CHAMPS2 White Paper

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Foreword from Richard Pharro, CEO, APMG

Organisations across the public and private sectors are facing unprecedented budget cuts. Yet, at the same time, they are being tasked with improving their competitive position and, where necessary, addressing failures in key areas.

Given the scale of the requirements, simply tinkering with the current business may not be enough and could jeopardise performance. Organisations need to embark upon radical change that delivers a transformation of services. But how can that change be achieved successfully and deliver quantifiable benefits, whilst managing risk?

How can organisations ensure they achieve, not only the quick wins required to support initial cost saving goals, but also sustain commitment from within the business? The aim is to ensure long term objectives and associated benefits are achieved, from improved customer services to better employee productivity or a step change in organisational efficiency.

The challenge for organisations is to adopt a method that prompts visionary thinking and helps to capture this vision and support

benefit-led change. Traditional business change approaches are focused on improving processes, addressing problems and facilitating project delivery rather than service design.

Developed by a joint venture between Birmingham City Council (BCC) and Capita to support a major transformational programme at the Council, CHAMPS2 helps businesses define a clear vision and provides a method or pathway to help realise the vision and measurable benefits.

And the benefits are tangible: BCC's Customer First programme is in the process of realising £321 million of benefits over ten years, for an investment of £175 million; Corporate Services Transformation is on target to achieve £860 million of benefits over ten years, for an investment of £144 million; and Excellence in People Management is in the process of realising £289 million of benefits over ten years for an investment of £81 million.

This white paper takes a close look at the need for transformational change and the challenges organisations face. It highlights the importance of leadership and the need to take a visionary approach to service design. It also outlines the eight-phase CHAMPS2 model, from defining the vision to aligning an organisation's people, processes and technology with the business strategy and supporting a benefit-led approach to realising objectives.

It is by adopting a proven change method that organisations can manage the risk associated with transformational change and are far more likely to successfully deliver innovation and quantifiable transformation.

Introduction

SETTING THE SCENE

Following two years of significant cuts in spending across the private sector, the public sector is now entering an era of extraordinary financial pressure. But the demand is not for a knee jerk "slash and burn" approach to cost cutting. The government is not only expecting cuts of up to 25% to be achieved through backroom efficiency savings; organisations are also tasked with delivering incremental improvements in front end service delivery. With the private sector similarly tasked with both cost containment and improving competitive position, it is no surprise that virtually every organisation has transformational change on the agenda.

But what does this mean in practice? Too many projects are labelled transformational change, when the reality is anything but transformational. Simply tinkering with models of service delivery rarely achieves any fundamental, long term benefits – and the profits associated with implementing this type of change are often not significant.

Furthermore, delivering change is highly risky; with few projects truly realising the original objectives. Indeed, according to figures from the Boston Consulting Group, on average 71 percent of major changes programmes fail to deliver the benefits on which they were originally predicated.

So just how are organisations to meet the forthcoming challenges without resorting to unfocused cost cutting measures that drastically affect the service provided to customers?

Given the scale of the current challenge, there is a clear need to undertake a real step-change in the quality and cost of delivery of services. And to achieve this, organisations cannot settle simply for improving on what is delivered today, but must create a vision of something fundamentally new. And to reinforce a culture of successful change, these organisations also need a precise way of managing the risks associated with transformation.

Yet, while there are a number of change management methods around, they focus on eliminating problems, streamlining processes and the nuts and bolts of project delivery. Organisations have, to date, lacked an approach that supports the creation and delivery of radical service redesign. Without a method that delivers the vision of a new service, from defining the required outcomes to determining the measures used to realise those outcomes, organisations may struggle to achieve this step change.

Achieving Transformation

A NEW ATTITUDE TO CHANGE

Most organisations should now have the tools, processes and people in place to enable continuous improvement. But transformational change is different. Transformational change drastically improves the chances of meeting new budgetary targets without affecting the quality of front line service delivery, or undermining competitive position/profitability. Indeed, the approach should be one of achieving innovation and efficiency improvements, to create a culture of sustainable improvement in service provision/ competitive position.

So what does this mean in practice? At the heart of transformational change is a new vision. Organisations need to ask new questions; to consider complete service/ product redesign and create a long term vision of services/products/ processes. This involves not only thinking about creating innovative, often cross-functional processes, but also taking the opportunity to improve technology, process and organisation as part of the overall change to foster a culture of true innovation.

At this stage, individuals across the organisation have the chance to define leading edge service models; assess the role the latest technologies can play in improving communication and enabling effective working practices; and debate the viability of cross-function collaboration to streamline processes. The challenge is to achieve this innovation and define the vision in a structured, repeatable manner.

Even tougher is to ensure the focus is sustained, especially in an era of extraordinary financial pressure. Too many projects achieve an initial cost saving, through a surge in productivity, headcount reduction or streamlined processes. But the key to transformational change is to sustain focus beyond the initial achievements. It is essential, therefore, to put in place a model that supports the realisation of benefits to ensure the long term vision and attendant benefits are achieved.

However, middle management is rarely empowered to make the decisions required to facilitate change of this magnitude. It is the leaders at the top of the organisation who have access to information that supports the creation and implementation of strategic change - it is therefore essential to get buy-in from them, from local council cabinets to a board of directors.

With strong leadership, an organisation can use CHAMPS2 to ensure innovation aligns with the strategic direction and that the business case is justified. It is vital to ensure the transformation makes the expected difference to customers, staff and/or costs.

Indeed, senior level staff are committed to ensure benefits realisation remains at the heart of the change programme. But benefits realisation also requires a structured approach. A method can support the organisation to create the vision and plan, develop, and achieve the deliverables. But it must also support a benefits-led approach at every stage. The cost/benefit equation should be refined throughout the operating model and processes designed to ensure subsequent changes support the original vision and that all benefits are realised.

But organisations need not only to improve the chances of successful transformation projects, thus increasing corporate confidence, but also to facilitate the creation of a repeatable model of success; developing a culture that welcomes and seeks out change.

With this culture, an organisation can be confident that day to day changes are undertaken within a proven framework, conforming with the corporate vision or the communications strategy, for example. Every change occurs within the context of the bigger picture.

Creating this culture of successful change will support organisations not only in achieving extraordinary budget targets without damaging front line service delivery, but also in facilitating the simultaneous improvement of services.

Introducing CHAMPS2

EXPLAINING THE PHILOSOPHY

So how can a method support organisations undertaking transformational change? CHAMPS2's background in meeting the needs of the modernising government agenda ensures the method focuses heavily on service redesign.

CHAMPS2 was developed in response to the need for transformational change identified at Birmingham City Council (BCC) several years ago. The Council, the largest local authority in the UK and the second largest council in Europe, had identified several business areas that were underperforming and embarked upon an ambitious process of business transformation, with a strong focus on citizen services, cultural change and efficiency gains.

To support BCC in this transformation, a joint venture was created between the Council and Capita. A single approach to business transformation was required that would provide consistency across the Council and its partners. Adopting the common approach across the partnership was designed to establish a common language, reduce duplication of effort, provide best practice tools and templates and minimise risks and reduce cost.

The common approach provided programme teams with a best practice and benefits-driven method, tools and templates, complemented by a quality management framework. This became known as CHAMPS2.

CHAMPS2 is designed to embed good practice in change management and leadership. It supports an organisation from the initial identification of the strategic need for change all the way through planning and design to benefits realisation.

Using the CHAMPS2 framework, organisations can create the vision but, critically, also ensure the programme defines and refines benefits at every stage. The vision is supported by defined outcomes; with each outcome linked to key, demonstrable benefits. The framework prompts the organisation both to define the required outcomes, and the measures that will be used to demonstrate whether or not outcomes and benefits are achieved.

Taking this approach ensures CHAMPS2 can support an organisation in managing risk and in sustaining its focus on realising benefits throughout the programme lifecycle. The model is split into 8 phases [see box]. The first phases take the organisation through the development of the business case, from strategic, outline and revised. This provides an organisation with a comprehensive business case, supported by detailed outcomes, plus the costs and benefits of the new approach.

In the middle phases of the CHAMPS2 programme, the solution is designed, developed, tested and improved before it is fully implemented.Throughout these phases, the outcomes and benefits models are continually refined and benefit ownership is then allocated to ensure specific individuals are tasked with the responsibility for achieving these outcomes.

The last two phases of CHAMPS2, arguably the most crucial ones, focus heavily on realising these benefits. Monitoring and alerting is used to raise awareness of any problems in achieving benefits delivery, allowing the organisation to undertake rapid review and reallocation of resources or skills as required to ensure the benefits realisation gets back on track.

Eight Phase of CHAMPS2

PHASE 0	**Transformation Initiation**	Identifying the need for change and establishing the strategic outcomes
PHASE 1	**Vision**	Defining the organisation's vision, including specific outcomes, and developing a model for future business operation
PHASE 2	**Planning**	Planning how the business change will be achieved, defining governance and developing a full cost benefit case
PHASE 3	**Design**	Determine the solution and supporting technologies required to deliver the defined outcomes
PHASE 4	**Service Creation and Realisation**	Delivering the design, with new organisation structures, policies, procedures and technical solutions
PHASE 5	**Proving and Transition**	Managing the go live process
PHASE 6	**Stabilisation**	Consolidating and realising the first benefits
PHASE 7	**Benefits Realisation**	Ensuring subsequent changes support the original vision and that all benefits are fully realised.

In essence, the adoption of CHAMPS2 can create an environment and framework that facilitates fundamental change and improves the chances of successful delivery of benefits. By adopting this model, organisations can:

- **Deliver Benefits** – the essence of CHAMPS2 is creating a vision statement supported by concrete, tangible outcomes that can be delivered incrementally, such as ensuring every child has access to a specific service or employee productivity is clearly targeted. The benefit is, therefore, the difference between today's outcome and tomorrow's. And this is key: transformation only makes sense if the difference is noticeable to customers, staff or the bottom line.

  With a business case based on cost benefits, organisations can balance far-reaching aspiration with concrete, achievable, validated outcomes to ensure incremental benefits are delivered throughout the transformational journey.

- **Mitigate risk** – CHAMPS2's structured approach to logical design, detailed design, creation and testing ensures greater insight is gained at every stage, providing greater confidence in the realisation of benefits. With this model, organisations can deliver a solution that works and integrates processes, the organisation and technology.

- **Reduce cost** (and risk) by providing clear guidance, tools and techniques. CHAMPS2 is designed to guide organisations to make decisions at the right time, in the right sequence.

- **Achieve high standards of programme** delivery through the quality management framework integrated within the method.

- **Provide a common language** for programme teams and stakeholders across all change initiatives. It is likely there will be many aspects to change, from new technology to buildings; CHAMPS2 allows the incorporation of existing strategies and methods within the organisation, such as Quality Assurance or procurement.

- **Flexible Model**: This approach can be tailored to fit all sizes of projects or programmes. Indeed, it can be applied to non-transformational projects, delivering benefits whilst also providing a framework that ensures all changes occur within the context of the transformational objective.

- **Ensure leadership control** – CHAMPS2 includes comprehensive approval gates.

- **Build internal change management capability** within the organisation; the leadership commitment combined with business area participation is key to overcoming resistance to change, creating broad experience of successful change and reducing reliance on external consultants

Proven Transformation

THE BIRMINGHAM CITY COUNCIL STORY

Birmingham City Council (BCC) is the largest local authority in the UK. In 2003, the Council was far from the forefront of local government service delivery. Indeed, it was deemed to be one of the lowest – one on a scale of one to four, with few prospects for improvement.

Having embarked on the process of significant transformation, the Council developed an overarching vision, including measurable outcomes to be delivered:
- To achieve a step-change in the quality of services, placing BCC in the top decile compared with other UK local authorities, with an emphasis on significantly increasing customer satisfaction
- To deliver a 15% productivity improvement
- To increase employees' job satisfaction, again placing BCC in the top decile of UK local authorities.

Since the initial business change programmes were implemented in 2006, BCC has seen substantial improvements in services for customers. In addition, the council has achieved significant efficiencies and savings that today make further business change possible across the Council. CHAMPS2 has been key to enabling this transformation and has become embedded in BCC's transformational change culture.

Customers – Customer First

The Customer First programme is changing the way the Council interacts with its customers. It is in the process of realising £321 million of benefits (£197m cashable) over ten years for an investment of £175 million.
- Streamlined customer services with one point of contact with first time resolution
- A single point of contact through channels of choice
- Real-time information on the progress of customer requests.

Employees – Excellence in People Management (EPM)

EPM is in the process of realising £289 million of benefits (£148m cashable) over ten years for an investment of £81 million. The aim is to transform the Council into an authority where staff use their talent, energy, and commitment to serve the public and improve services.
- A flexible, agile and competent workforce that drives service improvement and efficiency
- Clear objective and target setting for individuals which will allow the Council to maximise and reward contributions
- A consistent performance management framework with timely, accurate, and accessible management information.

Efficiencies – Corporate Services Transformation (CST)

Corporate Services Transformation has transformed internal financial services across the council. BCC is on target to achieve benefits of over £860 million (£518m cashable; £342m non cashable) over ten years, for an investment of £144 million.

When completed, the Council will have:
- Delivered new cross-council financial and procurement operations
- Renegotiated supplier contracts and gained efficiencies in service and costs
- Replaced manually intensive tasks with automated and centralised processes
- Trained over 3,000 personnel in new ways of working.

Conclusion

**FACILITATING THE CHANGES
REQUIRED BY PUBLIC AND PRIVATE
SECTOR ORGANISATIONS TODAY**

The need to change the way our organisations operate has probably never been greater. Both public and private sector organisations are under constant pressure to become more efficient and effective. The focus is not just on cost savings but on driving efficiency while improving the quality of services for customers, as well as transforming internal employee productivity and performance.

Incremental change is often insufficient; it is increasingly necessary to fundamentally rethink and radically redesign what we do. But embarking on transformational change is risky. Organisations need to build a culture of successful change and propagate best practice across the business. This requires strong, committed leadership plus a sustained commitment to realising benefits throughout the project.

By adopting a proven change methodology that first helps define the vision and then aligns an organisation's people, processes and technology with the business strategy and supports a benefit-led approach to realising objectives, organisations can manage that risk and are far more likely to successfully deliver innovation and quantifiable transformation.

Further information

www.apmg-international.com

www.champs2.info

CHAMPS2 – Realising Transformational Change brings the accumulated knowledge about transformational change together in one package.
It is a proven approach to successfully delivering transformational change.
CHAMPS2 provides detailed guidance on running, structuring and delivering the desired Benefits of radical change programmes.

The CHAMPS2 method seeks to provide answers to the questions posed by change programmes which make a real and lasting difference.

- How do we radically rethink our processes, organisation and technology?
- What is the potential scope for transformation?
- What are the real Benefits for our customers and stakeholders?
- What happens if the change programme goes off course?
- How do we ensure that we deliver real results?
- What can be done to make sure the solution is implemented consistently and efficiently?

Professional qualifications at Foundation and Practitioner level in CHAMPS2 accompany the CHAMPS2 methodology. They provide recognition of learning and application of the core skills required to run and work with the CHAMPS2 process.

The qualifications are offered through APMG-International, a global examination institute and accreditation body.

APMG-International