
Survey of Service Clusters

Delivery Clusters of Services to Clients: Innovation from Outside the Government of Canada¹

Introduction

In the current environment of fiscal restraint and rising citizen expectations, all levels of government throughout the world are looking for ways to provide citizens with more responsive and affordable services. One means by which they are attempting to accomplish this is through the use of alternative service delivery models. Some governments are experimenting with one approach in particular, in which “clusters” of services are delivered to clients in order to meet multiple needs.

In many respects, the concept of “clustering” government services is not new to public administration. Since the 1960’s, scholars and practitioners have been struggling with the challenge of integrating services in order to meet the multiple needs of client groups. These earlier service integration efforts tended to focus on specific sets of problems or populations.

This report provides a range of “cutting edge” service delivery initiatives outside the Canadian federal government. Examples from governments in North America, Europe, Australia, New Zealand, Malaysia, and Kuwait, as well as examples from the private sector are presented. These innovations have been identified as a result of a literature review, a survey of the CCMD International Governance Network, and conversations with practitioners and scholars of public administration. Service delivery models in Germany and Spain were examined, but our research indicated that innovative approaches to delivering “clusters” of services have not been widely used in these countries.

Part I of the report provides several lenses through which service delivery innovations can be examined. Tables 1, 2 and 3 categorize the innovations in this report by client type, service type, and type of service delivery mechanism. At the end of the section, an overall framework for delivering “clusters” of services is presented.

Part II provides an initial identification of some of the benefits and some of the difficulties associated with the clustering approach.

Part III presents several examples of clustering innovations in the public sector, by alphabetical order of country and in various levels of detail, depending on the amount of information we were able to gather at this time. They are not intended to be full case studies, but only brief summaries of the innovations.

¹ Reprint of a report prepared by the Canadian Centre for Management Development, August 1995.

These summaries show the range of possibilities for delivering “clusters” of services and highlight some of the countries that tend to be most active in the area of service delivery innovations.

Part IV provides brief summaries of relevant examples from the private sector.

Part I: Overview of Service Delivery Innovations

Three Groupings of Service Delivery Innovations

There are various ways of categorizing and analyzing the examples of service delivery innovations. In this report, we have grouped the examples in three different ways:

1. by type of client
2. by type of service
3. by type of service delivery mechanism.

1. Type of Client

Table 1 (page 4) provides an overview of the innovations in this report by client type. Although the “clustering” of services can lead to greater administrative efficiency, innovations in this area are usually undertaken with the primary purpose of enhancing the delivery of services to some client group. For example, linguistic groups have been identified as a client group to whom “clusters” of services can be delivered. Through certain service delivery innovations, like automated teller machines, it is possible to serve them more effectively by providing them with accessible services in their language. Efficiency can also be enhanced since translation is done only once and then made available to numerous users.

2. Type of Service

Table 2 (page 6) provides an overview of the innovations in this report by type of service. Once the multiple needs of clients have been identified, it is necessary to establish what kinds of services can be “clustered” for delivery. Due to an assortment of different factors, it is not always possible or desirable to offer a full range of services to clients. In many cases, a more modest “clustering” of information services only may be more appropriate.

3. Type of Service Delivery Mechanism

Table 3 (page 8) provides an overview of the innovations in this report by type of service delivery mechanism. While some of the innovations rely on traditional mechanisms for delivery (service counters), others are very technology-driven (ATM machines). In many cases, the services would likely never have been “clustered” had it not been for the availability of new technologies.

Types of Possible Clusters

The Service Delivery Framework (page 35) provides an overview of the innovations discussed in this report by taking into account all three factors mentioned above. It is a useful tool for examining the range of possibilities for delivering “clusters” of services to clients. Each grouping is explained below:

A Information Services

These innovations provide information and referral services only through mechanisms such as phone lines, citizen handbooks, and counter service.

B Self-Service Electronic On-Line

These innovations provide a range of information electronically via computers and modems.

C One-Stop Shopping — General Public

These innovations provide a range of information and some services to members of the public at one common office.

D One-Stop Shopping — Specific Client Group

These innovations provide a range of information and some services to a more specific client group at one common office.

E One-Stop Shopping — Specific Client Group + Self-Service ATM

This innovation provides a range of information and services to a specific client group at one common office as well as information from computer terminals at public places.

F Self-Service Automated Teller Machines, Kiosks

These innovations provide a range of services to specific client groups through the use of magnetic stripe cards and ATM machines.

G Re-organization by Region

This innovation provides a range of services to clients in specific regions through the amalgamation of regional offices.

H Co-location

These innovations provide a range of services to clients by having the offices of different departments or levels of government in close proximity to each other.

I Case Management

These innovations provide a range of services to specific client groups through case managers who guide clients through the entire administrative process from start to finish.

Table 1: Examples of Service Delivery Innovations by Client Type

SERVICE DELIVERY INNOVATIONS	CLIENT TYPE									
	CITIZENS	BUSINESS	DEVELOPERS	SOCIAL ASSISTANCE	DELINQUENT TAXPAYERS	LABOUR	DRIVERS	LITIGANTS		
Iowa Work Dev. Program (USA)	X									
Info/Cal (USA)	X									
US Commercial Centres (USA)		X								
LA Permit Centres (USA)			X							
Arizona QuickCourt (USA)									X	
IRS Collections Div. (USA)					X					
BC Govt. Agents (Cda)	X									
Enquiry BC (Cda)	X									
BC OnLine (Cda)		X								
Access Ontario (Cda)	X									
Access Montreal (Cda)	X									
Service New Brunswick (Cda)	X									
Alberta MCB (Cda)						X				
Canada Business Centres (Cda)		X								
Ottawa-Carleton Entrep. Centre (Cda)		X								
Min. of Transport. Self-Service Kiosk (Cda)							X			
Commonwealth Employment & Dept. of Social Security (Australia)				X						

SERVICE DELIVERY INNOVATIONS	CLIENT TYPE									
	CITIZENS	BUSINESS	DEVELOPERS	SOCIAL ASSISTANCE	DELINQUENT TAXPAYERS	LABOUR	DRIVERS	LITIGANTS		
ACT Shopfronts (Australia)	x									
Link Centres (New Zealand)	x									
"Govt. Within Reach" - Telephone Listing (New Zealand)	x									
GOVH (Britain)	x									
One Stop Shop (Finland)	x									
Citizen's Handbook (Finland)	x									
Social Welfare Services Localization (Ireland)				x						
Social Welfare Services (Ireland)				x						
Municipalities 'Infom' System (Italy)	x									
Milano Chamber of Commerce (Italy)		x								
Inquiry Offices (Denmark)	x									
Service Phones (Denmark)	x									
Modernisation Prog (Mexico)		x								
One-Stop Centres (Malaysia)	x	x								
Public Service Facility Centres (Kuwait)	x									

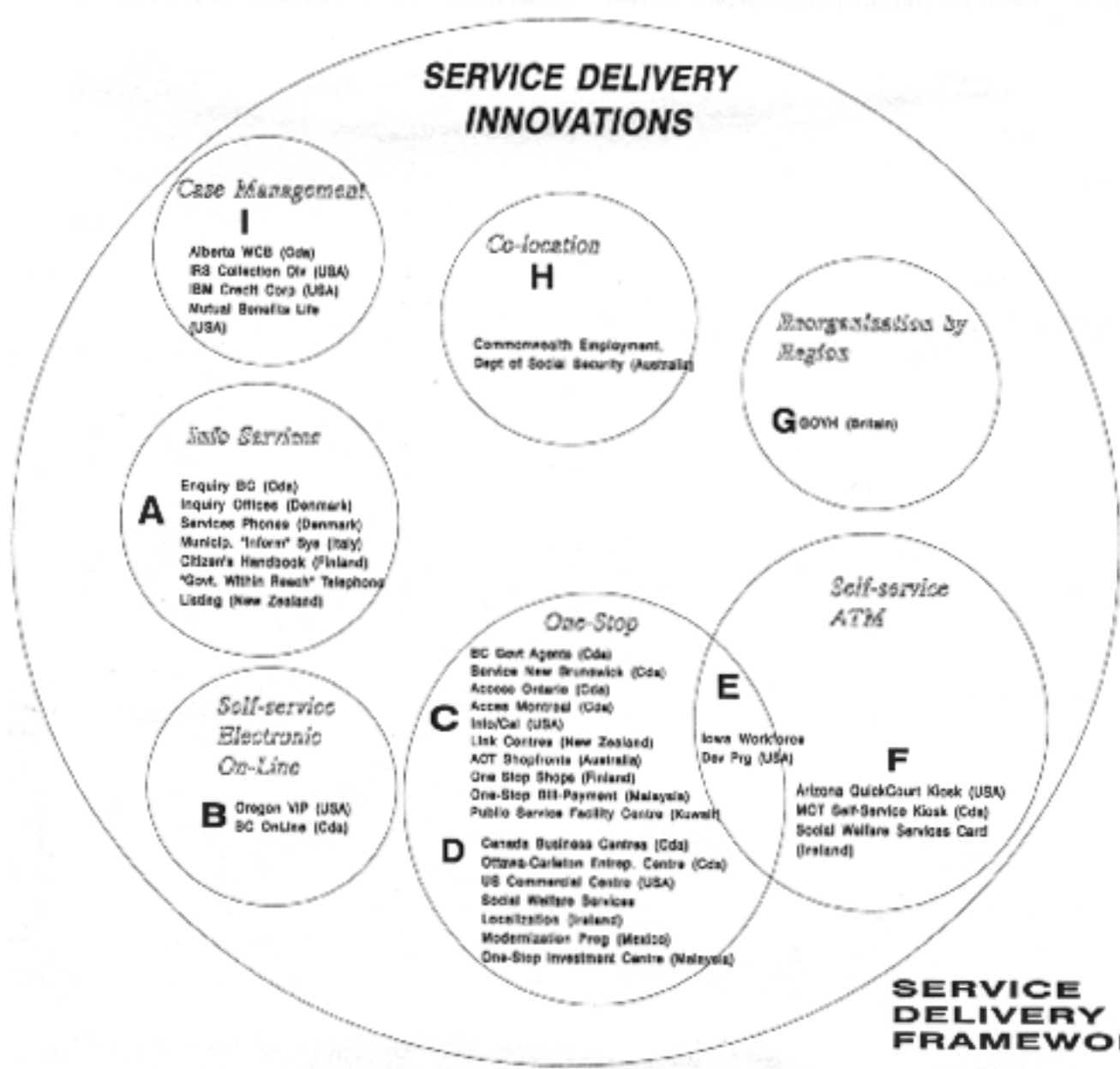
Table 2: Examples of Service Delivery Innovations by Service Type

SERVICE DELIVERY INNOVATIONS	SERVICE TYPE		
	INFORMATION & REFERRAL ONLY	INFORMATION & BASIC SERVICE	FULL SERVICE
Iowa Work Dev. Program (USA)			X
Info/Cal (USA)	X		
US Commercial Centres (USA)			X
IA Permit Centres (USA)			X
Arizona QuickCourt (USA)		X	
IRS Collections Div. (USA)			X
BC Govt. Agents (Cda)		X	
Enquiry BC (Cda)	X		
BC OnLine (Cda)	X		
Access Ontario (Cda)		X	
Access Montreal (Cda)		X	
Service New Brunswick (Cda)		X	
Alberta MCB (Cda)			X
Canada Business Centre (Cda)			X
Ottawa-Carleton Entrep. Centre (Cda)			X
Min. of Transport. Self-Service Kiosk (Cda)		X	
Commonwealth Employment & Dept. of Social Security (Australia)			X
ACT Shopfronts (Australia)		X	

SERVICE DELIVERY INNOVATIONS	SERVICE TYPE		
	INFORMATION & REFERRAL ONLY	INFORMATION & BASIC SERVICE	FULL SERVICE
Link Centres (New Zealand)		x	
"Govt Within Reach" - Telephone Listing (New Zealand)	x		
GCHB (Britain)			x
One Stop Shop (Finland)		x	
Citizen's Handbook (Finland)	x		
Social Welfare Services Localisation (Ireland)			x
Social Welfare Services Card (Ireland)			x
Municipalities 'Inform' System (Italy)	x		
Milano Chamber of Commerce (Italy)			x
Inquiry Offices (Denmark)	x		
Services Phones (Denmark)	x		
Modernization Program (Mexico)			x
One-Stop Centres (Malaysia)			x
Public Service Facility Centres (Kuwait)			x

Table 3: Examples of Service Delivery Innovations by Type of Service Delivery Mechanism

TELEPHONE	BOOKS	SELF-SERVICE ELECTRONIC ON LINE	SELF-SERVICE KEY/ INFORMATION KIOSKS	ONE STOP COURTESY SERVICES	ONE STOP COURTESY SERVICE & INFORMATION KIOSKS	CO-LOCATIONS	CASE MANAGEMENT
<ul style="list-style-type: none"> ■ Enquiry BC (Cda) ■ Services phones (Denmark) 	<ul style="list-style-type: none"> ■ Citizen's Handbook (Finland) ■ "Govt. Within Reach" - Telephone Listing (New Zealand) 	<ul style="list-style-type: none"> ■ BC Online (Cda) ■ Oregon VIP (USA) 	<ul style="list-style-type: none"> ■ Arizona Delicourt (USA) ■ NOT Self-Service Kiosk (Cda) ■ Info/Cal (USA) ■ Social Welfare Services Card (Ireland) 	<ul style="list-style-type: none"> ■ BC Govt. Agents (Cda) ■ Service New Brunswick (Cda) ■ Accda Montreal (Cda) ■ Access Ontario (Cda) ■ Inquiry Offices (Denmark) ■ One Stop Shops (Finland) ■ Social Welfare Services Localization (Ireland) ■ Canada Business Centre (Cda) ■ Ottawa-Carleton Entrep. Centre (Cda) ■ US Commercial Centre (USA) ■ ACT Shopfronts (Australia) ■ Link Centres (New Zealand) ■ GOYH (Britain) ■ Modernisation Program (Mexico) ■ One-Stop Centres (Malaysia) ■ Public Service Facility Centres (Kuwait) 	<ul style="list-style-type: none"> ■ Iowa Workforce Dev. Prog. (USA) 	<ul style="list-style-type: none"> ■ Commonwealth Employment & Security (Australia) ■ Milano Chamber of Commerce (Italy) 	<ul style="list-style-type: none"> ■ IRS Collections Div. (USA) ■ IBM Credit Corp (USA) ■ Mutual Benefits Life (USA) ■ Alberta WCB (Cda)



SERVICE DELIVERY INNOVATIONS

Case Management

I

Alberta WCB (Cda)
 IRS Collection Div (USA)
 IBM Credit Corp (USA)
 Mutual Benefit Life (USA)

Co-location

H

Commonwealth Employment,
 Dept of Social Security (Australia)

Reorganisation by Regions

G GOVH (Britain)

Info Services

A

Enquiry BC (Cda)
 Inquiry Offices (Denmark)
 Service Phones (Denmark)
 Municip. 'Inform' Sys (Italy)
 Citizen's Handbook (Finland)
 'Govt. Within Reach' Telephone Listing (New Zealand)

One-Stop

C

BC Govt Agents (Cda)
 Service New Brunswick (Cda)
 Access Ontario (Cda)
 Access Montreal (Cda)
 InfoCal (USA)
 Link Centres (New Zealand)
 AOT Shopfronts (Australia)
 One Stop Shops (Finland)
 One-Stop Bill-Payment (Malaysia)
 Public Service Facility Centre (Kuwait)

Self-service ATM

E

Iowa Workforce
 Dev Prg (USA)

F

Arizona QuickCourt Kiosk (USA)
 MCT Self-Service Kiosk (Cda)
 Social Welfare Services Card (Ireland)

Self-service Electronic On-Line

B

Oregon VIP (USA)
 BC Online (Cda)

D

Canada Business Centres (Cda)
 Ottawa-Carlton Entrep. Centre (Cda)
 US Commercial Centre (USA)
 Social Welfare Services Localisation (Ireland)
 Modernization Prog (Mexico)
 One-Stop Investment Centre (Malaysia)

SERVICE DELIVERY FRAMEWORK

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Part II: Benefits and Difficulties of Cluster Approaches

Benefits

There are two basic rationales for the “clustering” of services:

1. **convenience** — clients are able to receive a range of services without having to shuttle back and forth between the offices of several different organizations.
2. **efficiency** — administrative work can be made more efficient when mutually interactive decisions are made at one location.

Based on these rationales, innovations that deliver “clusters” of services can benefit both clients and service providers.

Client satisfaction

Client satisfaction is enhanced when government information and services are easily accessible, accurate, responsive, and timely. Many of the innovations in this report advance these qualities by delivering numerous services at a common place, having specially trained staff, offering personalized service, and having extended hours of operation.

Affordability

Affordability is an issue that is equally important to clients and service providers. Many of the innovations that involve the “clustering” of services deliver more affordable services by increasing efficiency. For example, the co-location of the Department of Social Security (DSS) and the Commonwealth Employment Service Offices (CES) in Australia has resulted in a reduction in the costs of office space and ancillary services for both organizations. The Enquiry B.C. initiative has promoted **efficiency** throughout government by alleviating individual departments’ burden of responding to general inquiries and referring clients. These departments now have more resources to devote to delivering the services for which they are directly responsible.

There are also several unique and indirect benefits of “clustering” services. For example:

Rate of compliance

If client satisfaction is enhanced as a result of greater accessibility, etc., there can be an associated increase in the rate of compliance. For example, in Australia, the co-location of DSS and CES has resulted in more consistent information about the obligations of social assistance recipients; thereby making it easier for them to comply. Similarly, innovations such as ServiceOntario, Accès Montréal, and one-stop shops in Finland make it easier for citizens to make **prompt payments** of fines and taxes.

Public trust

Some innovations that provide a range of information to clients can help restore public trust in open and fair government. For example, the Vendor Information Program in Oregon, which provides contractors with access to government information, has been credited with restoring confidence in the state's procurement system by making it more equitable.

Regional offices

Another benefit of “clustering” services relates to the closing of regional offices. Services traditionally provided by individual regional offices which are found to be too costly to keep open can be delivered through a service delivery innovation that results in a “clustering” of services. For example, in some rural communities of British Columbia, when regional offices close, government services continue to be provided by staff members who are transferred to the local B.C. Government Agents or Access Centre.

Possibilities for the future

If government authorities become comfortable with sharing information, and having other parties deliver their services, innovations that involve the “clustering” of services will present several possibilities for the future. For example, in Ireland, the Department of Social Welfare Services is encouraging other government organizations to **layer** their services on the SWS welfare card, and suggest that the card might eventually include the services of commercial firms. In addition, the New Brunswick Department of Finance has suggested that it may be appropriate for some “clusters” of services to be provided by the private sector through an approach similar to the **franchising** being done by Canada Post.

Difficulties

The examples in this report describe the service delivery innovations at the “delivery” level, i.e. the level at which the client(s) receive the service. Obviously, providing “clusters” of services requires much more than the right mechanism for delivery. It also demands consideration of other factors such as the development of policy and strategy, design of appropriate organizational form, operational planning, programming and budgeting, and the creation of systems to meet client needs. Listed below are several problems and issues associated with delivering “clusters” of services to clients. While some of these issues may be common to any innovation that delivers a “cluster” of services, others are specific to certain types of innovations.

Whenever more than one division, organization, or level of government is involved in a service delivery innovation, several important issues arise. For example:

Allocation of costs

It can be difficult to determine who should be responsible for what costs. (This can include the potential responsibility of clients through user fees).

Organizational culture/values

Employees from different organizations and professions who are brought together to work under one roof may experience a clash of values.

Accountability

Common systems for auditing and reporting may have to be introduced.

Decision-making

The appropriate level of discretion must be determined for non-specialists or employees from one organization who are delivering the services of another.

“Turf” wars

Managers and staff from some departments may have to be convinced to allow “their” services to be delivered by someone else.

Confidentiality

Some clients may not want their records to be available across several organizations, and some organizations may be unwilling to share client information.

Compatibility of computers and data-bases

Since so many service delivery innovations involve the sharing of information, compatible information systems are often a necessity.

Other issues that may be relevant to innovations that deliver “clusters” of services to clients include:

Costs

The most significant cost considerations include the cost of implementing new technology, the cost of maintaining a common office, and the cost of training.

Legislative requirements

In some cases, legislation may be required to allow organizations to share resources for the purpose of delivering “clusters” of services. Finnish authorities went through three years of pilot projects before such legislation was passed. Furthermore, current legislation may act as a barrier to innovation. In New Brunswick, legislation exists that prohibits the sharing of client information across some departments.

Impact on associations/lobby groups

Some service delivery innovations may subsume the role of these organizations. For example, in Ontario, the government's proposed one-stop shopping for long term health care recipients faced opposition from organizations like the Red Cross and the Victorian Order of Nurses who feared they would be driven from the business.

Tension between the trend towards alternative organizational forms (SOAs) and the "clustering" of services

Some alternative service delivery mechanisms, like special operating agencies, display characteristics such as specialization and separation, which are in direct conflict with the principles of service integration or "clustering".

This initial report simply attempts to provide an overview of service delivery innovations. If there is an interest from the committee, a more detailed treatment of the issues can be provided in a subsequent report.

Part III: Summaries of Innovations from the Public Sector

Australia

Co-location of the Department of Social Security (DSS) and the Commonwealth Employment Service Offices (CES)

I Origin

The decision to actively pursue the co-location of the local service delivery offices of these two organisations grew out of concerns for client convenience and the need for greater cooperation to improve employment outcomes for the unemployed.

The growth in longterm unemployment during the recession of the early 1990's increased concern that all possible impediments to effective outcomes be addressed in a concerted fashion.

Co-location also offered the prospect of more effective communication and cooperation at the regional level and savings on accommodation costs.

II Description

In Australia, income support payments to the unemployed and assistance in finding employment are provided directly by the federal government. Income support payments are provided by the Department of Social Security and assistance in finding employment is provided by the Commonwealth Employment Service, an agency of the Department of Employment, Education and Training.

A condition of receiving income support is that the unemployed remain registered with the CES and actively seek work. The CES reports to the DSS on a recipient's job search (or training) activities and can recommend suspension or termination of income support payments.

Both the CES and the DSS maintain regional offices in places accessible to clients. DSS runs about 250 regional offices and the CES until recently ran about 400. DSS offices might employ 50-100 people; CES offices 10-40.

There have been ongoing frictions between the two organisations, in part, because of their different views of who the customer is. DSS saw the unemployed person as the customer; the CES juggled the requirements of employers and the unemployed.

More recently the CES has had this ambiguity resolved by being asked to focus on the unemployed and has been asked to broaden the service offered to place more emphasis on training and the administration of job subsidies. They have also been asked to rationalise their regional office network.

Improvements in computer technology mean that DSS maintains a nation wide database on its clients and increasingly shares this data with the CES. The CES has only recently fully embraced information technology but is quickly coming up to speed.

A major impetus has been given to the CES to improve its service by placing it in competition with external case managers.

Clients

The unemployed, and particularly the long term unemployed, are the principal client group. Other clients include sole parents and people with disabilities who seek assistance in finding employment. Employers, particularly those seeking access to employment subsidies are an important resource and therefore a subsidiary client.

Services

To the unemployed the CES and DSS provide joint counselling and referrals to prospective employers and trainers. CES and DSS also provide essential client data to each other for the control of fraud and abuse.

III Outcomes

Co-location typically means renting adjoining space in regional shopping centres. Co-location means one-stop-shopping for the unemployed who must visit DSS at least once every two weeks and submit to joint DSS/CES interviews as required.

It also means that it is easier for DSS and CES staff to arrange joint interviews of clients and therefore such interviews happen more frequently. Joint interviews present the client with consistent information about rights and obligations and a greater incentive to comply. A consequence should be better employment outcomes and reduced fraud and abuse.

Co-location also typically reduces rent and allows offices to share the cost of ancillary services. Greater informal contact between the two organisations also promotes better understanding and reduces friction based on cultural misunderstanding. This should also lead to better employment outcomes.

Australian Capital Territory Government (ACT) Shop Fronts

I Origin

The ACT shop fronts were an attempt to group the services provided by the Australian Capital Territory Government in central locations. (The ACT Government manages a range of services encompassing those typically provided by municipal, regional and provincial authorities in Canada.)

The planned development of Canberra around three town centres previously meant that people seeking information and wishing to pay their bills in person had to travel long distances to various locations around the city. The small size of Canberra meant that it was uneconomic for many authorities to open offices in each town centre.

II Description

Two shop fronts are located at either end of the city. They consist of a building like a bank with counters around the walls for a range of different services provided by the Territory Government including rates and taxes, water and electricity charges, dog licences, parks and gardens, transport concessions, etc.

Many Territory responsibilities are not served by the shop fronts: motor vehicle licenses and registration continues to be handled at other locations, as do building permits, firearm registrations, police etc.

Clients

All ACT residents are potential clients if they wish to pay their bills in person or have inquiries that cannot be handled over the telephone.

Services

Usually only simple queries can be handled at shop fronts together with the receipt of money and cheques.

III Outcomes

The initiative has improved cash management for departments and agencies by encouraging the payment of bills in person and centralising receipt of funds.

The impact on client services has been at best mixed. Shop front staff are often unable to answer basic queries and offer telephone numbers for further assistance. The central collection of cash has led other agencies such as the police to use the collector of public moneys at shop fronts which means people now have to visit the initial service provider as well as the shop front.

Britain

Government Office for Yorkshire and Humberside (GOYH)

I Origin

The Government Office for Yorkshire and Humberside is the result of the April 1994 amalgamation of the regional offices of the Department of Trade and Industry, the Department of the Environment, the Department of Transport and the Department of Employment. This followed release of the central government's White Paper on Competitiveness.

II Description

Mandate

The mandate of the GOYH is to promote a coherent approach to competitiveness, sustainable economic development and regeneration, using public and private resources, and, through this, to bring about measurable improvements in education, training, and business management and development in this district in the north-east of England. A key element in the GOYH's strategy is developing "a broad-based view of the management of central Government programmes and policies."

Clients

Residents of the region of Yorkshire and Humberside.

Services

The GOYH provides a single point of contact with government for people in the region, delivering all the services previously provided by the central government departments in accordance with Citizen's Charter principles. The GOYH's main activities also include developing partnerships with and between local interests and feeding local views and experience into the formation and communication of central government policy- and decision-making.

To perform these various functions, the GOYH is organized into five directorates: Housing, Planning and Transport; Employment and Training; Regeneration; Trade, Industry and Europe; and Strategy and Resources.

III Outcomes

The GOYH includes amongst its successes the establishment of an apprenticeship programme for the region, in sectors such as software development; export assistance to businesses; and the issuing of grants to stimulate private sector investment in physical and human infrastructure.

Canada (The Provinces)

Canada Business Service Centres (CBSCs)

I Origin

The CBSC system was established in response to concerns within the business community about dealing with government, at both the federal and provincial levels. The major areas of complaint related to perceptions of telephone runaround, inadequate or inappropriate information being communicated, indifference to the needs of business clients and unnecessary duplication and overlap.

II Description

Industry Canada, Western Economic Diversification Canada, the Federal Office of Regional Development (Quebec) and the Atlantic Canada Opportunities Agency, in partnership with the provinces, have recently set up a cross-Canada network of business service centres. The centres are located in major metropolitan areas and are staffed jointly by federal and provincial employees.

CBSCs operate under formal agreements signed by the federal managing partner responsible for the specific site and the respective province. In Ontario, for example, Industry Canada works in cooperation with the provincial Ministry of Economic Development and Trade. In the Maritimes, the federal managing partner for the centres is the ACOA. The only exceptions are the CBSCs in Edmonton and St. John's, which operate according to informal arrangements.

The CBSC network has a three-year budget of approximately \$15-million, with funding coming directly from the Treasury Board. Spending decisions are made by an ADM-level Managing Partners Committee.

Mandate

The Canada Business Service Centres offer a single window service to the business community across Canada. They are designed to improve business access to government programmes and services, both federal and provincial, to enhance the information available to Canadian business and to provide more comprehensive and higher quality levels of service to business clients.

Clients

Mainly small to medium size business enterprises.

Services

The Canada-Ontario and other Business Service Centres provide a telephone service and a fax-back service. They also encourage clients to use a computerized database of approximately 800 federal programmes from over 20 different departments and agencies. The database provides clients with a brief description of each programme, eligibility requirements and other basic business-related information. The database also incorporates a unique “pathfinder” system that allows users to navigate through the programmes by specific topic (e.g. importing).

The level of service provided by the BSCs varies across the country.

III Outcomes

Client satisfaction is measured through client advisory boards at several CBSCs (e.g. Montreal) and through formal client feedback surveys at others.

Case Management

Alberta Workers’ Compensation Board

I Origin

Prior to 1989, the Alberta Workers’ Compensation Board responded to claims of injured workers through a linear and time-based process. Many departments became involved in a case only after other departments had already performed a number of functions. This approach allowed for little interaction between employees or coordination of activities. Workers ran into many problems when dealing with complex claims. They spent about 80% of their time handling the 20% of claims that were long and complicated. As a result, clients were unhappy about the service that they were receiving. In order to improve the delivery of service to injured workers and their employers, the Compensation Board developed a case management approach to handle particularly complex claims.

II Description

Mandate

The Alberta Workers' Compensation Board's Case Management Program is designed to improve the delivery of service to clients whose time-loss claims extend beyond thirty days.

Clients

The Alberta Workers' Compensation Board serves injured workers and their employers.

Services

Under case management, clients with the potential for producing complex claims are identified. These claims are then managed by generalist adjudicators who ensure that clients receive all of their required services. The case managers oversee a wide range of services for their clients, from accepting the claim and authorizing benefits, to developing an appropriate rehabilitation plan. The case managers are supported by Integrated Service Units (ISUs). The ISUs are teams of specialists from various disciplines, including doctors, rehabilitation counsellors, compensation specialists, and psychologists. Every member of the team works and communicates with each other in the same office.

The case managers have total responsibility for every aspect of the case. While at one time, it took as long as five days to get an answer to a simple medical question, the case manager can now get that answer right away from somebody working in the same office. The case manager acts as a single contact point for injured workers and their employers who used to have to call several different departments, and often received several different answers.

III Outcomes

The shift to case management in the Alberta Workers' Compensation Board required eliminating several layers of management and extensive training for employees whose jobs now became much more professional and managerial. The morale and efficiency of the organization has increased since the case management approach was adopted. Client satisfaction, cost effectiveness, and return to work ratios are measured to ensure that the service to stakeholders is continuously improving.

The Alberta Workers' Compensation Board's Case Management innovation was part of an overall initiative that won the Silver Award in the 1990 IPAC Innovative Management Competition.

British Columbia Government Agents and Access Centres One-Stop Shopping

I Origin

The history of the Government Agents Branch can be traced back to the 1800's. During the gold rush, Governor Douglas appointed tax collectors and gold commissioners — positions which are the forerunners of the government agents. During those times, the government agent was a jack of all trades, doing all required to maintain peace, order and good government. Through the years, the government agent has assumed many roles ranging from tax collectors to coroners to insurance issuers for the Insurance Corporation of B.C. In the 70's and early 80's, many of the functions of the Government Agents branch were affected by regionalization. In 1986, the branch made a concentrated effort to become and remain a superior service delivery organization.

II Description

Currently, the branch offers over 550 government services and information on behalf of 19 ministries. There are 60 Government Agent offices located throughout the province. The size and types of services offered vary depending on the needs of the community. Out of the 60, 28 are Access Centres. An Access Centre has three or more ministries operating out of a government agents office. Access Centres provide “one-stop shopping” for public information and government services. Access Centres are located in high-profile store-front locations for easy access. The staff who operate these centres vary. They may include staff from the Government Agents Branch, Consumer Taxation Branch, Safety Engineering Services, Public Gaming Branch, Mines Inspection, Agriculture, Motor Vehicle Branch, Liquor Inspection Branch, and Waste Management Branch.

Mandate

The Government Agents branch has no programs of its own but acts totally as an agent of other ministries. Its goal is to provide easy and convenient access to government information and services.

Clients

Citizens.

Services

Core Information and Services : Property taxation, land titles, crown land registry information, motor licensing, hunters' and miners' licences, consumer taxation, medical services plan registration and billing. Counter staff provide information, referrals, general advice and assist in form-filling. In some centres, extended services may be provided by ministry staff.

Five regional directors oversee the 60 offices and are accountable to the Assistant Deputy Minister, Community and Regional Development (Ministry of the Small Business, Tourism and Culture). Administration and operation of each government agent office are carried out by a management committee.

Issues addressed in the development of these centres:

1. Turf issues. Some ministries which are integral to the region were not willing to join a Government Agents office. In some cases, ministries joined after extensive negotiation. Others agreed only after Cabinet made it a government initiative.
2. High set-up costs. Because Access Centres have to be located in high-profile locations with available parking, they are often expensive. Other cost considerations include outfitting the office and ensuring it is accessible by handicapped clients. Access Centres are often built to meet specific requirements.
3. Internal politics. As each office houses staff from various ministries, conflicting administrative and management policies have to be addressed.
4. Staff have to be cross-trained to provide information and customer service.
5. Technology - Information systems have to be in place to provide staff with access to ministry information.

The Government Agents Branch was the first recipient of B.C. Tel's Quality Service Award.

III Outcomes

Client satisfaction is high. Government agents are knowledgeable and provide information and advice on various government services to the public.

Operating costs are reduced due to pooling of resources and sharing of space. In some rural communities, when ministry offices close, government services continue to be provided as some ministry staff are transferred to a Government Agents office or Access Centre.

Enquiry B.C. Program — Toll-Free Information Referral Service Ministry of Government Services, British Columbia

I Origin

In 1990, the Task Force on Improved Service to the Public and the Service Quality B.C. Secretariat travelled throughout the province of British Columbia consulting with regional line staff and managers on service quality issues.

The top two recommendations of the Service Quality B.C. Business Plan were to (1) implement a toll-free telephone information line to provide access to government information; and (2) a program guide to Government.

The Enquiry Centre was established in July 1991.

II Description

Mandate

The major objective of Enquiry B.C. is to provide equal access to current and reliable provincial government information for all B.C. residents.

The Enquiry Centre is managed by one ministry staff. The toll-free referral service is operated under contract in Vancouver.

Clients

Citizens.

Services

The Enquiry B.C. toll-free information referral service operates from 7:00 a.m. to 7:00 p.m. on weekdays, and from 9:00 a.m. to 5:00 p.m. on Saturdays. The Centre utilizes a computerized database to answer general enquiries and provide information referrals.

III Outcomes

Call volumes doubled in the first year of operation from 15,489 calls in July 1991 to 33,062 in July 1992. Call volumes continue to increase in the following years. In June 1995, call volumes reached 84,523.

In January 1995, a direct customer survey was conducted to obtain feedback from customers of Enquiry B.C. 86% of those surveyed were very satisfied with the service they received at their first point of contact with the government (Enquiry B.C.). A majority of callers completed their enquiry/business with a single, correct ministry transfer. The information and referral service saves staff time across all ministries.

Future directions include developing a new 900 service for B.C. residents to place a call to change their address with multiple government programs.

B.C. Online — A User-Pay, Electronic On-Line Information Service British Columbia Systems Corporation

I Origin

B.C. OnLine is a user-pay government information enterprise that provides government information to private and public sectors. B.C. OnLine is operated by the B.C. Systems Corporation (a crown corporation) in partnership with the provincial government. B.C. OnLine was set up in 1989 to leverage government's huge investment in information technologies to improve service, lower costs and create revenues.

II Description

Mandate

B.C. OnLine acts as an information broker for ministries and entities. B.C. OnLine provides an electronic mechanism and support services for ministries to electronically retail information. B.C. OnLine offers extended access to government registry data at the convenience of the user. It is accessible from anywhere in the province via a local phone line, computer and modem.

B.C. OnLine operates without subsidy from government. It serves over 15,000 users in over 5,000 law practices, banks, real estate offices and other businesses in British Columbia.

Clients

General business, lawyers, financial institutions, automobile and equipment dealers, realtors, accountants, notaries, title search agents, and all levels of government.

Services

Provide information on: Land Titles Registry, Corporate Registry, Personal Property Registry, B.C. Assessment Authority database, Rural Property Tax database, Ministry of Finance and Corporate Relations taxation bulletins, updates to Land Title Practice Manual.

B.C. OnLine also provides a toll-free number for technical assistance (8 am to 8 pm Mondays to Saturdays).

Clients are charged per search and registration. The price for each transaction is determined by the database owner. B.C. OnLine collects the fee and retains a set portion to defray its own costs and remits the remainder to the owner's account.

Charges for use of B.C. OnLine is managed through a B.C. OnLine Deposit Account. Clients replenish their deposit accounts using the Electronic Funds transfer option, or by paying at any B.C. Land Title office, Government Agents Branch or Personal Property Assessment Authority office.

III Outcomes

As B.C. OnLine is a pay-per-use service, it is the least expensive way to purchase government information. One of the advantages of a user-pay model is that it eliminates cross-subsidy between programs. With more clients serving themselves electronically, it also reduces the overhead costs for counter service by government staff.

In 1992/93, its gross revenues were over \$32 million on a volume of about 4.2 million transactions.

Its customer base has grown by 10% to 15% per year since its inception. In the last customer survey, 85% of the users were either very satisfied or satisfied with B.C. OnLine.

Success factors:

1. The type of information that is provided on B.C. OnLine is based on measured demand.
2. Existing infrastructure — The information is already stored in databases running on B.C. System's mainframes.
3. As a crown corporation, B.C. Systems has the flexibility to create and manage the information enterprise.
4. Co-operation and mutual support for an alternative service delivery model by ministries. This collaboration has led to a strong partnership between B.C. Systems and government "data-owners".
5. A two-tiered pricing policy structure was established at the outset by the government. A price differential of one or two dollars was established between electronic and counter service.

**Service New Brunswick,
New Brunswick Department of Finance — Management Services Division**

I Origin

In the fall of 1991, the New Brunswick Ministry of Finance began a consultative process in order to find ways of delivering government services in an

environment of fiscal restraint. Tax-payers indicated that they wanted a smaller, more accessible, and user-friendly government. In the same year, a study on service delivery in the province revealed that the New Brunswick government had 890 different service points in 195 communities. The inefficiencies in terms of convenience and cost of this type of service delivery arrangement became very clear. The Management Services Division of the Ministry of Finance decided that the citizens' desire for more accessible service, the environment of fiscal restraint, and the potential of new information management technology, made the fall of 1991 an opportune time to begin planning two "one-stop shopping" centres.

II Description

Mandate

Service New Brunswick centres are designed to act as testing grounds for an alternative way of delivering more accessible services to citizens while using the same or fewer resources.

Clients

Members of the public.

Services

The Service New Brunswick centres provide 50 services, representative of 16 government departments, under one roof and behind a single counter. Members of the public can pay taxes and fees, obtain licences, permits, and products, pay utility bills, and receive information about government services.

Services are provided by cross-trained staff members who have been seconded from government departments. All staff members participated in an extensive training program that emphasized customer service. Staff members are expected to take ownership of citizen inquiries, and are able to do so through powerful personal computers linked to several government databases.

Outcomes

Providing 50 different services from 16 government departments at one common office was a tremendous challenge for the Management Services Division of the Ministry of Finance. Extensive consultation with Deputy Ministers, senior managers, and staff was required to determine whether departments would allow "their" services to be delivered by somebody else. The determination of costs associated with the operation of the centre, the implementation of proper accounting controls and information technology, the recruitment and training of staff, and a high tolerance for risk-taking were all cited as crucial factors in the success of the project. Rules (legislation and departmental) were considered to be the primary barrier to the implementation of the project. For example, in some cases, there is legislation that prohibits the exchange of client information between departments.

Service New Brunswick centres are committed to continuous improvement. The measurement of such things as types of transactions, waiting times, and demand for new services, provides management with valuable information. Client feedback suggests that citizens are pleased with the accessibility of services, the depth of staff knowledge, and the customer-oriented approach to service delivery.

Although Service New Brunswick centres are presently delivering services of the provincial government only, the possibility of delivering federal, municipal, and selected private sector services in the future is not being ruled out. The franchising of certain government services to the private sector (along the franchising model of Canada Post services) is also being contemplated for the future.

Access Ontario Management Board of Cabinet

I Origin

Access Ontario centres were established throughout the province in 1983. They are operated by the Management Board of Cabinet.

II Description

Mandate

Access Ontario centres are designed to provide accessible information about provincial government laws, programs, and services.

Clients

Citizens.

Services

The centres, which are described as “windows on the Ontario government,” provide information and referral services to the public. They also provide a few very basic services such as the selling of fishing licenses.

The centres are well stocked with pamphlets about government programs that are available to the public free of charge. They also sell some of the most popular government publications.

The centres are a very modest form of “one-stop shopping.” Information about client accounts or applications to government programs cannot be obtained here. Instead, staff members refer citizens to government offices where licences, application forms, and other forms can be obtained.

However, to assist citizens in making contact with the appropriate government department, phone lines that connect citizens with individual departments can be used at the centre. Access Ontario also offers a telephone inquiry service.

III Outcomes

The centres have now been operating for 12 years. Client feedback has been positive during this time.

Self-Service Kiosk Pilot Project, Ontario Ministry of Transportation

I Origin

The Self-Service Kiosk Pilot Project was a response by the Safety and Regulation Division of the Ontario Ministry of Transportation to both budget cuts and demands for better customer service.

II Description

The pilot project, begun in 1993, is based on self-service technology similar to automated banking machines. Eight ServiceOntario kiosks were originally set up at readily accessible locations across the province, usually shopping centres. The project has since been extended. The Safety and Regulation Division is currently approximately a third of the way through full implementation of a network of 60 kiosks.

Mandate

ServiceOntario kiosks are designed to improve access to selected services provided by the Ministry of Transportation.

Clients

The kiosk project is focused on urban (as opposed to rural) clients. The Safety and Regulation Division has found that it is difficult to segregate its clients in any other way.

Services

In the pilot stage, ServiceOntario kiosks dispensed vehicle stickers and allowed users to conduct driver, vehicle and carrier record searches, to record address changes and to pay certain fines. The kiosks accepted payment by credit card.

The scope of the project has now been expanded to allow users to order license plates and to make payments using both credit and debit cards. In addition, the Ministry of Transport has recently established partnerships with

(1) the Ministry of Consumer and Commercial Relations, to provide used vehicle packages through the ServiceOntario kiosks; and (2) with Metropolitan Toronto and Ottawa-Carleton to permit kiosk users to pay municipal fines.

III Outcomes

Over 60,000 transactions were completed at ServiceOntario kiosks during the first eleven months of the project. This represented over \$2.5 million in gross revenues. An estimated 10-15% of the kind of services offered through the kiosks is now handled through the self-service format. The Safety and Regulation Division has determined, based on its analysis of client usage patterns, that there is little room for this figure to grow.

The main advantage of the self-service kiosk is that it allows clients greater freedom. Over half of ServiceOntario transactions presently occur outside regular office hours (up from a third in 1993), and a quarter on weekends. The Safety and Regulation Division conducts periodic surveys of users to measure client satisfaction. Recent surveys show that:

94% of users would use the kiosk service again;
87% felt the kiosk saved time;
95% would like the ServiceOntario kiosk service to continue;
78% found the kiosk's location convenient;
87% found the kiosk experience enjoyable; and
87% found the kiosk easy to use.

The ServiceOntario kiosk project is considered to be a testing ground for developing an overall strategy for self-service, general public access to provincial government services.

Canada (Municipalities)

Accès Montréal Offices City of Montreal

I Origin

In the 1980's, the administration of the City of Montreal committed itself to a decentralized approach to the delivery of services. It wanted to respond to the different needs of an increasingly diversified and demanding clientele, particularly in the business community. The most concrete expression of the administration's commitment to deconcentration and decentralization has been the establishment of thirteen Accès Montréal offices. Since 1987, thirteen of these one-stop service counters have been created.

II Description

Mandate

The Accès Montréal offices provide citizens with a broad range of information and services at one outlet. They are intended to save citizens repeated trips to several different departments.

Clients

The services of the Accès Montréal offices are available to all citizens of Montreal. However, in recognition of the different needs of their diverse clientele, they provide some additional services to members of the business community.

Services

Accès Montréal offices act as clearing houses of information for the full range of municipal services, and also serve as contact points from which requests from citizens can be forwarded to the various municipal departments. However, these offices also allow citizens to perform some transactions with the city such as the payment of fines and taxes, requests for permits and licenses, and the registration of births. In addition, the bureaux fulfill a consultation role by recording feedback from citizens and sharing it with committees of elected officials.

To promote accessibility, the Accès Montréal offices are distributed throughout the city and are situated on main roads in the heart of their neighbourhoods. Each office is staffed by social communications officers who share a customer orientation. Through the use of computers that allow them to communicate with databases on municipal services, 100 staff members at 13 different offices offer personalized services to citizens. A fourteenth Accès Montréal office has been established that is specifically designed to handle telephone requests from citizens.

III Outcomes

Prior to the establishment of the Accès Montréal offices, government information and services were available only at City Hall. Making them available at one-stop service counters throughout the city required not only a new approach to information management and front-line services, but also the cooperation of administrators from several departments who released information, granted access to citizen's files, and delegated portions of their operations to the Accès Montréal offices.

The Accès Montréal initiative has resulted in an enhanced flow of corporate information between departments and greater accessibility of government information and services to the citizens of Montreal. In 1989, more than 300,000 people approached Accès Montréal offices for information and

services, and that number has been growing ever since. In addition, private associations and community groups are reported to be pleased with the service that Accès Montréal is providing to their members. As a further service to the public, the inclusion of municipal politician's offices is now being considered. However, due to the high costs of the office sites, the future of the Accès Montréal centres is in doubt.

The Accès Montréal initiative won the Gold Award in the 1990 IPAC Innovative Management Competition.

Ottawa-Carleton Entrepreneurial Centre City of Ottawa-Carleton

I Origin

The opening of the Ottawa-Carleton Entrepreneurship Centre, in July 1992, reflected recognition of the important role the small business sector has played in recent years in growth in the regional and national economies and in the creation of employment opportunities. It also represented an effort to consolidate, expand and rationalize a hodgepodge of local programmes and services offered up until that time by the Ontario Ministry of Economic Development and Trade's Small Business Self-Help Office and the City of Ottawa's Small Business Development Centre.

II Description

The OCEC is a programme of the Ottawa-Carleton Economic Development Corporation, the private, not-for-profit economic development arm of the Regional Municipality of Ottawa-Carleton. It offers a one-stop shop for new and expanding small businesses in the region. The OCEC office is small, with 3 to 5 employee consultants.

The OCEC is a partnership between the regional and provincial governments and the private sector. Funding and sponsorship come from the OCEDC and its 450 corporate members, the Regional Municipality of Ottawa-Carleton as well as the Ontario Ministry of Economic Development and Trade.

The OCEC is presently preparing to expand its role through a joint project with the federal government's Canada-Ontario Business Service Centre network.

Mandate

The OCEC assists entrepreneurs in achieving business success by providing timely, practical advice and guidance on business-related topics.

Clients

New and expanding small businesses in the Ottawa-Carleton region.

Services

The OCEC offers a wide range of services to its clients, including:

- a telephone service (e.g. to find out about relevant business regulations);
- a community outreach programme;
- a walk-in resource centre;
- electronic self-help;
- workshops and seminars on business-related topics (e.g. on starting or expanding a business, writing a business plan, operating regulations, sources of financial assistance, franchise opportunities, patent, trade-mark, copyright and industrial design issues and taxation);
- one-on-one consulting; and
- a mentoring programme.

The OCEC is also one of 15 sites for an Ontario government pilot project, Ontario Business Registration Access, which allows clients to conduct company name searches, register company names and register for provincial corporate and employer health taxes through a computer terminal.

III Outcomes

The OCEC conducts monthly telephone surveys of clients who visited six months previous (e.g. did you start up your business? how much money have you invested? how many jobs have been created?).

Approximately 38,000 client contacts were initiated in the OCEC's first full year of operation (1993) and over 40,000 in 1994. The number is expected to jump to over 60,000 in 1995 as a result of downsizing in the federal government.

The OCEC claims that it had a role in over 650 business start-ups in Ottawa-Carleton last year, 11,000 jobs and \$20-million in sales.

Denmark

Inquiry Offices

In the late 1980's, municipal or local governments began to set up simple reception/inquiry offices.

The objective was to improve and simplify the services offered by the municipalities, but also to make information more readily available to citizens.

The main function was information provision, especially related to welfare and tax administration and employment (e.g. directing citizens to the appropriate government office, providing forms and pamphlets). However, staff were authorized to make decisions and take action in a few basic matters.

By 1990, these kinds of offices existed in approximately 30 municipalities.

Service Phones

Service phones in Denmark are a recent development that provide information to individual clients and help marshal them through the bureaucracy.

Service phones operate on a department-by-department basis — i.e. dedicated to a specific area of local government administration.

Finland

In the early 1980's, the national and local governments of Finland began an initiative to strengthen the customer service orientation of public management in Finland. Between 1986 and 1988, they undertook a campaign called Better Public Service. At the end of the campaign, a service declaration was issued in which the governments and public servants of Finland committed themselves to making the administration more service-minded. Since this time, several initiatives that involve the clustering of services to clients have been introduced.

One-Stop Shops

In 1989, a Ministry of Finance working group was established to discover how the largest possible number of client needs could be met at a single service point. The establishment of multi-sector service units, or one-stop shops, was seen by the Finnish government as a means of improving the efficiency and quality of client service.

After several years of pilot projects, a law was passed in 1993 that promotes the development of multi-sector service units. The law gives individual departments in the Finnish government the freedom to agree among themselves which services lend themselves to a common service delivery point, and to decide on the allocation of costs and the sharing of resources.

Under the leadership of the Ministry of the Interior and the Finnish Association of Local Authorities, twenty one-stop shops have been established.

Citizen's Handbook

As part of their commitment to making the administration of public services more service-minded, the national and local governments of Finland wanted

to provide citizens with one place in which they could receive information about all of Finland's public services. In 1992, they published a guide to public services called the Citizen's Handbook.

The Handbook provides citizens with a brief description of public services, entitlements, programs, and administrative routines. It also performs a referral function by providing citizens with information about which organization should be their first point of contact when they have a particular problem. The Handbook is organized from a client perspective in that public services are described on the basis of situations in which citizens generally need access to government programs (who should I turn to when I am seeking employment?, what are my rights and duties when I have a child?, etc.). The Handbook is also available in an electronic form through publicly-accessible data networks and as a diskette for use in personal computers.

Client response to the Citizen's Handbook has been very positive. The first printing of 20 000 copies has sold out, and 15 000 copies of a revised edition have recently been printed.

Italy

Municipalities' "Inform" Systems

A number of municipalities (such as Arrestso, Palma, Bologna) have set up "access to information" windows which provide information on all public bodies in their area. In the past, public bodies have had their own, usually ad hoc strategies for dealing with the public. This includes information related to the healthcare system, social security and regional and municipal government programmes and services.

It is also possible for users to receive personalized information. For example, they may receive information regarding decisions about their eligibility for government grants, etc.

Milano Chamber of Commerce

In Italy, chambers of commerce are public bodies and typically play an important role in regulating business.

The Chamber of Commerce in Milan has recently undertaken a project to set up "multiple- windows" near government services and offices that its clients, namely the business community, deal closely with — in particular, the windows have been set up near court/tribunal offices and social security offices.

The rationale is to reduce transaction costs for business.

Ireland

Until very recently, Social Welfare Services (SWS) in Ireland was reputed for the poor service it provided to its clients. Its clients, who receive payments covering retirement, sickness, child, and family benefits, described SWS as “slow, cumbersome, inaccurate, remote, and uncaring.” As part of a comprehensive initiative to improve both its service to clients and its internal operations, SWS introduced two initiatives that involve the clustering of services for its clients.

Localization Project

This initiative was designed to ensure that all aspects of every type of claim could be handled at any one of their 200 offices. Under localization, all information on the client and their family would be available at every office, thereby making every desk the “right desk.” Rather than telling recipients which office they must visit to receive the required service, SWS now allows clients to choose the office whose location is most convenient for them. Furthermore, since clients can receive all of their services at this one location, they are no longer required to shuttle back and forth between offices.

Social Welfare Services Cards

SWS also issued magnetic stripe cards to its clients. These cards act as basic forms of identification and allow the client’s personal data to be accessed from the database. These cards assist in the detection of fraud and abuse, but are also used as a means of providing a cluster of services related to the operations of SWS. For example, Health Boards and Manpower Training Programs use the same cards to access information about clients whom they share with SWS. SWS is also encouraging other departments to layer their products and services on the card. The department suggests that the entire adult population will soon have a common card, and believes that this will attract investment by commercial firms who will want to use the cards for a variety of purposes.

New Zealand

Link Centres

Department of Internal Affairs

In 1992, 17 Link Centres were established in the regional offices of the Department of Internal Affairs. These centres provide a range of information and some services for clients of about 18 different departments and agencies. Participating departments include the Ministry of Consumer Affairs, the Ministry of the Environment, Statistics New Zealand, the Ministry of Youth Affairs, and the Privacy Commissioner.

Most of the agencies involved in the innovation are small and do not have their own network of regional offices. In addition, many of the agencies are policy-oriented rather than delivery-oriented. Therefore, the Link Centres allow these agencies to provide information and some services in areas where they otherwise would not have a physical presence.

Most of the actual services provided at the Link Centres fall under the responsibility of the Department of Internal Affairs (passport and citizenship services, the provision of official, legal, and historical publications, translation services, community grants, etc.). The Centres are primarily funded by the Department of Internal Services, although some of the costs are off-set by the contributions of clients, and in one case, a Link Centre operates in conjunction with a local authority.

“Government Within Reach”

Another example of the New Zealand government’s attempt to make services more accessible to citizens is the “Government Within Reach” project. It is an interdepartmental venture that involves the compilation of information about a list of government agencies that will appear at the front of telephone books. Currently, government agencies are listed alphabetically in telephone books. This initiative is designed to make it easier for citizens to find out what government department they should contact and how to do so.

United States

“One-Stop Office Away from Home” U.S. Commercial Centres

I Origin

U.S. Commercial Centres are created through the Jobs Through Exports Act of 1992 to aid the promotion of U.S. exports to “Big Emerging Markets”. The first U.S. commercial centre was set up in Sao Paulo, Brazil in 1994. On November 14, 1994, President Clinton, during the Asia Pacific Economic Cooperation (APEC) meeting, opened the second U.S. Commercial Centre in Jakarta, Indonesia. U.S. Commercial Centres symbolize a new commercial partnership between U.S. and businesses in emerging overseas markets.

II Description

U.S. Commercial Centres provide a one-stop, highly-visible “office away from home” facility to help U.S. companies seeking trade opportunities in the host country and its surrounding regions. These centres grew out of co-operation between public and private sectors and co-ordination of various government agencies.

Mandate

The objective of U.S. Commercial Centres is to facilitate trade and commercial ties with these countries by assisting U.S. businesses familiarize themselves with industries, markets, and customs of host countries.

Clients

U.S. businesses interested in establishing exports and trade in emerging markets overseas.

Services

Information: Commercial law and related trade and export information.

Services: language translation and clerical services, facilitation of contacts between buyers, sellers, bankers, and government officials, co-ordination of trade missions and assistance with applications, contracts and clearances, counselling to identify potential agents and/or distributors.

Facilities: a commercial library, trade promotion and exhibition facilities, temporary office space, conference rooms, and computer facilities.

These Centres are located in attractive and highly visible locations. For example, the centre in Jakarta is housed in the World Trade Centre complex in Jakarta's main commercial district.

III Outcomes

Since the opening of the Centre in Sao Paulo, over 2,100 visitors have participated in trade events.

On a daily basis, the Centre receives an average of 12 visitors, 300 phone enquiries and over 20 faxed inquiries and letters.

Its success may be attributed to an active marketing and public relations program — information on the Centre is disseminated to “business” hotels and in-flight magazines in carriers serving host countries.

Another Centre is scheduled to open in Shanghai, China in the near future.

Quickcourt System Arizona Supreme Court

I Origin

Over two million court cases are filed annually in Arizona courts. Many litigants represent themselves in court but are often unfamiliar with court procedures. QuickCourt was launched in 1993 by the Supreme Court of

Arizona to assist citizens handle common legal matters without an attorney. The concept of using technology to access court actions came from a pilot project conducted in Colorado.

II Description

QuickCourt is an interactive computer system which uses a touch-screen format that allows users to access legal services and procedures. These services are free and are offered in English and Spanish. QuickCourt kiosks are located in courthouses in Scottsdale, Mesa in Maricopa County and Tucson in Pima County.

QuickCourt system was developed with a software grant from the State Justice Institute and hardware grant from the three courts.

Mandate

To inform citizens about the state judicial system and to make it more responsive to the needs of the community.

Clients

Citizens — litigants

Services

QuickCourt provides information on legal services and procedures. QuickCourt also guides users through alternative ways of resolving disputes. It can also produce complete legal documents for court proceedings such as landlord-tenant disputes, small claims and divorce.

III Outcomes

In mid-1994, 23,500 QuickCourt transactions had been recorded. About 3,000 transactions produced eviction notices or divorce forms that could be filed in court.

80% of the users surveyed found the system easy to use and would recommend it to others. QuickCourt helped those who are least able to afford an attorney to access the courts.

QuickCourt also helped to standardize forms.

The state is currently exploring partnerships with the private sector to expand the system in other counties.

Info/Cal — Self-Service Automated Information Kiosks California Health and Welfare Data Agency (H.W.D.A.)

I Origin

In 1993, the Info/Cal pilot project was set up through the Advanced Technology Agreement between California state, the IBM Corporation and the Health and Welfare Data Agency (H.W.D.A.) at an initial cost of \$1 million. The Info/Cal automated information kiosk was developed to eliminate public perception of governmental fragmentation. Info/Cal provides a single point of contact for information about a range of government services using computer technology.

II Description

Info/Cal information kiosks are similar to automated bank machines. Individuals access information and services using computer menu options and a “touch-screen” format. The kiosks are set up in public places (e.g. malls, libraries, grocery stores) to provide easy access to government information and services 24 hours a day. Although the pilot project kiosks were set up in English and Spanish, the system could be programmed in many languages to meet the diverse multi-cultural needs of the community. Info/Cal information kiosks provide access to 90 kinds of information which are provided by 30 government agencies.

Mandate

To provide custom-tailored, cost-effective delivery of information and services to a multi-lingual, ethnically-diverse population in California.

Clients

Citizens.

Services

Information on government services ranging from employment and welfare to transportation, health care, and education.

Citizens can also order birth certificates and register automobiles using Info/Cal.

New services can be added on to the Info/Cal system to serve the needs of the local community. Info/Cal is funded by government agencies who wish to provide their services via Info/Cal. Funds are redirected from savings using Info/Cal or through service charges and user fees.

III Outcomes

By the time H.W.D.A. won the Innovations in State and Local Government Award in 1993, 15 pilot kiosks were set up in two counties serving 20,000

users per month. In a customer satisfaction survey, 75% of those surveyed found Info/Cal easy to use; 51% said that it saved them a phone call, letter and trip to the government office.

Based on the success of the pilot project, H.W.D.A. plans to expand Info/Cal kiosks state-wide. Info/Cal generated cooperation among different jurisdiction in California. According to program managers, state and local agencies are competing to be the first to introduce kiosks in their communities. Other states like Oregon, Washington, Texas, Colorado, Wisconsin and New York City have expressed interest in adapting the Info/Cal system.

Success factors:

1. Info/Cal was developed based on two earlier public access systems (Tulare Touch & Hawaii Access) which provided access to limited information.

2. There was a state-wide perspective to improving service without the encumbrance of turf issues because H.W.D.A. has already been set up to provide computer and network services to other state agencies. H.W.D.A. received support and enthusiasm because it was authorized by legislation in 1988 to self-fund research and development projects.

3. It is a self-financed project as it relies on the shared investment across all levels of government to create public satisfaction for government services.

4. To minimize strain between project managers and line-agencies, a steering committee made up of public information officers who represented a broad range of government services was set up. They focused on practical service needs of both government and public.

H.W.D.A. was one of the winners of the Innovations in State and Local Government Awards Program in 1993.

One-Stop Career Centres Iowa Workforce Development

I Origin

In the 1980's, two major sectors of Iowa's economy — agriculture and heavy equipment manufacturing were devastated by the recession. Various economic development and training programs were established to aid the state recover from the recession and to diversify its economy.

Iowa recognized that in order to meet the challenges in a rapidly changing environment and ensure long-term economic independence for its state, its

labour force must become more flexible and highly skilled. Greater collaboration among state agencies, departments and local government was needed to ensure a more integrated work force development system for the state.

II Description

Since 1991, the State of Iowa has been building toward a system of local, multi-program workforce development centres to provide a seamless delivery of services and information to all its citizens. To accomplish this goal, the Departments of Economic Development, Education, Elder Affairs, Employment Services, Human Rights and Human Services collaborated to establish a network of highly visible, well-publicized work force development centres in 16 regions throughout the state. Five work force development centres will be set up in 1995, two centres in 1996 and nine centres in 1997. Satellite centres and itinerant offices will also be set up in all 99 counties over the next three years.

Guiding principles of the work force development system are:

- universality
- customer choice
- integration (inter-governmental, multi-departmental approach)
- performance driven, outcome-based measures

Each of the 16 service delivery areas would provide a range of core services. Additional services are designed to meet local needs.

Mandate

To provide seamless delivery of services and information to citizens as part of long-term economic development for Iowa.

Clients

Citizens, i.e. job seekers and employers (government, business and industry)

Services

Services for Job Seekers — Information on labour market, demand occupations, availability and quality of education and training programs, career information and guidance counselling, job placement and development, basic assessment & testing, job finding assistance, and application for core employment and training programs.

Core Employment & Training Programs: JTPA Title III Dislocated Worker Program, Employment Services, Veterans Employment Services, JTPA Title II Program, Senior Community Service Employment, Unemployment Insurance Program, Food Stamps Employment & Training Program (where available), PROMISE JOBS, & Vocational Rehabilitation.

Services for Business and Industry — Training needs analysis, applicant skills assessment, access to customized training, technical assistance in training and work processes/organization.

Access service delivery points :

1. Work force development centres (16 service delivery areas)
2. Satellite and itinerant offices in 99 counties
3. Kiosks (at libraries, malls)
4. Toll-free telephone numbers
5. Access to information through statewide communications network connecting secondary and post-secondary schools and other sites.

Critical issues addressed in the development of these centres are:

- Lease arrangements and cost of lease buy-outs
- Site selection for work force development centres
- Integration and co-ordination of diverse staff into work development centres
- Cost allocation of shared service costs
- Multiple information and communication systems
- Different administration for different programs at state and local levels
- Variety of federal, state, and local policies and regulations

III Outcomes

Factors which would contribute to its success are :

1. Previous experience in delivering inter-agency services helped to minimize turf issues.
2. A sense of shared responsibility and agreement from all partners in the work force development system.
3. Universality and customer choice are assured through multiple access delivery points (work force development centres, satellite and itinerant offices and kiosks).
4. Iowa's state-owned fibre-optics network will further assure quality and universality of services.
5. Considerable local flexibility to expand beyond required programs and services.
6. Performance measures have been identified to assist work force development centres in preparing local implementation plans (e.g. labour market outcomes, learning outcomes and customer satisfaction).

Vendor Information Program — Electronic On-Line Services Oregon Department of Administrative Services

I Origin

In the 1990's, Oregon's Department of Administrative Services recognized that the state's central procurement system was facing difficulties. The state's cost of doing business was projected to increase by 24% over five years due to rising costs. There was also a negative perception of the procurement system by the business community.

The Vendor Information Program (V.I.P.) was conceived as part of a strategic plan to provide effective, efficient and equitable services and restore confidence in the state's bidding system. In 1992, the state of Oregon set up an electronic on-line service for state-wide bid opportunities. The Department wanted to automate the purchasing department fully in 5 years. V.I.P. offered one-stop shopping for all public contracting in Oregon. V.I.P. was used as a tool to transform staff from paper processors to marketing and procurement professionals. V.I.P. was launched at a cost of \$400,000.

II Description

Private vendors have access to information on government contracting in Oregon via a computer and modem in their own premises (24 hours/day, seven days/week) or at one of the 120 procurement centres around the state.

Mandate

To provide universal and timely access to information on state contracts to improve fairness of the state procurement system and broaden opportunities for small and minority-owned businesses in the States.

Clients

Businesses and private vendors

Services

Core Information : View and download historical and current bid information, state contracts, past bidding and contract prices and standard contract terms and conditions.

III Outcomes

By mid-1993, the increase in competition drove down the cost of goods and services, saving taxpayers more than \$17 million in purchasing costs. The state also saved \$60,000 in paper and postage and \$500,000 in personnel costs.

Vendor participation increased by 50%. By fall 1993, 30,000 firms were involved (30% of the state's registered vendors).

In a vendor survey in 1993, 91% of the vendors reported that V.I.P. improved their access to current and historical bid information. 74% said that V.I.P. displayed opportunities of which they were unaware and 93% endorsed the expansion of V.I.P. to include local government bids.

Less tangible outcomes of a "transparent" process include improved public perception of an open and fair government and restoration of public trust.

Success factors:

1. There was universal buy-in to the program before the proposal was written. Buy-in to the program from legislators, leaders of state agencies, key professional and trade group representatives in the private sector was critical to ensure support and commitment for the program.
2. An advisory committee of business and government leaders was set up to guide the process through development and implementation phase. The Department of Administrative Services crafted an information campaign to convince the vendor community of the benefits.
3. Staff were committed to the program because they were involved in planning and setting up the system.

The Department of Administrative Services was one of the winners in the Innovations in the State and Local Government Awards Program in 1993.

One-Stop Permit Centres Los Angeles

I Origin

Most counties and cities in Los Angeles have consolidated their land development and construction permit services at a centralized location. It was felt that separating the development processing and permit issuing functions within departments will diminish communication between these operating units and cause inefficiencies. Consolidation of these related services and functions under one roof would not only increase convenience for the public but would also ensure consistency and compliance with State laws.

II Description

Mandate

One-stop permit centres provide convenient access to information and services for development and construction in a centralized location.

Departments such as Public Works, Community Development, and Public Safety are consolidated in one location. These centres are aimed at providing consistent interpretations of laws and regulations, improving co-ordination and communication and streamlined procedures.

Clients

Developers and local citizens.

Services

Information and procedures for land development and construction in the county or city, permit history on land.

The Centres process applications for and issuance of permits or licences for development and construction.

III Outcomes

Some of the main issues that were addressed in the development of these centres include consolidation of management information systems, legislative changes, process streamlining, clear definition of roles and responsibilities, cross-training of staff (service management, case management). There is also a need to continually evaluate performance via regular meetings with facility managers, obtaining customer feedback on counter service and revising performance.

Other Countries

Mexico

Modernization Program for Micro, Small, and Medium Industries

In 1988, the Commerce and Industrial Development Secretariat adopted a “single window” concept to facilitate the development and modernization of the microindustry. This program has since expanded to include small and medium industries as well as the crafts sector.

The NAFIN-DDF Centre was set up in 1992 to provide a range of services for small, medium and crafts industries in Mexico. Services include financial supports, international commerce promotion, training and technical assistance, financial support for the “middleman” and other related services.

Malaysia

One-Stop Centres

Malaysia has set up three types of one-stop centres to serve citizens, investors and foreigners. The centres include:

- (i) One-stop bill-payment centres where citizens pay their government bills.
- (ii) One-stop investment centres to provide information to visitors and investors on investment opportunities, facilitate licensing applications and all project-related procedures.
- (iii) One-stop service centres where a range of service stamps are made available for purchase and recovery.

Kuwait

Public Service Facility Centres

A Committee on Administration and Citizen Complaints was established to conduct research on the quality of public services in Kuwait. Based on its findings, the committee proposed the development of Public Service Facility Centres. These centres would provide citizens with a range of services (public and non-public) in the most-economical and simplified manner using the most advanced technology available. This project is considered as one of the major projects adopted by the state of Kuwait. Expected outcomes are: improved quality of services and client satisfaction; efficient use of resources (time, money and staff); additional revenue for government through user fees, and increased staff productivity and morale.

Critical factors considered are:

1. A full range of services offered through one centre
 - partnerships among ministries and government bodies
 - compatibility of information systems
 - staff training and empowerment
2. Maximum benefit for lowest cost (for both citizens and state)
 - in the long run, co-operation with the private sector may take the form of shared expenses or privatization
3. Evaluation of performance
4. Service management
 - equity
 - accessibility
 - appearance of the facility
 - customer service

-
5. Commitment to quality
– setting up a reward system
 6. Organizational structure and administrative procedures to reflect the new culture
 7. Use of technology
 8. Flexibility in design to allow for modifications and changes in service and delivery

Sweden

Citizens' Offices

In Sweden, experiments with delivering “clusters” of services have taken the form of offices which provide a range of services to citizens. The first office was opened in 1987, and there are now fifteen of them operating in Sweden. It is uncertain whether the citizens' office concept, which is currently being evaluated, will see any expansion in the future.

Part IV: Summaries of Innovations from the Private Sector

Since the services delivered by private sector organizations are rarely as wide-ranging as those delivered by government, there are fewer relevant examples of service “clustering” from the private sector. However, one area in which there has been a lot of progress, and which is relevant to the clustering of government services, is the case management approach to serving clients.

Case Management

IBM Credit Corporation

IBM Credit Corporation is responsible for the approval of computer, software, and services financing. This process used to involve seven business functions. The turnaround time for quotes was six days on average (and up to two weeks in some cases). This meant that the customer could call off the deal, look for a competitive brand, or find another source of financing.

IBM Credit has since moved to a case management approach for its quote generation process. A case manager (a generalist) processes the entire application from beginning to end. Referrals to specialists (experts in credit checking, pricing, etc.) are done only in complicated deals. IBM Credit Corporation also developed a new computer system to support and guide the case managers through the whole process.

The company saw a dramatic performance breakthrough by making a radical change to the credit issuance process as a whole. Productivity increased — the number of deals handled increased a 100-fold. Generating a quote now takes only six hours.

IBM Credit hopes to move case management closer to the customer. The next step would be to move the quote generation function to the IBM field salesperson. This would allow the salesperson to provide quotes to the customer directly. Eventually, the case management role may be moved to the customer. Information technology will play a major role in moving this process forward.

Turning customers into case managers will significantly alter customer relationships and create a new organizational form. Implementation issues such as the breadth of the case management role, control, and decision rights will have to be addressed at the outset.

Case Management Mutual Benefits Life, New Jersey

The process of underwriting and issuance of an insurance policy used to take 40 steps, 12 functions, 80 jobs, and an average of 22 days. Mutual Life Benefits was one of the first organizations to use a case management approach.

For each customer, a case manager (with the aid of two assistants) handles the whole process of approval and issuance of insurance. The case management approach has reduced the number of staff and turnaround time. The whole process takes between two to six days. This has helped to cut costs by 40%.

Human resource policies and issues were the most difficult aspects in the shift to case management. The creation of the case manager role raised many issues in terms of job classification, payment, performance measurement, and career path for staff. The personnel department did not understand the level of complexity of the case manager's role and where their careers would fit. Convincing employees that as they progressed, they would not change job titles but deal only with more challenging cases. Although Mutual Benefits Life was committed to hiring and training local, disadvantaged employees, few of the employees were able to perform the broad and complex set of case management tasks that their jobs required.

Toward a Citizen-Centred Service Culture

Canada Post Corporation: The Service Delivery Model

Overview

Canada Post employs tens of thousands of people, delivers billions of pieces of mail annually, maintains Canada's most extensive retail network, and is one of Canada's largest commercial operations.

When Parliament gave it a monopoly to maintain universal lettermail service at a universal price, Canada Post also gained the right to provide other services related to delivering mail. It may also extend products or services to take advantage of new communications technologies.

Background

The Creation of the Canada Post Corporation

Parliament created the Canada Post Corporation (CPC) in 1978 to address a large number of service delivery problems faced by the Corporation's predecessor, the Post Office Department. The Department had a history of labour unrest, an unreliable and slow lettermail service and a deficit approaching \$500 million.¹ Several studies had recommended the change, which government, labour, and postal service users expected would:

- Provide a commercial operating structure that would attract professional managers better able to manage the corporation for efficiency and financial accountability;
- Resolve labour disputes by allowing bargaining units to negotiate directly with CPC management;
- Improve postal services through greater efficiencies, better management and a committed workforce.

When you've had a monopoly for 150 years, you don't have a customer caring culture. We've got to instill a service attitude in our people.²

— Georges Clermont
CEO, Canada Post Corporation

Canada Post Corporation — Service Delivery Model

The Canada Post Corporation is an important service delivery model because it illustrates:

- ✓ A service-driven and client-oriented corporation,
- ✓ Corporate strategies to address historically poor labour/management relations,
- ✓ Strategic approaches to financial self-sufficiency,
- ✓ A corporation which combines monopoly privilege with competitive enterprise.

¹ R.M. Campbell, *The Politics of the Post*, Peterborough, Broadview Press, Ontario, 1994) p. 379

² *Financial Post Advertising Supplement*, February 28, 1996.

The Canada Post Corporation Act was passed in 1981 with unanimous support from all parties in Parliament and labour. CPC's corporate objectives were:

- To establish and operate a postal service for collecting, transmitting and delivering messages, goods, funds and information inside Canada and internationally;
- To manufacture and provide products and services which are "necessary or incidental" to the postal service;
- To provide, to all levels of government or any person, services which can be "conveniently" provided in the course of carrying out the other objects of the Corporation.²

While maintaining "customary postal (lettermail) service," the Corporation would be expected to:

- Improve and extend products and services in light of developments in communications;
- Operate on a "self-sustaining financial basis" while providing an adequate standard of service and security for the mail;
- Ensuring the commitment and dedication of its employees to the Corporation's objectives;
- Maintain a "corporate identity program" that reflects CPC's role as an institution of the government.³

The Act gave CPC a version of the POD's monopoly on letter delivery, although not without extensive debate on the definition of "letters." It also provided exceptions to balance the competing interests of the parties involved. These included electronic communications and messages conveyed by messenger, subject to fee and weight specifications. The possibility that these privileges would contribute to unfair competition with the private sector was never challenged.⁴

A board of directors was created to direct and manage, and like most corporations, CPC was given the rights and powers of a "natural person." The definition exempted the CPC's activities from having to be described by the Act and freed the Corporation to develop new business without requiring amendments.

² "The Mandate of Canada Post Corporation and Its Development" (unpublished draft paper, Canada Post Corporation, October 1995), p. 5.

³ Ibid. pp. 5-6.

⁴ Ibid. p. 7.

When a unionized workforce moves from a government department to a crown corporation, the Canada Labour Code takes over jurisdiction from the Public Service Employment Act (PSEA), and the code allows a period during which both the composition of bargaining units and collective agreements can be opened to negotiation. In the case of CPC, union pressure prevailed and such a period was not declared. All collective agreements and bargaining units were transferred, intact, to CPC for their duration.

Like all crown corporations, CPC was expected to operate commercially. However, it was still subject to political decisions and directives⁵ through:

- The setting of objectives in the legislation,
- The power of appointment for the chief executive and the president,
- Postal regulation and rates authority,
- Treasury Board scrutiny and approval of the annual five-year corporate plans including operating and capital budgets.

Treasury Board can request any information, documents, reports, etc., it needs from the Corporation, and the Minister responsible can give direction to CPC management. Such direction (never used) must be tabled in the House with cost estimates.

Mandate Reviews and Strategic Direction

By mid-1985, the CPC's deficit had not shrunk enough, the movement to self-sufficiency had not occurred, lettermail service had not improved and labour relations were adversarial. To reduce costs extensively, the CPC needed to rationalize core services and engage in tough bargaining with unions. Such bargaining required ministerial support and a commitment not to interfere in the collective bargaining process. Furthermore, the unions were angry with management, which had denied them the work conditions and guarantees they had sought.

Management opted to generate revenues by developing and marketing new products (advertising, electronic mail services, etc.) rather than reduce labour and fixed costs and improve the core lettermail business. But businesses offering similar products opposed the CPC's initiatives, and complaints about lettermail service continued to pressure MPs.

A new government, elected in 1984, intervened. The minister responsible for CPC, and the Minister of Finance, rejected CPC's strategic plans and initiated a review of its mandate and corporate direction.

When a unionized workforce moves from a government department to a crown corporation, the Canada Labour Code takes over jurisdiction from the Public Service Employment Act.

To reduce costs extensively, the CPC needed to rationalize core services and engage in tough bargaining with unions.

⁵ Campbell, op. cit., p. 202.

As CPC changed and delivered on the new strategic direction, government gave it more freedom to function independently.

Consequently, the CPC's president resigned and CPC ended its product diversification and revenue development strategy.⁶

The diversification strategy's failure justified government efforts to set a new vision for the Corporation. The government took control of the CPC mandate and its strategic focus through the Crown Corporations Directorate (CCD) which serves both Treasury Board and the Department of Finance.

A steering committee was created with a new CPC acting chief executive and an assistant deputy minister from the Department of Finance. Their role was to sanction change and produce new strategic directions and recommendations for cabinet consideration and approval.

CPC's new direction focused on improving Canada Post's financial condition and improving postal services. The new focus and pressure from competitive interests limited investment in new business and labour's goals were largely set aside. The new, Cabinet-approved strategic direction included:

- Restraint in wage increases;
- Rationalization of rural post offices;
- Introduction of postal franchises in urban retail outlets;
- Limited investment in new business products and services;
- Rationalization of real property and reinvestment in capital assets to increase productivity;
- Caps on letter rate increases not to exceed inflation;
- Reductions in door-to-door delivery and use of "super boxes";
- Introduction of achievable service targets for letter mail with measurement and reporting by an external auditor;
- Financial self-sufficiency by 1988–89.⁷

CPC was soon in confrontation with labour, and with Canadians affected by the rationalization of traditional postal services, particularly in rural communities and remote regions. Nonetheless, CPC prepared a corporate plan in 1986 which was approved by Treasury Board, and in 1988–89, CPC achieved its first surplus of \$96 million. As CPC changed and delivered on the new strategic direction, government gave it more freedom to function independently.

CPC then requested a second mandate review in 1990. The review producing over 30 recommendations, which included continuation of CPC's exclusive privilege for lettermail except during labour strikes, and CPC's integration of appropriate developments in electronic communications into the postal system.⁸

⁶ Campbell, op cit., pp. 240-241.

⁷ "CPC: Case Study for Second Commonwealth Top Management Program for Public Enterprises", Crown Corporations Directorate, Dept. of Finance and Treasury Board of Canada, (April 22, 1991).

⁸ News Release, Standing Committee on Consumer and Corporate Affairs, House of Commons, April 24, 1990.

The Current Situation

Services

CPC's real strength is its ownership of the most comprehensive delivery network in Canada. Every day, carriers, couriers and agents deliver a huge volume of private and business messages and packages to every Canadian address.

Canada Post offers three main services:

- Delivering lettermail, express letter delivery, registered mail services, courier services and electronic transmission;
- Advertising mail (addressed and unaddressed);
In both these areas, where appropriate, CPC offers volume production services for direct mail delivery to recipients, including receipt of mailing data on electronic media, printing, sorting and distribution of mail pieces;
- Shipping services: for parcel delivery using "Regular Parcel," "XPRESSPOST" or "Priority Courier" delivery.

About half of CPC's revenues come from services offered on a competitive basis.

Today's Corporate Vision and the Strategic Approach

CPC's vision is to serve all Canadians, businesses and organizations through the secure delivery of messages, information and packages to any address in Canada or elsewhere — basically, a universal service and a uniform basic rate for letters. CPC's focus on customer satisfaction is reflected in its slogan, "In Business to Serve." Canada Post wants to encourage repeat business.

CPC's strategic approach for this vision focuses on four delivery mechanisms:

1. Private Sector Partnerships

Partnerships with the private sector are a key strategy for providing timely, secure and reliable services that customers will find accessible and cost-effective. Retail franchises, for example, can be alliances or contracted-out arrangements. CPC believes partnerships and alliances are a way to include the private sector in its delivery of services without "privatizing" by selling equity or share capital.

CPC's vision is to serve all Canadians, businesses and organizations through the secure delivery of messages, information and packages to any address in Canada or elsewhere.

CPC has embraced technology to improve service efficiency and reliability.

2. Using Technology to Improve Service and Add Value to Existing Products

CPC has embraced technology to improve service efficiency and reliability, thereby re-establishing its credibility as a reliable provider of lettermail and communications services. Believing that “you can’t manage what you can’t measure,” CPC uses technology to enhance delivery performance through constant electronic supervision and reporting by exception. Technology drives compliance as close as possible to the top of performance standards by continually correcting missed commitments and deviations. CPC also uses electronic formats to deliver messages to clients who prefer electronic mail, and to improve the speed and accuracy of direct mail production and distribution services.

3. Extensive Customer Feed-back Mechanisms

The CPC uses independent surveys, focus groups and customer councils to identify what services are wanted and what the Corporation is doing right or wrong. It also continually tracks customer satisfaction to identify needed changes and to set targets for service improvements.

4. Improved Labour Relationships

CPC’s operating principles assume that employee motivation and satisfaction are essential to effective customer service. Consequently, the Corporation is changing its inherited corporate culture (traditionally characterized by adversarial management-labour relationships) by reaching employees directly through training, learning, merit recognition and communications programs designed to encourage trust and openness.

Core Issues

Partnerships

Franchises

CPC sees its franchises as important and successful elements of its private-sector alliances. Typical franchise holders are local urban/suburban and rural convenience shops and drug stores that enhance their business profitability by providing postal services. Typically open long hours and located near established consumer traffic routes, they provide clients with increased access to postal service. The Corporation ensures consistency and uniformity across Canada by regularly providing its franchisees with product and pricing information. According to independent client/user opinion polls, acceptance of franchised postal services is high. Furthermore, the CPC’s costs are lower than if it had to fully staff an independent operation.

According to independent client/user opinion polls, acceptance of franchised postal services is high.

Because political considerations have forced the government to halt its closing of rural postal stations, CPC has ceased to expand rural franchises.

Contracting-out

CPC uses another form of partnership to contract out payroll, security services, systems technology, warehousing, stationery and other services to obtain favourable rates for longer time periods. For example, CPC's real-estate managers contract out services ranging from cleaning to building repair and supervision, freeing them to act as contract managers who set policy and have a firm grasp of company interests.

Other Partnerships

The corporation has also bought Purolator and invested in TNT, an international courier service which now has CPC on its board of directors. These investments ensure CPC customers' access to highly competitive domestic and international courier services.

Developing Successful Partnerships

CPC considers the following aspects essential:

- The deal must be long-term to ensure that each partner can recoup necessary upfront investments.
- CPC must gain both service and net financial improvements.
- During contracting-out negotiations and the transition period, the internal staff who deliver the change-over must be kept completely informed.

Accountability

CPC hired an autonomous agency to monitor lettermail delivery using blind, random tests of the mail system and to report all performance outcomes independently, through audits that CPC uses to publish results. The corporation also conducts internal measurements and reports daily on all other product lines.

CPC indexes management pay against these lettermail performance figures, and also bases compensation in part on financial performance and independent quantitative assessments of customer and employee satisfaction.

Ernst and Young audits the Corporation annually, looking at CPC's methodology for interpreting costs and checking for appropriate methods. As products and services increase, CPC will likely be asked to ensure that accounting systems show more clearly separate product costs and revenues.

The five-year corporate plan includes an operating plan and a budget which start from the previous plan's decisions. Like those of other crown

Like those of other crown corporations, operating and capital plans are subject to central agency review and approval.

corporations, operating and capital plans are subject to central agency review and approval. CPC consults Treasury Board regarding planned strategic goals and advises TB on politically sensitive issues. Treasury Board, in turn, has advance notice of CPC's intentions. When issues arising during the year require changes, CPC submits plan amendments for TB approval. CPC publishes a copy for employees and provides a summary for public use.

Corporation management is based on the corporate plans which are broken down into closely monitored performance measurements. Corrections are made on a continuous basis, as needed.

Technology

CPC has invested large capital amounts in "track and trace" technology. Its current high-technology National Control Centre (NCC) was equipped in 1993 with telecommunications and monitoring technology to track mail movements across the country on a continuous feed-back basis.⁹ Satellite technology provides the location of highway trucks, the status of road deliveries, and the location of the nearest relief situation if a problem arises. These technologies have contributed significantly to the 97% achievement of letter-delivery goals (major cities in two days, in the province in three and across Canada in four).

Of CPC's approximately 15,000 knowledge workers, 9,000 to 10,000 use fully automated workstations, where all important financial, operational and commercial indicators of the company are captured and reported electronically wherever they are wanted.

CPC's in-progress counter automation systems will enhance the control and efficiency of private-sector partnerships in the retail distribution of products and services. This technology will provide franchise partners with accurate and consistent pricing lists, refund policies and other information. A linked cash register system will feed centralized inventory control and tracking. A similar accounting system will deliver reports in useful, familiar formats. On the counters of franchised operations, this technology lets CPC control and satisfy central agency standards.

Human Resources

In-house Learning Institute

In 1994, CPC created an internal human resources training organization, the Learning Institute, to change the Corporation's culture from process-driven to customer-focused. The Institute also aims to change the culture

CPC's in-progress counter automation systems will enhance the control and efficiency of private-sector partnerships.

⁹ "The National Control Centre," CPC brochure.

surrounding labour-management culture and to address cultural changes associated with the introduction of private-sector partnerships. Where appropriate, partnership personnel attend its training programs. Training is categorized into three groups:

1. “Job Skills” courses that employees need to do their jobs better. The training is organized in functional groups;
2. “People Development” that focuses on leadership, business management and personal development. The course is not job-specific, applies across the Corporation and is delivered to cross-functional groups;
3. “Customer Service” training that examines a customer-service orientation to products and services, and also crosses functional lines and applies to the whole corporation. The training looks at concepts like corporate values, culture and operating principles from a client’s perspective and asks questions like “What business are we in?”

The Institute is just beginning to offer coaching, counselling and employee development. Current training provides employees with personal plans that enable them to make a difference in the workplace and become part of a continuous improvement cycle. Validations of behaviour and changes to the culture took place in January 1996, through random sampling and surveys. Customer feed-back techniques will determine whether customers see improvements to customer service as a result of this training.

Until 1997, a primary focus of the Learning Institute will be to provide management personnel with skills in human resources development through leadership, team-building and business management. Programs will be directed to all levels of management to change the control and command relationship between managers and employees. CPC believes that cultural change takes time and there are still those who want to direct change, not lead it.

By 1997, the Post Office “will have put all its 55,000 employees through two- or four-day sessions.”¹⁰

Employee Communications Program

CPC’s new communications program provides linkages between functional areas and staffing levels. Its purpose is to get as much useful, truthful information as possible out into the hands of employees and to improve communication among all staff. CPC believes that superior customer service depends on a well-informed workforce.

CPC believes that cultural change takes time and there are still those who want to direct change, not lead it.

¹⁰ *Financial Post*, op. cit.

Other HR Initiatives

CPC's other human resource initiatives focus on employee recognition programs that reward leadership and excellence in customer service and service commitment. As well, a "1-800" career phone line for employees provides information about new jobs at CPC. An electronic career network also provides job profiles, staffing principles and other employment information.

Exclusive Privilege and Competitive Enterprise

CPC has a monopoly to provide a universal lettermail service at a uniform, basic cost. Canada Post believes that, if customer expectations and performance standards are to be met, it must conduct this business, and other commercial activities, using normal business disciplines.

CPC returns profits from competitive products to the lettermail side and helps subsidize the higher costs associated with providing universal service.

CPC returns profits from competitive products to the lettermail side and helps subsidize the higher costs associated with providing universal service and standard rates to rural and remote areas. It has also defeated private-sector competitors' attempts to prove CPC has subsidized competitive products with gains from exclusive privilege activities.

Although any interested party can pursue competition review mechanisms, some competitors still feel that additional processes may be needed to satisfy themselves and the public that CPC competes fairly in the marketplace. Nonetheless, as long as the Act permits competitive activity, CPC will continue to produce competitive products.

Strategic Approaches to the Future

1. Using the retail postal network to deliver government products and services

CPC believes its distribution network is a logical choice for delivering government service.

CPC believes its distribution network is a logical choice for delivering government service. Under appropriate circumstances, and for the right fees, CPC clearly sees use of its distribution network as a way for governments to get out of the expensive "front-counter service delivery" they provide now.

CPC could deliver many government programs electronically or — for those not equipped — physically, at CPC counters and kiosks. CPC's approximately 8,000 retail outlets across the country could provide clients with various departments' permits, documents and application forms.

The government also publishes many documents, which it now prints, ships across the country, stores in warehouses, and mails or gives out at counters, on request. When these documents change, the government must spend money to destroy the old inventory or to administer modified documents. CPC's DOCUPOST service will store a document electronically in a

centralized database. Through electronic access (a 1-800 or 1-900 number), clients can select and send a document electronically across the country to multiple printing points. The document can then be mailed to its destination.

DOCUPOST will produce savings in processing, handling, clerical time and distribution costs. It will eliminate inventories and, through its central data bank, ensure that all subsequent documents are automatically updated as changes occur.

2. Providing electronic data interface

For Canada to remain competitive, its infrastructure must provide extensive electronic access to the marketplace, whether or not individuals or organizations have their own electronic data interface capability. CPC's network can be used to accept communications in various forms and deliver them in a variety of electronic formats.

CPC's HDI (Hybrid Data Interchange) service allows connection to EDI (Electronic Data Interchange). EDI is a technical standard which lets computers transmit purchase orders or confirmation of orders to each other. EDI minimizes paper work, speeds up processing and provides links to inventory controls. Of some 8,000 businesses in Canada, only 3,000 are equipped with EDI. Many large purchasers will deal only with EDI-capable suppliers. CPC's HDI allows suppliers access to EDI.

HDI converts EDI transmissions into a paper document printed close to the point of delivery. CPC delivers the paper document to the supplier, who returns it to CPC, where it is converted back into an EDI transaction and forwarded to the purchaser. Suppliers now have fast access to large purchasers, regardless of geography, size or EDI capability.

CPC sees these services as a way to leverage its retail network and make the information highway accessible to all Canadians, independent of their technological capabilities. Furthermore, as governments downsize and close regional offices, CPC retail outlets, in combination with kiosk technology, could provide a human interface wherever it is required to deliver various government services.

3. Providing electronic delivery of mail

CPC sees electronic transfer of messages and information as a natural and inevitable extension of mail services. Large-volume mailers, for example, produce cheques, invoices, statements and other lettermail now handled physically from source to letter carriers — a costly and time-consuming activity.

CPC sees these services as a way to leverage its retail network and make the information highway accessible to all Canadians.

CPC sees electronic transfer of messages and information as a natural and inevitable extension of mail services.

CPC's response is "Hybrid Mail," an electronic transfer service that allows clients to deposit mail electronically. CPC receives it electronically, sorts it electronically by geographic area, and sends it electronically via a communications line into one of five printing sites across the country. The mail is printed there and given to the letter carrier. Cost and time are removed from the mail processing function and the mail is delivered sooner at a lower cost. Those savings can be passed to customers who use the service.

With technology such as personal computers, electronic mail and the Internet, more and more businesses and people have the ability to receive messages and information electronically. To address these changes in information accessibility and transfer, CPC intends to develop an electronic directory to complement its current comprehensive delivery network.

The directory will contain physical and electronic addresses and various preference profiles such as whether people want to receive unsolicited mail, etc. A key element will be privacy and security, particularly for electronic commerce. CPC will accept electronic mail files, match them against the directory and determine the people who want to receive their mail electronically. It will then send the mail electronically to the right electronic address.

Thus, the CPC infrastructure allows either electronic or physical delivery of mail from one stream of electronic input.

For people who do not want to receive mail electronically, electronic mail can be received by CPC, sorted and distributed electronically, and then printed physically closer to the point of delivery, from where a letter carrier will deliver the physical piece. Thus, the CPC infrastructure allows either electronic or physical delivery of mail from one stream of electronic input.

The key ingredients of the electronic delivery system are:

- The electronic directory, which over time will contain all addresses of people who want to receive mail electronically, by PC or fax or, eventually, interactive television.
- The infrastructure, which will provide security and privacy around hybrid mail transactions and speed up the use of the information highway for commerce.

If Parliament prohibits CPC from extending its service lines into electronic interface and hybrid mail delivery, the Corporation will be unable to adapt to changes in customer demand and its future as a financially self-sufficient, commercial operation may be compromised. If CPC is confined to the maintenance of a universal letter service, the carrying cost for such a service will be excessive unless fixed costs (mainly labour) can be radically reduced. If they cannot be brought down, CPC will have to increase postal rates or move back to appropriations.

Current Mandate Review

Under a current CPC mandate review, the federal government is examining existing and future CPC functions. The review is also examining the mail-service implications of technological alternatives (and associated financial risks) for government, businesses, the public, and CPC, including associated financial risk.¹¹ A key consideration for CPC will be to match its entrepreneurial spirit with a disciplined weighing of risk.

Key Success Factors

1. **Customer Service** Make the business run so that commitments are met and the customer is extraordinarily well served.
2. **Partnerships** For CPC, private sector partnerships bring the service level up to customer expectation, reduce the need for capital and keep costs down.
3. **Training** The purposes of training include labour stability, customer service and employee commitment.
4. **Long-Term Planning and Commercial Consistency** Essential to assure corporate clients that the rules (pricing, product features, etc.) won't change in the short term. Commercial consistency requires government commitment to the Corporation's goals. Successful crown corporations will have that commitment behind them.
5. **The Powers of a Natural Person** Being vested with these powers allows CPC to enter into partnership agreements more easily than a government department can.
6. **Technology** Technology enables CPC to maintain standards for service reliability and achieve high levels of customer satisfaction. Technology also adds value to CPC products by diversifying methods of product delivery.
7. **Targets and Dates** Precise and public targets (service improvements, financial self-sufficiency) with achievement dates, bring focus to operations and help introduce cultural change.

For CPC, private sector partnerships bring the service level up to customer expectation, reduce the need for capital and keep costs down.

Lessons Learned

- ✓ **The Crown Corporation Model #1** Due to political dynamics, crown corporations may not receive full government support when implementing tough decisions required by their corporate plans. As a result, there is more failure to follow through on corporate plans in a crown corporation than in private sector corporations.

¹¹ Canada Post Corporation, Mandate Review Terms of Reference.

Customer loyalty, which comes from good service delivery and good rates, is the long-term objective.

Historical, rule-heavy labour agreements from the public sector should not be taken across in their entirety to a commercial operation.

- ✓ **The Crown Corporation Model #2** A crown corporation structure gives management hands-on control over operations and asset management (real estate, machinery). This control allows quicker response to management issues and permits the retention and reinvestment of funds not possible in government departments.
- ✓ **The Crown Corporation Model #3** With a crown corporation, the reward for delivering on the political agenda is more freedom to manage as you want to.
- ✓ **Service Delivery Initiatives** have to be a success for the customer first. Customer loyalty, which comes from good service delivery and good rates, is the long-term objective.
- ✓ **Community Profile** A visible dedication to improved customer service and product delivery means the corporation can appear in the community and talk credibly about doing business differently.
- ✓ **Cultural Change, the Working Environment and Management Style** Employees can be prepared for cultural change through training but it will succeed only if the working environment permits them to change their behaviour. The key to this environment is management style.
- ✓ **Employee Satisfaction and Customer Service** Innovative training and job selection services enable employees to be better informed about career choices within the company and the kinds of jobs for which they are best suited. When employees have chosen for themselves the best available position for them, client service improves exponentially.
- ✓ **Collective Agreements** Historical, rule-heavy labour agreements from the public sector should not be taken across in their entirety to a commercial operation. A balance between thoughtful caring for the people and some discontinuance of earlier collective agreements is necessary.
- ✓ **Successful Postal Services World-Wide Share Two Characteristics** First, they are very commercial in orientation and business practice; and second, they have long-term, sustained targets and goals shared by the shareholder.
- ✓ **Mandates for Commercial Entities** Even the best commercial mandates change, not only through mandate review, but through federal budgets, court decisions, competition tribunals and parliamentary deliberations. Customer needs and market changes also influence a mandate.
- ✓ **Partnerships** Private-sector partnerships provide four valuable benefits to government agencies:
 - They force private-sector business discipline on the agency;
 - The agency gains from the business expertise of partners;
 - The agency is able to share business risk with its partner;
 - Partnerships help to insulate agencies from private-sector complaints of unfair competitive advantage.

Summation

In 1978, Canada Post Corporation was created to resolve problems related to postal service, labour relations and financial self-sufficiency. Since that time, CPC has had many successes:

- The massive deficit has been eliminated and service has been improved, producing much higher levels of customer satisfaction;
- CPC has been strike-free for over four years;
- Productivity has doubled since 1981;
- The workforce has been reduced by approximately 25%;
- CPC has the third-lowest distribution cost in the world within one of the world's largest geographical distribution areas.

Nonetheless, another mandate review has been called to examine Canada Post and its commercial operations:

- CPC has not made a profit in three of the past four years. Some in government believe losses generally have been due to restructuring costs, and profits, when realized, are usually the result of extraordinary gains on the sale of assets.
- Operations, viewed independently, have broken even over the last 15 years.
- Labour costs represent 70% of operating expenditures.
- Expenditures are higher than comparable postal services elsewhere.

One mandate review issue is what CPC's financial objectives should be. According to CPC management, to become financially self-sufficient the corporation will have to become and stay as fully active commercially as the original legislation allows it to be. This goal involves:

- Reducing fixed costs — especially labour costs;
- Delivering competitive, revenue-generating products in concert with universal lettermail;
- Continuing its partnership/franchising strategy; and
- Opening the future to electronic interface and hybrid mail delivery.

It also requires operating a business with a customer service focus provided by an empowered workforce engaged in a positive, constructive relationship with management.

However, over the past three years, government policy has had a greater impact on the management of CPC than assumed by the operating mandate in place since 1986. Halting the closure of rural post offices is one example of government intervention for policy considerations. Finding a sustainable balance between commercialization and a government policy role will be a key aspect of the mandate review.

Both government and Canada Post will benefit from the clarity the review will provide to CPC management. This clarity will specify which way CPC will go in its business and competitive activities, and on what strategic and financial premises its corporate plans are to be based.

Western Economic Diversification Service Centre

Canada has yet to find an organizational and policy approach to regional development that passes the test of time. Getting it right has proved elusive. The needs of the regions differ and the economic and fiscal environment is ever-evolving, as is political consensus on the role for government in meeting regional economic needs. In 1987, the government created the Department of Western Economic Diversification (WD) as part of a new national strategy to assign regional development to regionally based agencies.

WD was charged with the following:

- Promoting the development and diversification of the western Canadian economy.
- Coordinating federal economic development activities in the West.
- Representing the West's economic development perspective in national decision-making.

The mandate remains relevant, as does the federal commitment to regionally based development. But since 1993, the policy and programming environment has been changing, forcing WD to come up with a new way of doing business.

The WD case raises important issues about:

- Redefining a department's self-image and finding a new way to deliver regional development based on service and services, rather than on financial incentives;
- The process of establishing a client-centred service organization;
- Working to gain staff commitment to a cultural change within the organization;
- Getting senior management staff to work as team.

The mandate remains relevant, as does the federal commitment to regionally based development.

Background

“You are good, but not as good as you think you are,” a former WD Deputy Minister (DM) told his staff in the early 1990s as a warning and a challenge. While the department had proven itself to be innovative and feisty early on, it needed to regain some of its vision and energy. By 1993, it was apparent that the political take on regional development was shifting. Moreover, WD had done little to win public acceptance — only 8% of Westerners could even identify the department. WD faced change.

Diversification Criteria

- New products
- New technologies
- New markets
- Import substitution
- Productivity enhancement

In the run-up to the 1993 election, the major parties professed their commitment to assisting small business. They talked of the deficit and the need to curb the government's subsidization of the private sector. The main thrust of WD programming was "last in" loans to private sector projects satisfying certain diversification criteria. Within the federal government, WD had led the way in regional programming by insisting on repayable contributions for business projects expected to make a profit, but the loans were an interest-free subsidy. WD also offered grants for systemic projects expected to benefit a sector or coalition of interests, but for which no direct profit was expected. These non-repayable contributions accounted for about 30% of the financial assistance distributed.

WD was a forceful advocate for the West on government policies and programs.

WD did much more than "cheque book" development. It was a forceful advocate for the West on government policies and programs. Federal procurement policies were altered and the regions benefited more from procurement opportunities for major crown projects and other government purchases. Staff helped prepare suppliers and contractors to participate in the procurement system. WD offices worked with their provincial counterparts, organized trade missions and undertook economic analysis in support of more general activities to promote diversification and development in the West. WD also carries out national initiatives in the West. In recent years, it has been delivering the Infrastructure Program and helping with community adjustment to military base closures.

Staff were encouraged to think of service broadly by pathfinding for clients lost in the maze of government programming.

WD also had a strong tradition of client service as a supplement to delivery or programs rather than as its *raison d'être*. The first DM insisted on an aggressive policy to find and work with the entrepreneurs who would help deliver on the diversification agenda. Staff were encouraged to think of service broadly by pathfinding for clients lost in the maze of government programming — take them by the arm and lead them to where they could be helped. No passing the buck.

While WD did more than provide financial assistance, the funding program represented more than 80% of WD's budget and at least that much of the staff's efforts. If the funding program was in question, so was WD.

The organizational structure did not encourage the type of collective thinking needed for finding a new direction. The structure and culture it spawned were intimately tied to the funding program. Assistant deputy ministers (ADMs) in each of the four western provinces were responsible for the delivery of departmental programs in their regions, which operated independently of each other. In the early days, horizontal issues were addressed by sector executives (directors general [DGs] and the four ADMs). The DGs reported around the ADMs directly to the Deputy. Responsibility for major files was often unclear and this led to tensions and mistrust.

The matrix- type organization proved to be inefficient and was abandoned, except for international trade and agriculture, where sector DGs remained in place until 1994. The early DMs rarely held executive committee meetings. By 1993, stovepipes or silos described WD's organizational structure.

New Directions

Sensing impending change, in early 1993 WD embarked on a strategic planning process involving many staff. Some suggested strategies that hinted at working across silos. However, the climate was changing faster than WD could develop a new cohesive strategy or a culture to sustain it.

In November 1993, the new Minister, who came to WD with his own vision for western development, announced new directions for the department:

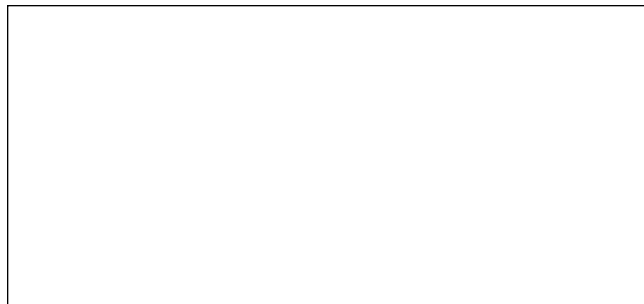
1. Move the focus away from the direct funding of firms;
2. Develop strategic initiatives — public/private partnerships to address competitive challenges in key growth industries;
3. Concentrate on small business;
4. Adopt a pan-western partnership approach — federal, provincial and business co-operation to support industry sectors across provinces.

The Minister clearly had a vision — strategic, pan-western and focused on small business. It was up to WD to define it operationally so the department could pursue it. The new directions cut across the silos and suggested new priorities for assistance, but provided little guidance on how the Department should reorganize or manage competing funding priorities. WD was to start moving away from a traditional, transaction-based government department, but to ... what?

First Efforts

Following the new directions announcement, businesses employing more than 50 people were excluded from WD programs. Of the four announced shifts, this should have been the easiest as before 1993, the lion's share of WD's clients were small businesses anyway. Nevertheless, uncertainty over the changes and what could be assisted affected both clients and staff. In 1992, WD approved 816 projects; in 1993 — 560; and 1994, just 148. WD appeared to be on a downward spiral to irrelevance.

Sensing impending change, in early 1993 WD embarked on a strategic planning process involving many staff.



Approved strategic initiative procedures were slow to be established and teams had difficulty putting forth consensus initiatives.

Realizing the need for horizontal approaches, teams were struck to work on new pan-western strategic initiatives. However, the team approach was new to WD. Approved strategic initiative procedures were slow to be established and teams had difficulty putting forth consensus initiatives. When one team's proposals were rejected, the team suffered a marked drop in morale and other teams feared the same fate. In a short time, the motivation to succeed was barely higher than the motivation to avoid failure.

Some early strategic initiatives came to life and others followed over the next two years. WD has long been involved in systemic projects that involved more than a single company and often more than a single region. Both the Tourism Alliance for Western and Northern Canada and the Women's Enterprise Centres originated as systemic projects, and came into existence as strategic initiatives.

Other Strategic Initiatives

- Aerospace training — Canada International,
- Western Environmental Industries Network,
- Food Beverage Canada,
- International Trade Personnel Program,
- S&T MOU with four western provinces.

In spring 1994, WD invested significantly in more formal team-building. Team coaches selected from all four regions were trained to facilitate teamwork and spread the team culture. They led general team-building exercises of all staff back in their home offices.

In retrospect, not enough thought had been given on how to use the teams or operate them. Teams were formed for strategic initiatives, whether or not the team approach was suited for a specific initiative. Perhaps, more appropriately, it should have been seen as a management tool to be employed to achieve specific ends which may or may not relate to strategic initiatives.

The prevailing culture dominated the team-building, rather than the anticipated reverse. At one point, a member of the executive asked the Department's legal staff to review a written contract form for team leaders and members! It was hardly the innovative, flexible and co-operative spirit the teams were supposed to foster within WD.

Senior managers did not come through with a recognized process by which decisions could be reached on a team's work. Team leaders were not empowered and had to go through line managers for the requisite approvals. Managers, if not threatened, were at least uncertain how to manage in this trans-regional cross-cutting environment. The silos were still standing. Certainly, skills taught in the team-building effort, such as listening and communicating, proved useful later.

Some progress was being made in implementing the new directions, but it was hampered by lack of a common motivating vision or strong direction on how WD should operate in the new environment. In the absence of this

bottom-up common motivating vision, programming decisions tended to be directed from the top down.

Summer 1994: More Change on the Way

In the summer of 1994, a committee of western Liberal MPs seeking to redefine WD's mandate conducted a series of public meetings to obtain the views of Westerners, and offices in Alberta and British Columbia started asking clients what WD could do for them. The clients had a long shopping list of needs, many of which WD could help with — maybe they could do more than just give out loans. This client involvement provided the incentive for WD to take some bold steps.

The consultations provided some direction, but more was on the way in the form of program review and the 1995 federal budget.

In the summer of 1994, as part of the government-wide program review, each department began to re-examine its programs against six tests concerning the relevance, design and cost of programs. The exercise was a lead-in to the deficit-cutting February 1995 budget involving major cuts in government expenditures.

WD emerged from program review with its mandate re-affirmed, but its regular programming budget cut by up to 87%, to be phased in over three years. To somewhat balance this drastic reduction, a precedent-setting move allowed WD to be credited with repayments of prior contributions from its loan portfolio.

The 1995 budget spelled out the programming decisions that had been worked out among ministers and deputies. WD would:

1. Cease making direct loans to individual businesses;
2. Establish innovative Investment Fund partnerships;
3. Work to create single points of contact for federal services to small business;
4. Assume responsibility in Western Canada for Community Futures Development Corporations and Canada Business Service Centres.

Bogged Down

The budget signalled an end to the ways of a department that had never been able spend all of its annual budget. What was to follow? From November 1993, a plethora of soul-searching reports had been written, many of them

This client involvement provided the incentive for WD to take some bold steps.

Recommendations of the Bodnar Committee:

- The work of WD should be maintained and expanded;
- WD should increase its information services to business, particularly with respect to export markets;
- WD should consider a range of financial options for participation in projects, including partnerships with venture capital pools and other financial players;
- The pathfinding and western advocacy roles of WD should be expanded.

saying the same thing. All of them talked about what WD had done and what possibilities lay ahead. Yet by April of 1995, very little had actually changed. The cynical observer might have remarked, “Not only is the pen mightier than the sword, but the written plan is better than departmental action.”

WD Clients — Entrepreneurs and Small Businesses

- At an early stage of development;
- With growth or export potential in key growth sector industries, and
- With difficulty in accessing capital (including women entrepreneurs and new economy companies).

Client needs

- Access to information, capital and markets;
- A Favourable business climate;
- Skills development;
- Innovation.

While not much had actually happened, the soul-searching had advanced departmental thinking and WD had defined its client base. Furthermore, the budget had given specific instructions on WD’s direction. A vision was starting to take form: help small businesses develop and grow. Give them the services they need and the service they deserve.

To see results, some suggested that WD needed a Business Process Reengineering (BPR) endeavour to redesign existing tasks. It could improve efficiency, but for what? Virtually all existing tasks had lost their relevance. The dilemma was more existential, particularly for staff. The real issue was, what should WD be doing to help small business and promote regional development? Staff were asking: “What are we without the loans program? Why would a client even

come to us if we don’t have any money to loan them? What can our new value-added be?”

No one had tried regional development without the use of government financial incentives. Morale was sinking. Realizing that reengineering couldn’t answer these questions, at least WD now knew what hot-topics bandwagon not to jump on.

New Partners

The 1995 budget transferred responsibility for the Community Futures Development Corporation’s (CFDC) program in the West to WD from Human Resources Development Canada. The CFDC had 79 offices operating in most non-metropolitan areas in western Canada, and their business was to identify and solve local problems to promote economic development. Clearly, their purpose fit nicely with that of the new small-business orientation for WD. But what should their role be within WD?

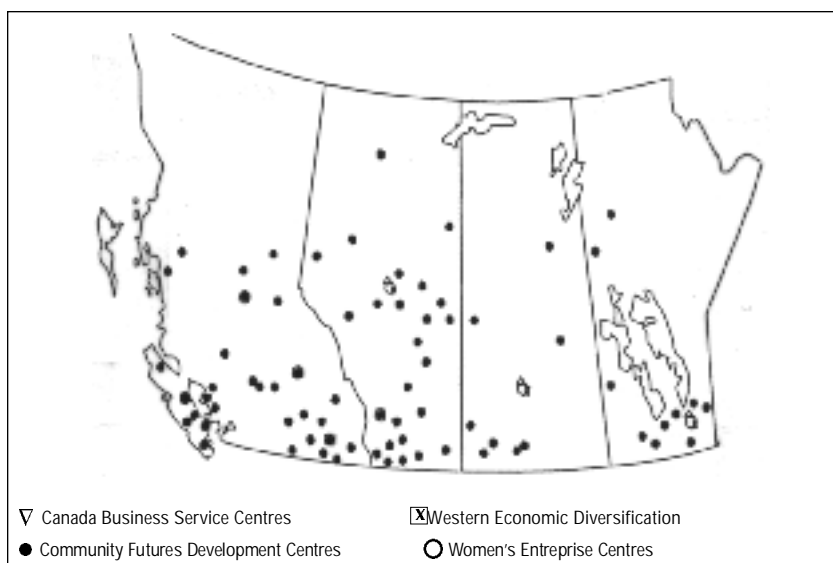
After eight months of wrestling with the issue, a light went on. CFDC was community-based and had a strong service culture, and their mission was very much in line with the latest trend in regional economic development. What’s more, CFDC’s 79 offices offered a potentially valuable distribution network to WD.

No one had tried regional development without the use of government financial incentives.

The prevailing theory advocates creating the optimal infrastructure (e.g., information systems, technology, access to capital and supportive government services). WD could use the CFDC mission to round out their own, and through the CFDC network give small business throughout the smaller communities of western Canada the single-window access the budget had challenged WD to deliver. But more significantly, WD could learn and adapt from the wide range of CFDC experimentation going on across the West. One of the first lessons was to think less about how to control the CFDCs and more about how to work with them as a partner.

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The evolving network concept linking WD partners also benefited from the other “gifts” from the 1995 budget — Canada Business Service Centres (CBSCs) in Saskatchewan and Manitoba, formerly under Industry Canada. WD already had responsibility for CBSCs in Alberta and British Columbia, so adding two more provided a larger platform from which to launch their inter-governmental service integration effort. To date, WD has established a successful partnership with B.C. for the Vancouver business centre, an integrated multi-government centre is scheduled for Edmonton by the spring of 1996 and work is under way on the other two.



In addition to the Canada Business Service Centres and the Community Futures Development Corporations, the four Women’s Enterprise Centres and the four WD offices would round out the WD Service Delivery Network to 90 points of service.

Investment Funds

While work on the Delivery Network evolved over 1995, the new WD’s first tangible success came with the Investment Funds program. Even before the February 1995 budget, WD had begun working on a replacement for its assistance program, whose purpose was still valid (i.e. extend western entrepreneurs’ access to capital beyond the traditional banks and institutional venture capitalists).

WD decided to lever its now-limited resources and work in partnership with financial institutions to extend their risk tolerance in the areas of the economy that would promote diversification. This would increase access to capital for

the new economy knowledge and value-added sectors, which often lack the collateral the banks demanded. WD funding would go into a loan loss reserve, helping to move traditional lenders higher up the risk curve. Small businesses could thereby access capital on commercial terms for projects the banks would not normally support. It also allowed “patient loans” with the flexibility to defer repayments of capital or interest in accordance with the needs of the firm.

WD helps fill the management gap for small firms by lending its expertise in writing business plans and making the business case for presentation to banks.

In addition to extending the risk curve, WD helps fill the management gap for small firms by lending its expertise in writing business plans and making the business case for presentation to banks. This also cuts down the administrative overhead or transaction costs to the banks from administering small loans in areas of higher risk.

The first investment fund was announced on June 28, 1995, and by March 1996, another three were on stream, with nine others nearing completion or under discussion with financial institutions.

With all due respect for the success in launching the Investment Funds program, it must be noted that it is not a 180° departure from the old assistance program. With the Investment Funds program, WD, if not the actual lender, is still in the money game. This time around they are on the other side of the table, partnering with the banks and then helping clients present sound cases to them. In a sense, they have gone from being lenders to insurers and, as such, are still one of the financial pillars.

Nevertheless, the loan funds, as with the CFDCs, signalled that WD would be operating under different rules. It no longer had the dollars to buy the result it wanted. In its partnerships, it would have work to influence others who had the resources. It would have to lead from the rear.

Working Together

In March 1995, the DM visited all the regions and conducted meetings to explain the need for change. Her message about the Minister’s vision was clear, yet not all the pieces were in place and staff were not pulling in the same direction. By April 1995, the executive committee had not yet reached consensus on all their new product lines. While negotiations

were proceeding on the first investment fund partnership, little agreement existed for other WD product lines.

Loan Funds

- **Agricultural Biotechnology and Biotechnology Loan Program** (June 28, 1995) \$30 million (WD share \$3.75 million), was announced with the Royal Bank.
- **Agriculture Value-Added Loan Program** (September 22, 1995) \$100 million (WD share \$10 million), with the CIBC and the Farm Credit Corporation.
- **Knowledge-Based Industries Loan Fund** (November 10, 1995), \$25 million (WD share \$5 million) with the Business Development Bank of Canada.
- **Health Industries Loan Program** (January 19, 1996) \$20 million (\$2.5 million from WD) with the Royal Bank.

The executive committee agreed to bring in external help, but a management consultant found no misunderstanding or ambiguity about the nature of the problem. However, the necessary cultural change was so great, and the territoriality of the structure and behaviour so entrenched, that progress seemed impossible.

With the consultant as facilitator, the next executive committee meeting concentrated on seeking consensus over how to proceed. The committee agreed to set up working groups to explore each new service line. Attempts in February and March had failed because each ADM prepared a paper on one service line without involving other ADMs. Because all these service lines were pan-western and overlapped, they could not be formulated without working together. Consequently, the papers were either rejected outright or were so bland as to be worthless.

In May, working groups representing each region were selected. They were given a clear mandate to focus on one service area, define it and describe how it meets clients' needs. The groups met the next month with the consultant as a facilitator.

Service Lines

Perhaps because there had been so many stumbling starts and so much analysis, consensus among the groups was relatively swift and easy. Each group took about a week of intensive work to finish their assignment.

The next executive meeting went smoother than anyone would have predicted, with high agreement on the new service lines. The executive committee came up with four general service lines or activities for WD:

WD Service Lines

- **Capital Services** Work with private and public financial institutions to assist targeted growth industries to obtain needed financing by underwriting risk differential and providing due diligence expertise (e.g., \$300 million potentially available under the Investment funds, \$107 million available from Community Future Development Corporations and \$20 million over 5 years for Women's Enterprise Centres).
- **Information Services** Co-ordinate information support for small firms by increasing the number and quality of information products available in partnership with industry, government and communities; establish an interconnected electronic delivery network across WD offices, Canada Business Service Centres, Community Future Development Corporations and Women's Enterprise Centres and linked to Industry Canada, International Trade and other databases of use to the business community.

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- **Business Services** Develop services to help small business penetrate public sector markets; put small business issues on national policy agendas; increase export capability of targeted sectors; and streamline the regulatory environment for small business.
 - **Integration of Government Services** Improve client satisfaction by streamlining, integrating and rationalizing government programs and services, as well as promote interorganizational partnerships in the West.

What's Missing?

The DM realized that the drive to effect change must come from the top down and be sustained from the bottom up.

WD now had operational vision. It looked good on paper, but many felt something was missing. All the pieces were in place, but the energy seemed scant. The DM realized that the drive to effect change must come from the top down and be sustained from the bottom up, but a major problem existed in the way the executive committee exercised shared leadership. For example, they came away from executive meetings with widely different interpretations of what happened, which confused staff as to what was going on and what was expected of them. Although they had finally reached consensus on department-wide programs, they still had to work together in the future to concentrate on breaking down the silos.

Up to this point, the executive committee consisted of the DM, the Senior ADM (SADM), the four ADMs, and many of the direct reports of the SADM (e.g., Finance and Administration, Legal, Human Resources, and Executive Services) — 13 members in all. The structure reflected the old command-and-control function established for the administration of the now-defunct assistance program. Only the four ADMs actually dealt with clients regularly.

Not only was the executive committee designed for an outdated program, it was too large to instill the sense of unity and shared leadership needed to implement major change. The DM pared the executive committee down to eight — her, the SADM, the four ADMs and two DGs reporting directly to her.

Each individual now had to ride on the performance of the group as a whole. In a small group, if you make me look good, you look good. In a large group, my failures don't reflect on you. An implementation planning committee of senior managers was later established to aid in formulating and crystallizing ideas for the executive.

Another problem was accountability. The ADMs were still wrapped up in the day-to-day running of their regions, not realizing they had a new full-time

job — managing the change. They had to delegate their day-to-day chores and take on new responsibilities. The executive committee decided to draw up individual accountability accords. Over the next two months, working with the consultant and each other, each ADM wrote detailed accords that were then redone as a group in executive committee. The accords set the direction and starting point for front-line work. It took great effort to get the executive committee to accept their responsibilities for each other and for the department as a whole. Trust was a major issue.

The accords set the direction and starting point for front-line work.

Finalizing the accords represented a major accomplishment that led to a new corporate trans-regional culture. The accords established a new federal government standard for setting specific, moderately difficult, measurable goals. When distributed to all staff, they greatly aided the change process.

There was still skepticism about the ADMs' ability to manage a pan-western program, so the DM held another series of regional meetings to address these issues. They focused on progress to date and were generally well received.

Service — Not Just Services

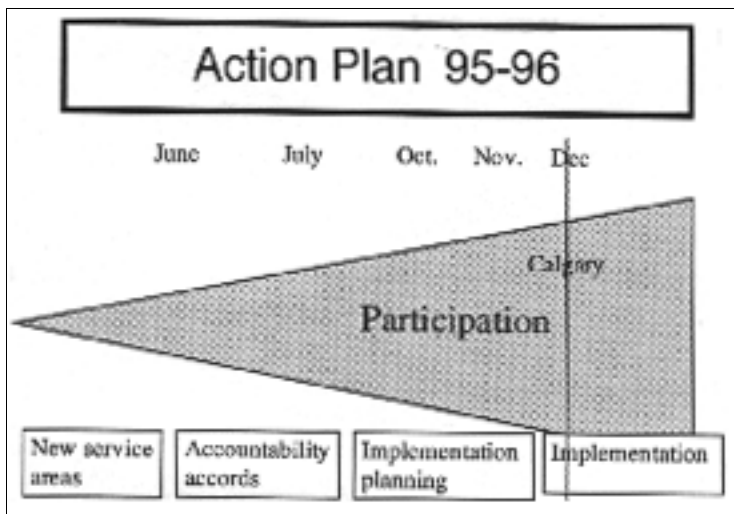
The executive committee had started to work well together. Communication strategies had been worked out and a management plan for change implemented and monitored, but personal and other barriers remained. The committee met for a team-building exercise in October in Canmore, Alberta. The retreat started slowly, but two individuals insisted on addressing the trust issue rather than continuing to avoid it. By the end of the retreat, all agreed that real progress had been made on how to work together. The challenge was to nourish a service culture that could deliver service lines.

The challenge was to nourish a service culture that could deliver service lines.

Just when WD looked like it was coming together, the DM moved on to another post. Had this occurred in August instead of late October, the change effort probably would have folded. Instead, the SADM (now Acting DM) and the ADMs had begun to gel as a team.

The Canmore retreat was followed the next month by a Calgary retreat for about 50 management staff. This meeting marked the end of the planning process and the start of implementation. The executive pointed out that while WD might have many services, unless they provided true *service*, clients wouldn't come to them. Sheldon Bowles, author of *Raving Fans*, hammered home the distinction between providing services and service.

Everyone got behind the service orientation espoused at that meeting. Through discussion, the managers began to see the vision of WD and their role in it — in fact, they came away with a “movie” in mind of how WD would operate in a client-centred service culture.



The ADMs prepared an all-day “road show” for each of the four main western offices and Ottawa, and the reaction was extremely positive. A typical comment was that the ADMs were relaxed and confident with their information and looked as if they enjoyed working together.

Service is the unifying force for change and the integration of WD’s four activities. It’s service that bring clients through the door even when you don’t have cheap money to offer them -- real service, not just a smile and no help. Honest service, not just “I’ll get back to you when I can.” Head-turning service.

The envy-of-other-government-departments service.

That last reaction to service provided a healthy competitiveness to WD’s change effort. WD staff had always been proud of the department’s record as an innovator in regional development and in government. If their delivery service could be that good, then they could be the model for service delivery in other departments. They could multiply their impact.

To be sure, many other government departments are trying to change to a service-oriented culture -- in fact, the former DM is chair of a task force looking at alternate service delivery models. But if WD, with fewer than 400 people, can’t catch the service bug, then what hope is there for larger departments?

A Service Culture: The Next Steps

WD is moving from a traditional, transaction-based government department to a client-centred, service-based department delivering service through a network of partner organizations. The far-flung network will harness technology to become a “virtual” service delivery organization.

To become a true service culture, WD will be working to instill within the department the following attributes:

- Continuous improvement, driven by continuous client feedback;
- A knowledge-based continuous learning culture;
- High investment in training, tools and information for the job;
- Strong internal communications;
- Teamwork;
- A flexible work force and organizational structure;
- Clear performance standards and accountabilities;

WD is moving from a traditional, transaction-based government department to a client-centred, service-based department delivering service through a network of partner organizations.

-
- An emphasis on marketing based on relationships rather than products;
 - Strong leadership and personal initiative.

The process is ongoing and represents a profound change, involving all positions and how all work is organized. Achieving an impact through the provision of services instead of dollars presents a major organizational and marketing challenge. Some of the staff will not be suited to the new role, and the department will face a period of adjustment as staff are trained and new blood brought in who have the aptitude and desire to provide service.

While WD seems to have a handle on the how to transform itself, it must also deal with changing political circumstances. In January 1996, the Prime Minister put all regional development agencies under one Minister, with Secretaries of State for each of the agencies. This new portfolio approach, which includes Industry Canada and other science and economic agencies, aims to equip the government with a more coordinated structure for delivering on its national jobs and growth agenda. Regional development remains a high priority, but now WD will be challenged to work co-operatively within the portfolio to deliver on a national agenda. The continuous change and learning organization that WD aspires to should find that it is up to the task.

Lessons Learned

- ✓ There are other ways to work than by the cheque book. If programming funding is cut, think of partnerships, leverage and service to provide value-added to your clientele.
- ✓ Partnerships open a department to new experiences and methods that can be invigorating. Without major financial clout, it requires a new way of thinking — greater use of consultation and persuasion; the art of leading from the rear.
- ✓ Initiating cultural change requires lots of work. You need a vision and a sound plan, and you must follow through. Set goals and timetables, and measure progress at each checkpoint. Are things not getting done? Redouble your efforts.
- ✓ Define your clients — know who you are dealing with and what they need. Use that information to design an organization that can serve them.
- ✓ Make service lines more user-friendly to clients. Think of the verb “to serve” before thinking of the noun “service.” Service can be the means of achieving your organizational ends.
- ✓ As budgets become more restrictive, departmental survival may depend upon how well a department can sell itself based on the quality of service it provides. Invest in staff and technology to ensure that high-quality service can be delivered.
- ✓ The executive must work as a team. If they can’t, no one else in the department will.

Think of the verb “to serve” before thinking of the noun “service.”

Revenue Canada

Overview

Revenue Canada copes daily with volume. Each year it handles 21 million income tax filers, 2 million GST registrants, 900,000 employers, 150,000 importers and exporters, 100 million travellers at the international border, 28,000 registered pension and deferred profit holders, and 70,000 charities. Last year, it collected more than \$188.6 billion in revenues for the federal and provincial governments.

The volume increases each year, yet productivity has been maintained or increased. Between 1992 and 1995, there was a 9% increase in the number of audits per employee (i.e., per full-time equivalent [FTE]), a 14% increase in the number of public enquiries and a 36% increase in the number of returns processed per FTE.

Defining a Sea Change

The “service” ethos is not new in government. It was a major element in the “access to government” program of the 1970s. And it was also a feature of the PS 2000 initiative of 1989; governments exist to provide services to the people. In its most recent guise, this idea is refined and embodied in the notion of “citizen government.”

However, it continues to be difficult for the public service as a whole to come to terms with the enforcement/service dichotomy. Of all federal government departments, Revenue Canada appears to have made the most successful transit of this change: it has moved from tax collection based upon enforcement to revenue administration based on voluntary compliance — from being a “public oppressor” to a “service provider.”

The Way It Was

Revenue Canada has four inter-related lines of business:

- **Generating revenue for governments;**
- **Facilitating trade** through the administration of GATT, NAFTA and bilateral trade agreements;
- **Border services**, including the collection of customs duties and the administration of countervail, anti-dumping, and a range of statutes relating to health, environment, etc.; and
- **Making social and economic payments**, including the child tax credit, GST rebates, drawbacks from importers, etc.

Service Delivery at Revenue Canada

Revenue Canada has reduced operational costs, improved productivity and speeded up the delivery of its services to clients, despite cutbacks (a \$300-million resource cut had to be absorbed over three years) and dramatic increases in volume. This was accomplished largely by reengineering business processes and operations. But equally important was a deeper change in *style*; a shift of the department’s primary focus from “enforcement” to “service.”

Operationally, the Department was divided into six isolated parts that dealt exclusively with the GST, Customs, Excise, Tax, Trade Administration and the Tax Payer. In the words of the Deputy Minister, “Each of the lines was aligned by its legislative mandate, not to the customer.” Even though five of the six operations had common clients and stakeholders, there was no common business plan. “There was a strong case for integration and tremendous opportunities to reduce overhead and generate economies of scale.”¹

... And Now Is

Revenue Canada’s new orientation is based on six pillars:

- **Client Involvement** Strategies and business plans are drawn up in consultation with clients, helping to reduce compliance costs. The consultations demonstrated that the department needed specific strategies to deal with specific client groups such as importers, employers, seniors, etc.
- **Employee Involvement** Senior management at Revenue Canada quickly became aware that a change of this scope was impossible without support and direction from the front line.
- **Risk Management** Tools had to be invented to identify the risk of non-compliance and then to target resources according to the risk.
- **Performance Measurement** Client surveys are conducted at each branch office and there are regular “report card” meetings with industry association, interviews with travellers, etc., along with mechanisms to monitor and respond to complaints.
- **Leadership and Training** Revenue Canada invests heavily (\$27 million a year) in training and development. To sustain the “service” ethos, leadership is promoted at all levels.
- **Innovation** Creation of an environment supportive of innovation was vital.

Specific Service Initiatives

Revenue Canada’s success was achieved partly through the government-wide program review and partly through an administrative consolidation within the Department. Another factor was the implementation of several innovations designed to speed up the delivery of services to specific client groups.

Business Number (BN)

This is a unique business identifier that will eventually replace the many account numbers that companies now must have for income tax, import/export, payroll deductions and the GST, etc. The identifier will help companies reduce costs and save time, and it will help the Department in such areas as client assistance, collections, audit and revenue accounting.

¹ Pierre Gravelle, address to the Private Sector Resource Group, Task Force on Service Delivery Models, March 5, 1996.

Single Business Windows

This new service, available in 1995–96, allows companies to register for a BN, enquire about refunds, balances, payments and notices, and obtain forms and information on all business programs.

NAFTA Enquiry Line

A toll-free telephone enquiry service provides importers and exporters with information on the North American Free Trade Agreement (NAFTA) and services provided by Revenue Canada. The enquiry line logged nearly 5,000 calls in the first six months of 1996.

EFILE

EFILE permits the electronic filing of individual tax returns. In 1994, more than 3.9 million returns were filed in this way. The system reduces the costs of data entry and error correction, reduces paper burden and provides refunds in record time. (This service received a merit award for public service entrepreneurship from the Public Service Commission).

Simplified Tax Return Forms

Simplified forms were introduced in 1994/95 to make it easier for taxpayers to self-assess their returns. These measures reduce paper burden and costs for taxpayers and government alike. Streamlined forms have cut the time required to process tax returns from seven to three weeks.

Electronic Filing for GST

This is a pilot project undertaken in partnership with Transact Data Services Inc. and the Bank of Montreal, using a point-of-sale device through which registrants enter payment information. The GST return is transmitted to Revenue Canada, while the request for payment goes to the bank. The bank then forwards the funds to the Receiver General from the registrant's account.

Direct Deposit

Clients have the option today of having tax refunds, other tax credits and benefits deposited directly to their bank accounts. In 1993, about 12 million refunds worth more than \$2.8 billion were made using direct deposit.

CANPASS/PACE

This is a streamlined border clearance process for frequent, low-risk travellers, such as cross-border commuters. The CANPASS/PACE technology eliminated archaic paper-based processes and ensured that information and services were in place to permit voluntary compliance.

CADEX

Customs Automated Data Exchange (CADEX) was the department's first application of electronic data interchange (EDI), allowing brokers and importers to transmit data to Customs using a private network. It has greatly speeded the processing of shipments across the border.

Customs Line Release System

Line Release couples the electronic handling of cargo and release documents with automated enforcement and tariff databases, allowing shipments to be cleared by customs officials who are thousands of miles from the point of entry. The system has reduced processing times at the border -- in the case of trucks, from hours to about 20 seconds. More than 160,000 transactions per month are processed through Line Release.

A Service Compliance Strategy

These innovations flow, at least in part, from a service mind-set within the Department. Revenue Canada's strategy is based on the idea of voluntary, rather than enforced, compliance. Arising from this basic notion is a three-part strategy.

1. Market Segmentation

The Department identifies distinct groups of clients and stakeholders according to their service needs. Tailored solutions and services are then developed in consultation, employing risk analysis and targeting. Alternative service options are offered whenever feasible.

2. Simplification and Streamlining

Legislative and regulatory frameworks are continually being rethought and modernized. Paper forms and guides, and their electronic equivalents, are reviewed frequently to simplify and make them more user-friendly.

3. Application of Technology

Wherever possible, technology is developed to reduce processing times. Clients are offered direct electronic access to programs and services through a single window of access. Automated systems applications and integrated databases are used to achieve operational economies. This usually reduces costs for both the Department and its clients.

Lessons Learned

Revenue Canada was able to move fast because senior management took a “pit bull approach” to managing change and had the patience to see it through. The Department developed many of the solutions on its own. Probably, there would have been less buy-in if a consulting firm had been contracted to tell the Department what to do. Another factor in Revenue Canada’s success was the appointment of external advisory committees; they pointed out problems and suggested improvements.

The following “keys to success” are adapted from comments made by Pierre Gravelle, Q.C., Deputy Minister of National Revenue, in an address to The Private Sector Resource Group, Canadian Centre for Management Development (March 5, 1996).

- ✓ The prime imperative is for management to introduce and sustain a service ethos. Along with this, clients and stakeholders must be involved at every stage of the effort to enhance services.
- ✓ There is no standard template for managing change.
- ✓ Revenue Canada’s service improvements have been achieved by:
 - Decentralizing programs, operations and services.
 - Streamlining and de-stratifying processes and administrative requirements.
 - Using risk identification and assessment when introducing service enhancements and options.
 - Applying well-known problem-solving principles and techniques.

Prince Edward Island Health and Social Service System

Overview

Why would a province with a population smaller than that of many Canadian suburban municipalities create a system of social and health services delivery run by five regional boards? Prince Edward Island did it because they wanted a system in which the citizen had more responsibility both as a recipient of services and in deciding how to allocate and deliver those services. Health and Community Services would become a centrepiece of a major government initiative on citizen- and community-centred service delivery.

The Prince Edward Island experience illustrates a model of citizen-centred government service delivery. Much has been accomplished at the organizational level in the two years since the reform began, but continued success requires that attitudes and lifestyles must change. That takes longer. Nevertheless, the P.E.I. experience is worth documenting for its comprehensive approach, the principles it espouses, and its efforts to make government work for people.

Prince Edward Island Health and Community Services Reform

- Reform based on societal values
- Breaking down institutional barriers to citizen-centred service
- Local control and decision making
- Partnerships in service delivery

Background

In the early 1990s, the health and social services in Prince Edward Island were similar to those in other provinces. There was no clear direction for health care. Political leaders were too caught up in delivery issues to focus on policy direction. The system was geared to curing illness instead of emphasizing health promotion, illness prevention and community-based services. There was no way of determining which elements of the system were effective and which were a waste of resources.

Three main agencies — the Department of Health and Social Services, the Hospital and Health Services Commission and Addiction Services — provided a range of health and social services. The system also operated nursing homes, community organizations and seven hospitals. Each had its own way of operating, and none was obligated to work with the others for cost-effective service delivery. Overall management structures were inefficient and excessive for such a small population.

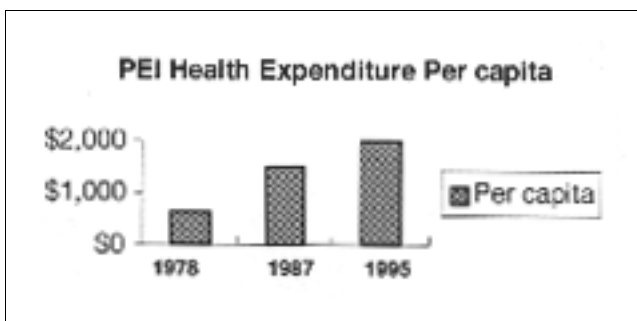
The public had come to expect more and better health services, and the doctors had come to rely more on expensive procedures and tests. Although, Prince Edward Island had one of the lowest per capita health expenditures in Canada at \$1,534 in 1987-88, it had one of the highest percentages of gross domestic product spent on health care, 12%. Little new money would be available for health care, and with cutbacks in federal transfers, the province could anticipate having even less to spend. With a population of about 135,000, P.E.I. could no longer continue with excessive management structures and a fragmented and overlapping range of services.

Rethinking Government

The government of P.E.I. started to rethink many of the ways it did business. The Cabinet Committee on Government Reform concluded that the province needed to become more self-reliant. While federal transfers had accounted for as much as 55% of provincial revenues in 1980, by 1987 the share had fallen to 50%, and the downward trend was set to continue. With recent cutbacks in federal transfers, P.E.I. expects the federal contribution to account for only 38% of its budget by 1997.

A group of senior public servants and politicians wanted to break free from the silo effect of departmental organization. Instead of taking on major horizontal issues piecemeal, within the constraints of departmental jurisdiction, government as a whole should be defining societal outcomes. It should focus on what to achieve, define goals, and then organize accordingly. In the area of health, that meant setting the goal for health “as a state of physical, social and emotional well-being.” Health policy should not limit itself to the avoidance of disease; it should promote the active pursuit of wellness. This requires consideration of the broad determinants of health. The Province defined these as income and social status, social support networks, education, employment and working conditions, physical environments, personal health practices and coping skills, healthy child development and traditional health services.

Basic financial considerations gave a boost to this philosophical change. React and cure approaches cost too much — health and social services accounted for 35% of the provincial budget and were growing. More doctors and hospitals, however, were not providing gains in health. Most health care funding went to curing illnesses that may have been prevented in the first place. To be self-reliant, people and communities must take more responsibility for their own well-being. This approach, more so than traditional approaches to community health, has the potential to save money and result in a population that is healthier, in the broader sense of that word.



While too many people depended on government, some observers perceived that public servants and their agencies were actually dependent on their clients. With a relatively small client base, agencies needed a certain number of clients to justify their own existence, and they treated clients as a collection of needs to be met. The system perpetuated a situation in which each agency “claimed” a bit of the juvenile delinquent or the welfare case. No one looked at the client as a person or marshalled the resources and expertise to help the client return to society as a fully functioning member. This meant that the client’s needs were not being met.

As well, the agency silos remained, and the client had to go from silo to silo to get the service he or she wanted. Although personal contacts among service providers were often used to assist clients navigate this bureaucratic maze, the system seemed oriented more to satisfying its own organizational needs than those of the client.

Wellness

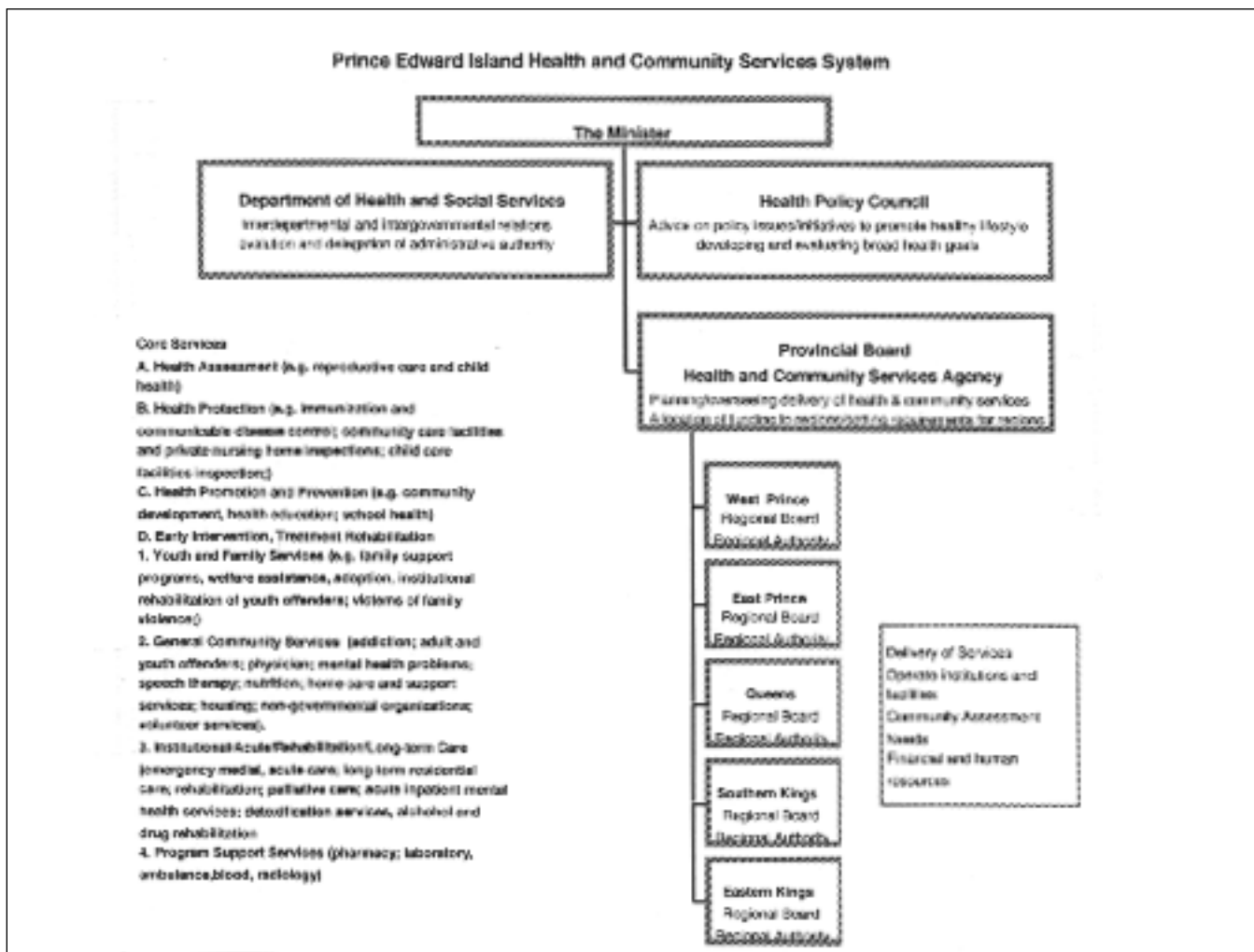
In 1992, a Task Force on Health, which set the direction for reform, elaborated a vision for citizen-centred, community-managed, cost-effective health service. The basic elements of the vision were:

1. Focus the health system on people. “Individuals receiving health care services should receive services adapted to meet their needs and not the organizations’ or the health professionals.” (P. 8) “Individuals should be active participants in pursuing control over their own health, as well as the health of the community and society.”
2. Emphasize health promotion and illness prevention as the means of achieving health.
3. Recognize that the determinants of health are often outside the realm of health programs. The broad determinants of health include the social environment, adequacy and quality of nutrition, the genetic make-up of individuals, environmental conditions of water, air and food, stress, self-esteem and the individual’s ability to cope.
4. Provide health care through partnerships among all service providers.
5. Incorporate community participation in health care planning.
6. Increase community-based services as a key element in the evolution of P.E.I.’s health care system.
7. Articulate the direction and philosophy for delivering health care services through provincial policy development and leadership.
8. Express health goals according to measurable criteria.
9. Endorse the basic principles of the Canada Health Act.
10. Endorse the principles of primary health care — “essential health care made universally accessible to individuals and families in the community by means acceptable to them, through their full participation and at a cost that the community can afford.”

The Health and Community Services System

The province completed its reform of the health system in 1994 (see organization chart below). The government reduced the number of administrative structures from 23 to 8, including 5 regional authorities.

Regional Authorities: The regional authorities bring together a range of social services such as health, addiction treatment, income support, social services and corrections into an integrated system. It removed the existing barriers to service delivery. No longer does an individual have to go from agency to agency for assistance. The reforms pushed decision making down to the local level. Community volunteer boards took on the responsibility for the local authorities. They determine the priorities for meeting local health needs and the resources available to satisfy those needs. By bringing the decision making closer to home, new partnerships between the formal system and the informal community network of resources and expertise would be more likely to form. Integrated service delivery also permits greater cost-efficiencies.



Health and Community Services Agency: The government created a provincial-level Health and Community Services Agency that functions under the direction of a Provincial Board. The Agency handles development of the provincial plan (including core services) to be delivered regionally or provincially, program design, planning, co-ordination, personnel issues and resource allocation for health services. It reports through the Chairperson of its Board to the Minister.

Health Policy Council: The Health Policy Council, appointed from the public and service providers, advises the Minister on issues affecting the health of the general population. These include overall policy and philosophy for the health care system, indicators for measuring health care, development of provincial goals and objectives, and the results of public discussions.

The Department of Health and Social Services: The Department, which previously contained much of the health and social services network, provides overall administrative support, evaluation and advice to the Ministers. It also deals with federal-provincial relations, policy analysis, and coordination with other government departments.

The new system separated, to a large extent, policy, programming and delivery.



The reform aimed at enhancing the system's ability to pursue population health outcomes within the framework of the broad determinants of health. It offers a new system of governance based on individual, family and community participation. Citizens take more responsibility for planning and delivering health services. They also take more responsibility for their own health and welfare. Individuals and communities now think more about what it means to be healthy, what the determinants of good health are, and what they can do to maintain and improve their own health.

This shift in responsibility requires a shift in thinking by a public that has been accustomed to having service providers and government provide all the answers. The change of thinking is essential for the new system to work effectively — and it will take time. Both the public and service providers

must adjust to the new approach and learn to co-operate to foster a new organizational culture, a culture in which service providers, individuals and community organizations work together to devise creative strategies for addressing health issues.

Regional Agencies and Partnerships

The 1994 reform taps into the strengths often found at the local level — a practical focus on getting the job done, the willingness of people to get involved, and the rich networks of personal contacts. In the professional community, people know each other on a personal and professional basis; within the community they tend to know their clients and their families. As a result, people work together to solve problems without being unduly restricted by the formalities of organizational or intergovernmental structures. As well, Human Resources Development Canada (HRDC) program officers have the same client base as the Regional Health and Community Services officers. They know each other and over the years develop cooperative approaches to dealing with their clients and common problems.



Figure 4 illustrates the relationships among the various components of the system at the regional level.

Although the integration of the social and health services breaks down many of the barriers to comprehensive service delivery, some important elements remain outside the system. The school system, for example, runs on a separate track with its own boards. School and regional authorities do connect at the community level, but there is a perception that the school system should work closer with the Health and Community Services System.

Boards: A key element of the regional authorities is the community control through volunteer boards, of seven to ten community members, that focus on policy issues. While the provincial government appointed the initial boards, the communities will elect them beginning in 1997. To get the boards off on the right track, the province used an approach developed by American management and governance consultant John Carver, with the help of a facilitator from the P.E.I. Health Association. The approach ties in with the provincial government's concern for societal outcomes. It separates governance from management activities.

The five boards are responsible for planning, integrating and coordinating the delivery of health and community services locally. They identify goals and desired outcomes, define issues and policies, and delegate tasks. They determine

policy by defining values, in the broadest sense, for their organizations and then considering more narrow operational and performance values and policies. The Boards keep the regional authority accountable by requiring staff to report on progress in achieving the desired results. The approach attempts to break the chronic ineffectiveness of many boards, which often tend to intervene ineffectively or destructively in delivery issues or react negatively to policies and initiatives submitted by the organization for board ratification.

Partnerships: With much of the managerial and delivery initiative now coming from the community level, managers have greater freedom to establish more formal partnering arrangements with community organizations and the federal government. Much of the success of the reform will depend on the ability of the regional authorities to tap into the energy and commitment of community organizations. The authorities can also benefit from the resources, expertise and enthusiasm of non-governmental organizations with programs that promote various aspects of community health, such as the YMCA or Alcoholics Anonymous.

HRDC Partnerships: An important federal partner at the community level is HRDC. For example, East Prince Health has a project officer working within HRDC offices in Summerside on a “People Investments” initiative to deal with unemployed. In Queens, the regional social services officers are co-locating with HRDC’s Charlottetown office in a shopping mall and plan to integrate their operations and systems into the HRDC systems. In Souris, HRDC and provincial regional officials share facilities and common data bases. If the goal of providing seamless delivery of employment services is successful, the client may not even be aware of when provincial and federal services mesh.

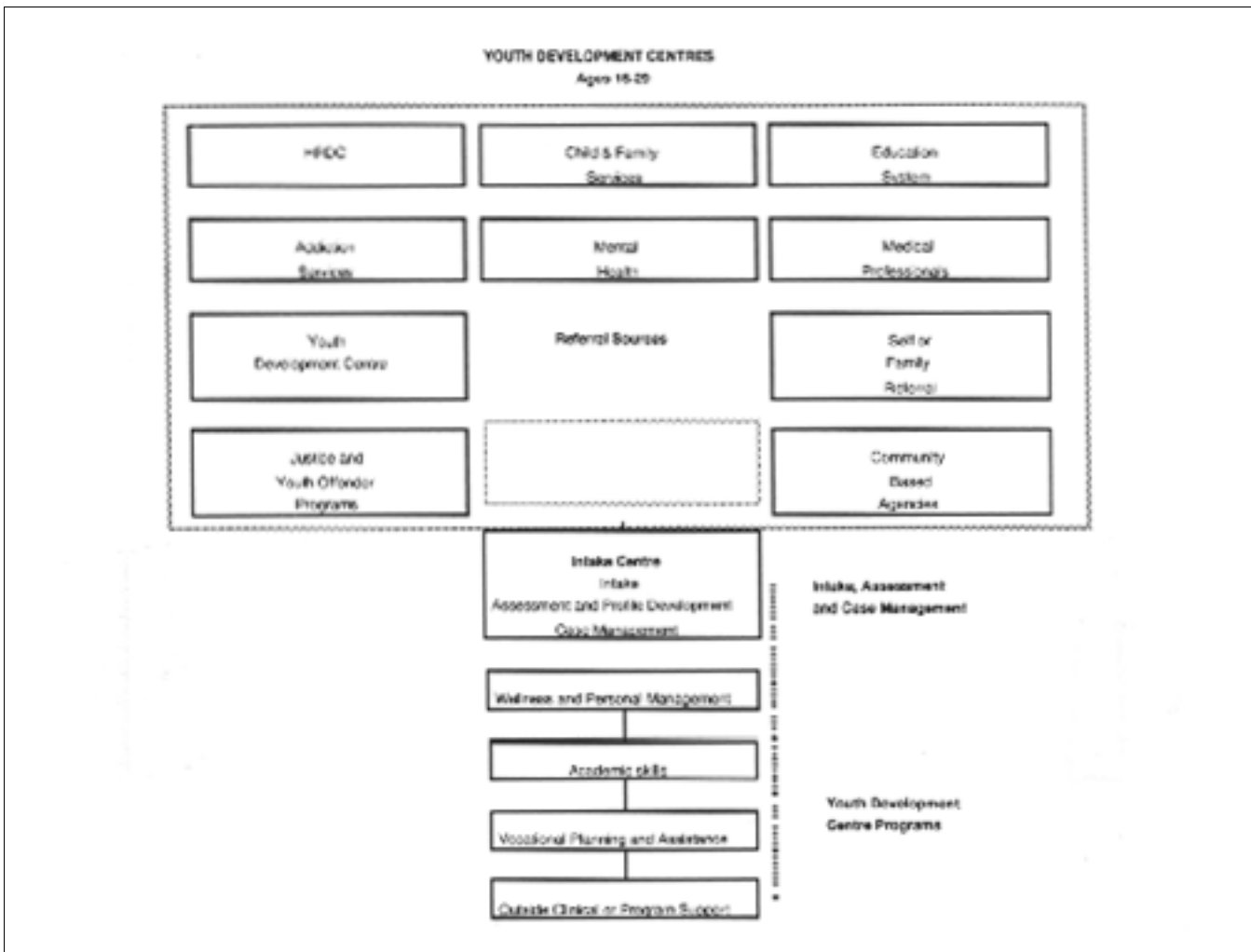
The proposed change to HRDC legislation encourages devolution and closer partnerships with clients. The P.E.I. reforms, however, provide a challenge to local federal offices. Often federal officials provide responsive service in spite of the federal system. From the community level, approval from Ottawa for funding and innovative initiatives seem based more on satisfying needs in Ottawa than in providing relevant support for local needs. “If a project goes to Ottawa for approval, people shudder.” Timing is also an issue. Federal officials cannot respond quickly when they need authority from Ottawa. Informal innovation can go only so far. The federal and provincial governments must eventually work out, on a more formal basis, real issues such a privacy of information, financial management and accountability for partnerships to work.

Attitudes: One of the major challenges professionals face is to go beyond their circle of professional contacts and make links to non-professional support within the community. Local self-help groups and a range of other

non-governmental organizations must be integrated into the process of meeting the needs of clients. Much of the success of the innovation will depend on the attitude shift of professionals and the effort they make to draw in all the community into the delivery of social and health services.

The attitude of communities must also change. Citizens can no longer expect to be passive recipients of health and social assistance. They must take more responsibility for their own welfare and participate in the efforts to improve their conditions. Citizens may be slow or reluctant to make this shift, and in such a small province unhappy people can easily bring their grievances to the Ministers and the Premier. If political leaders take too active an interest in local priorities and delivery issues, however, they will undermine the effectiveness of local authorities.

East Prince Youth Development Centre: Figure 5 illustrates a community initiative for youth in the East Prince region. It shows how many of the system's elements come together to provide a fully integrated service to a



particular client group. The initiative grew out of series of inter-agency and community discussions concerning the needs and issues faced by youths and young adults in the Summerside area. Partners in the discussions included Summerside HRDC, Summerside RCMP, East Princes Health (including its various agencies: Addictions, Services, Young Offender Custody Programs, Child and Family Services); the Western School Board; three senior high schools; the City of Summerside; Summerside Police; the John Howard Society; the Greater Summerside Chamber of Commerce; the Summerside Christian Council; and the Youth Employment Services Program. Previously, these organizations dealt with youths and youth issues independently or with little interaction, even though on many occasions they were dealing with the same client.

Making the New System Work

Prince Edward Island is only in the second year of reforming its health and social system. The reform appears to be more far-reaching and innovative than anywhere else in Canada. The citizen is at the centre of the health and social services, and the communities have taken responsibilities for delivery of these services. The 1994 reforms removed the silos for a large part of the delivery system. It is all there — on paper. But it is too early to say for certain whether the progress made to date will result in a truly effective citizen-centred and community approach to service delivery. The signs are good and attitudes are changing; but the transition is not complete.

1. Citizens must feel more confident in local decision-making and in the new approach. They must become less passive and more responsible for taking an active part in pursuing their own welfare and for delivery of the health and social services at the community level. The transition may not be easy. Islanders traditionally complain directly to provincial political leaders. If community decision-making is to work, local boards must gain the confidence of their communities; otherwise, citizens will continue to appeal to provincial ministers and the Premier. While boards may retain legal political accountability for delivery issues, the de facto accountability will remain with the politicians, to the detriment of effective community responsibility.
2. Will politicians learn to focus on policy issues rather than on management and delivery issues, which in the face of constituent demands may not always be easy or avoidable?
3. Will board members remain focused on providing forward-looking policy direction and not succumb to unproductive interference in management issues?
4. Professionals within the system need to break down attitude barriers and look to non- professional allies in providing health care and social services.

Many of the difficult decisions have yet to be made. The Health and Community Services Agency has allocated funding to the boards based on historical expenditure patterns. As of yet, boards have not had to set priorities for reallocating funding among the different services they provide. Of even greater difficulty are decisions to close hospitals. Responsibility rests with the boards as to whether and which hospitals to close. The West Prince board, when faced with the decision to close one of its two hospitals, could not decide. Currently there are seven hospitals on the Island. Planners suggest the need for only two and funding cutbacks will force more attention on this issue. Could a board realistically decide to close its only hospital and retain the confidence of its community? The system will also be tested if the Province endures a major economic setback, such as another recession. In that case, entitled users of the system may require more social assistance funding than currently allocated, which may undercut the ability to deliver in other priority areas of the system. These types of hard decisions will test the viability of the reform.

In designing the system, the 1992 Task Force emphasized the need to get away from measuring the inputs within the system — services provided, visits to clinics, hospital days. The Task Force recommended identifying the information needed for evaluating the achievement of goals. Measures that would tell whether the system is working are not in place. Efforts are now underway to implement system evaluation and health indicators that would provide evidence to guide policy and demonstrate accountability for public expenditures. The Province sees the development of this evaluation framework as a first in Canada. It is looking to Health Canada as a partner to field-test methodologies and refine traditional health statistics and indicators. The evaluation will be important in determining the value of the community-based, citizen-centred approach and in strengthening evidence-based decision making. For the present, there is no information to show the effect of the changes on the people's health.

Lessons Learned

1. Elaborate a vision and organize change around desired societal outcomes.

Reform of the health and social services system in P.E.I. was part of a larger process of rethinking how government can work better. With the broad goal of achieving greater self-reliance, reformers were able to focus on breaking dependency relationships. For the health system, this included emphasizing illness prevention and community health instead of just curing illnesses. The broad values and the more specific values for the health system are apparent throughout and the service providers understand well the intentions of the changes.

2. Consult with the community and all the groups that will be affected by change.

Wide-ranging consultations with service providers and the public helped define objectives and the elements necessary to reach a consensus in favour of implementing the resulting reform initiative.

3. Wide-ranging reform is not possible without the leadership from the politicians and senior public servants.

The reform effort benefited from a commitment to change by the political leadership and a core group of deputies with the vision to think beyond departmental silos. They defined societal outcomes and worked to re-arrange governmental departments and agencies to achieve those goals. They were able to communicate their vision in a way that motivates staff to work in accord with that vision.

4. Build on and encourage the formalization of existing informal relationships and networks.

In the small Island society, personal contacts often account for more than governmental structures. The changes in the health and social services system did much to clear away institutional obstacles to meeting citizens' needs. It was recognized that true community-based, citizen-centred service required the participation of all the institutions and people within the community that could contribute. The reform encouraged the creation of partnerships and the integration of services among partners to provide the service. The in Establishing lasting and effective community partnerships and networks is critical to the long-term success of the reforms.

Conclusions

Prince Edward Island has transformed its health and social services in a way that demonstrates many of the principles of citizen-centred service. Much work remains to turn the past two years of organizational turmoil into a fully effective service-delivery system. The provincial government sees itself as an ideal laboratory for experimenting in government renewal initiatives. The small population, the political commitment to change, and the ready accessibility of senior politicians and public servants provide conditions to test and demonstrate new approaches to governance and public service on a manageable scale.

The province wants to increase federal partnerships in a number of areas and use them to demonstrate a positive, new, dynamic dimension to federal-provincial relations. Informal partnerships exist at the local level, particularly with HRDC, and the province is awaiting federal decisions for more formal

participation in local efforts such as the East Prince Youth Development Centre. Also, the province is looking for Health Canada to participate in the evaluation of the health and social system.

More far-reaching, the provincial government proposes to renew the way the Province deals with labour force development. This would incorporate work from HRDC and provincial agencies, such as the Office of Higher Education, Training, and Adult Learning, Health and Community Services Agency, and the Department of Economic Development and Tourism. The Province also wants to build on federal support for information technology infrastructure, such as provided by Industry Canada for SchoolNet and Community Access. These initiatives can play into employment training and other social service strategies.

Given the commitment and the progress already made in establishing a citizen-centred health and social system, the Task Force on Service Delivery should consider recommending that the federal government respond positively to the provincial proposals. The federal government should develop a federal-provincial action plan to form partnerships, which would include building up the information technology infrastructure of the province, to achieve citizen-centred service in the health and social services.

Concluding Observations

What are the lessons from the recent spate of experiments in delivering government programs and services? In general, the case studies suggested by Task Force members and others illustrate that government can innovate and that there are new ways of doing things through partnerships. The results promise both better service to clients and better governance. While these cases illustrate only some of the innovation underway, they do indicate the range of experimentation undertaken. Most of the cases have not had time to pass the “raving fans” test, but the experiences to date suggest some observations, questions and lessons for service delivery.

Observations

1. Service delivery is more than direct delivery of services

The cases reflect five models for service delivery.

Partnerships in Delivery
We tend to picture face-to-face encounters when thinking of client-centred service delivery. Service

New Brunswick, Clearing the Path, Canada Business Service Centres, HRD Service Delivery Networks and other examples of clustering services for the clients’ benefit illustrate different partnership possibilities, ranging from single-window integrated delivery to co-location. Direct service delivery partnerships have the advantage of improving service to identifiable clients, often at considerable savings.

Internal Service Delivery Improvements

Although not a focus of this Task Force, perhaps the greatest scope for face-to-face service improvements is through departmental client-oriented service. Revenue Canada has led the way in improving service to business and other clients.

Devolving Service Functions

Cost cutting, inflexibility in traditional government operations, and re-thinking of policy, programs and delivery functions has led to the creation of a number of new entities.

Who is the Client?

For the Task Force, the case studies have raised an interesting question: When the government delivers services, who is the client?

- Should the Task Force focus strictly on the traditional face-to-face delivery of government service?
- Should it create the organizational entities in which face-to-face delivery can flourish?
- Or should it, in addition, address innovative new ways in which government can work with and be more responsive to stakeholders — as David Crombie says of his work on the Toronto waterfront, “We did it their way?”

Direct service delivery partnerships have the advantage of improving service to identifiable clients, often at considerable savings.

In some devolved operations there is a real opportunity for service improvements to identifiable clients — local airport authorities and the Canada Post Corporation, for example. In others, the client's face fades into the more amorphous general public. Nav Canada provides a service directly to airlines, more indirectly to the traveling public and only generally to the public as a public service. The National Capital Commission strategy adopts Employee Takeover Corporations to deliver on their operations. The Commission in effect becomes the client. Again, with Forintek the client base can be very narrowly defined — the government, which created the organization, and its private-sector partners.

Catalytic Partnerships

How can government exert authority in areas within its jurisdiction when it doesn't have the resources or when traditional approaches don't work? The Department of the Environment innovated by creating the federal-provincial Lake Superior Program Office (Making A Great Lake Superior). The Department retained federal regional presence, authority and accountability through the work of the Office, which is staffed largely by provincial employees. The organization became the focal point for initiating environmental remediation and management through a wide range of partnerships with municipalities, industry and community organizations. The Toronto Waterfront Trust takes the animator role a step further by disavowing formal authority in favour of getting results through use of its influence. The abnegation of traditional government roles appears justified by the results — actual improvements and a greater sense of community involvement in the achievements.

Partnership in Regulation

The ARET case provides an alternative to regulation. DOE, working with industry, has introduced a self-regulatory regime that results in less toxic-chemical pollution, at little cost to government. Governance questions do remain about a non-binding, non-enforceable approach to dealing with highly toxic substances. On the other hand, this approach recognizes the limits of DOE's capability to regulate properly all the potential toxic chemicals in use. Industry prefers this approach because it has free reign to use the most cost-effective measures, gain credit for their achievements in reducing use, and replace an adversarial system with sense of partnership with government. Environmental and labour groups, however, remain skeptical about the appropriateness of DOE-industry partnerships. Similar types of partnerships are emerging in the mining sector.

2. **Service to the client seldom drives institutional reform**

For the most part, innovation was forced by budget cuts. Of the cases studied, in only two were the clients put first — Service New Brunswick and the Ontario business registration initiative, Clearing the Path. Client dissatisfaction no doubt influenced decisions to opt for creation of the Vancouver local airport authority and for a Crown corporation for the Post Office. But the evidence suggests that these were only part of the reasoning; clearly the desire to cut costs counted for more. Whatever the motivation, many of the changes have enabled the creation of more client- and service-oriented organizations. The cases show that often you can eat your cake and have it too — better client service at less cost.

3. **Where is the citizen?**

With neither time nor funds for surveys, the cases offer little empirical data on client or citizen satisfaction, the supposed aim of reform. In addition, many of the cases are so recent that there are few client experiences to record. Having said that, it is notable that the clients do not stand out as centrepieces of the stories. The cases are mostly from the managers' perspective and relate the story of internal reform and the processes put in place to achieve change.

The fact that the citizen or client appears invisible reflects limitations more in the case studies than in what may happen at the service counter. Anecdotally, we've been told that many pockets of service culture can be found, often far from the centre and without official support, where front-line workers conspire to put the client first. In periods of uncertainty, staff may define their tasks and receive their job satisfaction from their contacts with clients.

4. **Never a discouraging word**

We wanted to focus on the positive. We chose cases that were reputed to be positive, and the results largely are positive. Should we believe them? That each of the subject departments reviewed their respective cases should mean that the facts are right. But such a review process imposes a check on critical comment. The potential positive bias and the lack of a clear client voice in the studies raises a yellow flag about reading too much into the cases.

5. **Improved services means loss of direct control**

Government traditionally runs along lines of command and control. This approach is well suited to deliver products and services that meet the demands of the centre — senior management, central agencies and the policies they administer, and political leaders. Service culture puts the client at the centre. The case studies show a tension between the two

DOE, working with industry, has introduced a self-regulatory regime that results in less toxic chemical pollution at little cost to government.

Of the cases studied, in only two were the clients put first ...

competing requirements. The tension may be resolved through indirect means. Control over devolved organizations can be retained through the legislative mandates, such as those being proposed for air navigation; through contracts (NCC employee corporations); and through accountability mechanisms, such as reporting relationships to a Minister (Crown Corporations). Government can maintain some control through contracts with its more independent partners, for example, Post Office franchisees. How far federal control can be exerted, however, in partnerships in which the federal government is a true minority shareholder, such as Forintek, remains to be seen.

Partnerships of convenience, that is, co-locations, offer few accountability and control problems; however, the level of service to the public is generally not high. The lessons from the more integrated operations, such as Service New Brunswick, Canada Business Service Centres and Clearing the Path, indicate that a building block of success is horizontal management, which breaks line accountability.

Depending on the model, the federal government will not be able to retain the full level of control and accountability as with traditional structures. Letting go is essential to success, but it carries a risk — the risk of political reaction to mistakes and failures, and the risk of losing the ability to achieve government-wide policy objectives. In an era of entitlements and interest-group politics, there may be some rough water when threatened interests find the federal government no longer in the vanguard of demonstrating progressive human, social and economic values in the operations carried out under its authority.

6. Leadership

Leadership runs as a theme through all the studies. Good leaders are needed to stick-handle around organizational obstacles to change and motivate staff to provide the type of service that will make clients “raving fans.” Staff, however, may be cynical, suspicious and fearful, since the motivation behind service delivery is often wedded to the more pressing priorities of budget cutting. Part of the leadership challenge is to foster a spirit of innovation and pride in service delivery in this debilitating climate of uncertainty. Another is to recognize the “local heroes” on the front line who may be working on the margins of formal authority to provide the service clients need rather than just what the system has on offer.

7. Federal Visibility

“Canadians don’t really care who they get their public service from. What they want is value and they don’t think they are getting it.” EKOS Research

In periods of uncertainty, staff may define their tasks and receive their job satisfaction from their contacts with clients.

The potential positive bias and the lack of a clear client voice in the studies raises a yellow flag about reading too much into the cases.

The federal government may be entirely successful in improving service, yet receive little credit. The visibility problems arise from partnerships. The public may soon lose sight that the improved service at the Vancouver Airport is the result of federal action to devolve its operations in order to improve service. The public may deal with a provincial agency to receive a federal service, or access government information from the Internet from a non-government web page. If the only payoff being sought is client satisfaction — no problem. But improved service delivery has another objective, and that is to restore public confidence in the federal government. Along with actually improving service, there is the issue of ensuring the government gets credit for it.

How far federal control can be exerted in partnerships where the federal government is a true minority shareholder, such as Forintek, remains to be seen.

Some Ingredients for Success

Like a good golf swing, the elements are simple.

Clients come first

Don't accept excuses. The client comes first. Think like a customer. Don't say "customer service," act it. Get everyone from the Minister to the counter staff committed to serving customers well.

Leaders make all the difference

Start with a win-win approach. Use the carrot. Don't neglect the stick. Mandate the stragglers to change. Walk the talk, communicate with staff, follow through with promises and obligations, show personal commitment. Leadership is difficult when the public has trouble believing government can do anything right and budget-induced fear and cynicism hangs heavy over government employees. Commitment and communication are needed.

I can see clearly now

Paint the picture. People — clients, staff, central agencies, local MPs, the Clerk, Ministers — must see where you are going, where they fit it and what they can do to help.

Listen, learn, talk

Know what your clients and stakeholders want, ask opinions of experts, talk to potential partners on common interests and get staff involved in working on needed changes. Start early. A client service culture emerges from commitment, not executive fiat. Managers and staff make it happen. "Hyper-communicate" to avoid misunderstandings and to build commitment and enthusiasm for the chosen strategy.

But improved service delivery has another objective: to restore citizen confidence in the federal government.

Old attitudes (of staff at least) die hard

Employees may be willing to change but remain resistant in face of uncertainty and suspicions about management motives. They need to know:

- what is going on;
- what is expected of them;
- how to serve effectively (training and tools); and
- that the rewards come from catering to the citizens rather than to the bosses.

Show early results

Some battles require warfare, others do not. A sensible rule is to take the low-hanging fruit first and (to mix a metaphor) go for the tough nuts later.

Start small.

Pick pilot projects that have a high probability of success. Attending to basics and then building on them leads to success. And nothing succeeds like previous successes. Individuals build relationships and thus knowledge and trust of each other. The organization gains confidence and credibility.

Technology

Make technology central to planning good client service but not a substitute for service.

Mandate

Give the organization a plan, a business plan that builds on its core competencies; identifies the public interest to be served; has realistic expectations of the demand (revenue) for its services; has commitments where appropriate from willing partners; and identifies assured source of financing.

Partnerships expand capabilities

Federal partners can benefit from the business expertise of partners, the sharing of risks and from investments. Private-public partnerships force government attention to business discipline. One-stop shop integration can balance the utilization rates of the original programs, for all staff become brokers for whatever program best fits the client's needs.

Partnerships need leaders

To get things moving, one partner must be prepared to take the initiative and be willing to shoulder much of the burden of implementation

Think of virtual partnerships

More things may be wrought by voluntarism than are dreamed of in government management theory. Small, independent groups, not directly associated with government, can cut corners and get things done quickly. Industry wants credit for working toward a better world; use that to lever their co-operation in achieving departmental objectives

Measure qualitative service, if you can

Naive measures like “number of firms created after a visit to the centre” are... well, naive. Helping a client realize that his or her business idea is about as feasible as putting garbage on the moon is a value-added service to the economy. One less failure is a savings. Such things are hard to measure, however.

“People get absorbed in the process of tracking quality instead of improving it. We operationalized quality by putting in place principles for people to follow. We made more progress getting quality into the organization than by establishing processes.”

Internal concerns frustrate client service

If you can't get your own house in order, integrated change won't happen. Egos and personality clashes limit interdepartmental co-operation, which will ultimately hurt the customer.

Turf

“We'll get absorbed into something we now do better.” “We don't want to be dominated.” “We have different fiscal and practical procedures.” All are excuses that stem from the providers' perspective. The wrong perspective. The only right perspective is the customers' — and they don't care who provides the service as long as they get the service they need.

Get the system on side

Get central agencies on to your way of thinking to gain needed discretionary maneuvering room for flexible implementation and operations.

