

Southwest One: A Case Study in Innovative Collaboration

Necessity is the mother of invention. Faced with rising costs, an economic downturn, aging technology infrastructures, and growing gaps between service expectation and affordable delivery, three public-sector entities in the UK took an unprecedented step toward the governance model of the future: innovative collaboration. Acting alone, none of the three entities — Somerset County Council, Taunton Deane Borough Council, and Avon and Somerset Police — could afford or produce the results they desired within their existing capacities. So they joined forces with IBM to leverage their respective resources and strengths toward a common purpose. The result is Southwest One, a 10-year joint venture to transform both front-line services and back-office operations of the three entities. Transformation goals include improved service delivery, greater efficiencies, lower costs and access to advanced technologies.

The Southwest One board of directors consists of members from the two councils, the police and IBM. Working with the board, an independent chairperson is responsible for implementing the overall strategy of the project and for the integrity of the private-public partnership.

Avon and Somerset Police is the first police force in the UK to use an outside service for back-office functions. And it's the first time three UK public-sector entities are collaborating with a private company in this manner.

Other organizations can participate too, sharing in the benefits alongside the four founding partners. Southwest One has created a framework agreement that allows other agencies to join in the shared services without having to independently solicit separate tenders.

Somerset County is in the southwest of the UK. The county government, known as Somerset County Council, serves more than 500,000 residents. Taunton Deane Borough Council governs one of five districts within Somerset County, serving more than 107,000 residents. Avon and Somerset Police covers the cities of Bristol, Bath and Wells as well as the more rural areas of Somerset County and the South Gloucestershire district.

After months of negotiations, Southwest One began providing services for the two councils in November 2007. The police department later joined as the fourth partner, with service delivery commencing in June 2008.

More than 1,400 employees from the three authorities work at Southwest One. All are still employees of the councils or the police, but they're now managed by Southwest One. There are 660 workers from the county council, 164 from the borough council and 650 from the police department.

Southwest One Improves Service Delivery in 11 Key Areas

Customer Services

- Customer Access and Contact Services
- Enquiry Offices

Support Services

- Finance
- Human Resources
- Procurement
- Information and Communications Technology
- Design and Print
- Facilities Management
- Property
- Revenues
- Benefits



Powerful Collaboration

The core of the joint venture — and the reason it's so effective — is that joining forces provides better service for the public at lower cost to government. “Where it's coming together is the way we can all benefit from the economies of scale,” said Roger Kershaw, corporate director of resources for Somerset

“Southwest One has to hit certain performance targets, and they’ve met all of those.”

Adrian Gladstone-Smith, performance manager, Taunton Deane Borough Council

County Council. “Together we can afford a better quality and higher-impact service than we could all afford individually.”

Although it’s early in the life of the 10-year contract, the shared services business model has already shown strong results. The councils and police are already seeing greater productivity and lower costs. Southwest One has also won the praise of auditors. In presentations made by the Audit Commission and accounting firm Grant Thornton, the Somerset County Council was commended for arrangements established to secure value for money with the partnership, the robustness of their client arrangements and the thoroughness of the procurement process.

With IBM’s expertise in streamlining business processes, the Southwest One partners are more efficient in a number of areas. Improvements include less bureaucracy, more electronic workflows with decreasing paperwork, and greater ability to share information with other organizations. There are more first-time fixes within the call center, with fewer instances of citizens needing to be called back before getting the information or help they need. There are also internal IT improvements; PCs are being repaired more quickly and system availability is higher than before.

More improvements are expected in the future as standard processes and automated workflows are adopted. Operating costs are expected to decrease, while mobile workers will have greater access to information and networks. And citizens will have better access to online services.

Progress thus far has been good. “Southwest One has to hit certain performance targets, and they’ve met all of those,” said Adrian Gladstone-Smith, performance manager of Taunton Deane Borough Council. The councils review performance against the targets. Operations are going well, and there’s much optimism for the future.

The agencies appreciate the input from such an experienced partner as IBM. “It stimulates our organization into new ways of doing business,” said Kershaw. “The IBM specialists are there to really challenge the organization into different ways of thinking.”

Multiple Effects

Several key drivers brought the three agencies into the joint venture. One of the biggest was the desire to transform the way they deliver services. They were looking for more efficiency, lower costs and better service for the public. Budget constraints made all these things critically important.

Key Benefits for Southwest One Partners:

- Guaranteed lower costs.
- Savings reinvested in core mission.
- Economies of scale.
- Streamlined processes.
- Improved customer service.
- Economic development for the region.
- Job security.
- World-class expertise and technology from IBM.

“We were supporting about 190 different systems within the organization,” said Kershaw. “The cost and the time taken to make those interact with each other to become a central database were huge. We needed to get better at this.”

Coming together and sharing services was the answer, but there is much more to Southwest One than that. An additional aspect of the venture is its plan to improve economic development for the region. That includes a business incubation program, a new marketing strategy for the area, and IBM bringing in 200 people to work in the region. All four partners want to foster economic growth in Somerset.

There’s also job security. The employees being managed by Southwest One are assured a job for the life of the contract. That should result in higher staff retention and more satisfied employees. Employees are also excited to be working with the new technology and processes that IBM brings to the venture. Overall, there should be many new opportu-

nities for workers within Southwest One and the surrounding communities.

Cost savings will be significant. Total savings in all areas for the three government agencies are expected to be 376 million pounds (\$553 million) over 10 years.

The contract calls for *guaranteed* lower costs for service delivery. IBM knows it can lower costs for the partners' processes, so all three government agencies come out ahead. So do citizens.

"It's about transforming the way we do business, and transforming the services to the communities of Avon and Somerset by doing them in a more cost-effective way," said Tracy Hayler, chief superintendent of Avon and Somerset Police. "And it allows us to save money on some of the back-office work, so we can invest that money in front-line service delivery."

Officials from all three authorities are excited about the transformation and what it means for the future. There are seven transformation projects that will be completed within the first two years of the contract, making significant changes to traditional processes. Southwest One is setting up a new, comprehensive enterprise resource planning platform. There will be a new system for customer relationship management. The new procurement process will revolutionize the way things are done in that area. Southwest One is also creating and operating a shared services center for the three government partners. These transformation projects will result in higher efficiency and lower costs.

Citizens Win

Although there will be some cultural change along the way, it's going very smoothly. "I think there will be a culture change because you have the public sector obviously meeting the private sector. If we can take the best of each, we will come up with a much more efficient model," said Gladstone-Smith of Taunton Deane.

Collaboration between the two councils and the police in Southwest One has helped them work together more smoothly on other projects. It's a positive development for all authorities — and the public. "I'd say it definitely has helped relationships," said Gladstone-Smith. The joint venture model could work for all kinds of government. It's flexible and scalable. And there are significant opportunities for those coming later to benefit from the groundwork that's already been laid.

For the police, joining Southwest One is a bold step forward. "It's really exciting for Avon and Somerset, but also for UK police services," said Hayler. "There's a lot of interest from other forces about what we're doing. The police generally have had tightening budgets and increasing demands. For us, we wanted to do something unique and different. This is a real catalyst for change for us."

By improving back-office processes and cutting costs, resources are freed up for more front-line policing. Officers spend less time doing paperwork and more time patrolling the neighborhoods. Citizens will have better access to police services. And with improved processes, the force now has a better working environment for its employees.

IBM's global research and development experience is helping the police improve and upgrade several of its systems. A major part of the effort is focused on better customer service. "We're going to create a customer service infrastructure that really improves the access and quality of the experience of the people



"It's really exciting for Avon and Somerset, but also for UK police services. There's a lot of interest from other forces about what we're doing."

*Tracy Hayler, chief superintendent,
Avon and Somerset Police*

when they interact with the police and the other public services,” Hayler said.

The goal is to bring a more consistent approach to each interaction with a citizen, whether it’s at a police station, with an officer on the street or on the phone. The police force wants every interaction to be a high-quality one. That will lead to better police work and a more satisfied public.

Collaborating for the Future

“We hope to co-locate all of the public agencies that help with the quality of life issues that really cause people anxiety,” Hayler said. “We want to bring together police station officers; housing, benefit and welfare offices; and all the public-sector organizations that deal with the quality of life, and put them all in one place using shared technology.”

The aim is to provide quick answers for citizens coming in with questions or problems, regardless of which agency they approach. That can happen because each agency will have access to information from other agencies. “It’s building services around people, and tailoring the services to the people by really taking partnership-working to another level,” said Hayler.

IBM is also helping the police on a new accommodations strategy. Many of the department’s buildings are very old and are no longer suited to today’s police work. IBM worked with the police on a strategic plan to make better use of the existing assets and identify options for building new ones based on operational requirements.

IBM learned all it could about the police’s needs and put together a detailed proposal. It was a 14-week process, with consultants looking at 70 buildings. “That’s been fantastic,” Hayler said. “It’s a huge piece of work, and it’s been very well received. Now we’re just going to work through it and see how much of it we can implement.”

Future plans for the police could include smart surveillance, crime information warehousing, speech-to-text translation and more mobile communications for patrol officers. More mobility is something the county is also planning, said Kershaw. “We’ll provide that technology,” he said. “It’s already out there, and it’s something we want to accelerate. Having a partner like IBM — someone who does this as a matter of course — is going to be tremendously helpful in rolling this out.”

More mobile technology will add to an improved quality of life for employees. With the ability to access data and systems from home and other locations, employees such as police officers or social workers will spend less time driving in to the office to do paperwork. That also means better service for citizens.

That’s yet another example of Southwest One improving things for everyone involved. Will other councils join similar partnerships in the future? Those involved in this project say “yes.” Gladstone-Smith is one of many believers. “I think the other councils will look and see how successful this partnership is,” he said. “Once they are confident that it’s successful, I think you will see a lot more councils doing it.”



“Having a partner like IBM — someone who does this as a matter of course — is going to be tremendously helpful in rolling this out.”

*Roger Kershaw, corporate director of resources,
Somerset County Council*