Transforming government to meet new fiscal realities

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Institute on Governance
LEADING EXPERTISE
Institut sur la gouvernance
EXPERTISE DE POINTE

Institute on Governance

- Canadian, Independent, Not-for-profit
- Mission: ‘Advancing better governance in the public interest,’
- Explore, develop and promote good governance in the public sphere, both in Canada and abroad
- Collaborate with governments foreign and domestic, aboriginal peoples and organizations, and the non-governmental and volunteer sectors in Canada and internationally

Key themes

Re-thinking programs and organizational structure to meet the new fiscal realities
Putting citizens first: ensuring accountability and compliance
Delivering on policy objectives with fewer resources
Where financial practitioners fit into this process: their role and responsibility

Context

Environment	Government Responses
Fiscal pressures	Retrenchment
Changing political expectations	Institutional innovation
Changing societal expectations	Shared services
Social media revolution	Federated models
Complexity	Third sector
Technology acceleration	Citizen centred service models

Context

- *"We will encourage the Government to continue to pursue enterprise opportunities to standardize and consolidate business processes and systems."*
  - Prime Minister's Advisory Committee on the Public Service – March 2012
- *"We still have significant room to improve internal administrative systems and everyday processes."*
  - Clerk of the Privy Council
- *"A challenge, unlike a crisis, can be met with well-considered, firm, steady and even imaginative action that deals with the problems methodically and phases in the needed changes over a period of years, giving people a chance to adjust."*
  - The Drummond Report, February 2012

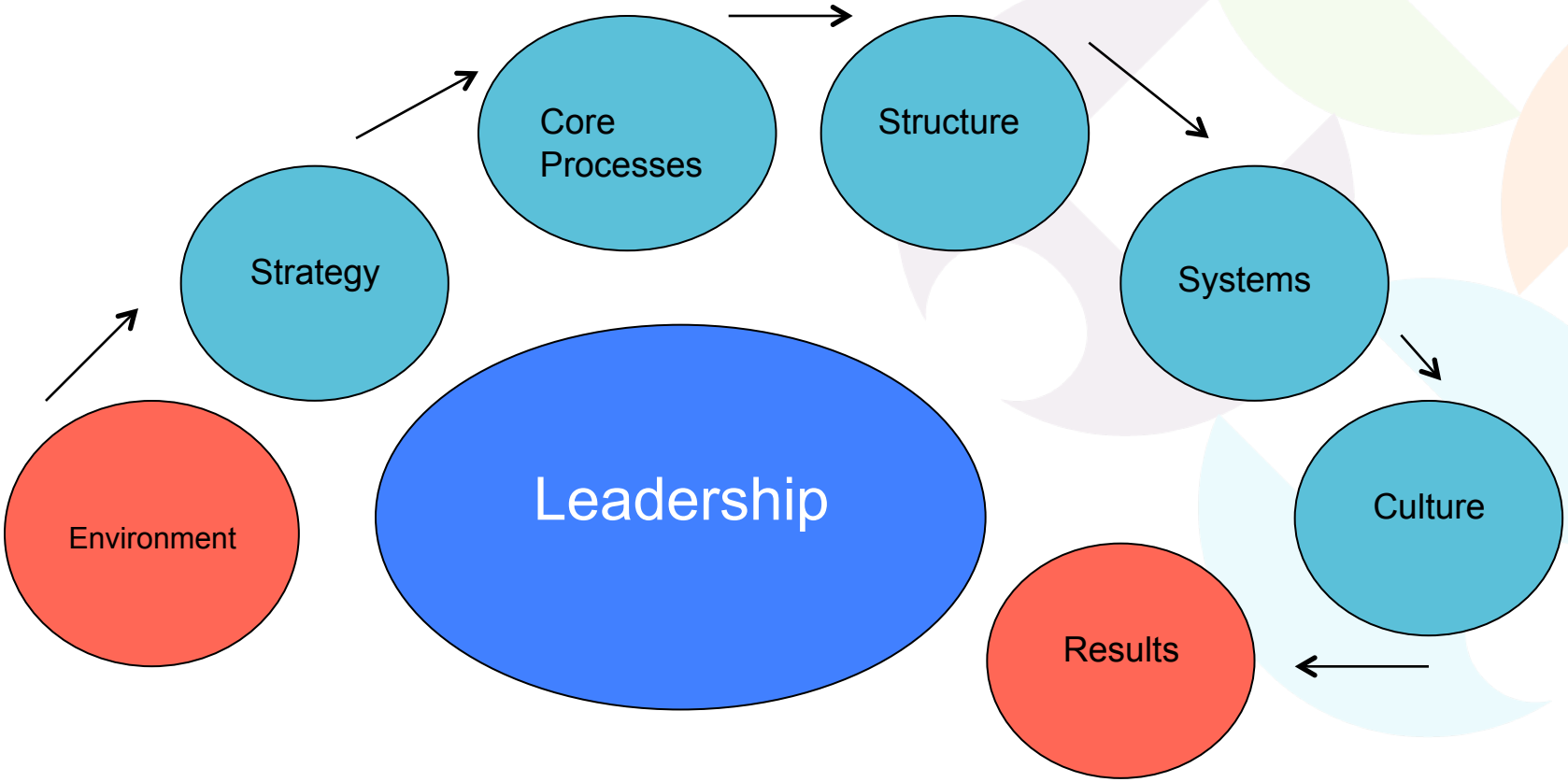
New fiscal realities:

RE-THINKING PROGRAMS AND ORGANIZATIONAL STRUCTURE

Re-thinking programs and organizational structure to meet the new fiscal realities

- "Collective management role is not 'cuts' but a stronger, more adaptable institution" – *The Clerk at APEX, May 2011*
- Producing higher value services at lower cost
- Re-mapping to a new organization via a transformation dialogue

Components of a transformation dialogue that works toward new programs and structures



Re-thinking programs using restraint tools that have governance implications

- Machinery changes
- Devolution
- Privatization
- Overhead cuts
- Franchising
- Partnerships
- Outsourcing
- Deregulation
- Fewer elected bodies
- Municipal amalgamation
- Reduction in elected representatives

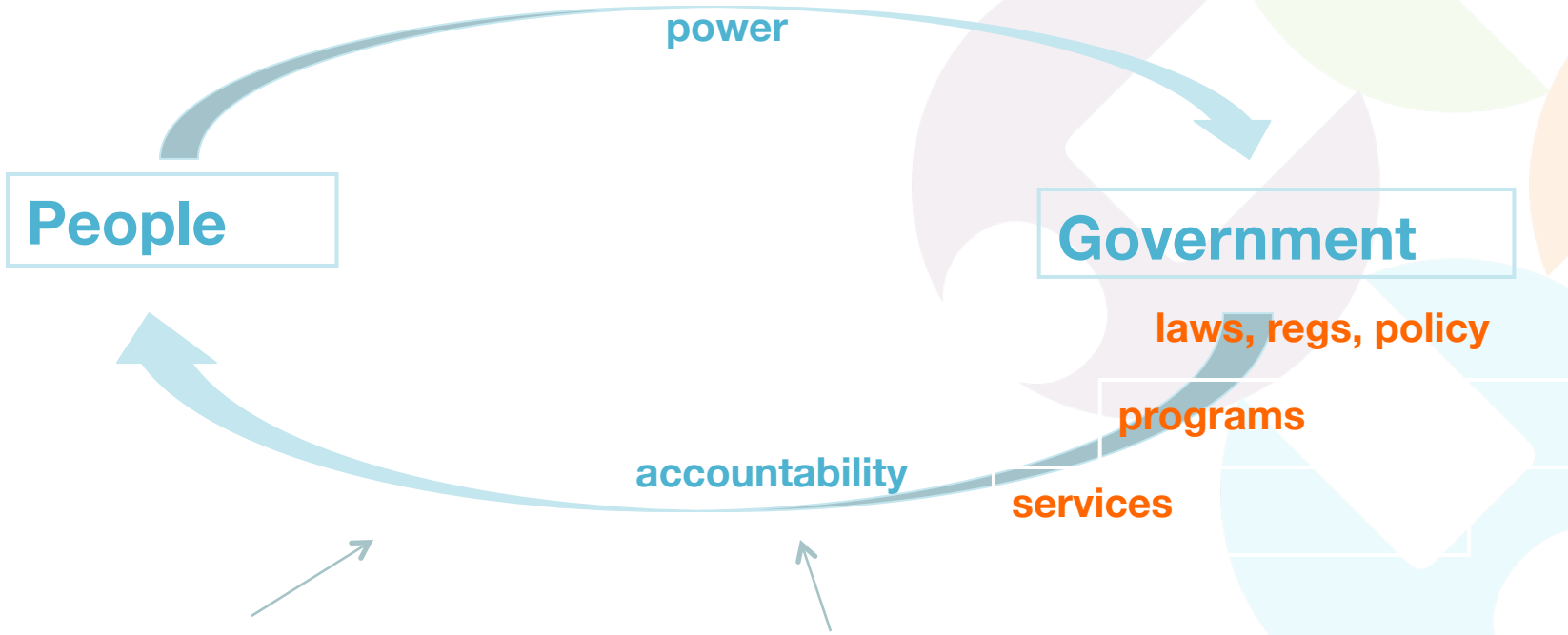
Governance impacts

Intended	Unintended
• Devolution • Increase in distributed governance • Deregulation • Re-centralization • Redefined relationships • Clarified mandates/ performance targets • Effectiveness?	• Less direct relationship with citizens • Role confusion/mandate diffusion • Decreased accountability capacity • Who's got the ball? • Indirect accountability • Increased importance of departmental silos • Effectiveness?

Putting citizens first:

ENSURING ACCOUNTABILITY AND COMPLIANCE

Putting citizens first: the governance bargain



Compliance and results for citizens…

…performance measurement has political implications…allowing us to demonstrate programs are contributing…to outcomes that matter to citizens.

Putting citizens first: through service delivery

- Governments are being re-shaped through the prism of service delivery
- What roles do governments assume in a world where knowledge is everywhere?
- Starting point is service: better, more timely, personalized services at lower cost with better outcomes
- Services are a tangible expression of a government's ability to do things well – *EKOS*

SETTING THE STAGE FOR CHANGE

Setting the stage for change & leading to sustainable high level performance

- Waves of change (from paving cow paths to enterprise-wide, business process transformation)
- Business transformation creates business models that break traditional programmatic structures and focus on developing, managing and delivering services for citizens
- Continuing challenges: accountability and outcome questions
- Next frontier: from cookie-cutter services to a non mass-production approach

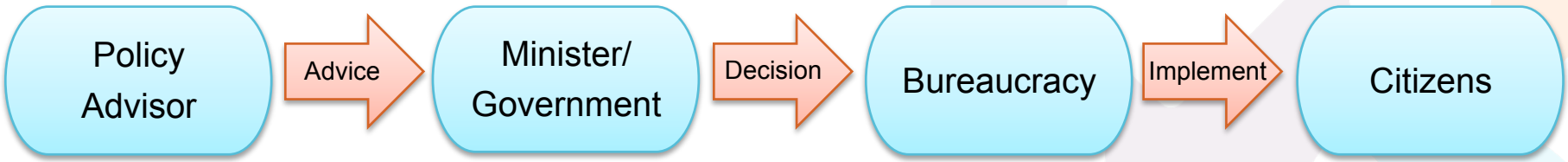
DELIVERING WITH FEWER RESOURCES

Delivering on policy objectives with fewer resources

- Changes to policy development
- Changes to governance and service delivery
- Changes to funding models

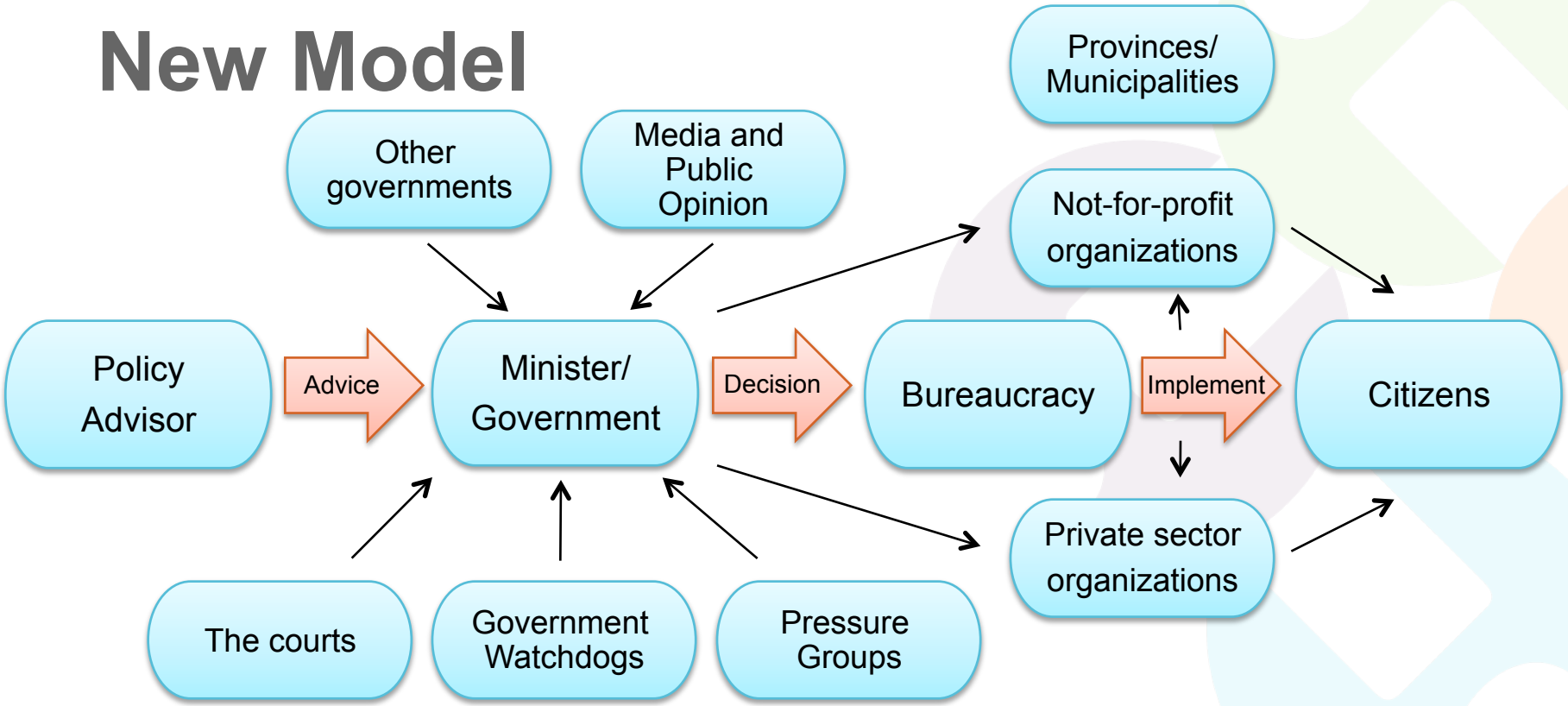
Changes to policy development

Old Model

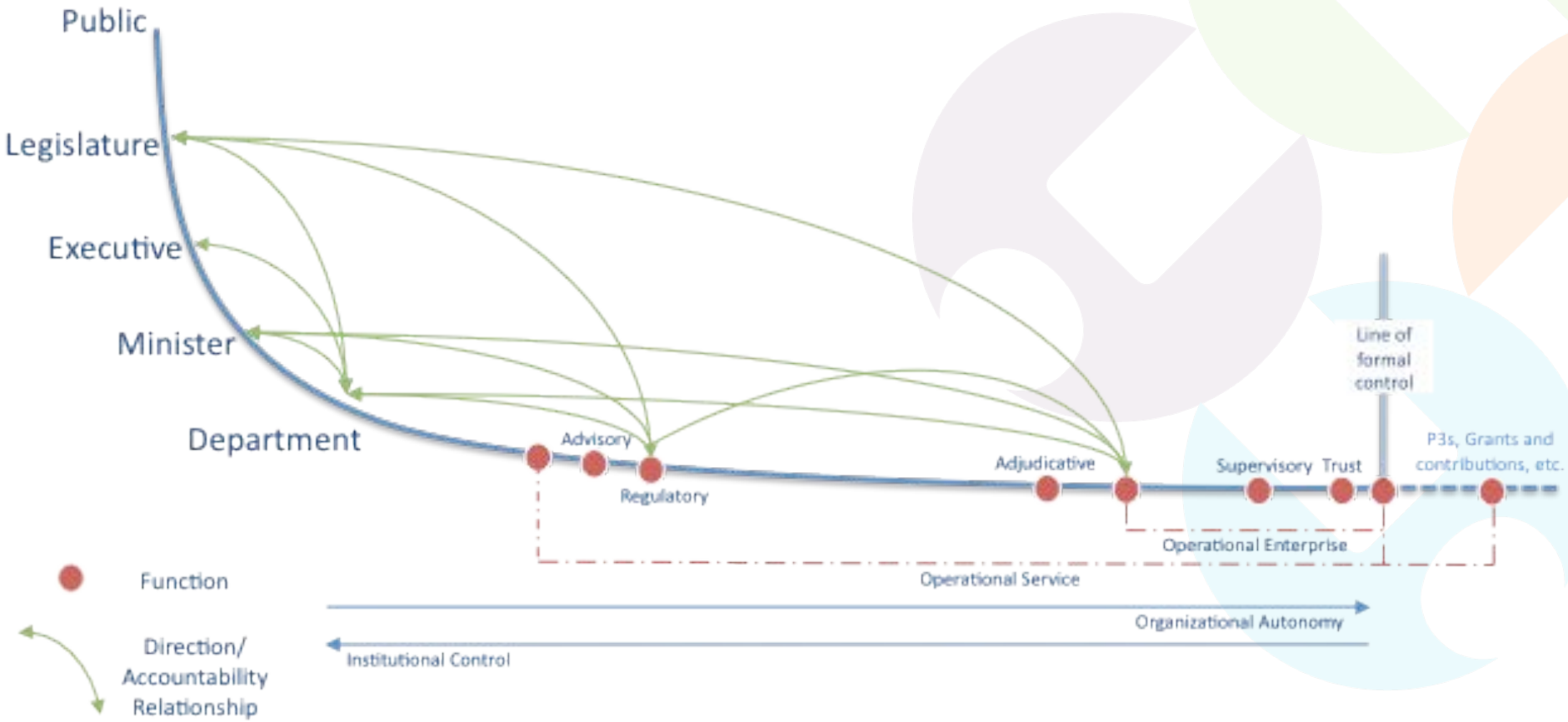


Changes to policy development

New Model



Changes to governance



Changes to funding models

- Public private partnerships
- Fee-for-service / user-pay
- Revenue generation
- Cost-sharing arrangements
- Social finance

Leading transformation

MODERNIZING GOVERNMENT

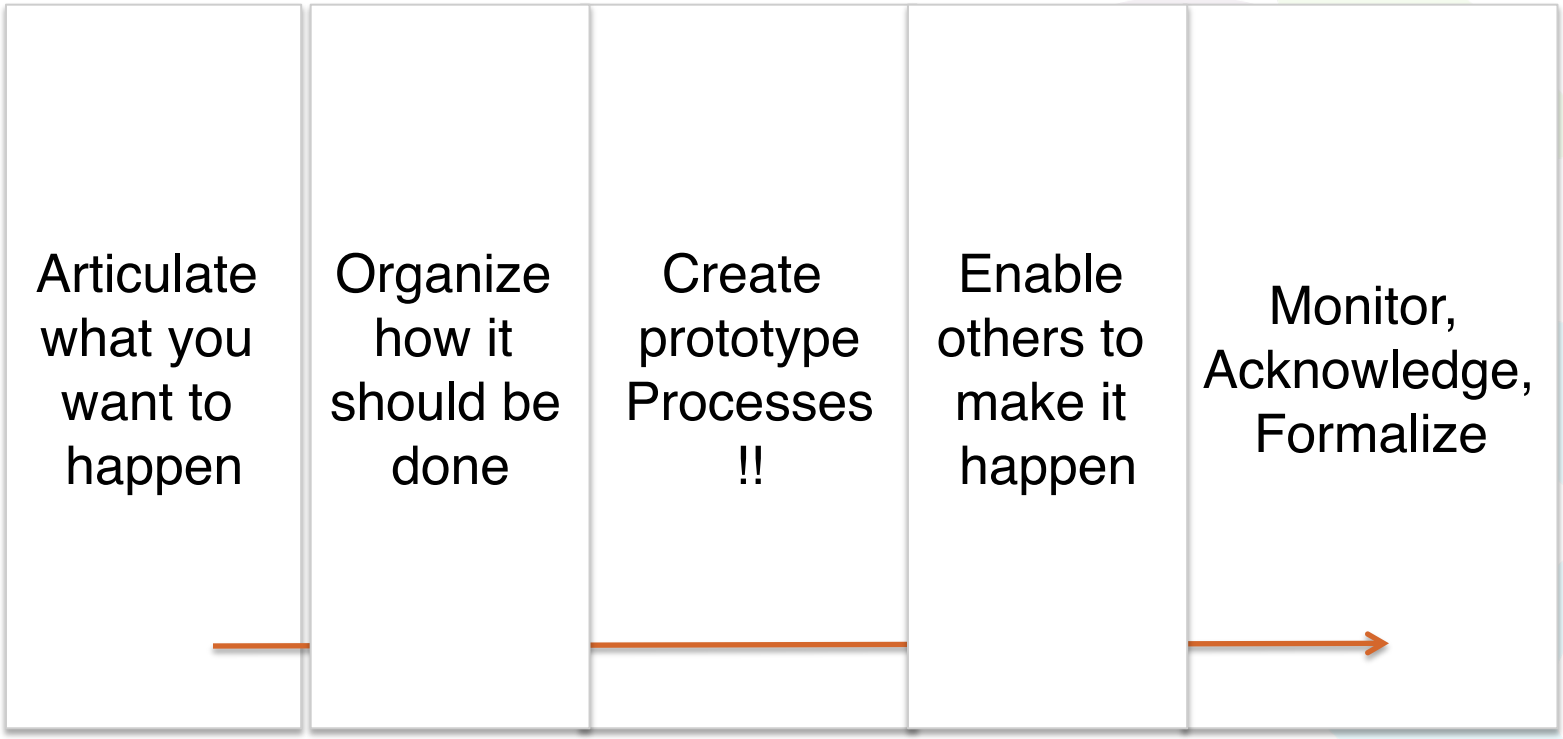
IOG's Modernization Objectives

- Assess level of readiness to transform
- Determine optimal support model
- Initiate a transformation dialogue
- Crystalize the desired outcome
- Develop the roadmap
- Empower the leadership team

We know that…

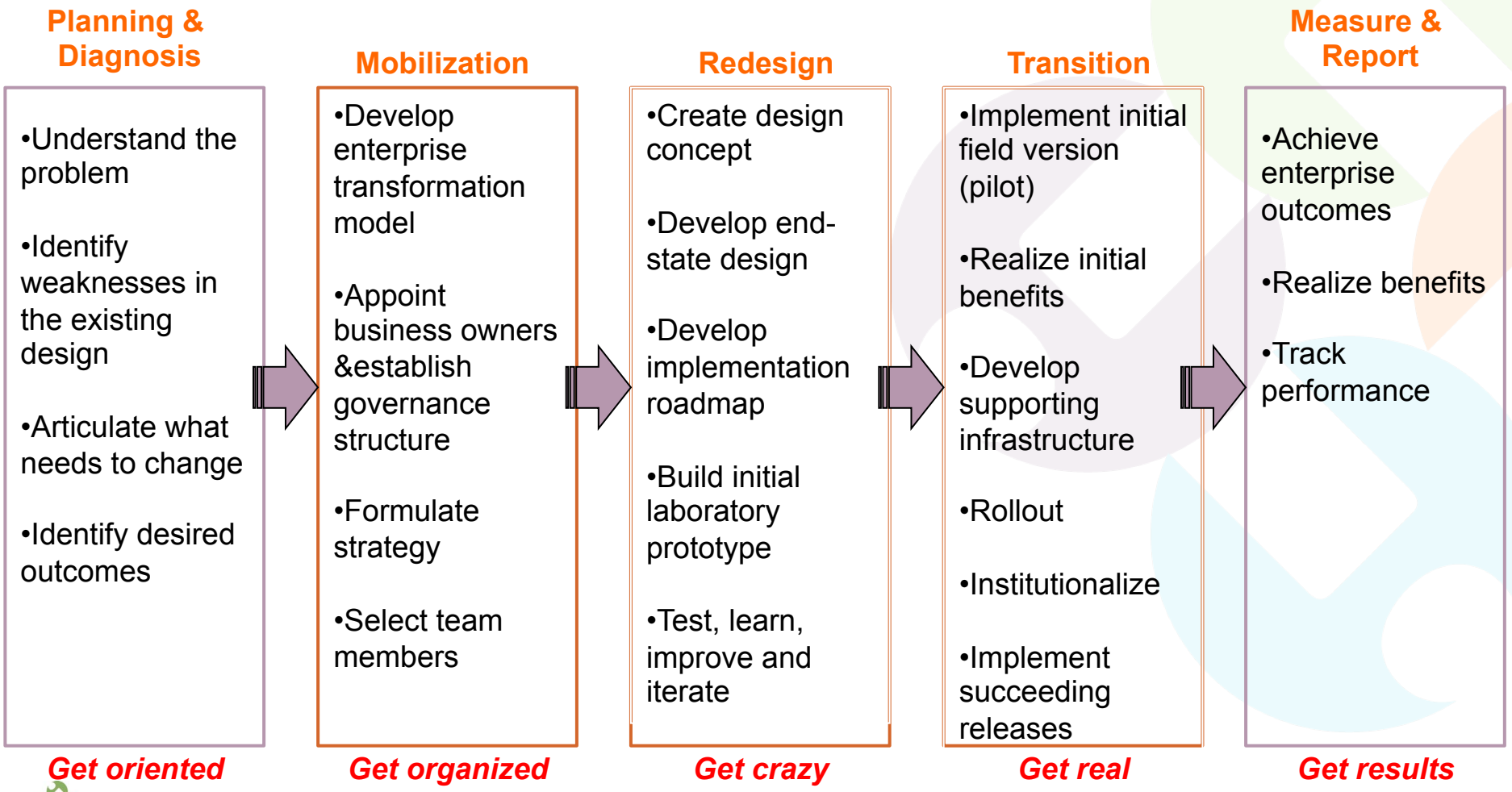
- Defining a vision for the future must challenge the status-quo and inspire enablers
- To function like an enterprise, work must flow through the organization – smashing the concept of silos
- To truly transform, the traditional mindset must be replaced by the will to do things differently
- It starts with outputs…
  - How are outputs changed by the new fiscal reality?

Leading the change process..



… looks easy

A process for Transformation is serious work



Successful transformation achieves results

- Start from where you are: each organization will be at a different stage in transforming their work
- Mobilize through empowerment, creating a culture of continuous improvement
- Use the power of influence to achieve sustainable transformation and service delivery excellence
- Deliver outcomes while realizing efficiencies and benefits

Facilitating transformation requires:

- Iron political will and central control
- An holistic understanding of government
- Windows for radical policy innovation
- Potential for decentralization and devolution of services AND for recentralization
- Accountability mechanisms that can keep up
- Living with relationships
- Management of costs
- Competency of coordination

Fitting into the changing landscape

Role of Procurement and Materiel Management Practictioners

Where practitioners fit into this process: their role and responsibility

- Identifying business problems and their causes
- Analysis of trends, benchmarks, best practices
- Moving from transactional to strategic – influencing direction and execution
- Creation of viable options in partnership with program leads
- Challenge and advocacy – especially on investments and benefit streams
- On-going management of costs and opportunities

Thoughts to ponder

- Sustained change
- Continued constraint
- Incremental management doesn't always work
- Are you ready to lead or participate in transformation? Already doing it?

Thank you,

Keep the conversation going, it's worth it.

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