The 'Data Hut'© Project:

The Alternative to Outsourcing and Offshoring

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The Data Hut Project

- Background

- Concept

- Data Hut Implementation

- Outcomes

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- Arena Housing Association
  - Registered Social Landlord
  - Ambitious
    - Doubled in size
    - Aim to double again in 5 years
  - Top performer
    - Seeking to sustain position
    - Challenge to improve efficiency
    - Income constrained by legislation
  - Challenge to increase operating surplus to:
    - Support improved services
    - Meet 'Decent Homes' standard
    - Create financial capacity to fund regeneration

Don't outsource, reinvent!

- Conventional approaches to cost reduction:
  - Reorganise
  - Drive productivity/efficiency
  - Outsource services
  - 'Offshore' services
- None of these meet the residents needs

- Residents needs:
  - Faster service
  - More responsive
  - More 'ownership' of the process
  - Greater control and responsibility
  - Controlled costs
  - Ultimately – better places to live

Don't outsource, reinvent!

- Why not outsource?
  - Outsourcing doesn't 'solve' the problem, it moves it
  - Outsourcing 'exports' the inefficiency to someone else
  - Outsourcing doesn't , generally, make the service better
    - 'Call centres moving back to the UK'
      - » Daily Telegraph, 17/9/06
  - Outsourcing, usually, imposes an additional 'cost' on the service user/consumer
    - Time, inconvenience, poor understanding

- Reinvent? What does THAT mean?
    - Thinking informed by 'Managerial Cybernetics'
    - Redesign the work so that it no longer needs to be done!
    - Exploit the power of 'Information Technology' to do the work for you
    - Place the 'power' as close to the consumer as possible
    - Minimise the cost, maximise the benefit for all parties

The 'Data Hut' Concept

- The 'Data Hut'
  - An organisation 'in silico'
  - Processes embedded in software that 'runs' the process for you
    - Holds customer, property and financial data
    - A 'work' screen dynamically reflects the process you wish to follow
    - 'Ticking the box' lets the system 'instruct' the relevant person to carry out a required action
    - The 'system'
      - tracks and monitors progress
      - reports complete and incomplete actions
      - 'manages' the process

The 'Data Hut' Concept

- The 'Data Hut'
  - Obviates the need for paper processes
  - Enables direct action by Clients, Customer Service Managers and Contractors
  - Eradicates the 'paperwork' delays
  - Massively reduces administrative costs
  - Exploits the value of IT/IS investments already made
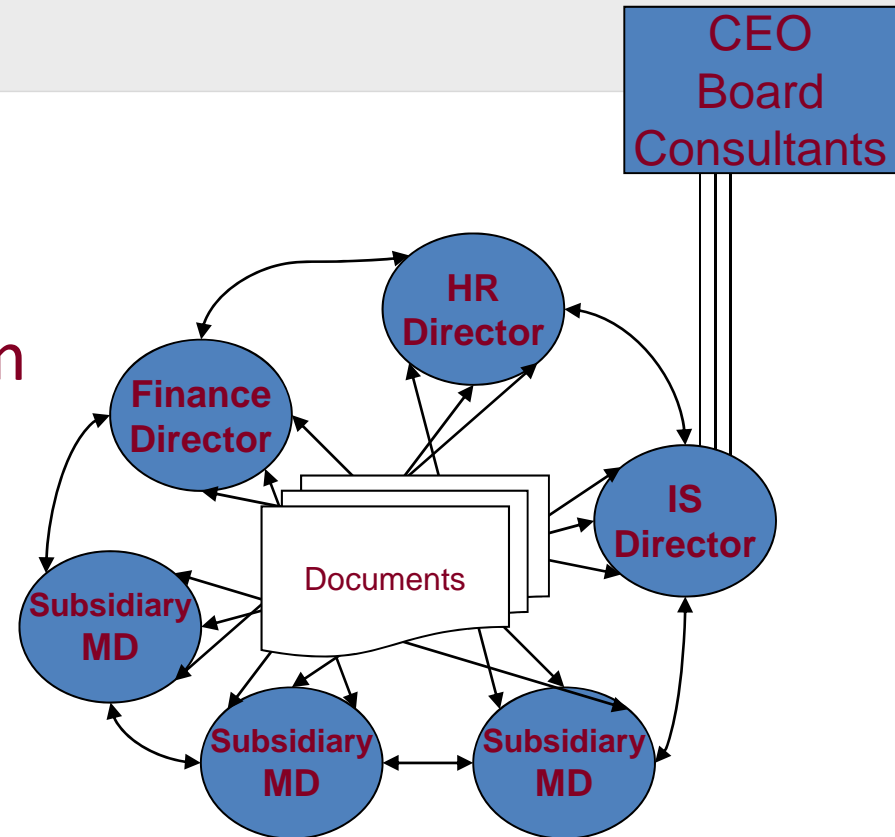- It is in effect an administrative system in a hand held computer!

'Data Hut' Implementation

- Creating the conditions for change
- Planning the project
- Technical challenges
- Realised gains
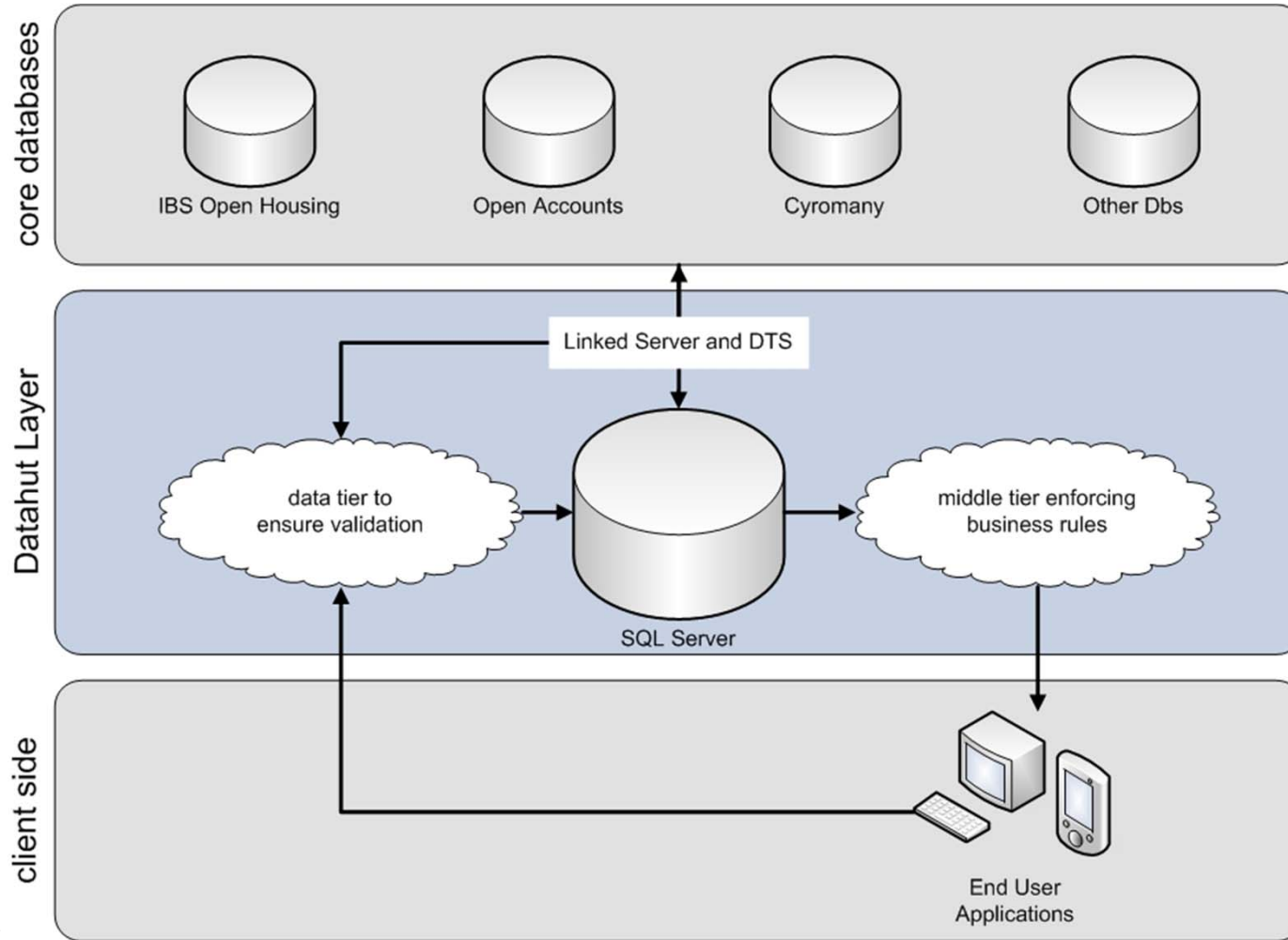- The performance spin-off!
- The Arena Information Academy.

Creating the Conditions for Change

- Independent process analysis

- Put potential savings in the business plan

- Make the project priority 1

- Document the project plan

- Communication: frequently & consistently!

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- Establish a leadership team
  - Clarify the vision & targets
  - Discuss the goals
  - Discuss roles
  - Discuss values
  - Discuss methods

- Document in a formal plan – vital!

Technical Challenges

core databases

- IBS Open Housing
- Open Accounts
- Cyromany
- Other Dbs

Datahut Layer

Linked Server and DTS

data tier to ensure validation

SQL Server

middle tier enforcing business rules

client side

End User Applications

Consultation

- Using consultants to aid project managers
- Involving the unions in the change process
- Challenging & changing behaviours
  - Mainly middle management.
  - Sell the vision

- 5% of Salary Bill Cut
- 33% of all admin costs
- 500k
  - Intelligent income management function
  - New thinking for lettings administration
  - Document imaging

Future gains

- 10% of Salary Bill Cut
- 75% of all admin costs
- £1.3m
  - Virtual Call Centre that Adds Value
  - Intelligent Asset Management Solution
  - Error free handheld solution

Arena Academy

- From techies to programmers
- From programmers to analysts
- From analysts to project managers
- A multi-skilled IT worker that can effectively implement the IT strategy of the company by leading and managing change projects.
- Reduces salary costs, re-inventing the business!

Arena Academy

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