



'The pursuit of operational excellence: people, automation and technology'

Operational Excellence Roadshow

presented by Public Sector Network and Appian

May 2023



I was honoured to be a part of this event hosted by the Public Sector Network, in collaboration with Appian. It brought together industry leaders and practitioners from government agencies across the entire country and explored operational excellence, a theme I'm passionate about.

We learnt that operational excellence requires a receptive culture, flexible management and empowered employees who can contribute to finding solutions.

And it's not always easy.

At Appian we believe process automation is a crucial tool for achieving and sustaining operational excellence. It can enhance citizen experiences, free up staff from routine compliance burden and enable them to focus on higher-value, empathy building activities. Automation should not be seen as merely making processes more robotic or digital; it requires a human-centric approach to achieve the greatest value.

The journey towards operational excellence is a continuous one, with organisations at various stages of maturity. It starts with identifying the catalyst for change and leveraging technology to drive efficiency and collaboration. Breaking down silos and fostering a culture of organisation-wide communication and collaboration are crucial to overcoming challenges and achieving sustained value.

Speaking to industry leaders, innovators and agency managers during the road show, I gained valuable insights into the priorities challenges, and drivers of success in the pursuit of operational excellence in the public sector, and discovered that they are many and varied. You can learn about these challenges and successes in the following pages. I truly believe the way in which the challenges have been overcome is a testament to the commitment of these organisations to be laser focused on operational excellence so that it delivers against their organisations' core missions.



Kal Marshall

*Regional Vice President,
Public Sector, Appian*

Executive Summary

OpEx – the pursuit of excellence

The pursuit of excellence is very likely the goal, or at least one of the top two or three goals of any service organisation. Most businesses, government agencies and service providers wish to be the best that they can be in their chosen field, and want to pursue their efforts in the most efficient and effective ways. In modern parlance, this desire for excellence is referred to as Operational Excellence, or OpEx, which is essentially a quest for continuous improvement across the entire business. It means that all employees are duly invested in the culture of improvement and that everyone feels equally empowered and enabled to find solutions to any problems that may arise.

Continuous improvement and the pursuit of excellence might seem like no-brainers for most organisations, since delivering services or products in the best possible way is the reason why most of them were set up in the first place, but to really achieve OpEx, the organisation needs to have a receptive culture and management, and needs to be willing to be flexible and agile. ‘What’s simple in theory is often more complex in execution. And with the speed at which our world is changing, businesses need to adapt and evolve quickly... Continuous improvement is about taking an iterative approach to improvement that adds more value over time. It’s an all-hands-on-deck philosophy that builds ownership, boosts innovation, and creates incredible customer experiences.’¹

With this in mind, the Public Sector Network, together with Appian, held a roadshow in May 2023 that brought together some of the greatest thinkers in this field from across Australia, as well as practitioners from a diverse range of government agencies. The following paper is a summary and highlights report of some of those presentations and findings, and an expose on the relevant issues in OpEx and continuous improvement from across the country.



¹ <https://appian.com/blog/acp/process-mining/continuous-improvement-process-explained.html>

Automation and excellence

One way of achieving excellence in our modern world is through the process of automation. From an Australian government perspective, an independent review into the Australian Public Service (APS) in 2019 found that ‘automation and digitisation can improve the experience for people interacting with the APS in areas such as grants and payments. It may also free employees from routine tasks, enabling them to spend more time on customer facing roles and other higher value activities... Automation and digitisation should deliver better quality and more personalised services for Australians and will create opportunities for APS employees to build new skills and take on new roles.’² Stewart Munro, the Assistant Secretary of Corporate and Financial Services at the Federal Department of Health and Aged Care, says this is a “pretty forward leaning statement,” and that it will require not only a “call to arms around our end-to-end process,” but also a rethinking “of our people strategy.”

Since then, the APS has released a 2025 workforce strategy which ‘represents an enterprise-wide view on how to equip the APS workforce to tackle immediate and emerging challenges, and highlights three key areas of focus through to 2025: Attract, build and retain skills, expertise and talent; Embrace data, technology and flexible and responsive workforce models; and Strengthen integrity and purposeful leadership.’³ Stewart Munro says that this is the “starting point” and shows that the federal government has been “on this journey for quite a while.” Whilst these are “some key guideposts, we’re still looking at furthering our thinking around this.”

To that end, a survey conducted across Australia and New Zealand that asked participants about their views on some of these matters. As **Figure 1** shows, when asked about their priorities for the next 12-18 months in the operational excellence space, the results were quite evenly spread across all four options, though People and Change Management scored slightly higher, whilst Automation/Technology scored the lowest, but by just a few percentage points.

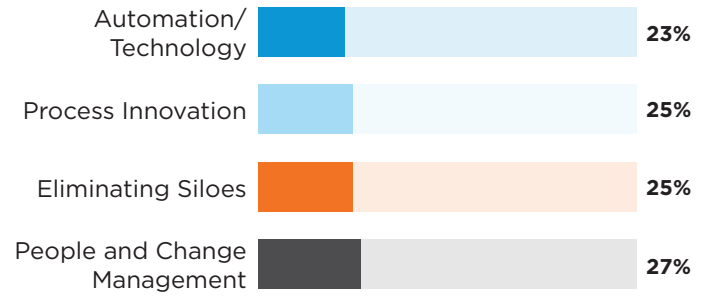


Figure 1: Aggregated results of priorities for the next 12-18 months

In many ways, these figures are in keeping with the overall thinking in this field. Stewart Munro says that any automation process needs to be inclusive and part of a bigger picture. For instance, automating isn’t around making a system or a process more robotic or digital. “It is about changing the people processes, and then looking at the technology.” In fact, most definitions of OpEx say that it necessarily needs to start with a culture shift, so that everyone is committed to the same goals and the same level of excellence in customer experience as well.



² <https://www.apsreview.gov.au/sites/default/files/resources/aps-review-priorities-change.pdf>, p. 11

³ <https://www.apsc.gov.au/initiatives-and-programs/aps-workforce-strategy-2025>

People versus technology

Service delivery at its essence is about providing people with the assistance that they need in the most efficient manner. This means that no matter the circumstances, the technology or the environment, customers still need to receive what they ordered and they need to be as satisfied as they can be by the service with which the delivery came. Throughout history there have always been improvements, and the current digital and technological age is just one in a long line of such upgrades. Whilst automation is vital and inescapable in most industries, not everything can be automated, people will always be the focus, and anyone working in service organisations needs to be aware of this.

Kal Marshall, the Regional Vice President for the Public Sector at Appian, takes it a step further and says that “empathy is the strongest business driver for a lot of what we do.” After all, Appian is a software company that builds applications with clients in real-time with a low code platform. This essentially means “we allow government providers to build really complex things very, very quickly with a unified set of tools,” sometime 10-15 times faster than with other high code solutions. In the case of one land acquisition company for example, they had 450 homes that they had identified for bulldozing ahead of a new highway. With a staff of 19, it would typically take them a year to process 50 to 80 of these acquisitions, but they had a build-up of 450 so they asked Appian to create a processing solution to speed up practice. Twelve weeks later they had a low code solution that allowed them to assess all 450 cases almost instantly, with no extra staff or equipment required. In fact, according to

Kal Marshall, “the team leader reported that they now do it with empathy. They’re not just writing a cheque but they’re helping people find a new home because they now have the time to do so, because the process is so automated.”

Automation however is not always the solution for every situation, and sometimes technology moves too quickly. The prime example of this right now is Chat GPT, which can be a useful tool for providing assistance with research and writing, but it will never be a human replacement and people will always be important. Gillian Gardiner, the Executive Director of Innovation Operations at the Queensland Department of Tourism, Innovation and Sport, says that Chat GPT and other similar forms of AI have “really disrupted processes and systems, particularly in the last six to twelve months,” but at the same time, “it doesn’t know what it doesn’t know.” What this really means is that the potential that AI has to be of assistance, especially in the public sector, is significant. “It’s greatest benefit is speed, and AI algorithms can analyse vast amounts of data to identify patterns, trends and insights. It can even predict outcomes and anticipate trends.” But it is extremely important to note that “it is often full of flaws and errors. It gets you started but it will always need a human to cast an eye over it and make sure that it is hitting the right points.” Therefore, whilst AI and tools like Chat GPT can be useful, they should only ever be “an assistant, but not something that can be relied on solely.” These tools can “help us do our jobs better, and they are about enhancing our capability, but not about taking our jobs away from us.”



Enhancing capabilities

The concept of technology being used to enhance capability and speed up processes should be the mantra for using technology in the first place, especially in the public sector. The Australian government has released a strategic vision to become a world-leading data and digital government by 2030.⁴ Stewart Munro from the Department of Health says that to get there, “we need to think about what does that migration path look like and how do we invest now in a modular way to be future-ready and avoid technical debt.” In the health industry, this is often about pushing into digital automation in a slow but measured way, and though the pandemic was a chaotic time for that, it proved that it could be done and is now seen as a catalyst. Eventually it will be about embedding technology in such a way that it becomes a natural part of the process. After all, most experts agree that the technology is the easy part. OpEx should start with a culture shift towards greater engagement because it is people that should be at the centre of everything that any department or agency is engaged in. On that note, as **Figure 2** shows, when asked in the survey about what people believed to be the fundamental driver of success in operational transformation, the majority chose The skills of your team and power of people, and this far outscored both Excellent and efficient process design and Fully-utilising the right fit technology.

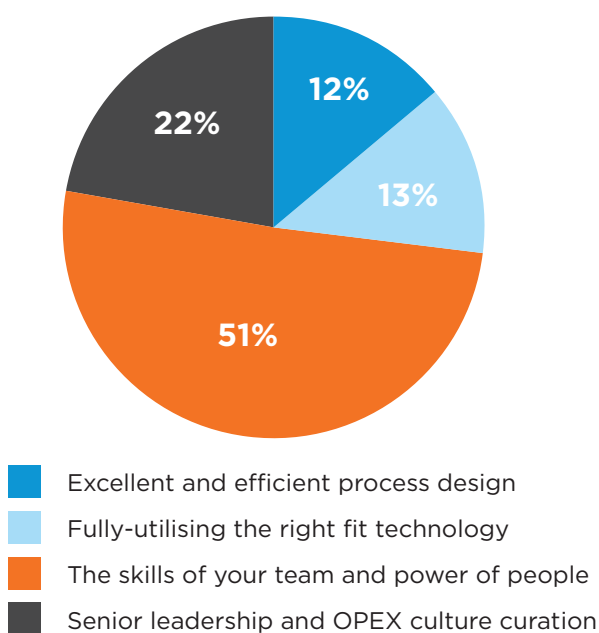


Figure 2: Aggregated results for the fundamental drivers of operational transformation

As Stewart Munro says, in a government department in particular, “the real genius comes from the lower levels, from people who know the processes absolutely backwards, but seldom have the connections or opportunities to contribute to the strategic vision.” Those are the people that need to be targeted during any kind of operational transformation because those are the people that bring a lot of value to the organisation. They need to know how to use all of the technology and what it is all for. As such, in the Federal Department of Health and Aged Care, they are investing in automation and other technologies, but with a real people focus.

To phrase it another way, Kate King, the Head of Data Operations at New Zealand’s Ministry of Business, Innovation and Employment, says that there are some people in every organisation who are “rock stars, but they don’t always even know why. It’s because they have certain unconscious capabilities.” Those are the people who simply understand how something should be done and can go away and do it. It’s inherent and natural for them. “You can’t train for that and you can’t train personality, but you can train the conscious capabilities - the ones that some people call weaknesses or gaps but I call opportunities.” Some people, no matter how much training they do, will never be able to learn certain things. It’s like they have a learning blockage. “Your decision as a leader therefore, is to decide whether it’s a problem enough to move them to another role - not to get rid of them - or to try to train and mentor them in the thing that is giving them grief.” Figuring out what people are driven by and what their conscious and unconscious inefficiencies are will greatly assist in transitioning to any new platforms, processes or systems. In fact, “that is what OpEx leadership is all about: you start with the people that you’ve got, and you figure out how you can prioritise and deliver to them what they need for the benefit of the bigger picture.”

The transformation journey

Every organisation that is committed to transforming to a standard of excellence is probably already somewhere along that journey, whether fully mobilised with the transformation embedded, or just at the beginning of the processes, still identifying areas for improvement. When asked about where they were on their journey, survey participants were generally at the beginning, strategising or in-flight, as seen in **Figure 3**.

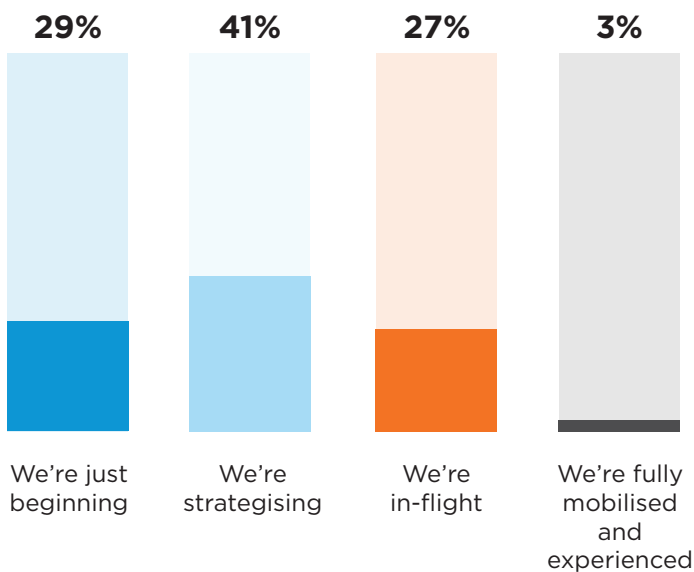


Figure 3: Aggregated results of OpEx journeys

Kal Marshall from Appian says that these results are absolutely typical of what they see across almost every industry. Some organisations will remain in the strategising or in-flight modes for a long time, in part because “for some, transformation happens all day, every day.” The real question is what was the catalyst or what was the question or issue that needed to be solved in the first place? Most Appian customers begin their journeys because they “need to get a problem fixed really quickly,” and sometimes it just starts with one problem and then exacerbates from there. For instance, the University of South Australia had one issue. “We’ve now built over 100 applications for them,” so they are continually in the midst of a transformation to some extent, but as a large organisation, it works for them. However, there are others that have all but completed their journeys or aren’t even on the pathway, but simply want

one element extended or upgraded. There are also others who have almost completed their journey but are missing one element, which is the unification of all their applications. This is “where you really start to join up the silos and see what’s possible, especially in larger organisations, to work effectively to generate new systems.”

As a tangible example of a catalyst for OpEx, Judith Formston, the Deputy CEO of South Australia’s Department for Infrastructure and Transport, says that in a sense, they had “a perfect storm.” For a variety of reasons, they were forced out of their Adelaide CBD building and had to find and then move into a new one. This was just before the pandemic, and although they didn’t anticipate working-from-home arrangements, they did want to create a more flexible working environment. Moreover, the opportunity to move also gave them a chance “to improve our office technology, which included the move from hard drives to laptops.” Flexible working also enabled and resulted in “improved digital tools,” as well as a desire to reduce paper.

The strategy and process to deliver all of the elements they were after was long and complicated, and they didn’t even necessarily call it an excellence seeking project, but “the overall outcome of our program was to have a mobile, agile and flexible workforce which was supported by the streamlining and integration of processes, and the implementation of digital tools and enhanced technology.” On top of that, the way the whole department worked was transformed. “Our department is more mobile and flexible with a much better equipped workforce. There is a capability for staff to work anywhere, anytime, with greater collaboration and the breaking down of silos has really increased. We also have removed duplication and cost.”

Obstacles and challenges

The reason why most organisations have not completed their transformation journeys or may never even do so is either because they are constantly transforming, or more likely, because of challenges and barriers along the way. When asked therefore about those obstacles, survey participants identified a wide range, as shown in **Figure 4**.

With silos identified as one of the biggest challenges for survey participants, Dr Shikha Sharma, the CIO, CDO and Director of Business Improvement Technology at South Australia's Department of Human Services, says "silos are formed when employees don't understand what the organisation's vision is." This is because in essence, silos "separate employees into individual groups" and these groups start competing with each other "because they don't know exactly what everyone in the department is trying to achieve together." This was a major issue in their department, but they have started to reduce the silos by "aligning the business goals, focussing on the value to the community and our operating model, and enhancing communication and collaboration across the organisation."

Unsurprisingly, focussing on this one area has actually helped in other areas too, and a large part of it stemmed from a similar survey that they conducted with their employees. Once challenges or barriers were identified, "a lot of ideas were generated from the employees about ensuring they work towards a unified vision and reducing the silos across the organisation." Some of the other employee ideas were about optimising software licenses, new ways of rostering and an overall improvement in the way technology is used. Ultimately, it has all been about working towards the same vision and ensuring that all the back-end processes work as best they can in order to "make life better for people across the South Australian community." That is the purpose for the Department of Human Services in SA and should be similar to the purposes of all other public service organisations.

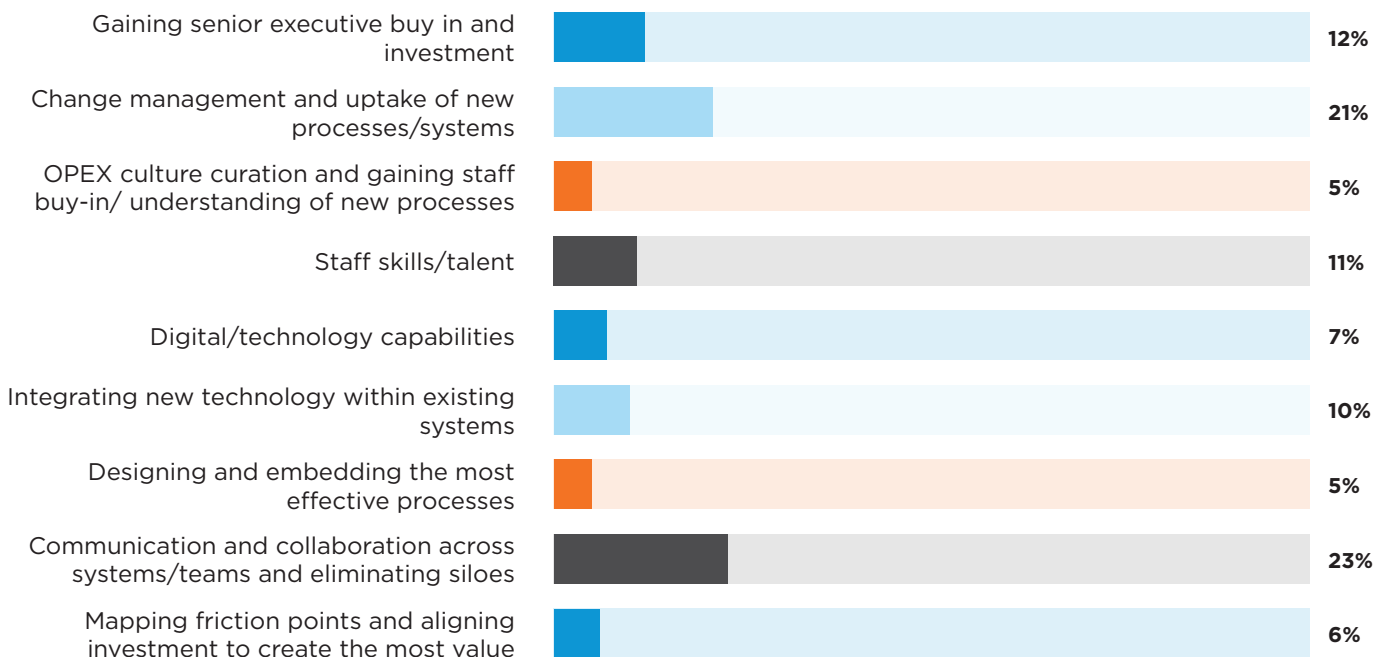


Figure 4: Aggregated results of biggest challenges

Lessons learned – Bringing it all together

Many departments embark on transformation journeys for a range of different reasons, as we have already seen. Whilst for some, these kinds of journeys are common or ongoing, for others they are very rare and unique. Daniel Ramos, the General Manager of Solution Delivery and Operations at the Australian Competition and Consumer Commission (ACCC), says that over the last three years – during the pandemic – they conducted a major digital transformation. Not only was the timing not ideal, but as an organisation, they had never done something like this before, so the whole operation was “fraught.” But at the same time, they have now achieved a certain level of operational excellence and are a better agency for it. Along the way they have also learned and implemented three lessons, that are likely applicable to other agencies and across the board:

- Senior stakeholders – “Don’t underestimate the challenge of doing something new and the importance of gaining trust and building credibility with senior stakeholders.”
- People and culture – “If you treat people fairly and with respect, trust them and empower them to do their best work, lots of good things happen.” There were issues that surfaced and not everything went smoothly, but in a trusted environment, “people are not afraid to innovate and share their perspectives or opposing views, resilience goes up, especially when things don’t go well, and because everyone’s working as one team, silos also start to diminish.” Sometimes this can lead to inclusion and diversity blind spots and AI still has a long way to go in this area, but if humans are aware of the issues, they can continue to monitor them and include everyone.

- Technology – “Everyone in the team needs to understand that the characteristics of the public often differ in some ways from the corporate world.” In the public sector, everything needs to be not only agile, but more adaptable than in the private sector, which is hard for some people to comprehend. Plus, “cybersecurity is more important than everything else combined, at least right now. There is currently a heightened sense of unease and sensitivity.”

In line with these lessons, Kal Marshall from Appian reiterates the point that automation is not the panacea of every agency or organisation. Automation alone won’t solve existing legacy or cultural problems, and that digitisation is not an end unto itself. However, if processes are automated from an end-to-end perspective and if the automation becomes embedded and leveraged, then not only will it enhance the current digital platforms, but it will also make the process for customers “much more usable and engaging.” That of course is the ultimate goal for all service organisations – that they provide the best services in the most efficient and effective ways using all the tools at their disposal. The goal should always be operational excellence, however it can be achieved.



Featured Speakers



Stewart Munro

Assistant Secretary, Corporate and Financial Services

Federal Department of Health and Aged Care



Kal Marshall

Regional Vice President, Public Sector

Appian



Daniel Ramos

General Manager, Solution Delivery and Operations

ACCC



Gillian Gardiner

Executive Director, Innovation Operations

Department of Tourism, Innovation and Sport (Qld)



Kate King

Head of Data Operations

Ministry of Business, Innovation and Employment (NZ)



Judith Formston

Deputy CEO

Department for Infrastructure and Transport (SA)



Dr Shikha Sharma

CIO/CDO/Director Business Improvement Technology

Department of Human Services (SA)

Appian

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Appian is a software company that automates business processes. The Appian AI-Powered Process Platform includes everything you need to design, automate and optimise even the most complex processes, from start to finish. The world's most innovative organisations trust Appian to improve their workflows, unify data and optimise operations—resulting in better growth and superior customer experiences. For more, visit: <https://appian.com/>



About Public Sector Network

Public Sector Network is a research company that represents public sector professionals across Australia, Canada, New Zealand, and the USA. It develops roundtables, seminars, and conferences to suit current areas of interest to government agencies and their suppliers.

PSN's growing community spans across federal, state, and local government departments, healthcare, and education, allowing members to share information, access the latest in government innovation, and engage with other like-minded individuals on a secure and closed-door network.

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