Foundations

Home Improvement Agency - Business Analysis Toolkit

Version 1.0. December 2015

Document History

Revision History

Date of this revision: 15/12/15

Date of Next revision:

Version number	Previous revision date	Summary of Changes	Changes marked
4.00			No
5.00	15/12/15	Final Approved Version	No

Approvals

This document requires the following approvals.

Signed approval forms are filed in the Management section of the project files.

Name	Signature	Title	Date of Issue	Version
P Smith		Director	15/12/15	5.00

About Foundations

Foundations is the National Body for Home Improvement Agencies and Handyperson Services in England as appointed by the Department of Communities and Local Government.

Foundations' remit is to:

Engage with providers and commissioners to monitor the sector and enhance the quality and reach of home improvement agency services

Arrange events and training

Develop tools and resources

News and publicity

For me information visit: www.foundations.org.uk

About Home Improvement Agencies

Home Improvement Agencies (HIAs), sometimes known as Care & Repair or Staying Put schemes, help vulnerable people maintain independence in their own homes. Their services include:

- visiting clients at home or providing detailed telephone advice;
- setting out housing options to help clients decide what type of housing is best suited to their changing needs;
- checking entitlement to any financial help, including grants and charitable funding;
- project management, drawing up plans, getting estimates and liaising with others involved in any building work/adaptations needed, such as council grants officers and occupational therapists;
- provision of handyperson services, to carry out small jobs around the home, help with gardening, or coming home from hospital; and
- helping to make homes more energy-efficient.

A searchable directory of accredited HIAs and handyperson services is available at: www.findmyhia.org.uk

Introduction

Home Improvement Agencies work in a changing environment of bidding rounds and business opportunities. They must be flexible and forward looking to take advantage of the changing landscape, and to do this HIAs must review and adapt their businesses accordingly.

This toolkit has been developed to help HIAs analyse their business processes and outcomes so that they are better able to meet the needs of their customers, the requirements of commissioners and run their businesses more effectively.

The tools can be used individually or together to help shape business plans, write bids or to design new services, and can be applied to the organisation as a whole, to a department or to an individual service or project.

This is toolkit is not intended to provide a full business analysis service, but can help inform the decision making process within your organisation. If you require a more in depth service, or support with your business planning or service development, please contact your Foundations Regional Development Manager.

Vision and mission statement

What are you trying to achieve?

Your organisation's Vision is a statement of the future. It should ideally be a single sentence which sets out the way in which you wish others to see your organisation and the contribution you make. It is often set by the Chief Executive or Managing Director and does not usually change over time. It should incorporate your core ideology and envisioned future.

Your Mission Statement tells your employees, your customers and your commissioners about how you run your business, and will guide the way they interact with you. It should be clear and concise, but reflect your values and business direction.

Both Vision and Mission statements can be aspirational, but they must also be realistic. They must flow from the organisation's values and business definition, and provide a focus for all business activities. Both your Vision and your Mission are unlimited: they will never be completed, but are a continuing journey.

Vision
- Broad strategic aim for the future

Mission Statement
- Broad statement outlining the definition of the business the organisation is in, its purpose and values.

Objectives and Goals
- More detailed goals, outcomes and outputs that the organisation needs in order to achieve its strategic aim.

Strategy
- The activities the organisation intends to undertake to get to the place it wants to be

What are your core values and business purpose?

Often, values and purpose appear to be very closely aligned, and make up your core ideology. For example, the purpose "to deliver high quality DFG to vulnerable people" contains the values of "high quality" and "helping vulnerable people".

Begin by listing the values and attributes you believe your organisation (or part of the organisation) has, or should have even if it doesn't yet. Be honest. Examples could be excellent customer service, financial stability, flexibility, a staff mentoring programme, a diverse range of services, innovation, or customer engagement. They can be internally or externally focussed.

Then think about the activities you undertake in order to run your services. Try to be specific. For example, for customer service, you could break that down into telephone response times, customer feedback, customer insight, reception, general advice services, equality monitoring, or website design.

Also think about the way that other organisations run their services, both within your area of work, and in others. By considering competitors or other stakeholders, you may think of aspects not immediately apparent in your own business.

When you have your lists, for each value or attribute, rate how important it is to your organisation, where 1 is not at all, and 20 is very much so, and how well you deliver that aspect, where 1 is very poorly, and 20 is exceptionally well. Again, be honest about where your organisation is now, not where you think it should be.

Finally, plot your scores on the matrix below, with importance on the y axis, and delivery along the x axis.

SECONDARY VALUES | CORE VALUES

IMPORTANCE (vertical axis, 1–20)

CORE COMPETENCE

SECONDARY COMPETENCE

DELIVERY / CONTROL (horizontal axis, 1–20)

Your organisation's values will be the items which score highly for importance. These are things that you consider critical for the delivery of your services in the way you want them delivered. However, not all important things are delivered, and if they have a low delivery / control score it is likely that although they are valued, they are not core to the delivery of your services.

Items which score highly on the delivery / control axis are things that you do as part of the day to day activities of your business. If they score highly on both the Importance and Delivery / Control axes then they are likely to be core competencies – things that you do very well, because they fit with your values and business purpose. Items which score lower on the importance scale, are more likely to be support activities, or things that need to be done, but where they don't fit as well with the ethos of the organisation. The more items on your list, the more accurate the picture will be.

Example 1: for an HIA that had the following values and attributes, the matrix would look like this:

Value/Attribute	Importance	Delivery / Control
Customer involvement	9	13
Financial accountability	17	14
Staff training	16	9
Diverse range of services	5	10
Keeping people independent	19	17
Working with commissioners	18	15
Value for money	12	12

This very brief analysis shows that this organisation values keeping people independent, working with commissioners, and financial management highly, but is less focussed on delivering a range of services, and is therefore more specialist in its approach. It also values a well trained workforce. It carries out some customer engagement, but this is not part of its core operations.

By doing this exercise you may also find some areas which are high on your values list, but which could be delivered better (i.e. score low on the delivery scale), and this could be a useful time to bring those areas forward in your mission statement to recommit to those principles.

Writing your mission statement

Using the analysis from the matrix exercise, you can now clearly articulate your core values and purpose. You can also include:

- What geographical area you cover;
- What core customer base you cater for;
- The breadth and focus of the services you provide;
- What extra value do you provide?

So, from the example above, you could say

We will deliver a specialist DFG service for older people in Xshire, providing value for money to customers and funders. We will train our staff to high levels of competency, to provide an end to end service for our customers, their families and their carers.

At this point, if you already have a Vision, it is worth seeing whether it fits with your core values and Mission Statement. It is not unusual for a Vision to be misaligned, reflecting the values of a past CEO or business direction, or for the business direction to be moving away from the Vision, due to pressure from funders, for example.

Your Vision then, can be reset by expanding on the core values identified in the Matrix exercise:

We believe people should be able to remain at home for as long as they wish to, and will work with them, their families and our commissioners to make this happen.

Key Points

Remember, your Vision should be a short, simple sentence stating the key purpose of your organisation, and what you are working towards.

Your mission statement should set out how you aim to achieve your vision.

Both should be easy to understand, believable and inspire your staff, customers and commissioners to want to work with you.

SWOT / PESTLE Analysis

SWOT/PESTLE Matrix

The SWOT and PESTLE models are tools for helping organisations evaluate the strengths and weaknesses of a particular course of action or when developing a proposal for a new project or service. They can also be used to look at the health of the organisation, and to identify where there is particularly good practice that can be built upon, or risks to the company that may need to be addressed.

SWOT and PESTLE analysis can be very useful when developing new services, to underpin bidding or tendering proposals, and when writing business cases for funding.

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats.

Strengths are internal aspects of your organisation that are good or advantageous. Examples could be strong leadership, a stable budget, high political will to succeed, specialist roles within the team, or recognition as a sector leader. Organisational support, if your HIA is part of a larger structure, could also be seen as a strength, especially if there are strong links to other areas of the organisation's work. An example of this could be the HIA helping housing management officers make good placements for people into previously adapted homes, or working with environmental health enforcement officers deal with hazards in the homes of vulnerable people.

Weaknesses are areas within your organisation where potential improvements can be made internally, and are within your organisation's control. Inadequate IT systems, poor case management, high staff turnover, or low levels of engagement with commissioners are examples of this. Areas of risk to your organisation can also be recognised here: a low take up of training opportunities, for example, could lead to a lack of appropriate skills and understanding within front line staff, which could lead to more serious service delivery concerns. Another example could be poor monitoring of outcomes which provides a low evidence base for future funding bids.

Opportunities and Threats are external events and circumstances that can impact on your organisation or project. Opportunities are events that could lead to new developments or improvement in your organisation. For example, new funding streams announced by the CCG, local council or government, or new tenders being announced, could provide opportunities to increase your range of services. Threats are the opposite, and could be such things as potential funding cuts or looming contract end dates which puts pressure on the organisation or presents risks to your services.

Sometimes, external events can lead to both opportunities and threats, and so may appear in both areas. Policy changes (nationally or locally) and funding cuts could be seen in this way: while policy changes and reduced funding can be very detrimental to service delivery in the short term, it can also lead to innovation and efficiency, or a review of a service to align it to new priorities or user groups.

The **PESTLE** model uses a similar process, but groups considerations under the headings of **Political, Economic, Social, Technological, Legal and Environmental.**

Political concerns cover the national or local political environment, such as new policy, decisions, initiatives or guidance coming from central or local government, strategic concerns in your area or sector, the organisation's culture, vision and objectives, or changes in leadership.

Economic elements include internal and external funding streams, but also efficiency measures, spending commitments or proposals, changes in spending priorities, and financial policy or trends that may impact your organisation or project.

The **Social** strand concerns demographic, socio-economic, or community considerations. For example, if developing a handyperson scheme for older people, and understanding of the number of over 65 year olds in their own homes, but on low incomes, would influence how many potential calls you may receive. Alternatively, if you have a strong community sector in your area, you may be able to develop links with community groups to help publicise your services, or work with them to develop into areas of particular need.

Technological concerns relate to operational issues that may arise. These can be through the systems you use, such as IT software, case management systems or equipment your staff use (laptops, tablets or mobile phones for example), but also training and upskilling, efficiency and 'lean' systems, tendering processes or frameworks, or having the right staff covering the right jobs. It can also include new technology coming into the sector which helps customers, for example assistive technology or 'pod' adaptations.

Legal elements cover all statutory, legislative and contractual matters that the service or project may require. This would include for example, data protection, employment issues, specific training or regulation where necessary, equality impact, or having appropriate policy and procedures in place.

As with Technological, **Environmental** issues can be either related to your organisation and how you work – for example, keeping vans serviced for energy efficiency, reducing unnecessary travel to site visits, or addressing concerns around office accommodation – but can also about the impact of your service on the wider environment and that of the customer. So, for example, insulating homes properly and installing new boilers using 'green' technology where possible can reduce heating bills for customers, and reduce CO_2 emissions, thereby reducing air pollution to the wider community.

By combining the SWOT and PESTLE analysis into a matrix form, it is easy to see where you can maximise your strengths, and reduce or mitigate against areas of risk in the six PESTLE areas. It also highlights where extra work or small improvements can make a difference to your overall service or project proposal. It is important to remember that this is a tool to help improve services. Although it can be used to help underpin proposals for change or to help shape business plans, it does not need to be shared and can remain an internal reference document which can be updated as circumstances alter.

It is likely that some boxes in the matrix remain empty, though most will have more than one entry, and sometimes, the same issue will appear in two or more: political, economic and legal aspects for example, quite often overlap, but looking at them from different perspectives can be helpful in understanding what issues may arise, why, and what can be done to address them.

	Strengths	Weaknesses	Opportunities	Threats
Political	Clear vision and objectives are set out in the corporate plan	Llinks with community health colleagues are poor	New falls prevention multi-agency hub being set up by the CCG	Change of LA portfolio holder could lead to priority realignment
Economic	Demand paid for services is growing	Financial reconciliation done annually, which can prevent budget realignment targeting mid-year	New bidding opportunity from County Council to deal with increase in dementia cases in the community	Uncertainty over BCF implications for 2016/17
Social	Good understanding of local need groups	Low take up of services by some local needs groups	New falls alarm technology being trialled in the County	New legislation requires significant training for staff, resulting in increased costs and time away from the office
Technological	Using Foundations' Case Manager system	Training budget is not used effectively to upskill staff	New falls alarm technology being trialled in the County	New legislation requires significant training for staff, resulting in increased costs and time away from the office
Environmental	Mobile working allows visiting staff to make best use of their time away from the office	Handyperson vans need replacing	Potential to lease desk space from local housing authority to create a 'surgery' one day a week	Lease on office buildings running out and may not be renewed
Legal	Data protection protocols in place with Las and working well	Equality impact assessments are not routinely completed properly	New statutory guidance specifically mentions home improvements as a key factor	Contract for standalone service is coming to an end, and may not be renewed due to budget cuts

Stakeholders

Who are our stakeholders and why are they important?

Stakeholders are the people who use, commission, contribute to or assist your service: anyone who has an interest in or is impacted by your service is a stakeholder. They can be internal to your organisation or external, and may have different levels of engagement with you.

It is important to be able to identify your stakeholders so that when you design your service you can be sure that what you're providing will meet the needs and objectives you want it to, and will do so in a way that is clear, fair and robust.

By engaging well with your stakeholders, you can get valuable insight into what the service needs to deliver and the best ways of doing so, expertise in design and legal requirements, understanding of what your funders are looking for, and potential risks and challenges to the project.

There two main tools for stakeholder analysis: a stakeholder list, and a RACI matrix.

Stakeholder lists

A stakeholder list not only lists the people who may have an interest in your project or scheme, but also assigns them a responsibility for different parts of it. Some may be very involved, and have responsibility for the delivery of parts of it, while others may play a more hands off role, such as consultees.

Begin by considering the scope of your service or project and identifying the main people you will need to design it. Be as specific as you can.

Firstly, think about the stages of the project you will need to go through or areas you are reviewing, for example, design of the service, funding and budgeting, procurement, legal and policy drafting, communications, promotion, IT, and HR for example.

When you have a list of the stages, think about roles within your organisation who can provide expertise in those areas, such as frontline staff who will be delivering the project, customer services or reception staff, finance and procurement officers, communications officers, HR, or other service managers. At this stage, it doesn't matter if they have a large or small part to play – it is just important that you identify them.

Secondly, consider other organisations who will benefit from or contribute to your service in some way. This could be in form of funding, service support, promotion, referrals, complimentary services or information. Examples could be County Councils, district or borough councils, CCGs, local hospitals, GPs and clinics, community health teams, housing associations and support services, local contractors, or voluntary sector partners. It may be useful to start with the organisation, and then work through the departments or people within it. For example, in a county council, you may need to talk to commissioners,

OT services, Adult Social Care, Children's Services, Public Health, JSNA or data analysists. Local politicians and councillors may also be included here.
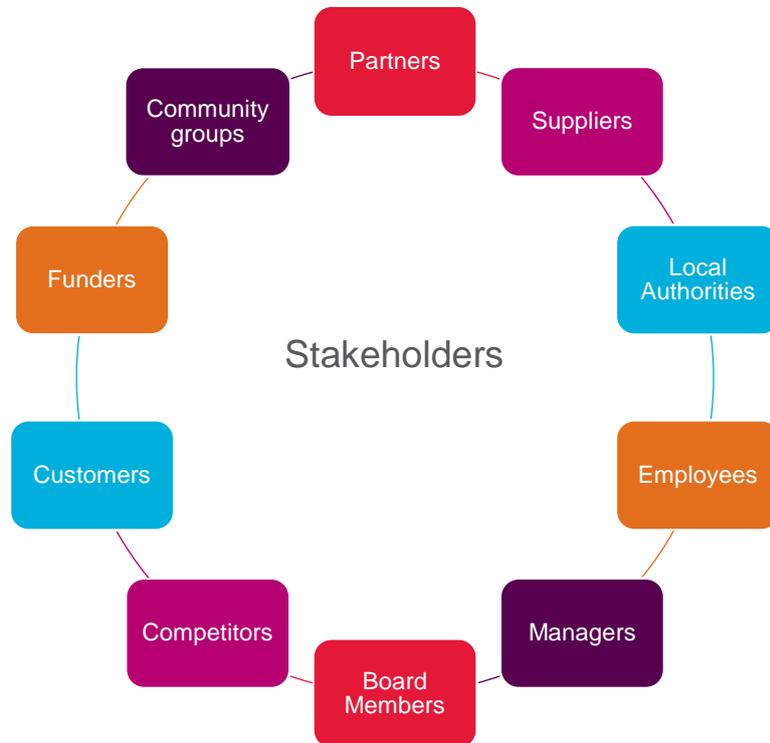
Think as broadly as you can too – could you include benefits advice services from DWP, Citizens Advice or the district councils, for example, or have representation from economic development or the local Chamber of Commerce if you are thinking of using apprenticeships or providing opportunities for local businesses?

Finally, consider the people who will be using your service, and the people who work with them: the general public, local community groups and interest groups, carers and families, local employers, and faith groups, for example.

When you have identified your stakeholder organisations and departments, identify who from each you need to engage more specifically with. Sometimes there may be more than one person who is your link with an organisation.

List these on your template, which can be found here:

Organisation	Internal / External	Name	Role / title	Sign off	Funder	Accountable	Consulted	Informed	Notes

In the coloured columns, note the level of engagement you expect to have with them. It's not unusual for stakeholders to fall into more than one category:

- **Sign off**: where a stakeholder is accountable for part of the project succeeding, and is required to sign off part or all of an element of it;

- **Funder**: where a stakeholder has a financial stake in the project, for example by providing funding or other resources to the delivery of the completed service (including staff time if they remain the employer);

- **Accountable**: where a stakeholder is responsible for ensuring that a part of the project is delivered. This may not be the same as someone with 'sign off' responsibility, for example where an officer attends the meetings and completes the work, but their director signs off the stage of the project;

- **Consulted**: where the stakeholder is asked their opinions on the project or element of it, and their views are taken into account in the design process. It is a two way dialogue and can be very useful in ensuring the service or project delivers what is needed in the most effective way. Service users, interest groups and front line staff should all be included in the consultation stages, as well as partners and funders.

- **Informed**: people who need to know what is happening, but do not have a role to play within the development of the project. This group could involve senior managers from other services (including CEOs), local councillors not directly involved but who may have an interest, local health and wellbeing boards, or community forums for example.

The Notes column can be used to highlight specific information that helps keep the relationship on track:

Organisation	Internal / External	Name	Role / title	Sign off	Funder	Accountable	Consulted	Informed	Notes
Xshire County Council	External	John Black	Commissioning officer	y	y	y	y		lead for HIAs. Needs weekly update on progress
Yborough Council	External	Diane Greene	Env Health Manager	y	y	y	y		lead on DFG and HHSRS. Reports direct to CEO
Yborough Council	External	Richard White	Business analyst			y			data and business planning specialist
Zedingham Homes RP	External	Jane Taupe	Housing Policy Officer		y		y		providing drop in space for housing options advice sessions
Xshire HIA	Internal	Wendy Grey	Customer Services Manager	y				y	line manager for Alex Browne
Xshire HIA	Internal	Alex Browne	Customer Services Team Leader			y			
Alphabet diability rights	External	Sasha Scarlett	MD				y		service user perspective and critical friend

Understanding how stakeholders view the service, and what they want from it can be extremely useful in developing new services and bidding for funding, and reviewing relationships with stakeholders is something that should be done regularly. Over time, relationships will change and stakeholders may increase or reduce their interest and influence over the services provided.

Relationship Diagrams

An alternative way to visualise your stakeholders is through a relationship diagram. There are a number of tools to help, but a simple way to start is kumu.io.

Here's an example showing Foundations' stakeholder relationships.
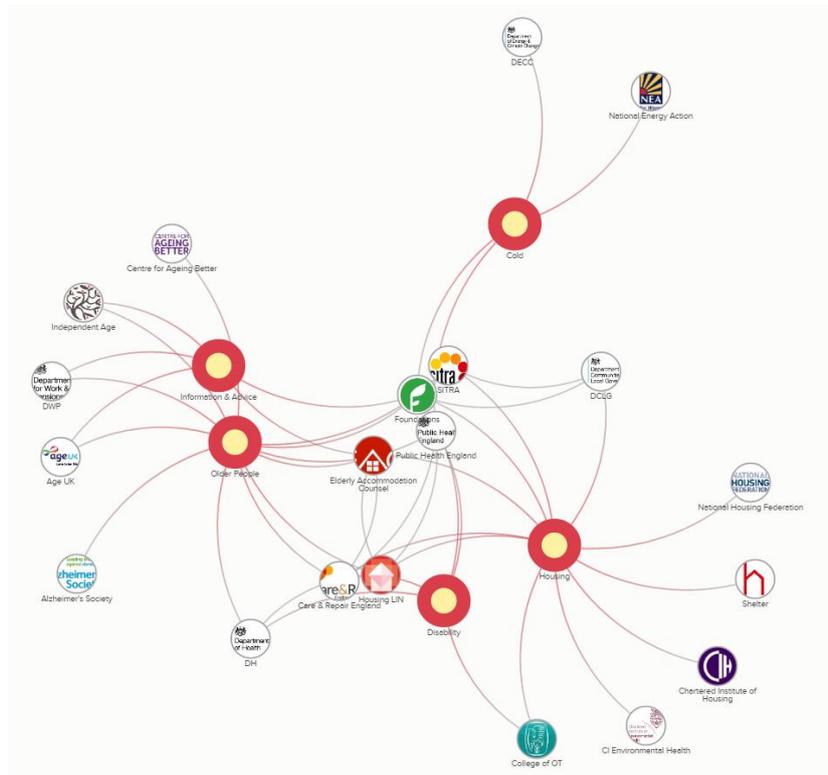
RACI matrix

For complex projects, recording stakeholders' level of engagement in a project can be useful in ensuring that information, perceptions and knowledge are gathered effectively, and that everyone knows what part they have to play in the success of the project.

RACI stands for

- **Responsible**: Those who are responsible for ensuring an element of the project is completed as required: the 'owner' of a task for example.

- **Accountable**: Those who are ultimately responsible for the success of the project, or element within it, for example the Project Sponsor or budget director.

- **Consulted**: Those who can input into the design or scope of the project, without being responsible for the delivery of it, for example service users, employees or contractors.

- **Informed**: Those who need to be informed of results, but do not get involved in the work, for example Board Members or trustees, or the CEO.

In the cream boxes along the top of the template, list the elements of the project or scheme that need stakeholder input. The names of the people involved will transfer automatically from your stakeholder list. In the four cells under the project element header write either R, A, C or I in the boxes by your stakeholder's name. Some stakeholders may have more than one, for example, someone can be responsible for the delivery of the element, and also accountable for its completion.

Stakeholder name	Organisation	Role / title	specification				Service budget			
John Black	Xshire County Council	Commissioning officer	R	A			R			
Diane Greene	Yborough Council	Env Health Manager								
Richard White	Yborough Council	Business analyst	R				R	A		
Jane Taupe	Zedingham Homes RP	Housing Policy Officer			C					
Wendy Grey	Xshire HIA	Customer Services Manager			C				C	
Alex Browne	Xshire HIA	Customer Services Team Leader			C					
Sasha Scarlett	Alphabet disability rights	MD			C					
Jill Rose	South Xshire CCG	Clinical lead for dementia	R	A					C	
Damien Cobolt	Xshire HIA	Service manager	R	A			R	A		
Robert Coral	A-Z Builders Ltd	Contract Manager				I				

Not all stakeholders need to be involved at all stages of the project, but a RACI matrix can help ensure the right people are identified and involved when they need to be.

Resources

What resources are there to deliver the service or project?

Understanding what resources are available to deliver your project or service is important to the design process. By evaluating what resources and capabilities you already possess, which you need to develop, and where additional resources may be required, you can identify where a lack of resource or skill may hinder the successful delivery of your service, and where existing resources can be redeployed or expanded effectively.

Resources can be:

- **Tangible:** financial, such as cash, grant or loans to the business, and physical, such as buildings, equipment and vehicles;

- **Intangible:** technology, reputation and business culture;

- **Human**: skills, knowledge, experience and motivation within your organisation.

There are five areas of resources which should be analysed:

- **Financial resources**: All financial assets that can be called upon to help support the service or new project;

- **Physical**: land, buildings and equipment that is available to the service or project;

- **Human**: the people who work to deliver the service. These can be directly employed, or as part of the wider organisation's support services;

- **Reputation**: stakeholders perception of the service, including goodwill (or not) generated by it;

- **Know-how**: the information and skills held within the service, and the way they are used to develop and improve it.

By listing the assets and resources of your service, and by asking some questions about each one, it can clarify where there are potential gaps. These can then be mapped, and a decision made about how to address them, or whether the project is viable at this point in time. A template for this can be found [here]:

Choose which resource heading you are evaluating from the drop down list, and enter the specific asset or element in the box provided. Enter G, A, or R in the RAG rating column (G – working well; A – needs development; R – serious concern – the box colour will change automatically). In the final column, note the action you will need to take or investigate to mitigate or maintain the situation.

The items which are red: serious concern, or amber: needs development, can then go forward to your risks register.

HIA / Organisation Project: Completed by: Date:	Xshire HIA Dementia Project		
Resource area	**Human**		
Asset or resource element	**Case workers**		

Strengths / Weakness	Comments	RAG rating	Action required
not trained for working with dementia patients	although well trained in dealing with vunerable people, working with dementia patients will need specific skills	A	look for training courses which would be suitable - social care may be able to help with this.
motivation high to work with this client group	caseworkers recognise the need to expand into this area and are keen to get new skills to do so	G	specific training as above, and encouraging the caseworkers to undertake self development and awareness in this area. Consult with COs throughout development process to maintain motivation levels and engagement.
team leader leaving for new role	opportunity to re-evaluate whether this role needs further skills to lead dementia project	A	review the work loads and management structure to see if this role can be realigned to the new service. Review the JD and PS to ensure that it is fit for purpose.
demands on staff will increase	demand in the new service may put pressure on the caseworkers to deliver their current role	R	evaluate the scope and potential funding for the new service, and see if there is potential to hire a new CO maybe on a temporary or p/t basis until demand is understood better.

Try to be as specific as you can, and be honest in your evaluation.

The table below offers some examples of the type of questions you may wish to consider, but others may be more appropriate depending on the project or service you are evaluating.

Area	Examples	Questions to Ask
Financial	• Organisational or departmental budget • Grants and statutory payments • Existing commissions • Loans and credit	Is the organisation or scheme financially viable or sustainable in the longer term? Is your organisation able to fund future growth and development? If a new project is being developed, how can the organisation support it?

Area	Examples	Questions to Ask
	• Charity donations or bequests	Are you able to pay for additional staff, training or equipment that a new project would require?
Physical	• Offices and buildings, whether owned or leased	Does your organisation have the things it needs to develop new services?
	• IT equipment and office furniture	Is there space for expansion, or are areas or equipment not being used effectively or to their full capacity?
	• Vans, tools and materials	
	• Stationery and promotional materials	Is old or outdated equipment hindering your service's ability to take advantage of new ways of working?
Human	• The people employed by your organisation	Are the people employed by the organisation well trained, motivated and delivering a good service?
	• Volunteers	Do you have a good strategy for attracting and retaining volunteers?
	• Contracted out services (such as HR or legal services)	
		Are your employees and volunteers open to change and development within the service? How will it impact them?
	• Support and advice agencies (such as Foundations)	Are you making best use of the support agencies and out-sourced functions to help with delivering or designing new services?
	• Relevant partnerships	
Reputation	• How commissioners and funders see your service	Do you have a reputation for being innovative and open to new ways of working, or of being traditional and risk averse?
	• How your partners and colleagues see your service	
	• How the community sees your service	Does your mission statement and vision accurately reflect how your organisation or service works? Do you meet your targets and objectives?
	• How other agencies (including your competitors) see your service	What added value or social value can you demonstrate? Can these be translated into measureable elements of the service which meet commissioners' requirements?
		Are you seen as a trusted brand within your area or scope of work? How good is your promotion and publicity: are leaflets up to date, for example, and press releases positive? Is your website easy to navigate and in plain English?
		Do your customers tell their friends and family about your services to increase referrals? Does your customer feedback survey show high levels of satisfaction,

Area	Examples	Questions to Ask
		or are there areas for improvement?
Know-how	• The information and data that is held within the service • Skills and training available to support the service or project	Do you have a good, robust database which is up to date? Can relevant information be accessed easily? Can you access measures and data that commissioners may ask for, or if not, can your system be adjusted to be able to?
		Do you review information regularly, and use it appropriately to improve your service delivery, or develop new services? Are you able to identify where there are gaps in the market, or unmet needs in the community?
		Are your staff and volunteers suitably trained and able to make informed decisions about what needs to be done to meet a customer's needs appropriately?
		Do you gather feedback from customers, front line staff, commissioners, other agencies or other sources to inform your service delivery and new services?

If you find that some questions produce ambiguous or vague answers, you may want to try using the 'Five Whys' technique to get to the root of the problem. This technique, quite simply, asks "why?" at each stage until a fundamental reason for a gap or failure is discovered. It is not about laying blame, but about finding solutions. Often, the solution can be found within five "whys".

For example:

Problem: **Our customers like us but they don't tell other people about us**

Why?   We don't know

Why?   Because we don't ask them if they do tell other people, and if not, why not

Why?   It's not on the customer feedback form, which is our main way of gathering feedback from our customers, and our data systems don't have a field to record it even if we did ask

Why?   Because measuring onward referrals has not been part of our customer insight or promotion work before

Why?   Because it wasn't seen as an integral part of our promotion strategy

Solution   **Review the promotion strategy and see if onward referrals from customers would make a significant impact to boosting your numbers of customers and improving your social impact.**

Work with front line staff to formulate the right questions to ask and develop ways of encouraging customers to recommend the service to their friends and neighbours.

Amend data management systems to record the outcome of any measures implemented, and to identify why people may not recommend the service.

Risk Analysis

What is the risk register?

A risk register is a tool for project managers that tracks events or circumstances which may harm the successful completion of a project or scheme. It lists risks to the project as they occur, gives the risk a score, based on the seriousness of the event if it happens and the likelihood of it occurring, and suggests ways of reducing or eliminating it or mitigating against the risk if it occurs. The register generally also provides the name of the person who 'owns' the risk, i.e. who is responsible for it, and sometimes also shows the term or timescale over which the risk is likely to happen, for example within the next 3 months (short term), 6 months (medium term) or 12 months (long term).

A risk analysis is an integral part of a business case, and strengthens the project planning process.

Identifying and assessing risks

Risks can be identified at any stage of the project, and the register should be reviewed and updated regularly. Some risks will be immediately apparent, and others will emerge when talking to stakeholders and staff, looking at customer feedback, or working on the design of the scheme. Other tools in this kit, such as the [SWOT/PESTLE analysis], [stakeholder list] and [resource analysis] will also help identify risks to the project. Risks will also change over time, as various parts of the project are completed, delayed, amended or abandoned.

When you have identified your risks, the next part of the process is to assign them a score for impact and likelihood (or probability).

Impact is measured as low, moderate or high, often on a scale of 1 – 5 (1-2 = low; 3 = moderate; 4-5 = high).

Most projects will be given tolerances against items such as budgets and timescales, to allow for unforeseen events. Depending on what these tolerances are, assumptions can be made about what constitutes a low, moderate or high impact. For example, if a tolerance for slippage on the implementation timeline is one month, one week's delay could have a low impact, between two and three weeks is moderate, and over four weeks is high. These should be agreed with the project sponsor or steering group.

The impact assigned to other risks will be more subjective, for example assessing the impact of a partner pulling out of a project or a key member of staff leaving.

Likelihood is assessed on the assumed probability of the risk occurring. These are also assigned a low, medium or high score, as with the impact scale. Again, this is often a judgement call depending on key relationships, current political circumstances or organisational constraints. It is important though to be reasonable in your assumptions and be clear about why you have given them the score you have.

It is often useful to discuss your risk assessment scores with your steering group to check that assumptions are as accurate as possible.

The Overall Risk Score is calculated by multiplying the Impact Score by the Likelihood Score

Likelihood					
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
	1	2	3	4	5

Impact

Overall scores of **15 or higher** should be flagged to the project sponsor or steering group as high risk to the project and monitored closely, with actions put in place to avoid or reduce them wherever possible.

Overall scores of between **8 and 14** should be flagged as medium risk, and monitored to ensure that they do not move into the high risk category as circumstances change and the project progresses.

Overall scores of **7 and below** can be deemed low risk, and should be monitored to ensure they do not increase through lack of attention.

Risks that have a high impact but medium or low likelihood should be noted too, as these could have serious implications if their likelihood increases as the project progresses.

Actions and Owners

Once a risk has been identified and its risk score assessed, it is important to decide how to deal with it and who will be responsible for it.

There are four main ways of dealing with risks:

Avoidance: These aim to reduce or eliminate the likelihood of the risk occurring. Some actions that would reduce the risk may not be practical or increase a risk somewhere else though, so some caution must be used here. For example, if a risk is that a new case management system may not deliver what is needed, building a bespoke system that is developed specifically according to the new project may be an option, but it would likely push the budget over the project's tolerance level thereby increasing the financial risk. Undertaking a robust specification and procurement process for an 'off the shelf' system, however, may not eliminate the risk, but it will reduce it and be more cost effective.

Mitigation: Mitigation actions are those that aim to reduce the impact of the risk if it occurs. In the example above, ensuring that the contract for the case management software has a clause which requires the developer to make adjustments as required as part of the contract (instead of charging an 'extras' fee, for example), could mitigate against a specification being written that doesn't quite work when being used in the field.

Transference: Transference actions aim to shift the impact of the risk in the event of it occurring. An example of this could be through having insurance, or writing a guarantee for quality and remedy into a contract for goods or services.

Acceptance: In some cases, it may be more cost or time effective to simply accept that the risk may occur, and to accept the consequences if it does. There could be not much you could do to stop it, or reduce it, or it may be completely out of your control, for example political decisions or loss of key staff. In these circumstances, noting the risk and factoring it into the decision making process should be done, and be recorded in the project documentation.

The owner of a risk is the person who is responsible for it. They should be knowledgeable about the risk and its impact / likelihood, and should have the authority and skills to be able to take actions required to deal with it. Sometimes an owner of a risk cannot be identified until the project is part way through, as the actions associated with it may change as the project develops and is better understood.

Although going through all the things that could go wrong with a project could be seen as a negative step, it is actually an important part of ensuring that when issues do occur, there is a quick and effective way to deal with them already in place. It also allows people involved in the project to avoid pitfalls that may derail the scheme, and shows commissioners and others that business plans are able to withstand scrutiny and challenge.

Finally, by assessing risks, new ways of working can be developed to deal with issues that might arise, which can be transferred to the service itself. This creates a culture of flexible thinking and reduces stress through the process of pre-planning for unforeseen events.

The Old Co-op Building,

11 Railway Street,

Glossop,

Derbyshire, SK13 7AG

www.foundations.uk.com