# Welcome to:

We will start in a few minutes



Developing a Commercial Strategy

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- A bit about me...
- A bit about CIPFA C.Co...

....and a bit about logistics







#### A bit about CIPFA C.Co...

- CIPFA is our parent organisation
- Created to address the scale of challenges facing the public sector
- Required new thinking and a fresh approach
- Value driven service
- Experienced practitioners from across the public sector
- Offer a package of services for public sector reform, improvement and efficiency; the possibilities are endless





# Let's work together...how to contact C.Co...

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# A bit about logistics...

Chat panel

How can we talk?







# Developing a Commercial Strategy



#### This webinar...

- Discusses the approach to defining an organisational commercial strategy which supports the strategic objectives, outcomes and aims of your organisation.
- Overview of how to put it into practice





# Being commercial

- Councils continue to face increased pressures and so the need to consider commercial opportunities to charge and trade has never been more apparent
- There is no one size fits all and commercialism should not be viewed in isolation
- Developing a Commercial Strategy will help to target already stretched resources in a focused way





# Current thinking

- Austerity measures
- Latest budget statement
- Case studies
- Successes and failures
- One size doesn't fit all





# Ability to charge and trade...

#### Authorities should:

- Have a clear rationale for how much they charge and what they charge for
- Have a strategic approach to setting fees and charges
- Regard the views of citizens and service users
- Assess the benefits and risks







# Why develop a commercial strategy?

- Provides for managed transformation
- Allows organisations to pursue efficiencies
- Eradicate any systemic waste
- Managing the demands and expectations of citizens
- Being innovative and creative with opportunities
- Raising income to offset budget reductions where possible
- Shifting mindsets





#### Where to start?

- What does Commercialism mean to you?
- What are your drivers?
- What are you trying to achieve?
- Where are your opportunities?
- How will you assess each opportunity?
- What will success look like?





#### Six steps to establishing a Commercial Strategy:

Define Engagement Objectives Outcomes Opportunities Evidence

As with any major change, it is important to be clear about what you're trying to achieve in the short, medium, and long term and for this to be articulated in a clear and understandable way

Staff and user insight at the exploration stage can improve design and help you to understand your customers and processes better as well as help identify any necessary cultural shift within the workforce and capability development required

Having clear,
concise and
achievable
objectives is
important to
ensure consistency
in decision making
and operational
activity. Ensuring
that the objectives
set are in line with
your overarching
corporate
objectives is critical

Improving outcomes is paramount.
Therefore having a clear outcome framework which links into this strategy and vice versa will assist with ensuring decisions are contributing to the right services, the right residents and the right outcomes

Knowing how to identify and prioritise the commercial opportunities available to your organisation will assist with the delivery of efficiencies and optimum decision making. What is the scope? Where are the priority areas for improvement?

Defining the level, type and significance of evidence required to inform options appraisals, evaluation and decision making upfront is important to ensure that the processes followed in considering commercial opportunities are robust



- What does 'Commercial' mean to your organisation?
- What are you wanting to deliver in the short, medium and long term?
- What question are you seeking to answer?
- Implications to consider?
- Risks to consider?

Define



- Engage with who and why?
- What is the value?
- Implications to consider?
- Risks to consider?

Engagement



- What are you trying to deliver?
- How will you know when you have achieved 'it'?
- Implications to consider?
- Risks to consider?

Objectives



- Do you have an Outcome Framework in place?
- Can you define the outcomes you wish to contribute towards?
- Why are you doing this?
- Implications to consider?
- Risks to consider?

**Outcomes** 



- Is there to be a systematic approach?
- Implications to consider?
- Risks to consider?

Opportunities



- Assurance and Scrutiny?
- Implications to consider?
- Risks to consider?

Evidence





# What good looks like...

- Background & purpose
- Strategic Aims & Objectives
- Commercial Vision
- Delivery / Plan of Action
- Performance Measures
- Governance
- Risk Management
- Audit



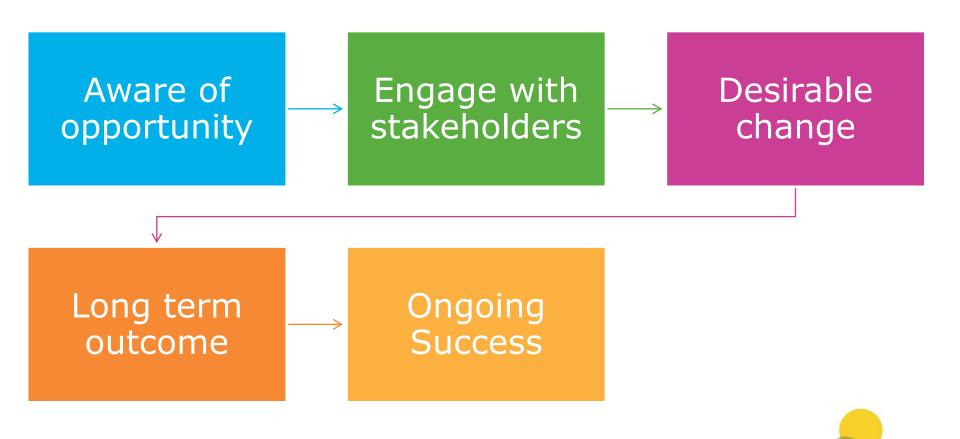
Links to other strategies





# Putting it into practice

# Start with your outcomes



# Strategy to Reality- key questions

- Do you know what you want from the service?
- Can you develop an outcome driven service specification?
- Do you know what service users want/value/need?
- Can you undertake market analysis?







# Strategy to Reality- key questions

- Are there alternative providers to us and what do they charge?
- What will be the impact on services, users, and citizens?
- Who uses our services?
- What is the cost of implementing the charge?







#### Strategy to Reality- key questions

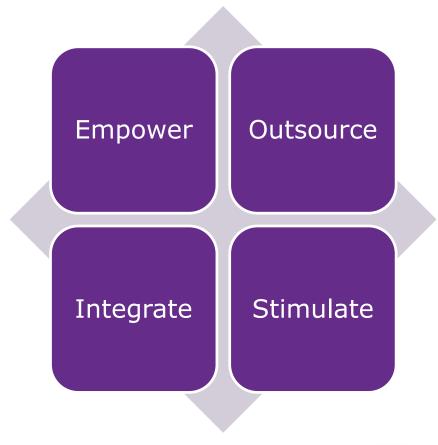
- Can you evidence the potential from the service?
- Do you have an approach to business case development?
- How will you make a recommendation?





#### Evidencing your decisions

- Is the community able to deliver the service? (Empower)
- Is the market able to deliver the service to the required cost and standard? (Outsource)
- Would integrating with partner deliver positive outcomes? (integrate)
- Where there is an immature market can we explore different delivery models? (Stimulate)







#### Evidencing your decisions

Building a solid foundation for the project Agreeing what success looks like

#### Step 1 Mobilise & Visualise

Get resources in place
Agree approach
Agree approach
Identify stakeholders
Agree governance & reporting
Understand the strategic vision,
design needs, & desirable outcomes
Set the parameters
Create a scoring model for evalua-

Understanding the 'as is'
What works? What doesn't?
Looking for ideas from outside
the organisation
How does what we do
compare to others?

#### Step 2 Explore & Understand

Stakeholder engagement
Data analysis
Customer joumey mapping
Process mapping
Customer insight
Best practice review
Market analysis
Performance - finance, HR, KPIs, compliance
Identifying any non-negotiables
Statutory needs
Suppliers

Designing the future
Bringing learning & insight
from previous stages
Building a case for change
with a robust evidence base

#### Step 3 Design & Test

Collaborative design - create new models, product development
Explore the impact of each model
Cost Benefit Analysis
Prototypes & modelling
Savings to the public purse
High-level journey map
Develop evidence and a case
Independent evaluation
Expert advice - legal, finance, HR
Test with stakeholders
Evidence for decision makers - options appraisal, busi-

Making it happen
'big bang' or an iterative approach
Timeline depending on complexity
Continued collaboration,
supporting people through change

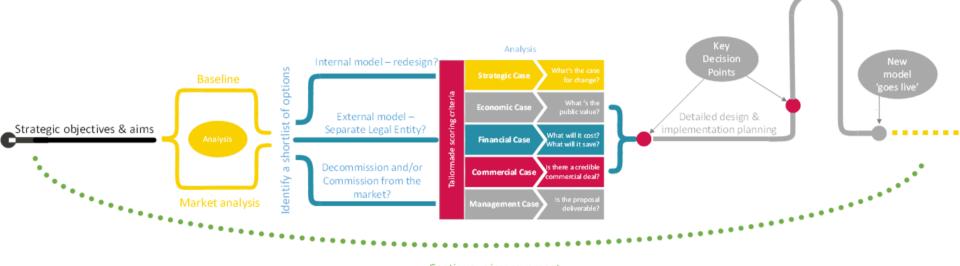
#### Step 4 Implement

Resources in place-finance, tech, & people Detailed design Full implementation plan - people, processes, technology, customers, assets Communication & engagement throughout Iterative design and problem solving Business planning, marketing activity, & laying the foundation for year 1 Keeping business as usual going throughout

Embedding the new model Achieving a steady state as a baseline for future improvements Focussing on marketing, product development, & future growth

#### Step 5 Business as Usual

Handover to BAU
Lessons learned
Tracking benefits
Business planning - finance,
marketing, people
Reporting in place
Product development





# Embedding the strategy...

- Local authorities may want to consider investing resources to support a corporate programme to implement their strategy.
- Investment in change management, developing employee capabilities, communications, aligning performance management processes, and adapting governance mechanisms may be required to enable a more entrepreneurial culture to flourish.





#### Health Checks...

- Do you have a commercial strategy?
- Are you developing one?
- Are you confident that your strategy is delivering key outcomes?
- Conducting a health check can assist your organisation





#### Contact...

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