

Demand Management; re-framing the approach to transformation

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Demand management

What it is....

- A concept and a mind-set
- An alternative approach to cost reduction – in contrast to traditional ‘supply management’ approaches
- The actions to reduce demand and the costs of meeting demand in the short, medium and long term:
 - Addressing mismatched expectations
 - Ensuring that over-supply is reduced.
 - Reducing costs of those who have needs by tapping into citizen-driven innovations
 - Building community skills & capacity to take on more responsibility and reduce needs in the long term – transforming the relationship with the citizen.
- A complement to supply-side cost reduction and efficiency

What it isn't....

- An off-the-shelf solution
- A defined methodology
- Behaviour change
- Communications
- Values Modes, Mindspace etc.
- Quick and easy
- Tightening eligibility criteria
- Restricting access or opening hours
- Stopping non-statutory services
- Passing costs on to partners

A demand-focused organisation will look different

Traditional?

Against service definition

Allocated to single budget

Statutory requirements

Service measures

Meeting statutory need

Transactional

Budget allocation

Savings targets

Service definition

Performance management

Priorities

Customer relationships

Demand-focused?

Against customer cohort

Allocated across budgets

Around customer cohort

Customer measures

Preventing statutory need

Holistic

Making demand management your organisation's core business

Motivation



Change your own behaviour – leading from behind

- If you operate as a 'chairman of the board' - you may need to pick your first projects, be prepared to be a bit more directive than you normally are
- If you're normally more directive, set out a process and let services step up, maybe pick first projects based on enthusiasm rather than business case
- Change your delegation habits: Force collaboration between directorates in return for investment

Trigger



Identify & invest in shared learning – where you don't normally

- Identify staff with influencing skills and provide validation – and training
- Provide a space for them to share and spread their skills. Ask them to write it down
- Root out all the small experiments that are going on – but hidden – learn from them and codify what works
- Invest judiciously in capacity

Ability



Get incentives right for your key staff

- Incentives for staff to be creative – outside the budget setting process
- Treat managers of statutory services and non-statutory services the same way – be fair
- Personal development opportunities for your stars
- Invest to create – matched funding

Thank You

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