"The European Union's DCI 2012 National Programme for Kazakhstan"

Kazakhstan Regional Development

Improving public sector performance with Business Process Reengineering (BPR) Introductory Guide

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Disclaimer

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List of Abbreviations

BPR	**Business Process Reengineering**
CPA	**Center for Performance Assessment of Public Bodies (ERI)**
EK	**East-Kazakhstan region**
ERI	**Economic Research Institute**
EU	**European Union**
G2G	**Government-to-Government**
ICT	**Information and Communication Technologies**
KO	**Kyzylorda region**
MNE	**Ministry of National Economy of the RoK**
MO	**Mangystau region**
OECD	**Organisation for Economic Cooperation and Development**
SIPOC	**Supplier, Input, Process, Output, Customer diagram**
UK	**United Kingdome**
UNDP	**United Nations Development Programme**

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1. About the Guide

1.1. Introduction: Improving public sector performance with Business Process Reengineering

Governments everywhere are under pressure to improve public sector performance and at the same time contain expenditure growth. While costs such as healthcare, education and social security are increasing budgetary pressures, citizens are demanding that governments show improved efficiency and effectiveness in how they use taxpayer funds. Some governments are also facing revenue shortfalls due to falling global commodity prices. Kazakhstan faces all of these pressures like many countries around the world.

There is no single approach to meeting these challenges. Governments have employed decentralisation, institutional restructuring, one-stop-shops and e-Government. They have also created competitive pressures and introduced results-oriented approaches to budgeting and management.

Another method of meeting these challenges for improved efficiency is using Business Process Reengineering (BPR) to improve public services. BPR is a global term for an ongoing effort to improve the efficiency, effectiveness and quality of products, services and processes within a business or public institution; identifying and removing unproductive activities and focusing resources on more productive activity.

Figure 2: Video Link - Oleg Sek (CPA) on the benefits of BPR

Done correctly in the public sector, BPR can deliver better quality public services by informing regulatory review, removing administrative burdens and simplifying compliance. This is a desirable goal in its own right, but it also supports the success of other efficiency measures such as delivery of those same services through one-stop-shops and e-Government and creates improved satisfaction among both citizens and government employees.

The BPR initiative in Kazakhstan is driven by key objectives of the Government of Kazakhstan, The Kazakhstan Presidential decree #273 (13/1/2007) "About measures on modernisation of State Government System of the republic of Kazakhstan, requires improvements to the quality of processes including the provision of public services". The initiative occurs in parallel with constant improvement of Kazakhstan's e-Government portal www.egov.kz and network of citizen's public service centres.

Lastly, many of the tools of BPR presented in this Guide have been developed and tested on services at the central government level over the past year as the CPA (in full) and the EU Kazakhstan Regional Development Project have worked to design and pilot practical approaches that increase efficiency and effectiveness of State services. Due to the scale of such service delivery, especially in a unitary state such as Kazakhstan, this has advantages as small changes can have a large impact across the whole country, creating major efficiencies. There is however also the need to start considering the administrative burdens imposed by lower levels of government, adapting and using the tools that have been developed and tested at the central government level on lower levels of government as well.

1.2. Purpose & Scope of the Guide

This Guide is a limited introduction to help executive bodies especially Oblast Akimats (administrative sub national centres) as part of the public administration of the Republic of Kazakhstan understand the nature and potential uses of BPR, both globally and as introduced in Kazakhstan in an effort to improve the delivery of state public services. It then gives an introductory outline as to the guiding principles in the design of, and the characteristics of BPR as it has been introduced in Kazakhstan to address state services. Finally, it identifies how Akimats can adopt these techniques for their own use.

1.3. Who the Guide is for?

This Guide is designed to reach two main groups:

- Staff of the Oblast Akimat Divisions of Monitoring of Public services who are engaged in initiatives to improve the performance of state services within the Akimat, and have not yet received any coaching or training. This tool will help them understand the extent of BPR initiatives in Kazakhstan with a high level overview of the programme's general characteristics. It will also provide information on how to seek further advice and training so that these divisions can support and advice on local service improvements.

- Other public sector employees of the Government of Kazakhstan (including one-stop-shop and e-Government) considering undertaking Business Process Reengineering and wanting to know what is already in place, and what tools and support are available in Kazakhstan.

1.4. How to Use this Guide

There are four main chapters in this guide. Chapter 1 is the Introduction. Chapter 2 will help the reader understand the objectives and benefits of BPR, how some overseas governments have used BPR, and how BPR is being used in Kazakhstan. Chapter 3 will help the reader understand the *guiding principles* that have contributed to the design of a 5 Step Cycle for Business Process Reengineering. Chapter 4 introduces the main Components of the Guide: a high level overview of the 6 step cycle that a practitioner (coached in the BPR methodology) can use through a Business Process Reengineering project. This chapter is not intended to be a training guide for the uninitiated to undertake a BPR assignment. It is recommended that this chapter be used in association with attendance and participation in an actual BPR session, and mentoring from a more experienced BPR professional. Chapter 5 will discuss the future of the current BPR model in Kazakhstan, and how Oblast Akimats can adopt these techniques for their own purposes.

This guide is also accompanied by a BPR Practitioners Guide, which is devoted to guiding the practitioner through the Six (6) Steps Cycle, which is only briefly in this Introductory Guide in Chapter 4).

2. BPR Experience

2.1. BPR Globally – Global understanding and examples

The OECD in particular has led a major ongoing programme to assist member states reduce the administrative burden in a programme named 'From red tape to smart tape'. The general aims of the programme were to:

- help countries implement programmes where public services were reviewed and simplified to service delivery more efficient for both the government and
- make services more accessible to business and citizens.

As a result of the OECD programme there are numerous examples of success and key findings that can help frame BPR's global context.

2.1.1. BPR Globally – National level initiatives

Some typical examples of national level successes through BPR include the following:

- France: France was able to show significant results in terms of saving costs and time as a consequence of "simple" simplification procedures introduced for citizens applying for documents, permits and allowances. For example, an extension of the period of validity of passports from 5 to 10 years and the simplification of the procedures required for renewal led to the elimination of 1.2 million applications, equivalent to saving of 3.6 million hours for French nationals or EUR 73.2 million. (Source: OECD, Administrative reforms in France).
- Netherlands: In a wide series of reforms in the Netherlands, major savings were achieved by reducing the burden on companies to provide annual accounts to government. Prior to the change, Dutch companies were required to supply two different sets of annual accounts, one for the Chamber of Commerce and a different set of accounts for tax purposes. Following BPR reviews, the underlying regulations were modified to allow companies use the same data to satisfy both requirements. Secondly, an income threshold for business reporting requirements was increased by 20%, so that more companies only had to meet minimal reporting requirements. This was estimated to create savings for business of 400 million euros annually *(Source: OECD, Administrative reforms in the Netherlands)*.

These two examples demonstrate how effective regulatory reform can be. In most cases, BPR tools can help uncover which regulations are creating the greatest inefficiencies.

Many key findings also came out of the entire OECD programme. One key observation is that public services are not automatically improved by being transferred to one-stop-shops or e-Government portals. Implementing non-optimised public services via one stop shops or e-Government portals simply shifts the administrative burden from one public official or institution to another and does not deliver the anticipated improvements in efficiency or effectiveness that one-stop-shops or e-Gov have the potential to create. This can be the case in Kazakhstan, where some online services at e-Gov are not used because they have not been optimised; citizens still need to undertake additional activity even after submitting an online application for a public service. Some land services are examples, where after lodging the original application, the citizen is still obliged to make follow-up visits and applications to other state bodies in order for the application to succeed. This undermines the whole purpose of an e-Gov portal or one stop shop.
A second key observation is that for reengineering efforts to succeed there needs to be a suitable level of oversight. Best practice amongst OECD countries suggests that a central oversight body is essential to the success of the reform programme. In the most successful cases these bodies are located in the Prime Minister's Department or President's office. This ensures oversight from a high political level and ensures that reforms do not stagnate due to bureaucratic or other opposition. This finding justifies the decision in Kazakhstan manage the current reform of State 20 services review through the CPA, itself accountable directly to MNE and the office of the president in Kazakhstan.

A third finding is that there are limits to what BPR can achieve in the public sector: in its native state BPR works best on procedures such as passport issuance and releasing, motor vehicle registration, driver's licensing, and similar services that can be isolated. Because government activities are often so interrelated, cutting across divisions or units and tending to spill-over to other agencies, and are often based on laws, some services can be difficult to overhaul overnight. This is especially the case in key national services, or state services.

2.1.2. BPR Globally – Sub-national level initiatives

BPR can be used equally to solve local problems in non-state services (any activity that is not governed by a service standard), and often there are many more opportunities. Some examples in the Kazakhstani context could include:

1. Improving the efficiency of local transport or rubbish/waste collection routes.
2. Streamlining local works processes (inspections, maintenance, contractor compliance)
3. Better use of funds in asset renewal using condition monitoring (footpaths, roads, buildings)
4. Provision of transport for government employees in performing their duties.

For local authorities seeking to create efficiencies and be more effective, often it is hard to even know where to start. Sometimes problems and solutions are in plain sight, but because staffs are so involved in day to day work, or simply working according to established habits, these improvements are never attended to. To identify these cases, BPR reviews can often serve as a simple health check, rather than to actually solve a known problem. For example:

A local example of an obvious solution that nobody saw
In one Australian local government authority, every day, hundreds of hot lunches for senior citizens were prepared at a central location. They were packaged into 15 large thermal boxes that kept all the meals warm. These boxes were then quickly distributed to numerous civic centres across the city by motor vehicle. At the end of each day, the same vehicle would then repeat the morning's trip to retrieve the now empty thermal boxes so that they could be ready for re-use the following day.

A rapid BPR review simplified this process by 50%. A second set of these heat retaining boxes was purchased and these were rotated every second day through the centres The vehicle could then simultaneously deliver the lunches in one set of boxes and collect the empty boxed from the previous day. There was no need for the second trip in the afternoon. Travel time and cost was reduced by 50% at the cost of a new set of boxes.

This demonstrates key point about BPR for local and simple services. There is nothing terribly sophisticated or brilliant in the solution that was found, yet the daily duplication of the vehicle route existed for years. Nobody ever suggested it till the BPR review. Often, staff are so involved in just trying to keep meeting their most urgent tasks in busy and poorly optimised workplaces. They can be literally too busy in their daily activities to actually see issues like this duplication of travel, or often they don't feel empowered to suggest it. Often, using a simple BPR process is just a circuit breaker that gives people a chance to pause and reflect, and simple solutions like this become obvious.

A local example of a less obvious type of efficiency improvement
In the UK a local government body delivers a service that helps people who are homeless, or about to become homeless, understand what services and support are available to them.

By helping the service delivery team understand the service from the customers' point of view, the local government body was able to redesign communication so that the service was much easier to understand by those that were tired, stressed or had poor English language skills. This improved communication with customers reduced confusion, which reduced repeat appointments, which reduced workload, which reduced costs and created happier customers. For an estimated £7,000 (3.2m tenge[1]) invested in service design, they gained £360,000 (163bn tenge) savings a year.

What these examples show is that there is potential for use of a BPR process in addressing local issues. While a lot of the current thinking and attention in Kazakhstan is on state services, there is a lot of scope for looking seeking efficiencies in locally designed and delivered services. Using some of the tools described later in this document, a simple review and opening up of communication can identify some simple steps that can lead to major improvements.

1 Based on exchange rate of 1 pound = 451 tenge (16/7/2016)

2.2. BPR in Kazakhstan – Drivers and Results

2.2.1. Objectives

n an international context, most continuous improvement programmes (i.e. the adoption of a BPR framework of tools and processes and capacity development of staff) start within a corporation or department of a public agency. They rarely start at national level in government with the intent of being disseminated and pushed downwards to lower levels of government.
The goals of the current BPR programme in Kazakhstan (2016-18) are to:

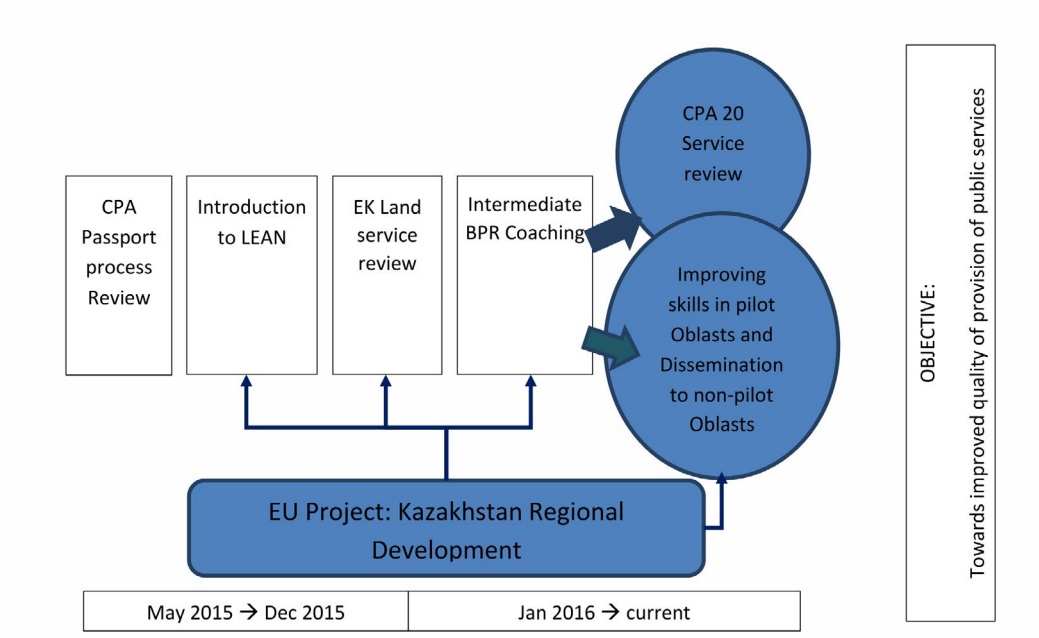
1. provide a common method that supports reengineering of state services that is also useable by Oblast Akimats,
2. build some experience, knowledge, awareness and some culture in BPR at the central and Oblast Akimat level,
3. provide a stepping-off point and a useful source of learning for future deliberations on how to broaden and deepen efficiency and effectiveness improvements in Kazakhstan.

The potential for improving on some of these steps is discussed in the final section, the Future of BPR in Kazakhstan.

2.2.2. History and Status of BPR in Kazakhstan

As explained earlier, the key driver for this BPR initiative is the Kazakhstan Presidential decree #273 (13/1/2007) *About measures on modernisation of State Government System of the republic of Kazakhstan,* which requires *improvements to the quality of processes including the provision of public services*.

Picture 1 below and the following text explain the history and context of the current BPR initiatives.



In May 2015 CPA undertook an independent **Passport process review** under the presidential decree. Because the results were more promising than earlier efforts under the decree, MNE requested that CPA perform further work in this area. In October 2015 the EU-funded Regional Development Project provided technical assistance and coaching in the form of **Introduction to LEAN** followed by a learning-by-doing exercise and Akimat exposure on the **EK Land Service review** for change of purpose (East Kazakhstan).

The findings of the EK land service review in November 2015 were presented by CPA and greeted with some skepticism by MNE and the Ministry of Agriculture. A follow up videoconference with a number of other Oblasts showed unanimous support for the recommendations. The recommendations were subsequently approved and are currently being implemented requiring legislative review, redevelopment of standards and dissemination of new procedures to all Oblasts.

In early 2016 the EU-Funded Kazakhstan Regional Development project ran a second round of coaching at a higher level with **Intermediate BPR coaching** at CPA and learning-by-doing exercises on two MO and KO services, including more detailed exposure for Akimat staff.

In May 2016, this cooperation split into two distinct streams. In 2016, the EU-funded Kazakhstan Regional Development Project is focused on **improving skills in Pilot Oblasts**, especially the Divisions of Monitoring of State Services, to lead end-to-end analysis and reengineering of local functions. CPA are using the skills learned from EU-Project assistance, analysing specific state services under the **CPA 20 Services Review** programme as tasked by MNE, under direction from the Presidential administration and with ongoing technical support from the Kazakhstan Regional Development Project.

There is some overlap between CPA and all Akimats under the 20 state services review, where Akimats are required to map eight Akimat delivered state services (from the list of 20) to support the overall review. With some programme support from UNDP in May 2016 CPA ran a series of workshops introducing all Oblasts (including pilot Oblast monitoring staff who had already received coaching under earlier project work) to the objectives of the 20 Services review. As part of these workshops, CPA provided basic training and documentation on process mapping techniques, based on the skills that CPA learned from the Kazakhstan Regional Development Project.

At this point, as well as **improving skills in Pilot Oblasts**, the EU Project is now **disseminating** the learnings, experience and key concepts of the work done so far to non-Pilot Oblasts. This document is a key part of that dissemination.

2.2.3. BPR in Kazakhstan –Results Achieved on State Services

Centrally managed State Services account for the largest volume of service delivery activity across Kazakhstan. Small changes to these state services will lead to major improvements in efficiency and effectiveness. Therefore, the Annual 20 State Services Reviews being undertaken by CPA promises to deliver some major improvements. Because this task is mandated by the presidential administration and MNE, central ministries are required to participate and consider the resulting submissions seriously.

Delivery of state services is also the main area where the performances of Oblasts are monitored and ranked. Therefore, Oblast Akimats (especially the division of monitoring state services) are especially motivated to improve the efficiency and effectiveness of those state services, even though Oblast Akimats are not enabled to directly recommend changes or modify the service.

In the reengineering of 'Application for changing use of Land", 10 pieces of legislation were changed, and the number of documents the applicant needed to supply were reduced. The recommendations have been accepted and are currently being implemented, and are expected to reduce demand for the service by 70%, and a reduction in delivery time of 50%. CPA processes also influenced the service of 'Application for citizen ID documents', which saw its delivery time reduced from 30 days to 2 days in urban centres. Regional delivery time (due to transport) were reduced to around 10 days. Videos: The videos below include discussions about some of the achievements made under the programme.

Figure 2: Oleg Sek on service improvements

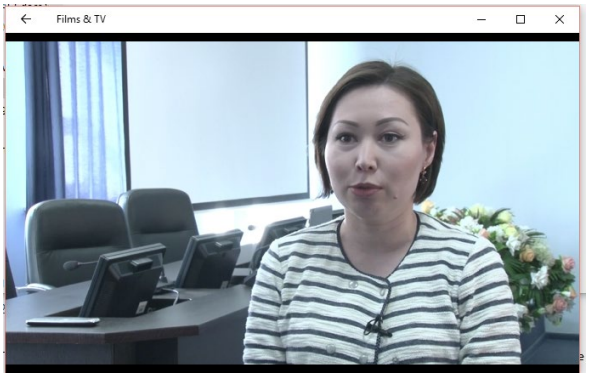


Figure 3: CPA on the types of improvements made

2.2.4. BPR in Kazakhstan – Opportunities for Oblast Akimats and lower levels of government

The primary task of the Oblast Akimat monitoring departments is monitoring and reporting the performance of Oblast wide delivery of the 179 state services provided through ministerial bodies at the Akimat level. These state services are where Oblast Akimats most urgently want to make improvements as this is how the performance of each Oblast is measured and compared. The legal framework of state services permits only MNE and the relevant state body (central Ministry) to modify state services and functions for national dissemination. Central bodies are not obliged to respond to Akimat requests for changes to a state service. Changing a state service requires consultation and analysis with *all* Akimats, followed by a lengthy legislative review and dissemination process. There would need to be an overwhelming case for change to induce central bodies to undertake a change based on a request from a single Akimat. As a result, requests for state service changes originating from Akimats have rarely been successful in practice.

Functions are another area where Akimats might focus to make improvements. Approximately 5,000 functions define the nature of government to government (G2G) processes but these are also centrally controlled. Because the Akimats are not measured on any of these processes, there is not the same urgency to improve these processes, even though there are probably many opportunities.

In the case of both state services *and* functions, there still seems to be some scope for local interpretation and implementation, therefore improvement. For example, a service standard might require that 'records need to be kept', but this doesn't specify whether it is paper or computer based or otherwise. An Akimat with discretion in this area could deliver efficiencies by deciding the most efficient way to maintain these records. For the Oblast Akimat monitoring division to suggest such an improvement would require a level of cooperation by the relevant local ministerial body.

During analysis of a Land Service in East Kazakhstan, most of the problems identified were centrally determined issues requiring central (i.e. national) changes. However, one minor local issue was identified that was resolved locally without involving central changes. This issue involved all applications being routed through the Akim's office a number of times; it was identified as a local issue, and resolved. That then is a local improvement.

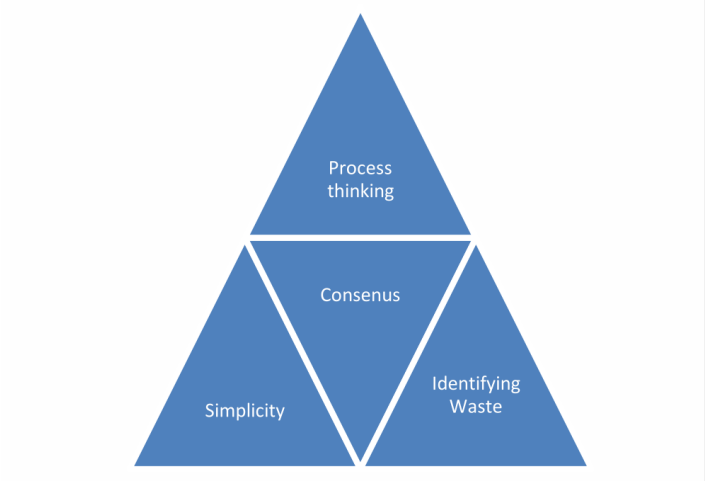
Other opportunities exist in local activities that are not governed as state services or function. These are of often local maintenance works governed by local contracts with various private sector service providers. These however are managed from within operational areas and are distant from the influence of the monitoring divisions. While private providers will always seek to optimise how they use their internal resources most efficiently, public contract managers can also seek to improve the efficiency and effectiveness of these contracts through lowering cost or improving results. High activity, low complexity activities such as Parks maintenance is one simple example, where the total area of grass maintained can be compared to the contract cost to establish a baseline cost ratio. Accompanied by a simple performance standard (i.e. grass never longer than 10cm), new contracts can be structured to deliver an annual efficiency dividend; an annual decrement in the contract price for the same service level. Alternatively, service levels might be incremented annually. However, this is far from the influence and focus of the Oblast Akimat monitoring division, and would require the cooperation of motivated operations managers.
Another area where Akimats can look is internal management. Kyzylorda Oblast Akimat is currently (July to November 2016) reviewing the effectiveness of staff assignments within the Akim's office. This is not a business process, but many of the tools introduced (see Section 4 of this document) can be adapted to measure individual workloads and achieve the required balancing. Visual tools such can be used to communicate the balancing and areas of potential improvement.

To summarise, Oblast Akimats have some limited scope to directly make improvements in service delivery as follows:

- Where Akimats have discretion in *delivery* of **state services** or **functions.**
- **Where** Akimat activities are not governed by laws (service contracts, business problems such as staff balancing) but these require cooperation from the relevant department or local ministry.

3. Guiding principles for designing a BPR method in Kazakhstan.

This section explains the four main, interrelated concepts or *guiding philosophies* that have been used in designing the BPR model for Kazakhstan.



3.1. Process thinking

When we think about a service in terms of it being a process, we all visualise it differently. Some people will visualize it as a collection of laws, other might see it as a collection of policies and people. This might seem obvious to many people, but when thinking about complex business problems, people are often too deeply involved in the detail trying to resolve different issues. They often don't think to stand back from the problem and think about it as a value-adding, series of steps.

In our BPR coaching at CPA and in the Akimats (2015 and 2016) when introducing process thinking concepts, we needed people to break down common procedures into a small number of macro-steps. We often asked students to define their morning process of getting to work in 8 steps and sometimes people struggled with how to break up activities into logical groupings.

This appears to be simple, but it has been a useful and popular tool for starting sessions on process thinking. Participants take some time to feel comfortable grouping detailed activities into high level steps.

Figure 5 Sample of 8 basic steps to get to work.

This then translates directly into thinking about a public service. Below is a typical simple process for a Kazakhstan land service application.

Figure 6: Simplified process for a Land Application

The first important issue about process thinking is that each step of the process should in some way 'add value' to the step that precedes it. This is why the series of **steps is often** called a ***Value Chain:*** each step adding some value to assist in the reaching the ultimate goal. A step that does not add value, is a candidate for removal as it serves no purpose. In public services, when we remove steps that do not add value, we make the process more flexible, adaptable and higher performing.

The second important issue about process thinking is 'flow'. We need to maximise the efficiency of how a process progresses smoothly from stage to stage without unnecessary delays. Therefore, understanding the types of things that prevent flow is useful.

3.2. **Waste**

Time is wasted when processes stop flowing. This is a key principle of *Lean Thinking*, a common tool used by organisations to improve how processes flow. Some examples are:

- Permit applications accumulating on an inspector's desk because the inspector is on holidays, and nobody else is taking care of this work. Therefore the application ***flow has stopped***.
- The backoffice discovers ***mistakes*** in a group of documents that was accepted at a Public Service Centre. The documents have to be returned for corrective action.
- ***Excessive checking*** of applications by multiple levels or people.

There are many different ways that waste can appear in a process. Therefore, it is very useful to have a basic understanding of the seven (7) Types of Waste, which is a key principle from Lean Thinking. It creates a common language for thinking about and discussing common problems that affect how processes flow. It also gives some indications as to the types of solutions that might be considered.

Type	Description
TRANSPORT	**Unnecessary transport between processing stages.**
INVENTORY	**Ordering and storing excess resources.**
MOTION	**Excessive human movement within the workplace.**
WAITING	**Delays, batches, waiting for someone or something.**
OVER PROCESSING	**Too many steps, too much compliance checking or exceeding customer expectations**
OVER PRODUCTION	**Producing too much, too soon. Duplication of data or effort.**
DEFECTS	**Mistakes, passing on mistakes, time spent fixing mistakes.**

Thinking about process, flow and waste is a key Lean Thinking principle. The attached video is a great example of these concepts and has been adapted, in Russian, to discuss how a poorly performing process can be gradually improved. If you watch closely you will see how the flow is affected by waiting, over processing, over production and defects. Also – look for the impact this has on staff morale and quality.

Video - Lean in 90 seconds

You can also find the English version here (for generic production, not public services)

3.3. Simplicity

The Pareto Principle, or the 80/20 rule was developed by Italian economist Vilfredo Pareto who noticed that 20% of the peapods in his garden contained 80% of the peas. This principle has numerous uses and adaptations in business, particularly for simplifying your activities.

For example:
Sales: 80% of sales come from 20% of your customers, or 80% of sales come from 20% of your products.
Projects: 80% of value is achieved with the first 20% of effort. Project teams commonly report that a task is almost completed after a short time. A long time may pass after that before they report any further progress.
Public Services: 80% of the problems come from 20% of the services.

What this tells us is that our effort in supplying inputs is not directly related to our results, or that 20% of our effort (if targeted properly) will lead to 80% of the results.

This has major implications for business process reengineering. BPR is often a very input intensive process. We need to target our efforts to get the biggest returns. Therefore, rather than try and radically reengineer every public service to perfection, we need to identify the interventions that are going to give us the biggest improvements with the minimum effort.

This can be applied when analysing waste in a process. In the table below we have two services, A and B. Service A is a low demand, high waste service compared to service B which is high demand, low waste. Using the Pareto principle, if we only had resources to fix one service, we should focus on service because that gives us the largest saving.

Service	Demand	Waste time for 1 transaction	Total time saved
A – High profile, low volume service	**200/year**	**2 hours**	**24,000 minutes**
B – Low profile, high volume service	**10,000/year**	**5 minutes**	**50,000 minutes**

This important lesson of the the pareto principle, applied to BPR is the following: if there are no other factors demanding that you focus on certain services, for the biggest and quickest gains in your BPR projects, focus on the high volume services and fix the easy problems first.

3.4. Consensus

To effectively improve a public service, you need to consult everybody involved in the value chain. This includes the citizens who make the request, front office staff who accept the request, back office staff that process the request and policy experts who actually decide on the request. Depending on the type of service, there could also be others. In a passport application, there is the organisation that actually receives instructions and prints the passports. They will have important insights that you need to know about, so they need to be consulted. With all these people in the room at the same time, you map the service at a relatively high level ***(using the pareto principle)*** and identify all of the waste, issues and problems that have been attributed to each step in the process.

In the services assessed under the BPR programme so far, CPA found that the biggest wastes occur as a result of legislation (including problematic service standards), over processing and a lack of communication between service designers and service deliverers. Identifying these has not required highly scientific methods in statistical analysis, but horizontal and vertical communication and some qualitative analysis. There are many easily identified and resolved issues that will result simply from getting the stakeholders to communicate and agree. This will result in rapid and major improvements in efficiency without requiring a large amount of resources or in depth analysis.

4. The BPR Method in Kazakhstan – the Six Stage Cycle

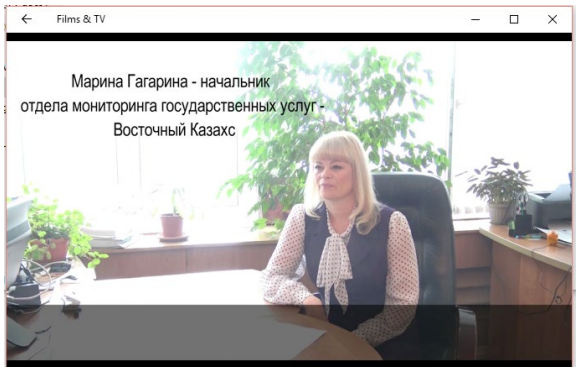
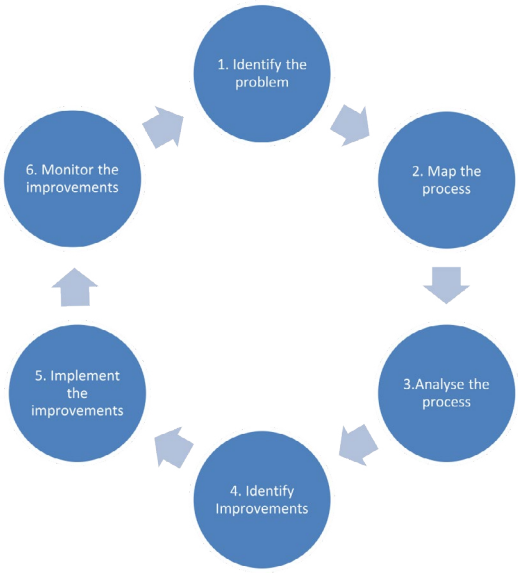


Figure 4: Interview about East Kazakhstan's experience of the process:

4.1. Overview

A Six Stage cycle is used to guide the practitioner. In the case of state services, stages 1 to 4 are then where the main BPR work actually occurs. Stages 5 and 6 leverage off existing state procedures of implementation and monitoring. If this were to be used at a lower level of government, implementation and monitoring would depend on local circumstances and the nature of interventions.



4.1.1. Defining the problem

For a given process review and reengineering effort, defining the problem properly helps target the work better, and give some indication as to a possible solution. The problem statement should also help decide what measures can be used to ensure that the problem is actually solved.

A good problem statement shows that there has been thought about what is being done. It answers the questions of Who? What? When? Where? and Why?

The following statement answers these 5 questions: *"Since January 2015, since changing to a new security process, delivery times for all passport applications have not met the goal of 10 days in 90 percent of cases. In that period, the average time to deliver the passport service has been 16 days. These delays are reducing customer satisfaction and the violations in service times are causing sanctions against and a loss of morale for staff delivering that service. "*

4.1.2. Mapping the process

In this section two fundamental tools are used: SIPOC mapping and 'Big Picture' process mapping.
The SIPOC mapping helps the group establish agreement on the major characteristics of the process being examined: the main steps, documents and entities (stakeholders, departments, legislation, individuals or other processes) that are involved. The SIPOC session also shows the type of data that needs to be collected and any extra people needed for the next stage: Big Picture Mapping.

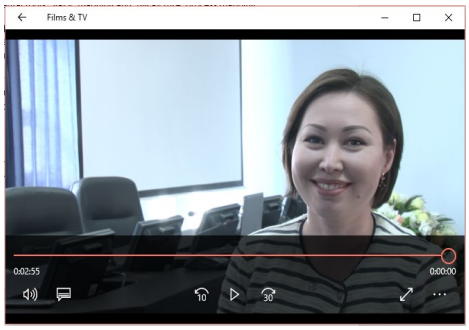


Figure 5: CPA discussing the mapping process

Big Picture Mapping session is where the group work together at a second level of detail, mapping out the most common paths that the process takes. For each step the group agree on what occurs and the types of issues and problems that officers or citizens encounter. This stage is also used to capture other relevant information (depending on what is relevant). Examples are the time to process a step, the rate of errors or any types of waste encountered. This session can take hours to complete and can frequently be loud, argumentative, opinionated or even fun. It requires planning and good facilitation skills. It is recommended that for this key step, anyone wishing to run such a session receive training and attend a number of sessions run by a skilled facilitator. At the end of the session there should be a documented, high level view of the ***process***, the ***wastes*** and all of the ***problems/issues*** that the participants experience in delivery of the service. This information has real value because it was gathered with consensus by all the stakeholders in the value chain. The information gathered in these SIPOC and Big Picture Mapping efforts then informs the next step: Analysis and developing interventions.

This picture shows a completed Big Picture map. The top row (yellow) is the 6 or 8 macro steps that were agreed in the SIPOC session. The orange row is the people, departments or organisations within each macro step. Green are the actual process steps. Yellow (bottom) are all of the problems and issues that people have identified during the mapping session. In this example there are large clusters of problems in a number of areas. Problems are things that can be solved, for example a participant might say that the printer keeps breaking down while producing some permits. Issues are usually a bit more complex, and possibly controversial. For example, there might be some controversy on a particular piece of legislation that makes it hard to deliver the service.

Mappers can use symbols to mark areas of waste (delays, mistakes). In fact, anything that the mappers feel is important within the service being analysed can be captured somehow on this map.

4.1.3. Analysing the information

This step can be as simple or as complex as you need to make it. The **pareto principle** should guide decisions made in this step. The previous step (big Picture Mapping) can create a large amount of data, facts, process information and qualitative information about problems and issues. This next step is to apply judgement, analysis and skill to begin to identify the main issues in the process that require intervention (i.e. some change to the process to improve it). Remembering the role of the pareto principle, you can do a shallow analysis looking for easy-wins, or as your skills develop you can apply increasingly sophisticated tools to perform deeper analysis.

4.1.4. Developing interventions

Part of this step is to develop recommended and prioritised interventions. If the resources available do not cover the cost of all proposed interventions the list of proposed interventions needs to be prioritised. Using the pareto principle you can use a simple criteria-based assessment of all the interventions to see which interventions offer the greatest improvement to the services at the lowest resource use.

4.1.5. Implementation

Following this stage, the necessary interventions will have been implemented it is possible to start monitoring/ watching to verify that the necessary improvements have been realised.

In the case of State Services and Functions, acceptance and implementation can only occur through the MNE and the relevant central Ministry (depending on the service). Implementation usually requires coordination of changes to service standards (legislation) as well as dissemination of any new instructions or process changes to the service deliverers. If ICT systems need to change then the changes need to be made through established change management procedures. Often it can take many months for a seemingly simple service change to be implemented.

4.1.6. Monitoring

The final stage is ongoing monitoring of the change. A service has been changed with the intention of improving it. The original problem statement is a good guide as to what actual indicators would be useful for monitoring the improvements.

4.1.7. Managing the work.

Because a typical reengineering project can take months, to coordinate all the activity in the 6 steps the project has provided a tool called a Lean A3. There are many examples of Lean A3s on the internet. This tool assists planning and monitoring of the work and simplifies progress reporting to stakeholders. This is explained in more detail in the Practitioner's Guide.

5. The future of BPR in Kazakhstan

In BPR there are currently three main centres of experienced BPR practitioners and activity in Kazakhstan. The Center for Performance Assessment of Public Bodies, and the Divisions of Monitoring of State Services in East Kazakhstan and Kyzylorda who have been coached and have gained experience to an intermediate level or higher. The Mangystau Division of Monitoring of State Services also received some coaching in 2016. In total a core of 4 CPA staff and 8 Akimat staff (state services monitoring divisions) have capacity to advise and assist others in BPR processes.

At a secondary level, approximately 35 staff from the pilot regions, in various ministries and departments have been directly exposed to the processes and key concepts. This has contributed to building a culture of BPR thinking, but not expertise or support skills.

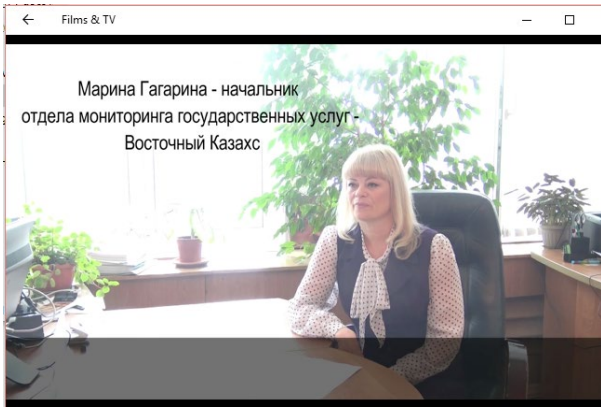


Figure 6: East Kazakhstan discussing the future of BPR

Based on the results described above, the EU project ran a dissemination workshop during the Interregional Forum for Regional Development and Management Practices, June 2016. All pilot and non-pilot Akimats present (especially staff of the division of monitoring state services) agreed that the concept of an inter-regional network of BPR professionals needs to be realised. The benefits of doing this would be a mechanism for sharing ideas and skills between Akimats on BPR, as well as creating a more formalised mechanism for coordinating and submitting proposals to MNE for improvements to State Services.

To assist the Akimats who have been coached in the tools, a BPR Practitioners Guide will be available on the dissemination website (http://www.kzregdev.kz/site-structure/resources) by 1 August, 2016. Akimats that have not been formally coached in the BPR process will need support from within the Continuous Improvement network in order to make effective use of the practitioner toolkit.

6. Annexes

6.1. Bibliography

OECD Cutting Red Tape: *http://www.oecd-ilibrary.org/governance/cutting-red-tape_19976674*

6.2. Further Information

This is an excellent article that discusses the challenge of implementing BPR tools (Lean in this case) in public services. While Lean Thinking (as *one* tool in the BPR toolkit) is focused on delivering Value from the perspective of the Customer, the public sector has other objectives, such as Public Value.
Value Confusion: The Problem of Lean in Public Services:
http://www.leancompetency.org/lcs-articles/value-confusion-problem-lean-public-services/

6.3. Contacts

For information about the BPR initiative please contact either the project mailto:info@kzregdev.kz or one of the key contacts below.

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