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A cultural shift to commerciality

Catherine Staite, INLOGOV

Two types of change

- **Charging** for mainstream services
  - libraries, leisure services, parking, care
- **Trading**
  - Selling new and different services to residents and business e.g. MOTs, temporary staff

Commercialisation: conundrums

- Income generation v. fairness
- Competition with local business
- What is the income for?
  - Investment in services
  - Protect status quo
- Unintended consequences
  - Income in one area v. increased costs in another

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Big business?

Year	2004/5	2005/6	2006/7	2007/8	2008/9
Sales, fees and charges	£9,575m	£10,646m	£10,792m	£11,166m	£11,583m
External trading	£723m	£727m	£752m	£736m	£965m

DCLG Local Government Financial Statistics England No. 20, 2010

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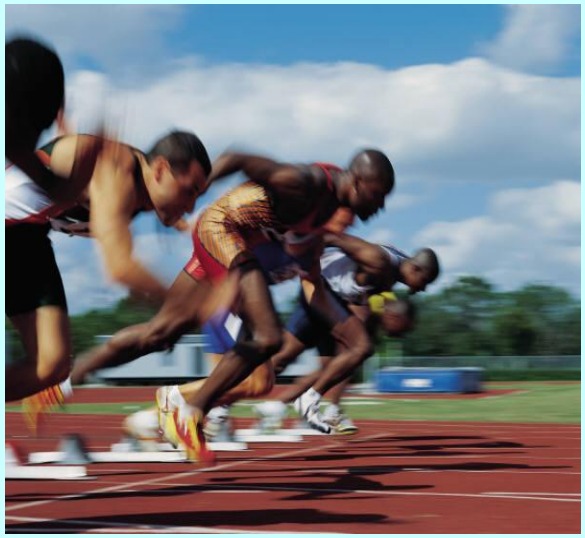
Drivers of change

- Reducing resources – making up the shortfall
- Protect valued services



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Drivers of change

- Responding to ‘perfect storm’
- Making up the shortfall
- Protecting valued services

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Opportunities for change

- *'There's a little bit of good in austerity that makes it possible to do hard things that you can't do in good times'* Richard Nathan

- *'Don't let a crisis go to waste'* Rahm Emmanuel

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Barriers to change

- Internal focus
- Lack of understanding of costs
- Reluctance to charge

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Culture change issues: no ‘one size fits all’

- Complexity of cultures
  - Departments
  - Functions
  - Professions
  - Different types of authority

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Defining culture

- Behavioural norms based on assumptions about purpose, shared values and beliefs;
  - Public service ethos
  - Internal focus
  - Budgets not income/expenditure

What does a ‘commercial culture’ look like?

- Customer focused
- Understand market
  - Commercially literate and numerate
- Focus on the ‘bottom line’
  - Cost management
- Externally focused
  - Understand market

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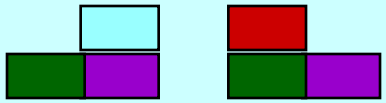
Managing change

- ‘Its not the progress I mind, its the change I don’t like’ Mark Twain
- Resistance to change is natural and needs to be understood

Prerequisites for successful change - and effect when one is missing

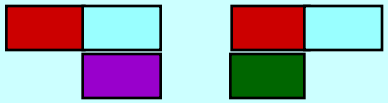
PRESSURE FOR CHANGE	CAPACITY FOR CHANGE
A CLEAR SHARED VISION	ACTIONABLE FIRST STEPS

Bottom of "in-tray"



Anxiety and frustration

A fast start that fizzles out



Haphazard efforts & false starts

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Changing culture: four key steps

- Diagnostic
  - What is current culture like?
  - What needs to change?
- Agree approach to managing change
  - Top down/bottom up
- Implement
- Review and refine

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Critical success factors

- Create new identity
  - Mark change
- Leadership
  - Build confidence
- Champions
  - Harness enthusiasm
- Performance management
  - Positive reinforcement

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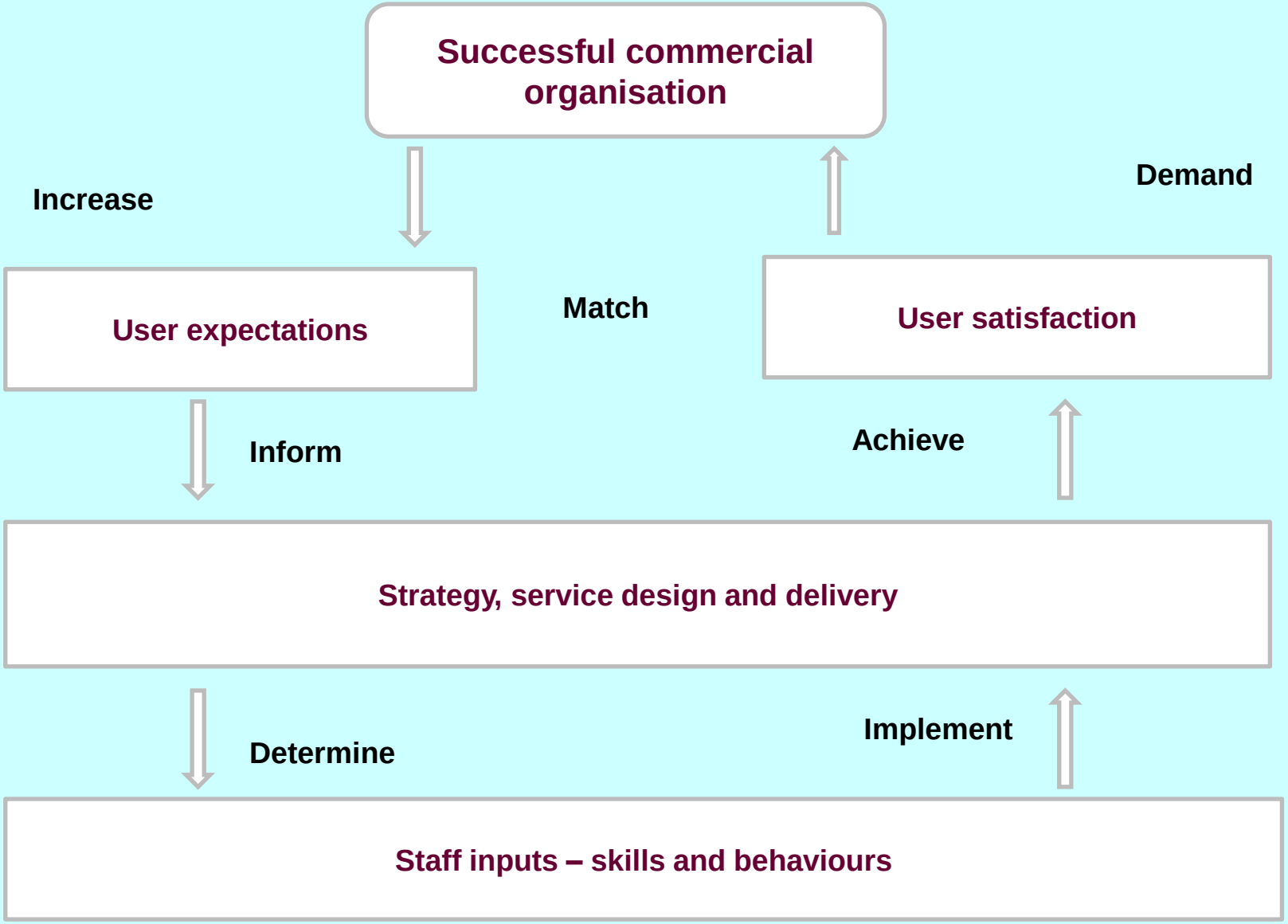

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