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# What is your vision for the future of your authority or department?

## How are you going to get your enterprise to where you want it to be?

To determine this, the following questions clearly need to be answered: What will be its range of services, to whom will they be provided and how will it interact with them? What will the enterprise undertake itself and for what will it engage with partners and suppliers? What new facilities will it need, e.g. new digital capabilities? How will priorities, funding, headcount etc change in future? Of course, due to the complexity of authorities and departments, all of these questions are interrelated.

As social needs change and political direction swings with the economy, some services become more or less important, new services are needed and some become no longer affordable. Inevitably that requires staff, management, suppliers and partners to change the ways in which they work and what the enterprise buys by way of goods and services, to vary over time. All of these have to be kept in step, for example, to provide esssential services in the quantities needed while demonstrating good value for money to the tax payer.

**Vision**

Whether or not intentionally, many enterprises create vision statements which are extremely vague. Take the following which is on the website of a local authority:

"*To deliver our vision, the following corporate priorities have been agreed:*

- *Attracting investment and delivering infrastructure*
- *Facilitating suitable housing for local needs*
- *Providing high quality public spaces*
- *Promoting a more sustainable environment*
- *Promoting healthier and more active lives*
- *Enhancing participation in cultural activities*"

This statement provides no indication of timescale or when any of these ambitions will have been achieved, as there are no objective criteria against which to assess them. The authority seems to be setting off on a journey with no particular destination, rather than identifying a destination and striving to get there.

**Value creation**

All successful enterprises provide value every day by way of services to the communities they serve. And every day the world changes around them, e.g. the communities' needs for particular services and the economics of providing them. So effort needs to be expended continuously to sustain that value and further effort is needed to increase it. That requires co-ordinated changes taking place across the enterprise. All such change needs internal investments and is accompanied by risks.

**Whose money are we spending?**

The finances needed to fund that internal investment typically deplete the value that can be provided to citizens in the near term. Against the vague vision statement above, what reasonable expectations might citizens have about the way this investment is being used and how greater value will be created for them in the future? That is not clear.

Take "Attracting investment and delivering infrastructure". This is not even expressed in terms of growth, sustainment or a minimum target to prevent widespread degeneration. What do words like: suitable, high quality, more sustainable, healthier, more active and participation mean?

**Success criteria**

Interestingly, practically all of the objectives mentioned in the above vision statement could have criteria assigned to them with targets set out over time. That would make it much easier for management to identify what needs to be done to achieve them. Those tasks could then be aggregated into projects for those parts of the enterprise which would need to change and they could then be gathered into programmes of work which link to value for citizens.

**Contribution to value & strategy**

This then provides an opportunity, having estimated costs and assessed benefits and risks, to determine how each programme contributes to achieving the enterprise's strategy. Prioritisation for resources could then take place for those programmes which have exceeded some minimum criteria.

The most attractive programmes could then be selected for funding, subject to the total financial

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and human resources available. Crucially, many enterprises get this far and then board involvement tails off. It is like lighting the blue touch paper, withdrawing and then waiting for the rocket to land - anywhere.

So what should happen next?

**Investment reviews**

Just as with external investments, all significant internal investments need regular board-level reappraisal, say every 60-90 days.

Contrary to popular belief, whether the internal investments are running within budgets and timescales and delivering what is expected, is almost immaterial, other than for business control purposes and to learn lessons. What needs to be regularly assessed is what is being sought from the envisaged change at the time of review and how much more needs to be expended to get there – in other words, a foreward perspective.

At each investment review, every running programme and every proposed new programme needs to be assessed in the same way using rigorous criteria and they should all compete with each other. This approach might show that it is appropriate to cancel some projects (or even programmes) which have been going well to date, to free up money and resources to do something else which is even better.

**The road to value**

It's a hard truth that value gets destroyed before it is created. As an example, at the outset time and effort will be expended in the programme to create new capabilities, e.g. new digital facilities. So far these have just destroyed value.

The next step is to bring about business change, e.g. redesign work flows and train people to work in new ways. This destroys yet more value.

These steps need to be followed by realising benefits for citizens as set out in the vision. But before these can be delivered, even more value is destroyed while people are getting used to new targets and ways of working, when they can make mistakes and increase costs.

**And finally … additional value creation**

It is only when the sum of all of the benefits, made possible by exploiting the new capabilities, have exceeded the actual investments to date in the programme, plus their opportunity cost, will additional value be created.

**Grosvenor's vision**

The vision Grosvenor has for Value Management is that through its adoption and the continuous active involvement by boards of directors, enterprises will substantially improve what they provide to citizens from internal investments in business change. Of course, exactly what "substantially improve" means would be one of the first conversations which will need to take place about the journey from 'Vision to Value'!

This is one of a series of papers on Value Management. Others cover:

- investments,
- capabilities,
- business change,
- benefits and
- value.

These papers can be downloaded from www.grosvenorconsultancy.com .

For further information on what Value Management could achieve for your enterprise or to arrange your first conversation on Value Management, please contact:


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