



98-612
Final Report

**Review of the Effectiveness of Service
Delivery Management in Real Property
Services Branch (RPSB)**

1999-09-20
**Approved by the Audit and Review
Committee 99-12-03**



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Executive Summary

Authority for the Project

The Review of the Effectiveness of Service Delivery Management in Real Property Services Branch (RPSB) was carried out as part of the 1998/99 Audit and Review Plan approved by the Audit and Review Committee.

Objectives

The objectives of this review were:

- to examine the effectiveness of service delivery management provided by the national and regional Client Service Units (CSUs); and
- in the context of service delivery management, examine the effectiveness of the operational linkages between the Centres of Expertise (COEs), the CSUs, and the clients.

Scope and Review Methodology

Based on the core business components and the roles and business relationships established in the 1996 Business Management Model (BMM), survey instruments were constructed to examine key aspects of the effectiveness of service delivery management through an examination of the operational linkages between the COEs and the CSUs, both within the National model and the Regional model identified within the BMM.

To this end, the following approach was implemented:

- For the National Office and the National Capital Area (NCA), in-person interviews were conducted with NCOE and NCSU Directors selected in consultation with RPS. A total of 11 interviews were carried out - 6 COE Directors and 5 CSU Directors.
- In each of the 5 regions (Pacific, Western, Ontario, Québec and Atlantic), telephone interviews were conducted with those RPS-CSU Directors who link with the 5 national CSU Directors interviewed in the NCA. In total, 23 interviews were carried out with Regional CSU Directors/Managers. (RCSUDs).
- In each of the 5 regions, telephone interviews were undertaken with the 2 Regional Directors for COEs. This comprised 10 interviews.
- Finally, an e-mail survey was conducted of directors across the country who were not covered in the interviews above, with the exception of the Dedicated Units which were seen as sufficiently unique, and significantly different from the organization of the CSUs, to have

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been excluded from the scope of this study. See Appendix I for the response rate by organizational unit.

In addition to the use of these survey instruments to examine the effectiveness of service delivery management, the review also conducted an extensive review of relevant documentation provided by RPS management to further the examination of current and anticipated directions regarding service delivery management within RPS.

Background

Upon its 1993 inception, PWGSC managed the delivery of architectural and engineering services and the delivery of realty services through three separate branches, namely: the Real Property Branch, the Architectural and Engineering Services Branch and the Realty Services Branch. Further to the results of a 1994 Task Force, commissioned by the Deputy Minister, all Services Program and Real Property Program activities were merged under the leadership of one Assistant Deputy Minister, Real Property Services Branch. PWGSC's diverse services, methods of delivery and organizational forms presented significant challenges in achieving integration, building cohesion and developing common purpose and culture. The reorganization was seen as supportive of PWGSC's management philosophy of developing PWGSC as "a model government service enterprise having an entrepreneurial, strategically focused and client driven culture" (PWGSC Business Plan, 1995).

In September, 1996 Real Property Services Branch published the RPSB Business Management Model aimed at: "bringing together the business elements taking shape in RPS - culture, resources, systems, processes, tasks - and positioning them relative to the RPS Vision and to the RPS Plan...." This Business Management Model was identified as a strategic blueprint to guide the Branch towards the fulfilment of it's client-centred goals.

Further to the promulgation of the Business Management Model, RPSB has focused on putting in place a client centred matrix organization, at the same time embarking on a series of initiatives to significantly reposition with the private sector and provinces. These initiatives have represented enormous human resource management challenges for both management and staff within RPSB. Consistent with the vision for RPSB, as reflected in the Business Management Model, in 1999/00 RPSB has identified, as a key priority in the RPSB Business Plan, revitalizing the workforce and the business processes.

It is within this context that the RPSB has attempted to implement the roles, relationships and interdependencies featured in the RPSB Business Management Model. RPSB recognizes this Model as a "live" and dynamic framework. The findings of this review are intended to assist RPSB in its deliberations regarding potential modifications of the Business Management Model.

In January, 1998, Real Property Services Management Committee approved the Managing and Achieving Performance (MAP) concept. The MAP approach recognizes the need to not only

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identify how performance will be achieved, but also how it will be managed. Performance is not just about knowing what you want to achieve, it is also about knowing how you will achieve it. This requires knowing and making explicit the "cause and effect" relationships of performance so that they can be managed and validated.

MAP is built on two broad cause and effect chains. The first is the Program Model. It shows the cause and effect relationship among activities, their outputs and their impacts. It is a program's design from a performance perspective. The second is the enabling environment model. It provides the basis for:

1. assessing the infrastructure (i.e. employee morale, skills, organizational structure, policies, procedures, systems, standards, etc.) underlying the program;
2. identifying shortcomings in business processes and personnel; and,
3. aligning the organization's infrastructure with the program's impacts.

Key Findings

The findings of this Review raise some significant issues/questions regarding elements of the Program Model (see Appendix III).

Policies and standards are identified in the Program Model as a key output in support of achieving the desired broader government objectives. The Business Management Model identifies this as a critical role for the NCOEs:

"The NCOEs will formulate policy, establish national product standards, delineate service delivery frameworks, develop new/enhanced products and services for delivery to CSUs; and, oversee their implementation. Externally, they will work with Treasury Board Secretariat and other central agencies to develop service delivery frameworks consistent with government policy and resource management accountabilities. Internally, the NCOEs will work with the ED/RPS and with RDGs to ensure that policies, guidelines and standards are developed and appropriately applied." (pg. 21)

It is this infrastructure which is intended to ensure national consistency in products and services. Without significant efforts to revitalize this infrastructure, assurance cannot be provided to clients that they will have access to a consistently effective array of products and services whether they are located in the National Capital or in the regions. In addition, compliance with government policy also cannot be assured.

Similarly, the Program Model identifies a range of key marketing activities deemed to be critical in achieving the desired program impacts of: better focused, more timely/responsive client services; increased awareness of RPS expertise/value added and increased requests for assistance; and more informed clients, better managed risks and ease of doing business. However, this Review found little evidence of an infrastructure in support of the corporate

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management of marketing and business development activities. More particularly, key components of such an infrastructure including a corporate service delivery strategy, a methodology for determining the cost-effectiveness of existing and potentially new product/service offerings by the COEs, timely and complete information on clients needs and satisfaction, and an associated performance management regime are either absent or in early stages of development.

The Business Management Model does not identify the accountabilities, roles and responsibilities with respect to establishing and maintaining a corporate service delivery structure. However, on the basis of extensive consultations with senior management within Headquarters and the Regions there appears to be some consensus that "if the little stuff is right, the client will follow". If this is a de facto corporate service delivery strategy it suggests a demand and opportunity driven organization which measures its success based on repetitive business from clients. Such a strategy may not support the key results identified in the balanced scorecard approach, particularly with respect to asset management and financial success.

In order to achieve the RPSB vision, the Branch has identified in the RPSB Business Plan its commitment to free up resources dedicated to operational activities in order to focus on the delivery of strategic advisory services. In order to achieve this objective RPSB will require a service delivery strategy that identifies an appropriate array of strategic advisory services. Such a delivery strategy would support decisions regarding which services are cost-effective to provide to clients, a strategy for withdrawing current service offerings which are not cost effective, and an operational plan to achieve significant efficiency gains in business processes.

Although the Program Model depicts causal linkages between the activities, outputs and impacts identified by RPSB, a key finding of this review is that while the vision and organization of RPSB is supportive of the identified impacts, the underlying business processes and associated infrastructure are not yet aligned to effectively manage towards the desired results. In the absence of a clear and consistent approach, RPSB may not achieve its vision.

Conclusions

RPSB is experiencing significant challenges in making the transition from a reactive, operationally focused organization to a proactive, strategically focused organization. Resources, both within the COEs and the CSUs, report being heavily focused on operational rather than strategic responsibilities. Highly dedicated, expert staff are frustrated and overworked in attempting to respond to client and corporate demands. Responding to the 1996 Vision and Plan for RPSB, supporting RPSB corporate responsibilities, managing NCA operations and the AFD initiative has created significant workload pressures on staff. In the absence of a comprehensive corporate infrastructure in support of strategic management, management has a limited and inconsistent basis on which to determine resource priorities.

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The preceding findings are suggestive of an organization that has not yet established its key policies and practices or its control framework in support of effective service delivery management. In the absence of an established service delivery management framework the organization's ability to achieve its business or program objectives depends on the often-isolated efforts and accomplishments of individuals. In these circumstances there is no certainty that such accomplishments would be repeatable or sustainable.

This situation is commonly found in organizations which have experienced dramatic changes in their operations such as those experienced by RPSB. The key challenge the organization faces in progressing to a more controlled environment is to develop realistic, useful financial and operational business plans and to establish a basic control framework that allows it to monitor and control resources in support of achieving its service delivery objectives.

The challenge is to establish a service delivery management framework that provides a stable environment and ensures that control practices are repeatable and sustainable. The control framework includes financial, operational and management controls. When these basic controls are operating as intended, they will help RPSB to control or reduce risks and to produce complete and accurate financial and operational performance information. Such performance information will support establishing realistic plans based on expected results, and estimating the resources required to achieve those results. Critical to achieving this stability is a climate that institutionalizes service delivery management practices throughout the organization's culture. Such a culture is developed by formalizing service delivery management policies and practices across RPSB and supplementing them with appropriate training and a system of rewards, recognition and sanctions that reinforces the culture.

The goal is to have the management systems, practices and information needed to measure and monitor the cost and quality of outputs and the use of resources. One of the key processes is to provide consistent and comparable financial and non-financial information and reports that meets the needs of managers. This information provides a basis for developing performance indicators, cost and quality measures and monitoring performance, to ensure that intended results are being achieved and to demonstrate accountability. Anticipated results include measurably improving the efficiency and effectiveness of the organization's management processes and practices; optimizing the efficient and economical use of limited resources to minimize costs and maximize payback; and identifying/realizing opportunities to improve the way it produces products/ or delivers services (e.g. increasing revenue or improving cost recoveries/ lowering the direct costs of products and services by eliminating non-value-added activities/ and sharing common resources with other business units).

The RPS agenda is forward-looking and ambitious. Expectations are high while there has been a marked decrease in resources to address these priorities. If these pressures are not appropriately addressed, the business risk is impaired, inadequate, or inappropriate service to client departments and an associated significant reduction in demand for RPS services.

Recommendations

Based on the findings and implications identified through MAP, it is recommended that:

1. *The current RPSB Business Management Model be revised to reflect, in operating terms, the elements required to support the corporate management of service delivery and to provide the blueprint to support, execute and report on the efficient and effective national delivery of RPSB products and services. These elements should include an accountabilities, roles and responsibilities matrix and a performance measurement regime to provide ongoing monitoring and reporting to ensure that the intended results are being achieved and to demonstrate accountability.*
2. *An Implementation Plan be developed to address the identified gaps between the resulting Business Management Model and current operations.*

1 Introduction

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by RPS management to further the examination of current and anticipated directions regarding service delivery management within RPS.

1.4 Analytic Framework

This framework is organized according to the key elements of the Business Management Model (BMM:1996). As identified in the BMM, "the Business Management Model is a "live", dynamic framework; as RPS moves on, so to will the Model and its completion will, perhaps, never be achieved.... ongoing revisions and/or adjustments will be made to this document as progress and/or decisions occur." However, to the extent that this Model encompasses the accountabilities, roles, responsibilities and dynamics in the RPS business context it is an extremely useful foundation for the examination of the effectiveness of service delivery management in RPSB.

CORE BUSINESS COMPONENTS

On April 1, 1996, RPS formally implemented the CSU and COE business dimensions. Responsibility for service delivery and for acting as RPS' point of contact to clients was assigned to the CSUs. CSUs were to offer "the primary means of effective, efficient delivery of services, tightly focused on the needs of clients as balanced against the need to maintain a regional bottom line and to achieve inventory stewardship and other RPS goals and targets." Responsibility for ensuring national consistency in service provision (service levels and fees) were to be assumed by NCSUDs at the national office, through the development of national service level agreements.

The CSUs were to be supported by COEs at the national and regional levels. COEs, irrespective of their national or regional reality, were to act as stewards of skills and knowledge in RPS business lines and program management. "The skills and expertise held by the NCOEs will need to be tightly focused not only on the needs of the CSUs, but also on the needs of their regional counterparts. As stewards of skills, all COE entities will be responsible for developing and promulgating product standards on resource supply and support, quality assurance over service delivery and overall investment analyses/assets management."

ROLES AND BUSINESS RELATIONSHIPS

The respective roles of the ED/RPS, RDGs, NCSUs, NCOEs, RCSUs and RCOEs, along with the business relationships to transpire between them, are identified in the BMM as forming the basic framework of how operations are to be conducted in the new RPS.

1.5 Background

Upon its 1993 inception, PWGSC managed the delivery of architectural and engineering services and the delivery of realty services through three separate branches, namely: the Real Property Branch, the Architectural and Engineering Services Branch and the Realty Services Branch. Further to the results of a 1994 Task Force, commissioned by the Deputy Minister, all Services Program and Real Property Program activities were merged under the leadership of one Assistant

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Deputy Minister, Real Property Services Branch. PWGSC's diverse services, methods of delivery and organizational forms presented significant challenges in achieving integration, building cohesion and developing common purpose and culture. The reorganization was seen as supportive of PWGSC's management philosophy of developing PWGSC as "a model government service enterprise having an entrepreneurial, strategically focused and client driven culture" (PWGSC Business Plan, 1995).

In September, 1996 Real Property Services Branch published the RPSB Business Management Model aimed at: "bringing together the business elements taking shape in RPS - culture, resources, systems, processes, tasks - and positioning them relative to the RPS Vision and to the RPS Plan..." This Business Management Model was identified as a strategic blueprint to guide the Branch towards the fulfilment of its client-centred goals.

Further to the promulgation of the Business Management Model, RPSB has focused on putting in place a client centred matrix organization, at the same time embarking on a series of initiatives to significantly reposition with the private sector and provinces. These initiatives have represented enormous human resource management challenges for both management and staff within RPSB. According to the Business Bilan, "... RPS has downsized from some 5300 FTEs in 1995/96 to 3000 FTEs in 1998/99. RPS is pursuing a policy and administrative changes associated with the building of a contingent workforce requiring specialized skills for determinate periods or for short-term prospects. Approximately 2000 competency-based core positions have been staffed in six months." Consistent with the vision for RPSB, as reflected in the Business Management Model, in 1999/00 RPSB has identified, as a key priority in the RPSB Business Plan, revitalizing the workforce and the business processes.

It is within this context that the RPSB has attempted to implement the roles, relationships and interdependencies featured in the RPSB Business Management Model. RPSB recognizes this Model as a "live" and dynamic framework. Appendix II provides some examples of recent RPSB initiatives directed at improving key components in the Business Management Model. The findings of this review are intended to assist RPSB in its deliberations regarding potential modifications of the Business Management Model.

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2. Issues Examined

2.1 Program Management

As indicated in the Business Management Model: "Program management is intended to meet the Deputy Minister's requirement to develop and maintain the mechanism for delivering the programs and financial resources of government entrusted to him and for reporting on the delivery of those programs. Consequently and concurrently; it provides the basic framework through which the services of the programs are delivered."

The three key components of program management are identified as: resource management; policy development; and a service delivery framework. The service delivery framework is defined as: "those mandatory program delivery parameters, as embedded and defined in program policies and resource management accountabilities. The service delivery framework outlines the elements, such as product standards, and the limits of the functional direction to be dispensed to the CSUs by the COEs." (BMM: pg. 4)

Program management is identified in the BMM as an accountability of the COEs in support of the CSUs.

2.2 Service Delivery Support

Service delivery support provided by the NCOEs to the NCSUs is identified in the BMM as containing three aspects of support services: expert knowledge; expert resources (pool labour); and the role of managing partner. The Managing Partner is identified as: "those organizational elements which assist the ADM/RPS and the RDG by assuming responsibility for strategic management and for providing the necessary organizational infrastructure, including: planning, human resource management, financial administration and informatics. The Managing Partner creates and manages processes and linkages to ensure that the required administrative activities are appropriately performed." (BMM: pg.4)

2.3 Strategic Program Inputs

Strategic program inputs relate to national strategic information on clients' long-term plans, for both real estate and non-real estate. This information is only available from the client. The BMM identifies strategic program inputs as the key input from the NCSUs to the NCOEs. In order to operate "within a heartbeat" of the client, the CSU must have complete and timely access to this information. The BMM indicates that the level of access permitted to this information will be a measure of the client's satisfaction with and trust of the CSU.

3 Findings

3.1 National Office Model Findings

3.1.1. Program Management

Within RPSB there is a recognition of the need to strengthen links between the COEs and the CSUs, particularly to continue efforts to improve and clarify accountabilities, roles, responsibilities and working relationships between COEs and CSUs.

There is support for an improved focus on revitalizing the infrastructure related to policies, procedures, best practices, and other products and services to ensure their continued relevance and their promulgation in support of effective service delivery by the CSU network.

There is limited evidence of national service levels and standards being identified and promulgated by COEs.

3.1.2. Service Delivery Support

There is a lack of an adequate performance management framework and associated indicators to support the effectiveness of the NCOEs in responding to the requirements of the NCSUs. NCOEs are not establishing targets of efficiency or effectiveness nor monitoring success in supporting the NCSUs in the delivery of services.

Resource management approaches are primarily intuitive, manual and restricted in focus to each individual COE. There is no systematic approach to linking resources with anticipated business volume and a mechanism to adjust resourcing levels in response to fluctuations in business volume.

There are limited efforts by the NCOEs to identify national COE training requirements, co-ordinate training plans, and monitor their application in co-operation with other COEs .

3.1.3. Strategic Program Inputs

An enhanced planning capacity and significant improvements in the quality, completeness and timing of strategic program inputs provided by CSUs would result in improvements in the effectiveness of resource utilization.

Client Profiles and Strategies, where provided by the CSUs, do not yet conform to a common standard.

There is an absence of an effective, comprehensive, service-quality information system to ensure periodic surveys of clients service expectations and satisfaction. In addition, there is no overall

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system to retain, categorize, track and distribute client complaints and other communication within RPSB. Rather, information from clients is obtained informally through ongoing discussions between the CSUs and the clients.

3.1.4. Management Challenges: Issues for the NCOEs

While there is a recognition by the COEs of the need to emphasize their functional role, significant challenges remain to establish an appropriate balance between operational vs functional roles and associated skill sets. The shift in resources from operational to functional activities is still very much in transition, imposing enormous strain on existing resources within the COEs. The incorporation of the regional operation of the NCA into Headquarters increased pressures on the operational role of the NCOEs at a time of transition from their operational role to a functional role. There is an identified need for NCOEs to direct more attention to national responsibilities rather than the NCA, and to determine an appropriate balance in the allocation of resources between operational to functional responsibilities.

There is inadequate attention by management on developing and communicating priorities, and ensuring there is formal monitoring and reporting of progress against these priorities.

The BMM requirement that the NCOEs provide functional direction is clearly understood but not necessarily accepted or practiced by management.

There is no existing strategy to assist Directors in setting priorities in response to corporate demands and client demands. COEs are not yet practising prioritization -- "it is difficult to do anything well as we just have the time to carry out stop gap measures -- going from one crisis to the next".

3.1.5 Management Challenges: Issues for the NCSUs

There is no evidence of established formal performance measurement to measure the performance of the NCSU units; however, some NCSUs have taken initiatives to identify targets in key performance areas and annually report on achievement of targets.

There is an identified requirement for an agreed to strategic framework which would assist in identifying management's priorities regarding service delivery.

There is a recognition of the need for leadership by management in responding to real property stewardship role and at the same time maximizing service delivery role in responding to client demands.

Internal RPS/corporate issues are significantly eroding available time with clients. The RPSB AFD initiative has added an additional layer of confusion and complication with respect to NCSU accountabilities, roles and responsibilities.

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A general lack of cohesiveness within the NCSU community is eroding their collective ability to raise, and resolve issues with the NCOEs.

3.1.6. NCSU-RCSU Relationship

There is a strong consensus, both by the NCSUs and the RCSUs, that the CSU networks are properly grouped and linked. However, there is little evidence available to suggest that, as a result of this, there is effective and consistent client services on a national basis. In fact, comments by the RCSUs indicate that, with some notable exceptions, for the most part they acknowledge significant variation between the regions. The RCSUs generally believe that such variation and/or flexibility is necessary for them to support their client's requirements.

Where they exist, National Service Level Agreements have had limited effectiveness in their ability to ensure national consistency in service provision. RCSUs generally indicate limited support for national consistency and prefer the flexibility and tailoring which can be accomplished through Regional Agreements.

3.1.7. NCOE-RCOE Relationship

At the national level COEs are experiencing problems in ensuring consistency in services and products provided throughout the regions. Although there are fora established (e.g., committees, networks and training sessions) for the exchange of information, these are not consistently used/established from COE to COE.

Very little in the way of functional direction is being provided by the NCOE to the RCOE. Rather, it is "functional guidance" which is being provided and it is done so informally at meetings or in telephone discussions.

3.2. Regional Office Model Findings

3.2.1. Program Management

There is limited direct involvement of RCSUs in developing and revising COE products and services, with RCSUs expressing satisfaction with their current level of participation.

3.2.2. Service Delivery Support

There is a lack of an adequate performance management framework and associated indicators to support the effectiveness of the RCOEs in responding to the requirements of the RCSUs. RCOEs are not establishing targets of efficiency or effectiveness nor monitoring success in supporting the RCSUs in the delivery of services.

A significant minority of RCSUs identified a lack of buy-in by the RCOEs to the CSU concept as the most significant impediment to communications between the RCOEs and the RCSUs.

3.3.3. Strategic Program Inputs

An enhanced planning capacity and significant improvements in the quality, completeness and timing of strategic program inputs provided by RCSUs would result in improvements in the effectiveness of resource utilization by the RCOEs.

There is an absence of an effective, comprehensive, service-quality information system to ensure periodic surveys of clients service expectations and satisfaction. In addition, there is no system to retain, categorize, track and distribute client complaints and other communication within RCSUs. Rather, information from clients is obtained informally through ongoing discussions between the RCSUs and the clients.

There is no evidence of established formal performance measurement to measure the success of the RCSU units in meeting the needs of clients. However, the RCSUs provide a strong endorsement of improvements in client relationships and service delivery since implementation of the CSU concept.

Implications for Managing and Achieving Performance (MAP)

In January, 1998, Real Property Services Management Committee approved the MAP concept, including the Logic Chart for Real Property Services as included in Appendix III. The MAP approach recognizes the need to not only identify how performance will be achieved, but also how it will be managed. Performance is not just about knowing what you want to achieve, it is also about knowing how you will achieve it. This requires knowing and making explicit the "cause and effect" relationships of performance so that they can be managed and validated.

MAP is built on two broad cause and effect chains. The first is the Program Model. It shows the cause and effect relationship among activities, their outputs and their impacts. It is a program's design from a performance perspective. The second is the enabling environment model. It provides the basis for:

1. assessing the infrastructure (i.e. employee morale, skills, organizational structure, policies, procedures, systems, standards, etc.) underlying the program;
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3. aligning the organization's infrastructure with the program's impacts.

The findings of this Review raise some significant issues/questions regarding elements of the Program Model (Appendix III).

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Policies and standards are identified in the Program Model as a key output in support of achieving the desired broader government objectives. The Business Management Model identifies this as a critical role for the NCOEs:

"The NCOEs will formulate policy, establish national product standards, delineate service delivery frameworks, develop new/enhanced products and services for delivery to CSUs; and, oversee their implementation. Externally, they will work with Treasury Board Secretariat and other central agencies to develop service delivery frameworks consistent with government policy and resource management accountabilities. Internally, the NCOEs will work with the ED/RPS and with RDGs to ensure that policies, guidelines and standards are developed and appropriately applied." (pg. 21)

It is this infrastructure which is intended to ensure national consistency in products and services. Without significant efforts to revitalize this infrastructure, assurance cannot be provided to clients that they will have access to a consistently effective array of products and services whether they are located in the National Capital or in the regions. In addition, compliance with government policy also cannot be assured.

The Review of Real Property Services Mechanisms for Policy Development (1997), as well as the findings of this review, emphasize the need to focus on revitalizing the infrastructure related to policies, procedures, best practices, and other products and services to ensure their continued relevance and their promulgation in support of effective service delivery.

Similarly, the Program Model identifies a range of key marketing activities deemed to be critical in achieving the desired program impacts of: better focused, more timely/responsive client services; increased awareness of RPS expertise/value added and increased requests for assistance; and more informed clients, better managed risks and ease of doing business. However, this Review found little evidence of an infrastructure in support of the corporate management of marketing and business development activities. More particularly, key components of such an infrastructure including a corporate service delivery strategy, a methodology for determining the cost-effectiveness of existing and potentially new product/service offerings by the COEs, timely and complete information on clients needs and satisfaction, and an associated performance management regime are either absent or in early stages of development.

The Business Management Model does not identify the accountabilities, roles and responsibilities with respect to establishing and maintaining a corporate service delivery structure. However, on the basis of extensive consultations with senior management within Headquarters and the Regions there appears to be some consensus that "if the little stuff is right, the client will follow". If this is a de facto corporate service delivery strategy it suggests a demand and opportunity driven organization which measures its success based on repetitive business from clients. Such a strategy may not support the key results identified in the balanced scorecard approach, particularly with respect to asset management and financial success.

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In order to achieve the RPSB vision, the Branch has identified its commitment, in the RPSB Business Plan, to free up resources dedicated to operational activities in order to focus on the delivery of strategic advisory services. In order to achieve this objective RPSB will require a service delivery strategy that identifies an appropriate array of strategic advisory services. Such a delivery strategy would support decision making as to which services are cost-effective to provide to clients, a strategy for withdrawing current service offerings which are not cost effective, and an operational plan to achieve significant efficiency gains in business processes.

Although the Program Model depicts causal linkages between the activities, outputs and impacts identified by RPSB, a key finding of this review is that while the vision and organization of RPSB is supportive of the identified impacts, the underlying business processes and associated infrastructure are not yet aligned to effectively manage towards the desired results. In the absence of a clear and consistent approach, drift may be taking RPSB in a different direction than that identified in the RPSB vision.

Conclusions

RPSB is experiencing significant challenges in making the transition from a reactive, operationally focused organization to a proactive, strategically focused organization. Resources, both within the COEs and the CSUs, report being heavily focused on operational rather than strategic responsibilities. Highly dedicated, expert staff are frustrated and overworked in attempting to respond to client and corporate demands. Responding to the 1996 Vision and Plan for RPSB, supporting RPSB corporate responsibilities, managing NCA operations and the AFD initiative has created significant workload pressures on staff. In the absence of a comprehensive corporate infrastructure in support of strategic management, management has a limited and inconsistent basis on which to determine resource priorities.

The preceding findings are suggestive of an organization that has not yet established its key policies and practices or its control framework in support of effective service delivery management. In the absence of an established service delivery management framework the organization's ability to achieve its business or program objectives depends on the often-isolated efforts and accomplishments of individuals. In these circumstances there is no certainty that such accomplishments would be repeatable or sustainable.

This situation is commonly found in organizations which have experienced dramatic changes in their operations such as those experienced by RPSB. The key challenge the organization faces in progressing to a more controlled environment is to develop realistic, useful financial and operational business plans and to establish a basic control framework that allows it to monitor and control resources in support of achieving its service delivery objectives.

The challenge is to establish a service delivery management framework that provides a stable environment and ensures that control practices are repeatable and sustainable. The control framework includes financial, operational and management controls. When these basic controls

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are operating as intended, they will help RPSB to control or reduce risks and to produce complete and accurate financial and operational performance information. Such performance information will support establishing realistic plans based on expected results, and estimating the resources required to achieve those results. Critical to achieving this stability is a climate that institutionalizes service delivery management practices throughout the organization's culture. Such a culture is developed by formalizing service delivery management policies and practices across RPSB and supplementing them with appropriate training and a system of rewards, recognition and sanctions that reinforces the culture.

The goal is to have the management systems, practices and information needed to measure and monitor the cost and quality of outputs and the use of resources. One of the key processes is to provide consistent and comparable financial and non-financial information and reports that meets the needs of managers. This information provides a basis for developing performance indicators, cost and quality measures and monitoring performance, to ensure that intended results are being achieved and to demonstrate accountability. Anticipated results include measurably improving the efficiency and effectiveness of the organization's management processes and practices; optimizing the efficient and economical use of limited resources to minimize costs and maximize payback; and identifying/realizing opportunities to improve the way it produces products/ or delivers services (e.g. increasing revenue or improving cost recoveries/ lowering the direct costs of products and services by eliminating non-value-added activities/ and sharing common resources with other business units).

The RPS agenda is forward-looking and ambitious. Expectations are high while there has been a marked decrease in resources to address these priorities. If these pressures are not appropriately addressed, the business risk is impaired, inadequate, or inappropriate service to client departments and an associated reduction in demand for RPS services.

Recommendations

Based on the findings and implications identified through MAP, it is recommended that:

1. *The current RPSB Business Management Model be revised to reflect, in operating terms, the elements required to support the corporate management of service delivery and to provide the blueprint to support, execute and report on the efficient and effective national delivery of RPSB products and services. These elements should include an accountabilities, roles and responsibilities matrix and a performance measurement regime to provide ongoing monitoring and reporting to ensure that the intended results are being achieved and to demonstrate accountability.*

2. *An Implementation Plan be developed to address the identified gaps between the resulting Business Management Model and current operations.*

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Appendix I: Distribution and Response Rate to E-Mail Survey

Organizational Element	Sent E-mail Survey	Response to E-mail Survey Received	Response Rate
RCOE	Not included: Covered through telephone interviews	N/A	N/A
RCSU	18	12	67%
NCOE	12	6	50%
NCSU	18	7	39%
TOTAL	48	25	52%

Appendix II: Recent RPSB Initiatives to Improve Key Components in the BMM

In the course of conducting this Review respondents identified a number of recent RPSB initiatives which aim at improving key components in the Business Management Model. This Review has not examined the status of these initiatives, however, these examples would suggest that RPSB recognizes and is pursuing the need to continually evolve the implementation of key components of the Business Management Model. These initiatives may begin to respond to some of the systemic issues identified in the findings of this review. The following are not intended to be exhaustive but merely indicative of an array of such recent initiatives by RPSB.

Program Management

RPS has undertaken to develop and implement a framework for policy development and communication of best practices consistent with the RPS Business Management Model. In addition, RPS is committed to developing and implementing a process to systematically review and update policies and procedures of the NCOEs.

Of note are the active involvement of RPS in the Building Owners and Management Association (BOMA), the International Facility Management Association (IFMA), and the Project Management Institute (PMI). RPS has also concluded Memoranda of Understanding with the Association of Consulting Engineers of Canada and the Royal Architectural Institute of Canada. In addition, in order to stay in touch with real property developments elsewhere in the world, RPS is an active participant in an international network of real property practitioners, which includes membership in the International Workplace Network. These initiatives are seen to provide mechanisms for the interchange of trends, ideas and best practices.

Service Delivery Support

Improving internal business methods has been the focus of an ongoing Business Process Transformation initiative that RPS is using to identify and implement improved project and service delivery. The RPS financial models are also being fine tuned to include revisions to pricing and charging practices and the modification of business and financial processes.

RPS also recognizes the need for information to help focus on activities that are in alignment with the Business Plan and clients' needs. To meet that requirement, a Business Bilan is being developed which will provide a quarterly, high-level summary of Branch activities and performance from several distinct perspectives. The Business Bilan is intended as a key internal business management tool.

Strategic Program Inputs

Consultative Fora have been created for clients. The National Client Consultation Forum is seen as providing a means of reviewing recent performances, identifying emerging issues, and planning future responses at the working levels. The ADM Management Advisory Board -- consisting of senior real property decision-makers from client departments -- meets periodically to provide an executive-level perspective on how RPS is doing and where it should be headed. It is also identified as a key forum for collaboration and information sharing on real property issues.

In the 1998 RPS Business Plan, RPS identified the requirement to "develop tools and processes to identify and analyze long term business by business line and client." In recognition of this requirement, Product Line Working Groups and the Common Elements Working Group were established. These Working Groups are seen as a key mechanism to ensure there is both vertical and horizontal integration in RPS, as a client driven organization, understanding, communicating and establishing work plans.

Appendix III: Program Model for Real Property Services Branch

PROGRAM MODEL FOR
 REAL PROPERTY SERVICES



