

On evidence and policy...

Lessons from the UK: public-sector reform

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Let's go back...

What did Aviva look like before the change?

Central to policy directives (UK public-sector reform):

Industrialised services:

Call centres, back offices, shared services, outsourced services...

An obsession with managing cost

Why do we believe in economy of scale?

We think we can make two types of savings:

- Less of a common resource
- Lower transaction costs through industrialisation

The former is marginal and tricky

The latter is plain wrong

Download from:

<http://www.systemsthinking.co.uk/6-economies.asp>

Central to policy directives:

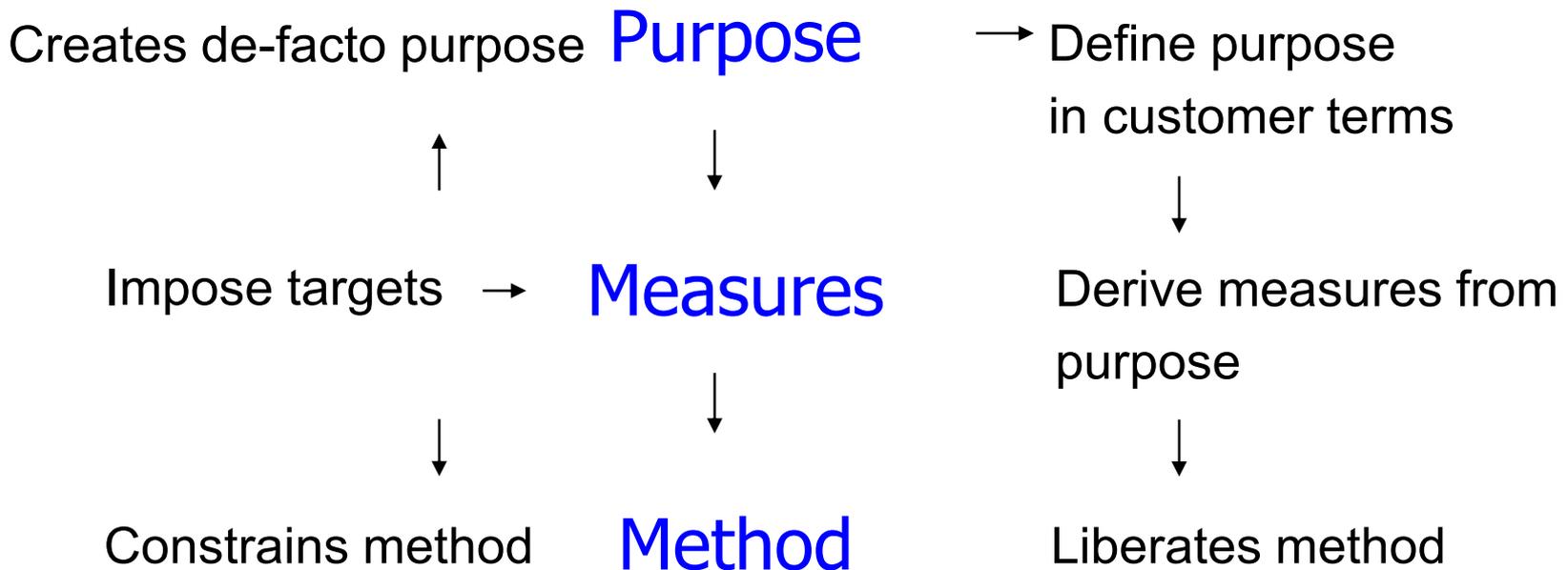
Information technology as the 'enabler'

...despite the evidence

Manage value, not cost

Managing value drives cost out of a system

The tyranny of targets and the power of better measures



Central to policy thinking:

Specifications and inspection...

The centre making decisions about MEASURES
and METHODS...

...fostering compliance, not innovation

Out-sourcing / commissioning... driving costs up

Policy should be limited to purpose

Purpose



Measures



Method

Innovation requires responsibility for choices about measures and methods to be with the people who deliver services

The Vanguard Method

Change for improvement starts with
STUDYING

Studying the organisation as a system
reveals counterintuitive truths

Change is a normative process

For more information:

‘Systems Thinking in the public sector’ (2008)

<http://www.triarchypress.com/pages/La-eficiencia-en-el-sector-publico.htm>

www.vanguard-method.com