Continuous Improvement Framework
Executive Summary

Continuous improvement drives improved outcomes for our community and customers.

People and processes are vital in improvement; without either of these, improvements do not occur. The speed of improvement is both determined by people (their skills, styles and organisational structure and culture) and the resources applied to making the improvement occur.

Improvements are ‘locked in’ by making the improvement a standard way of operating; this is our Quality Assurance (QA). The QA is the systematic monitoring and evaluation (eg audits) of the various aspects of an operation, which ensure that minimum standards of quality are being attained.
Continuous Improvement Framework

A Approach
D Deployment
R Results
I Improvement
Our Outcome

The diagram on the right is a model of our Plan for the Future 2012-2016. It outlines our five high level goals; A City for People, Economic Prosperity, Environmental Responsibility, Business Excellence and Lead by Example.

By striving for these five goals, we aim to fulfill our ultimate aims of community wellbeing and customer satisfaction (depicted on the outer ring). Our vision and values (in the centre) guide the way in which we work and achieve our goals.

The outcome of one of these high level goals, Business Excellence, is to create an environment for excellence in business and continuous improvement.

“Business Excellence” means that the organisation must undertake rigorous planning, whilst at the same time, being adaptable and being a ‘learning organisation’. This balancing act is achieved by:

- Identifying long and short term goals and outcomes
- Deployment of resources to achieve these goals in a sustainable manner
- Setting specific targets and outcomes to be achieved
- Continually monitoring and improving performance to ensure actions are meeting desired outcomes
- Investigating and adapting if targets are not being met or where further opportunities are identified.
Continuous Improvement will not occur without an explicit model and process to drive it. The most effective channel for our improvement efforts are to address strategic and operational performance gaps.

The diagram on the right is taken from our ‘Planning and Strategy Framework’.

This diagram shows how performance gaps are identified by measuring performance at all levels, and improvement actions initiated by using plans and project management techniques and a rigorous process improvement methodology. All of these define measurable goals and the strategies to achieve them.

Performance achievements are reported internally and externally and provide a feedback loop for continuous improvement.
Strategic Planning

All actions undertaken at the City need to align to our strategic plan, the City of Melville Corporate Plan (‘the Plan’). The Plan captures and communicates all our long-term, strategic outcomes.

The Plan flows into Directorates, Service Areas and Individual Plans. In this way it is deployed to all levels of the organisation. All plans, actions and strategies in the organisation originate from this Plan – the lower level plans are more operational in nature, but always include linkages to the Plan for the Future.

In this way, directorate, service area and personal plans have targets which strategically contribute to the organisation.
Our performance measurement system must monitor a select group of simple and clear Key Performance Indicators (KPIs) for each goal in the Plan for the Future.

But it must do more than monitor performance. The reporting system must contain lead as well as lag indicators. Lag Indicators without Lead Indicators tell you nothing about how the outcomes are achieved, nor can you have any early warnings about being on track to achieve your strategic goals. Similarly, Lead Indicators without Lag Indicators may enable you to focus on short-term performance, but we will not be able to confirm that broader organisational outcomes have been achieved. Lead Indicators should enable us to take pre-emptive actions to improve your chances of achieving strategic goals.

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Corporate systems such as Interplan support the monitoring of lead and lag KPIs, with a ‘traffic light’ system alerting us whenever a KPI approaches predetermined upper or lower control limits.
Performance Management

Our monthly management reporting is used to compare the strategic outcomes we set in the Plan for the Future with our performance.

The objective of the reporting is to identify performance gaps, to facilitate early action to investigate and ensure we get back on track.

Such actions are taken up at the operational level into service areas and by cross-functional Continuous Improvement Teams (CITs).
Projects

Gaps that are identified in our performance reporting drive the CIT and Service Area projects. This approach ensures that all improvement efforts are prioritised and aligned to our strategic goals.

- Lead and Lag indicators
- Graphical cause and effect reporting
CITs, Service Area Project Teams and Process Improvement Tools

CIT and Service Area projects require more than just objectives. The project team members require creative and analytical tools (such as process improvement tools and techniques).

Where possible, staff trained in these techniques (Business Improvement staff and BSOs) should be used to assist such projects.
How Continuous Improvement and Quality Assurance fit together

This diagram illustrates how continuous improvement drives improved outcomes for our community and customers, and how quality assurance is the device to ensure we don’t slide back.

People (orange wheel) and processes (green wheel) are vital in improvement; without either of these, improvements do not occur. The speed of improvement is both determined by people (their skills, styles and organisational structure and culture) and the resources applied to making the improvement occur.

Improvements are ‘locked in’ by making the improvement a standard way of operating; this is our Quality Assurance (QA). The QA is the systematic monitoring and evaluation (eg audits) of the various aspects of an operation, which ensure that minimum standards of quality are being attained.

QA (monitoring and evaluation) by itself cannot absolutely guarantee the production of quality products or services.

The two principles of QA are: "Fit for purpose" - the product/service should be suitable for the intended purpose; and "Right first time".

The angle of this line indicates the rate of change - if improvement occurs quickly, the line tilts upwards and higher outcomes are achieved more quickly.
Continuous Improvement Framework

A Approach
D Deployment
R Results
I Improvement
To support achieving the goals the City of Melville has developed frameworks (available in the BMS).

These frameworks are based upon the ADRI methodology (ie ‘Approach, Deployment, Results, Improvement’), and so our planned improvement actions are outlined within our frameworks.

Our performance against the frameworks and planned improvements is then assessed by the Organisational Self Assessment (OSA) and our Continuous Improvement Teams (CITs).
Continuous Improvement Framework

A  Approach
D  Deployment
R  Results
I  Improvement
The City of Melville Corporate Plan sets out the long term direction for the City of Melville. There are many inputs (“corporate drivers”) that are considered in developing the Plan, including the results of our performance.

Our performance is also measured in an ongoing manner; • organisationally with the Monthly Executive Performance Report; and • by Directorate and Service areas in their regular reporting.

Measuring the results of our actions is vital as without measuring how we are going, the organisation cannot improve, nor will we be able to confirm that changes we have already made have resulted in the desired outcome.
Continuous Improvement

Previous slides have demonstrated how improvements are made, ie;
- Identifying desired key outcomes
- Developing plans to achieve these outcomes
- Measuring performance on various levels
- Making adjustments to improve processes, performance and outcomes achieved.

However, continuous improvement only occurs if the cycle is ongoing. It is particularly important that once changes have been made we continue to review our performance indicators and measurements to ensure that any changes made are actually delivering the desired improvement.

The City of Melville prides itself on being a learning organisations and strives to be best practice in all facets. Our continuous improvement framework reflects this aspiration, and demonstrates how we intend to achieve continuous improvement.

Key results ongoing include, internal and external audit results where the organisation assess whether policies, procedure etc (BMS documents) are being adhered to, and the Organisational Self Assessment (OSA) against the Business Excellence Framework.
Quality Assurance

Quality assurance is about making sure that everyone is adhering to “one way” of doing things.

Continuous improvement is about ensuring that outcomes are monitored with the aim of increasing efficiency, effectiveness and customer satisfaction.

By formally factoring in system improvement (both ad-hoc and formal reviews), the organisation encourages continuous improvement.

How do we achieve Quality Assurance?

- Standardise, train, operate and control processes through the BMS
- Regular external audits
- Internal audits by staff trained in auditing
- Pathway monitoring to confirm closing out tasks from audits
- BMS Management Review meetings (incorporating audit and OSA reviews)
Quality Assurance through the BMS
(Business Management System). Easy as 1-2-3

1. **Standardise processes by having universally accessible policies, procedures, work instructions & forms**
   As all City of Melville policies, procedures, work instructions and supporting forms are in one location, the BMS, staff are provided with guidance and instructions on processes.

   “Responsible Officers” and “authorising officers” (officer/s above the responsible officer) are assigned to each BMS document. Responsible officers are responsible for updating their documents, and training other City of Melville staff on the process as required. Any change to a BMS process is approved by the relevant authorising officer before the revision is uploaded to the BMS.

   Additionally, each policy, procedure, work instruction and form is formally reviewed with a view to improvement no less than every two years.

2. **Ensure the way we operate matches our documented processes by our Internal and external audits**
   The City of Melville has a team of trained auditors to ensure staff actions are in alignment with our processes, and to ensure processes are in alignment with International and Australian Standards for OSH, Environment and Quality. External auditors below formal accreditation to the organisation following a successful audit. The City of Melville also measures itself against other standards (such as the Australian Standard for Risk and the International Customer Service Standard) to ensure that it is continually improving and meeting best practice. These audits and review provide another means of generating opportunities for improvement.

3. **Resource: BMS Facilitator**
   The BMS Facilitator is a dedicated resource responsible for the overall BMS and can provide assistance in creating, reviewing and maintaining BMS documents. The BMS Facilitator also coordinates the City’s internal and external audits.
Appendix

Resources for Continuous Improvement

9 Step Improvement Process  page 20
Tools and techniques resource book  page 21
Process for turning ‘good ideas’ into improvement  page 22
Supporting mechanisms encouraging innovation and improvement  page 23
Continuous Improvement Teams (CITs) and action plans to enhance frameworks  page 24-25
Where appropriate, the City of Melville uses that 9 Step Improvement methodology to work through the improvement process. This aligns with the ADRI (Approach, Deployment, Results, Improvement) and PDSA (Plan, Do, Study Act) methodologies.

**Plan**
1. Define the problems and improvement opportunities
2. Select a problem or opportunity
3. Select the team
4. Study the current situation and analyse causes
5. Generate potential actions
6. Evaluate and select actions

**Do**
7. Implement a pilot

**Study**
8. Study the results of the pilot

**Act**
9. Fully implement and standardise the improvement
- City of Melville Resource Book for Process Improvement (available in the BMS)
- BSOs and Continuous Improvement Team members trained in these techniques
- Support from Business Improvement team
Process for turning ‘good ideas’ into improvements

**ACTION PROPOSED**
- Staff suggestion (OFl) lodged via the BMS on the intranet
- Customer suggestion which are recorded into Pathway
- Internal BMS audit against International/Aust Standards for Occ. Safety & Health, Environment & Quality
- External BMS audit (Non-conformances and observations resulting from external audit against the International/Aust Standards for Occ. Safety & Health, Environment & Quality.
- Other assessments eg OSA against Business Excellence Framework, audit against International Customer Service Standards etc

**PROPOSED ACTION IS REVIEWED BY**
- relevant staff member or
- Continuous Improvement Team (CIT)

**PRIORITISATION OF ACTIONS**
- Investigated and actions determined using 9 step improvement methodology where appropriate
- Need for a review is accepted, but it is assigned a lower priority
- OFI / suggestion declined

**REPORTING**
- OMT review Pathway’s OFI status report
- EMT review CIT reports at Directorate performance reporting
The City of Melville has many supporting mechanisms to encourage innovation and continuous improvement.

Capturing ‘good ideas’ and turning them into improvement
‘Good ideas’ and possible improvements can be suggested by staff or customers; these are all logged into Pathway for consideration. Once officially tasked in Pathway, they are known as an ‘Opportunity for Improvement’ (OFI).

Innovation Award
All OFIs that result in an improvement (to efficiency or effectiveness) are entered into the annual City of Melville Innovation Award.

Reward and Recognition for innovation
Staff involved in innovations may also be given ‘reward & recognition’ throughout the year.

Testament to the City’s belief in continuous improvement, one of the four organisational values identified by staff is “Excellence”.
Continuous Improvement Actions

Gaps between performance and targets / KPI’s are formally reviewed and utilised by the Continuous Improvement Teams (CITs), who use various tools to investigate, determine root cause and arrive at recommendations for improvement.

There are regular BMS Management Review meetings, the purpose of which is to ensure the CITs are effective in their role, allocate resources and provide formal authority and power to recommendations where necessary.

In addition to recommendations for improvements generated by the CIT’s, ad-hoc suggestions for improvement can also be made any time by any staff member lodging an “Opportunity For Improvement” (OFI), or from our customers by submitting a suggestion. These suggestions are recorded, submitted to the Continuous Improvement Team for investigation, and their progress tracked in Pathway.

Our success in Continuous Improvement is monitored and reviewed at both OMT and EMT levels.
Continuous Improvement Teams (CITs) and Process Improvement Teams (PITs)

There are two types of Improvement Teams;
- CITs are permanent groups working on a broad topic, such as ‘Leadership’ or ‘Customer Service’
- PITs are temporary and based on a specific issue, such as the process of customers making event bookings.

Further information on the current CITs and PITs is on the intranet (search under the term ‘improvement’) Historical information can be found in Dataworks (under the subject “Continuous Improvement Teams”)

<table>
<thead>
<tr>
<th>Continuous Improvement Team (CIT)</th>
<th>Process Improvement Team (PIT)</th>
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<tbody>
<tr>
<td><strong>Team lifespan</strong></td>
<td></td>
</tr>
<tr>
<td>Ongoing</td>
<td>Short term (months)</td>
</tr>
<tr>
<td><strong>Membership</strong></td>
<td></td>
</tr>
<tr>
<td>12 months. Minimum one EMT/OMT member.</td>
<td>For period the PIT is active. An EMT or OMT level sponsor.</td>
</tr>
<tr>
<td><strong>Frequency of meetings</strong></td>
<td></td>
</tr>
<tr>
<td>Monthly or six weekly</td>
<td>As required</td>
</tr>
<tr>
<td><strong>Use of 9 step methodology</strong></td>
<td></td>
</tr>
<tr>
<td>Where relevant</td>
<td>Where relevant</td>
</tr>
<tr>
<td><strong>Reporting</strong></td>
<td></td>
</tr>
<tr>
<td>• Report annual to EMT</td>
<td>Spreadsheet of all PIT’s (showing progress against the 9 step improvement methodology) reported approx. 6 weekly to OMT and EMT.</td>
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<tr>
<td>• Priority matrix of actions reviewed annually at BMS Mgmt Review meeting</td>
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