Strategic Sustainability at House with No Steps

ANZTSR Conference

November 2014
Overview

- Research hypothesis
- The world of disability is changing – National Disability Insurance Scheme
- Insights from literature
- HWNS strategic response
- Evolve! Create! Innovate!
- Measuring & re-calibrating
- Let’s Go!
Hypothesis

The introduction of the NDIS in Australia is a transformational social policy change that fundamentally affects disability service providers such as HWNS.

It requires a new way of conceiving and executing strategy to ensure sustainability.

Considering principles of distributed leadership (including leadership by service users) building social capital will assist in designing strategic responses to this major change to support the achievement of outcomes for people with a disability and purposeful sustainability.
Approach

1. Action research
2. Embed monitoring, measurement and recalibration into the strategy
3. High level of participation and engagement by key stakeholders
4. Success defined in terms of “outcomes”
The existing disability support system is underfunded, unfair, fragmented and inefficient ... creating barriers into the everyday life of the community for people with a disability.
The world is changing

Every Australian Counts

NDIS | revolutionising disability services
1 July 2013

National disability insurance Scheme
<table>
<thead>
<tr>
<th>From...</th>
<th>To...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charity (welfare)</td>
<td>Human rights (entitlement)</td>
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<tr>
<td>$8 billion “market”</td>
<td>$20 billion market by 2020</td>
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<tr>
<td>State-based</td>
<td>Single national system</td>
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<tr>
<td>Government customers</td>
<td>Real people as customers</td>
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<tr>
<td>Closed market</td>
<td>Wide open market (For profits)</td>
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<tr>
<td>Micromanagement</td>
<td>Flexibility &amp; innovation</td>
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<tr>
<td>Tight staffing</td>
<td>Critical staff shortages</td>
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<tr>
<td>Vertical integration</td>
<td>Vertical dis-integration</td>
</tr>
<tr>
<td>Limited opportunities</td>
<td>Opportunity everywhere!</td>
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</tbody>
</table>
And many new competitors

Competition like never before!
Business-as-usual is not an option!
Who wants to be a dinosaur anyway?
Insights from the literature - accountability

Coule, Tracey M - *Non-profit Governance and Accountability: Broadening the Theoretical Perspective*  Nonprofit and voluntary sector quarterly 1 October 2013

Online at http://nvs.sagepub.com/content/early/2013/09/30/0899764013503906

- Values-based accountability – breaking down hierarchical notions of governance and broad based accountability to diverse stakeholders

- Shift from a stewardship perspective (unitary) to stakeholder / democratic process (pluralist) is a more appropriate conception of governance

- A relational approach, balancing mission and values with compliance, open to assumptions being challenged through dialogue.
Insights from the literature – distributed leadership


- Leadership as a collective social process emerging through the interactions of multiple actors
- “It is not something ‘done’ by an individual to others …[it] is a group activity that works through and within relationships, rather than individual action.”
- Emergent rather than fixed; focus on the *practice* of leadership; varieties of expertise are distributed across the many and not the few.
- *How should leadership be distributed to have the most beneficial effect?*
- *How does it correlate to organisational performance?*
- As part of a broader change process, it enables the recognition of varying forms of leadership in a more integrated & systemic way
Insights from the literature – distributed leadership & change


- The speed of external change creates an imperative within organisations for them to be able to respond more quickly and adaptively -> structures evolve into forms that can cope with ambiguity and the tensions of rapid change.
- Leadership is now moving to a form that is able to cope with collective endeavour.
- DL is concerned with thinking and actions *in situ* – ‘the professional work of everyone’.
- In Education, there is emerging evidence of a positive link between DL and student outcomes.
- DL recognises that even though there may be a nominated leader, the overall leadership effort is shared through the accumulation of contributions.
Insights from the literature – social capital

Nahapiet, J. and Ghoshal, S. – *Social Capital, Intellectual Capital and the Organisational Advantage* 

*Advantage*  The Academy of Management Review, April 1998; 23,2 ProQuest pg 242

- Social capital facilitates the creation of intellectual capital, the co-evolution of which underpins organisational advantage.
- Social capital: The networks of strong personal relationships developed over time that provide the basis for trust, co-operation and collective action. It comprises both the network and the assets that can be mobilised through the network.
- 3 dimensions: structural (who you reach & how), relational (personal relationships between people) and cognitive (shared systems of meaning) – highly inter-related.
- Social capital makes possible the achievement of ends that would be impossible without it.
VISION

‘Inclusive communities which respect, value and empower all people with a disability’

MISSION

‘To create opportunities for people to make the most of their abilities’

VALUES

Empowerment
Respect
Inclusion
Commitment
Achievement
Case Study – House with No Steps

• 2,200 employees
• 600 people with a severe to profound disability
• Diverse small businesses: commercial laundry, mailing house & printing, engineering & woodwork, recycling, macadamia and avocado farming, horticulture, hospitality and tourism
• ISO accredited
• Training – Certificate I, II & III -> Diploma
• Funding support from FaCHSIA
• Australian Disability Enterprises – « social enterprises »
HWNS is well positioned

- Values-based culture
- Growth, scale & market share
- High stakeholder satisfaction
- Loyal, engaged employees
- Excellent reputation
- Best known brand in NSW
- 5 years+ of change leadership
But there are also many challenges…

“Old world” business models & systems

“Lifetime care” expectations

Unprofitable businesses

Limited capital

Some ageing facilities

No specialisation

No national footprint
Let's Go!
Our strategic response is…

- **Bold**
- **Smart**
- **Focused**

... and a bit risky!

- **Based on our values**
- **All about outcomes**
- **Action-oriented**
- **Measurable**
Here’s how it fits together…

1. **Vision, Mission & Values**
2. **Outcomes for people with a disability**
3. **HWNS outcomes**
4. **Review**
5. **Actions**
6. **Measures**
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Outcomes for people with disability

- Exercise their rights and responsibilities as valued community members
- Achieve their best possible quality of life
- Choose how they want to be supported
Outcomes for HWNS

People with a disability and their families say
- We are great at helping them achieve the outcomes they want
- We are easy to deal with
- We can be trusted to do what we say we will

Our employees are loyal and engaged because
- We are passionate about the work we do
- Our culture is positive, supportive and values-based
- They have attractive career opportunities

Everyone we deal with says
- HWNS is a values-based organisation
- HWNS is progressive, capable, flexible and friendly
- Partnering with HWNS makes sense

HWNS is strong, profitable and growing
Evolve! Create! Innovate!

**Impact**

- **Evolve!**
  Strengthen, grow and improve what we do today

- **Create!**
  Create new services for the “new world”

- **Innovate!**
  Foster new ideas and approaches for long-term success and impact

**Time**
1. Individualise everything we can
2. Fix or close loss-making operations
3. Measure outcomes everywhere
4. Support and empower our employees
5. Communicate well (inside and out)
6. Make smarter use of today’s technology
7. Energise our HWNS brand
8. Raise more from fundraising
9. Restructure our balance sheet
10. Update or exit ageing facilities

1. Thrive in the NDIS launch sites
2. Attract lots of individual clients
3. Expand our children’s services
4. Create “communities of interest”
5. Develop and market new business services
6. Create new roles and employment opportunities
7. Use technology to reshape the way we do things
8. Build scale and capability through alliances

1. Encourage and reward employee innovation and risk taking
2. Allocate “seed funding” to develop promising ideas
3. Scope a new “Plan Management” business
4. Create more inclusive & sustainable supported employment models
5. Investigate national alliances

Evolve!
Create!
Innovate!
Measuring outcomes

Customer outcomes

Financial outcomes

People outcomes

Internal outcomes
# What we will measure

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<thead>
<tr>
<th>Outcome Area</th>
<th>What we will measure</th>
<th>Key measurement tools</th>
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| Customer outcomes      | • Satisfaction  
                         • Attraction  
                         • Quality of life & wellbeing | • Customer VOICE surveys  
                                                                             • Service user numbers  
                                                                             • POMs  
                                                                             • Market research |
| People outcomes        | • Engagement  
                         • Satisfaction  
                         • Wellbeing | • Employee VOICE surveys  
                                                                             • HR attraction & retention stats  
                                                                             • Safety stats (incl. LTIFR)  
                                                                             • Workers Comp premium |
| Financial outcomes     | • Profitability  
                         • Revenue growth  
                         • Balance sheet strength | • Operating surplus  
                                                                             • Operating revenue growth  
                                                                             • Debtor days  
                                                                             • Free cash days  
                                                                             • Net assets |
| Internal business      | • Satisfaction  
                         • Quality  
                         • Cost effectiveness  
                         • Innovation | • Basic Assurances  
                                                                             • Accreditations & audits  
                                                                             • Employee VOICE survey  
                                                                             • Brand awareness research  
                                                                             • Admin costs vs budget |
Let’s Go!

- Strategy “live” from July 2013
- Each Division has a cascading action plan
- The strategy is “living” – it will change!
- We publish measures 3 times a year
- We update the strategy each year
- Whatever else, we will NEVER lose sight of our Vision, Mission & Values
How are we going?


• Service user numbers up 7%

• We provided 220,000 hours of development to employees

• We achieved accreditation with Council on Quality & Leadership

• We supported 220 people to transition to NDIS & 100 people to self-manage their funding

• We established 6 self-advocacy groups

• BUT – there is a lot more to do!
An exciting future for

House with No Steps