



Organisation - A Better Way

In the last issue I looked at four ways in which councils in Victoria and South Australia had typically organised themselves to take care of the services provided and the assets used to do so.

I looked at the pros and cons of each of these and, quite frankly, there was none for which the advantages could be said to clearly outweigh the disadvantages. I figured that there had to be a better way. But what was it?

Then I spoke with Colin Myers, Asset Management Team Leader at the Mornington Peninsula Shire Council in Victoria and he told me about the way they do things in the shire - 'the Peninsula Way' It is not only different, it works. See for yourself!

On pp 2-3 we look briefly at what teams do - and why.

On p 4 is a brief description of an attitude "We outlaw selfishness" - take particular note of how they deal with development proposals!

On p 5 is an excerpt from "The Peninsula Way" a brief document that the council uses to make it clear to all its employees that they are valued for their 'contribution', not for their 'rank', which explains how the team process operates.

On p 6 - the rather different organisation chart that results from this thinking

Also, continuing the theme of organisation

On page 7, we look at how it is done in Melville City Council, WA

And finally, on page 8, a quick look at the different benefits of outsourcing that are considered important to maintenance supervisors and to executives.

Please consider - and enjoy!

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Mornington Peninsula Shire's Team Working

The key feature of this approach is that the council is organised in teams. There are regular teams like Colin's team that looks after ongoing aspects of asset management, and then there are the 'e-teams'. These are ad hoc teams drawn from across council to solve a particular problem (called 'e' teams because they "engage diverse views, explore ideas, execute a task, express opinions, encompass all necessary inputs, empower team members and ensure the job gets done, efficiently and effectively.")

They are cross-functional teams, which was one of the forms considered in the last SAM issue - but with a difference. And it is the difference that is critical.

Anybody can initiate an e-team.

And they don't need to seek anyone else's permission. If anybody has a problem that looks as if it might benefit from the input of others, they contact those that they think might be able to help, they explain the issue and ask if there is anyone else that could be helpful, and arrange a meeting. At the meeting, the group selects a 'team leader' - this is not selected according to rank but according to who would have the best chance of getting a good job done. At this meeting two other very important things are also done:

1. The objective of the team is very clearly expressed
2. A target date or deadline is set

When the objective has been achieved the team is disbanded. It is not like a committee which goes on forever. This enables a very sharp focus to be maintained. The task is not to assume control, as it is with many committees, it is to 'get the job done'.

What kinds of things are done in teams?

Some recent e-teams have included

- Identification of car parks in the Shire on private and public land.
- Review of the Shire's Road Management Plan.
- Integration of asset data with external service providers.
- Addressing drainage issues in the Shire.
- Identification of Shire assets encroaching on private property.
- Implementation of an automated "Dial Before You Dig" process.



At the present moment, Colin is working on an e-team to address some issues associated with equestrian trails. Questions include: What intervention levels should exist for the surface being used by the horses? What vegetation clearance envelopes are appropriate? Is a hierarchy of trails required? Will our maintenance contracts need reviewing? Is the information about designated equestrian trails on the Shire's AM system and GIS up to date?

The initial meeting of this new e-team will include representatives from a number of cross-organisational teams such as recreation & leisure, infrastructure maintenance, asset management and GIS, along with representatives from the Shire's external maintenance service providers. Additional members of the e-team may be added if a need is identified.

What does the Team Leader do?

- make sure that the team's purpose is crystal clear and understood by all and that everyone understands how the purpose is connected to the broader Shire objectives.
- respect, appreciate, and acknowledge individual team members as people, acknowledging their contributions and celebrating individual and collective accomplishments.
- add value by the use of their own skills and judgement
- advocate - become the standard bearer of the team, championing its cause, carrying forward its message.

Being a team leader is considered a privilege.

Team work

is **Challenging**,

Rewarding (because you can always see a result for your efforts),

Interesting (because you work with an ever changing range of people on many different issues - of their choosing, or yours)

and **fun**.

“We outlaw selfishness”



What if others are too busy to help?

I put this question to Colin and he thought for a bit and said, ‘well, sometimes people are unable to attend every meeting because of other commitments, but that is normal in a big organisation, finding a free slot in ten people’s diaries is not easy unless you book months in advance - and some teams do that - but mostly members will try to be there.’

And the reason for this willingness to co-operate rather than compete, the desire to be helpful rather than selfish, comes directly from the top.

And at the top is CEO, Dr Michael Kennedy. He explains that because the shire is so large and diverse, a ‘one size fits all’ policy would not work. Some of the council’s 40 towns and localities are rural, some are coastal, some are almost metro. Some are very rich with \$6m ‘weekenders’, and some are largely surviving on welfare. Some are inhabited by dedicated farmers, whilst in others the residents have adopted an ‘opt out’ lifestyle. The potential for conflict is great. But the CEO has a way of coping with it .

In an address to Port Phillip Council*, he explained

“We outlaw selfishness... Somebody comes along to us and says ‘we’ve got this great plan for a golf course development, here it is’. We say ‘that might be fantastic but before you give it to us take away this booklet which talks to you about what a Sustainable Peninsula might be and frame what you want in the context of what the community wants so you do the work not us. If you’ve got a particular objective in mind you address how what you are going to do fits in with what everyone’s going to do.’ Selfishness—if that’s the issue let’s say so.”

And he applies the same approach in-house as well! Everyone is expected not only to know, but to be committed to, “caring for the Mornington Peninsula and its diverse communities”, the Shire’s Mission, and to the community’s objectives as expressed in the Community Plan.’ (see the guidance provided to council officers in the excerpts from ‘The Peninsula Way’ on p.5)

*The whole address “Culture and the Sustainable Peninsula” is available at www.portphillip.vic.gov.au/.../Culture_and_the_Sustainable_Peninsula.pdf and well worth reading.

What a great place to work!

As I talked with Colin I thought 'this is a place where I would have liked to work'. I suggested that their staff turnover must be quite low. Yes, he agreed, and then told me that in a "Staff Climate Survey" conducted by Peter Berry Consultants, the Mornington Peninsula Shire received the equal highest staff satisfaction score received in the past 5 years from participants in the Local Government category.

And it is sustainable

By a combination of better management and better financing the council is not only 'in the black' it has closed its renewal gap! Excellent reasons to look more closely at what the Shire is doing right. An excerpt from "**The Peninsula Way**" explains:

The Peninsula Way requires that each team member:

- is committed to "caring for the Mornington Peninsula and its diverse communities", the Shire's Mission, and to the community's objectives as expressed in the Community Plan.
- understands how their role, and their team's role, contributes – directly or indirectly – to the achievement of our Mission.
- works "collegiately" with other team members, the community, and other stakeholders, and in applying specialist skills, sees each issue as the community sees it, and seeks solutions/outcomes that meet or exceed community expectations.

Team members are valued for their contribution to achieving the Shire's Mission, rather than according to 'rank', and will be supported and resourced so as to optimise their performance and, more importantly, the overall performance of the Shire. One of our goals is to "do everything we do the best way it can be done".

The Peninsula Way seeks to 'enable' team members, with decision-making 'devolved' to the maximum extent possible.

The Peninsula Way requires organisational leaders to undertake a more facilitative role than in a 'top down' organisation, exercising influence rather than power, focused on:

- providing a clear sense of direction
- helping to determine goals and priorities
- supporting, resourcing and developing each team and its team members.
- helping to resolve conflicts inherent in our diverse roles and functions

WHO'S WHO - a rather different organisation chart



The Peninsula Way builds on the reality that team members (and their team leaders) know their own team's objectives and how they are best achieved, and operational decision-making is devolved accordingly. Dr Michael Kennedy says that "our organisation chart has no lines or blocks of colour". He adds that they could put in the connecting lines between individuals but then it would all be dense black! The key roles are CEO, Directors, Managers and Team Leaders - but, is expressed here in reverse order because of his understanding that the CEO and Directors *support the organisation* - rather than boss it around!

TEAM LEADERS

As each team's operational/day-to-day leaders, the emphasis is on planning and resourcing the team, enabling each team member and the team collectively to achieve optimal performance. Team leaders will operate with a high degree of autonomy, coaching and supporting their team to achieve stated goals within agreed timelines.

MANAGERS

Given the diversity of our community's expectations, and the complex inter-relationships between the roles of our functional teams, managers play a critical role in "seeing each issue as the community sees it" and helping to translate broad goals into specific, appropriate outcomes, and determining how best to achieve those outcomes. Managers play an important part in facilitating the "networking" of issues across the organisation, and beyond it, with the community and other stakeholders.

DIRECTORS

As "group leaders", directors will primarily be focused on medium to long-term strategic issues, ensuring that each unit is resourced and focused on the achievement of its goals, with a need for minimal ongoing intervention by the director. Directors will assist managers and team leaders to resolve operational issues, as appropriate, and will guide the skills development of people in their group. Directors also play a critical role in the "networking" of issues, internally and externally.

CEO

The CEO is the link between the community and the elected Council, and the Council organisation. The CEO's focus will predominantly be long term/strategic in nature, ensuring that the organisation is focused on, and resourced to respond effectively to, the community's needs as expressed through Council. The CEO is the organisation's "head coach", providing a clear sense of vision and purpose, drawing on a wide variety of sources, both external and internal. That sense of vision and purpose should reflect the shared commitment of the organisation, which all leaders then advocate throughout the organisation, and in representing it externally.

As with directors, the CEO will assist with resolution of day-to-day issues, where there is an opportunity to add value. In serving a geographically large and diverse municipality we undertake a wide range of tasks and operate according to a sound, policy-based strategic approach, but at the same time must be immediately, locally community-responsive. That is not easy to do. "

How else might one structure one's organisation?

I guess one of the reasons that Mornington Peninsula Shire's approach appeals to me is that it is not primarily asset management focussed, but rather it is an approach that can be used for any issue arising within council. It is thus **an example of asset management being fully integrated.**

But this is not the only way to go. **Paul Kellick**, who moved to the **City of Melville** seven months ago, writes,

“The City's approach to AM used to be based on the 'Services Focussed Group' model for many years with barely any progress. Prior to my arrival, the new director realigned the structure to more of an 'Asset Focussed Group' approach. He also established my position which is primarily a 'Strategic Asset Manager Model' but with line responsibility for buildings. I find this creates credibility as I can use the building portfolio to demonstrate best practice AM which we can then roll out over the other asset groups.

On my arrival, I established the 'Asset Management Continuous Improvement Team' which borrows heavily from the 'Cross Functional Group' model! This diverse group endorses the more strategic decisions whilst the operational issues are left with the various managers with line responsibility. This delivers the organisational approach which is so important. I might also add we have a very open 2 way communication with Finance which would appear to be an exception rather than a rule!! the result is that renewal is fully funded in our long term financial plan.

In short, we have combined models 1, 3 and 4 and it seems to be working fine.”

COLLABORATION

Asset Management has grown so fast and moved so far because of COLLABORATION - asset managers helping other asset managers. So my thanks to Paul for sharing his experience with us. And I would like to encourage others to do the same. So, two questions today:

(1) Is your organisational structure working well for asset management? Why do you think that is so? and

(2) How successful have you been in communicating with your communities? What techniques have you used and how do you think they are working?

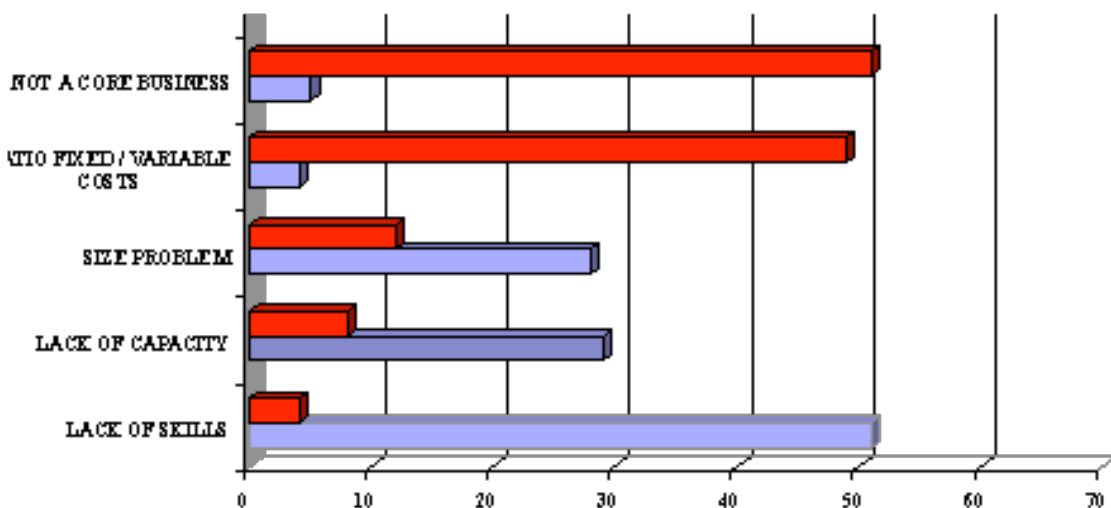


Outsourcing is a structural change that many have adopted.

I came across an interesting survey the other day that, although taken a few years ago now, showed the very different perspectives taken by management and by maintenance staff on the issue of outsourcing. It bears thinking about.

“Two different surveys on the motivation for outsourcing maintenance were held in The Netherlands; one (light blue, NIPO, 1994) addressing maintenance staff; another (red, Ernst and Young, 1998) asking for the opinion of executives.

Whereas the first category mainly valued the additional flexibility in terms of hiring-in specialist's skills and temporary work force capacity, the representatives from the boardroom essentially challenged the existence of an in-house maintenance function by putting heavy weights on the non-core business aspects, the desired change-over from fixed to variable costs and the expectation of significant cost savings.”



The lesson from this, according to the article, is that a full appreciation of costs needs to be built into the training of maintenance staff. But although it is currently popular to suggest that engineers should be all things to all men, I would suggest that maintenance staff are never going to ‘think like executives’ (or the salary difference is such that they would ‘be’ executives) But then, do we really want them to? Is not the maintenance task just as important? However, knowing the differences is important to success - and frustration levels - at the coal face.

Source: ‘Asset Management at the Millenium’,
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<http://www.plant-maintenance.com/articles/AssetMgmtMillenium.shtml>