

# Outcomes: A new approach for policy makers and service delivery professionals

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## Introduction

“Outcomes” is an often used word in our industry—it is used to express a positive trait or impact on the recipients of social services. Unfortunately, it has become too often misused or interpreted. This IBM Cúram Position Paper, offers a new perspective on outcomes and the implications for policy makers and service delivery professionals.

At its very simplest, outcomes address the core issues that lead to disadvantage rather than just treating the symptoms. A focus on outcomes can lead to a reduction in costs for society over the longer term as people experiencing social disadvantage become active participants in society rather than long-term consumers of high cost social services. Examples include:

- Reducing long-term unemployment by helping ensure that people of all ages have the skills they need for the economic conditions of today and the future;
- Reducing crime by helping ensure young people finish school with the skills and opportunity to enter into higher education and/or move into work quickly; and
- Improving the health of people through improvements to diet and exercise and preventative health screening.

These examples share the common characteristic that they address complex and embedded issues, have long-term impact and are difficult to deal with through traditional programs. They require a new approach that integrates policy and program delivery thinking.

This IBM Cúram Position Paper proposes a framework approach that aims to deliver a new perspective on outcomes. The framework has:

- An **Outcomes Policy** component to re-orient programs to focus on addressing the social issues in society; and
- An **Outcomes Service Delivery** component to help ensure people and their families are given the greatest opportunity to achieve their economic and social potential.

Five Key Learning Points are also included in this paper to guide policy makers and service delivery professionals when adopting an outcomes framework.

At IBM Cúram, our research, our people and our products are designed to support organizations providing care and protection to society. It is after all what the word Cúram means<sup>1</sup>. In the last few years IBM extended this philosophy to incorporate the best practices in outcome management to help people achieve their economic and social potential.

## The Outcomes Framework

An Outcomes Framework facilitates a bringing together of the myriad of programs and services available from the government and the non-government sectors, to deliver meaningful societal progress. This occurs through designing programs in an outcomes policy context and then delivering them to individuals and their families through an outcomes service delivery model. Without both these components,

programs will continue to be designed to produce an output with potentially little impact on an outcome or even overlap and counter other programs. As you will see from the examples below, some governments have explored each of the components to some degree, but rarely are both components implemented and integrated in an overall outcomes framework.

### Outcomes policy

Outcomes policy sets the overall service delivery strategy that guides departments, other levels of government and non-government organizations to focus on a “Government Desired Outcome.” This is the expression of important societal issues that the government wants to address.

Outcomes policy frameworks do exist. The New Zealand Ministry of Social Development publishes a Social Report<sup>2</sup> that uses an outcomes policy framework to measure the success of social programs. It has clearly defined domains of interest and a defined statement of the desired outcome. It uses a clear set of indicators to show progress toward that outcome.

The Canadian Management Accountably Framework<sup>3</sup> provides a tool for mapping programs to outcomes. The Australian Government has a strong outcomes framework, but in reality it is aligned to a departmental model<sup>4</sup>, assuming that the outcome can be met from a single department and its programs. Until recently, the UK Government Public Service Agreements<sup>5</sup> model assumed that the delivery would be wider than just a single department or level of government.

There are five phases, described in *Figure 1*, that need to be undertaken to implement an outcomes policy. In all the phases it is essential to “Put the Customer at the Centre.” Only by doing this can governments test that they have optimized the model and helped eliminate program overlap, duplication and closed gaps in service delivery.

**Phase 1: Segment the population**

**Phase 2: Define government-desired outcomes**

**Phase 3: Evaluate service delivery alignment**

**Phase 4: Streamline service delivery**

**Phase 5: Manage and monitor achievement**

*Figure 1: Outcomes Policy Framework*

### Phase 1: Segment the population

This initial phase enables government to get a clear understanding of who they are serving by segmenting the population according to dimensions. These dimensions might include age, lifestyle, circumstances, communication preference and potentially many other characteristics. Through segmentation, customers are put at the center of service design and this forms the basis for understanding the issues of society and the needs that should be addressed by an outcomes policy. In the private sector, sophisticated segmentation models are used to meet customer needs and the technique is now embedded in product design and marketing.

### Phase 2: Define government desired outcomes

Once a solid understanding of the issues has been gained, it is possible to define the outcomes that government wishes to achieve—Government Desired Outcomes. For progress to be made, these outcomes should be specific and relevant to the group, while at the same time be achievable and measurable.

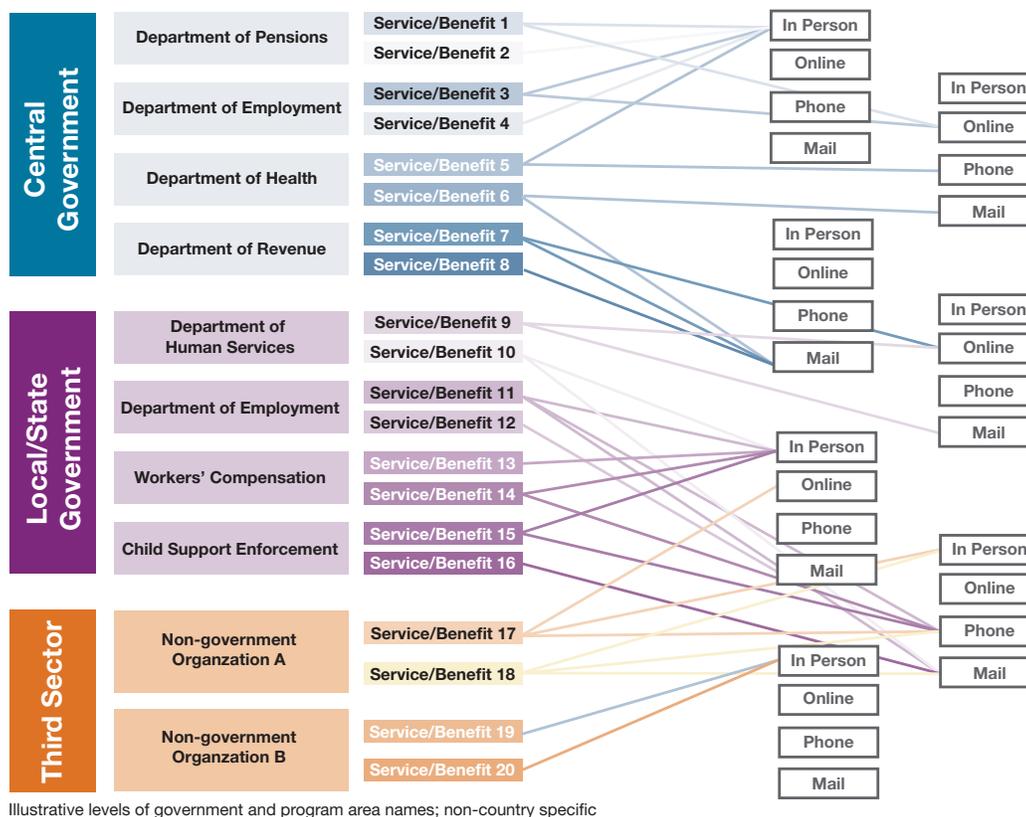
If they are over a long time period, then interim milestones might need to be defined. The whole service delivery component of the framework will be designed around achieving this goal, therefore choosing an outcome is a very important step. As per the New Zealand example<sup>6</sup> described earlier, it is important that the outcome definition is explicit and includes clear indicators to measure progress.

### Phase 3: Evaluate service delivery alignment

It is rare for all the programs relating to an outcome to be managed within a single organization or level of government. Today, the typical approach to service delivery is for services and benefits to be managed by their owning level of government and organization in a siloed delivery model.

When observed at a macro level, these silos look like a complex myriad of channels, programs and providers, both government and non-government, this is highly confusing. This typical program structure is illustrated in *Figure 2* below.

Once an outcome has been defined, this phase evaluates the existing program alignment to the outcome. Each and every departmental program, at multiple levels of government should be assessed on the contribution it makes. Having to navigate through this labyrinth of programs and service delivery channels is frustrating, time-consuming and inefficient, as service gaps, overlap and duplication inevitably exist. The next phase is to streamline the service delivery model to make it focus on the outcomes rather than the organizational silo.



Illustrative levels of government and program area names; non-country specific

Figure 2: Typical Service Delivery Model

### Phase 4: Streamline service delivery

Streamlining service delivery involves providing new models for organizing, grouping and introducing service offerings so that they can be more easily matched to the needs of individuals and their families, crossing organizational and governmental boundaries. This is illustrated in Figure 3 below.

The color coding highlights that no single outcome is met from a single level of government or a single department. This lack of synergy means that there are inevitably overlaps, duplication and gaps in service delivery.

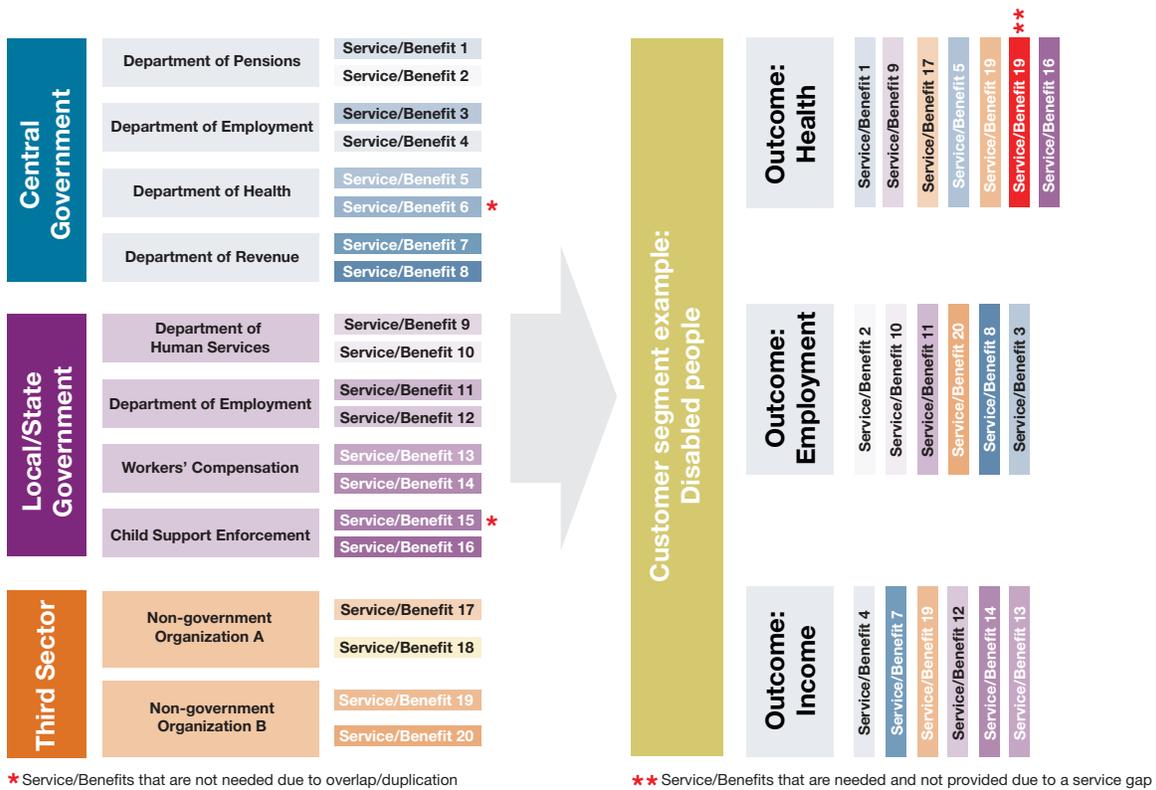


Figure 3: Outcome service map

An overlap might occur where two programs are covering similar areas. An example of this is the disability tax credit and the disability pension in Canada. Both deal with a person in a similar situation, but have different objectives. Duplication occurs where two programs have substantively the same objective addressing a similar situation. Often this can occur with multi-governmental income support programs where one program is a pre-requisite for another, but both are required to be applied for. Here integration of the programs at the service delivery level could be an approach to help reduce duplication. Finally, gaps will indicate that new programs are required.

### Phase 5: Manage and monitor achievement

The final step in the outcomes policy framework is to monitor the success of the organization's service offerings and modify as required. This is a vital stage in the process as it helps ensure the government defined outcomes are being achieved and progress in society is being made. In the examples described earlier, this has historically been the focus of central government outcomes policy. They primarily focus on the monitoring aspect. A good outcomes policy will design the service delivery model, report on progress of government desired outcomes and then redirect the service delivery model if progress is not achieving the desired outcome. This feedback loop is essential to the success of a good outcomes framework.

### Service delivery

Once an outcomes policy has been established the next step is to verify the service delivery component of the outcomes framework is in place to deliver outcomes to individuals and their families. Without a suitable delivery channel, the goals set in the outcomes policy cannot be achieved.

The service delivery component of the outcomes framework is wholly focused on working directly with the individual and the family in order to achieve their own individual outcome. It defines the responsibility and accountability for delivering outcomes to those people in need. It includes the service delivery professionals and technology that brings together the complete range of services and benefits available from government and the wider community to achieve an outcome.

There are few examples of good service delivery frameworks as many countries still operate a siloed policy, program and service delivery model. One of the earliest attempts to break that model was Centrelink in Australia<sup>7</sup> which brought together service delivery for multiple agencies. This has evolved into a broader service delivery department focused on a broad range of federally administered social security programs.

Other examples include Service Canada: A new paradigm in government service delivery which took the principles from Australia and attempted a wider outcome based government remodelling<sup>8</sup>. A more recent example is the Community Link<sup>9</sup> operation in New Zealand where various government and non-government organizations come together under one roof and have an Integrated Service Response<sup>10</sup> Framework to deliver outcomes for people most in need.

In order to achieve an outcome for the individual and their family; there are four steps that service delivery frameworks must incorporate, illustrated in *Figure 4*:



Figure 4: Outcomes Service Delivery Framework

### Step 1: Outcome identification

The first step includes an assessment of the family's strengths and needs and identifies the individual outcome or outcomes that need to be addressed. This might be a cooperative process, say for instance in a back to work outcome, or a mandatory process in the context of a child safety related outcome. In the most complex cases there might be a range of outcomes for individuals and family groups. Having a full and complete picture of the social context and each member's contribution to it is essential for the identification of outcomes.

The assessments should ideally be based on evidential best practices. Depending on the field, some evidential models exist, but on the whole the author believes that more can be done to build robust models for different fields of social services.

### Step 2: Service provisioning

Once an outcome has been identified, the next step is to decide the services that are appropriate to achieve the outcome. Where a good outcome policy is in place, service provisioning will have been designed to work contiguously with outcomes identification. Where a poor outcome policy is in place, the case worker will have more work to do to find and organize a complete range of services. Either way, the service provisioning will also identify other participants in the family's case; for instance a medical practitioner, specialist case workers or other advisors. These participants will need to be aware of their role and their contribution toward achieving the outcome.

### Step 3: Outcome planning

Once the outcome has been identified and the services to meet the outcome are selected, the next step is to develop an appropriate outcome plan. The outcome plan should be designed to be realistic and measurable so that progress can be made and monitored with all the appropriate participants clear on their contribution and with a securely managed view of the plan. For complex families with multiple outcomes, the service provisioning might overlap and the case worker will need to help ensure there is no conflict between outcomes and assess the relevant priority of services.

### Step 4: Outcome evaluation

The final step of the service delivery component is to evaluate progress in achieving the desired outcome(s). The case participants will provide input on progress toward the outcome and undertake any correction required. Once the outcome is achieved, the plan can be closed and the learning applied to the evidential base for future assessments.

### Five learning points to consider

In order to successfully implement outcomes and achieve results for people, the author believes there are five learning points to consider. If governments can make the changes necessary to refocus on outcomes and mobilize the complete spectrum of service delivery, then the author believes it is possible to impact society in a positive manner and make long-term cost reductions in social program outlays and improvements in economic performance.

#### Learning Point 1: You invest in one area and get benefits in many

This is the fundamental difference of an outcome framework to the traditional siloed program model. In an outcomes framework you invest in one area and the results will often appear in other areas, unlike the siloed program model where you invest in a single area and expect results in that area. Therefore it is essential to understand the cross program implications and impact on the business case. For example, the UK Health Service (a national program organized regionally, but not devolved to local government) is investing an additional £1 billion<sup>11</sup> a year on social care (run by local government). The new vision<sup>12</sup> for Adult Social Care services focuses on prevention and is bringing together purchasers from Regional Health Authorities and local government with suppliers to ensure that purchasers and providers are all working together; for instance to prevent the use of high cost hospital services by providing better support at home.

### **Learning Point 2: It takes time for results to appear**

Focusing on complex social problems, which typically have been neglected by traditional siloed programs, requires time to address. In many of the outcomes policy frameworks described earlier, the timeframes are between approximately 5 and 20 years. That does not mean, of course, that near term impact cannot be achieved—it can—but many of these programs aim to address embedded long term issues that have taken time to create and take time to turn around. Therefore it is essential that realistic milestones are built into the framework to show progress at a societal and individual level.

### **Learning Point 3: Service delivery encompasses a wide variety of programs and potential interventions**

In the end, the outcomes policy can only be successful if it has significant impact on the ground. What quickly becomes clear is that multiple organizations (both government and non-government) need to be involved in service delivery. Sometimes these services can be contracted by government, but in many cases the key is to coordinate the inputs from many to achieve the desired outcome. In New Zealand, the Community Links initiative unites service delivery from a wide range of partners<sup>13</sup> under one roof. In Australia, Centrelink provides service on behalf of 36 partner policy departments and other organizations<sup>14</sup>.

### **Learning Point 4: Build in incentives and/or conditionality**

One of the more challenging aspects of focusing on outcomes is that you are typically trying to change embedded patterns. Quite often these patterns can be multi-generational and conditioned from the environment surrounding the target group. Conditional Cash Transfers have been used to facilitate much of the outcome focused work that has been undertaken in the developing world and the author believes their use will spread into the developed world over the next decade. This enables income related programing to target long-term health, education and inequality issues. Where they have been used,

the results<sup>15</sup> are often startling. There has been significant impact on child growth; the decline in rural infant mortality in Mexico<sup>16</sup> for example. In Bangladesh, elementary enrollment increased by as much as 17 percent due to Food for Education<sup>17</sup>. In Colombia, secondary enrolment increased from 65 percent to 70 percent<sup>18</sup>. It is not just the developing world that is using these incentives. New York City has been conducting trials with similar programs and the early results look favorable<sup>19</sup>.

### **Learning Point 5: Re-evaluate current programs**

Often existing social programs have been in place for many years and the original purpose is no longer relevant, so it is essential to revisit and refocus them with a fresh perspective. Several governments around the world are reviewing their historical programs to determine if they are still relevant.

The recent benefit review in the UK is a good example<sup>20</sup>. The complex and often overlapping income support programs have evolved in such a way that the Coalition Government has identified two key problems with the current system 1) work incentives are poor and 2) the system is too complex. A new Universal Credit<sup>21</sup> aims to reform the multitude of overlapping and inter-dependant income related programs, simplifying them, ensuring that work pays and that the withdrawal rate of the combination of benefits does not create perverse incentives. Already historical programs have been heavily modified to focus on outcomes such as changing the eligibility model of disability benefits<sup>22</sup> from asking “Are you disabled?” to “What work can you do?”

In Germany, the government response to the recession was not to increase or extend unemployment benefits, but to redirect current programming to encourage employers to keep skilled staff by subsidizing the employment<sup>23</sup>. Not only was this less costly than redundancy and unemployment benefits, but it allowed employers to respond quickly to any upturn in demand.

## Do you want to learn more about delivering outcomes?

IBM is able to help your organization understand how to deliver outcomes. The following workshops and briefings are available:

- The need for an integrated outcomes policy. This is a half-day workshop targeted at senior management and policy makers. It is product agnostic and focuses on the policy implications of embarking on a path to outcomes.
- *Outcome service delivery enablement*. This is a half-day workshop focusing on the implementation of outcome management. It describes the principles of how outcomes are delivered to individuals and shows how IBM Cúram has implemented this in product. This workshop is targeted at senior business and IT professionals that have responsibility for service delivery outcomes.
- *IBM Cúram Outcome Management Product Briefing*. This is a briefing on the inner workings of the Cúram Outcome Management product and how it can help organizations deliver outcomes for individuals and their families.

For more information on these and to book your workshop or briefing, please contact your local IBM representative.

## Footnotes

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- 7 The Centrelink Experiment by John Halligan and Jules Wills, available at: [http://epress.anu.edu.au/titles/australia-and-new-zealand-school-of-government-anzsog-2/centrelink\\_citation/pdf-download](http://epress.anu.edu.au/titles/australia-and-new-zealand-school-of-government-anzsog-2/centrelink_citation/pdf-download)
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