



APSE Solutions Demand Innovation Workshops

Post Efficiency Demand
Management



The problem

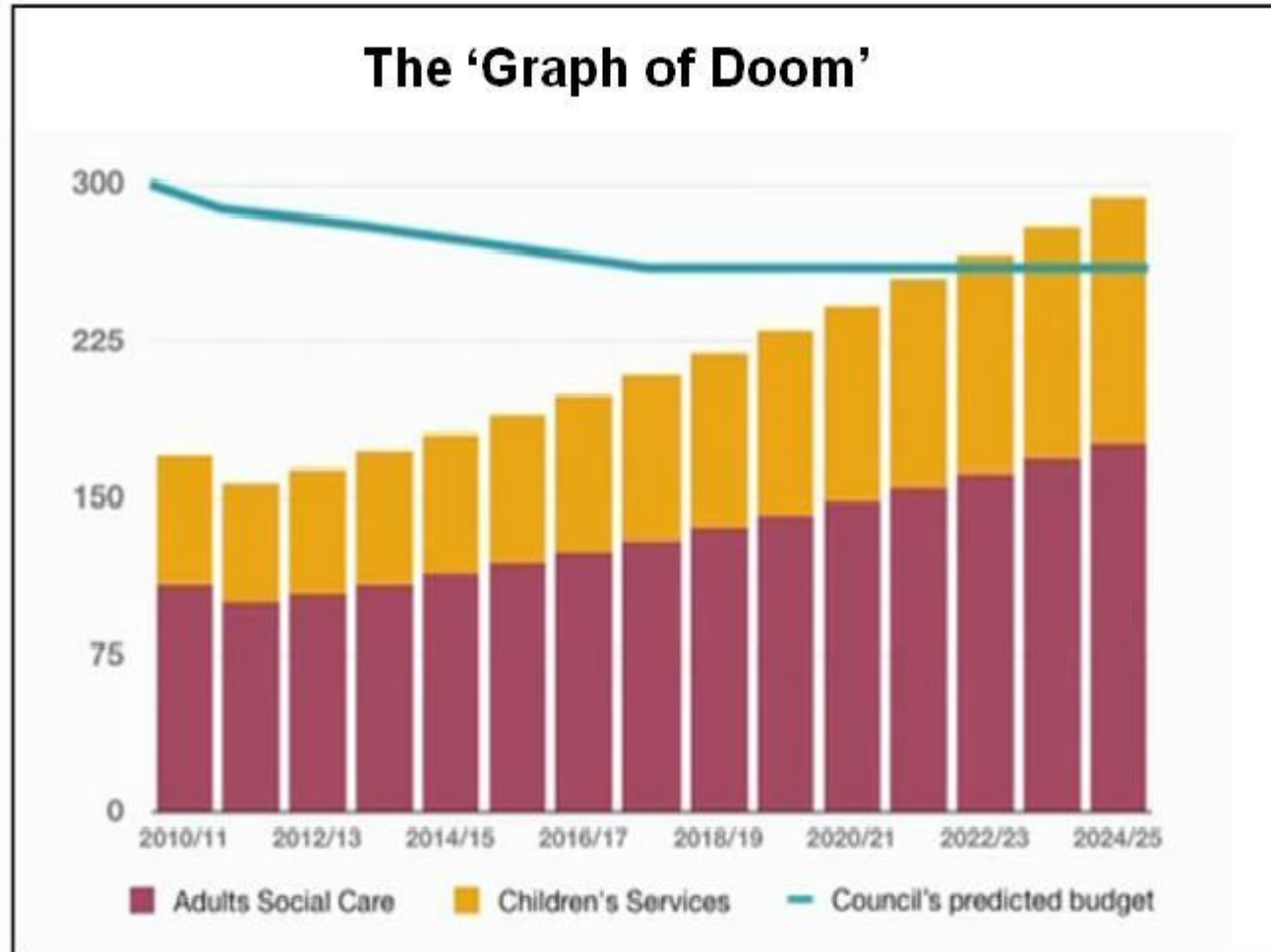
- The age of austerity
- Graph of doom
- Coupled with rising demand

Back to basics: why we what we do



- Social policy
 - Some things are important to everybody
 - Public health
 - Social well being
 - Economic well-being
- Cost/benefit of public services
 - Public provision can be more efficient than the market

Barnet Council



So is failure an option?



What happens when the salami runs out?



Beyond supply side efficiency



- Prevention rather than cure
- Nudge theory and behaviour change
- Income generation

On a bigger scale: tackling causes saves money



Higher

Resource
swallowing
potential

Reactive treatment for
stroke, heart disease,
diabetes

Prophylactic medication

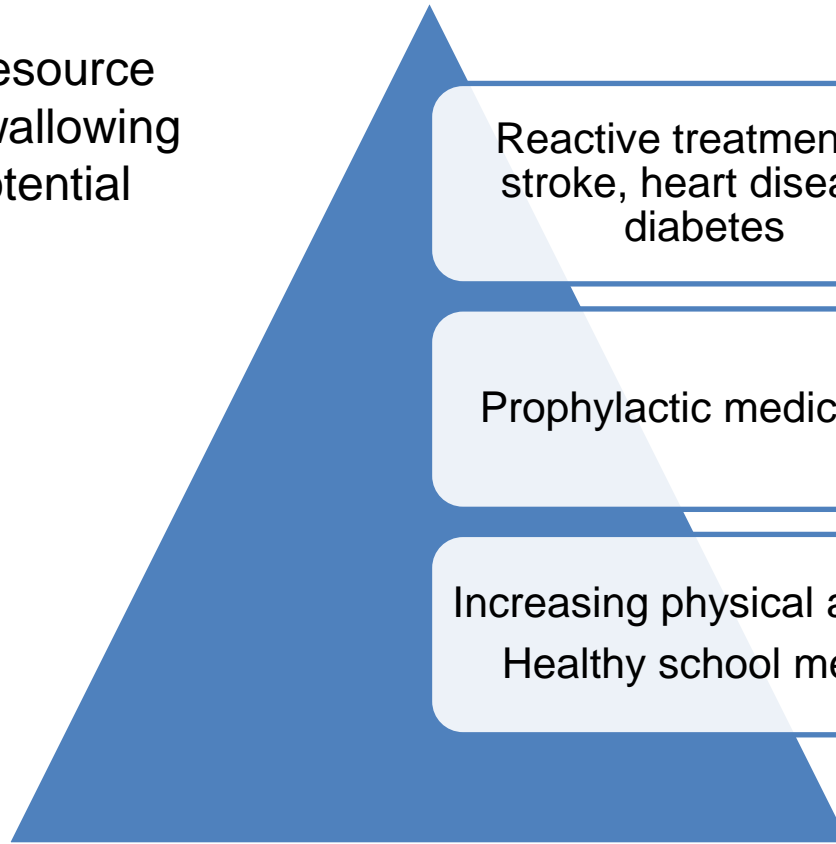
Increasing physical activity
Healthy school meals

Lower

Lower

Behaviour
changing
potential

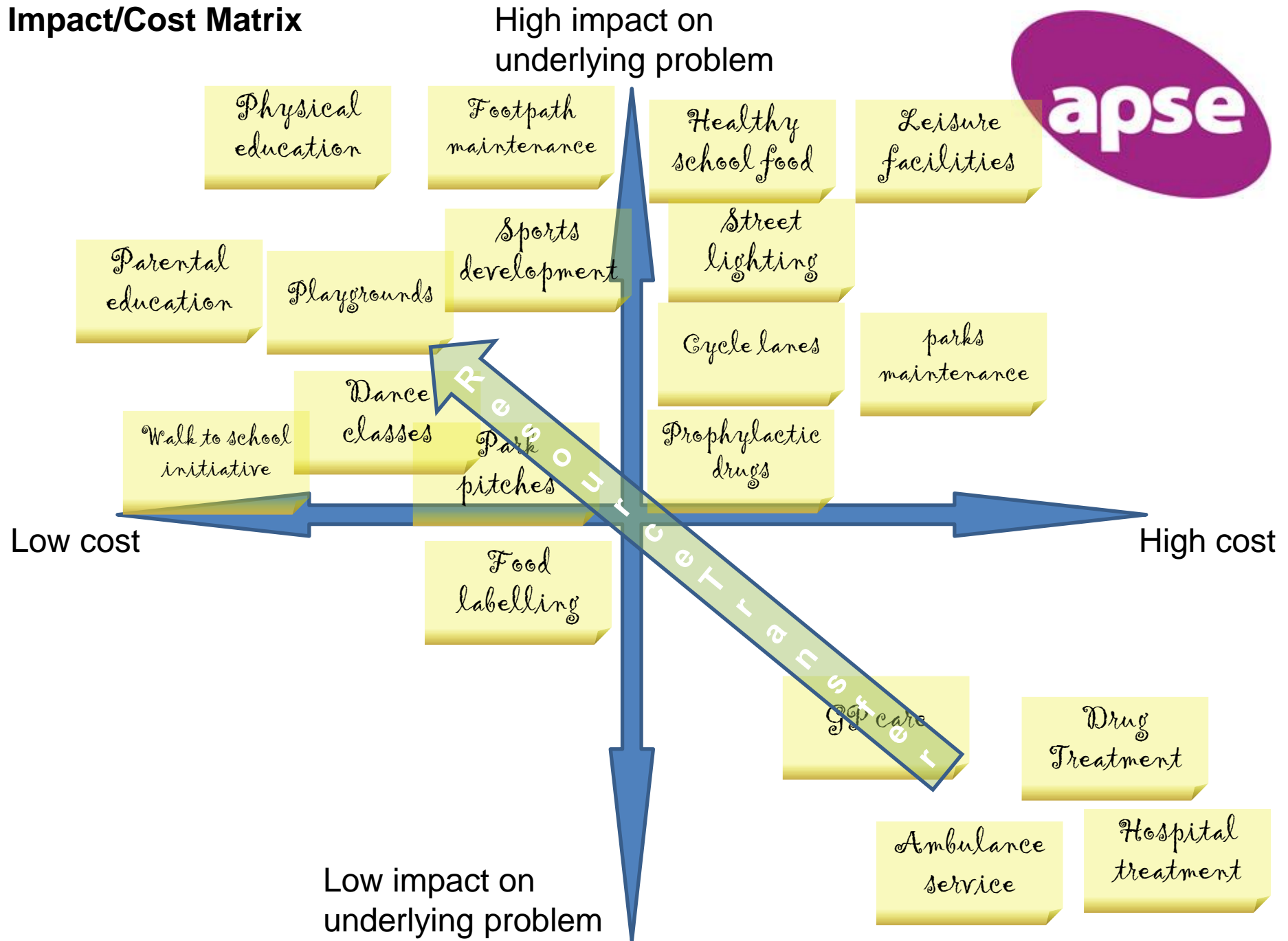
Higher



Activities to tackle lifestyle diseases



Impact/Cost Matrix



“If a man sees a fly, he aims at it”

“Schhpillage was down by 80%...”



Calderdale Home To School Transport

apse



The Evidence – create moments

apse



It helped me gain more experience and confidence..

Its more grown up...I will keep fit

I like travelling with my friends on the buses

I never thought he would be able to travel independentlyit will open up so many doors for him

As parents we were worried....but the travel team were professional and reassuring...when we saw him walking home on his first unaccompanied journey his face was beaming....we knew we had made the right decision

Developing a systematic approach



- Understanding demand
- Changing the nature of demand
 - Reducing it?
 - Growing it?
 - Redirecting it?
- Looking to the future

Blue Ocean Strategy: Demand Innovation



To reconstruct market boundaries



- Look across alternative industries
- Look across strategic groups within industries
- Look across the chain of buyers
- Look across complimentary product and service offerings
- Look across functional or emotional appeal to buyers
- Look across time

In a public service context



- Trade off between cost and service quality
- Ever increasing pressure on demand
- Ever increasing burden on staff
- Repeated service failure
- Ultimate organisational failure

- Pursuit of excellence *and* low cost
- Management of demand
- Empowerment of staff
- Innovation in service delivery
- Organisational change

Key relevance to public sector



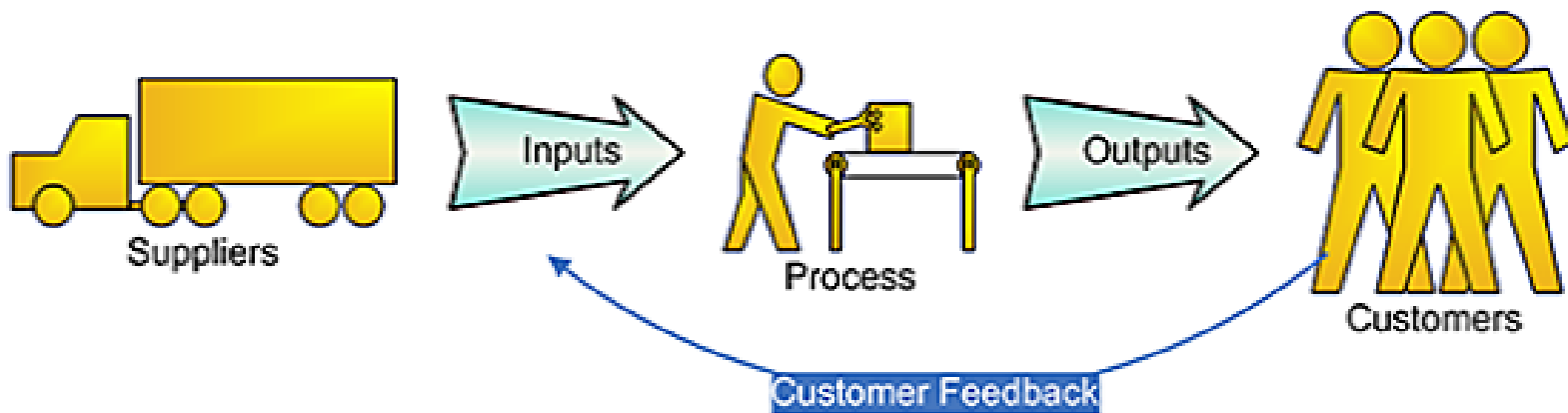
- Blue ocean is consciously concerned with demand side
 - Creating new demand
 - Managing demand through re-focussing
- Transcends marginal savings available on supply side
 - Competition and contestability theory focus on cost control and efficiency – not enough
 - Entrenches current approach to delivery

The service: What is it?



- Suppliers
- Inputs
- Processes
- Outputs
- Customers

SIPOC Diagram



Exploring demand for services: exercises



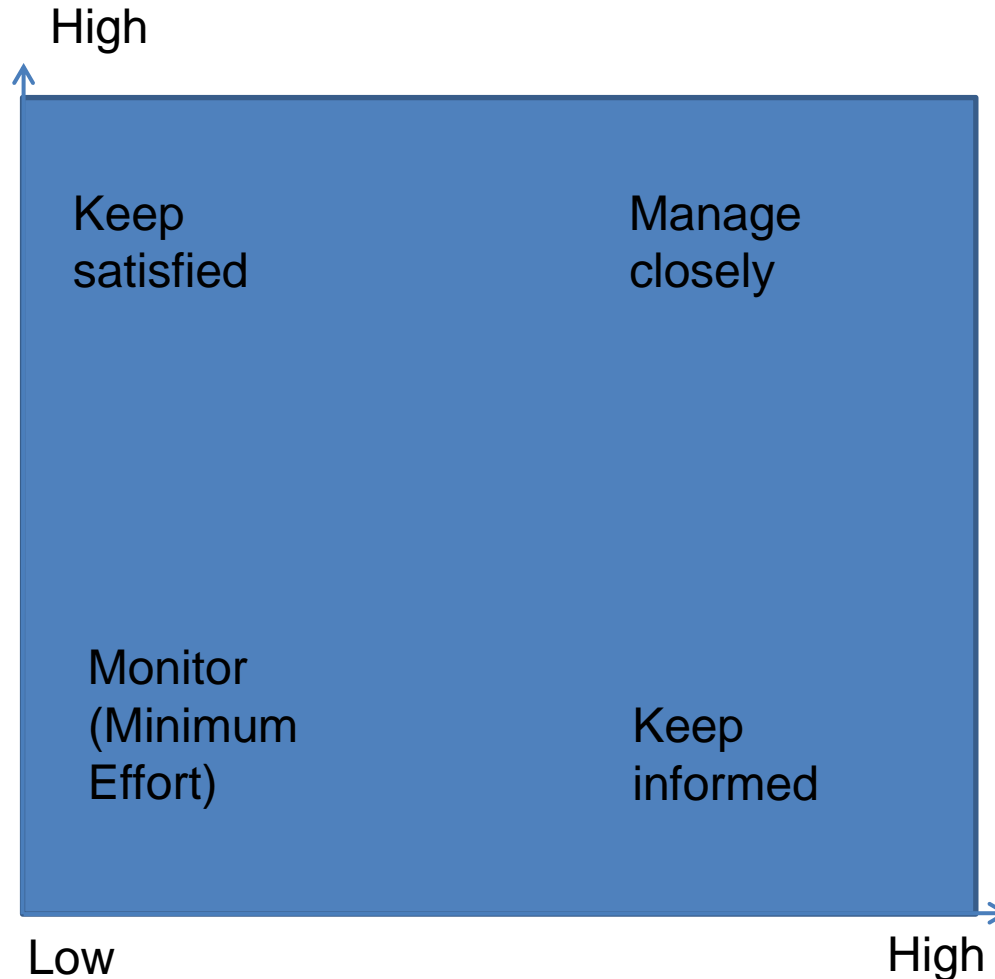
- Who are customers?
- Who are the stakeholders
- Stakeholder analysis

Stakeholder analysis



Side player

- Consult on potential interest areas
- Increase engagement/interest



Key Player

- Consult regularly
- Engage in decision process
- Privilege face to face communication

Observer

- Keep up to date
- Increase their interest
- Try to turn into supporter

Supporter

- Keep informed regularly
- Consult on interest areas

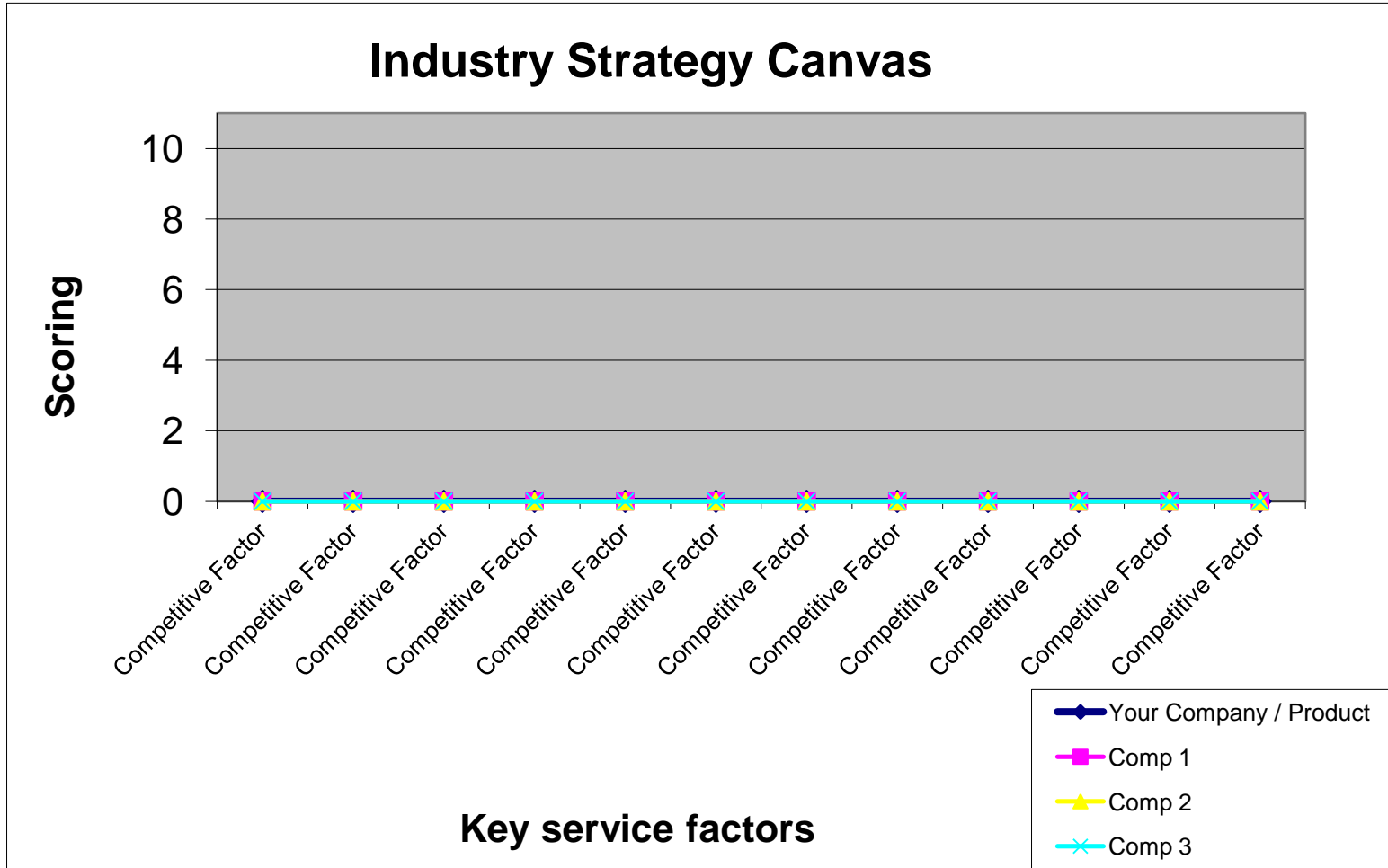
Service Example: Bereavement Services



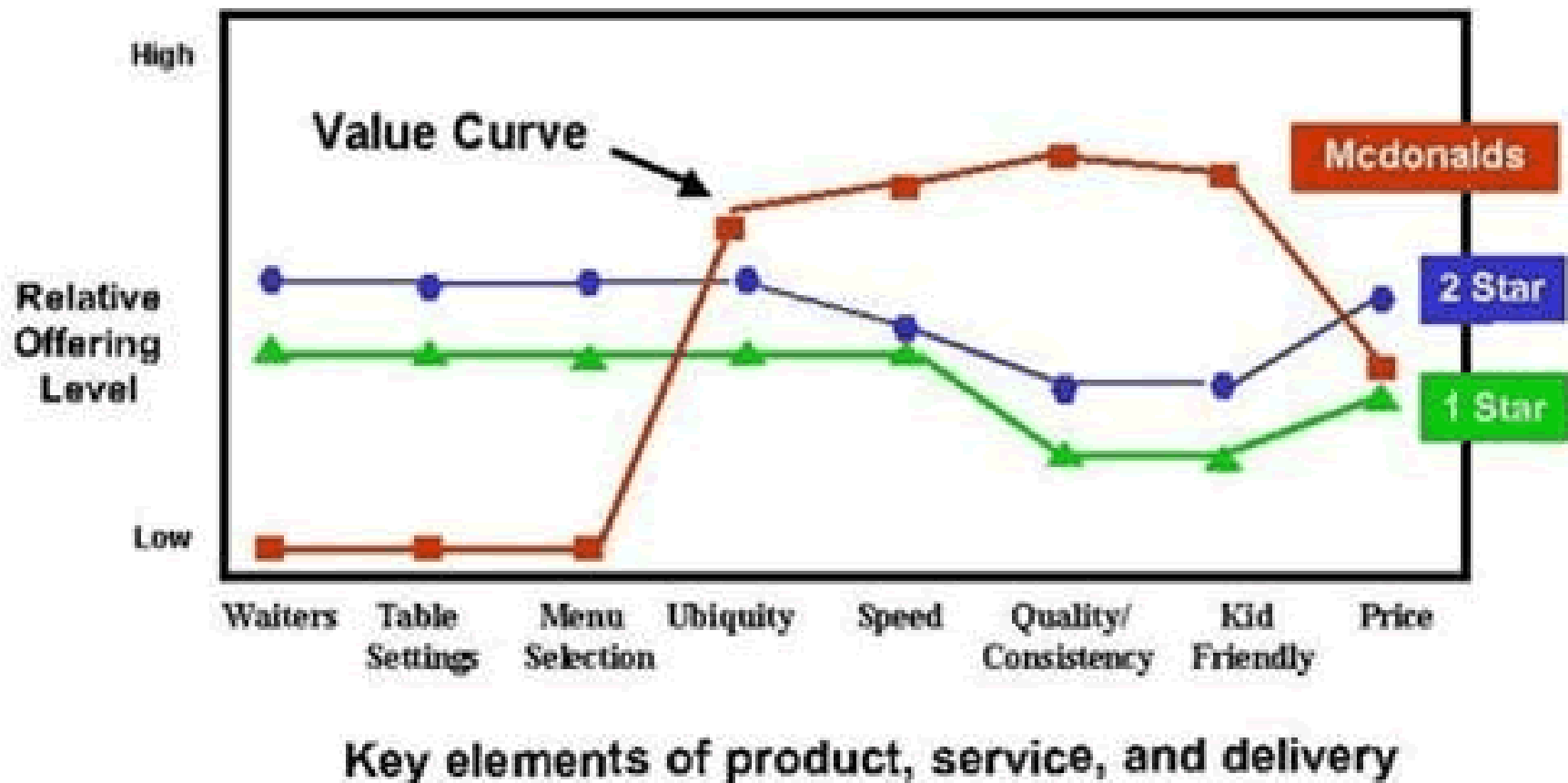
Who's the customer?

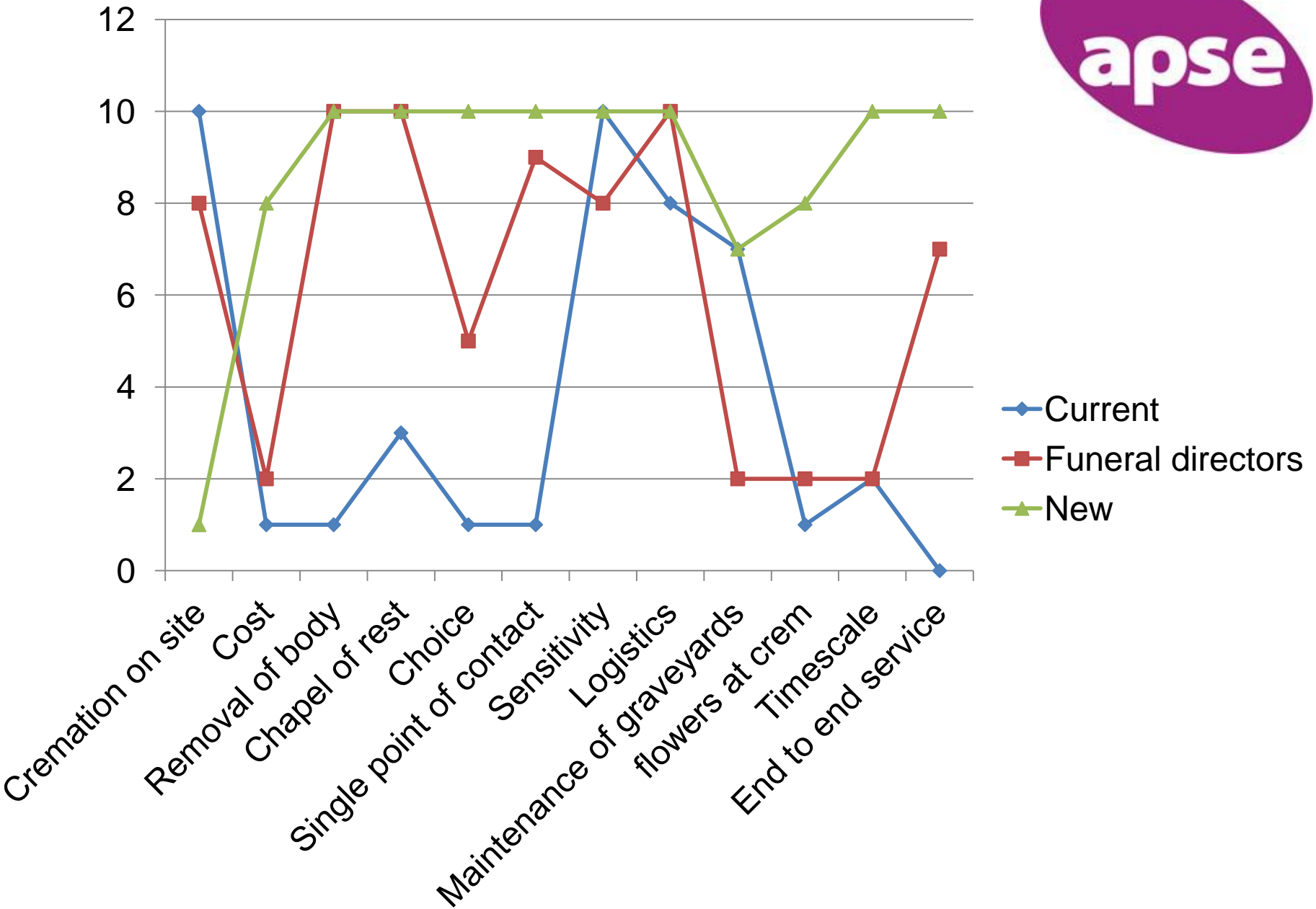
- Funeral directors
- Bereaved relatives responsible for funeral arrangements
- NHS staff
- Coroners
- Funeral goers

Strategy canvas



Strategy canvas: McDonalds



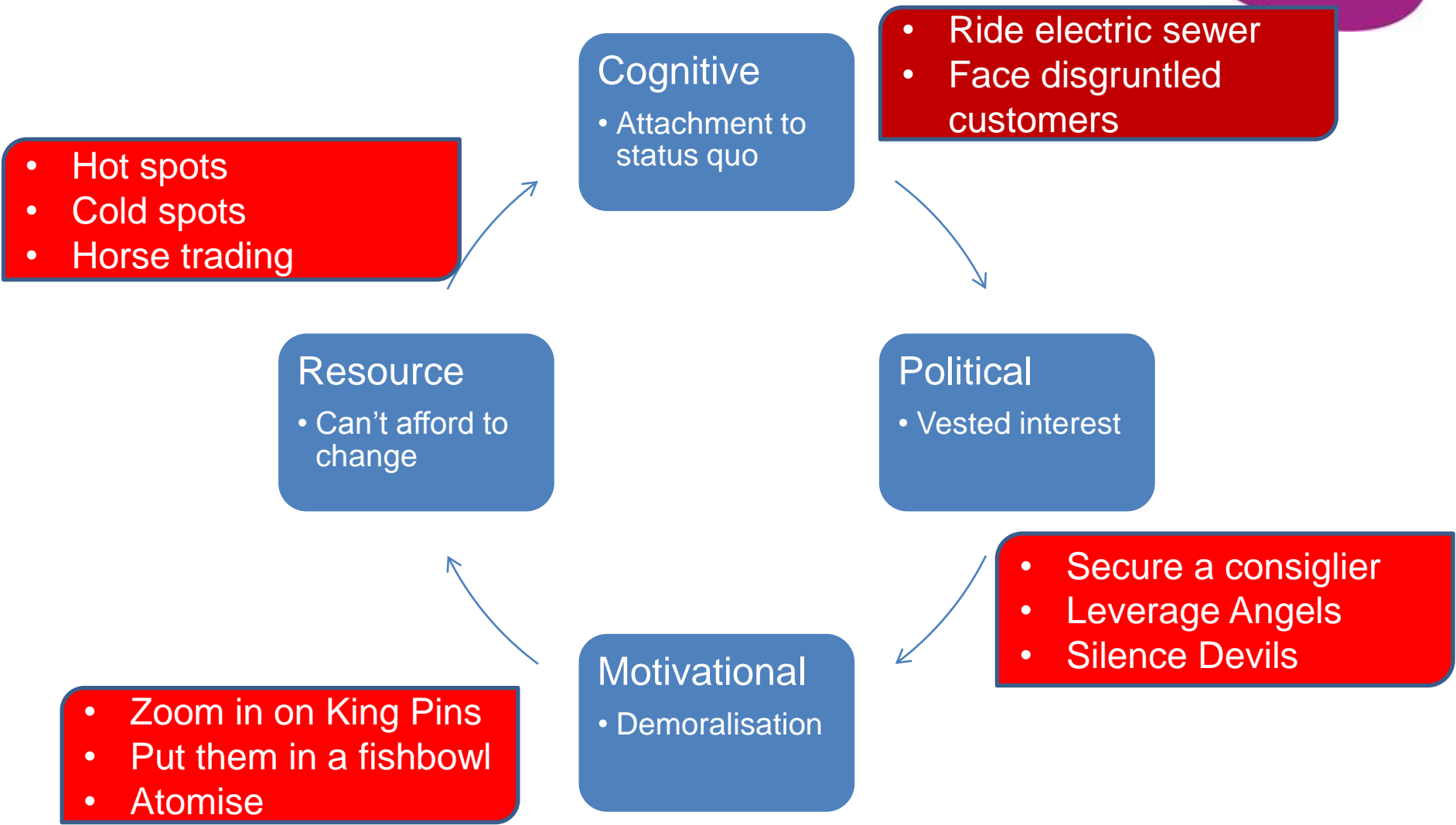




Making change happen

- Factors of disproportionate influence
 - People, acts, activities
- Fair process
 - Keeping the workforce on board
 - Stakeholder analysis (power/influence)
- Focus divergence
 - Functional to emotional
 - Demand chain
- Compelling tag line
 - Marketing

Hurdles to overcome



Economic theory



Exogenous (usually technology) growth theory

- Supply and demand
- **Structure** – conduct – performance (Joe S Bain)
- Structuralist
- Environmental determinism
- Conventional competition strategy – capture and redistribute wealth
- Supply side focus – zero sum economics

Endogenous growth theory

- Creative entrepreneur (Joseph Schumpeter)
- New growth theory
- Reconstructionist
- Blue Ocean strategy - create new demand and therefore wealth
- Demand side focus

Understanding Demand



‘Giving the people what they want is fundamentally and disastrously wrong. The people don’t know what they want...(Give) them something better’

Samuel ‘Roxy’ Rothapfel



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