



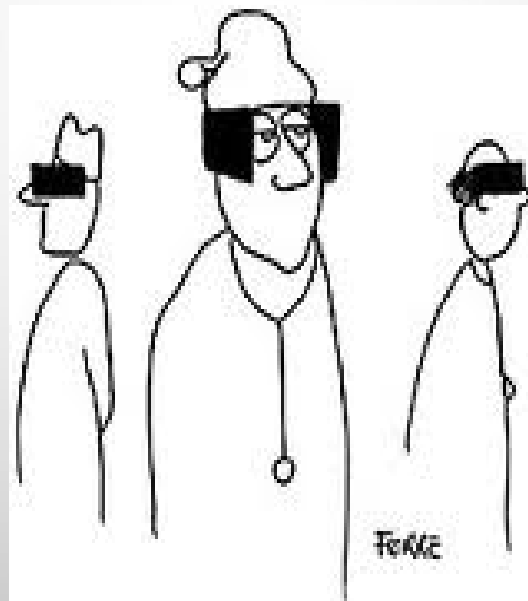
What do excellent public services look like?

The SERVICE Framework

**Professor Stephen P Osborne,
Centre for Service Excellence,
University of Edinburgh Business School,
Scotland**

The starting point...

- The *New Public Management* (NPM) was flawed in theory and has failed in practice



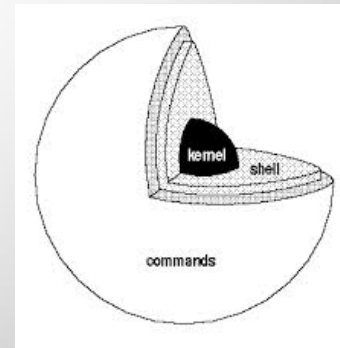
NPM: flawed and failed

- Drew upon management theory from manufacturing
- Competition limited by transaction costs
- Private sector experience drawn upon was outdated – e.g. contracting
- Intra- NOT inter-organisational focus
 - Competing organisations not service systems



The kernel of truth at the heart of the NPM...

- Public services can be provided by public service organisations (PSOs) not just the public sector
- PSOs need to be sustainable/resilient in their own right
- Contracting has sharpened up focus (at the expense of flexibility)
- NPM addressed prior poor design of PSOs and public services for short-term gain
- But service excellence...?

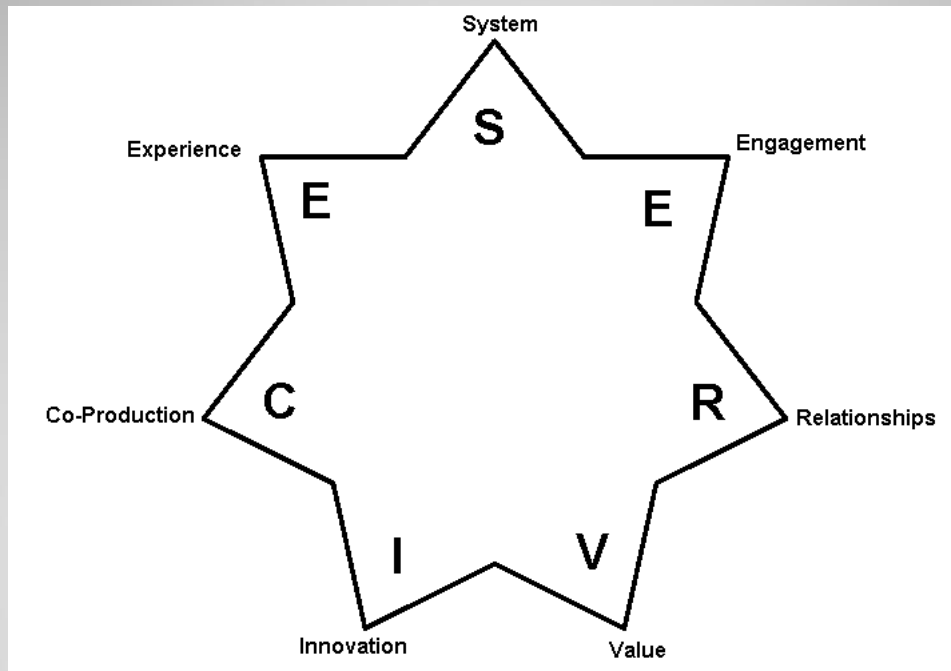


There is an alternative...

- **Public service-dominant logic (PSDL)**
 - Beyond a manufacturing paradigm to a *service paradigm*
 - Beyond the ‘missing product’ to a process focus
 - Beyond individual PSOs and networks to *public service systems*
 - PSOs, services users, significant others, local communities, hard/soft technology
 - Beyond efficiency and effectiveness to *value co-creation*

Some caveats...

- Public services do include concrete products
 - But there to support service process not in their own right
- Public services are a continuum
- All service delivery is being challenged by digital technology
- *The public and the private: 'unlike in all important aspects' (e.g. the perils of success)*



WHAT MAKES FOR EXCELLENT PUBLIC SERVICES?

THE SERVICE MODEL

**I – Excellent public service delivery is
about the governance of service
systems**



- Public services are systems not just organisations or networks and need to be governed as such
 - PSOs, service users, significant others, communities, politicians, suppliers, hard & soft technology...
 - *‘Service-blueprinting’*
 - Visual representation of the system and how it changes over time
 - Process focus with user at the centre not the end of the process
 - Front- and back-stage
 - Identify *touch-points* and *fail-points*

II – Excellent public service delivery
requires **engaged** sustainable PSOs



- PSOs need to engage in becoming sustainable in their own right
 - This is a *necessary* but not a *sufficient* condition for sustainable public service delivery systems
 - External not internal focus
 - Collaboration necessary for excellent service systems
 - Open innovation necessary for risk-sharing and excellence

III – Excellent public service delivery requires excellent **relationships**



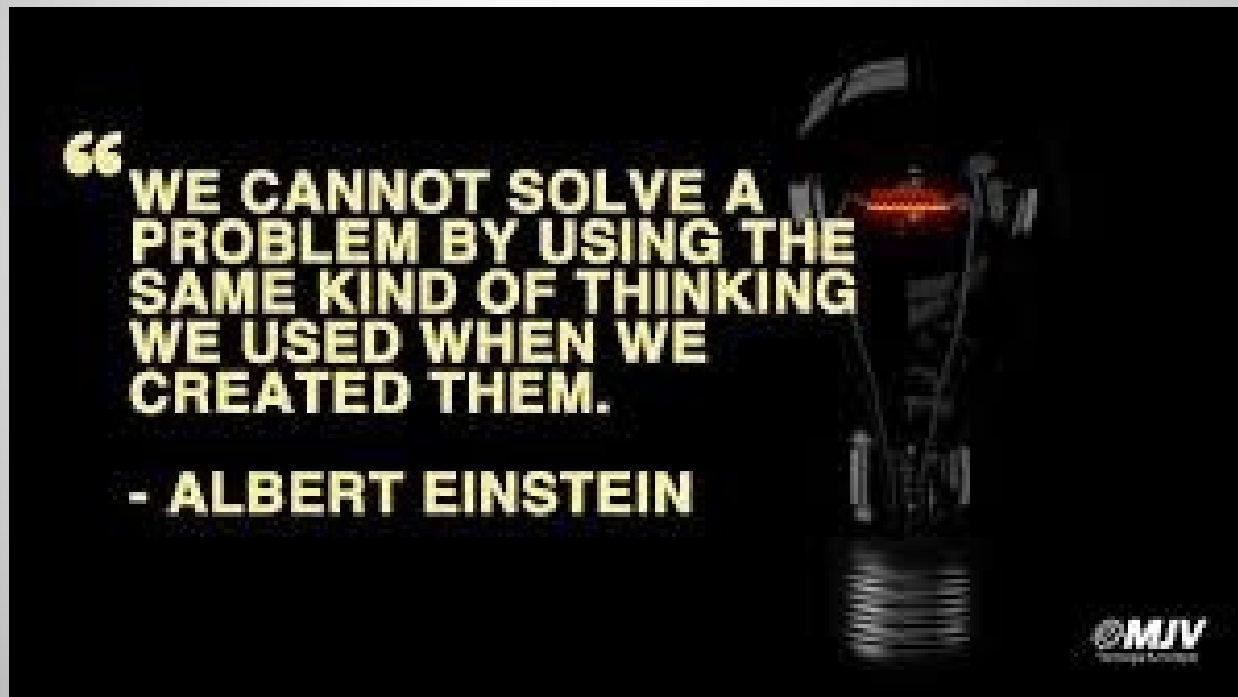
- Focus on co-creation with users and collaboration with partners
- Excellence in public service delivery is dependent on long-term relationships not short term transactional gain
 - Relationships are one of the two most valuable resources of a service organisation
 - Public service marketing has failed through short term transactional approach that values individual PSO and events not the service system over time
 - How do you make them endure – and end them when necessary
- Need to learn lessons of *relationship marketing* and *relational capital*
 - Making a reality of the public service rhetoric of *trust*

IV – Excellent public service delivery focuses on the co-creation of **value**



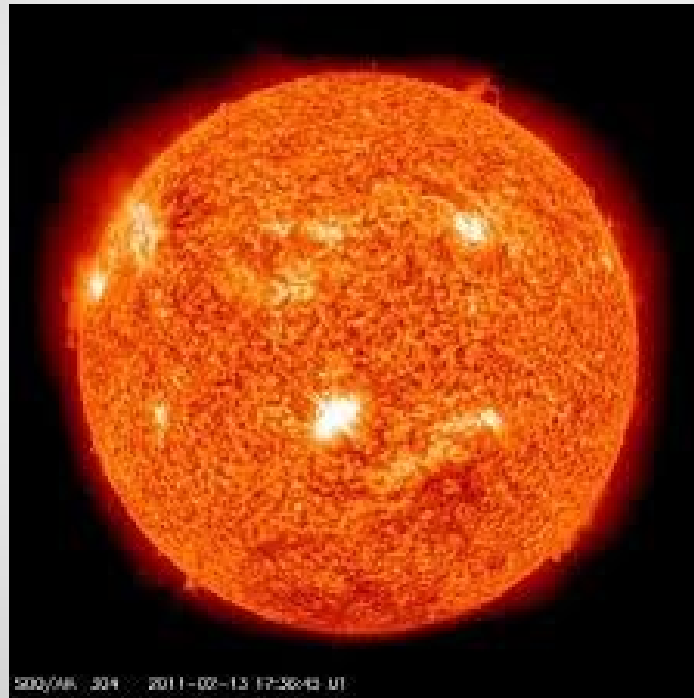
- NPM created *internally efficient but permanently failing* PSOs by focusing on internal customer value and efficiency alone (e.g. Lean)
- Core of excellence in public service delivery is the co-creation of (external) value with...
 - Without external value creation there is no point in internal efficiency
 - Co-creation is not given – co-destruction is possible also
 - Negotiate what this value is – outcomes, capacity building, dignity, satisfaction, economic...

V – Excellent public service delivery requires open **innovation**



- Product-dominant logic argues for innovation as route to competitive economic advantage in market place (inward facing)
 - Wasteful
- Excellent PSOs require open innovation to drive forward service effectiveness
 - To share costs and risks (and engage in their governance)
 - To share knowledge
 - To maximise creativity
 - To create excellent public services

VI – Excellent public services have **co-production** at their heart



- *Co-production* is at the heart of excellence
 - Not an add-on to public services but *the real deal*
 - Co-production is inalienable and core to public service delivery
 - A (public) service cannot exist without co-production
 - Variable across different public services
 - Active engagement with co-production improves public service quality and performance (oncology)
 - Engage with co-production as it occurs and use it to drive service performance, improvement and innovation (*co-production, co-construction, co-design, co-innovation*)
 - Using co-production to co-create value in public service delivery (and to avoid co-destruction)

VII- Excellent public services translate knowledge and **experience** into excellence



- The key resource for PSOs is knowledge
- Public services exist at the *moment of truth* when knowledge is transformed into service experience: expectations meet experience
- *Value is co-created by the transformation of knowledge by combining*
 - *Professional knowledge*
 - *User ('sticky'/tacit) knowledge*
 - *Contextual knowledge of key stakeholders*
- Not just a technical design task but one of negotiation and governance
 - Risk governance in public services innovation
- Role of ICT/digital technology
 - The knowledge is out there – no longer 'owned' by professionals
 - Professional task is knowledge transformation
 - Put the user and the citizen at the centre of this translation – digital technology and social media are putting them there already!

In summary: the **SERVICE** framework for excellence public services





- **S** – *focus on public service **systems***
- **E** – ***engage** in genuine sustainability*
- **R** – *work at **relationships** as a key resources*
- **V** – *focus on co-creating external **value***
- **I** – *open **innovation** is essential for excellence*
- **C** – ***co-production** is at the core of excellence*
- **E** – *transform knowledge into excellent service **experience***



***‘Its **public
service
delivery** Jim,
but not as
we
know it’***

Ilia and Ilia (Persis Khambhata)
Ilia is an early publicity shot