

IMPROVEMENT SKILLS CONSULTING LTD.

“Simply, improvement...”



Value for Money & Process Management

Value for Money and Process Management

“We will be encouraging, and offering incentives to, all probation areas to apply “best value” principles in determining whether to deliver services in-house or commission them from others.” [Guide to the Offender Management Act Sept. 2007]

What's the link?

I was recently asked by a senior manager in Probation to explain the relationship between Process Management and Value for Money. He was already convinced that there was a link, but needed to be able to convince other senior managers. He explained that the other senior managers were concerned about the “value for money” agenda and that they were interested in investing time and effort into that. They clearly didn’t want to be diverted from that focus by “another initiative”, with doubtful benefits.

- “Value for Money” is a term used to define whether or not an organisation has achieved the maximum benefit from the services it provides, using the resources it has available
- “Process Management” (as defined by the EFQM) is how an organisation designs, manages and improves processes in order to support Policy and Strategy and fully satisfy, and generate increasing value for, customers and stakeholders

“Value” is explicit in the definition of Process Management. Maximum benefit, in the VfM definition, implies “for customers and stakeholders”.

VfM Projects

Many Probation Areas will have been carrying out Best Value Reviews, or running improvement projects, in order to address the VfM agenda locally.

Improvement Projects are, by definition, time-bound. Typically, a team analyses a particular process or service area, identifies improvement opportunities and then proposes changes for implementation. Hopefully, those changes get implemented and quantifiable improvements in service or value-add can be demonstrated.

There is, of course, the question of whether those improvements can be sustained and how further improvements can be identified after the team has disbanded.

VfM Projects are therefore tactical responses to current improvement priorities. Process Management, by contrast takes a more strategic approach.

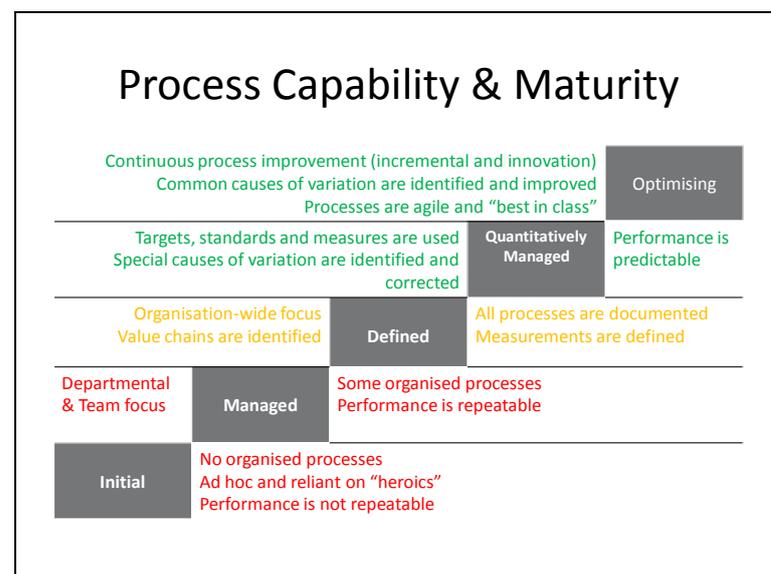
Process Management

Process Management provides an organisation-wide approach for understanding how performance is achieved. Starting with the identification of key business processes, it provides a framework within which all process improvement activity can take place. It therefore ensures a more strategic choice can be made over which processes to work on, rather than taking a view of what needs to be improved based on “today’s pain”.

Process Management includes:

-  An organisation-wide view of which processes make up the value-chain for delivering services
-  Day-to-day management of processes to ensure they are in control and delivering to the required standards
-  Setting up projects whenever there is a need to make a performance improvement (beyond what is possible day-to-day)

For an organisation focussed on delivering value for money, the process management maturity progression, shown below, enables improvement targets to be set across widely differing types of process.



It can therefore be used to drive improvement across multiple processes, not just a few chosen for projects. The maturity model approach, used in Process Management, helps embed continuous improvement across an organisation and therefore gives a broader focus on improving services and value for money. Process Management aims to make improvement sustainable for the long-term.

VfM and PM?

Identifying and defining an organisation's Value Chain processes are key elements of Process Management.

Defining and fully understanding processes are the starting points of process management within individual processes. This includes identifying customer requirements, supplier performance and performance indicators such as cost and cycle-time. All these are fundamental in identifying best value ways of delivering services.

By adopting an organisation-wide Process Management approach to VfM you are more likely to pick the right processes to focus on for improving service and efficiency.

Our track record

Our consultants have been helping organisations in the private and public sectors to manage and improve their processes for nearly two decades. We have supported European and UK Quality Award winners in their approach to process management and continuous improvement.

We have worked with many Probation Areas since 2003 on individual Process Improvement Projects, Best Value Reviews, Activity Costing and Process Management.

We are not wedded to a particular methodology. We help clients identify their improvement goals and then develop an approach to achieve these; invariably ensuring their people develop the skills to make further improvements themselves.

Please contact us for more information about how we can help you to manage and improve your processes, and ensure you deliver Value for Money.

SIMPLY, IMPROVEMENT...

Value for Money & Process Management

© 2008 Improvement Skills Consulting Ltd.
204 Blind Lane, Flackwell Heath, High Wycombe HP10 9LE
Phone 07850 728506 • Fax 0871 221 5638
E info@improvement-skills.co.uk • W www.improvement-skills.co.uk