

efficiency

THE MJ FOCUS

Are you really ready to share?

Eric Bohl outlines the winning formula that can create the most successful shared service partnerships

Across the UK, shared services are delivering impressive results, with improvements in performance and significant cost savings. But it can be tough to get a shared service up and running and even harder to keep it going.

Last year in *The MJ*, I reported on the slow progress of shared services and asked whether a trickle of new shared services was about to become a flood. Although not yet a torrent, the flow of new shared services has been healthy, with dozens of new partnerships and even more in advanced stages of development.

Despite the proven benefits and savings, why can it be so hard to get shared service partnerships off the ground? What is it that has made the Anglia Revenues Partnership such a lasting success? Why are areas such as Kent and Gloucestershire so good at generating new shared services?

Leaders in the field include Tunbridge Wells BC which is already taking part in eight shared services and is planning four more. Cheltenham BC, which had no shared services just six months ago, already has three and is taking two more through the political approval process.

Their success seems to be as much about the psychology of relationships as about a sound business case and good project management.

Here are some simple rules:

Rule 1 – Know your own mind

Many shared service projects struggle with delays and muddle because it is not entirely clear what each partner around the table wants. Politically and managerially, each partner needs to test precisely what it wants to achieve – and why – and whether it can really make the commitment. As David Burnip, chief executive of Forest Heath DC (one of the three partners in the Anglia Revenues Partnership), argues: 'You have to have partners who are committed to making it happen. "Lukewarm" is no good at all.'

Rule 2 – Know your partner's mind, too!

Authorities sometimes learn about their partner and their partner's culture by experimenting. Will Benson, director of change and business support at Tunbridge Wells, describes the benefits that this can bring: 'We have long experience of partnership working with the private sector and of working with other authorities. Our experience gives us confidence.' The sooner you learn what makes your partner 'tick', the quicker you will be able to forge a lasting partnership based on a shared set of ambitions.



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Rule 3 – Take the leap, but look first

Having the courage to commit to a partnership is essential, but finding a great partner is only the start; thorough analysis and a sound financial plan are needed to confirm the value of a partnership. Cheltenham's chief executive, Andrew North, stresses the need to balance leadership with a focus on delivery: 'Let's commit ourselves emotionally but use some sound project management to underpin where we want to be.'

Rule 4 – Sort out your prenuptial agreement

Shared service partnerships can fall apart just before the agreement is signed or shortly afterwards. Often, the source of the problem is that, during the courtship, difficult discussions had been put off until the last minute. As well as knowing what you are getting into, you need to know how you are going to get out of it. That means that the business case and agreement must capture both the costs and the benefits and address what happens if things go horribly wrong (including any penalty payments).

Rule 5 – Take opposition seriously

No appeal to the spirit of partnership can hide the fact that shared services will result in substantial change and can lead to casualties. More than ever, given the current economic climate, thought will need to be given to the impact of relocating jobs. Sometimes, the people needed to create the shared service are putting their own careers at risk. Strong leadership needs to be backed up by a commitment to addressing the real worries faced by the people affected. Shared services are not a soft option.

Rule 6 – Invest in the relationship

It's not all over when the agreement is signed. Good governance depends on resources, capacity and a positive attitude. The time spent developing a shared service is also time that must be spent preparing the partnership for a culture that drives improvement and innovation. As Andrew North argues, 'a stable relationship is one that is waiting to fall apart.'

In summary, shared services have the potential to transform the quality and efficiency of services and the barriers are not technical but human. Overcoming those barriers requires courage, sensitivity and the determination to make the relationship work – qualities that local government has in abundance. ▀

Eric Bohl is director of local government at EightyTwenty Insight and author of the SOLACE Guide to Sourcing. eric.bohl@8020i.co.uk