

Getting started on the journey to business excellence

In this article, CEOs from councils participating in the Australian Local Government Business Excellence Network (LGBEN) discuss why they use the Business Excellence Framework and, in particular, how they got started in their use of the framework. By adhering to the framework's principles, councils seek to engineer a culture of continuous improvement within their organisations and create sustainable excellence.

By **June Shine**

Why your council should start using the business excellence framework

Peter Marshall, CEO at Wodonga City Council and Silver award winner at the 200+ SAI Global Business Excellence Awards said: "Wodonga has been using business excellence for 12 years, since 1996. We were looking for a sustainable approach to organisational development that we could deploy progressively over time to raise the performance of our organisation."

Caboorture Shire Council is three-and-a-half years into their business excellence journey and CEO, Rob Noble, said: "We had our operational units in council certified to the ISO 9000:2001 standards, and as a council we were growing reasonably quickly.

"Staff through the organisation saw the need for a common system to help us work smartly to deliver services that our customers really valued. "Most importantly for me, the Business Excellence Framework reinforced the importance of business relationships. It has proved invaluable in shaping a culture that I am truly proud of."

Ten years into its business excellence journey, Brent Armstrong from Silver award-winning Hobart City Council, said: "The need for a tool like the Business Excellence Framework was derived from the decade of the 1990s when Tasmania had a fundamental change to its local government legislation that sought to move local government from a prescriptive 'What you can't do' basis... to a competence-based, enterprise-focused approach.

"In managing this change we recognised that at Hobart we needed to build our relevance as an organisation – both politically and to the community for the standard and appropriateness of our services and products.

"We needed to create efficiencies in service delivery to fend off the threat of competition and deliver on our charter to the community.

"We needed to create a stable workforce that would operate in an environment of continuous improvement.

"We needed to deliver on community expectations in relation to the management of community assets, increasing environmental

concerns, effective risk management and ongoing legislative change.

"We needed an approach that was planned and rational; had organisation application so no part of the organisation was disenfranchised; was seen as non-threatening and more likely to be taken up; would focus on delivering quality services and incremental change; and would introduce a process of review and produce development.

"Our approach needed to be tested through a process of external review for ongoing validation and improvement, and would help to build a culture of systemic review and improvement."

What your council can do to get started

Glenn Patterson, CEO at Baw Baw Council, maintains that: "Business Excellence provides a holistic approach to improvement that fundamentally and sustainably changes the culture of an organisation and the behaviour and performance of individuals, whereas my earlier experience with quality systems proved their limited effectiveness in delivering real change.

"That is, they didn't address key issues such as leadership, people development, customer focus and systems thinking.

"First we started by engaging a person in a newly created role to coordinate our business excellence activities and second we engaged an experienced consultant to commence awareness raising and training sessions across the organisation, to introduce the framework, its principles and to provide an outline of the improvement journey on which we were about to embark."

Brent Armstrong at Hobart City Council remembers: "Our first task in 1999 was to undertake a guided self-assessment using external consultants skilled in the application of the framework to help us understand the framework and to establish a performance baseline.

"We needed to understand where we were along the excellence continuum and what challenge was ahead.

"In 2000 we undertook our first external evaluation and discovered through that process we were not as far advanced as the organisation had determined through its own assessment.

"This provided a great reality check and a focus on where we needed to direct our energies."

Danny Hogan, CEO at Murrindindi Council tells: "I spoke to organisations that were progressing down the business excellence pathway to better understand the concept and to justify, in my own mind and then with the management team and council, the potential benefits of business excellence.

"Because of the significant potential outcomes, a decision was made to commit the majority of the council training budget in the first year to establish business excellence champions across the organisation and ensure that all staff were inducted and informed about business excellence to assist in the necessary paradigm shift."

Significant learnings for CEOs just getting started

Danny Hogan, CEO at Murrindindi Council said: "the capacity for people to defend the status quo, and pay lip-service but not 'come on board' can not be underestimated and needs to be acknowledged as part of the roll-out.

"Also, the first phase of knowledge development usually results in people trying to move business excellence principles to support their own beliefs (ie justifying their status quo positions) rather than moving their minds to the new way of doing things.

"Continual business excellence development and training is necessary to move to the next phase where people actually change the way they do things for real results to start flowing.

"Also, those who make the commitment need to be supported organisationally because they will come under pressure to retain the status quo situation."

As CEO of Mildura Council, Phil Pearce, stated: "Don't lose sight of the end goal as there will be many detractors along the way especially in the early stages."

At Hobart City Council, Brent Armstrong is firm in his belief that: "It takes time to build real change and to become robust in the face of what's urgent versus what's important."

Importantly, experienced campaigner Peter Marshall at Wodonga tells us that: "Your

business excellence journey must be led from the top.

"Its success depends on the CEO and the Executive Management team not only driving the journey, but also role modelling it."

Rob Noble at Caboolture said: "It's not so much a learning, but a reinforcement of the importance of committing to the journey 100%."

"When implementing the framework it was difficult to focus on my personal commitment to elements of the framework."

"Real progress was made when our executive and I led by example and completed our systems view, documented our key leadership processes and underwent a self-assessment."

"From this point on, conversations in the organisation started to change from complying with the framework to living the framework."

Learning from your mistakes and knowing what to avoid when getting started

At Caboolture, Rob Noble said: "I would have celebrated our achievements a bit more. When I look back at where we were three years ago, the improvements in our business have been huge."

"As we battle along the journey it is easy to become distracted by the 'In the System' aspects of the work."

"There are many achievements that our people should be immensely proud of that quickly became the way we did business."

"In hindsight, taking time to recognise and reward our improvements is something that I consider very worthwhile."

Glenn Patterson at Baw Baw said: "Perhaps only to 'brand' the program a little less to avoid any perception that it's just a passing management fad."

Peter Marshall at Wodonga said: "I would talk more to others who have been on the journey for some time and learn from them."

"We were one of the first to do it and we had to find our way."

"If doing it again, I would ensure we have a clear action plan that focuses our efforts on creating the culture needed; to be successful it should provide staff a clear and relevant program of activities."

Peter Bollen, CEO at Surf Coast Council, said: "I would dedicate more of my time to changing the conversations with the staff, and spend more time discussing the benefits of using the principles as a lens when viewing day-to-day matters."

Consider the cost of not implementing business excellence

Three experienced CEOs leading business excellence journeys in their councils are convinced that the investment in business excellence is worthwhile.

Phil Pearce, CEO at Mildura, takes an analytical approach to the cost of implementing business excellence: "The cost falls into two categories: monetary and time."

"As with any decision of this type the first question is 'what is the return on my investment going to be?'"

"And, in this instance, it is unrealistic to expect a return in the short-term because fundamentally we are talking about creating cultural change that will ultimately drive continuous improvement, high standards of service and sustainability."

"I have always said that it would take five to eight years for me to see any significant creation of a capacity within the organisation to consistently achieve excellent results, and we now have data from a variety of sources that indicates that capacity is developing."

"The second question is: 'what are the costs of not investing in Business Excellence?' We believed the answer to that was an organisation unable to adapt to what is an ever-changing environment, unable to meet the needs of our community and unable to deliver services characterised by quality and efficiency."

Phil Pearce went on to say: "CEOs do need to be realistic about the fact that there will be an upward curve in terms of money, time and energy in the initial phases of implementation as the organisation comes to grips with business excellence."

"However, any learning experience follows this pattern and the key is to be able to sustain 'the creative tension' and to come out the other side to experience the benefits."

"The role of the CEO in 'staying the course' during this phase is vital."

Rob Noble at Caboolture said: "It's easier to answer how much does it cost not to have rework and inefficiencies in a business?"

"In three and a half years implementing the framework, there would never have been a week where better business practices didn't improve our service delivery."

"With the support of networks such as the LGBEN, costs of implementation are minimised."

"The challenge of committing to change our mindsets doesn't cost money."

"It does cost some time and significant mental determination and commitment."

Peter Marshall, CEO at Wodonga, sums it up with his belief that: "The real question is how much does it cost not to implement business excellence? CEOs have a responsibility to their staff and community to do business excellence."

Who should be responsible for implementing business excellence?

Glenn Patterson at Baw Baw stated that: "It is a mistake to allocate business excellence to an individual as a project."

"Business Excellence should never be viewed as a project, rather it's 'an ongoing way in which we do things'."

"At Baw Baw we encourage, in fact demand, line management responsibility for implementation of our business excellence plan which maximises commitment and progress."

Brent Armstrong, at Hobart City Council, believes that: "Business excellence is not a project that one person can implement."

"It is about building a culture of systemic improvement that becomes ingrained and over time represents 'business as usual'."

"An individual can manage the processes around the Business Excellence Framework but long-term benefits will only come from developing a critical mass within the organisation."

Phil Pearce at Mildura said: "I think this can be a double-edged sword. If the allocated individual behaves and/or is perceived as a gatekeeper to business excellence then the organisation will experience great difficulty in achieving 'buy-in' to any degree."

"Rather than focusing on whether or not the project is allocated to an individual, perhaps it is more useful to think about what is the fundamental approach to implementation the organisation should take?"

"If, as an organisation, we understand that the creation of ownership is vital in getting anything done and we set up systems that support this approach, then an allocated individual would be focusing on developing and managing those systems, rather than being the gatekeeper to business excellence."

"Their role would be 'coach' or 'facilitator' and their relationship to the managers would be based on 'how can we help you implement business excellence in your area' and 'are the processes and systems working for you?'"

Peter Bollen CEO at Surf Coast, which is just starting on its journey, believes: "It is important to establish a business excellence champion and to allow that person to reinforce the messages to the organisation."

"I have learnt through this process that the implementation process will fail if the responsibility is allocated solely to one person, and support and encouragement from senior management in regard to the implementation process is vital."

Danny Hogan at Murrumbidgee said: "It's appropriate (like other business excellence processes) that there be a process owner of business excellence development, however, this role is a more mentoring, training and monitoring role of a process that has multiple responsibilities across the organisation."

"The process owner should probably be the CEO position, using support arrangements to provide monitoring tools and training and development opportunities."

Personal behaviour changes that CEOs will need to make to lead the business excellence journey

Danny Hogan at Murrindindi said: "I have learnt to delegate more on the basis that there are others who have greater specific knowledge to achieve better results than me."

Peter Marshall at Wodonga said: "I think a lot more about my attitude and behaviour as a leader in the organisation."

"I realise the importance of role modelling business excellence to my staff. I think and talk about staff empowerment, recognition of achievement and celebrating success."

Rob Noble at Caboolture said: "I have used emotional intelligence to encourage a raised self-awareness within working teams."

"By living the principles consistently and using systems thinking, I have been able to improve my working relationships and deliver better outcomes for the community we serve."

"What is in it for me' is that engaged staff deliver quality services and participate in a fantastic work culture."

Glenn Patterson at Baw Baw said: "I have practiced being more aware of my attitude and style, particularly as it relates to my impact on others."

"I receive 360 degree feedback from my four direct reports and all councillors as part of my performance management process to help me identify blind spots."

"We have structured, regular story sharing opportunities, when I and other senior staff speak about how our application of the business excellence principles has changed our behaviour and the outcomes and benefits of the improved approach."

"This open approach allows everyone to have better conversations, including the authentic and 'not so easy' conversations."

Peter Gesling, General Manager at Port Stephens Council and Chair of the LGBEN advises other CEOs: "As CEO, it's important to learn to stop meddling by trusting the system."

"Variability will always occur and the freedom created for other people to have the elbow room to do their job builds confidence and creates the space for innovation."

Personal messages for CEOs just getting started on their business excellence journey

Glenn Patterson at Baw Baw said: "Speak to colleagues that have been doing this for some time and listen to their inspiring stories of their people excelling as those staff grow and learn and in the process make a huge contribution to the positive transformation of their organisation."

Brent Armstrong at Hobart City Council warns others: "Don't expect an instant result. It takes time but is a worthwhile investment."

"Leadership is a critical element to success. CEOs, senior and middle managers must 'talk it and walk it'."

"Don't just drive it from the top down. Significant traction is available at all levels, harness enthusiasm where it appears to build that critical mass. You will be surprised what you find."

"Appoint and induct with business excellence in mind. Build your organisation around employees that will create the culture you are looking for."

"Measure your success and communicate the results and your future directions to your employees and stakeholders."

"Most of all, celebrate the efforts made along the way, especially the 'wins' or significant achievements."

Rob Noble at Caboolture said: "You are not alone. The support and ability to travel the

journey with other councils and organisations is a tremendous resource."

"Secondly, the greater the emphasis you place on improving relationships, the greater your rewards will be."

Peter Bollen at Surf Coast said: "Allocate plenty of time for yourself to understand the concepts of business excellence and to learn the principles, and then invest more time to encourage the rest of the organisation to accompany you on the journey."

"It is easy to let the day-to-day operations side track you, but the organisational acceptance of systems thinking will pay dividends for you and the organisation in the long run, so don't short change the implementation process by giving it less attention than you should."

Peter Marshall at Wodonga emphasises that: "Business excellence is based on proven business principles. It is common sense stuff but it requires strong leadership and discipline to do it well."

"Talk to organisations that are high performers as a result of business excellence and hear their story."

"They will quickly show you how business excellence helped to develop the right culture for them and what having the right culture means for their organisation."

Finally, Danny Hogan at Murrindindi Council reminds us that: "The forces against change can be overwhelming, however if one does their homework on business excellence, the change can only be positive and can easily be justified to produce organisational and personal improvement."

More information about the Australian Local Government Business Excellence Network and the Business Excellence Framework is available at www.lgben.net.au

• June Shine is Executive Manager at Port Stephens Council.



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