

Care Services Efficiency Delivery (CSED) Programme Value Chain Analysis (Reference Model and the 'Wall')

Reference Guide and Templates Release Version 2.0

This presentation pack consists of two parts:

- Guidance notes explaining the use of the template; and
- Blank worksheets each of which is designed to fit on a wall

The guidance is prepared as a presentation to use in conjunction with carrying out the process

The templates should ideally be expanded to A3 size and 'stuck' to a wall for visibility of the whole 'system'

Overview

Support a process analysis (e.g. a 'brown paper' exercise) by:

- Summarising the findings (issues and opportunities) in a concise, but still visible, format;
- Assessing the approximate cost (effort) associated with each stage in the process;
- Capturing the key relevant metrics for assessing the system wide impact of any opportunities;
- Quickly prioritising those opportunities which, intuitively, are likely to deliver the greatest efficiency benefit;
- Validating the scale of such impacts on each part of the process; and
- Converting all of the above into an outline business case format which may be used to compare similar robust opportunities

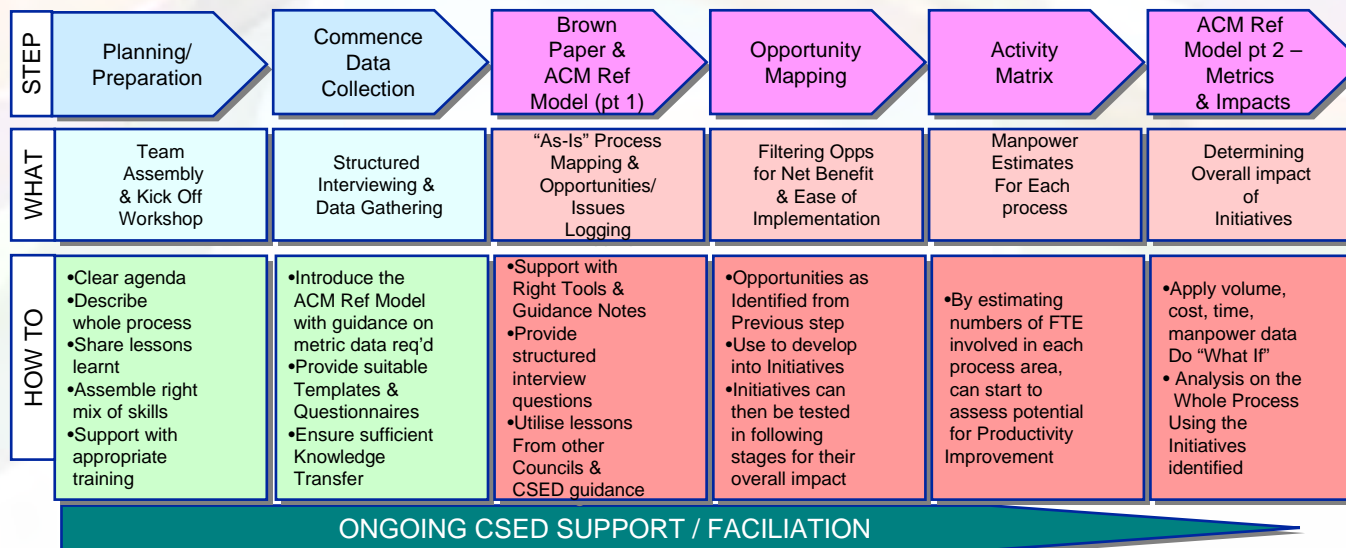
Value Chain Analysis Road Map – A Six Step Approach

STEP	Planning/ Preparation	Commence Data Collection	Brown Paper & ACM Ref Model (pt 1)	Opportunity Mapping	Activity Matrix	ACM Ref Model pt 2 – Metrics & Impacts
WHAT	Team Assembly & Kick Off Workshop	Structured Interviewing & Data Gathering	“As-Is” Process Mapping & Opportunities/ Issues Logging	Filtering Opps for Net Benefit & Ease of Implementation	Manpower Estimates For Each process	Determining Overall impact of Initiatives
HOW TO	<ul style="list-style-type: none"> •Clear agenda •Describe whole process •Share lessons learnt •Assemble right mix of skills •Support with appropriate training 	<ul style="list-style-type: none"> •Introduce the ACM Ref Model with guidance on metric data req'd •Provide suitable Templates & Questionnaires •Ensure sufficient Knowledge Transfer 	<ul style="list-style-type: none"> •Support with Right Tools & Guidance Notes •Provide structured interview questions •Utilise lessons From other Councils & CSED guidance 	<ul style="list-style-type: none"> •Opportunities as Identified from Previous step •Use to develop into Initiatives •Initiatives can then be tested in following stages for their overall impact 	<ul style="list-style-type: none"> •By estimating numbers of FTE involved in each process area, can start to assess potential for Productivity Improvement 	<ul style="list-style-type: none"> •Apply volume, cost, time, manpower data Do “What If” • Analysis on the Whole Process Using the Initiatives identified

ONGOING CSED SUPPORT / FACILITATION

The Scope of this Guidance

- The focus of this document is on the latter four stages of the process (but excluding the brown paper approach)
 - 1. ACM Ref Model (part 1)
 - 2. Opportunity Mapping
 - 3. Activity Matrix
 - 4. ACM Ref Model (part 2)
- It also includes brief mention of business case templates (5).



The Four Tools within the Value Chain Analysis

ROLE	DMS DETAILS			ACM RELATED ACTIVITY										OTHER	CHECK TOTAL	
	Total Staff Full Time Equivalents	Unit Cost (Average per staff type)	Total Staff Cost (£k)	Ultrasound	From End Access	Assessment/Care Plan	Re-assessment/Care Plan	Financial Assessment	Care Placement	Care Package Delivery	Client Contributions	Care Review	Other ACM Activities			ACM Sub-Total
ADULT SERVICES (Older People)																
Team Leaders / Managers	45.0	£96k	£2,982k	1%	1%	10%	2%	2%	7%	2%	12%	3%	4%	47%	53%	100%
Assistant Team Managers / Senior Social Workers	29.0	£25k	£2,335k	3%	12%	2%	8%	5%	6%	11%	3%	7%	10%	40%	40%	100%
Care Managers	35.0	£41k	£1,435k	5%	12%	7%	2%	4%	12%	1%	3%	7%	23%	31%	100%	100%
Field Social Workers	84.0	£22k	£1,848k	9%	11%	3%	1%	12%	5%	1%	0%	1%	3%	52%	43%	100%
Social Services Officers / Social Work Assistants	48.0	£64k	£3,072k	8%	4%	12%	11%	12%	10%	11%	7%	5%	11%	52%	8%	100%
Community workers	31.0	£40k	£1,231k	4%	7%	12%	8%	0%	2%	10%	3%	9%	5%	57%	33%	100%
Occupational Therapists	47.0	£32k	£1,504k	6%	3%	2%	1%	11%	9%	4%	12%	10%	7%	88%	32%	100%
OT Assistants, Equipment Aids & Other Officers	84.0	£50k	£4,200k	1%	9%	4%	8%	12%		5%	12%	11%	1%	52%	40%	100%
Technical Officers	75.0	£28k	£2,100k	7%	6%	10%	4%	12%	2%	12%	2%	10%		65%	35%	100%
Repeat for specialist areas as required	60.0	£29k	£1,680k	0%	8%	4%	12%	0%	10%	12%	11%	4%	3%	76%	24%	100%
Sub-Total for Direct Staff (FTEs)	538			30	40	33	30	80	30	35	35	21	33	338	200	538
Sub-Total for Direct Staff (Approx Cost)		£40k	£1,477k		£1,007k	£1,475k	£1,480k	£1,289k	£1,922k	£1,228k	£1,243k	£1,407k	£343k	£13,500k	£7,989k	£21,477k
INDIRECT STAFF																
Strategic / Central Staff	2.0	£48k	£92k	12%	4%	1%	4%	1%	9%	5%	8%	12%	11%	67%	33%	100%
Senior directing staff	4.0	£40k	£159k	10%	1%	1%	1%	11%	2%	9%	8%	2%	12%	57%	43%	100%
Planning staff	9.0	£36k	£324k	5%	9%	1%	3%	9%	2%	11%	11%	1%	6%	61%	39%	100%
Senior support staff	4.0	£37k	£147k	10%	11%	11%	2%	10%	7%	9%	6%	3%		69%	31%	100%
Finance	4.0	£42k	£167k	2%		1%	10%	3%	4%	9%	1%	5%	1%	35%	64%	100%
IT	1.0	£28k	£28k	7%	9%	4%	10%	10%	7%	5%	11%	3%	5%	70%	30%	100%
HR	24	£58k	£912k	£72k	£58k	£25k	£37k	£70k	£37k	£84k	£86k	£31k	£51k	£527k	£384k	£911k
Sub-Total for Indirect Staff	24	£58k	£911k	£72k	£58k	£25k	£37k	£70k	£37k	£84k	£86k	£31k	£51k	£527k	£384k	£911k
GRAND TOTAL	560	£40k	£2,388k	£1,080k	£1,533k	£1,485k	£1,324k	£2,021k	£1,359k	£1,326k	£1,487k	£660k	£14,037k	£8,353k	£22,390k	
Cost as a percent of ACM Total				8%	11%	11%	9%	14%	8%	8%	11%	10%	7%	100%		

Steps 1 & 4. The ACM Ref Model (the Wall)

Step 3. Activity Responsibility Matrix

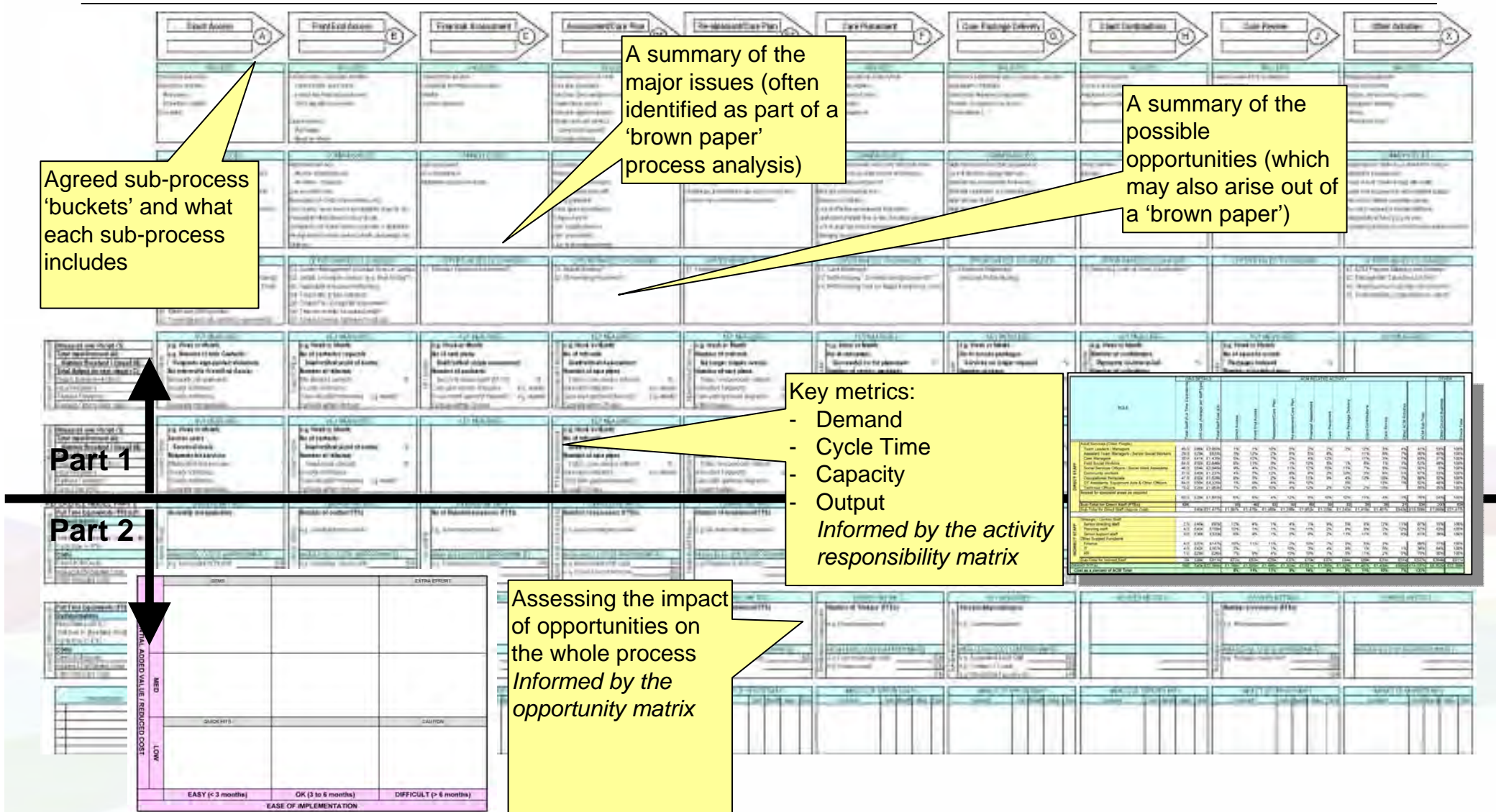
	GEMS		EXTRA EFFORT
POTENTIAL ADDED VALUE / REDUCED COST	HIGH		
	MED		
	LOW	QUICK HITS	CAUTION
EASE OF IMPLEMENTATION			
	EASY (< 3 months)	OK (3 to 6 months)	DIFFICULT (> 6 months)

Step 2. Quick Prioritisation Matrix

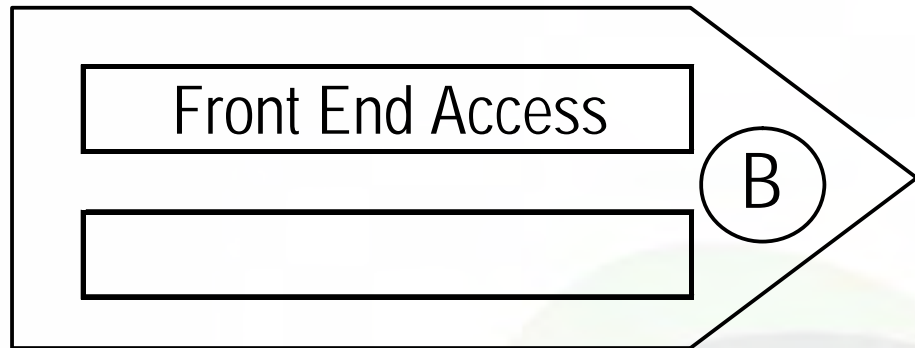
Step 5. Outline Business Case

Step 1 : ACM Reference Model (The Wall) Part 1

Step 1 & 4. The 'Value Chain' Wall Chart



1A. Sub-Process Definition



INCLUDES:-
Contact centre / Duty team activities
Contact needs assessment
Introductory financial assessment
FACS eligibility assessment
Simple services
Blue badge
Meals on wheels

Objective

- To agree the sub-processes and what is included within them

Approach

1. For each sub-process
 - a) Agree the label
 - b) Discuss and agree what is included
2. Add / remove sub-processes as required

Comments

- No more than 10 sub-processes
- Distinct activity which can be / are carried out by different functions

1B. The Core Sub-Processes

Core Sub-Processes (CSED View)

- A. Direct Access
- B. Front End Access
- C. Financial Assessment
- D. Assessment / Care Plan*
- E. Reablement / Care Plan*
- F. Care Placement
- G. Care Package Delivery
- H. Client Contributions
- J. Care Review

- X. Other Activities

Comments

- Whilst presented sequentially, the sub-processes are not necessarily so e.g.
 - There are elements of the financial assessment process which can run before / in parallel with needs assessment.
- Note that the process includes the activities prior to entering the formal ACM system
 - Allows for mapping of the prevention agenda
- The final element 'Other Activities' is a catch-all included to provide the means to reconcile the process costs and activities with commonly reported figures

1C. Issues and Opportunities

COMMON ISSUES :-

High failure demand
Missed / abandoned calls
Re-entries / chase-ups
Low resolution rates
Many points of contact (inconsistency, etc)
Lack of quick assessment (care eligibility, financial, etc)
Poor quality information on nature of calls
Configuration of contact centre (corporate vs dedicated)
Arrangement of simple services (meals, blue badge, etc)
Skills mix

OPPORTUNITIES TO CONSIDER :-

B1 Access Management (Contact Service Configur
B2 Switch on simple services (e.g. Blue Badge*)
B3 Immediate Assessment Booking
B4 Frequently asked questions
B5 Simple FACS eligibility assessment
B6 Transfer activity to contact centre
B7 Contact Service Optimum Functions

Objective

- To summarise the issues and opportunities known to the team

Approach

1. Where a 'brown paper' exercise exists, simply transcribe the main findings
2. Alternatively, using brainstorming techniques, populate the boxes
3. Preferably capture opportunities on 'Post-Its' (see later)

Comments

- Do issues and opportunities together – where possible convert each issue / group of issues into an opportunity
- Number the opportunities – it helps for later
- Brainstorm at this time – do not restrict free thinking

1D. Key Measures

Channel 1 (mainly internal)		KEY MEASURES :-		
Measured over Period (T):		Council Offices	e.g. Week or Month	
Total Input Demand (A):			No of contacts / requests	
Number Resolved / Closed (B):			Dealt with at point of contact	
Total Output (to next stage) (C):			Number of referrals	
Failure Demand =A-(B+C):			Mis-directed contacts	%
Input Frequency :			Usually continuous	
Release Frequency :			Case allocation frequency e.g. weekly	
Average Time to clear stage :		Typically within 48 hours		

Objective

- To capture the main measures affecting a sub-process

Approach

1. Get whatever information is readily available from existing management information
2. To identify failure demand it may be necessary to put in place additional measures or carry out 'a day-in-the-life-of' type study

Comments

- The data does not have to be exact at this stage (approximations are OK).
- From these core measures it is also possible to derive more technical metrics (see later)

Core Metric	Description
Measured over Period (T)	To identify over what period the measures are taken (it helps to use a consistent period)
Total Input Demand	The total number of requests into the sub-process
Number Resolved / Closed	Demand which is successfully closed / resolved without being passed on to the next sub-process
Total Output (to next stage)	Having being processed, the average output passed on to the next sub-process.
Failure Demand	Demand which is potentially unnecessary (created by the process itself or routed to the wrong place)
Input Frequency	How often 'batches' of work are allowed to enter the sub-process (e.g. if controlled by a weekly allocation meeting)
Release Frequency	How often 'batches' of work are passed on to the next stage. E.g. if there is a weekly approval process
Average Time to clear stage	The average elapsed time for a demand to pass through the sub-process

1E. Key Measures – Use of ‘Channels’

Channel 1 (mainly internal)		KEY MEASURES :-	KEY MEASURES :-
Measured over Period (T):		e.g. Week or Month	e.g. Week or Month
Total Input Demand (A):		e.g. Number of Web Contacts	e.g. Number of contacts / requests
Number Resolved / Closed (B):		Requests sign-posted elsewhere	Dealt with at point of contact
Total Output (to next stage) (C):		No referred to Front End Access	Number of referrals
Failure Demand =A-(B+C):		Generally not applicable	Mis-directed contacts %
Input Frequency:		Usually continuous	Usually continuous
Release Frequency:		Usually continuous	Case allocation frequency e.g. weekly
Average Time to clear stage:		Generally not applicable	Typically within 48 hours
		Council Offices	Council Offices

Channel 2 (Often external)		KEY MEASURES :-	KEY MEASURES :-
Measured over Period (T):		e.g. Week or Month	e.g. Week or Month
Total Input Demand (A):		Service users	Number of contacts
Number Resolved / Closed (B):		Serviced Users	Dealt with at point of contact %
Output Rate (C):		Requests for services	Number of referrals
Failure Demand =A-(B+C):		Misdirected service users	Unnecessary contacts %
Input Frequency:		Usually continuous	Usually continuous
Release Frequency:		Usually continuous	Case allocation frequency e.g. weekly
Cycle Time (F/A):		Generally not applicable	Typically within 48 hours
		Contact Centre	Contact Centre

40%

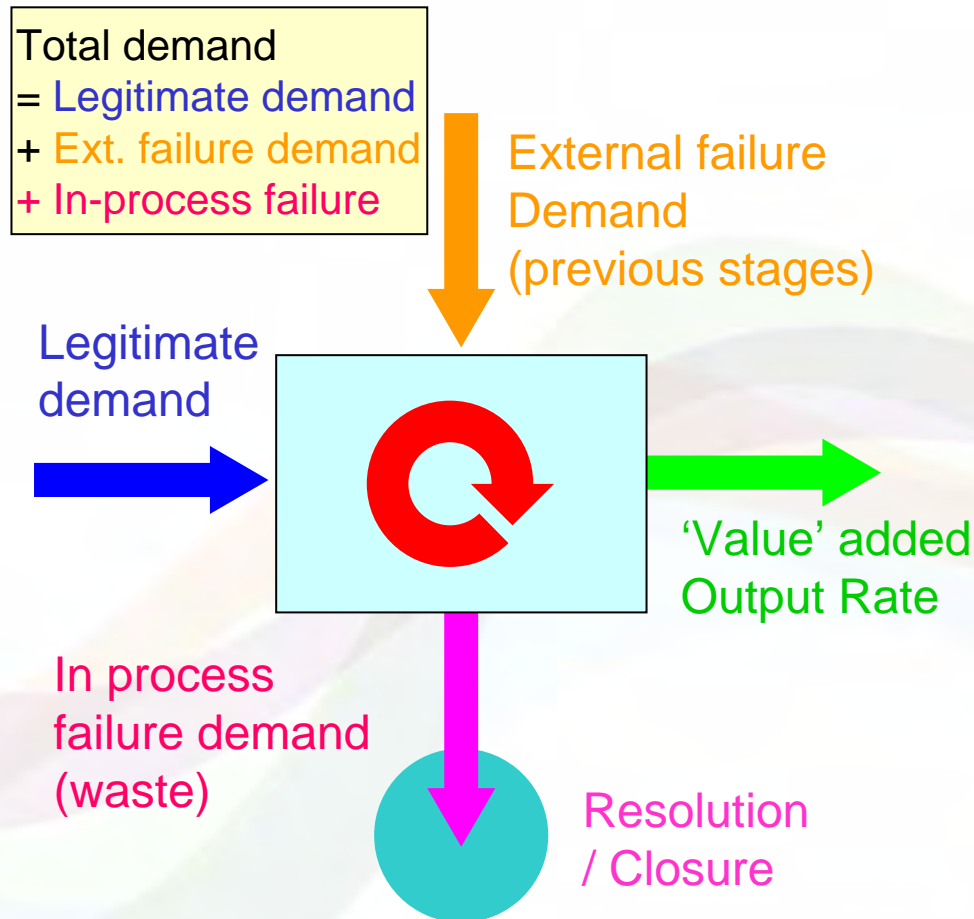
60%

- The idea of ‘channels’ is that they cover the same stage in the process (with similar issues and opportunities) but via different mechanisms
 - They may split e.g. social worker and OT referrals from initial contact
 - They may combine e.g. multiple referral sources into single assessment
- Concentrate on the main channels (usually no more than two)

1F. Different 'Channels' - Examples

A. Direct Access	Web / Leaflets	3 rd Sector / Prevention
B. Front End Access	Council Offices	Contact Centre
C. Financial Assessment	On location	
D. Assessment / Care Plan*	Social Care Assessment	OT Assessment
E. Reablement / Care Plan*	Discharge Route	Intake Route
F. Care Placement	Home Care	Residential Care
G. Care Package Delivery	Home Care	Residential Care
H. Client Contributions	Payment Collection	
J. Care Review	Home Care	Residential Care

1G. The Importance of Demand Analysis



Objective

- Identify valid demand, maximise early resolution/closure and identify waste;
 - Unnecessary demand from earlier sub-processes;
 - Demand created by duplication and repetition

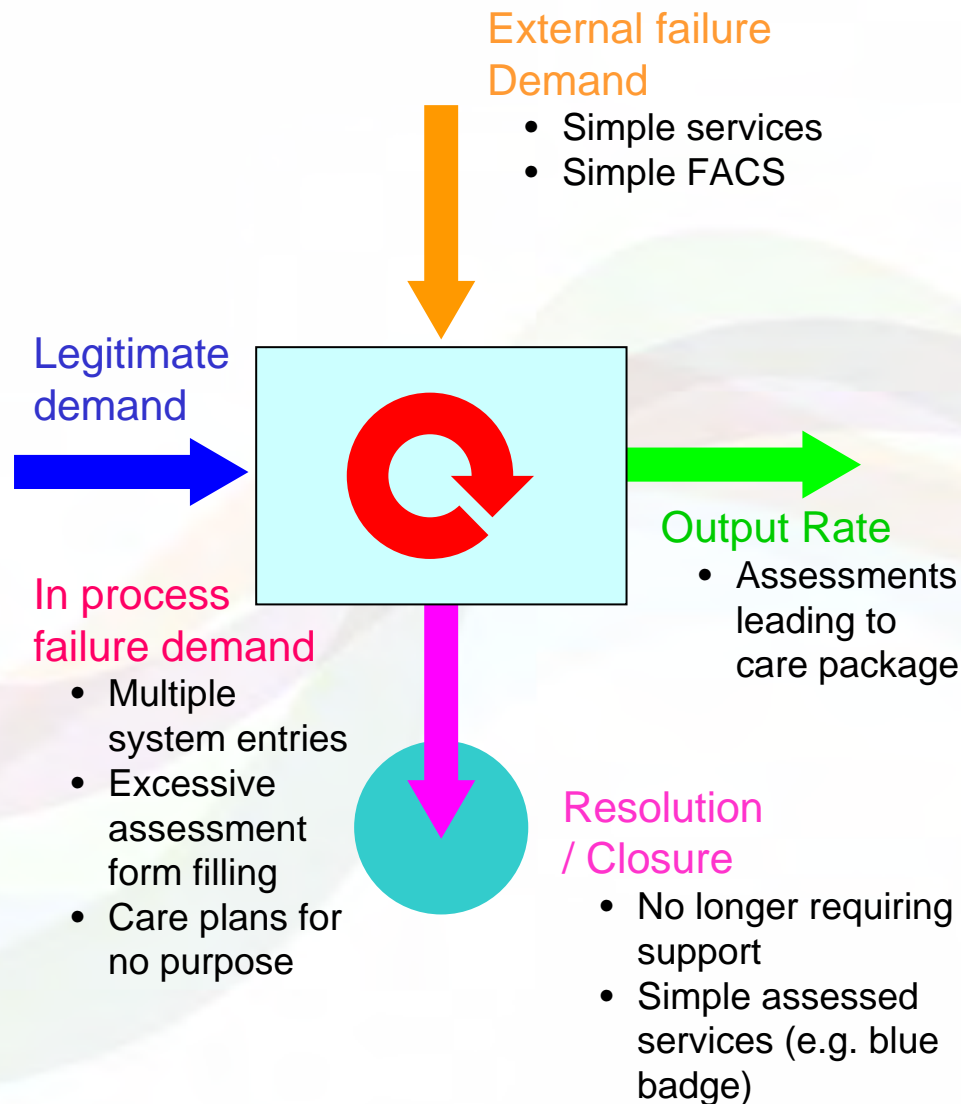
Approach

1. Identify total demand
2. Identify what is meant by resolution
3. If you have a mechanism to categorise demand then use this
4. Brainstorm areas of potential unnecessary external demand
5. Brainstorm examples of internal waste
6. Quantify all of the above
7. At a later stage you may want to put in place temporary measures to capture this

Comment

- Downstream sub-processes should ideally be sized to suit the output demand from the current process

1H. The Demand Metrics – An Example (Assessment)



Comments

- In an ideal world:
Total Output = Input Demand – Resolution / Closure
- In practice such an ideal may be cost prohibitive to achieve
 - Be pragmatic
 - In service industries 50% is not untypical
 - The key is to reduce handling time for such demands
- External failure demand is usually a consequence of another sub-process inappropriately routing demand
 - even if a ‘nuisance’ such input may still be best handled here
 - It is an efficiency decision which determines appropriateness
- A common fix is to improve the resolution in previous sub-process/es
 - Do not confuse failure demand with root cause

1J. A summary so far ...

Start Asses	Post-Eval Asses	Financial Assessment	Assessment of the Role	Service Model/Case Plan	Case Planning	Case Package Delivery	Client Satisfaction	Cost Review	Other Activities
<i>(Detailed description of Start Asses process)</i>	<i>(Detailed description of Post-Eval Asses process)</i>	<i>(Detailed description of Financial Assessment process)</i>	<i>(Detailed description of Assessment of the Role process)</i>	<i>(Detailed description of Service Model/Case Plan process)</i>	<i>(Detailed description of Case Planning process)</i>	<i>(Detailed description of Case Package Delivery process)</i>	<i>(Detailed description of Client Satisfaction process)</i>	<i>(Detailed description of Cost Review process)</i>	<i>(Detailed description of Other Activities process)</i>
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- By now, probably in conjunction with a ‘brown paper’ exercise, you have collected key findings, opportunities and measures associated with the process steps

Step 2 : Quick Prioritisation Matrix

2. First Stage Opportunity Prioritisation

POTENTIAL ADDED VALUE / REDUCED COST	HIGH	GEMS		EXTRA EFFORT
	MED			
	LOW	QUICK HITS		CAUTION
		EASY (< 3 months)	OK (3 to 6 months)	DIFFICULT (> 6 months)
EASE OF IMPLEMENTATION				

Objective

- To identify on the top half-dozen or so opportunities

Approach

1. Agree the definitions of Easy, OK and Difficult to implement
2. Agree the definitions of High, Medium and Low value
3. If Post-Its were used in stage 1C get the group to place the opportunities on a wall sized version of the matrix (remember to mark-up the sub-process on the Post-It first)
4. If 'Post-Its' were not used use small 'Post-Its' and the opportunity reference instead
5. Having placed them on the matrix you will hopefully be able to pick the initial top priorities (based on value and ease)

Comments

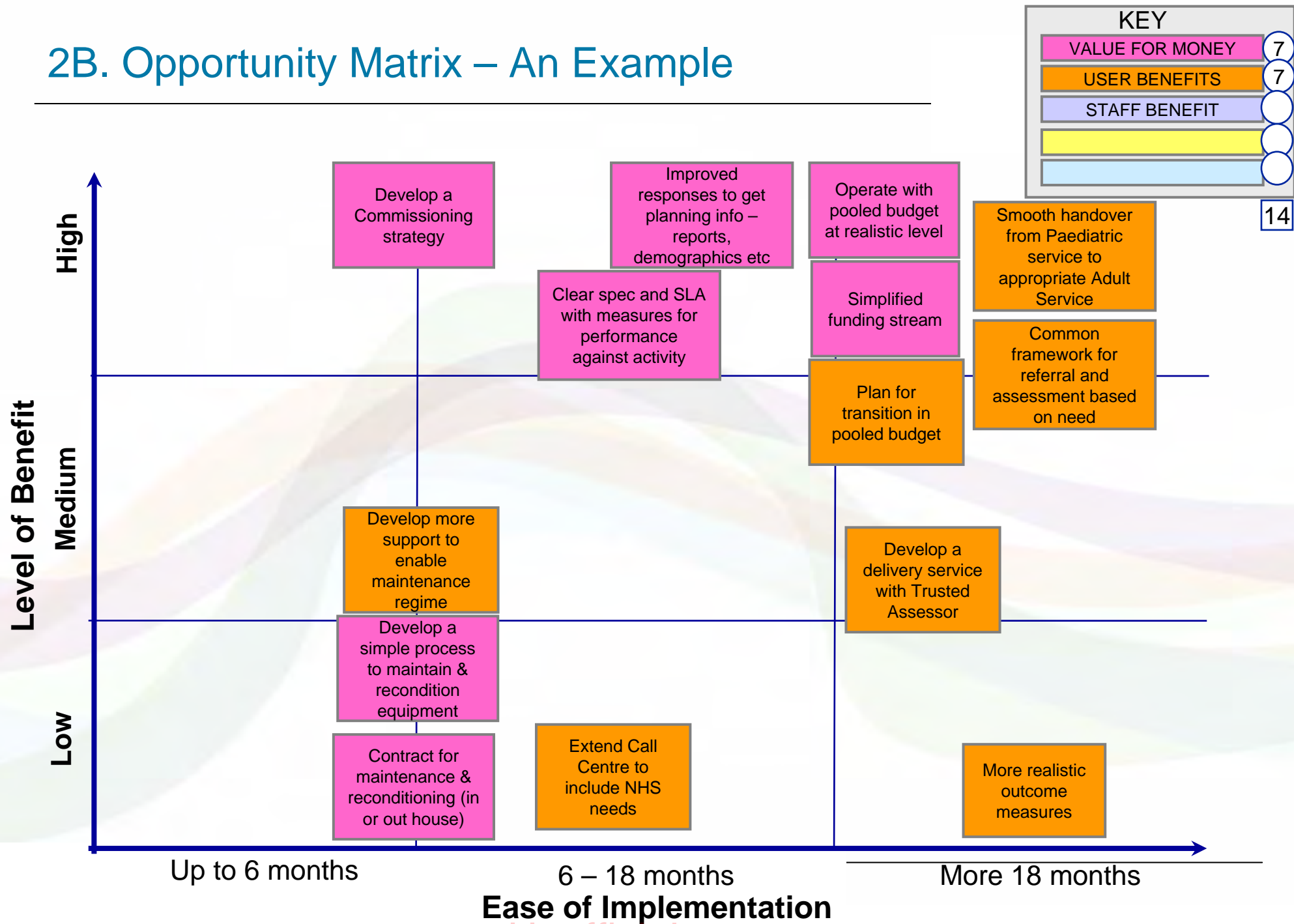
- If you still have too many to consider use 'dot' voting

2A. The Opportunity Matrix Template

<p>A1 Easy to Implement (typically <= 3 months)</p> <p>High Value (typically in £000s k)</p> <table border="1"> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> </table>																																	<p>B1 OK to Implement (typically between 3 & 6 months)</p> <p>High Value (typically in £000s k)</p> <table border="1"> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> </table>																																	<p>C1 Difficult to Implement (typically > 6 months)</p> <p>High Value (typically in £000s k)</p> <table border="1"> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> </table>																																
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- For convenience of printing onto a format useful within a workshop context each part of the matrix has been put onto a separate sheet within the appendices (recommended to print off / photocopy at A3 size).

2B. Opportunity Matrix – An Example



Step 3 : Activity Responsibility Matrix

3. Activity Responsibility Matrix (Capacity)

ROLE	ORG DETAILS			ACM RELATED ACTIVITY											OTHER	
	Total Staff (Full Time Equivalents)	Unit Cost (Average per staff type)	Total Staff Cost (£k)	Direct Access	Front End Access	Assessment/Care Plan	Re-ablement/Care Plan	Financial Assessment	Care Placement	Care Package Delivery	Client Contributions	Care Review	Other ACM Activities	ACM Sub-Total	Other Council Business	Check Total
DIRECT STAFF																
Adult Services (Older People)																
Team Leaders / Managers	45.0	£66k	£2,992k	1%	1%	10%	5%	2%	7%	2%	12%	3%	4%	47%	53%	100%
Assistant Team Managers / Senior Social Workers	29.0	£29k	£833k	3%	12%	2%	6%	5%	6%		11%	8%	7%	60%	40%	100%
Care Managers	35.0	£41k	£1,435k	5%	12%	7%	2%	4%	12%		11%	3%	7%	63%	37%	100%
Field Social Workers	84.0	£32k	£2,646k	9%	11%	3%	1%	12%	5%	1%	6%	1%	3%	52%	48%	100%
Social Services Officers / Social Work Assistants	46.0	£64k	£2,948k	9%	4%	12%	11%	12%	10%	11%	7%	5%	11%	92%	8%	100%
Community workers	31.0	£40k	£1,237k	4%	7%	12%	6%	9%	2%	10%	3%	9%	5%	67%	33%	100%
Occupational therapists	47.0	£32k	£1,526k	9%	3%	2%	1%	11%	9%	4%	12%	10%	7%	68%	32%	100%
OT Assistants, Equipment Aids & Other Officers	84.0	£50k	£4,226k	1%	9%	4%	8%	12%		5%		12%	1%	52%	48%	100%
Technical Officers	75.0	£26k	£1,953k	7%	6%	10%	4%	12%	2%	12%	2%	10%		65%	35%	100%
Repeat for specialist areas as required																
...	60.0	£28k	£1,681k	6%	8%	4%	12%	6%	10%	12%	11%	4%	3%	76%	24%	100%
Sub-Total for Direct Staff (FTEs)	536			30	40	33	30	50	30	32	35	35	21	336	200	536
Sub-Total for Direct Staff (Approx Cost)		£40k	£21,477k	£1,097k	£1,475k	£1,460k	£1,286k	£1,952k	£1,228k	£1,243k	£1,418k	£1,407k	£943k	£13,509k	£7,968k	£21,477k
INDIRECT STAFF																
Strategic / Central Staff																
Senior directing staff	2.0	£46k	£92k	12%	4%	1%	4%	1%	9%	5%	8%	12%	11%	67%	33%	100%
Planning staff	4.0	£40k	£159k	10%	1%	1%	1%	11%	2%	9%	8%	2%	12%	57%	43%	100%
Senior support staff	9.0	£36k	£320k	8%	9%	1%	3%	9%	2%	11%	11%	1%	6%	61%	39%	100%
Other Support Functions																
Finance	4.0	£37k	£147k	10%	11%	11%	2%	10%	7%	9%	6%	3%		69%	31%	100%
IT	4.0	£42k	£167k	2%		1%	10%	3%	4%	9%	1%	5%	1%	36%	64%	100%
HR	1.0	£26k	£26k	7%	9%	4%	10%	10%	7%	5%	11%	2%	5%	70%	30%	100%
Sub-Total for Indirect Staff	24	£38k	£911k	£72k	£53k	£25k	£37k	£70k	£37k	£84k	£69k	£31k	£51k	£527k	£384k	£911k
GRAND TOTAL	560	£40k	£22,388k	£1,169k	£1,528k	£1,485k	£1,324k	£2,021k	£1,265k	£1,326k	£1,487k	£1,438k	£995k	£14,037k	£8,352k	£22,388k
Cost as a percent of ACM Total				8%	11%	11%	9%	14%	9%	9%	11%	10%	7%	100%		

- The objective of completing this matrix is twofold:
 1. to establish approximate 'direct' FTEs for each sub-process; and
 2. To establish approximate costs for each stage (simplified activity based costing)

3A. The Matrix in Detail (1) – Organisation & Cost



ROLE	ORG DETAILS		
	Total Staff (Full Time Equivalents)	Unit Cost (Average per staff type)	Total Staff Cost (£k)
DIRECT STAFF			
Adult Services (Older People)			
Team Leaders / Managers	55.0	£69k	£3,784k
Assistant Team Managers / Senior Social Workers	49.0	£57k	£2,780k
Care Managers	83.0	£48k	£4,012k
Field Social Workers	50.0	£70k	£3,494k
Social Services Officers / Social Work Assistants	65.0	£28k	£1,809k
Community workers	77.0	£46k	£3,550k
Occupational therapists	37.0	£51k	£1,882k
OT Assistants, Equipment Aids & Other Officers	32.0	£41k	£1,323k
Technical Officers	85.0	£52k	£4,434k
Repeat for specialist areas as required			
...	57.0	£63k	£3,584k
Sub-Total for Direct Staff (FTEs)	590		
Sub-Total for Direct Staff (Approx Cost)		£52k	£30,653k
INDIRECT STAFF			
Strategic / Central Staff			
Senior directing staff	10.0	£29k	£294k
Planning staff	9.0	£66k	£594k
Senior support staff	10.0	£59k	£592k
Other Support Functions			
Finance	4.0	£54k	£215k
IT	9.0	£36k	£324k
HR	3.0	£21k	£62k
Sub-Total for Indirect Staff	45	£46k	£2,080k
GRAND TOTAL	635	£52k	£32,733k
Cost as a percent of ACM Total			

Objective

- To identify the categories of staff having a direct and indirect impact on the process

Approach

1. Using known organisation data identify the different categories of staff
2. Identify those who directly influence the capacity of the process (i.e. who affect the throughput)
3. Identify those who have an indirect impact (i.e. are part of the cost but who do not directly influence capacity)
4. Capture the number of full time equivalents for each category
5. Using average salaries (including people related on-costs – pensions, NI, benefits) calculate the cost
6. Check for consistency with known departmental budgets

Comments

- There are likely to be cases where categories may be both direct and indirect (e.g. finance generally versus finance within a financial assessment context). In such cases split into distinct categories
- Only include those indirect functions which have routine input – the purpose is to identify approximate cost and impacts
- If you have separate ‘channels’ create separate categories of staff for each channel

3B. The Matrix in Detail (2) – Proportional split

ROLE	ORG DETAILS			ACM RELATED ACTIVITY											OTHER	
	Total Staff (Full Time Equivalents)	Unit Cost (Average per staff type)	Total Staff Cost (£k)	Direct Access	Front End Access	Assessment/Care Plan	Re-ablement/Care Plan	Financial Assessment	Care Placement	Care Package Delivery	Client Contributions	Care Review	Other ACM Activities	ACM Sub-Total	Other Council Business	Check Total
Adult Services (Older People)																
Team Leaders / Managers	45.0	£66k	£2,992k	1%	1%	10%	5%	2%	7%	2%	12%	3%	4%	47%	53%	100%
Assistant Team Managers / Senior Social Workers	29.0	£29k	£833k	3%	12%	2%	6%	5%	6%		11%	8%	7%	60%	40%	100%
Care Managers	35.0	£41k	£1,435k	5%	12%	7%	2%	4%	12%		11%	3%	7%	63%	37%	100%
Field Social Workers	84.0	£32k	£2,646k	9%	11%	3%	1%	12%	5%	1%	6%	1%	3%	52%	48%	100%

Objective

- To estimate the approximate proportion of time groups of individuals spend on the individual sub-processes

Approach

1. For each group of people approximate how much of their time they spend on each activity
2. If they do 'other' activities put this in the last 'Other' column (expand the latter if desired)

Comments

- Do not worry about it being too accurate – at this stage a good experience based estimate is good enough – generally work to the nearest 5%
- Do not worry about the row adding up to 100% - once you are happy with the split it can be adjusted later
- The key requirement is people who know the business

3C. The Matrix in Detail (2) – Complete for all rows

ROLE	ORG DETAILS			Direct Access	Front End Access	
	Total Staff (Full Time Equivalents)	Unit Cost (Average per staff type)	Total Staff Cost (£k)			
DIRECT STAFF	Adult Services (Older People)					
	Team Leaders / Managers	45.0	£66k	£2,992k	1%	1%
	Assistant Team Managers / Senior Social Workers	29.0	£29k	£833k	3%	12%
	Care Managers	35.0	£41k	£1,435k	5%	12%
	Field Social Workers	84.0	£32k	£2,646k	9%	11%
	Social Services Officers / Social Work Assistants	46.0	£64k	£2,948k	9%	4%
	Community workers	31.0	£40k	£1,237k	4%	7%
	Occupational therapists	47.0	£32k	£1,526k	9%	3%
	OT Assistants, Equipment Aids & Other Officers	84.0	£50k	£4,226k	1%	9%
	Technical Officers	75.0	£26k	£1,953k	7%	6%
	Repeat for specialist areas as required					
	...	60.0	£28k	£1,681k	6%	8%
	Sub-Total for Direct Staff (FTEs)	536			30	40
	Sub-Total for Direct Staff (Approx Cost)		£40k	£21,477k	£1,097k	£1,475k
INDIRECT STAFF	Strategic / Central Staff					
	Senior directing staff	2.0	£46k	£92k	12%	4%
	Planning staff	4.0	£40k	£159k	10%	1%
	Senior support staff	9.0	£36k	£320k	8%	9%
	Other Support Functions					
	Finance	4.0	£37k	£147k	10%	11%
	IT	4.0	£42k	£167k	2%	
	HR	1.0	£26k	£26k	7%	9%
	Sub-Total for Indirect Staff	24	£38k	£911k	£72k	£53k
GRAND TOTAL		560	£40k	£22,388k	£1,169k	£1,528k
Cost as a percent of ACM Total					8%	11%

Objective

- To complete the matrix for all 'Direct' and 'Indirect' staff

Approach

- For each grouping of staff repeat the row in turn
- Having completed it for direct staff, identify any significant indirect inputs (which contribute to the cost)

Comments

- Include lost time (training, meetings, etc under 'Other ACM Activities'
- If not ACM related use the 'Other Council Business' column

3D. The Matrix in Detail (3) – Calculate and check totals

ROLE	ORG DETAILS				
	Total Staff (Full Time Equivalents)	Unit Cost (Average per staff type)	Total Staff Cost (£k)	Direct Access	
DIRECT STAFF	Adult Services (Older People)				
	Team Leaders / Managers	55.0	£69k	£3,784k	
	Assistant Team Managers / Senior Social Workers	49.0	£57k	£2,780k	10%
	Care Managers	83.0	£48k	£4,012k	5%
	Field Social Workers	50.0	£70k	£3,494k	10%
	Social Services Officers / Social Work Assistants	65.0	£28k	£1,809k	3%
	Community workers	77.0	£46k	£3,550k	2%
	Occupational therapists	37.0	£51k	£1,882k	11%
	OT Assistants, Equipment Aids & Other Officers	32.0	£41k	£1,323k	1%
	Technical Officers	85.0	£52k	£4,434k	4%
	Repeat for specialist areas as required				
	...	57.0	£63k	£3,584k	2%
	Sub-Total for Direct Staff (FTEs)	590			26
	Sub-Total for Direct Staff (Approx Cost)		£52k	£30,653k	£1,423k
INDIRECT STAFF	Strategic / Central Staff				
	Senior directing staff	10.0	£29k	£294k	10%
	Planning staff	9.0	£66k	£594k	2%
	Senior support staff	10.0	£59k	£592k	2%
	Other Support Functions				
	Finance	4.0	£54k	£215k	3%
	IT	9.0	£36k	£324k	2%
	HR	3.0	£21k	£62k	2%
	Sub-Total for Indirect Staff	45	£46k	£2,080k	100%
GRAND TOTAL		635	£52k	£32,733k	£1,522k
Cost as a percent of ACM Total					8%

Objective

- To normalise the percentages and calculate approximate direct FTEs and approximate cost per activity

Approach

- Calculate the FTEs by summing up the multiple of the number of direct staff by their % input
- Calculate the cost by summing up the multiple of staff costs (direct and indirect) by their % input
- Do a reality check

Comments

- Remember to factor the percentages if they do not add up to 100%
- Ideally use the live spreadsheet version of the template with a data projector

3E. Activity / Responsibility Matrix – An Example

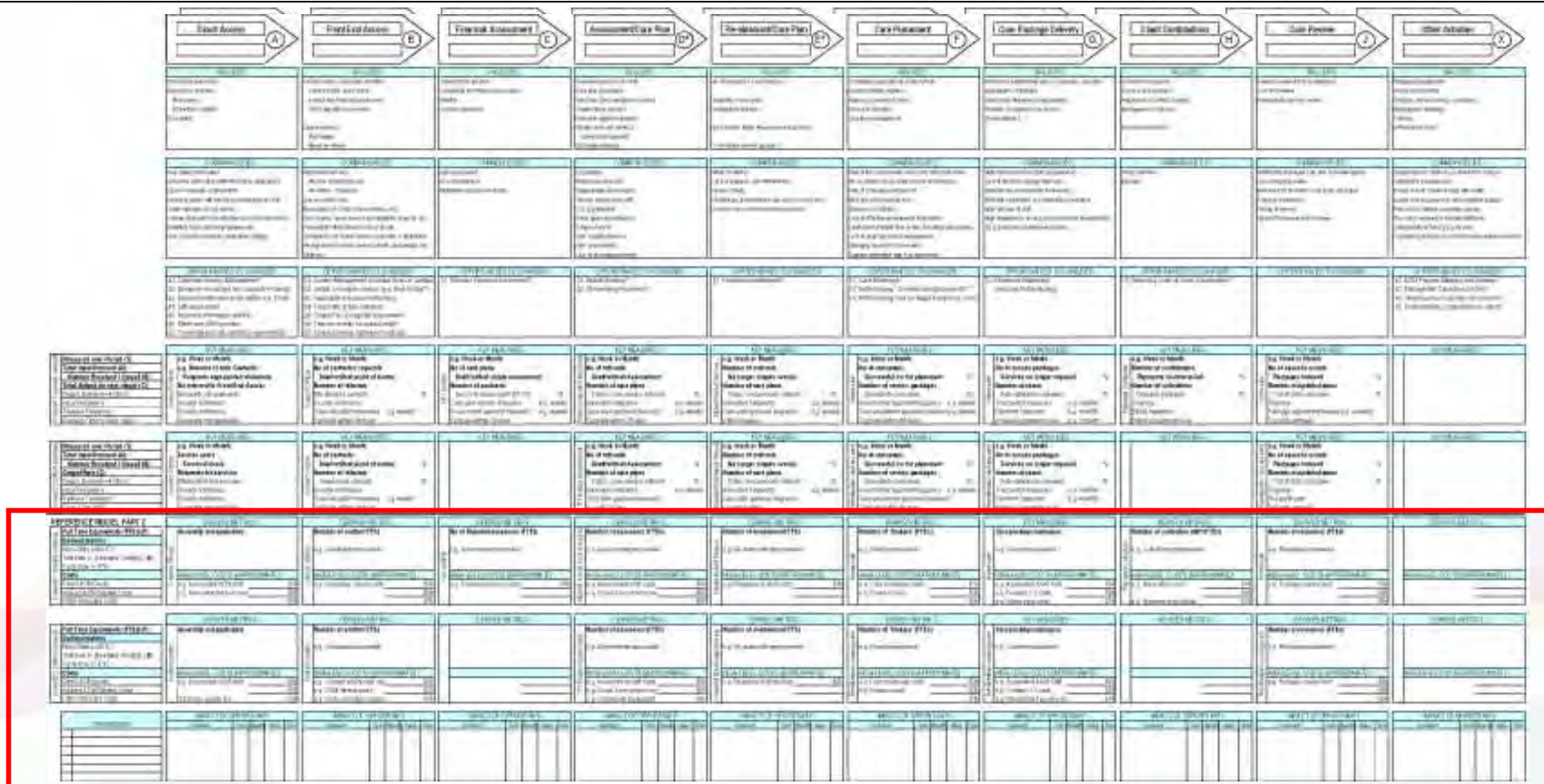


ROLE	ORG DETAILS			ACM RELATED ACTIVITY										OTHER	
	Total Staff (Heads)	Unit Cost of Staff (£K)	Total Staff Cost (£K)	Direct Access	Contact & Referral	Allocation and assessment	Care Planning	Arranging services	Service delivery	Financial Assessment	Reviews	Other ACM Activities	ACM Sub-Total	Other Council Business	Check Total
DIRECT STAFF															
OP/PSI & LD															
Team Managers	14	£41k	£576k		5%	10%	5%	5%	10%	10%	5%	45%	95%	5%	100%
Senior Practitioners	14	£37k	£523k		5%	15%	10%	10%	10%	5%	5%	35%	95%	5%	100%
Social Workers	53	£31k	£1,641k			20%	10%	10%	10%	5%	15%	25%	95%	5%	100%
Assessment Review Co-ordinators	28	£27k	£746k			20%	10%	10%	10%	5%	15%	25%	95%	5%	100%
Administrative Assistants	28	£19k	£520k		10%	10%	5%			5%		60%	90%	10%	100%
Care Direct Occupational Therapists	1	£31k	£31k		5%	25%	5%	10%	5%		5%	35%	95%	5%	100%
Senior Care Advisors	2	£31k	£62k		50%	5%			5%			30%	90%	10%	100%
Care Direct Advisors	14	£23k	£326k		65%	5%						20%	90%	10%	100%
Visiting Officers	6	£27k	£160k							80%			80%	20%	100%
HOSPITAL / ImCS															
Team Managers	7	£41k	£267k		10%	10%	5%	5%	10%	10%	5%	30%	85%	15%	100%
Senior Practitioners	4	£37k	£149k		10%	15%	5%	5%	10%	10%	5%	30%	90%	10%	100%
Social Workers	40	£31k	£1,239k			20%	10%	10%	10%	5%	15%	20%	90%	10%	100%
Assessment Review Co-ordinators	16	£27k	£426k			20%	10%	10%	10%	5%	15%	20%	90%	10%	100%
Sub-Total for Direct Staff (FTEs)	227				15	36	18	16	18	16	23	66	208	19	227
Sub-Total for Direct Staff (Approx Cost)			£6,667k		£393k	£1,075k	£535k	£510k	£561k	£484k	£685k	£1,904k	£6,146k	£520k	£6,667k
INDIRECT STAFF															
Strategic / Central Staff															
Director	1	£115k	£115k								10%		10%	90%	100%
Assistant Directors	3	£75k	£224k				5%				60%		65%	35%	100%
Finance Manager	1	£58k	£58k							10%		45%	55%	45%	100%
Service Managers	9	£52k	£466k					10%				70%	80%	20%	100%
P&C Managers	14	£41k	£576k	5%					5%	30%		45%	85%	15%	100%
Project Managers	4	£41k	£165k	15%	5%	5%			5%			55%	85%	15%	100%
Other Support Functions															
Resources Managers	4	£33k	£133k									30%	30%	70%	100%
Assistant Resources Managers	10	£27k	£267k									40%	40%	60%	100%
ICT															
Team Managers	2	£41k	£82k									60%	60%	40%	100%
Senior IT Officers	2	£37k	£75k									70%	70%	30%	100%
IT Officers	3	£31k	£93k									70%	70%	30%	100%
Assistant IT Officers	2	£27k	£53k									70%	70%	30%	100%
Finance															
Principal Officer	1	£33k	£33k						10%	10%		40%	60%	40%	100%
Group Finance Officers	3	£33k	£100k						10%	20%		40%	70%	30%	100%
Case Workers	6	£27k	£160k							80%		10%	90%	10%	100%
Finance Assistants	6	£19k	£111k							80%		10%	90%	10%	100%
Team Leaders	3	£27k	£80k							80%			80%	20%	100%
Management Information															
Team Managers	1	£41k	£41k									70%	70%	30%	100%
Management Information Officer	3	£33k	£100k									70%	70%	30%	100%
MI Assistant	1	£23k	£23k									70%	70%	30%	100%
Sub-Total for Indirect Staff	79	£814k	£2,956k	£53k	£8k	£8k	£58k	£37k	£186k	£310k	£1,394k	£2,055k	£901k	£2,956k	
GRAND TOTAL	306		£9,623k		£401k	£1,083k	£593k	£547k	£748k	£794k	£685k	£3,298k	£8,202k	£1,421k	£9,623k
Cost as a percent of ACM Total				1%	5%	13%	7%	7%	9%	10%	8%	40%	100%		

NOTES: the following groups of staff are not included (1) ICT training (2) training section (3) non social care staff in ImCS (4) Social care provider staff in ImCS (5) PCT admin assistants (6) in-house providers (7) PCT and MH Service Managers (8) D&A team (9) the ILS apart from the OT in Care Direct

Step 4 : ACM Reference Model (the Wall) Part 2

4. Completing the Wall ...



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
Row 1	[Diagram A]	[Diagram B]	[Diagram C]	[Diagram D]	[Diagram E]	[Diagram F]	[Diagram G]	[Diagram H]	[Diagram I]	[Diagram J]	[Diagram K]	[Diagram L]	[Diagram M]	[Diagram N]	[Diagram O]	[Diagram P]	[Diagram Q]	[Diagram R]	[Diagram S]	[Diagram T]	[Diagram U]	[Diagram V]	[Diagram W]	[Diagram X]
Row 2	[Diagram A]	[Diagram B]	[Diagram C]	[Diagram D]	[Diagram E]	[Diagram F]	[Diagram G]	[Diagram H]	[Diagram I]	[Diagram J]	[Diagram K]	[Diagram L]	[Diagram M]	[Diagram N]	[Diagram O]	[Diagram P]	[Diagram Q]	[Diagram R]	[Diagram S]	[Diagram T]	[Diagram U]	[Diagram V]	[Diagram W]	[Diagram X]
Row 3	[Diagram A]	[Diagram B]	[Diagram C]	[Diagram D]	[Diagram E]	[Diagram F]	[Diagram G]	[Diagram H]	[Diagram I]	[Diagram J]	[Diagram K]	[Diagram L]	[Diagram M]	[Diagram N]	[Diagram O]	[Diagram P]	[Diagram Q]	[Diagram R]	[Diagram S]	[Diagram T]	[Diagram U]	[Diagram V]	[Diagram W]	[Diagram X]
Row 4	[Diagram A]	[Diagram B]	[Diagram C]	[Diagram D]	[Diagram E]	[Diagram F]	[Diagram G]	[Diagram H]	[Diagram I]	[Diagram J]	[Diagram K]	[Diagram L]	[Diagram M]	[Diagram N]	[Diagram O]	[Diagram P]	[Diagram Q]	[Diagram R]	[Diagram S]	[Diagram T]	[Diagram U]	[Diagram V]	[Diagram W]	[Diagram X]
Row 5	[Diagram A]	[Diagram B]	[Diagram C]	[Diagram D]	[Diagram E]	[Diagram F]	[Diagram G]	[Diagram H]	[Diagram I]	[Diagram J]	[Diagram K]	[Diagram L]	[Diagram M]	[Diagram N]	[Diagram O]	[Diagram P]	[Diagram Q]	[Diagram R]	[Diagram S]	[Diagram T]	[Diagram U]	[Diagram V]	[Diagram W]	[Diagram X]
Row 6	[Diagram A]	[Diagram B]	[Diagram C]	[Diagram D]	[Diagram E]	[Diagram F]	[Diagram G]	[Diagram H]	[Diagram I]	[Diagram J]	[Diagram K]	[Diagram L]	[Diagram M]	[Diagram N]	[Diagram O]	[Diagram P]	[Diagram Q]	[Diagram R]	[Diagram S]	[Diagram T]	[Diagram U]	[Diagram V]	[Diagram W]	[Diagram X]
Row 7	[Diagram A]	[Diagram B]	[Diagram C]	[Diagram D]	[Diagram E]	[Diagram F]	[Diagram G]	[Diagram H]	[Diagram I]	[Diagram J]	[Diagram K]	[Diagram L]	[Diagram M]	[Diagram N]	[Diagram O]	[Diagram P]	[Diagram Q]	[Diagram R]	[Diagram S]	[Diagram T]	[Diagram U]	[Diagram V]	[Diagram W]	[Diagram X]
Row 8	[Diagram A]	[Diagram B]	[Diagram C]	[Diagram D]	[Diagram E]	[Diagram F]	[Diagram G]	[Diagram H]	[Diagram I]	[Diagram J]	[Diagram K]	[Diagram L]	[Diagram M]	[Diagram N]	[Diagram O]	[Diagram P]	[Diagram Q]	[Diagram R]	[Diagram S]	[Diagram T]	[Diagram U]	[Diagram V]	[Diagram W]	[Diagram X]
Row 9	[Diagram A]	[Diagram B]	[Diagram C]	[Diagram D]	[Diagram E]	[Diagram F]	[Diagram G]	[Diagram H]	[Diagram I]	[Diagram J]	[Diagram K]	[Diagram L]	[Diagram M]	[Diagram N]	[Diagram O]	[Diagram P]	[Diagram Q]	[Diagram R]	[Diagram S]	[Diagram T]	[Diagram U]	[Diagram V]	[Diagram W]	[Diagram X]
Row 10	[Diagram A]	[Diagram B]	[Diagram C]	[Diagram D]	[Diagram E]	[Diagram F]	[Diagram G]	[Diagram H]	[Diagram I]	[Diagram J]	[Diagram K]	[Diagram L]	[Diagram M]	[Diagram N]	[Diagram O]	[Diagram P]	[Diagram Q]	[Diagram R]	[Diagram S]	[Diagram T]	[Diagram U]	[Diagram V]	[Diagram W]	[Diagram X]

- The purpose of this stage is to calculate derived metrics and assess the system wide impact of the top five or so potential initiatives
- This is the most challenging part of the process and benefits from facilitation

4A. The Wall 2 - Transferring the FTE count

REFERENCE MODEL PART 2

Channel 1 (mainly internal)	Full Time Equivalents (FTEs)(F):
	Derived metrics
	Work Rate (=A/F/T) :
	Takt time (= [Available Time]/A) (K):
	Cycle time (= F*K)
	Costs
	Direct ACM Costs:
	Indirect ACM Related Costs:
Other Impacted Costs	

DERIVED METRICS:	
Council Offices	Number of contact FTEs 24 e.g. Contacts/person/week
	HIGH LEVEL COSTS (APPROXIMATE) :- e.g. Reception / phone staff £0k
	£0k
	£0k

Objective

- To capture the FTE count within the wall

Process

- Transfer 'direct' FTE count back to the matrix

Comments

- Because this is used to calculate work rate and related 'lean' metrics it is important to only include those who are directly involved in the process
 - A good test is if you were to remove one of these FTEs would it affect throughput

DIRECT STAFF	Care managers	20	£37k	£1,000k	3%	
	Field Social Workers	53	£67k	£3,566k	4%	1
	Social Services Officers / Social Work Assistants	27	£54k	£1,449k	2%	
	Community workers	82	£67k	£5,519k	4%	
	Occupational therapists	65	£44k	£2,834k	5%	1
	OT Assistants, Equipment Aids & Other Officers	19	£33k	£619k		
	Technical Officers	41	£23k	£942k	2%	
	Repeat for specialist areas as required					
	...	11	£59k	£654k	1%	
	Sub-Total for Direct Staff (FTEs)	444			24	
Sub-Total for Direct Staff (Approx Cost)		£53k	£23,723k	£1,326k	£1,5	

4B. The Wall 2 - Derived Metrics

REFERENCE MODEL PART 2

Channel 1 (mainly internal)	Full Time Equivalents (FTEs)(F):	Council Offices	DERIVED METRICS :-	
	Derived metrics		Number of contact FTEs	
	Work Rate (=A/F/T) :		e.g. Contacts/person/week	
	Takt time (= [Available Time]/A) (K):			
	Cycle time (= F*K)			
	Costs		HIGH LEVEL COSTS (APPROXIMATE) :-	
	Direct ACM Costs:		e.g. Reception / phone staff	£0k
	Indirect ACM Related Costs:			£0k
Other Impacted Costs		£0k		

Objective

- To derive additional metrics which are useful to test impact

Approach

- Simply perform the calculations illustrated on the template

Comments

- Takt time and Cycle Time are described in more detail on subsequent slides
- See the later slides on 'Throughput' to identify work rate opportunities

Derived Metric	Description
Work Rate	The normal view of throughput e.g. the number of contacts per FTE per week
Takt time	The first of the lean metrics. Literally meaning beat or rhythm, this describes the flow of demand through the process in time. (Available Work Time / Demand)
Cycle time	If Takt time is the time taken using all FTEs, Cycle Time assumes you only have one. It is effectively the effort required to process an individual demand

4C. The Wall 2 – Takt Time

An Example

- 100 assessments per week (the total demand on the process)
- 33 social worker FTEs (from the activity responsibility matrix)
- Available Time within a week = 37 working hours

Derived Metrics

- Work Rate = $100 / 33 = 3.03$ assessments per FTE per week
- Takt Time = $37 / 100 = 0.37$ hours (22 minutes)
 - On average an assessment is completed every 22 minutes

Comments

- Takt Time converts everything to time – useful for comparison purposes
- Takt Time can be useful when analysing the details of the sub-process
 - If the sub-steps are analysed in detail, Takt time provides a useful basis for levelling resource level

4D. The Wall 2 – Cycle Time

Building on the Previous Example ...

- Cycle Time = 33 (FTEs) * 0.37 (Takt Time) = 12.21 hours

OR, alternatively (avoiding Takt Time):

- Cycle Time = [Available Time] / [Work Rate] = 37 / 3.03 = 12.21 hours

Comments

- Cycle Time reflects the amount of work required to complete a process – in this example 12.21 hours of work for each assessment
- If a process becomes more efficient the cycle time should be reduced (ie. takes less time).
- If the Takt Time is constant, and cycle time is reduced, the new requirement on FTEs can be calculated:
 - FTEs = [Cycle Time] / [Takt Time],
 - e.g. Cycle Time 10 hrs, FTEs = 10 / 0.37 = 27 FTEs
- As illustrated above, you do not have to use Takt Time to calculate Cycle Time, however, it becomes easier to look at options using a consistent unit of measure.

4E. Understanding Direct Costs

REFERENCE MODEL PART 2

Channel 1 (mainly internal)	Full Time Equivalents (FTEs)(F):
	Derived metrics
	Work Rate (=A/F/T) :
	Takt time (= [Available Time]/A) (K):
	Cycle time (= F*K)
	Costs
	Direct ACM Costs:
Indirect ACM Related Costs:	
Other Impacted Costs	

DERIVED METRICS :-	
Council Offices	Number of contact FTEs
	e.g. Contacts/person/week
	HIGH LEVEL COSTS (APPROXIMATE) :-
	e.g. Reception / phone staff £1,399k
	£30k
	£203k

Objective

- To capture direct costs for the activity

Process

- Transfer the direct cost from the activity matrix to the wall

Comments

- The cost provides a semi-objective scale for assessing the relative cost of each part of the process
- Whilst it is quite important to have a reasonable estimate of direct FTEs associated with a sub-process, the costs can be very approximate

D	Repeat for specialist areas as required	90.0	£70k	£6,274k	5%	1
	...					
	Sub-Total for Direct Staff (FTEs)	504			35	
	Sub-Total for Direct Staff (Approx Cost)		£44k	£22,025k	£1,399k	£1,00k
INDIRECT STAFF	Strategic / Central Staff					
	Senior directing staff	1.0	£70k	£70k	2%	5
	Planning staff	6.0	£27k	£160k	3%	10
	Senior support staff	1.0	£49k	£49k	11%	6
	Other Support Functions					
	Finance	4.0	£30k	£119k	12%	3
	IT		£33k		5%	3
	HR	1.0	£62k	£62k	6%	4
	Sub-Total for Indirect Staff	13	£35k	£460k	£30k	£2k
	GRAND TOTAL	517	£43k	£22,485k	£1,428k	£1,03k
	Cost as a percent of ACM Total				10%	7

4F. Understanding Indirect Costs

REFERENCE MODEL PART 2

Channel 1 (mainly internal)	Full Time Equivalents (FTEs)(F):
	Derived metrics
	Work Rate (=A/F/T) :
	Takt time (= [Available Time]/A) (K):
	Cycle time (= F*K)
	Costs
	Direct ACM Costs:
Indirect ACM Related Costs:	
Other Impacted Costs	

DERIVED METRICS :-	
Council Offices	Number of contact FTEs
	e.g. Contacts/person/week
	HIGH LEVEL COSTS (APPROXIMATE) :-
	e.g. Reception / phone staff £1,399k
	£30k
	£203k

Objective

- To capture indirect costs for the activity

Process

- Transfer the indirect cost from the activity matrix to the wall

Comments

- In this example indirect costs are low
- In most cases indirect costs will be **retained**
- Whilst retained costs for individual opportunities may be low, across a programme of projects they can amount to a significant opportunity – always include them in a business case

D	Repeat for specialist areas as required	90.0	£70k	£6,274k	5%	1
	...					
	Sub-Total for Direct Staff (FTEs)	504			35	
	Sub-Total for Direct Staff (Approx Cost)		£44k	£22,025k	£1,399k	£1,00k
INDIRECT STAFF	Strategic / Central Staff					
	Senior directing staff	1.0	£70k	£70k	2%	5
	Planning staff	6.0	£27k	£160k	3%	10
	Senior support staff	1.0	£49k	£49k	11%	6
	Other Support Functions					
	Finance	4.0	£30k	£119k	12%	3
	IT		£33k		5%	3
	HR	1.0	£62k	£62k	6%	4
	Sub-Total for Indirect Staff	13	£35k	£460k	£30k	£2k
	GRAND TOTAL	517	£43k	£22,485k	£1,428k	£1,03k
	Cost as a percent of ACM Total				10%	7

4G. Understanding 'Other Impacted Costs'

REFERENCE MODEL PART 2

Channel 1 (mainly internal)	Full Time Equivalents (FTEs)(F):	Council Offices	DERIVED METRICS :-	
	Derived metrics		Number of contact FTEs	
	Work Rate (=A/F/T) :		e.g. Contacts/person/week	
	Takt time (= [Available Time]/A) (K):			
	Cycle time (= F*K)			
	Costs		HIGH LEVEL COSTS (APPROXIMATE) :-	
	Direct ACM Costs:		e.g. Reception / phone staff	£1,399k
	Indirect ACM Related Costs:			£30k
	Other Impacted Costs			£1,205k

Objective

- To capture other costs potentially impacted by an opportunity

Process

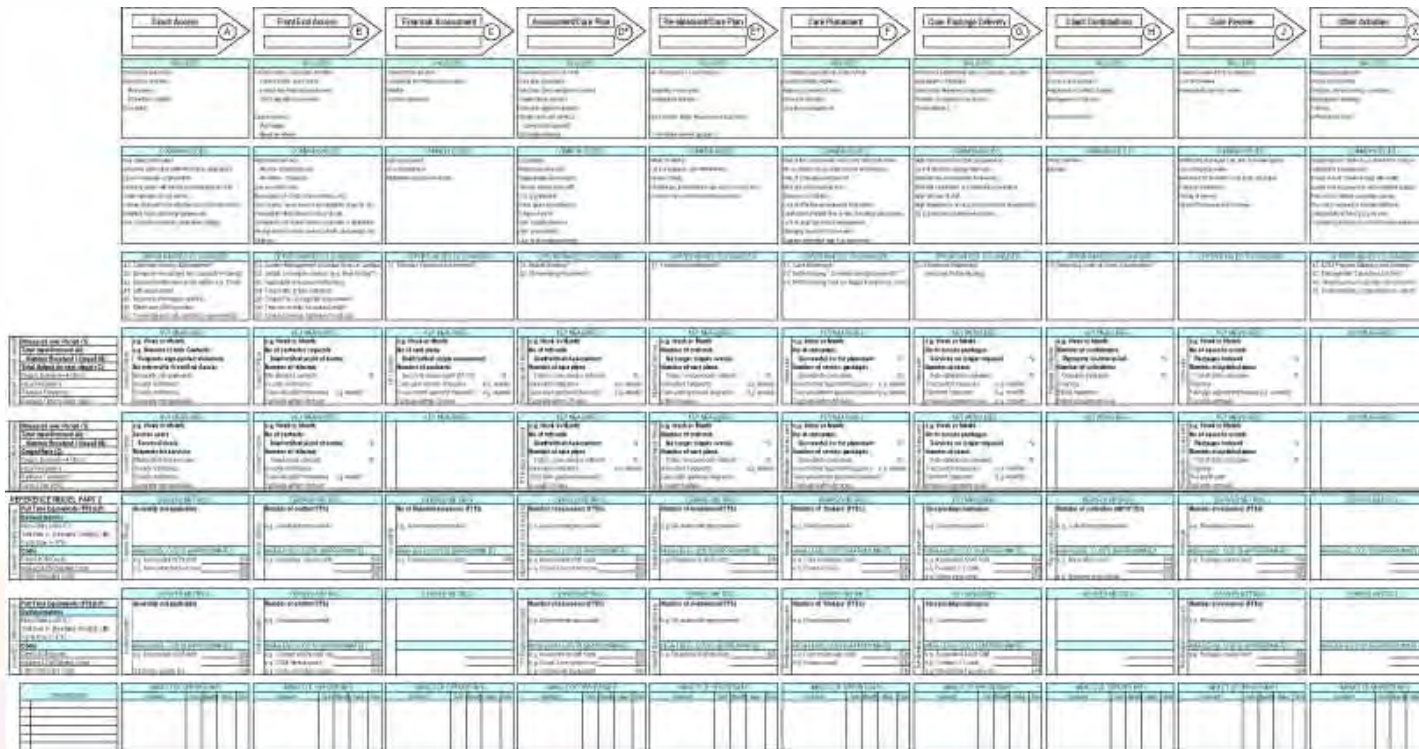
- Using overall spend data, such as that compiled for PSS/EX returns, capture other costs associated with each sub-process

Comments

- Here again approximations are fine – the purpose is to provide data to support order of magnitude opportunity assessment (PSS EX returns level data is more than adequate)

SERVICE	SERVICE STRATEGY	OLDER PEOPLE	PHYSICAL DISABILITY	
Strategic Management (adults & generic)	313	0	0	
Assessment and care management	0	6,170	1,034	2
Nursing care placements	0	17,991	1,610	3
Residential care placements	0	30,567	1,521	19
Supported and other accommodation	0	156	0	
Direct payments	0	47	3,292	
Home care (own provision)	0	11,218	684	
Home care (provision by others)	0	2,965	1,709	
Day care	0	2,740	68	7
Equipment and adaptations	0	1,205	1,416	
Meals	0	1,125	0	
Other Services	0	1,375	1,664	2
Supporting People	0	864	0	
TOTAL ADULT SERVICES	313	79,424	12,998	37


4H. A summary so far ...



- By now you have completed collating all of the information necessary to test and prioritise opportunities
- You may also be able to start to see mismatches:
 - Inconsistent outputs / inputs resulting in queues and/or peaks/troughs and/or under-utilisation
- You have the mechanism to cascade the impact of changing one sub-process on rest of the system

4J. Validating the Opportunities

OPPORTUNITY		IMPACT OF OPPORTUNITY					IMPACT OF OPPORTUNITY				
		Comment	Cost	Benefit	Value	Time	Comment	Cost	Benefit	Value	Time



Objective

- To validate the top half-dozen initial priorities and focus on the top two or three
- The idea is to test the impact of each opportunity on each part of the process – primarily in terms of cost and benefit (if an efficiency initiative) but also in terms of ‘value’ to the service user and time

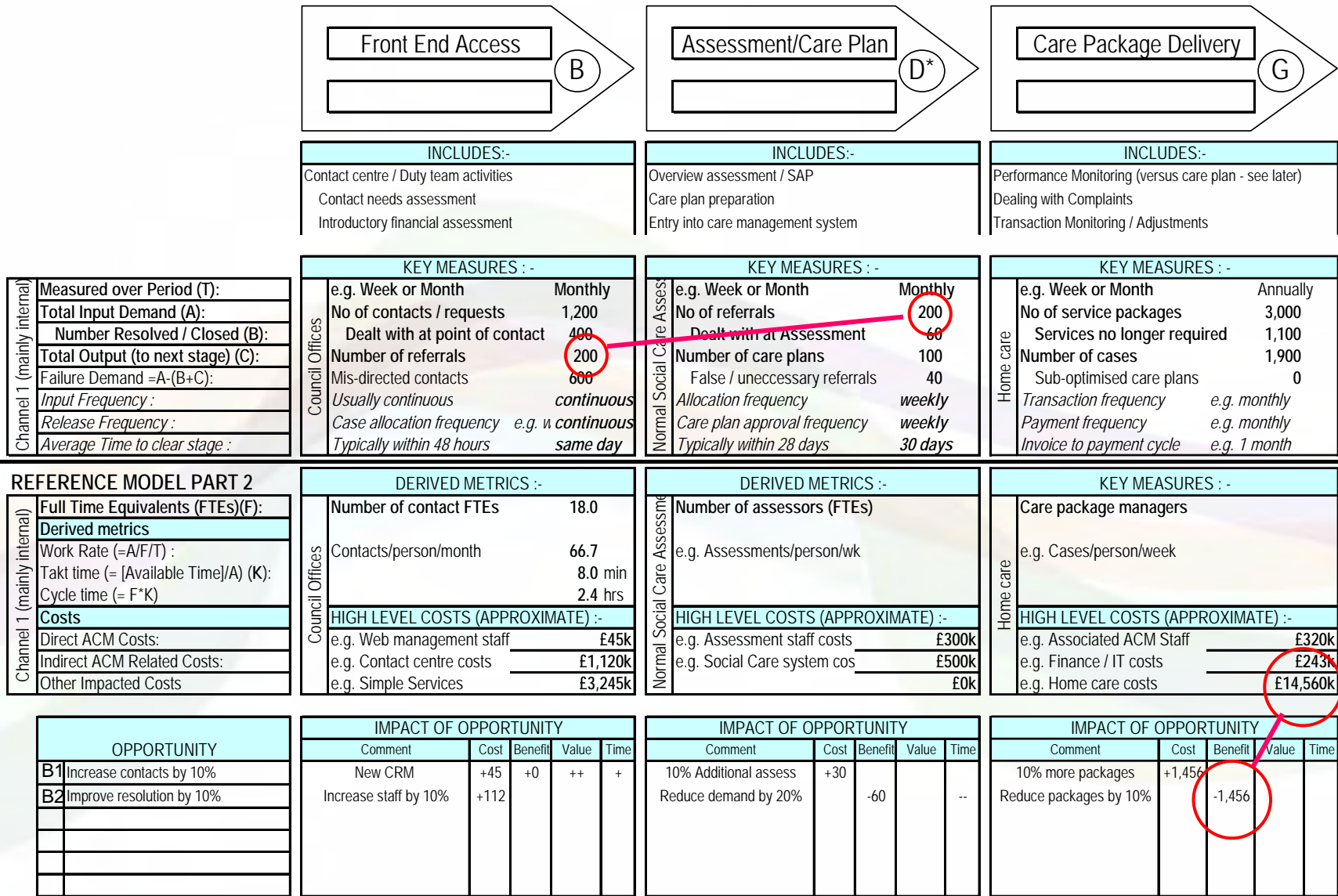
Approach

1. With each prioritised opportunity, and using the information contained in the overall matrix, assess the approximate magnitude of the change on each part of the system
2. Having completed this for the main candidates pick those with the greatest impact for developing into outline business cases

Comments

- It should be fairly clear how the overall matrix can be used to convert improvements in one part of the process into impacts on the rest of the system (especially those directly related to outputs and inputs)

4K. A Couple of Examples



Step 5 : Outline Business Case

4. Outline Business Case (the Numbers)

Title of potential opportunity

Our desired outcome is:

The outputs we need to achieve this are:

	KPI	Baseline	Target

This supports our strategic aims by:
 (i.e. how our project will help deliver the aims set out in key strategy documents, e.g. corporate plans, Cabinet Member Plans)

We can best achieve this by:

Activity	No. / month	Time to do (hours)	FTEs	Staff type	Gross av salary	Cost
			0.0		£0	£0
			0.0		£0	£0
			0.0		£0	£0
			0.0		£0	£0

Non-pay costs - description

Formula	Cost

Impact on quality (e.g. length of process, customer satisfaction, staff morale)	Before	After

Impact on health and other partners (e.g. number of hospitalisations, number of falls, cost of managing long-term conditions)

What evidence have we got?	Data	Source

What assumptions have we made?	Activity	Value

Activity	No. / month	Time to do (hours)	FTEs	Staff type	Gross av salary	Cost
			0.0		£0	£0
			0.0		£0	£0
			0.0		£0	£0
			0.0		£0	£0

Non-pay costs - description

Formula	Cost

Total cost £0

Activity	No.	Time to do (hours)	FTEs	Staff type	Gross av salary	Cost
			0.0		£0	£0
			0.0		£0	£0
			0.0		£0	£0
			0.0		£0	£0

Non-pay costs - description

Formula	Cost

- It should also now be clear how the results from the 'value matrix' can be converted into costs using a template similar to the above
- Where CSED have documented 'initiatives' there are associated 'ready reckoners' which may also be used to validate the business opportunity
- We have also provided a template for documenting the other inputs to a typical outline business case (see next two slides)

4A. An Outline Business Case Template (1)

Opportunity name	<p align="center">CES Benefit A Inventory & Procurement</p>	Owner	
What is broken or Could be improved	<p align="center">Business area / function</p> <p align="center">All aspects of inventory management and compliance spending at store level</p>	Process	Stock management process
How do we know Its broken?	<p align="center">How is good measured for this process</p> <p>Few CE stores have effective stock control and management processes. Evidence that stores are overstocked through poor turnover rates, large product ranges. Products within commodity groups such as bathing, toileting, beds, seating vary in provision across the country. The spend is fragmented over a wide range of products and supply and distribution channels with stock held in multiple points across England</p>	How good or bad Is it today	<p align="center">What is the current performance?</p> <p>Sample sites have an average stock turn of 7 and average stockholding value of £718k Catalogue product lines vary from 77 to 1737 across sampled sites. Of this between 58 and 562 lines are currently stocked The average value of stock issued in 2005/06 for the sample sites returning information was £2.5m</p>
What do we need to do to realise the opportunity	<ul style="list-style-type: none"> •Collate information from sample sites •Establish stockholding and stock turnover figures and establish level of obsolescence •Establish cost of capital tied up in inventory •Establish activity levels and costs of ordering and administering inventory activities •Compare listings and define a common range of products •Calculate approximate expenditure on these core items currently substituting for other products (product rationalisation) •Need to understand the growth in spending in the next 10 – 15 years based on this product profile •Calculate anticipated expenditure over next 10 – 15 years and compare to forecast for current expenditure patterns over next 10 – 15 years •Establish criteria and protocol to extrapolate savings and costs for coverage across England •Use this information to define the logistics channels – include service offering for installation to property, adjusting to furniture or fixtures and fitting to individual 		
Signed off by		Dept / org	

4A. An Outline Business Case Template (2)

Financial Benefit	Logic and calculations
-------------------	------------------------

- | | | | | | |
|-------------------------------------|--------------------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|-------------------------------------------------|
| <input checked="" type="checkbox"/> | Reduce a current operational cost | <input checked="" type="checkbox"/> | Avoid a future operational cost | <input checked="" type="checkbox"/> | Eliminate the need for more capital expenditure |
| <input type="checkbox"/> | Reduce time spent – non fully realisable benefit | <input checked="" type="checkbox"/> | Reduce non stock/special spend | <input type="checkbox"/> | Other |

How big is the area of expenditure that this saving impacts on?

138 x CE stores across England
 The £248m throughput in expenditure by the CE stores across England - £201m stock issues, £47m 'specials' spend

Key assumptions / logic / data source / link to reference doc

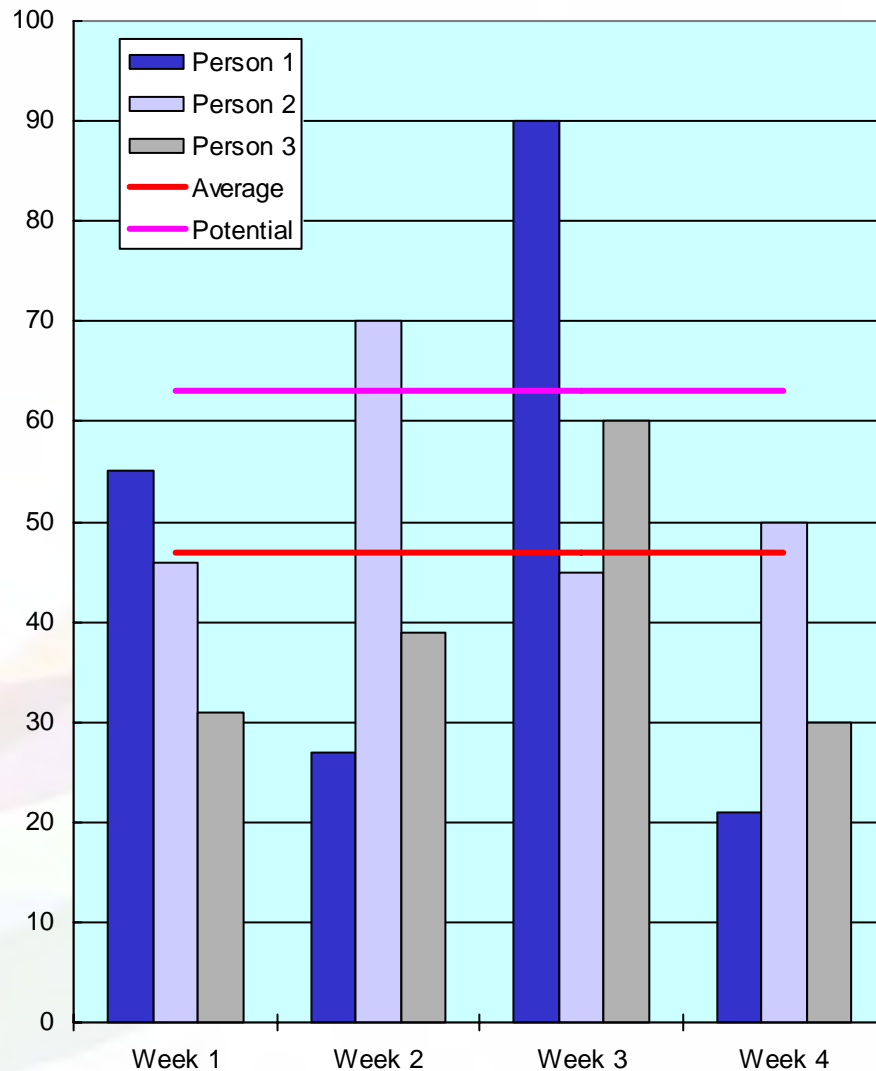
11 sample site studies in England – 3 provided
 Case history at CES2
 Any other info from y and z

How much improvement can be made by implementing the change

Pessimistic		Forecast	10%	Optimistic	
-------------	--	----------	-----	------------	--

Phasing QTR / YEAR										
% benefit realised										

Throughput : A Technique to Assess Opportunity



Objective

- To identify opportunities to improve throughput (reduce cycle time)

Approach

1. If, compared with benchmark data, the average throughput looks low, investigate the pattern
2. If there is a pattern which suggests it is possible to achieve higher throughput then:
 - a. Understand how/why this is being achieved
 - b. Investigate how to move the process to the higher rate

Comments

- Productivity is normally system (not person) driven
i.e. caused by in-process 'waste'

■ Activity Levelling

- Peaks and troughs can be a result of queues in the system (e.g. waiting for approvals against fixed deadlines)

■ Resource Levelling

- Manage peaks by temporarily transferring staff from one function to another
- Key to have flexible multi-skilling working arrangements

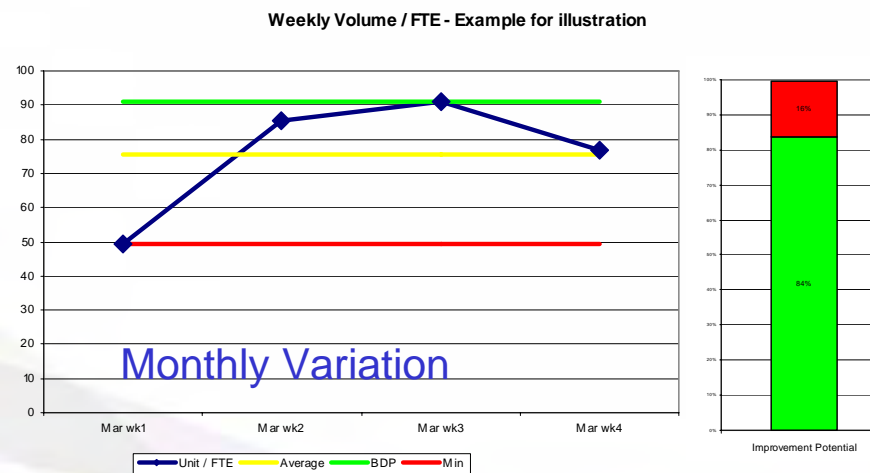
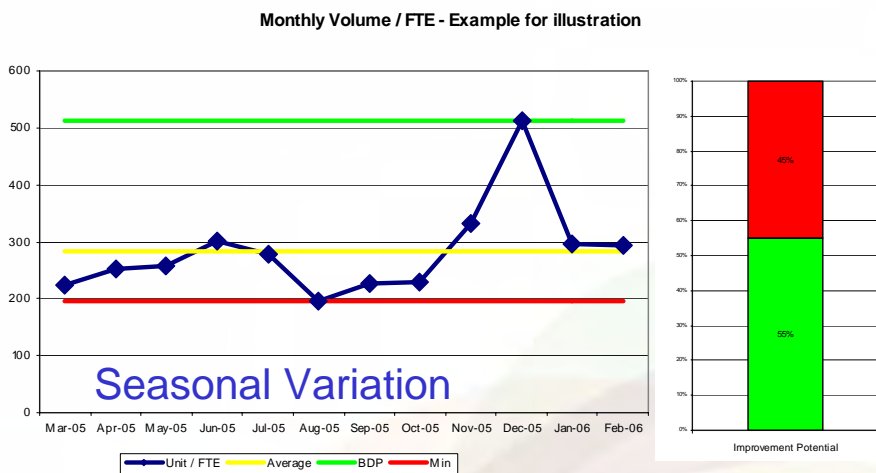
■ Managed resource level flexibility

- Use of occasional overtime
- Cover by supervisory staff when necessary
- Use of temporary (part-time) labour

■ Standardisation

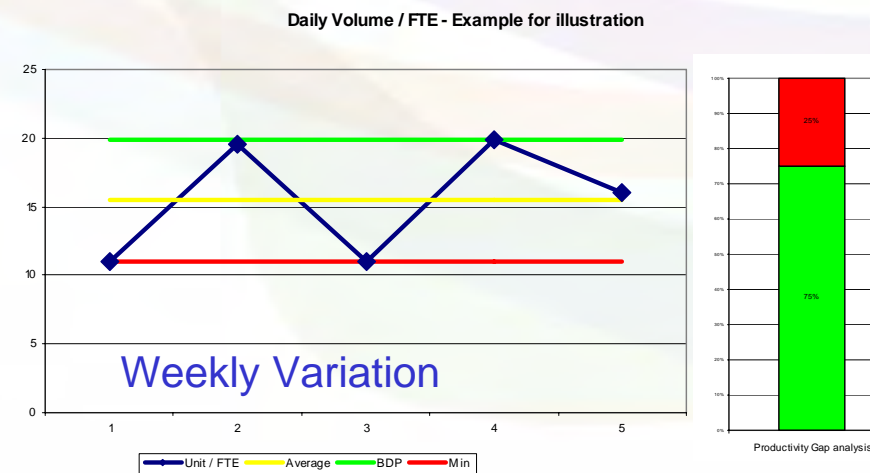
- Ensure that, where appropriate, processes and decision making is standardised
- Reduce ‘workarounds’ and ‘special case’ handling (normally a symptom of a broken process)

Throughput : Concept of 'Best Demonstrated Performance'

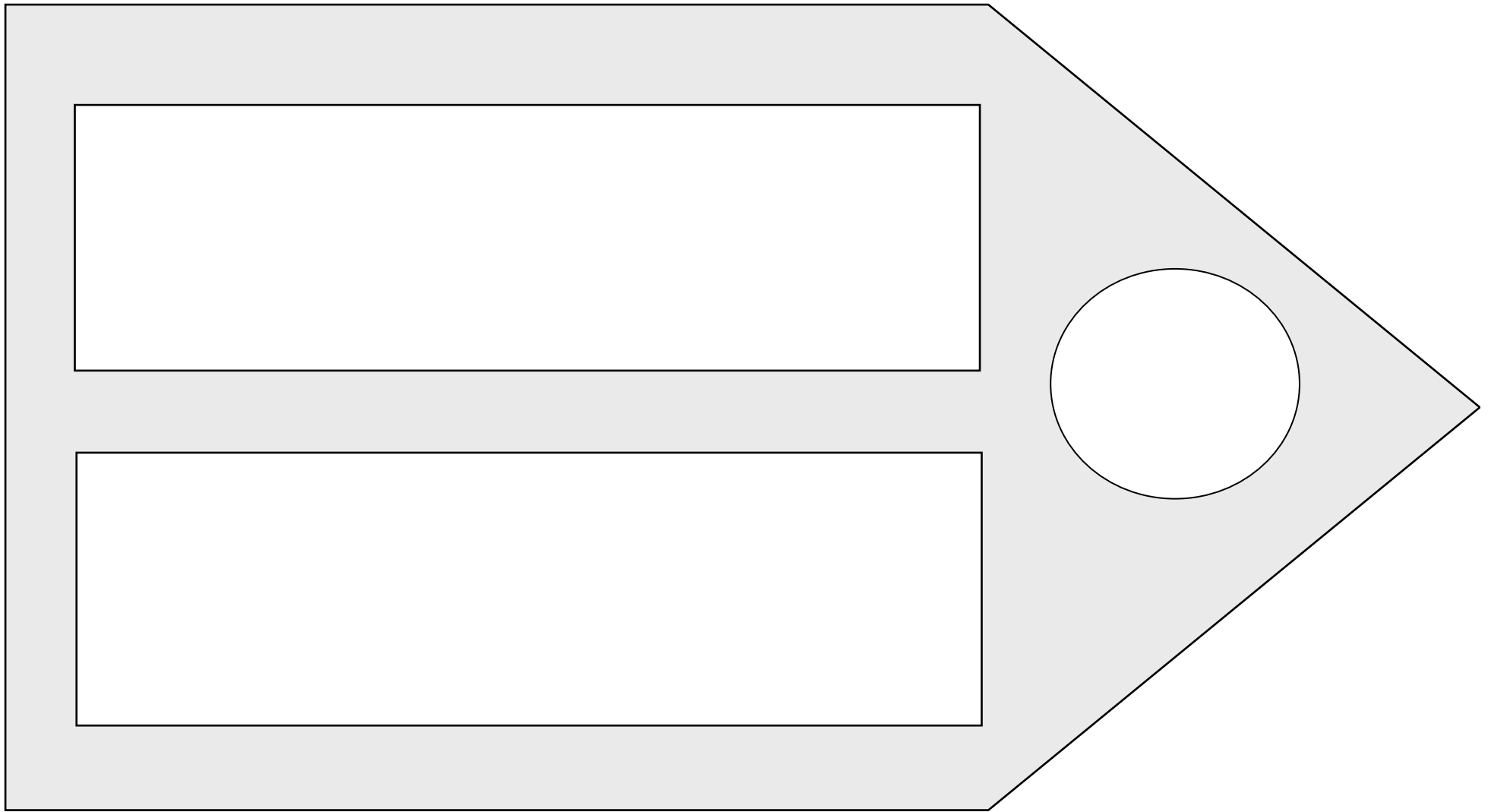


■ Opportunities to improve performance may be identified over different timescales:

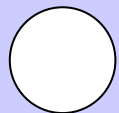
- Ability to handle seasonal variation (e.g. over holidays)
- Ability to handle monthly variation (e.g. month end pressures)
- Ability to handle weekly variation (e.g. week-end carryover)
- Ability to handle daily variation (e.g. end of business day [not illustrated])



Tool-kit Templates



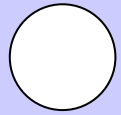
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INCLUDES :-



ISSUES :-

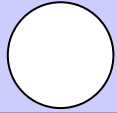


OPPORTUNITIES TO CONSIDER:-

As-Is	KEY MEASURES		or Future
	Measure	Average Value	Unit
	Measured over Period (T)		(year, month, week, day)
	Total Input Demand (A)		
	Number resolved / closed (B)		
	Total Output (to next stage (C))		
	Failure Demand = $A - (B + C)$		
	<i>Input Frequency</i>		
	<i>Release Frequency</i>		
	<i>Average Time to clear stage</i>		
	Measured over Period (T)		(year, month, week, day)
	Total Input Demand (A)		
	Number resolved / closed (B)		
	Total Output (to next stage (C))		
	Failure Demand = $A - (B + C)$		
	<i>Input Frequency</i>		
	<i>Release Frequency</i>		
	<i>Average Time to clear stage</i>		

As-Is	DERIVED METRICS AND COSTS		or Future
	Measure	Average Value	Unit
	Full Time Equivalentents (FTEs)(F)		
	Work Rate (=A/F/T)		
	Takt Time (=[Available Time]/A) (K)		
	Cycle time (=F*K)		
	<i>Direct ACM Costs</i>		
	<i>Indirect ACM Related costs</i>		
	<i>Other Impacted Costs</i>		
	Full Time Equivalentents (FTEs)(F)		
	Work Rate (=A/F/T)		
	Takt Time (=[Available Time]/A) (K)		
	Cycle time (=F*K)		
	<i>Direct ACM Costs</i>		
	<i>Indirect ACM Related costs</i>		
	<i>Other Impacted Costs</i>		

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IMPACT OF OPPORTUNITY

ID	Comment	Cost	Benefit	Time	Value

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POTENTIAL ADDED VALUE / REDUCED COST	HIGH	GEMS		EXTRA EFFORT
	MED			
	LOW	QUICK HITS		CAUTION
		EASY (< 3 months)	OK (3 to 6 months)	DIFFICULT (> 6 months)
EASE OF IMPLEMENTATION				

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A1

Easy to Implement (typically ≤ 3 months)

High Value (typically in £000s k)

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B1

OK to Implement (typically between 3 & 6 months)

High Value (typically in £000s k)

C1

Difficult to Implement (typically > 6 months)

High Value (typically in £000s k)

A2

Easy to Implement (typically ≤ 3 months)

Mid Value (typically in £00s k)

B2

OK to Implement (typically between 3 & 6 months)

Mid Value (typically in £00s k)

C2

Difficult to Implement (typically > 6 months)

Mid Value (typically in £00s k)

A3

Easy to Implement (typically ≤ 3 months)

Low Value (typically in £0s k)

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B3

OK to Implement (typically between 3 & 6 months)

Low Value (typically in £0s k)

C3

Difficult to Implement (typically > 6 months)

Low Value (typically in £0s k)

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Barriers and Enablers			Idea No:
Effort (mdays)	Affected Depts	Time to Implem	Overall Ease
< 1 wk	1	< 3 months	Easy
1 to 4 wks	1 to 3	3 to 6 months	OK
> 4 wks	More than 3	> 6 months	Difficult
Enablers		Barriers	

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