

Lean Systems Thinking Applied to Regeneration Strategy & Process



From Possibility...

BACKGROUND

Like all sections of government, Ashfield District Council and Mansfield District Council are facing the combined pressures of increasing customer demand and required reductions in budgets. In order to meet these challenges both councils, in partnership, were investigating the potential sharing of services, and identified the potential of applying Lean Systems Thinking to the design of new processes and structures as part of the business case stage of the investigations.

The Regeneration Shared Service project was chosen to pilot this approach, being a strategic, policy based service, rather than the usual transactional services, with the aim of designing the most effective and efficient service model to deliver the required outcomes of a Joint Economic Master Plan, being developed in parallel, recognising the common issues facing both districts as being part of the same functional economic area. .

Having originally attended an Ad Esse Lean seminar, and gaining an understanding of the potential benefits of applying lean systems thinking, both councils were interested in using a Rapid Improvement Workshop (RIW) approach. The aim of using the RIW is to conduct the diagnostic, the new process design and the implementation in an intensive period (with many of the changes delivered within a one-week workshop), thereby delivering improvements and benefits much more quickly.

Ad Esse have successfully applied the RIW in over 30 different organisations. It never fails to generate enthusiasm and engage staff in the improvement process and to deliver real performance benefits. For those improvements that cannot be immediately delivered during the RIW, the team are left with a detailed one week, one month or three month action plan.

Ad Esse were subsequently invited to facilitate the RIW.

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OUR APPROACH



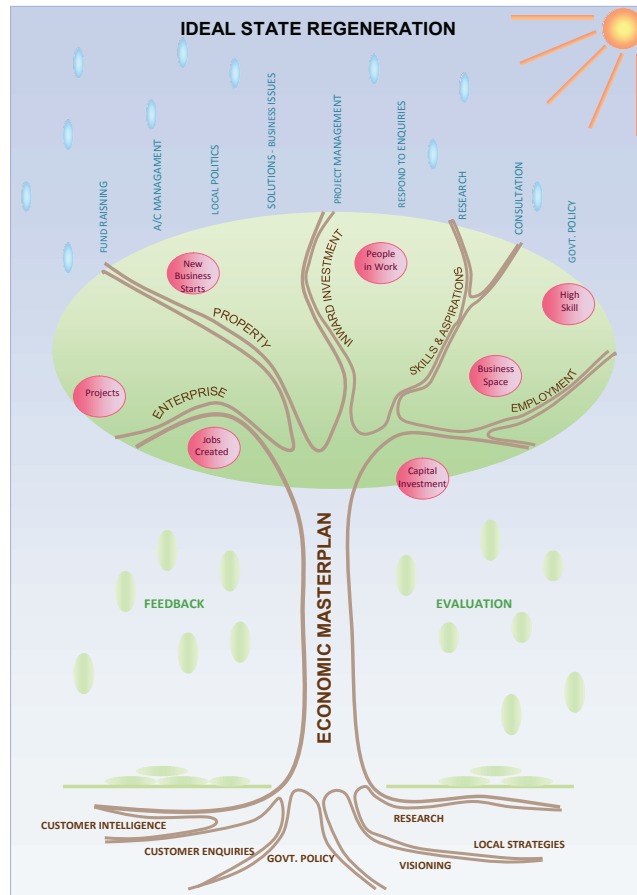
Ad Esse developed a bespoke RIW to address this situation; it contained a mix of Lean Systems Thinking, Strategy and Transformation. The RIW consisted of 3 main parts; current state analysis, future state design and implementation planning. The current state consisted of;

1. Lean Systems Thinking Training
 - The team were trained in both Lean and Systems Thinking, advantages and disadvantages of the approaches, similarities and the benefits to be gained from a complimentary implementation.
2. Construction of Supplier-Input-Process-Output-Customer (SIPOC) Diagrams
 - A SIPOC is a diagram commonly used to provide a snapshot of a process; it captures information that is critical to a project / function / department. A SIPOC helps a team and its sponsor to define the project / departmental boundaries and scope.
3. Value Stream Mapping
 - The SIPOC was used to identify and then map the 5 main Intervention Areas of Regeneration value streams in both councils that were most applicable to the new shared service. For each process that was mapped, particular attention was paid to the flows of governance, staff skills, resources, linkages, Information Technology and information.
4. Strategy Training
 - The team were trained in basic strategy models, techniques and how to define strategy in the context of Regeneration and how to link the RIW to the development of the corporate strategy in the Joint Economic Master Plan.
5. Strategic Analysis
 - The team were facilitated in applying basic strategic analysis techniques to regeneration, with particular emphasis on environmental scanning, identification of local competitors and the identification and management of stakeholders.
6. Review of Current Data
 - The current organisational structures, costs, budgets, key issues and resources of both council departments were reviewed by the team. Analysis of the purpose and performance of existing processes was undertaken. The purpose for each of the intervention areas was found to be undefined with no critical measures in operation to determine the current performance of regeneration.

To Actuality...

The Future State Design part of the RIW involved the application of creative thinking and Lean innovation to ensure a transformational improvement was made and was not simply an exercise in removing wastes.

Based on the Current State Analysis, the team developed several unbounded Ideal State Designs for the new shared service regeneration process. The Ideal State example shown below is based around a Regeneration Tree;



The tree roots are likened to government policy, local strategies, etc and provide stability for the Joint Economic Master Plan which is represented by the central trunk. This in turn supports the main branches or the Intervention areas of Enterprise, Property, etc. The tree is fed by the rain drops of revenue, research, etc which enable the flowers of capital investment, jobs created and new business start ups to bloom. The falling leaves represent renewal through feedback, evaluation and continuous improvement.

The team were then ready to design the future state regeneration service. The future state design was bounded by the project sponsors expectations and limitations , as highlighted by the project team during the current state analysis, and was therefore a more realistic representation of the shape of service model that could be implemented. Examples of some of these influencing factors were;

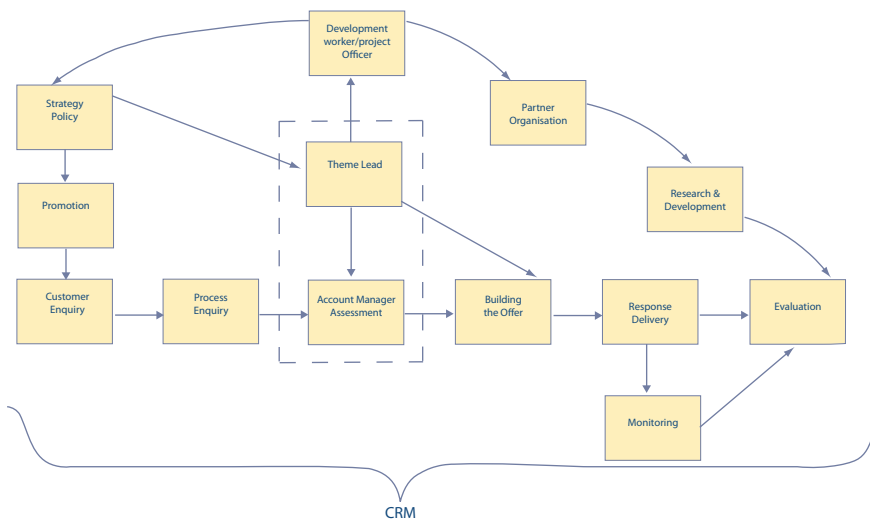
- Reduction in cost with the new shared service compared to current costs
- Restriction in staff resources
- Effective and efficient delivery of the Joint Economic Master Plan
- Integrated governance structure
- Ability to react rapidly to the changing economic development environment and be more business like
- Must align to Lean system thinking principles!



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Future State Regeneration Process



Each component of the future state design was defined in detail and this has greatly assisted in the development of roles and job descriptions for the future service.

The RIW also produced a range of structure options with reduced staff numbers, each of which encapsulate the values of a more business like, pro-active and customer focused service.

IDENTIFIED BENEFITS

- A defined structure, roles and staff levels for several service delivery model options
- A defined Purpose for each of the Regeneration Intervention Areas of the Joint Economic Masterplan
- A strategic linkage and direct input to the Joint Economic Master Plan
- A more efficient, responsive and business like Regeneration process
- A reduced cost which will achieve a ROI of 14:1 on Ad Esse consultancy costs in year 1.

WHAT NEXT?

A gap analysis between the current and selected future state design was conducted during the RIW which allowed a detailed implementation plan to be produced that takes the future state design options through the necessary consultation and decision stages with both councils through to final implementation of the preferred service delivery model.

FURTHER INFORMATION

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PHONE: +44 (0) 845 366 8528 EMAIL: seriousfun@ad-esse.com WEBSITE: www.ad-esse.com