outdated and manually based. We need to press the message of streamlining and reducing waste through more electronic means. We have found the best people to involve themselves here are those who work projects and the workflow, rather than their managers. People who work the process know where the problems reside, and their cause, and have proven and innovative ideas for improvement. The move to a culture of empowerment and permission will let these ideas flow with ease.

5. Lead the change

Finally, our thoughts are that you can never have too many good people to lead a process for improvement. This means building the capacity and empowering people to manage them. This creates self-managed groups that work naturally across boundaries. This fits in the grand scheme of things.

It is poignant that we finish on leadership as a critical issue in most organisations. When asked the question: "Can't you have too much leadership?" We say no. You need leaders at every stage and level in the organisation. Equipping people with the capacity to introduce change in their work lives does a great deal to support them in mastering their potential, not only in the organisation but also in their lives.

About the authors

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