

▼ PLAN YOUR COUNCIL'S FUTURE NOW BEFORE THE STATE DOES IT FOR YOU

Local Councils face a convergence of challenges including rate capping, cost shifting, flattening revenues, increasing expenses and a public that is frustrated and becoming disengaged. This is occurring against a backdrop of rapid population growth, economic uncertainty, technology disruption and environmental challenges. With upcoming council elections, now is the time to start planning for how your council will face these challenges.

▼ Smart councils will see this as an opportunity to transform the way they deliver services

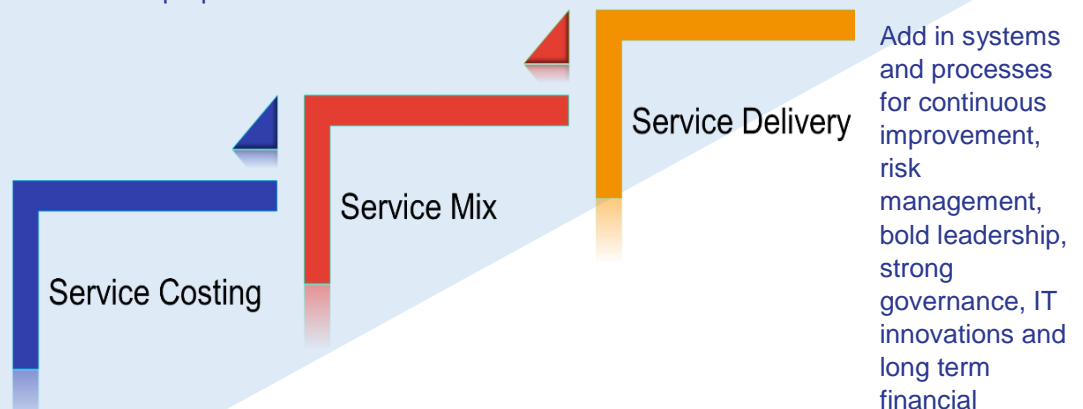
JNW's strategic service value creation model offers a three step systems change process to better prepare for the shifting grounds.

Firstly, it is about knowing the net cost of each output supplied by the council. This requires deep analysis of what services are provided, both externally and internally and the full cost of each service. Consider what outputs are delivered to the community and the "ingredients" that help create the service. If you know the ingredients of each service, you can attach direct and indirect costs to the end output. This intelligence will enable you to conduct 'best value' assessments and enable management to evaluate whether the best delivery model is operating.

Armed with this service cost intelligence, the second step is about service mix. It is important to review the service

range and standards of the services delivered to determine if they are meeting community expectations and providing value for money. This requires targeted engagement with the community to seek their feedback on the desired service levels and overall service needs.

Knowing the required service mix and cost can inform the Council's long term objectives and what strategies need to be developed. Our third step is focused on the service delivery models. For sustainability, Council may need to change the method of delivery of a specific service, i.e. shared service, outsource or partner with a commercial provider. This does not diminish Council's value, it simply realigns its resources more effectively.



planning, Councils will then have the agility needed to prosper from the anticipated disruptive threats.

Sounds overwhelming? It needn't be. Start with the cost intelligence and then get the right people and structures in place to adapt and take advantage of the opportunities.

If you don't commit to facing the challenges now, you may lose the chance to control your own destiny.

JNW has just developed an improvement roadmap for Frankston City Council to implement a Customer Focused Service Planning & Costing framework. The service costing methodology will provide vital operational cost intelligence to strategically position the Council to take advantage of different service delivery models. Furthermore, by being customer focused it can structure itself to meet the Community's future expectations efficiently and effectively and positively influence their experience.

If you would like to discuss how to build your strategic operational intelligence, please contact Jeff Webb on 0437-539-015.

