



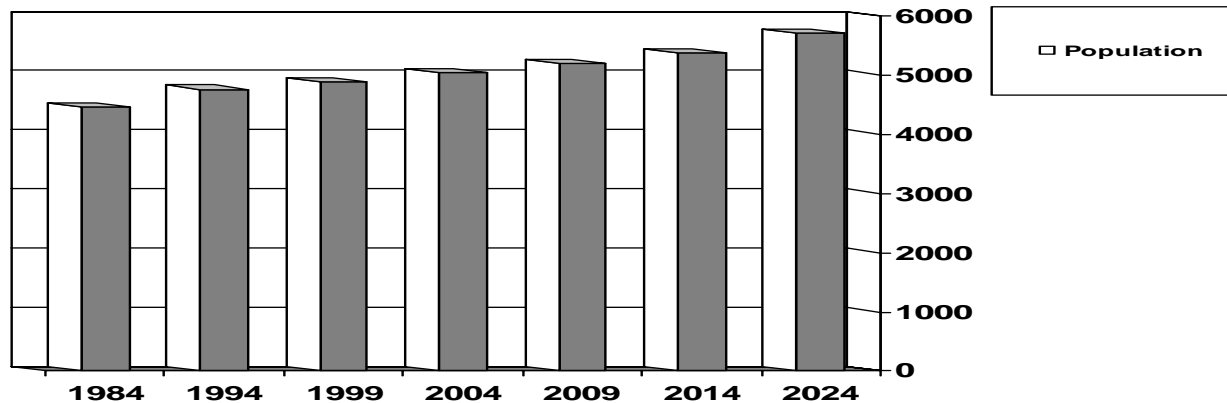
# South West Centre of Excellence (SWCoE) and Improving Services in Somerset Programme (ISiS) update

## **An opportunity beckons!**

Friday 9<sup>th</sup> June 2006



# Demographic changes: Population growth in the South West



- Most migrants are less than 44 years old – Highest migration rate in English Regions
- Highest life expectancy across all English Regions
  - Women 82.0 years
  - Men 77.8 years
- 38% of population aged 50+ in 2004: will grow to 41% in 2014.

*State of the South West - 2006*

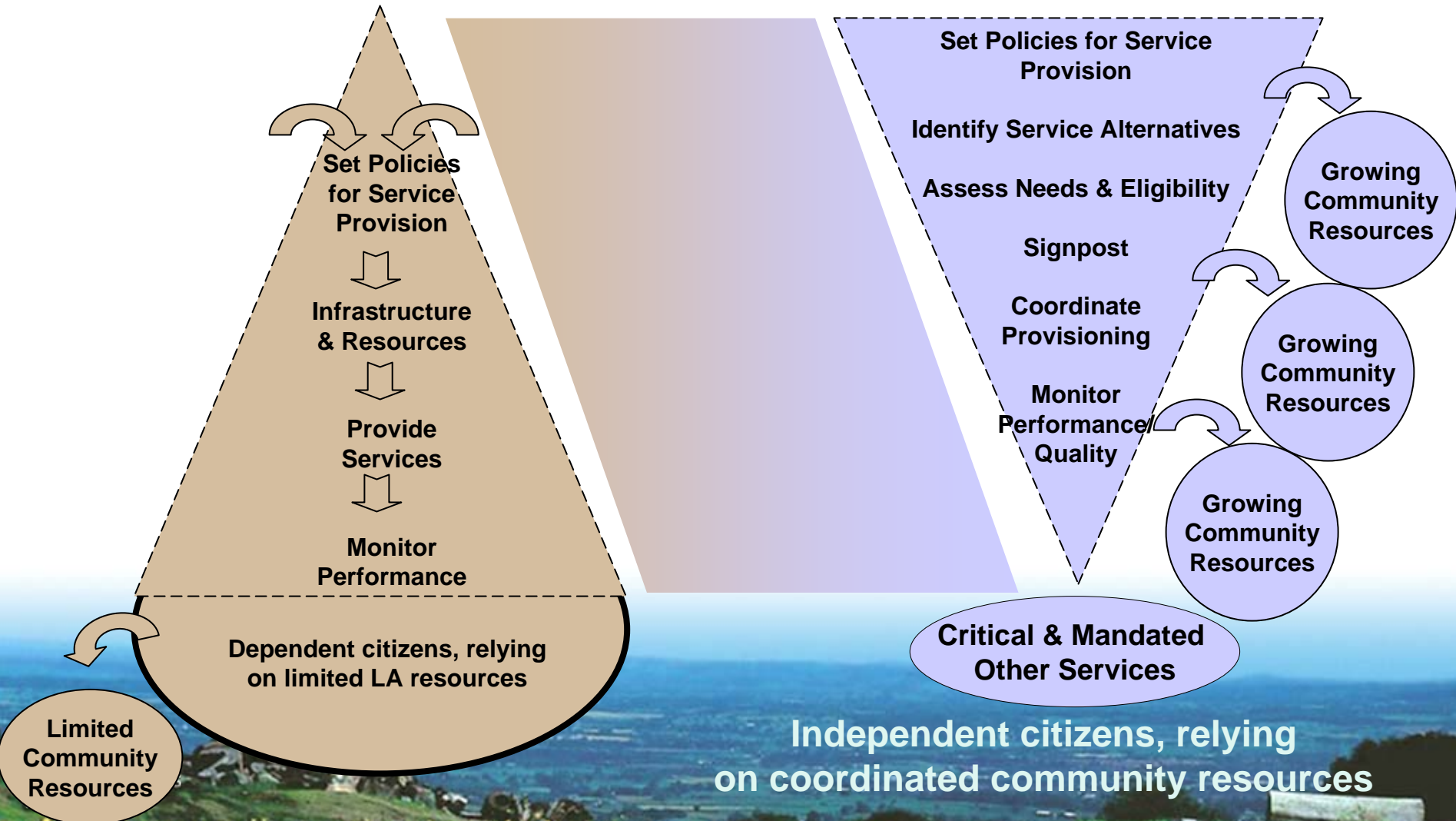


# Achieving vision and strategy with limited resources



“provider” model

“facilitative” model



# What are the options?



- Ostrich
- Chameleon
- Oxpecker
- Termite



# The Opportunity

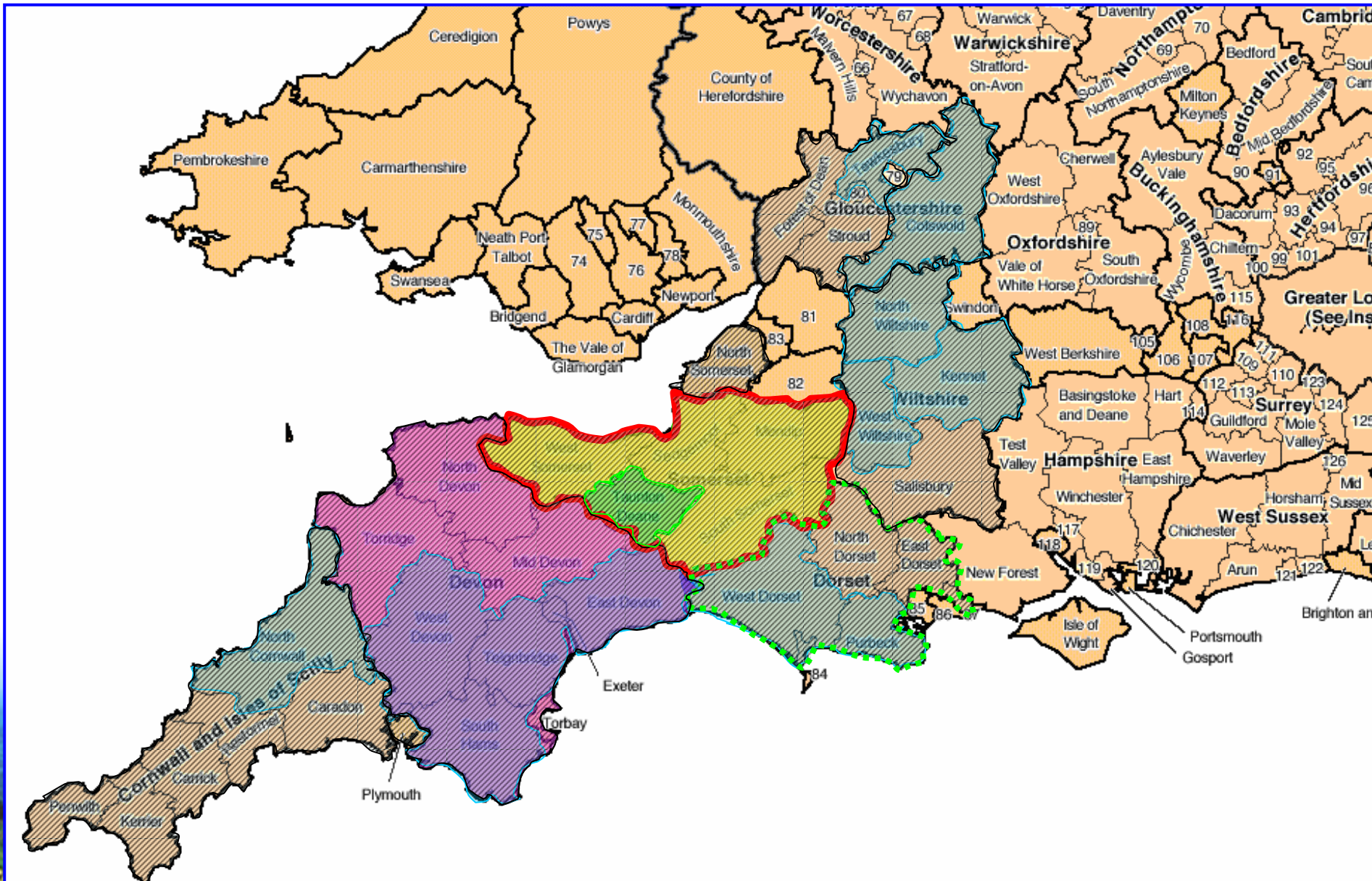


- Get ahead of the curve and become **the** exemplar?
- Attract applicable funding
- Aggressively collaborate
  
- Establish a Regional Service delivery organisation for
  - Local Government services
  - Other public sector services
  - Private sector support & facilitation
  - Voluntary sector support & facilitation
  
- Share services, skills and capacity





# 5 years ? Regional Service



# Conventional view of “Sharing Services”?



- Consolidation of administrative functions into a stand-alone organisational entity
- Its only mission is to provide administration functions efficiently and effectively
- Requires a transformation of the organisation structure, processes and workforce
- High performance culture with focus on service excellence
- Provider and customer have clearly defined responsibilities via SLA's and KPI's



## Another view...



- **Portfolio of services that are required by the whole of the public, private & voluntary Sector:**
  - **Finance & Procurement**
  - **HR & Payroll**
  - **Revenues & Benefits**
  - **ICT**
  - **Public Access**
  - **Property Management**
  - **Design & Print**
  - **Commercial & Legal advice**
  - **Vehicle Fleet services**
  - **Business consultancy**
  - **Training & development (Staff & citizens)**
  - **Business Incubators/accelerators**

*We need a common understanding & language for shared services*

# Potential barriers?



- The scope of services required
- Funding
- Governance
- Ownership
- Capacity
- Geography
- Business case
- Value for money
- Branding
- Politics
- Relationships & operations
- Sustainability

These are not insurmountable issues with the right commercial model

# Commercial Model Options



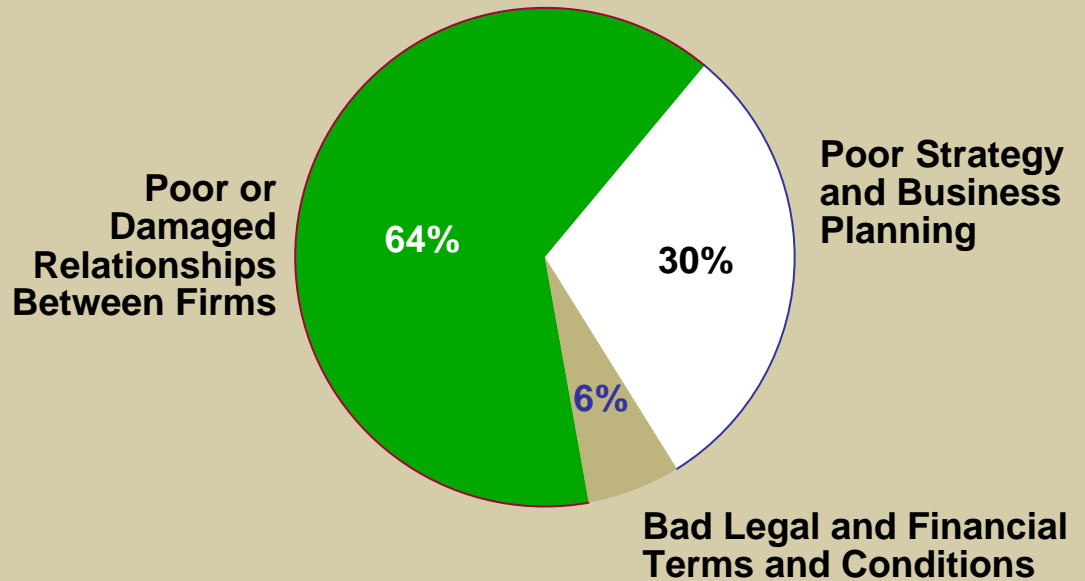


# Importance of the Relationship

*Alliances fail because partners are unable to work together effectively*

- Breakdowns in trust
- Build-up of negative partisan perceptions
- Questioning of one another's motives
- Festering conflicts
- Little joint problem solving
- Feelings of disrespect/coercion

**Foremost Cause of Alliance Failure among Companies that Have Participated in >20 Alliances**



# Relationship management capability needs to be created



## Substantive Issues

### Strategic

Competitive positioning

Business targets, plans and strategies

### Financial

Prices, fees and rates

Financing and equity

### Legal

Technology transfer & licensing terms

Consequences of default

## Relationship Issues

- v Degree of trust
- v Ease of working together
- v Capacity for joint problem-solving
- v Ability to leverage and learn from differences
- v Capacity to resolve conflicts
- v Openness and quality of communication
- v Capacity for taking a “what is best for the venture” perspective

Organisations often invest heavily on the substance...

...but many don't take the time to focus on the relationship, a primary cause of partnership failure.

BT will create that capacity in the new organisation

# Plans for the workshop this afternoon



- Common understanding of shared services
- How real are the barriers
- What are the opportunities for you?

