

# A NEW WORLD ORDER

*for Disability Service Organisations...*



*The NDIA/DisabilityCare Australia... Where  
Customer Choice & Market Forces Rule*



**ASTERIA**  
A COMMUNITY BUSINESS  
DELIVERING COMMUNITY SERVICES



**Richmond IRA**





Ready. Step. Go.

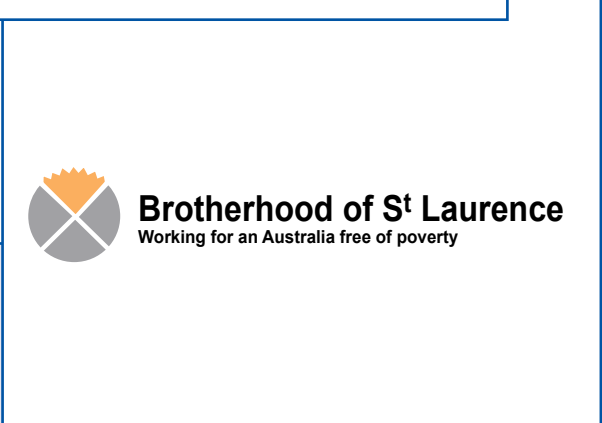
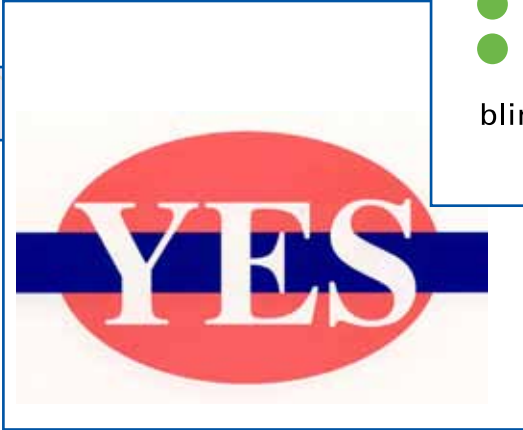
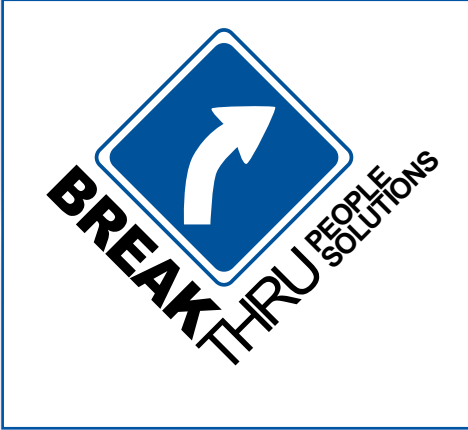
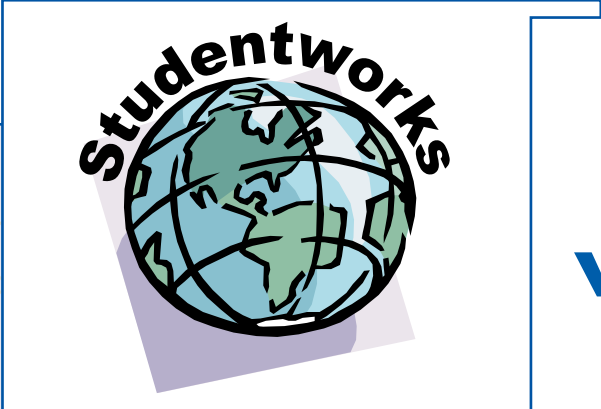


# CDS

Centre for  
Disability  
Studies

# VILLA MARIA







*A pessimist sees the difficulty in every opportunity;  
an optimist sees the opportunity in every difficulty*  
**Winston Churchill**

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- ◆ DSOs Today...  
A Snapshot Of Key Activities,  
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- ◆ Mission Critical Strategies...  
Transitioning Your DSO To An  
NDIA/DCA Customer Focused &  
Market Driven Approach
- ◆ Questions & Discussion



# Six Reports...Create a New Paradigm/Environment

- ◆ It is not by coincidence that the Commonwealth Government/Productivity Commission have developed reports that will all come together at the same time, creating:
  - \* new paradigm/s of service delivery
  - \* new environment/s in which organisations will need to adapt and operate
- ◆ Note: Education & Childcare reports not included in this paper

## Human Service Reform Model



# The Disability Care and Support Report... It's But One Of Six Reports



# The Six Reports In A Nutshell

- ◆ In a nutshell, all these Commonwealth Government/Productivity Commission reports come down to:
  - \* **National Strategies:** to reinvent services, eg: disability, mental health, NFPs, aged care, hospital and health, allied health
  - \* **New Structures:** are being established and used, eg: National Disability Insurance Agency (NDIA), Medicare Locals, Local Health Networks, Aged Care Commission
  - \* **New Systems:** the development and use of new systems, eg: e-Health system, DoHA Gateway
  - \* **New/Redeveloped Services:** an opportunity for your organisation to redevelop its existing services and research and develop new client/customer focused services

# The Six Reports In A Nutshell...



# Key Assumptions Of The New Paradigm Of Individualised Choice...Clients

- ◆ People who require care or support will be able to make service choices based on:
  - \* your service offerings and their comparison of those service offerings
  - \* your price, and their financial position and entitlements
  - \* your organisation's performance
  - \* their perceptions of your organisation and its services
  - \* their understanding of your organisation's standards, accreditation and quality improvement, image and brand

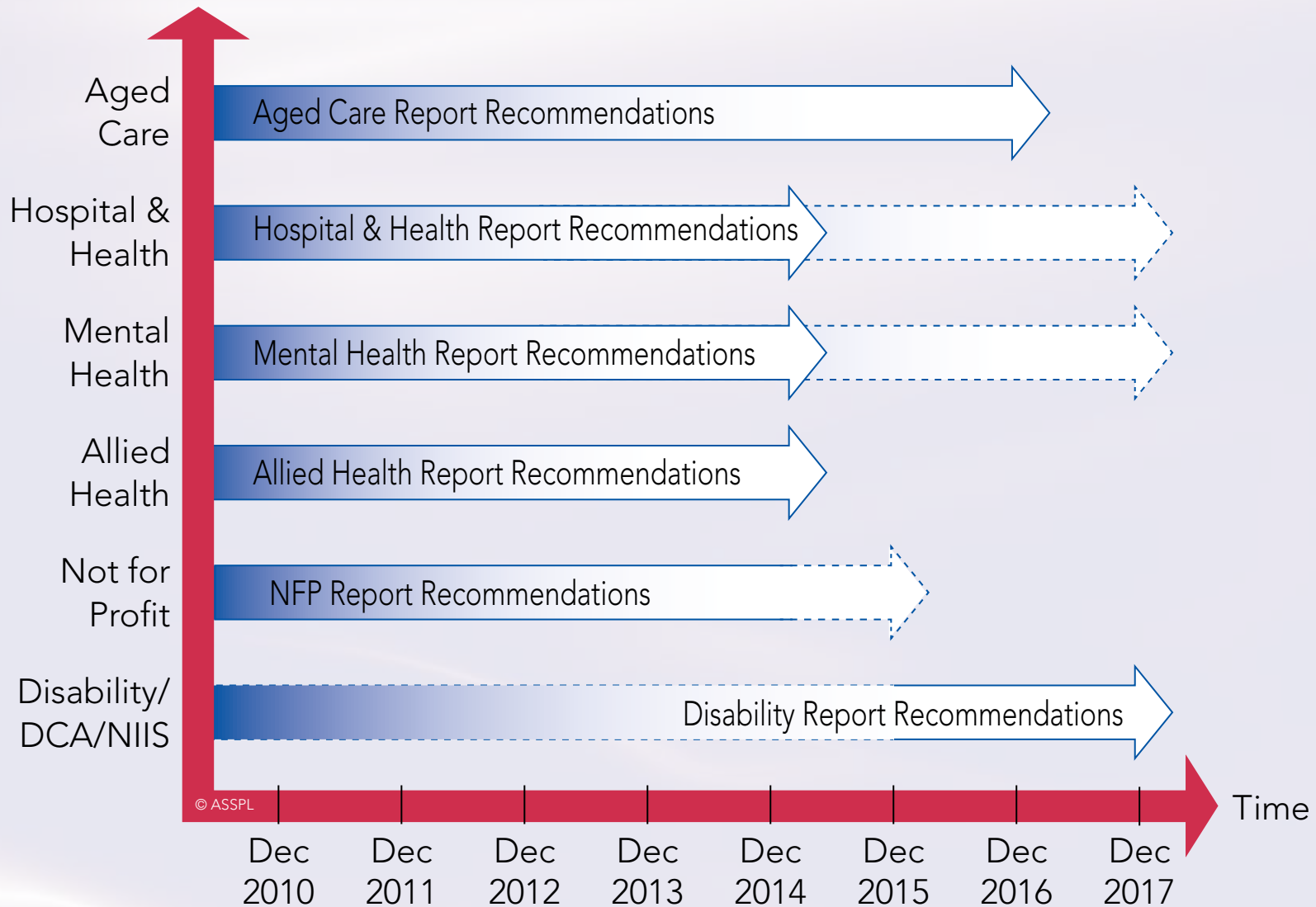


# Key Assumptions Of The New Paradigm Of Individualised Choice...Providers

- ◆ People will still require care, support, etc.
- ◆ Services will still need to be delivered by disability services, mental health services, residential care, community care, hospital and health care and associated providers; albeit only by Preferred Providers in the future
- ◆ Private businesses, public businesses and community businesses will deliver services in a "free/managed NDIA/DCA market"
- ◆ NDIA/DCA Preferred Providers will be part of an integrated service system



# The Big Timetable...The Big Roll Out

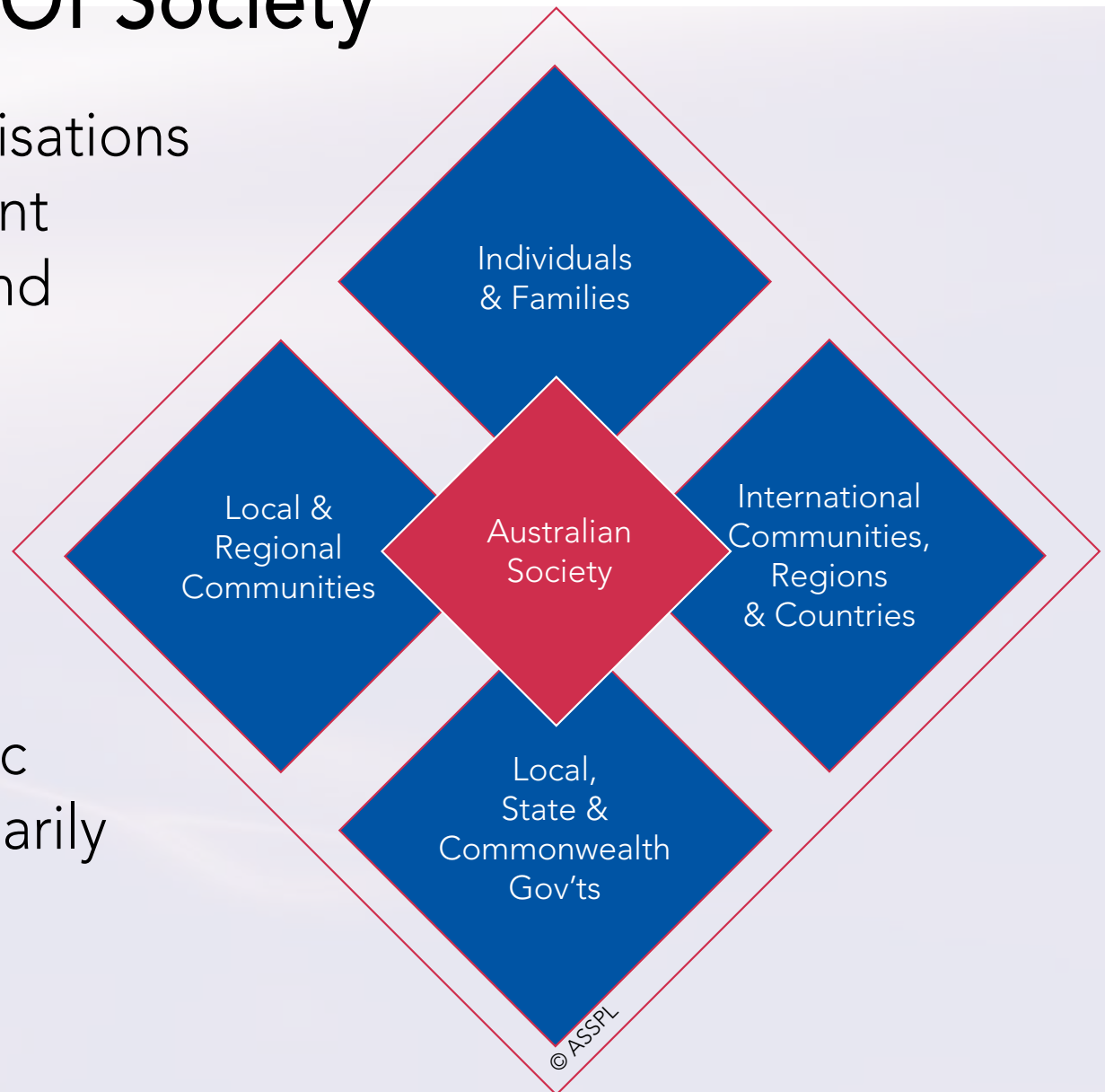


# Disability Organisations... A Snapshot Of Key Activities, Behaviours & Characteristics

- MORE CLIENT FOCUSSED
- POSITIVE RELATIONSHIPS IN COMMUNITY
  - RSL
  - OPSHOP
  - SCHOOLS
- REPUTATION IMPROVING.
- BETTER APPEARANCE/PROFESSIONALISM
- BETTER BOARD OF GOVERNANCE (QUALITY)
- D/S + E/S staff working better together (no us + them)
- FUNDRAISING SUCCESSES

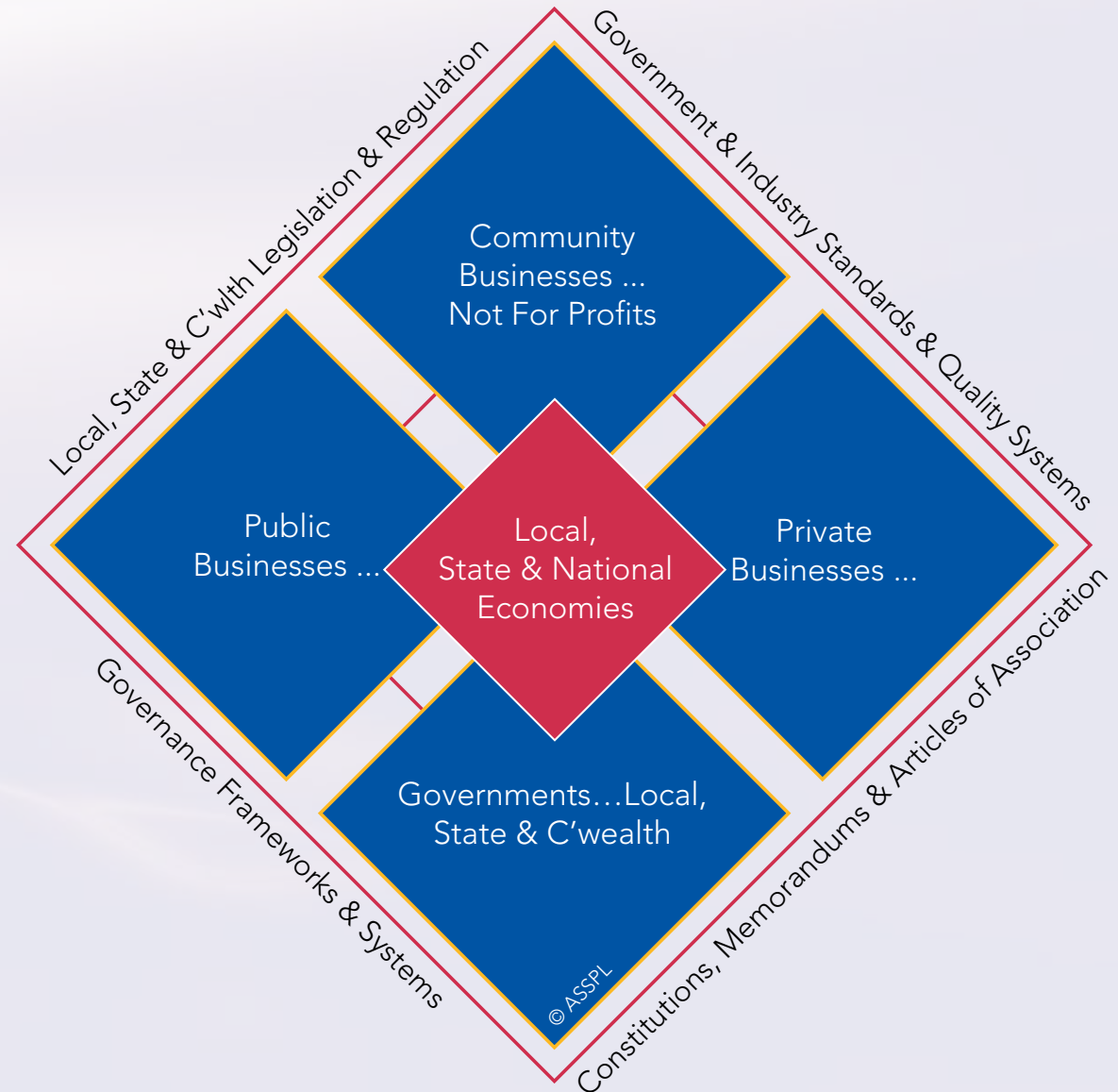
# Snapshot 1: DSOs, A Vital Part Of Society

- ◆ Disability service organisations (DSOs) play an important role in local, regional and national societies
- ◆ DSOs (community businesses) primarily deliver a social or community dividend, whilst private and public businesses deliver primarily a financial or economic dividend

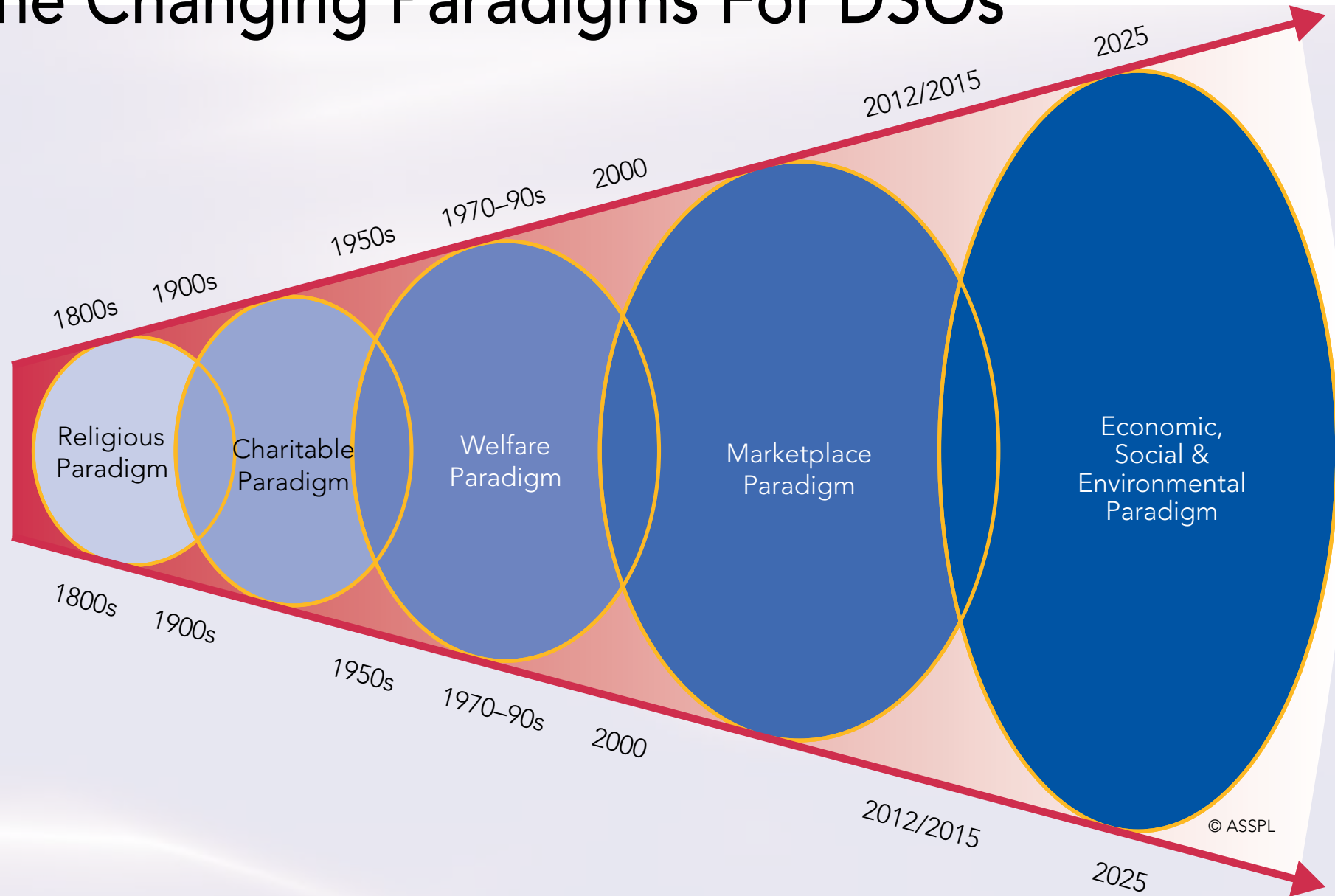


# Snapshot 2: DSOs Are A Vital Part Of An Economy

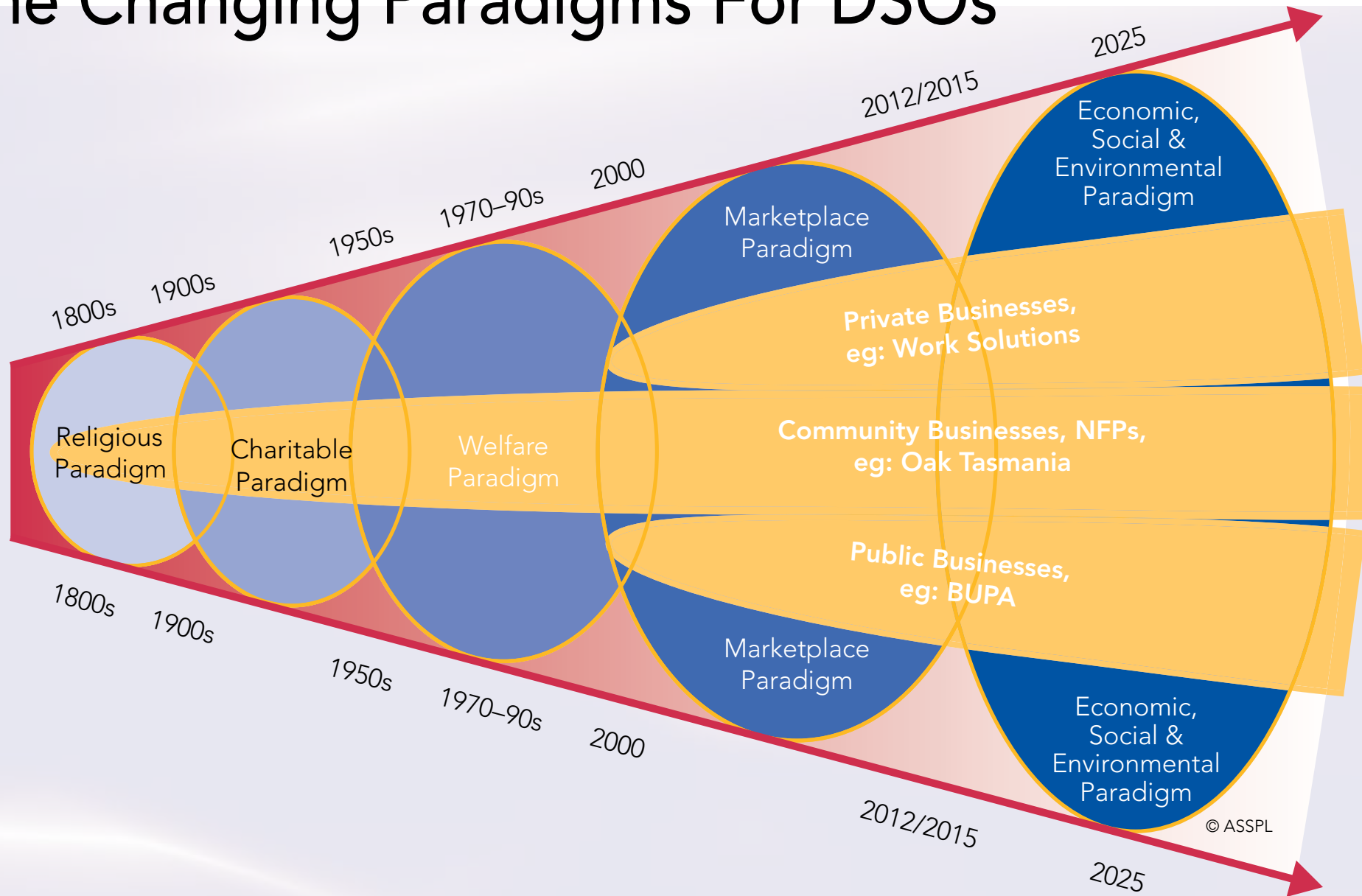
- ◆ DSOs are a vital part of local, state and national economies
- ◆ DSOs not only deliver services and/or products, in a broader sense they engage in economic development, regional development, and community development activities and outcomes eg: major employers



# Snapshot 3: The Changing Paradigms For DSOs



# Snapshot 3: The Changing Paradigms For DSOs

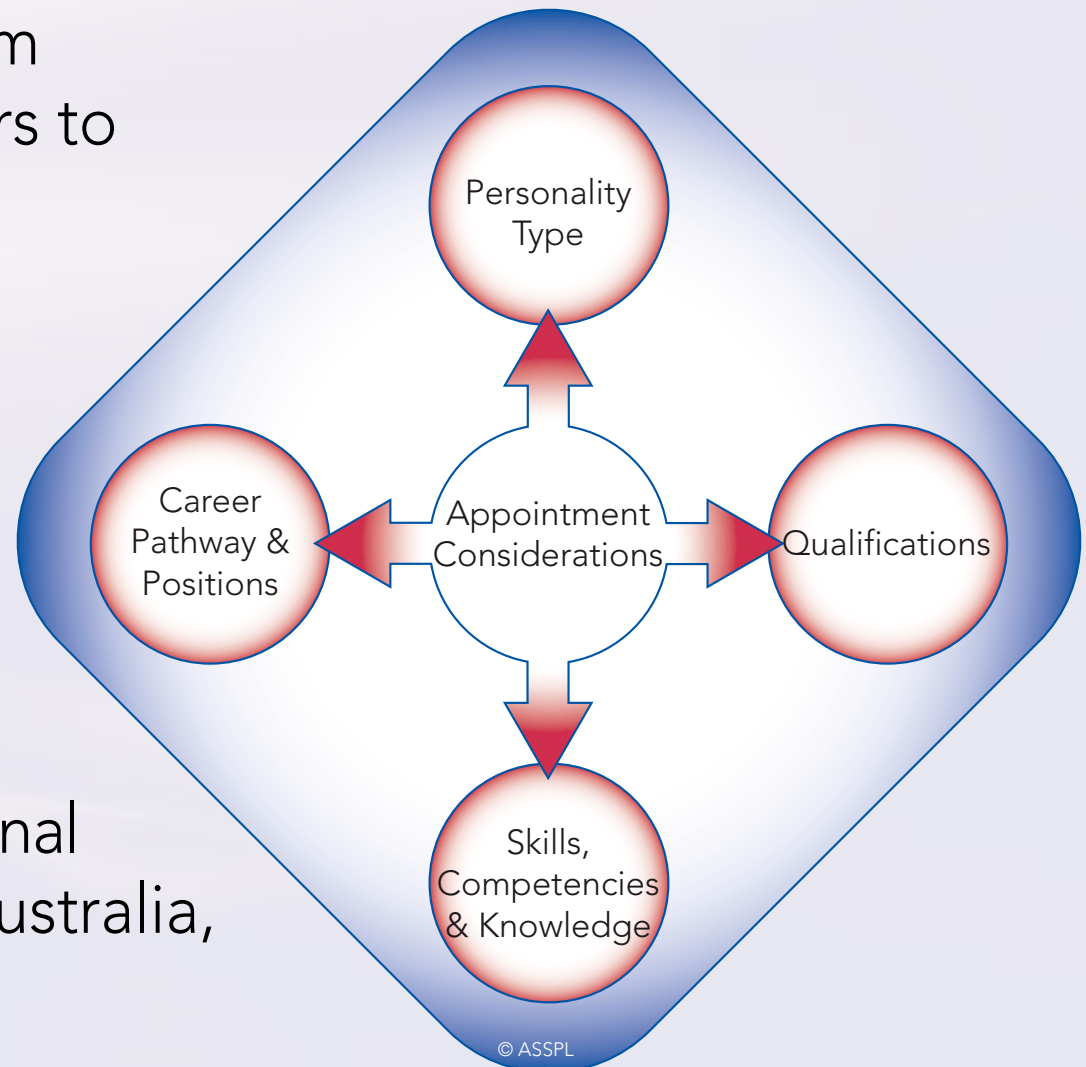


# Snapshot 4: NFP/DSO Board Trends

- ◆ Small boards, 5–7 board positions, length of service 5–7 years•
  - ◆ Average age of boards 51–60 years•
  - ◆ Five males, two female directors•
  - ◆ 12–14% of NFPs remunerate board members, \$10,000–\$30,000•
  - ◆ Professionalised boards, directors fill board positions based on agreed competencies, skills, knowledge, qualifications and experience
  - ◆ Boards are moving from paper to e-boardrooms
  - ◆ A continued move to bi-monthly – quarterly board meetings and committee meetings in between board meetings
- *Better Boards Remuneration Survey 2012*

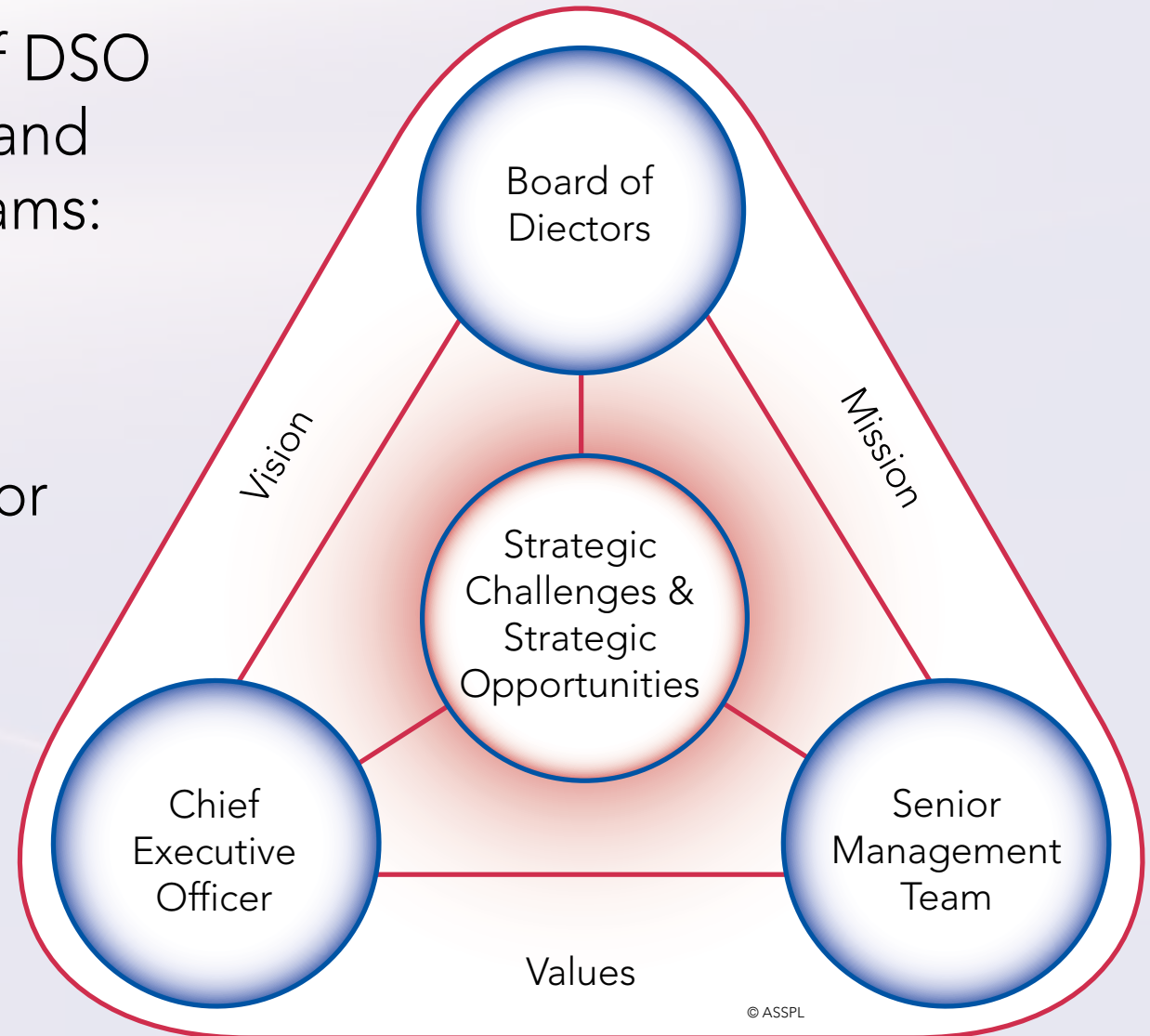
# Snapshot 5: DSO CEO, Executive & SMT Trends

- ◆ Smaller DSOs are moving from service coordinators/managers to chief executive officers
- ◆ Medium–large DSOs are increasingly appointing:
  - \* commercial chief executive officers from external industry/ies
  - \* commercial executives and senior managers from external industry/ies, eg: Achieve Australia, Break Thru, PresCare Qld

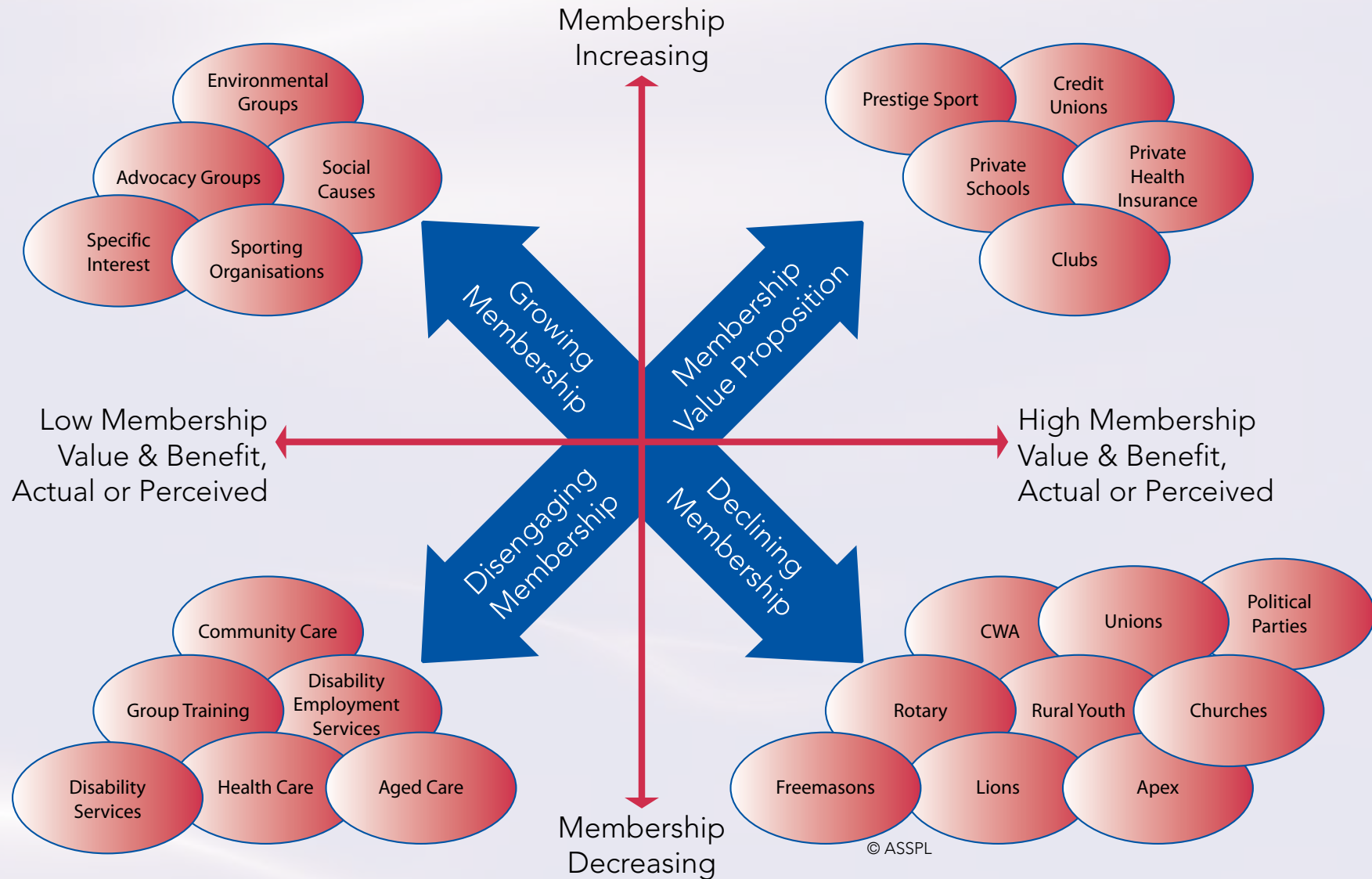


# Snapshot 6: Establishment of DSO Leadership Teams

- ◆ An increasing number of DSO boards are establishing and operating leadership teams:
  - \* board of directors
  - \* chief executive officer
  - \* executive and/or senior management team
- ◆ These leadership teams are squarely focused on strategic challenges and opportunities

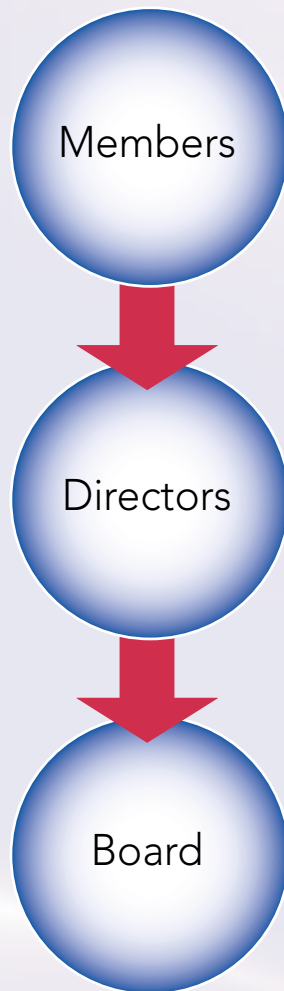


# Snapshot 7: NFP/DSO Membership Is Moving



# Snapshot 8: Community Democracy To Privately Owned DSOs

Community Democracy  
NFP DSO Model

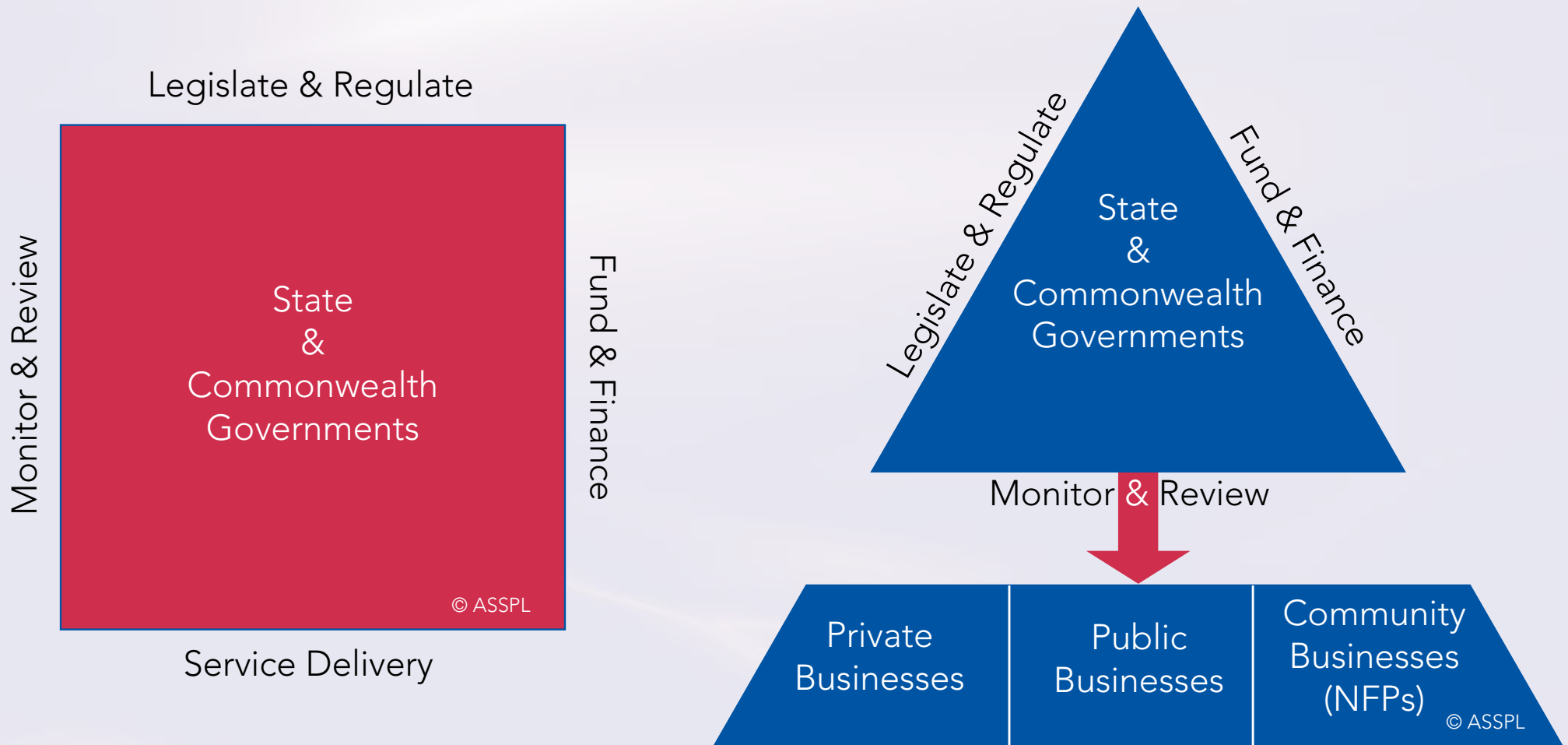


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Privately Owned  
NFP DSO Model



# Snapshot 9: Changing Government Roles Causing DSO Growth



# Snapshot 9: Changing Government Roles Causing DSO Growth

- ◆ In the past, State and Commonwealth governments legislated and regulated, funded and financed, monitored and reviewed and undertook service development and delivery
- ◆ Over recent years, State and Commonwealth governments have moved, or are moving, to legislate and regulate, fund and finance and monitor and review, leaving service delivery to public businesses, private business and community businesses (NFPs)
- ◆ In so doing, State and Commonwealth governments are focusing on their core roles and responsibilities and aiming to reduce their risk, costs, liabilities and political exposure

# Snapshot 10: DSOs Transitioning From A Service To An Organisation

## Stage I

- ◆ 'We Are A Service'
- ◆ Strong Operationally
- ◆ Weak Organisationally
- ◆ Few Services/Products
- ◆ A Manager Of A Service

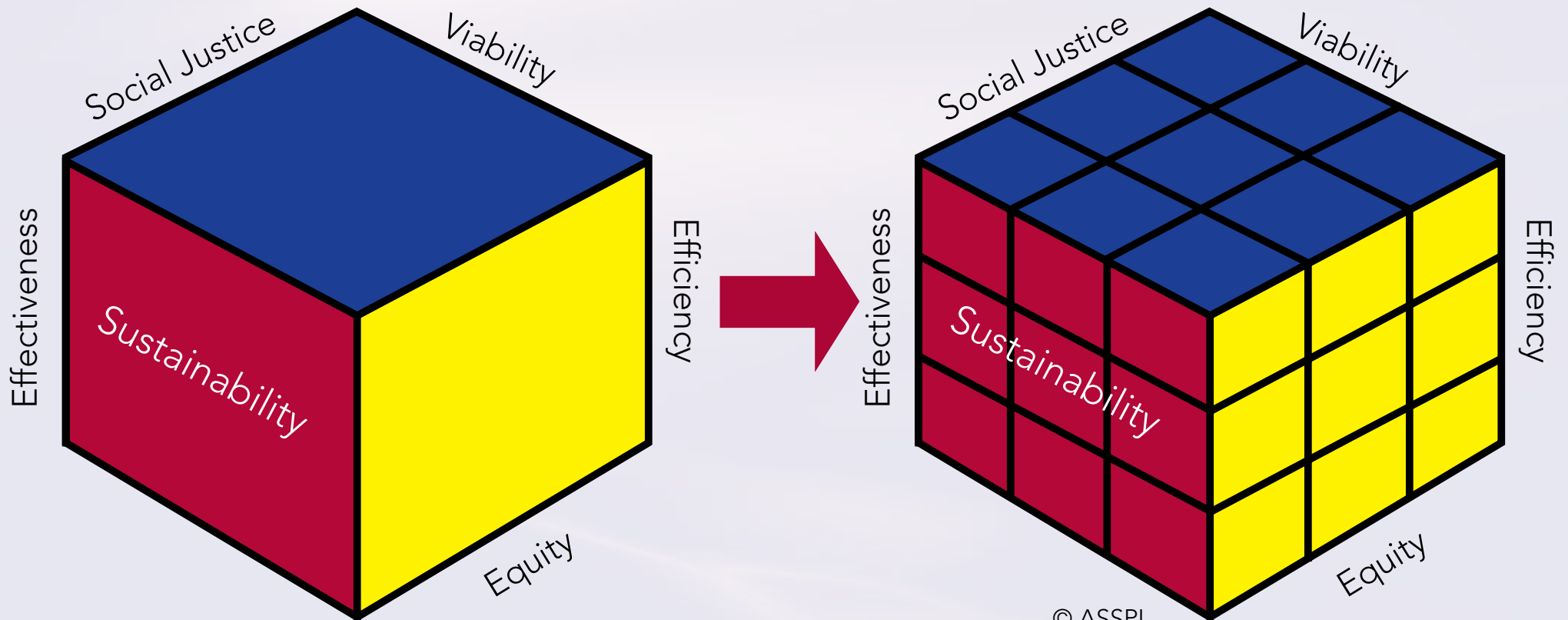
## Stage II

- ◆ 'Are We A Business, Are We A Service?'
- ◆ Stronger Operationally
- ◆ Fitter Organisationally
- ◆ Several Services/Products
- ◆ Manager Transitioning To Manager/Leader

## Stage III

- ◆ 'We Are A Community Business' (NFP)
- ◆ Strongest Operationally
- ◆ Strong Organisationally
- ◆ Integrated Services/Products
- ◆ Leader & Developer Of An Organisation

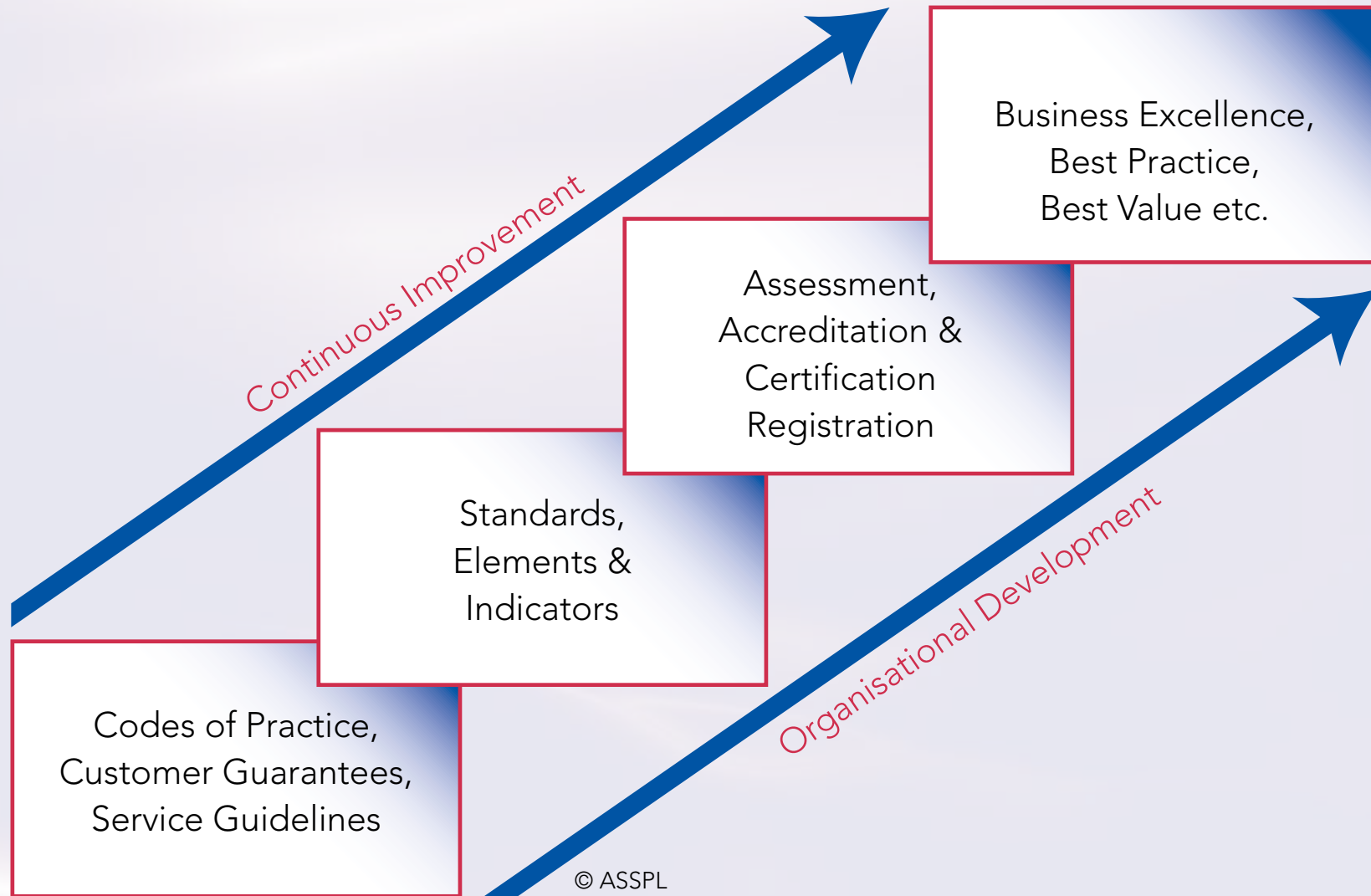
# Snapshot 11: DSOs, From A Solid Cube To A Rubik's Cube



Specialist Niche DSO...  
one–two services

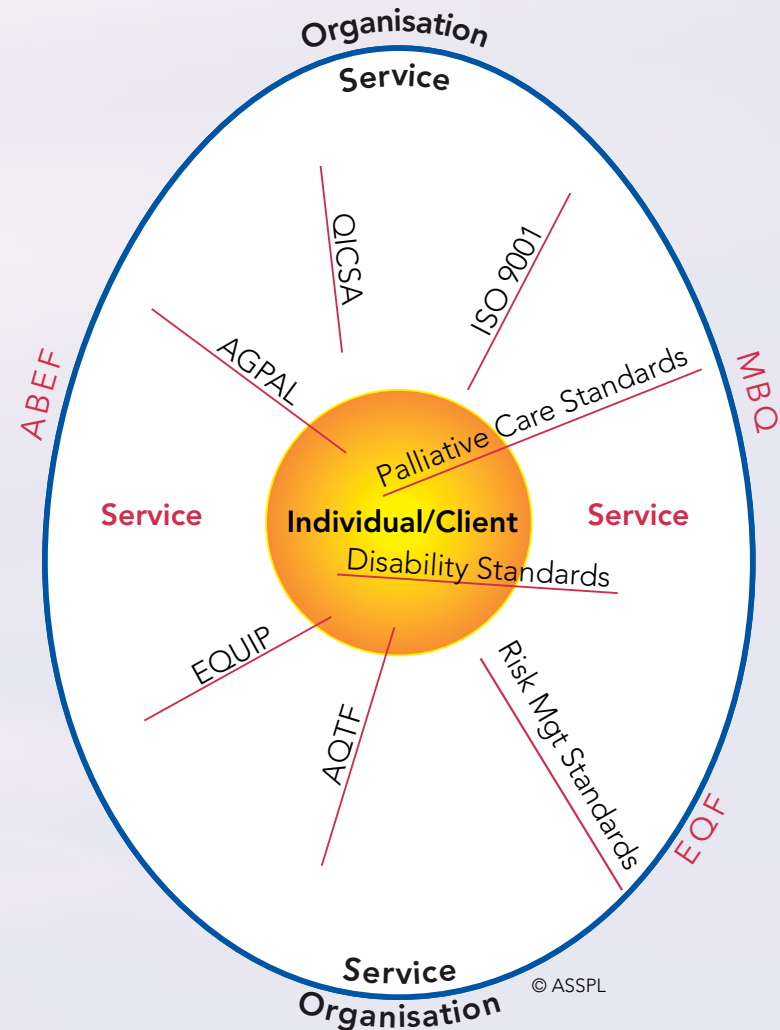
Multi-Service DSO...  
from "a service" to an organisation

# Snapshot 12: Many DSOs Are On A Quality Journey



# Snapshot 12: Many DSOs Are On A Quality Journey

- ◆ Many DSOs, particularly state funded DSOs, meeting/complying with the Disability Standards is the primary focus of their quality/accreditation thinking and processes.
- ◆ An increasing number of DSOs are recognising they must move beyond the minimum requirements of Disability Standards, eg: ISO 9001.

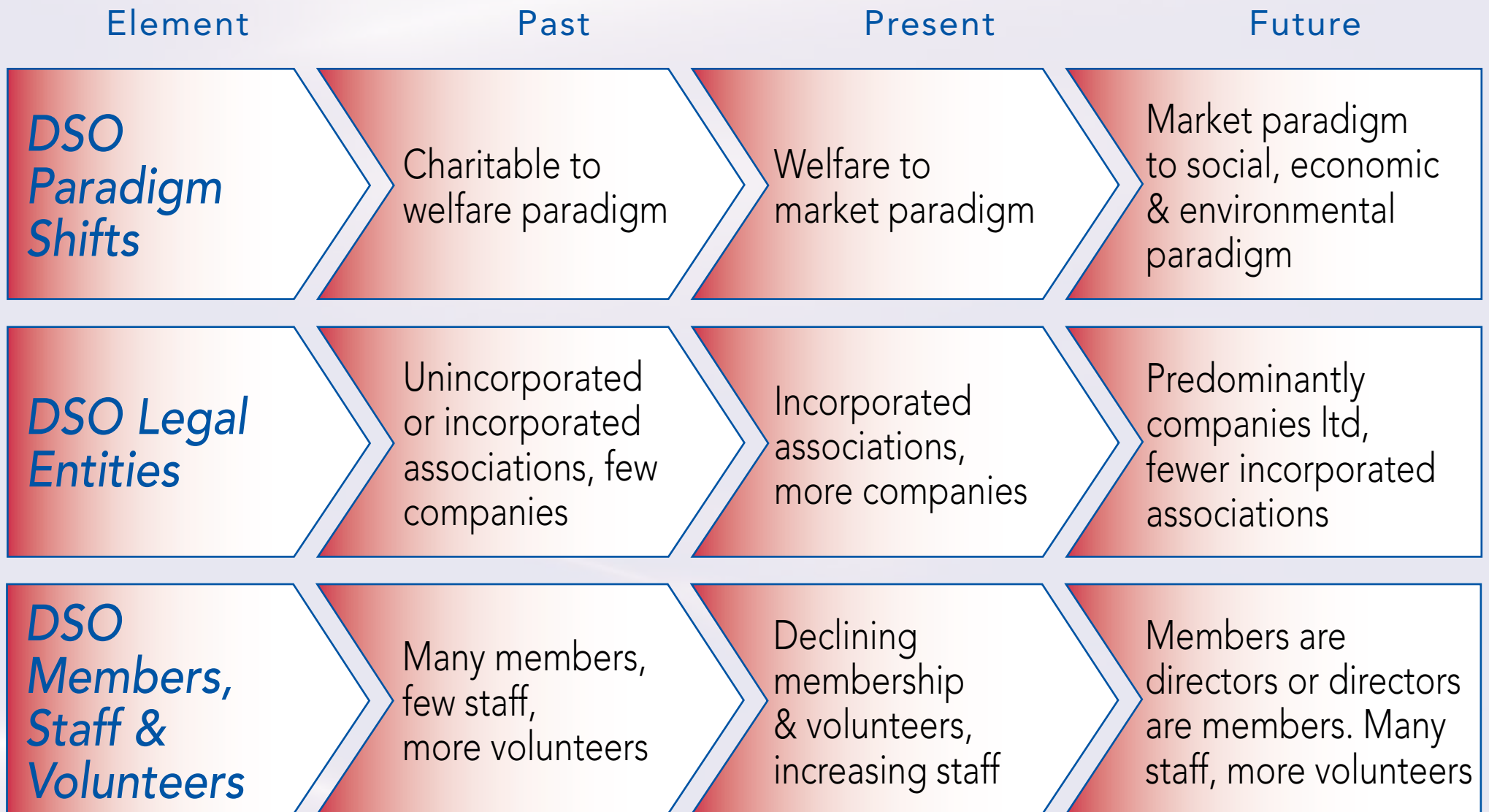


# Snapshot 12: Many DSOs Are On A Quality Journey

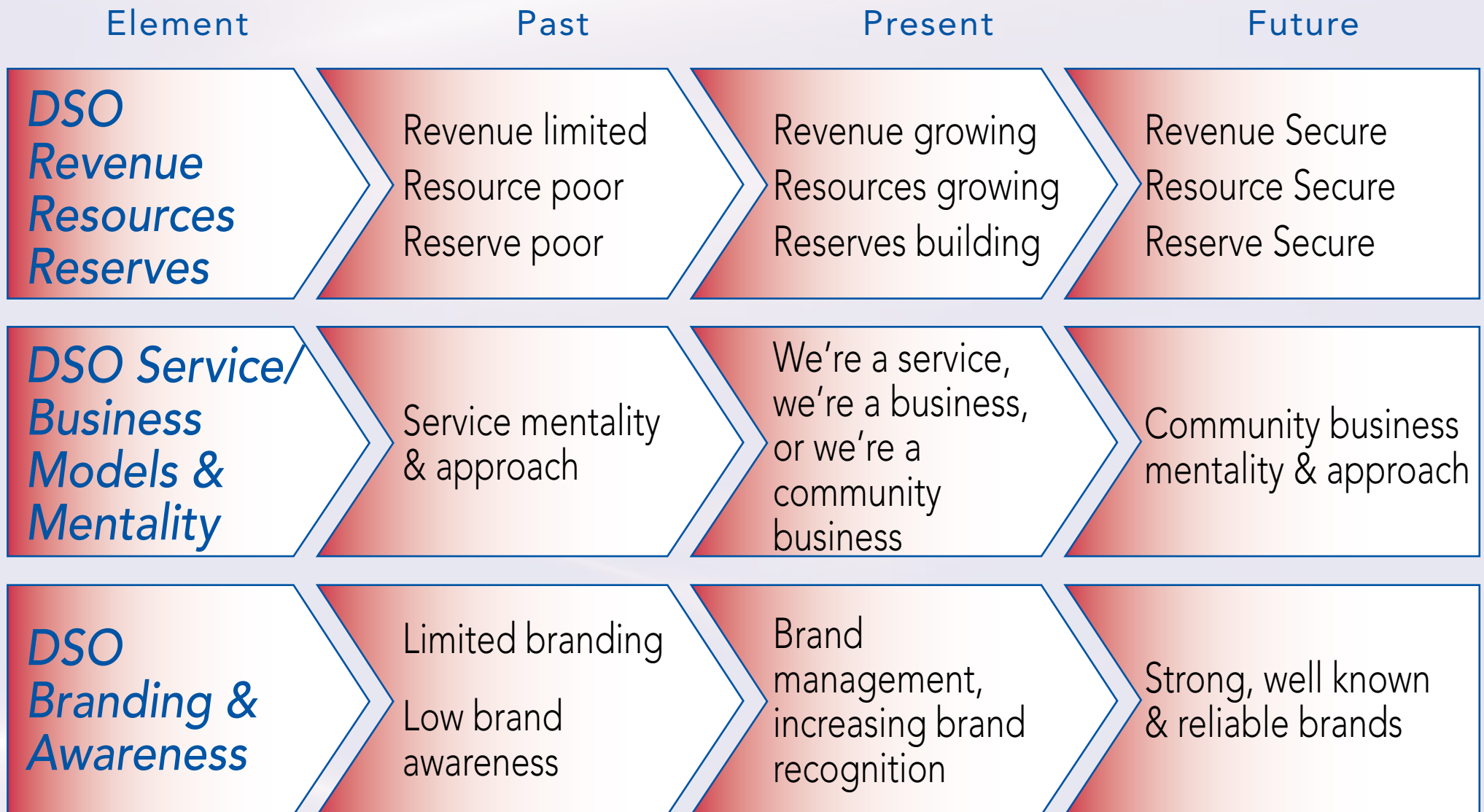
- ◆ The number, type and requirements of Local, State and Commonwealth Governments' legislation and regulation, industry or government standards, contracts and agreements continues to increase.
- ◆ DSOs need to use a contemporary quality management system that allows them to collate, manage, distribute, report and archive both their governance and organisational documentation, tools and resources.
- ◆ There is a clear difference, but alignment between, a Board's governance quality system and the organisation quality system.



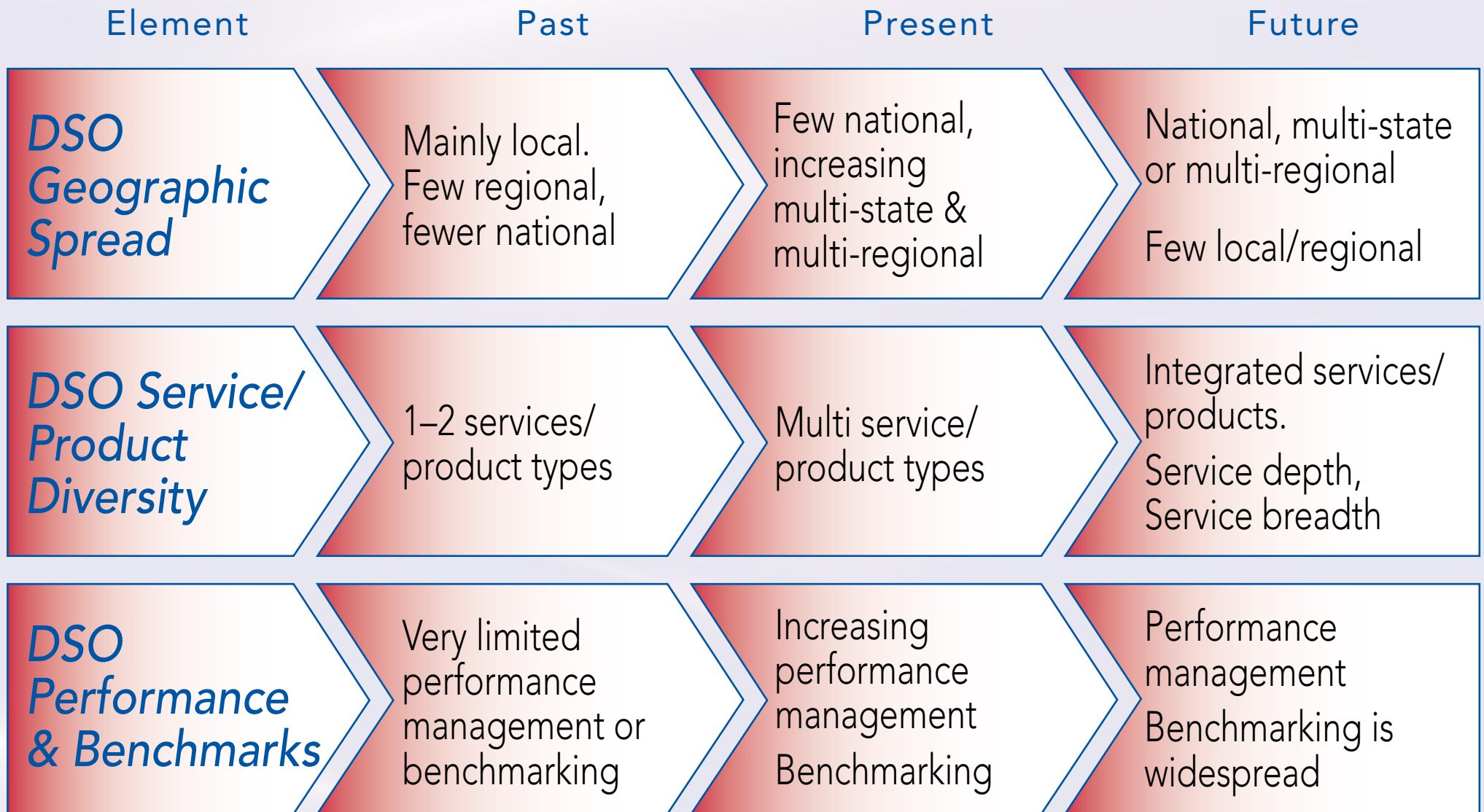
# Snapshot 13: DSOs Past, Present & Future



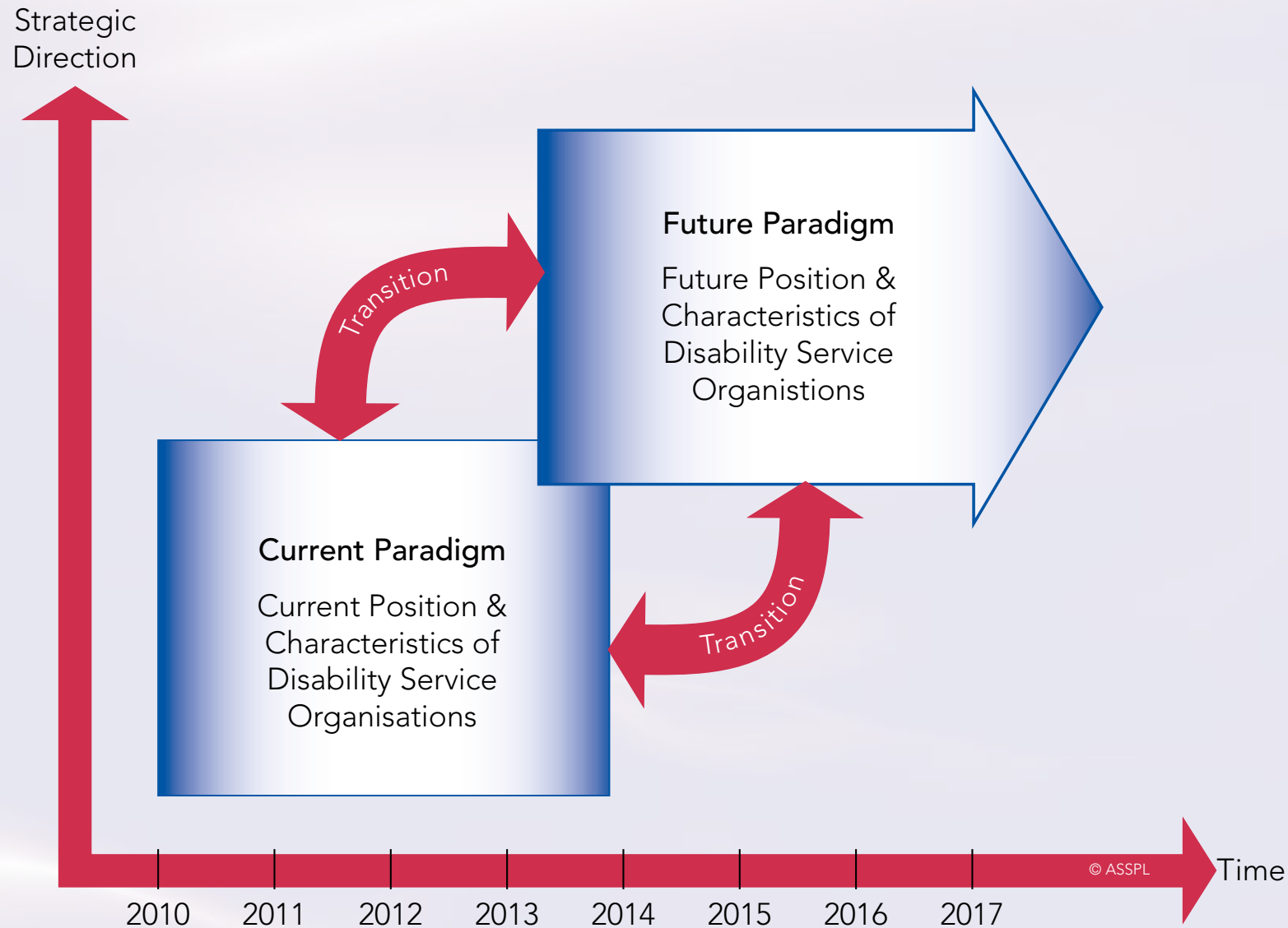
# Snapshot 13: DSOs Past, Present & Future



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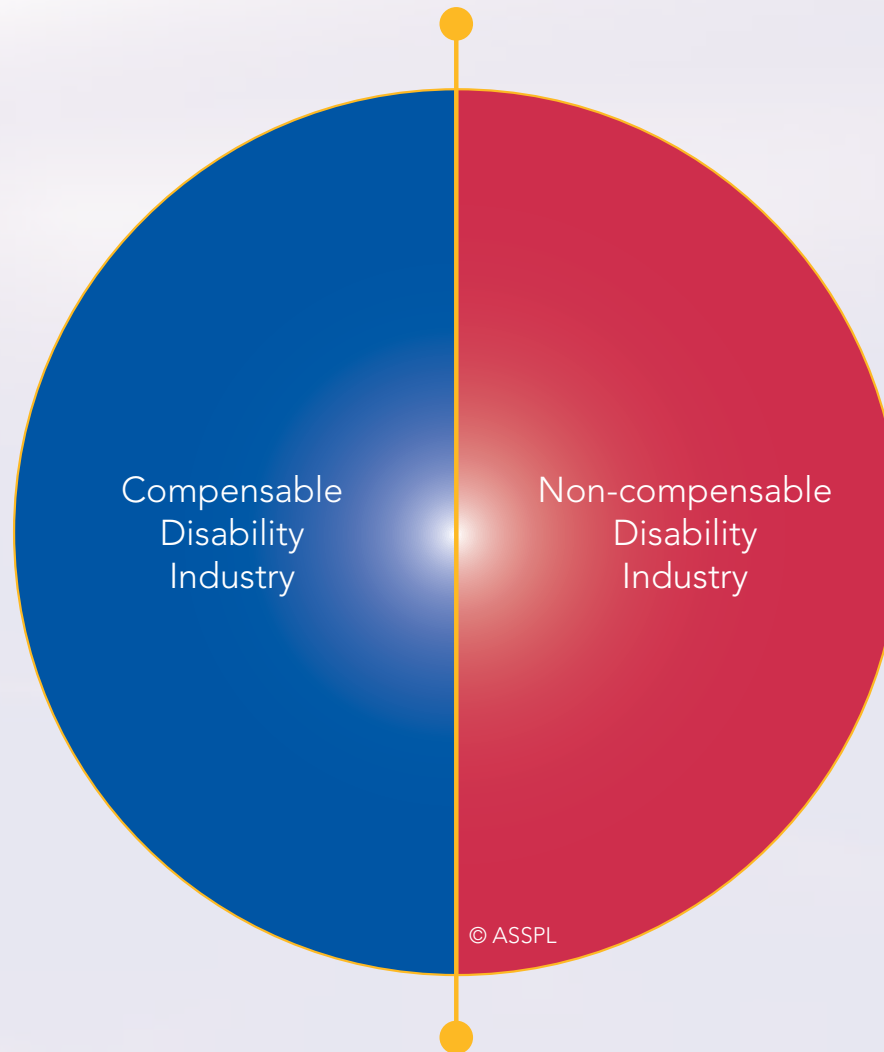
# Snapshot 14: In Summary... DSOs Are Making A Paradigm Leap



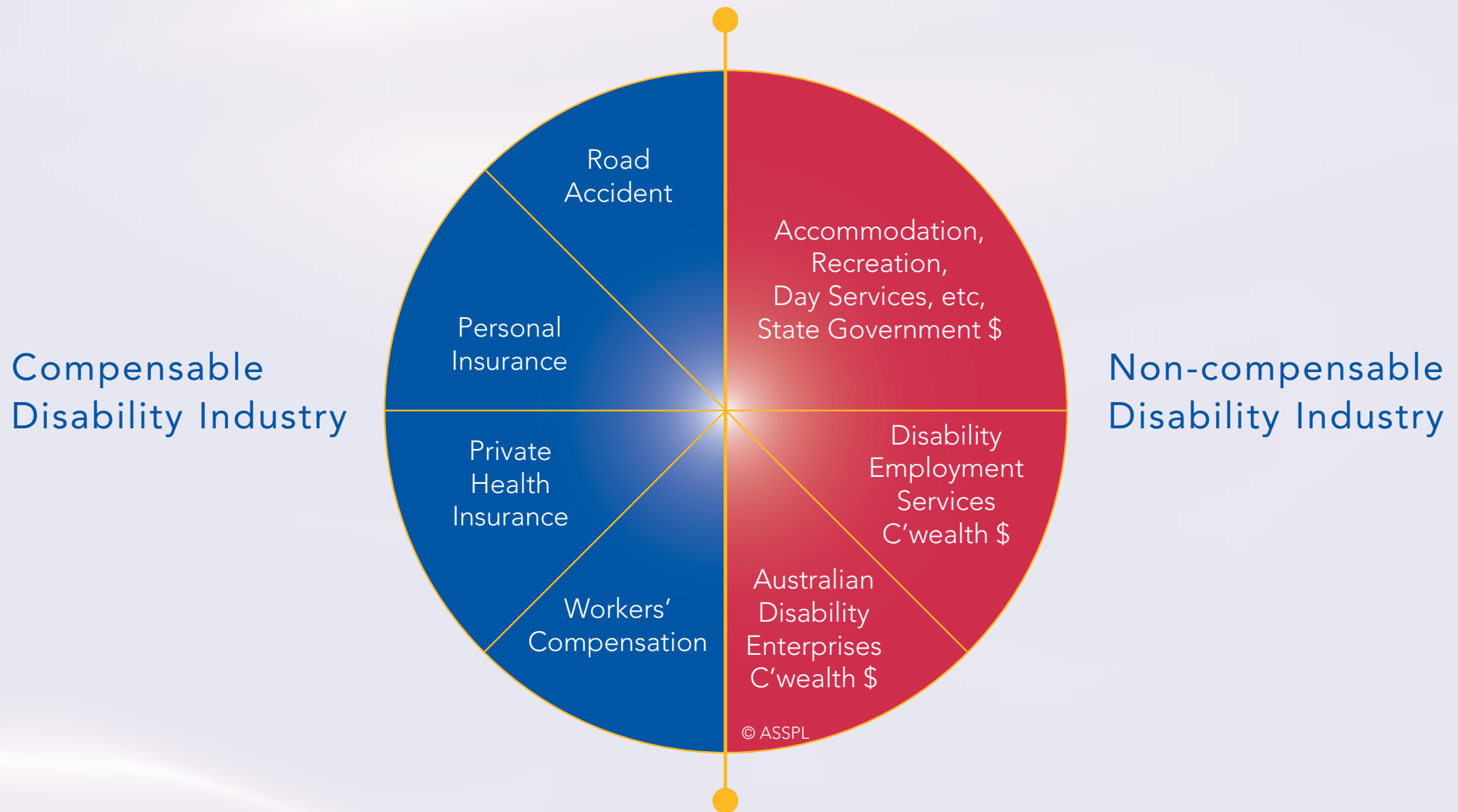
A modern conference room with a long, dark wood conference table surrounded by black leather chairs. The room features large windows with blue blinds and potted plants on the windowsill. The walls are blue and wood-paneled, and the ceiling has recessed lighting.

*DSOs Tomorrow...  
Strategic Considerations  
For Your Board, CEO & SMT*

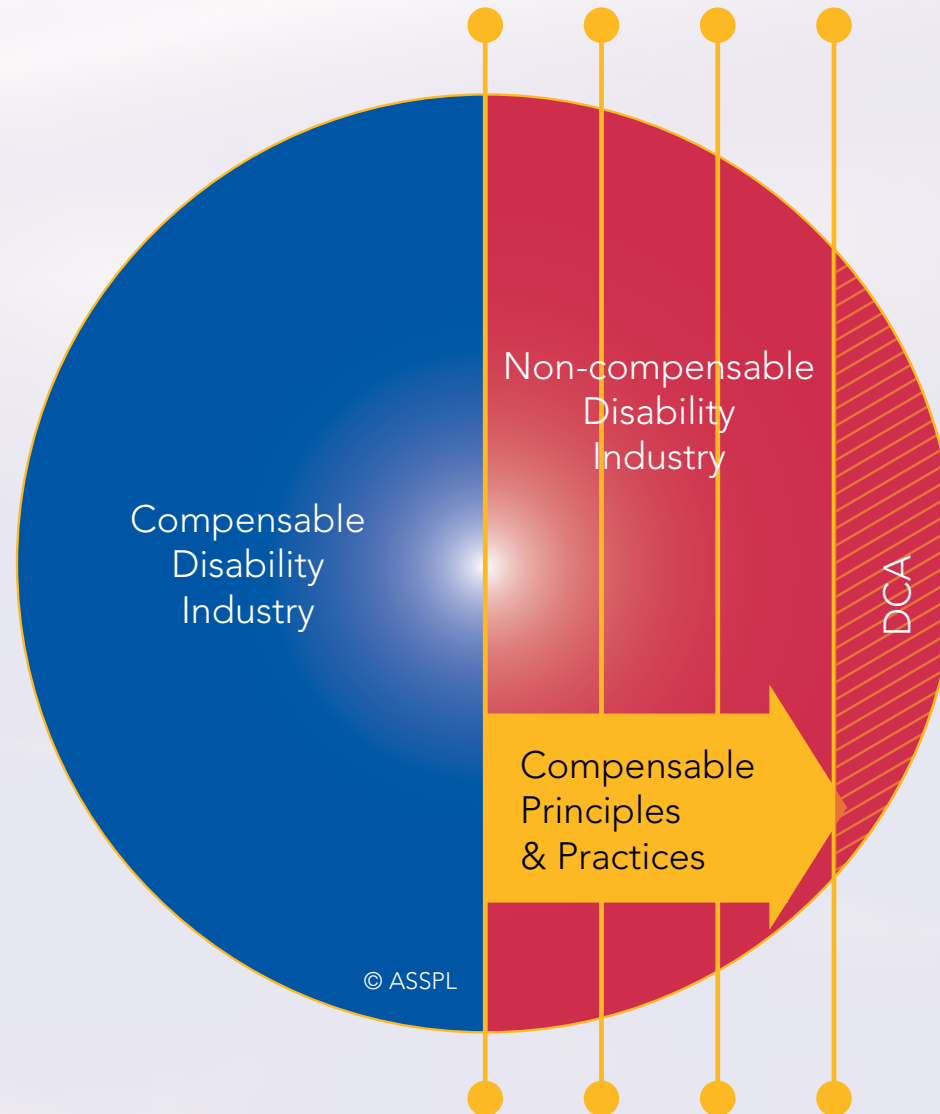
# Consideration 1: Two Halves...Compensable & Non-compensable



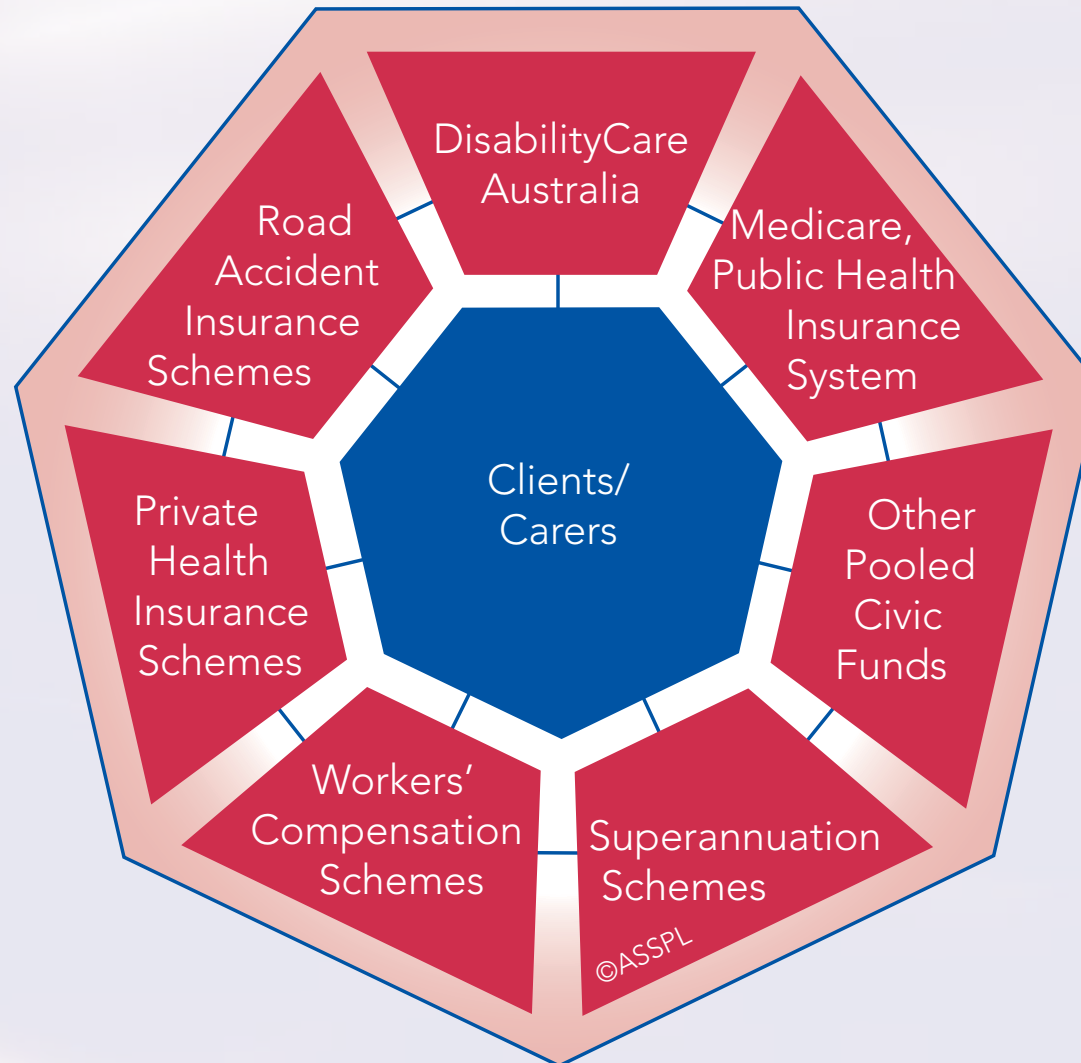
# Consideration 1: Two Halves...Compensable & Non-compensable



# Consideration 1: Compensable Principles & Practices Applied By DCA



# Consideration 2: DCA, A Pooled Fund, An Insurance Scheme



# Consideration 2: DCA, Insurance Principles & Practices

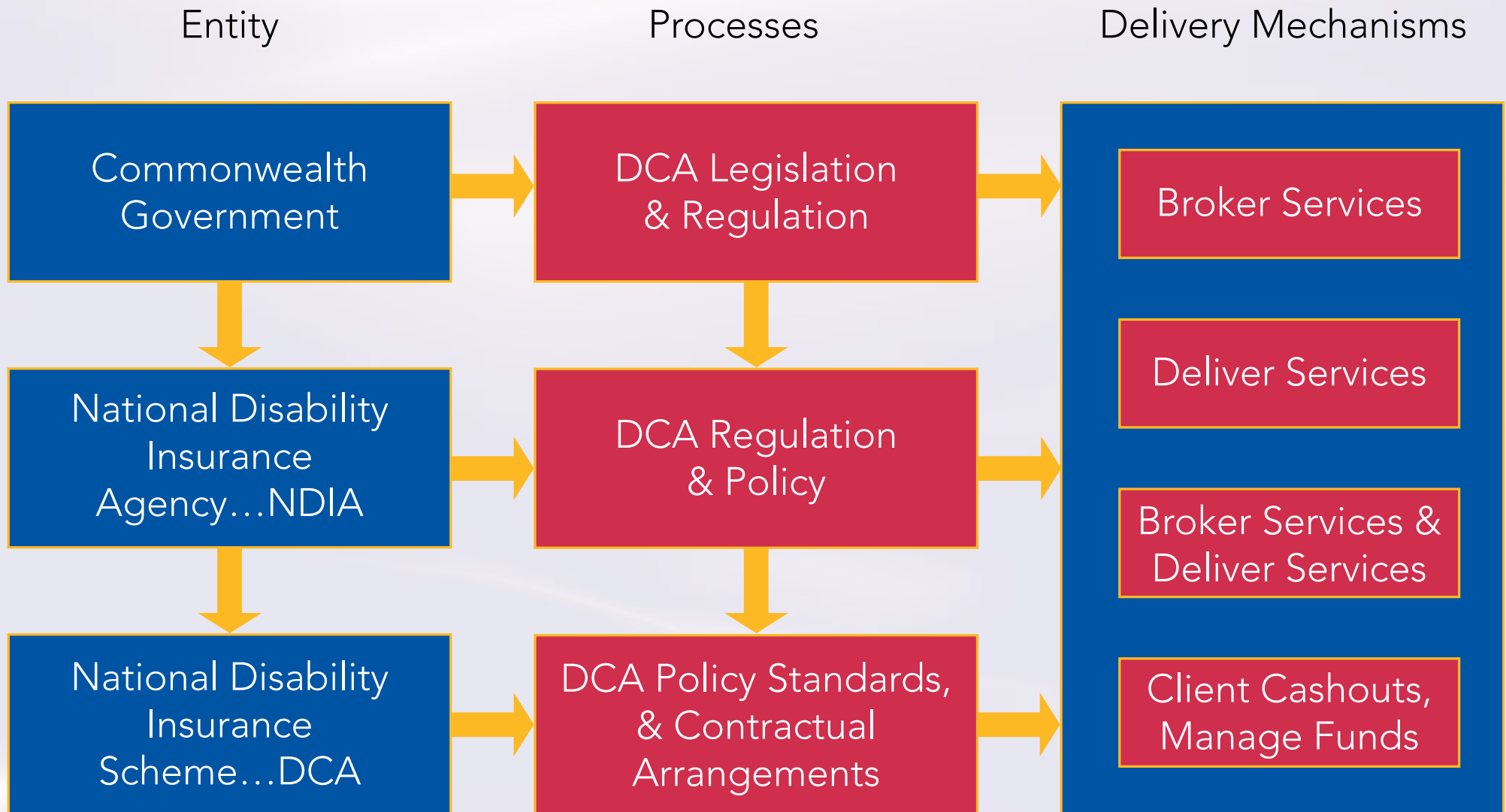
- ◆ NDIA/DCA will be an insurance scheme
- ◆ NDIA/DCA will operate on insurance/pooled fund principles and practices
- ◆ NDIA/DCA will also operate strictly on commercial and compensable principles and practices
- ◆ Insurance/pooled funding is managed by claims managers, contract managers, actuaries, fund managers, treasuries and money markets
- ◆ The NDIA/DCA will create a very different way of operating DSOs



# Consideration 3: Government Funded To Insurance Financed

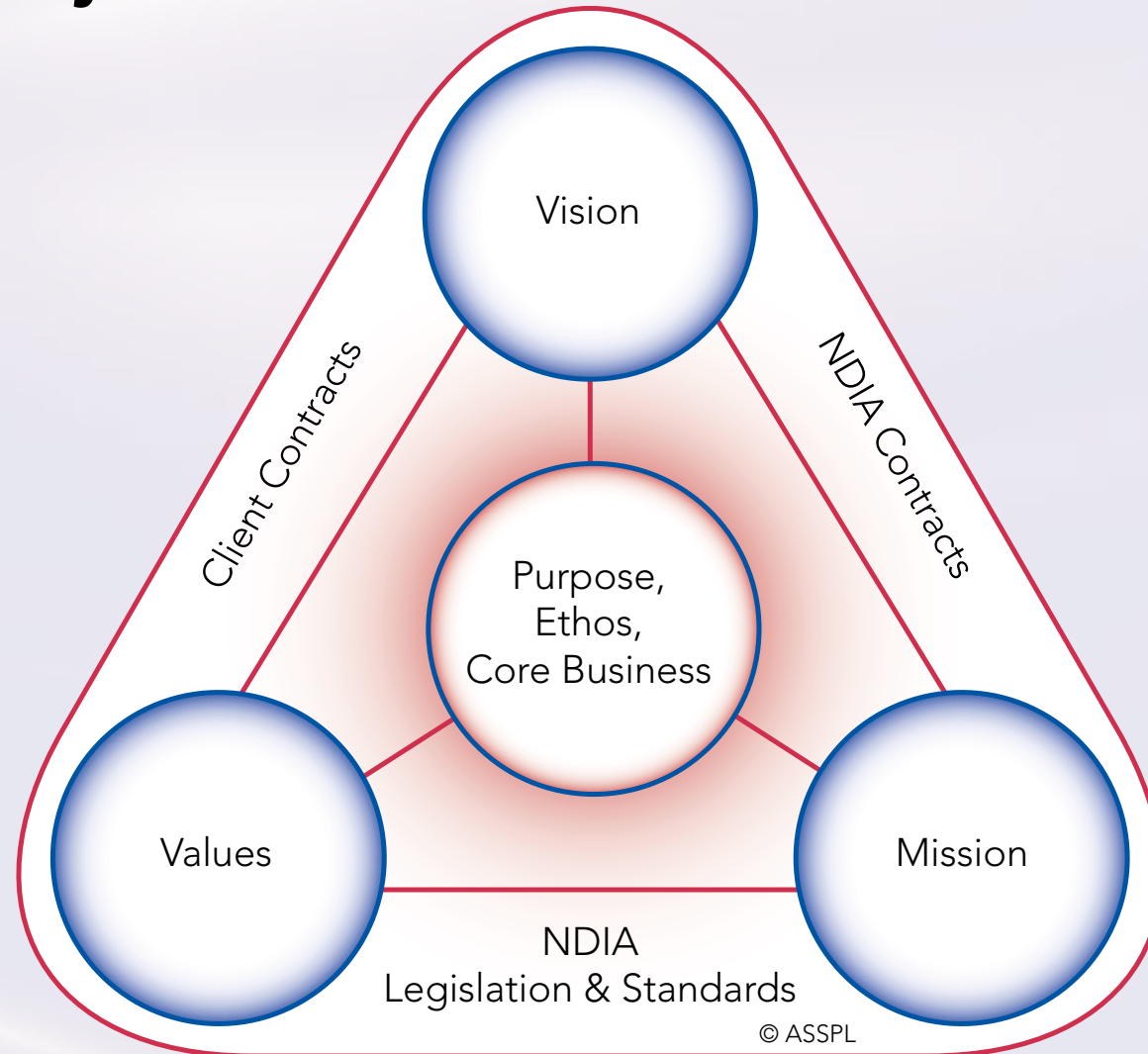


# Consideration 4: DCA Entities, Processes & Delivery Mechanisms



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# Consideration 5: DSOs, United By Their Vision, But Driven By NDIA Contracts & Clients/Customers



# Consideration 6: Client/Carer Demand & Expectations Will Increase

- ◆ Client/carer requirements and expectations, together with demand, will continue to increase
- ◆ Clients/carers will be increasingly aware of:
  - \* their rights and responsibilities
  - \* their financial/service entitlements
  - \* DSOs' price and performance
  - \* service/contractual arrangements, obligations, deliverables & measures

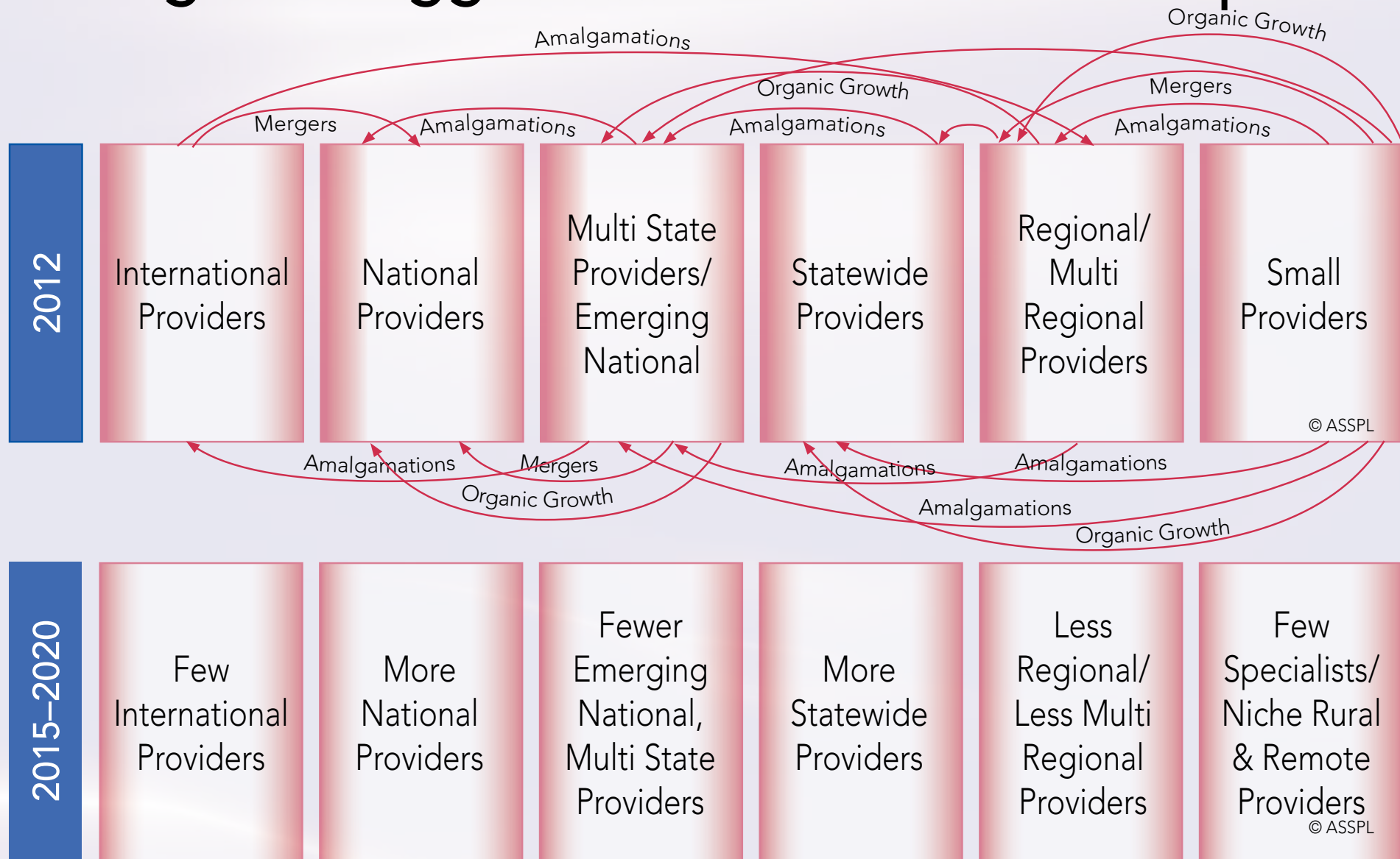


# Consideration 7: Client/Carer Profile At 2020

- ◆ Attuned to choice, options and decision making processes of the NDIA/DCA
- ◆ Medium–low DSO brand loyalty
- ◆ Realistic expectations and assessed needs
- ◆ Rights and responsibilities oriented
- ◆ World views, world travel and multi-cultural attitudes and expectations
- ◆ More self managing clients/carers
- ◆ Significantly disadvantaged clients/carers – wealthy clients/carers, a diverse spread
- ◆ More people with tertiary/VET qualifications, careers/jobs, etc



# Consideration 8: The Big Get Bigger, The Small Go Niche Specialist



# Consideration 8: The Big Get Bigger, The Small Go Niche Specialist

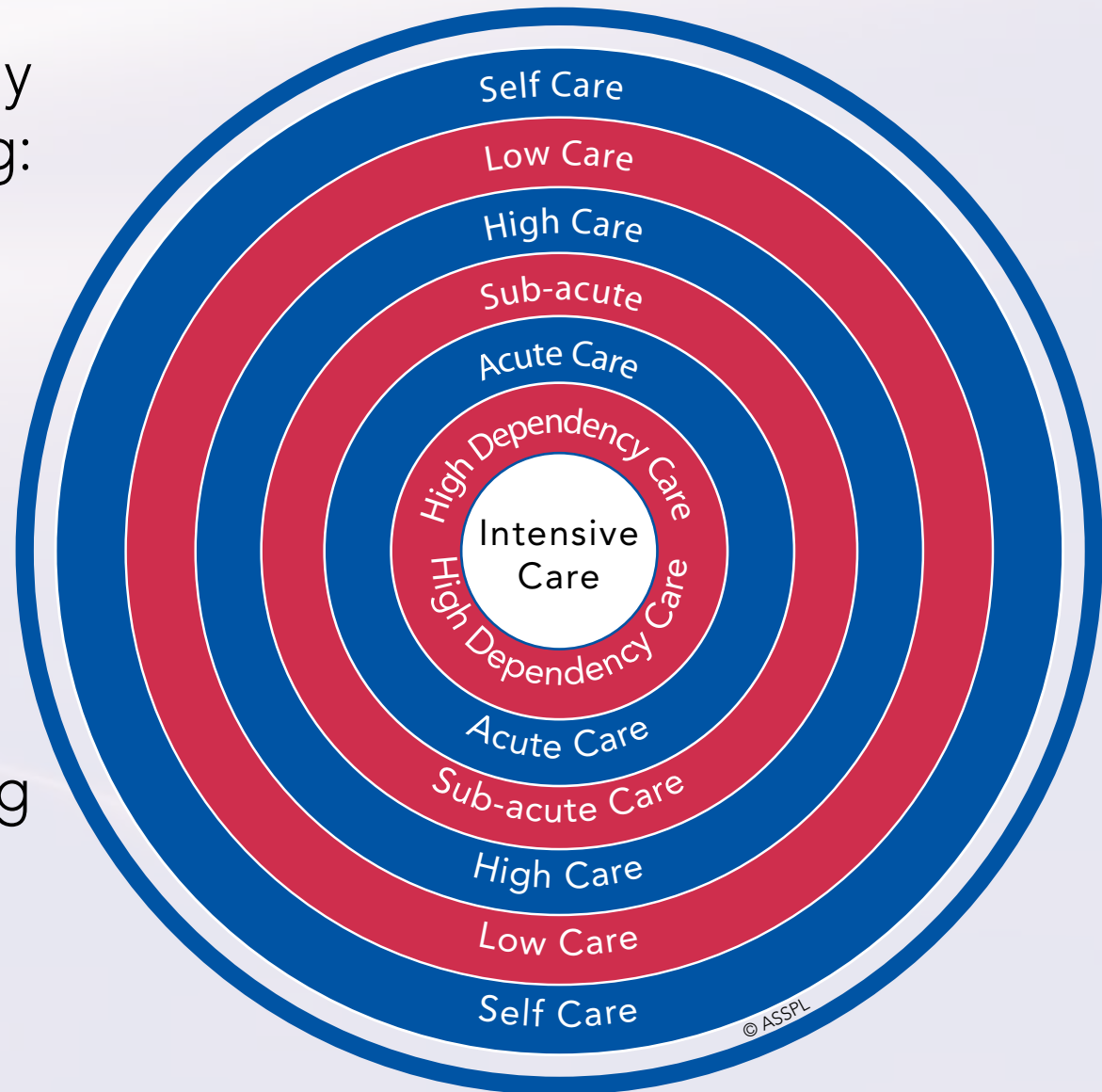
- ◆ With customer choice and market forces prevailing, boards, chief executive officers and senior management teams need to discuss and develop serious strategies to enable their organisations to adapt to the new paradigm and environment in which they will operate
- ◆ The number of NFP amalgamations, mergers, sales and closures will continue to increase as DSOs move through Entry Phase, Qualifying Phase to Preferred Provider Phase
- ◆ Remember, as big trees grow, there is plenty of room in the forest for medium sized trees, shrubs, bushes and even fungi; it's a case of succeed by adaptation...or die

# Consideration 9: If You're Into DCA Care...Care Is On The Move

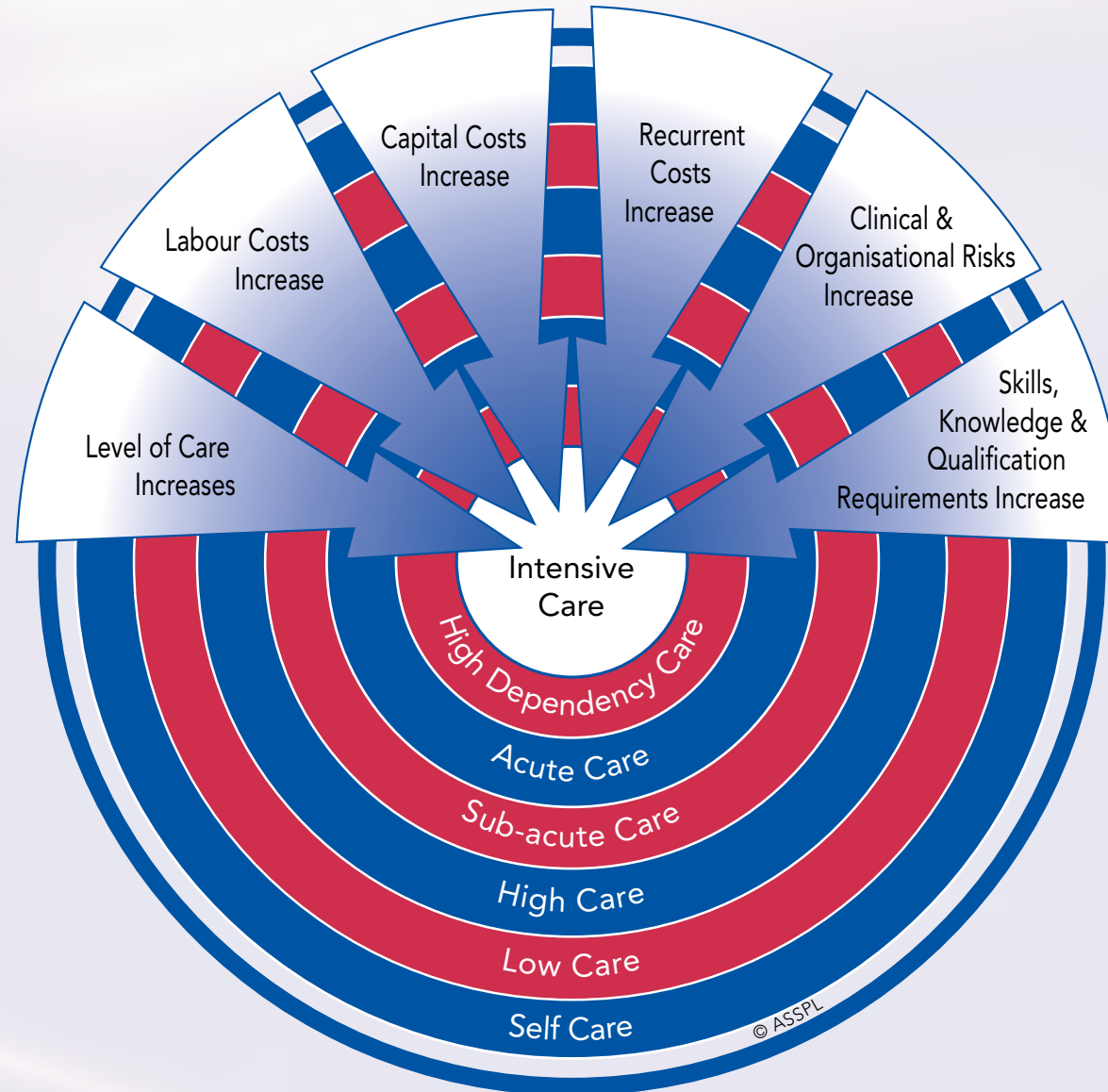
◆ If your DSO provides any form of care services, eg:

- \* Allied Health
- \* Day Services
- \* Health Care
- \* Mental Health
- \* Drug/Alcohol

consider the adjacent model and the following model on page 47



# Consideration 9: As Care Levels Increase...Everything Else Increases



# Consideration 10: From Siloed Services To Integrated Services

## Example Siloed Services



## Example Integrated Services



# Consideration 11: Increasing Use Of External Expertise/Consultants

Small to Medium  
Disability Service Organisations

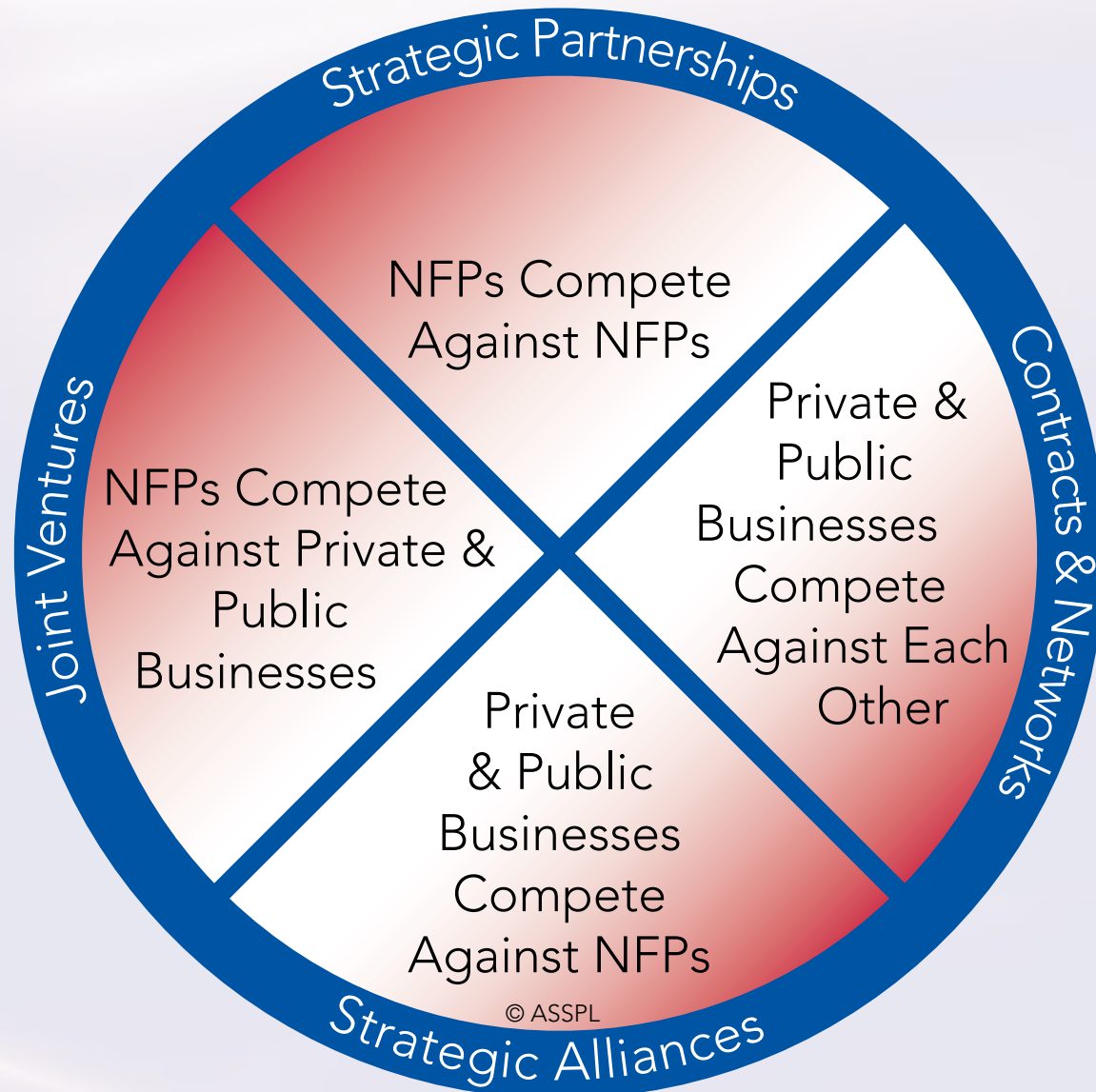


Medium to Large  
Disability Service Organisations

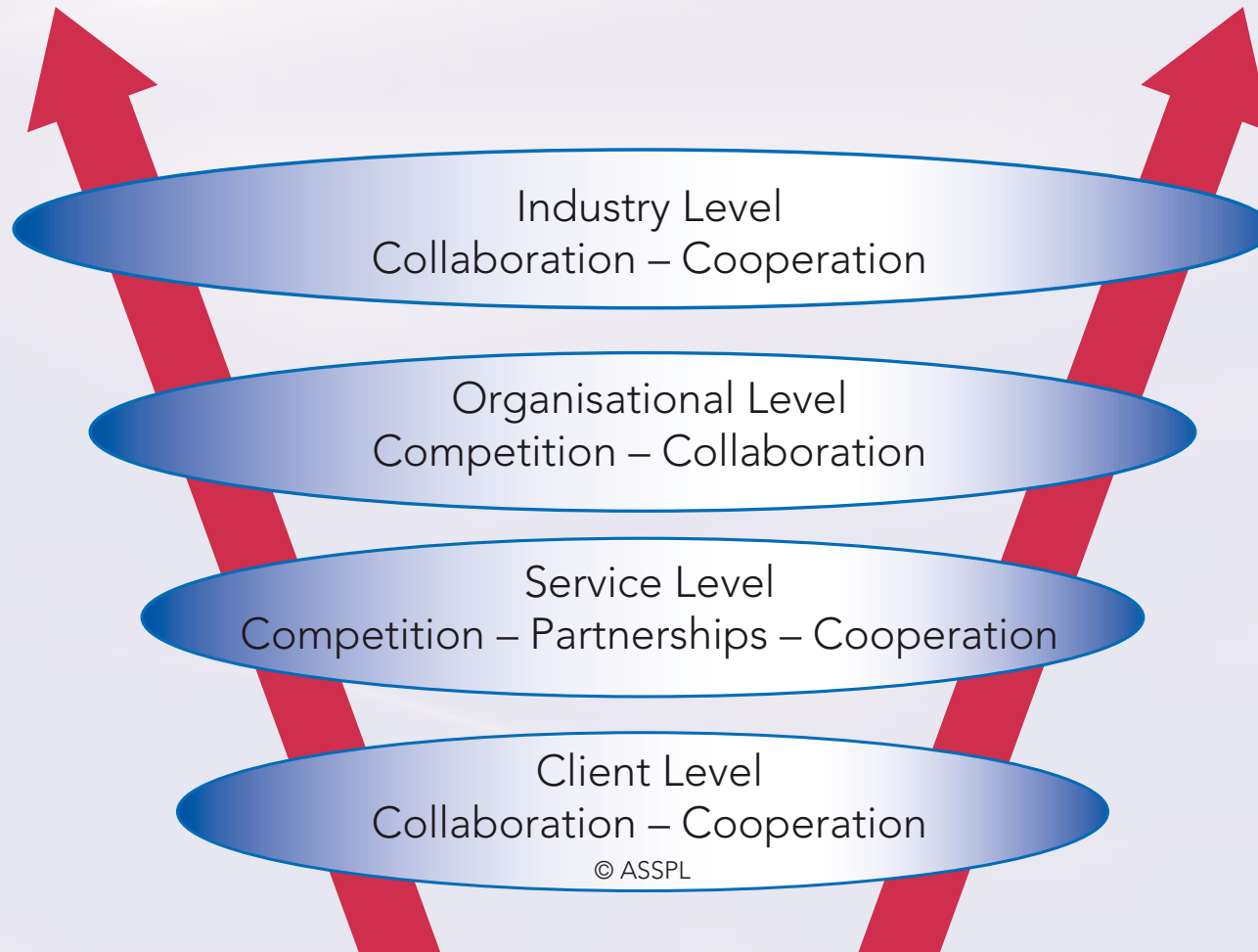


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# Consideration 12: Market Forces & Competition Will Prevail



# Consideration 13: Collaboration – Cooperation – Competition



# Consideration 14: Preferred Providers Will Rule The New World

- ◆ Where human services have been privatised by the Commonwealth and State governments and private businesses, public businesses and community businesses (NFPs) compete for market share, service delivery and clients/carers, the principles and practices of the “Market Bell Curve” prevail.

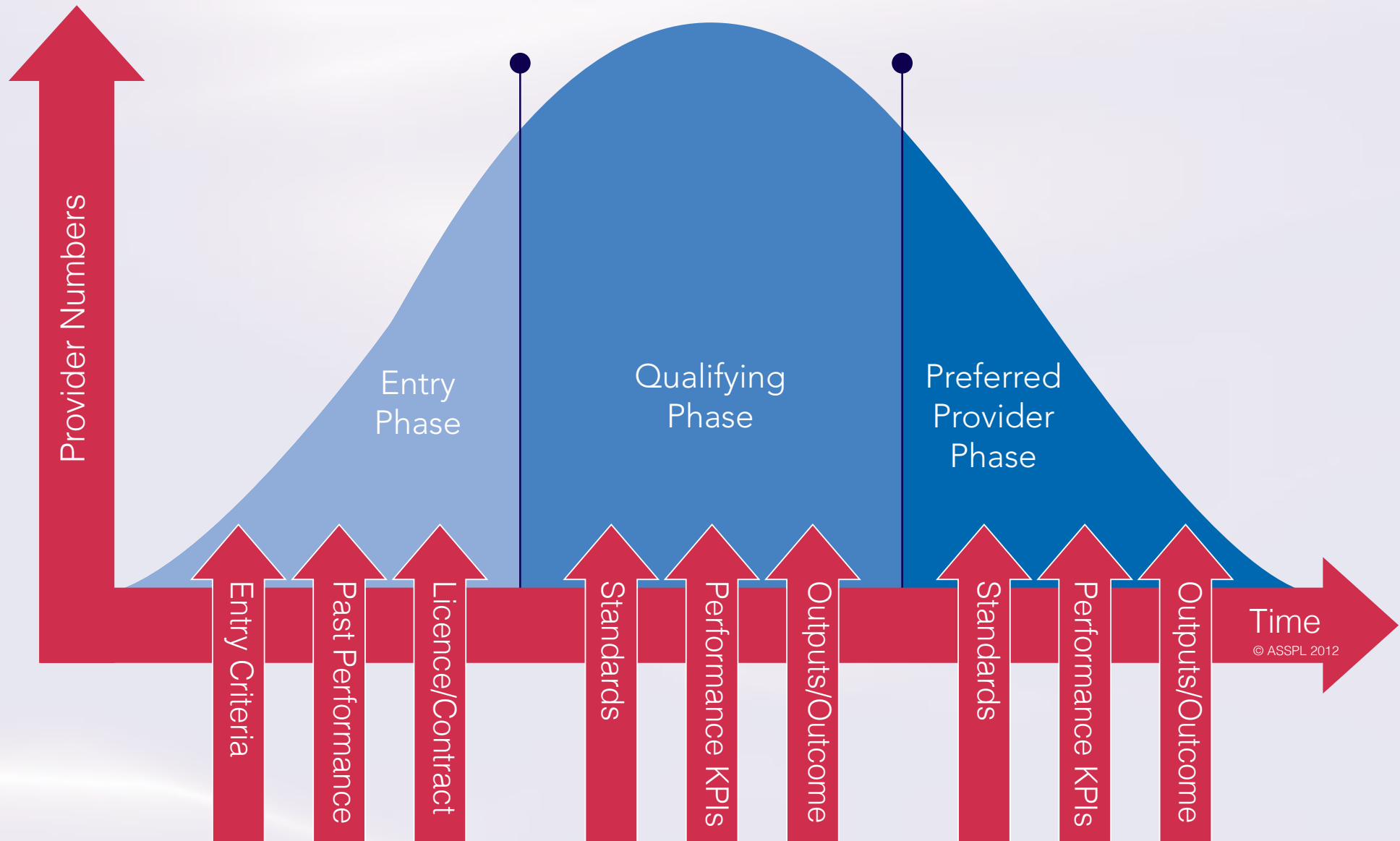


# Consideration 14: Preferred Providers Will Rule The New World



- Only 70 of the original 700 SkillShare organisations were part of the 300 providers who made it into Entry Phase
- Via the Entry Phase, 230 new entrants gained a foothold in the Employment Services Industry...community businesses, private businesses and public businesses

# Consideration 14: Preferred Providers Will Rule The New World



# Consideration 14: The Rise Of Preferred Providers...The Evidence

Industry Examples	1980s	1990s	2000s	2012	2015/2020
Employment Services Providers	700+	300 (only 70 of original 700, 230 new entrants)	200	101	50–100 (est)
Disability Employment Providers	13+	240	260	214	50–100 (est)
Pathology Providers	340	300	120	30	20–25 (est)
Private Health Insurance Companies	N/A	48	44	37	20–30 (est)
Credit Unions	841	350	200	100	67–72 (est)
Bush Nursing Hospitals/ Centres	69 (1935)	30–50	25–30	22	10–15 (est)
Residential Aged Care Providers	2,200	2,900	1,600	1,200	400–500 (est)
Community Care Providers	500–3,000	3,000–4,000	4,000–4,500	4,500–5,500	500–1,000 (est)

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# Consideration 14: The Rise Of Preferred Providers...The Evidence

- ◆ All NFP industries/sectors have been consolidating over many years, eg: pathology providers
- ◆ The previous table not only provides evidence of industry/sector consolidation, but also reinforces the “Market Bell Curve” and the power of market forces, competition, declining government funding/unit cost and client choice
- ◆ Amalgamations, mergers, sellouts and closures have been a feature of all NFP industries/sectors since the 1980s and will continue to be so until 2015–2020, and thereafter, even for DSOs

# Consideration 15: Where Price Is Constrained...Watch Out

*Service  
Volume*

*Service  
Margin*

*Business  
Risk*

Low Volume

High Margin

Low Risk

Low Volume

Low Margin

High Risk

High Volume

Low Margin

High Risk

High Volume

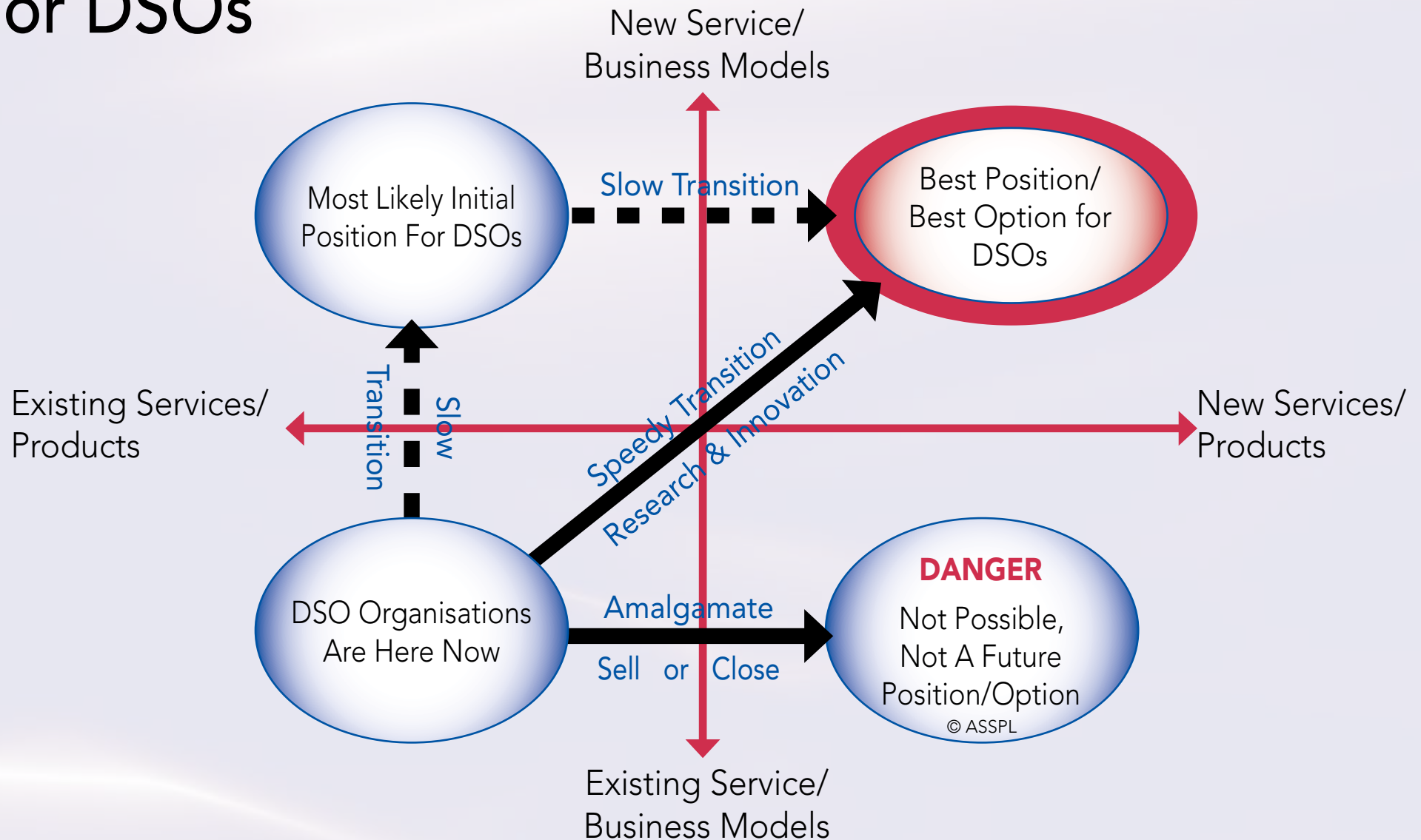
High Margin

Low Risk

# Consideration 15: Where Price Is Constrained...Watch Out

- ◆ In the new world of NDIA/DCA:
  - \* Volume ...client numbers
  - \* Margin ...knowing the true cost, margin and price of a unit of service delivery or product
  - \* Business Risk ...that is a result of the two aforementioned elements
  
- ◆ In reality, DSOs which are price constrained, have small client numbers and long distances to travel will struggle to survive financially in the new paradigm/new environment, unless they are “block/contract” financed, have alternative revenue streams or cluster/network/amalgamate together

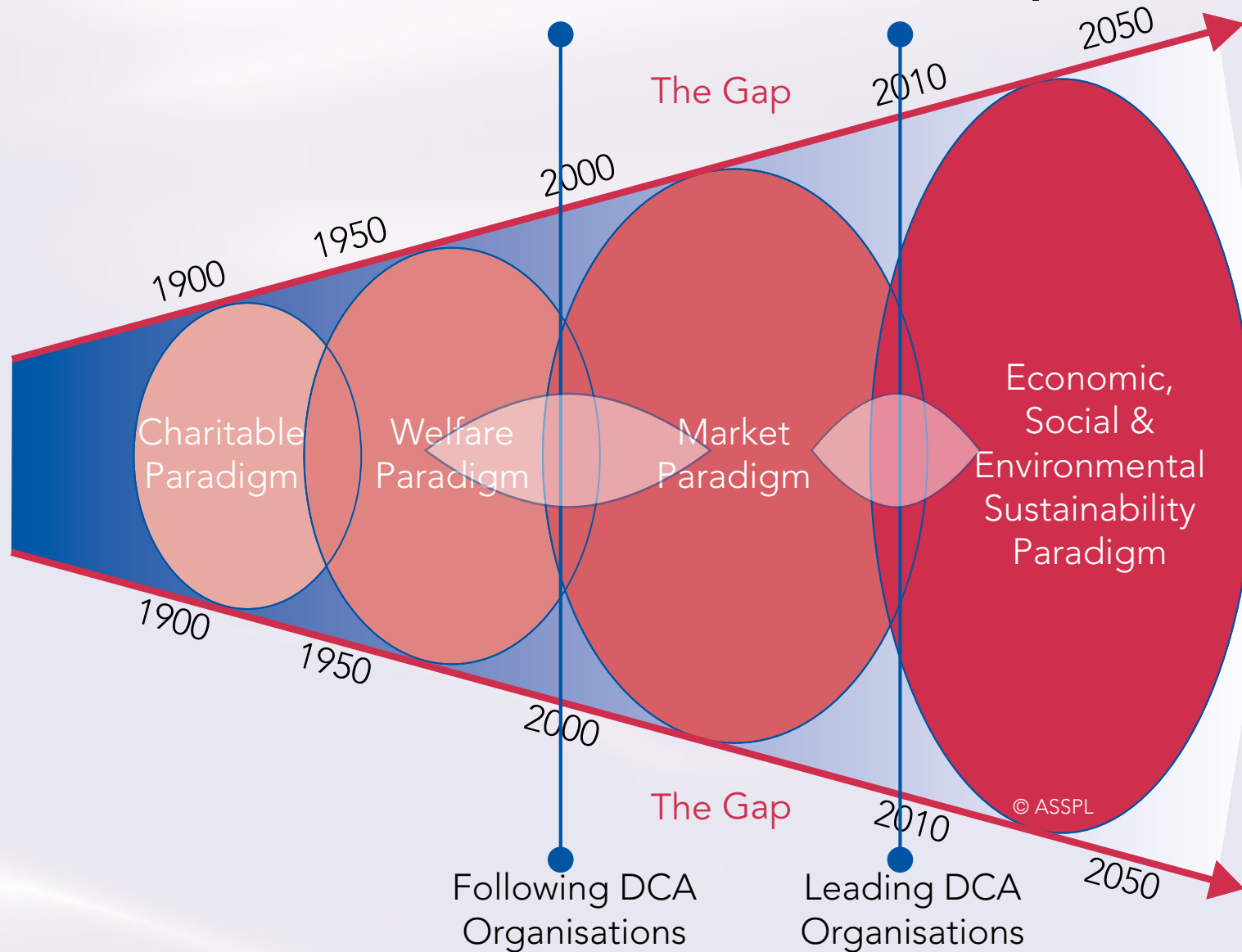
# Consideration 16: A New Paradigm...New Rules & A New Position For DSOs



# Consideration 16: A New Paradigm...New Rules & A New Position For DSOs

- ◆ The previous axis model provides four service positions/moves that DSOs can take as the DCA is implemented
- ◆ Before making a decision on any one of these positions/moves, your leadership team (board, chief executive officer, senior management team) will need to undertake:
  - \* a serious and robust scenario planning/strategic planning process
  - \* a rigorous assessment of the true cost, margin and price of your services
  - \* development of a strategic financial plan not just an annual budget

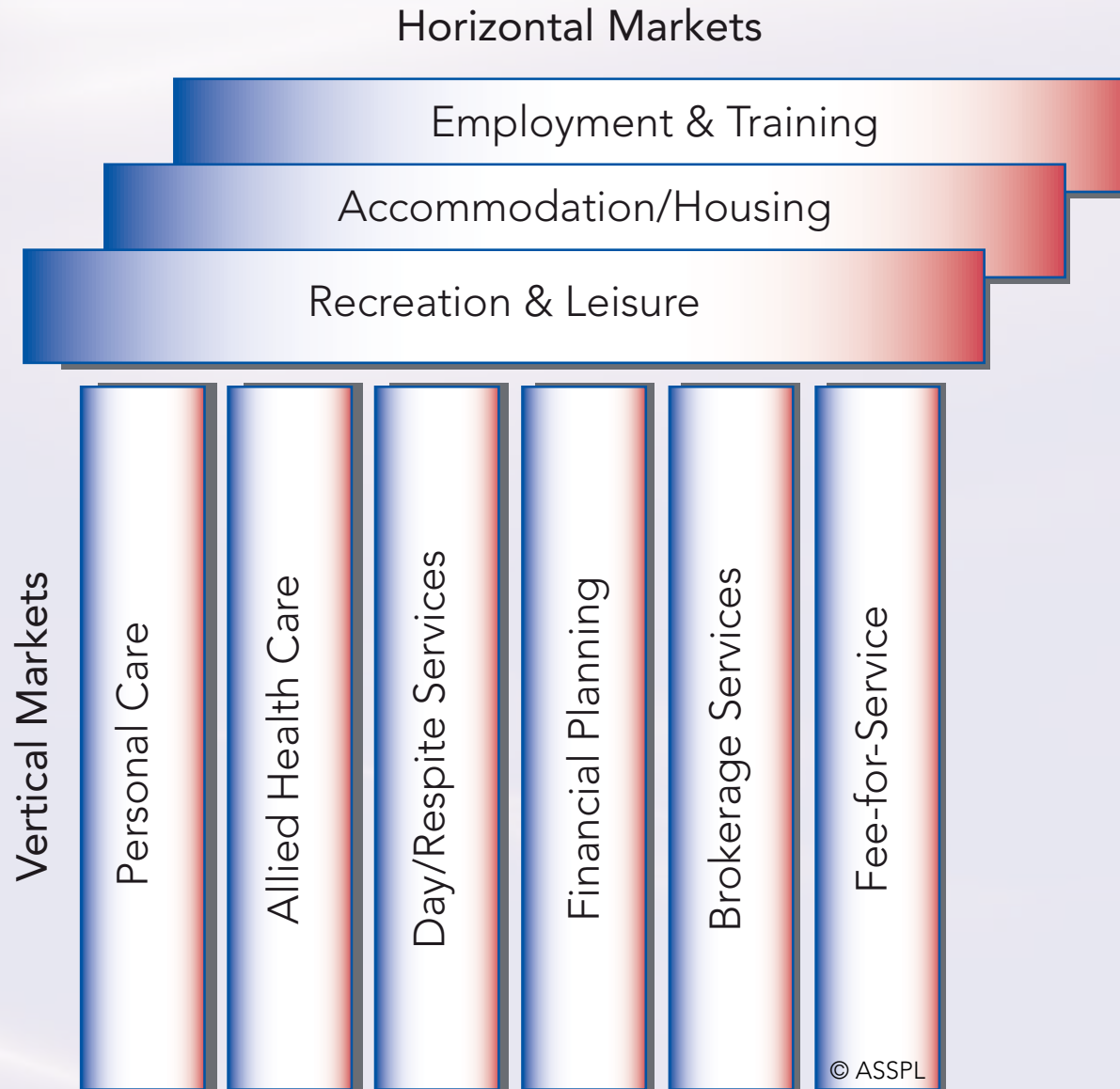
# Consideration 17: Changing Paradigms...Watch The Gap



# Consideration 17: Changing Paradigms...Watch The Gap

- ◆ The backdrop to all DSOs development and growth has been 1–2–3 paradigms; either singly or a combination of charitable paradigm, welfare paradigm, market paradigm or economic, social and environmental sustainability paradigm
- ◆ Each paradigm has a unique set of characteristics, elements and behaviours that provide a framework within which each provider operates
- ◆ However, “The Gap” between leading DCA organisations and following DCA organisations is what clients/carers will exploit, NDIA will exploit and competitors will exploit

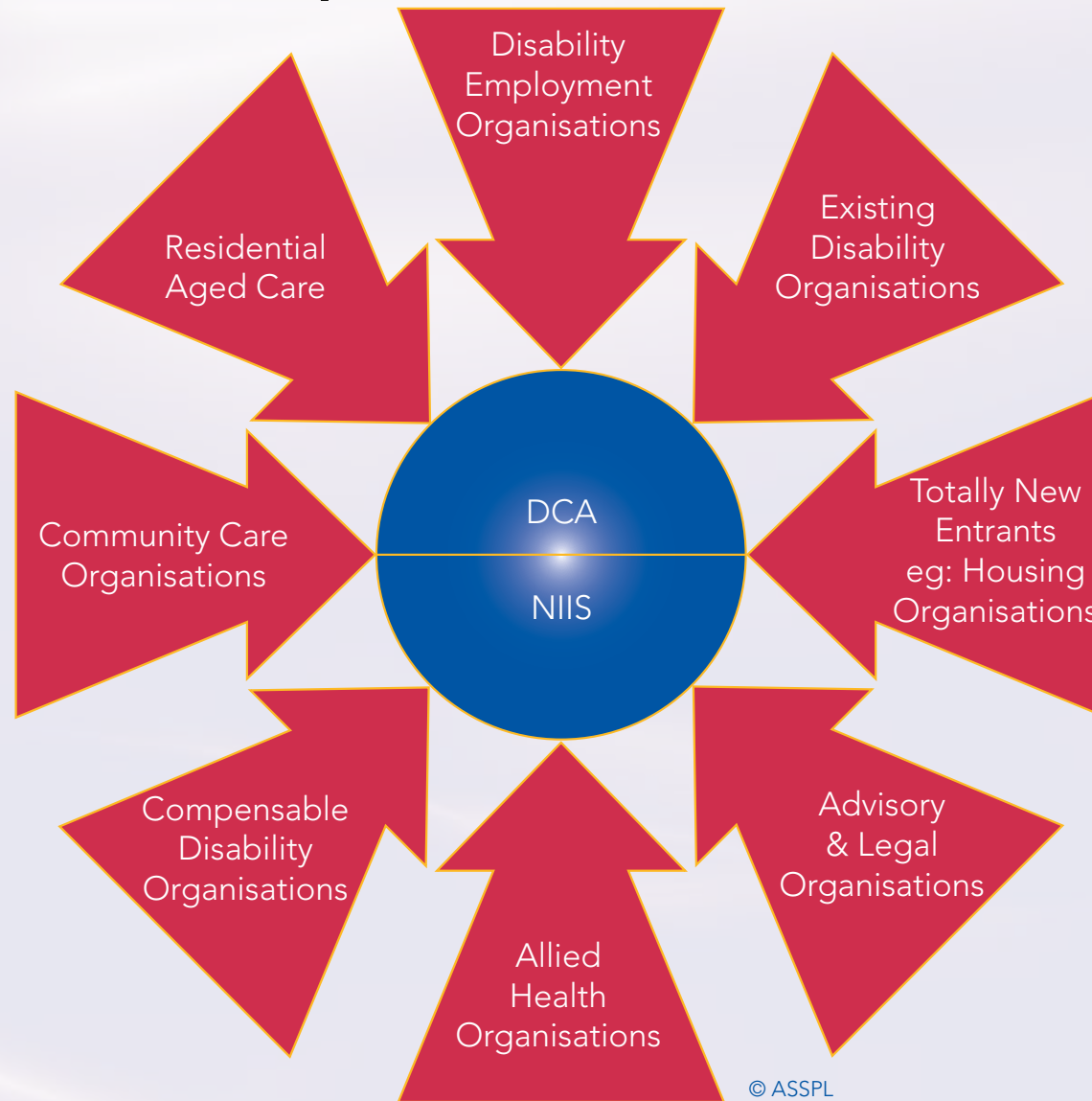
# Consideration 18: Go Market Breadth Or Market Depth Or Both



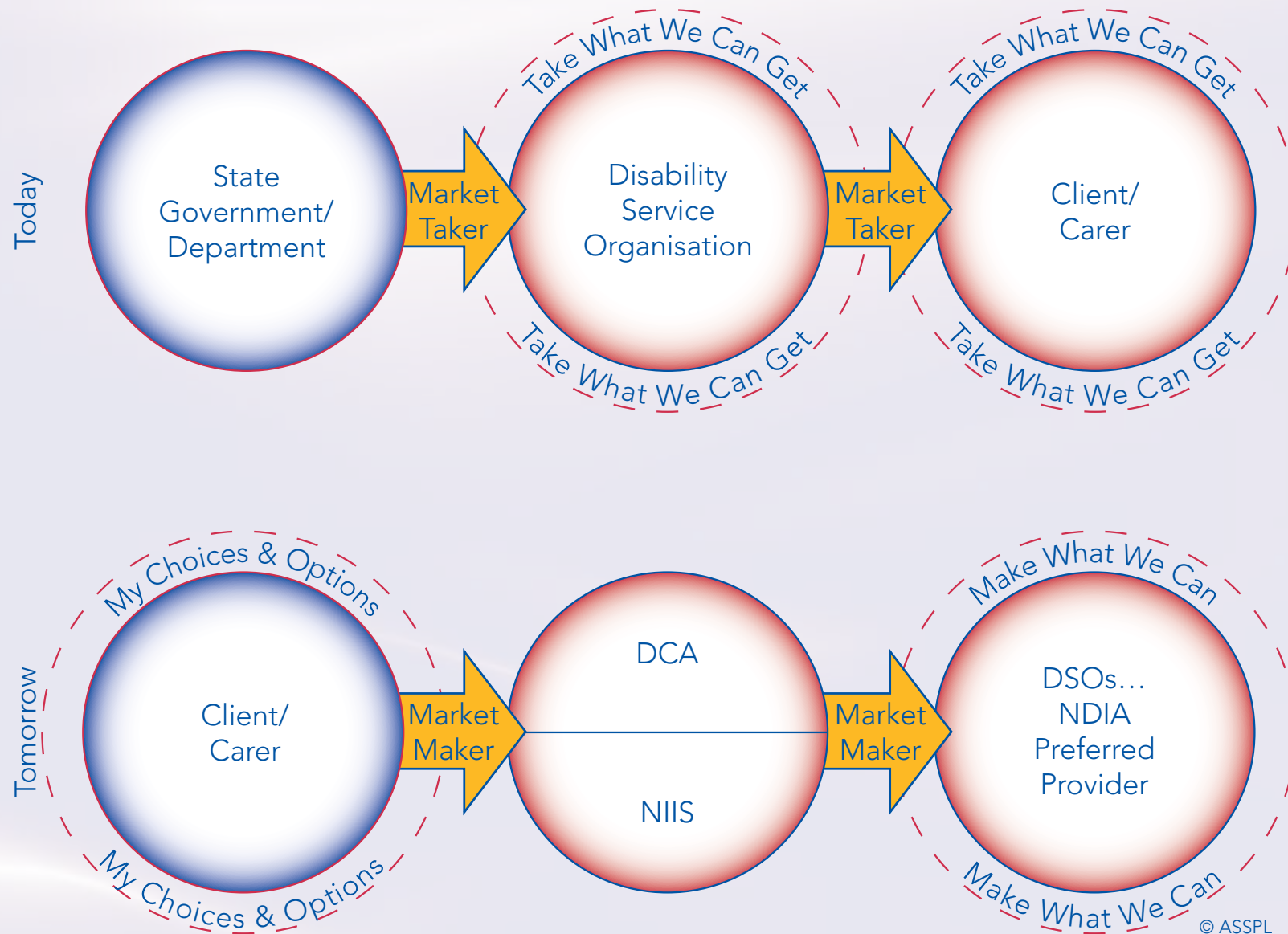
# Consideration 18: Go Market Breadth Or Market Depth Or Both

- ◆ Many DSOs are:
  - \* growing and developing their horizontal market/s and their vertical market/s, organically or via amalgamations or mergers, or
  - \* just gaining depth and breadth in their existing vertical market/s, or horizontal markets, or
  - \* researching and/or developing new horizontal or vertical marketsand will continue to do so
- ◆ An example of horizontal and/or vertical market development can be seen on the previous page, eg: a multi-service disability organisation

# Consideration 19: Fewer DSOs, Competitors From Other Worlds



# Consideration 20: DSOs From Market Takers To Market Makers

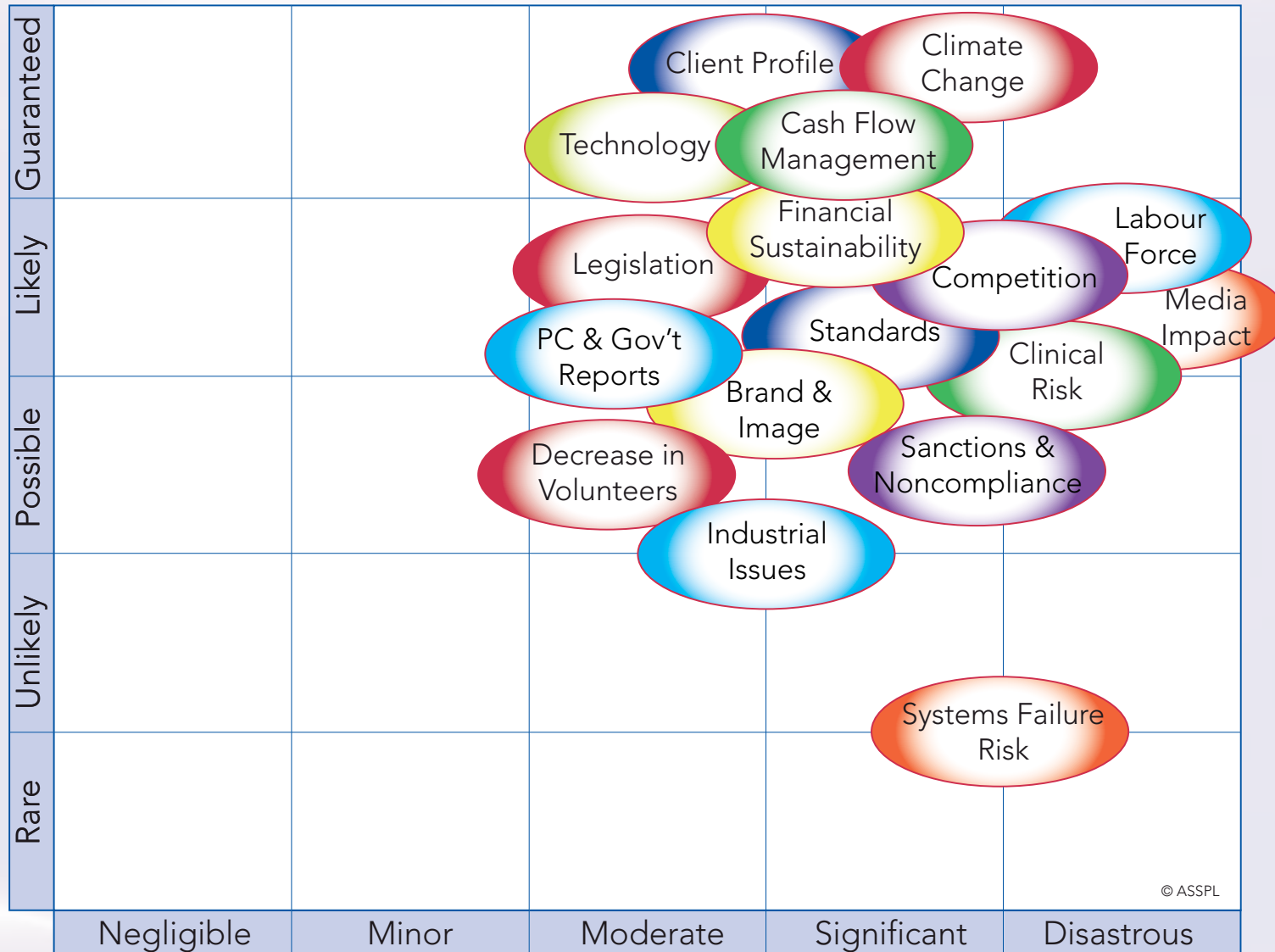


# Consideration 21: Go Beyond Standards, Go On A Quality Journey

- ◆ All organisations that deliver human services must meet standards/accreditation, but standards are minimum, everybody meets them and they are of no competitive advantage
- ◆ Moving beyond a “compliance/accreditation mentality” is critical
- ◆ The quality journey of continuous improvement and organisational development is paramount to the future success of those DSOs that wish to become a Preferred Provider of the NDIA
- ◆ Appoint a full time Quality Manager/  
Business Excellence Manager

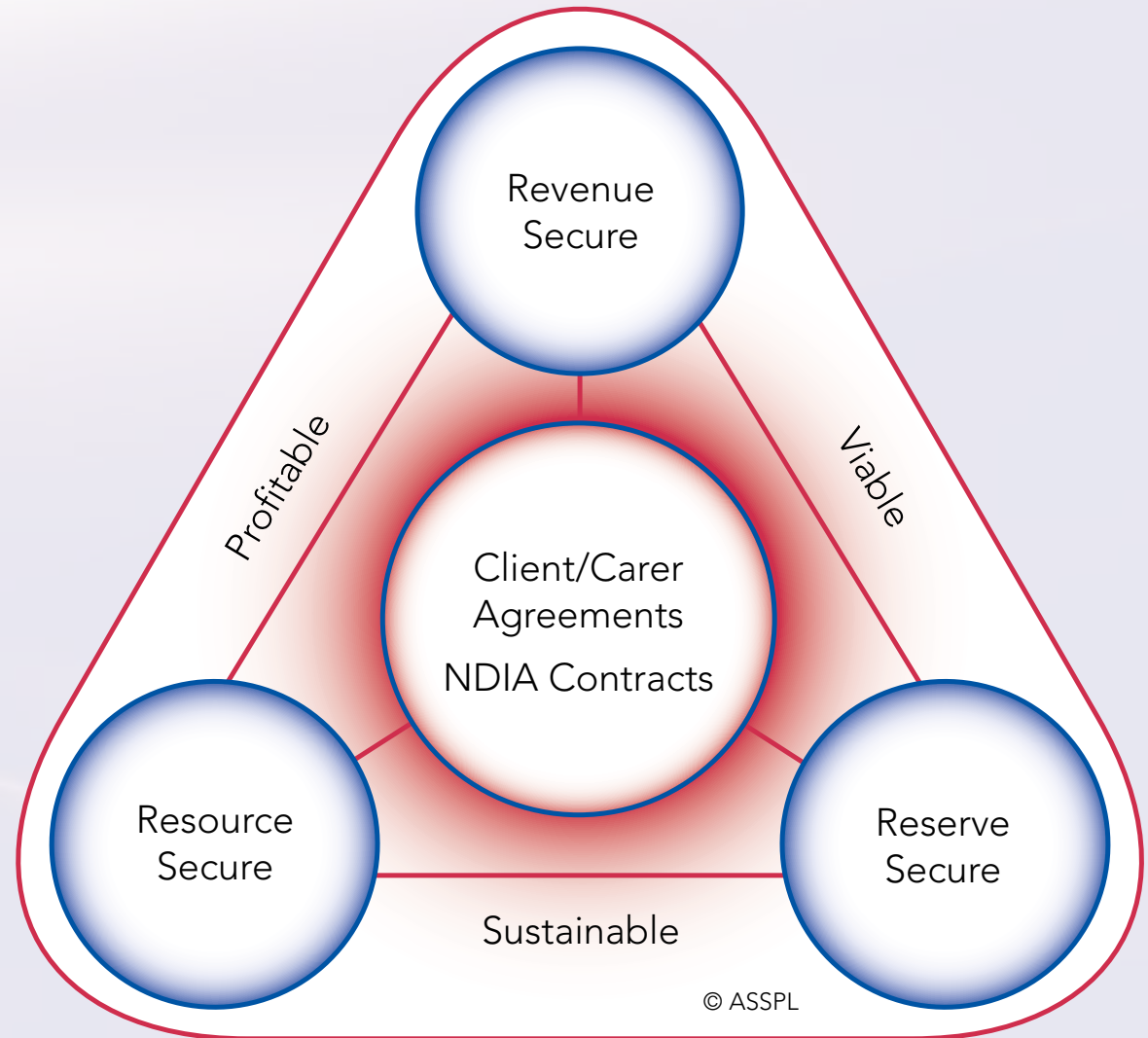


# Consideration 22: An Increasingly Dynamic Risk Profile For DSOs

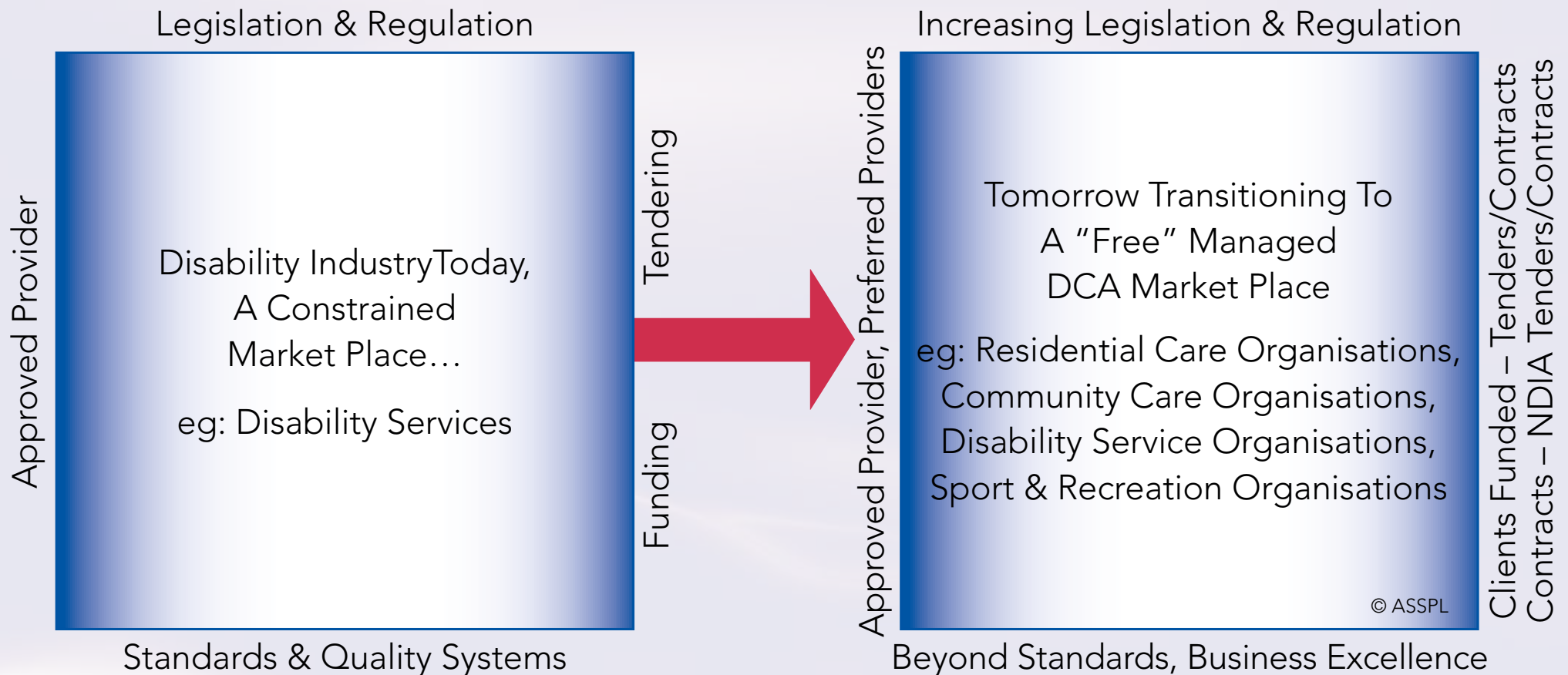


# Consideration 23: Apply The Triple R Principles & Practices

- ◆ DSOs will need to be:
  - \* viable, sustainable and profitable if they are to contract to the NDIA
  - \* revenue secure, reserve secure and resource secure
  - \* squarely focused on the delivery of client/carer agreements and NDIA contracts



# Consideration 24: A More Rigorous Framework, A "Free/Managed" Market



# Consideration 25: Reflect On Your Organisation's Life Cycle Position



# Consideration 26: Remember...Services Come, Services Go

- ◆ For those boards, chief executive officers or senior managers who have been across the disability industry for many years may have noticed:
  - \* government policies come and go
  - \* government services come and go
  - \* government funding comes and goes
- ◆ In fact the best examples of this phenomenon are mainstream employment services and disability employment services...read on

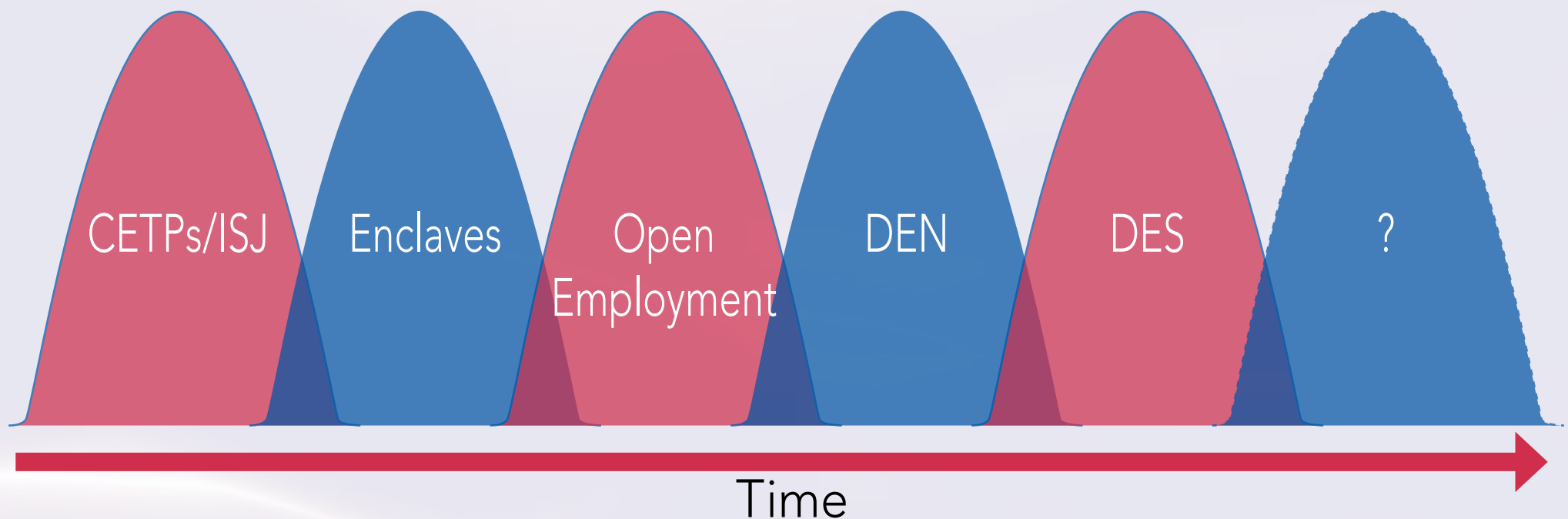


# Consideration 26: Remember...Services Come, Services Go

- ◆ Red Scheme came,  
Red Scheme went...
  - ◆ NET/CYSS came,  
NET/CYSS went...
  - ◆ SkillShare came,  
SkillShare went...
  - ◆ ESRA came,  
ESRA went...
  - ◆ JobNetwork came,  
JobNetwork went...
  - ◆ JSA came,  
JSA will go...
  - ◆ CETPs and ISJs came,  
CETPs and ISJs went...
  - ◆ Enclaves came,  
Enclaves went...
  - ◆ Open Employment came,  
Open Employment went...
  - ◆ DEN Capped/Uncapped came,  
DEN Capped/Uncapped went...
  - ◆ DES, ESS and DMS came,  
DES, ESS and DMS will go...
- ...so what's the message???*

# Consideration 27: Product & Service Life Cycles Will Continue

- ◆ All services or products have a life cycle: birth, growth, maturity, decline, death; even those delivered by DSOs
- ◆ The trick is to leverage off one life cycle to the next, before the first one dies, eg: Disability Employment Services



# Consideration 28: The "Four S" Model Must Be Robustly Applied



# Consideration 29: Strategies Will Need To Be Aligned

Strategic Intent  
& Activity



# Consideration 30: Looking Back From 2020, What Will Have Really Happened To DSOs?

- ◆ Standing back from the various types of DSOs which succeed in the new NDIA/DCA paradigm at 2020, it could be strongly argued that services to people with disabilities will have been:
  - \* commercialised
  - \* corporatised
  - \* privatised.





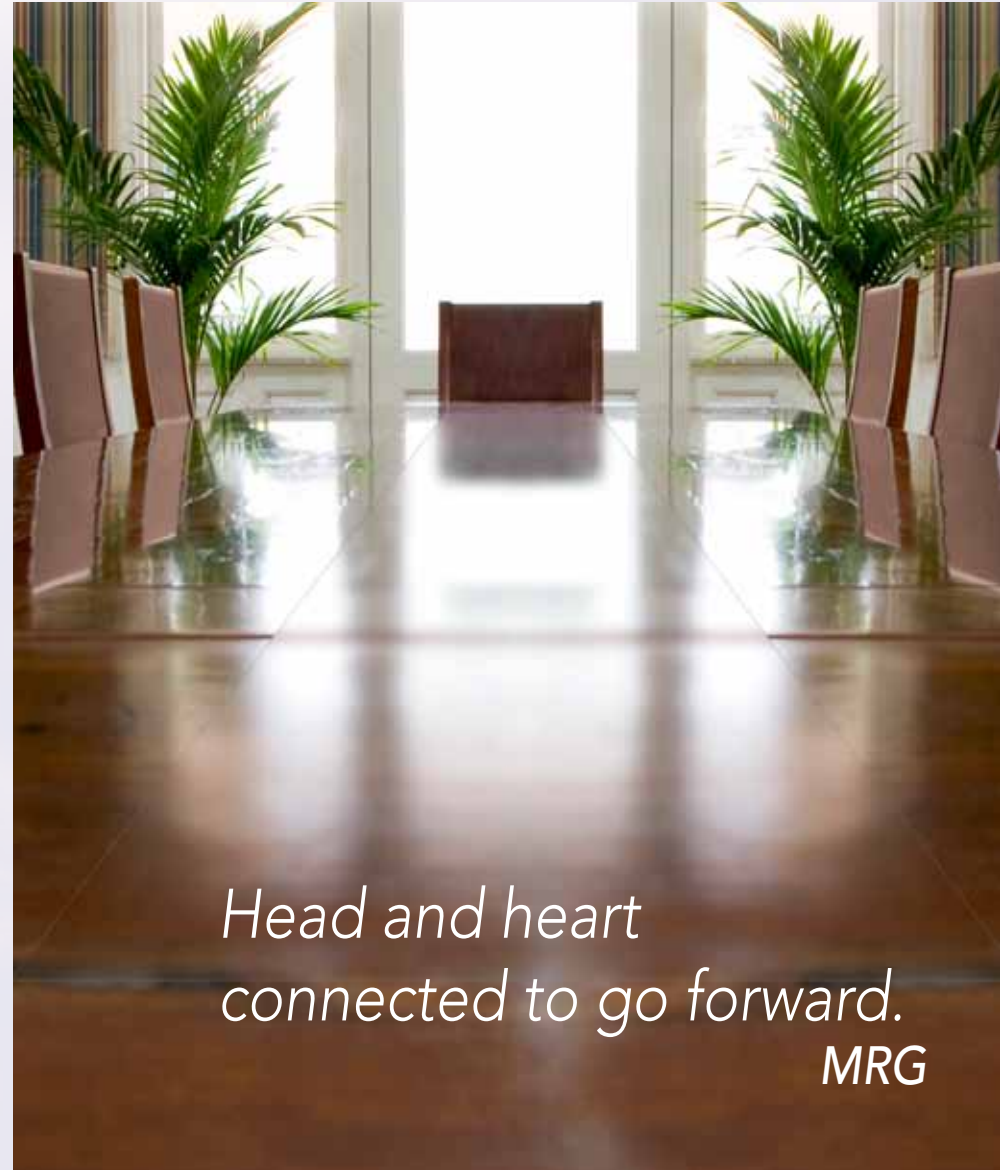
*Mission Critical Strategies...  
For Transitioning Your DSO  
To An NDIA/DCA World*

# Mission Critical Strategy 1: Industry/Sector Consolidation Continues

- ◆ With the establishment of a new paradigm dominated by customer choice and market forces, DSO leaders need to discuss and develop serious scenarios and strategies to enable their organisations to adapt to the new paradigm/new environment
- ◆ The number of amalgamations, mergers, partnerships and closures of DSOs is increasing and will continue to increase
- ◆ Remember, "as big trees grow, there is plenty of room in the forest for medium sized trees, shrubs, bushes and even fungi; it's a case of your organisation adapting to the new NDIA/DCA program or dying"
- ◆ Boards need to come together with their chief executive officer and senior management team to understand the emerging big picture and undertake robust scenario planning and strategy development

# Mission Critical Strategy 2: Adopt A Robust Leadership Position

- ◆ Boards and chief executive officers of DSOs will need to adopt a more robust leadership position and undertake even more robust:
  - \* strategic discussions
  - \* strategic thinking
  - \* strategic decisions
- ◆ These activities should support rigorous scenario planning and strategy development
- ◆ Weak, laid back, comfortable or heart only, boards/chief executive officers will have no future



*Head and heart  
connected to go forward.*  
**MRG**

# Mission Critical Strategy 3: DSO Board Leadership Solutions

- ◆ Leadership: “a process of social influence in which one person can enlist the aid of others in the accomplishment of a common goal”
- ◆ Many DSO boards, particularly regional and rural boards need to enhance their understanding of leadership principles and practices and their practical application in the boardroom
- ◆ Governance is a leadership process, not just a compliance approach to legislation, standards or contracts
- ◆ At all times, but particularly in these times of significant change, DSO boards need to robustly and pragmatically demonstrate their leadership capacities and capabilities whilst undertaking their specific governance roles and responsibilities

# Mission Critical Strategy 3: DSO Board Leadership Solutions

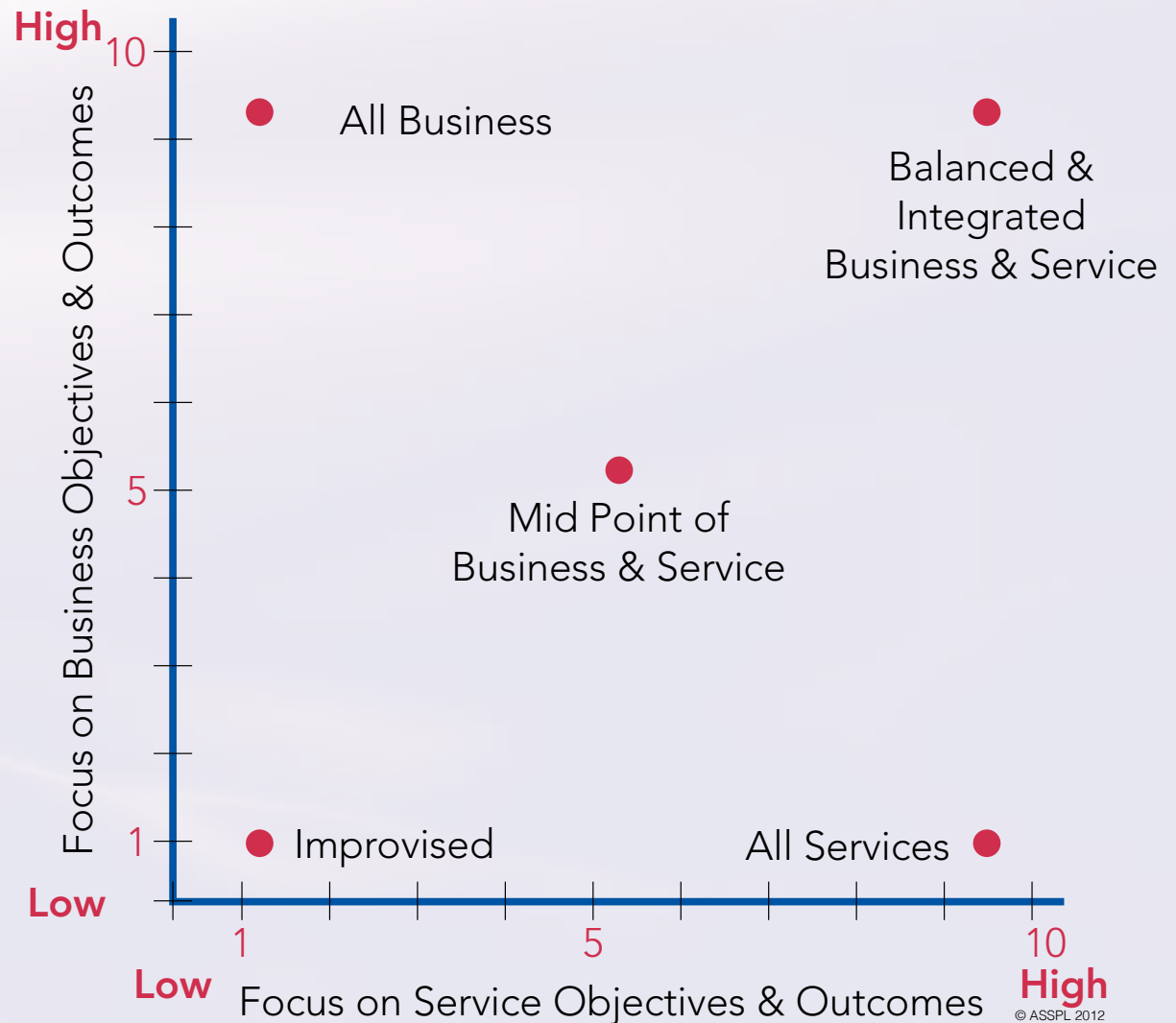
- ◆ Creating and enriching the culture of a board is characterised in part by balancing and integrating both business and service objectives and outcomes
- ◆ Identifying, recruiting and retaining a diverse mix of directors
- ◆ Determining the core business of the organisation, then defining and aligning board positions to the core business, and recruiting to these positions



# Mission Critical Strategy 3: DSO Board Leadership Solutions

## Business & Service Axis Model

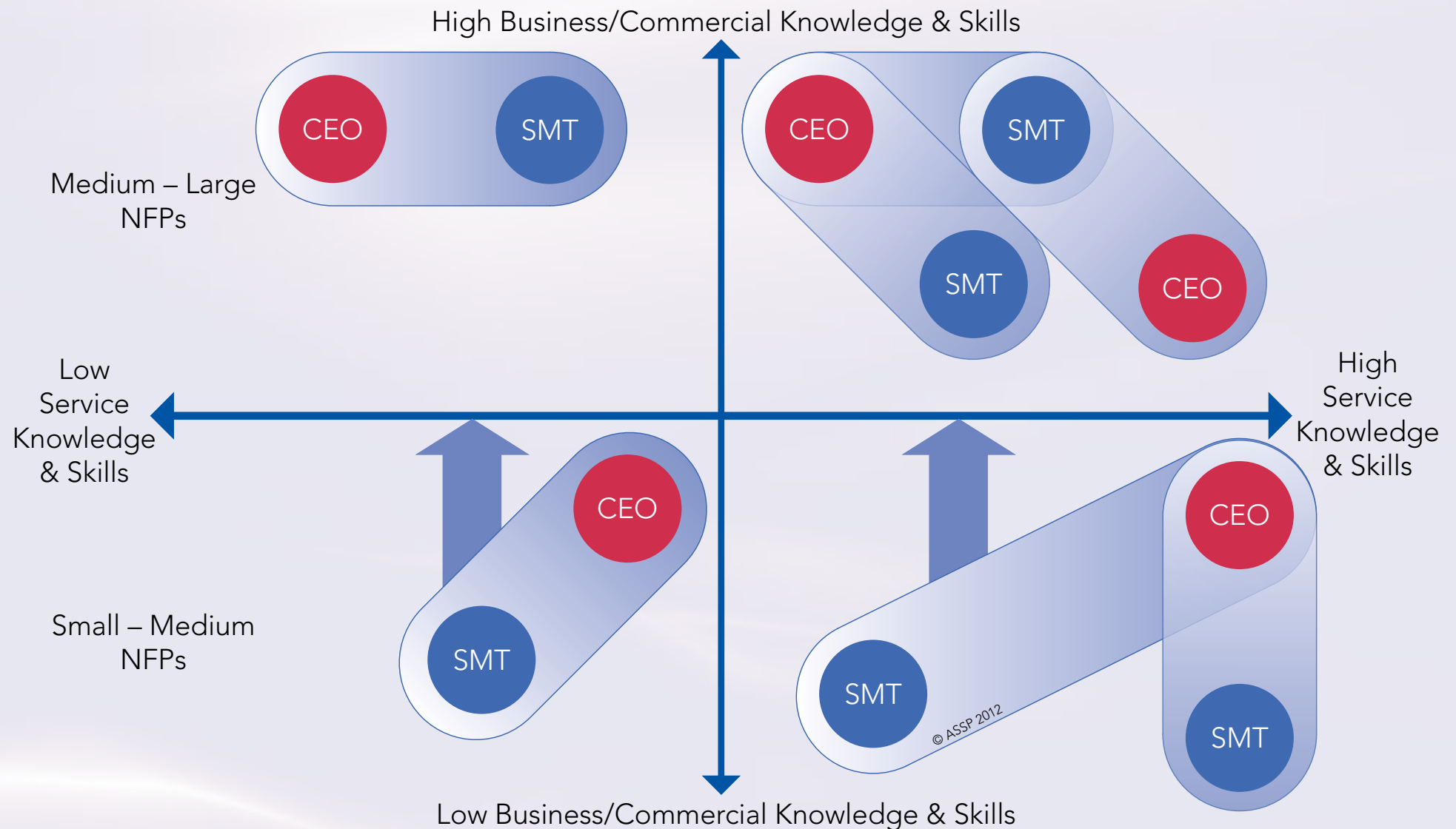
- ◆ All business equals "all head"
- ◆ All service equals "all heart"
- ◆ Connecting "heads" and "hearts" together to go forward is a critical leadership function of a board



# Mission Critical Strategy 3: DSO CEO & SMT Leadership Solutions

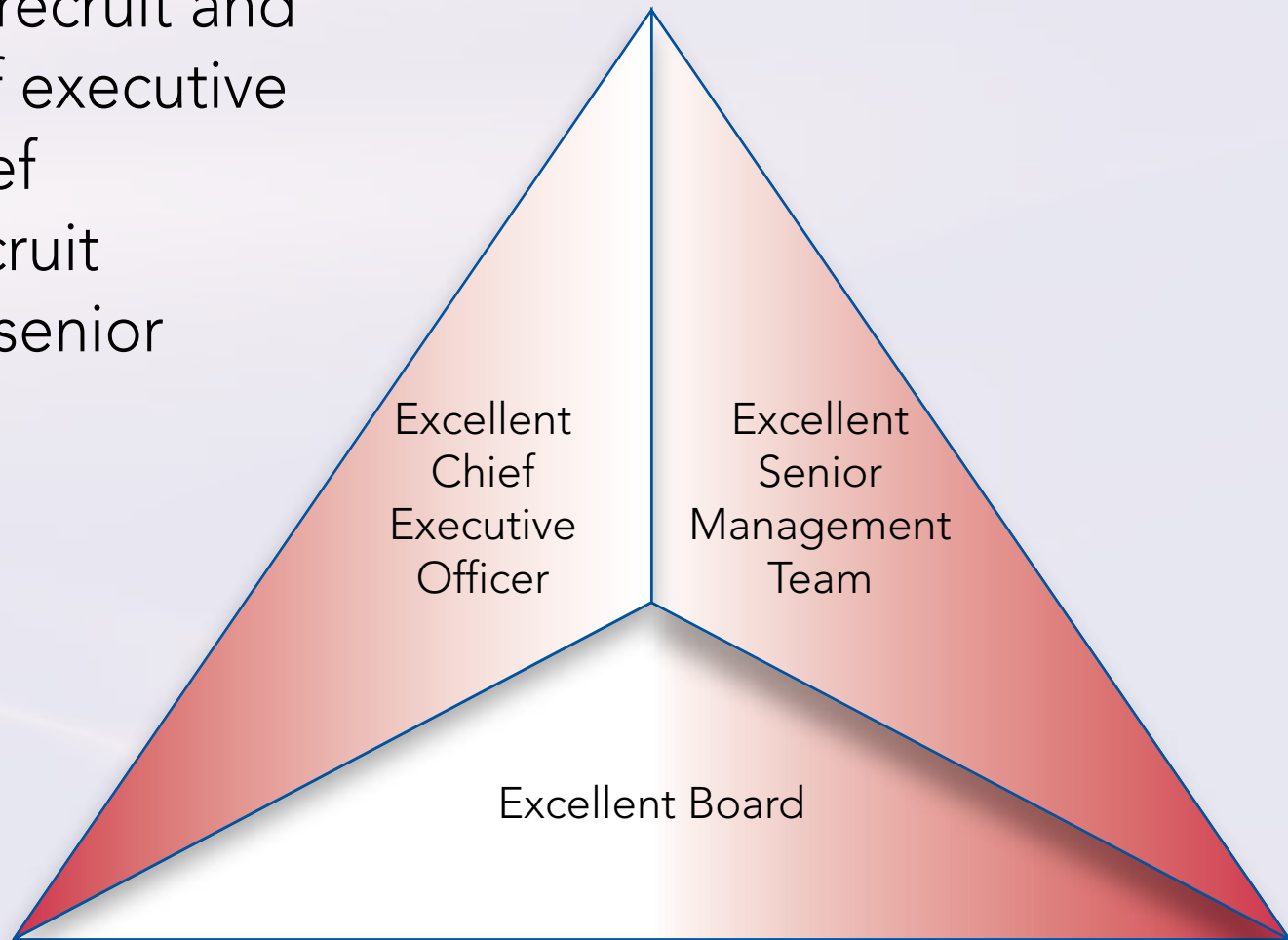
- ◆ In the new world of NDIA/DCA boards need to seriously consider their current/future chief executive officer...are they high on service and low-medium on business, or high on business and low on service? (Refer Business and Service Axis Model, page 20)
- ◆ The appointment of highly skilled and experienced business/commercial chief executive officers and/or executive/senior managers from outside the NFP/DSO world is increasing, eg: Australian Home Care Services, Community Solutions, integratedliving Australia, Villa Maria, WISE Employment

# Mission Critical Strategy 3: DSO, CEO & SMT Leadership Solutions

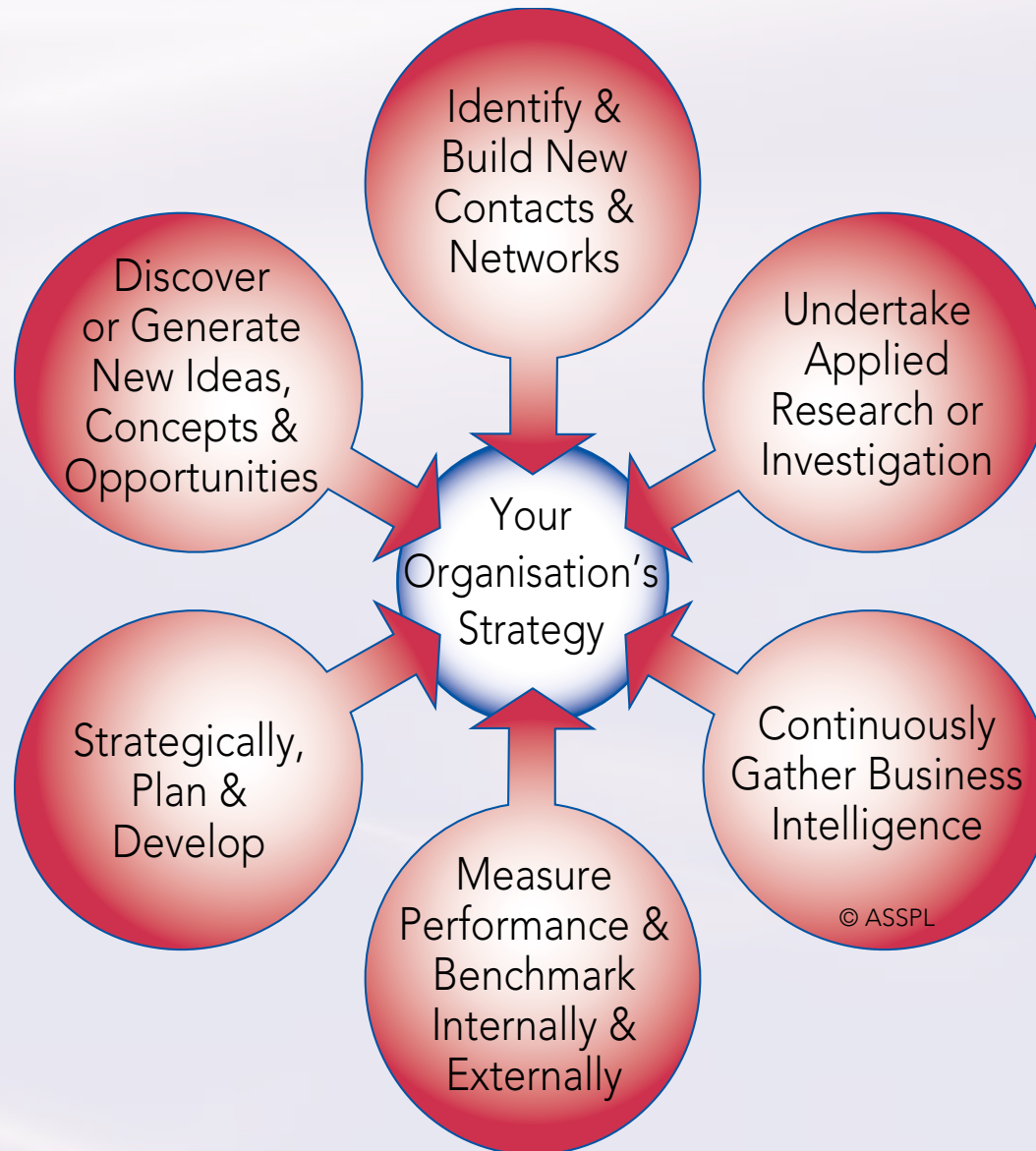


# Mission Critical Strategy 4: Excellent Board, Excellent CEO, Excellent SMT

- ◆ An excellent board will recruit and retain an excellent chief executive officer; an excellent chief executive officer will recruit and retain an excellent senior management team
- ◆ Remember...recruit for excellence, only train for incremental change



# Mission Critical Strategy 5: Get Out Of The Boardroom...Look, Listen, Learn



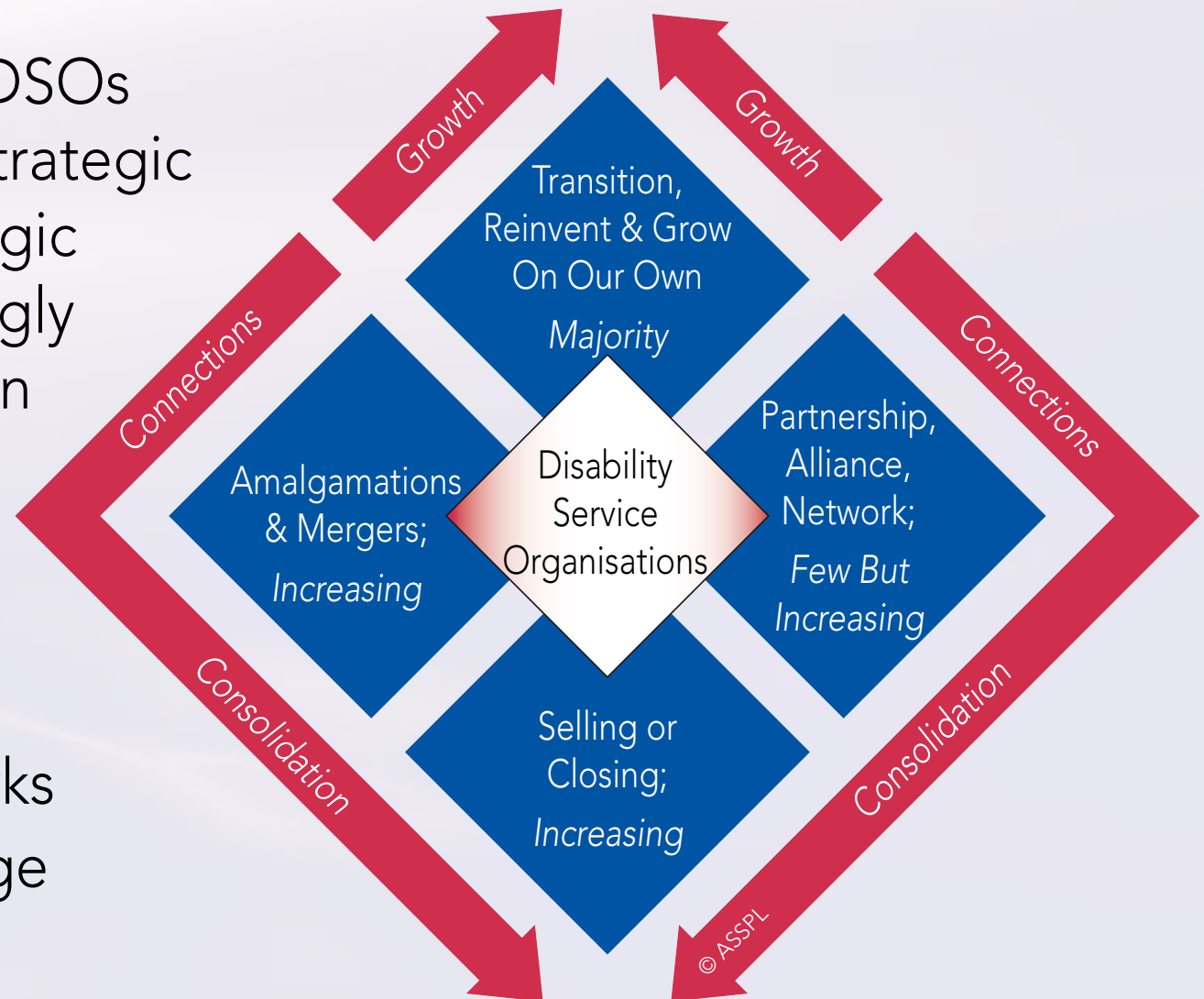
# Mission Critical Strategy 5: Get Out Of The Boardroom

- ◆ Understand the emerging big picture of the compensable/non compensable disability industries
- ◆ Get out and about to:
  - \* build contacts and networks
  - \* gather new ideas and seek opportunities
  - \* collect business intelligence
  - \* undertake applied research
  - \* strategically plan and develop
  - \* benchmark/compare



# Mission Critical Strategy 6: Boardroom Decisions, Organisational Directions

- ◆ In the boardrooms of DSOs throughout Australia strategic discussions and strategic decisions are increasingly being made, have been made or need to be made now...to either:
  - \* reinvent and grow
  - \* form partnerships, alliances and networks
  - \* amalgamate or merge
  - \* sell or close

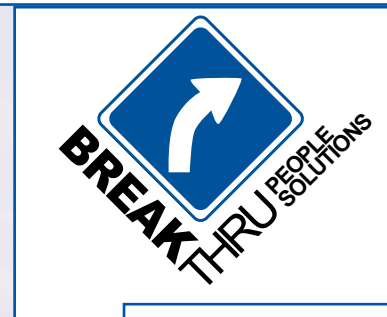
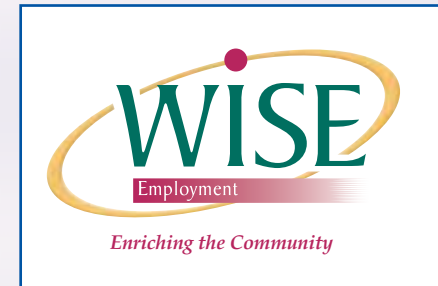


# Mission Critical Strategy 7: Become A NDIA/DCA Preferred Provider

- ◆ Excellent board, excellent chief executive officer, excellent senior management team
- ◆ Integrated strategy, structure, systems and services
- ◆ Organisationally strong, service strong
- ◆ Exceed minimum NDIA/DCA government standards and quality systems
- ◆ 110% customer focused, 110% commercially focused
- ◆ Exceed contractual targets, outcomes or key performance indicators
- ◆ Have truly unique service/business models
- ◆ Customer is king  
cashflow is queen
- ◆ Become a market maker, not remain a market taker
- ◆ Have built high brand value
- ◆ Create and enrich a defining culture

# Mission Critical Strategy 8: Adopt Community Business Principles & Practices

- ◆ Understanding and utilising community business principles and practices will enable your board/chief executive officer to:
  - \* transition your people from a government funded/welfare mentality and approach
  - \* compete in the new paradigm and environment created by the NDIA/DCA



# Mission Critical Strategy 9: Understand The New DCA Environment... Develop Robust & Realistic Scenarios

- ◆ Many DSO strategic plans are in essence either 'operational', 'motherhood' or lack any robust strategies to 'shift and lift' the organisations to the next step or stage of development
- ◆ Given all the previous considerations and evidence provided about the changing world of DSOs, boards will need to develop and drive robust and realistic scenarios and strategies if their organisations are to remain relevant and succeed



# Mission Critical Strategy 9: Understand The New DCA Environment... Develop Robust & Realistic Scenarios

- ◆ An increasing number of boards are utilising scenario planning principles and processes as the basis of developing their strategies
- ◆ Scenario planning enables a board to identify, assess and determine the "broader" landscape and pathways
- ◆ Thereafter a Strategic Plan should be prepared and implemented



# Mission Critical Strategy 10: Drive Organisational Change...People Change

- ◆ The DCA paradigm will require you to take all your people on a journey of change
- ◆ Organisational change can be either:
  - \* proactive or reactive
  - \* evolutionary over time, or
  - \* revolutionary in a short time

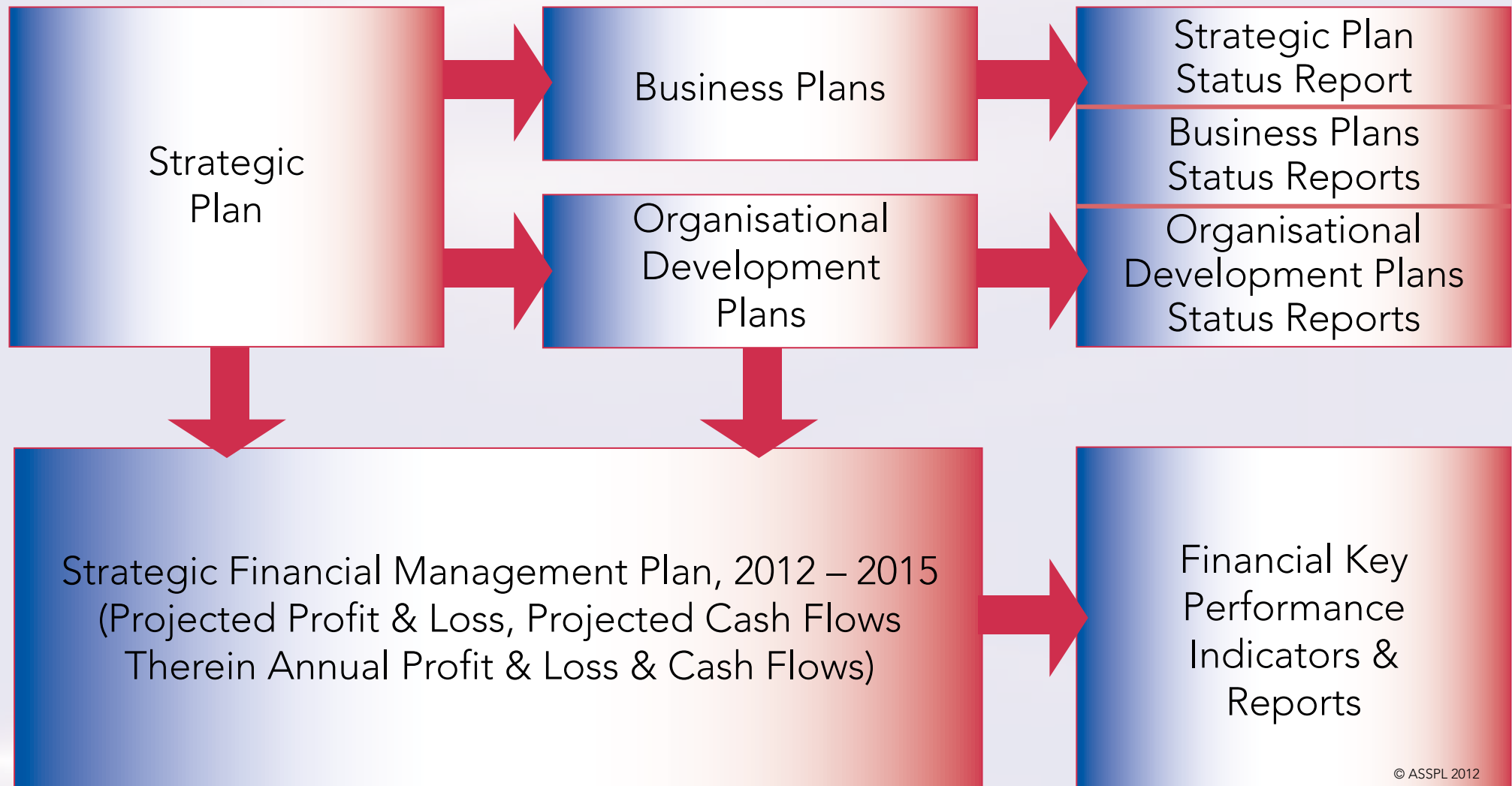
Approach \ Mode Mode	Proactive	Reactive
Evolutionary	<ul style="list-style-type: none"> <li>• Planned</li> <li>• Engaging</li> <li>• Sequential</li> <li>• Over time</li> <li>• Successful results</li> </ul>	<ul style="list-style-type: none"> <li>• Unplanned</li> <li>• On the back foot</li> <li>• Spasmodic</li> <li>• Adequate</li> <li>• Limited Results</li> </ul>
Revolutionary	<ul style="list-style-type: none"> <li>• Planned</li> <li>• Holistic</li> <li>• Focus mentality</li> <li>• Short time frame</li> <li>• Good results</li> </ul>	<ul style="list-style-type: none"> <li>• Limited planning</li> <li>• Ad hoc</li> <li>• Crisis mentality</li> <li>• Poor timeframes</li> <li>• Poor results</li> </ul>

# Mission Critical Strategy 11: The Folding Stuff...True Cost, Margin & Price

- ◆ The majority of DSO boards/chief executive officers today operate against an annual budget in a “funded mentality and approach”
- ◆ Very few boards/chief executive officers operate using a 3–5 year Strategic Financial Management Plan aligned to their Strategic Plan
- ◆ Boards will seriously need to:
  - \* determine the true cost, margin and price of a ‘unit of service’
  - \* use robust industry financial key performance indicators and benchmarks



# Mission Critical Strategy 11: The Folding Stuff... True Cost, Margin & Price



© ASSPL 2012

# Mission Critical Strategy 11: The Folding Stuff... True Cost, Margin & Price

- ◆ True Cost + Margin = Price
- ◆ In the NDIA/DCA world DSOs will:
  - “sell X services in time, at a predetermined price and defined standard” ...
  - no different from an accountant, dentist, doctor, solicitor, architect, engineer or management consultant



# Mission Critical Strategy 12: Performance Will Be Paramount, Measure What Matters



# Mission Critical Strategy 13: DCA, A New World: Build New Relationships

- ◆ The new paradigm and environment of NDIA/DCA will bring new players
- ◆ Therefore new relationships will need to be created and nurtured, eg: Medicare Locals, and other health providers (refer adjacent model)



# Mission Critical Strategy 14: Be Confident, But Not Complacent

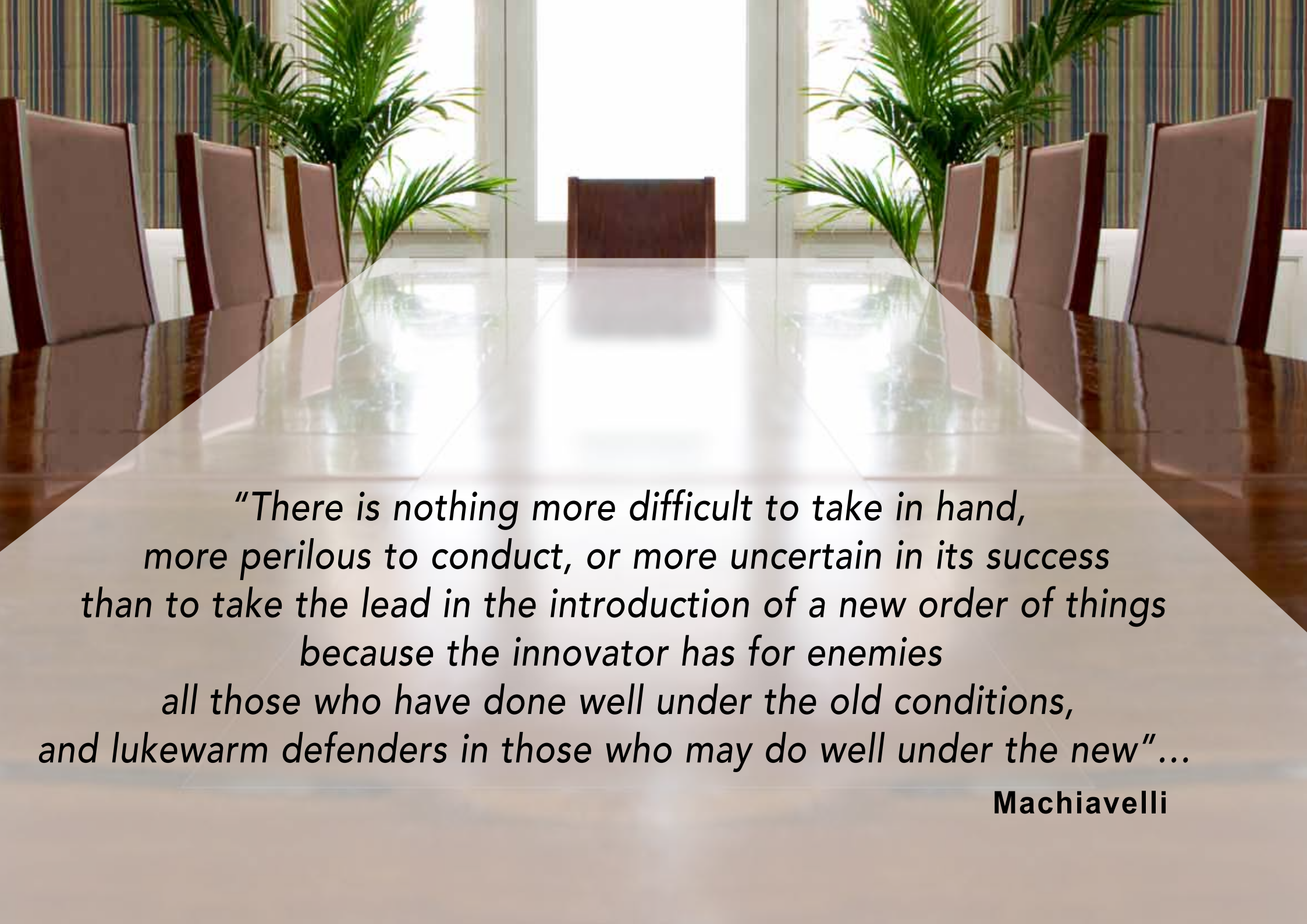
- ◆ Be confident but not complacent, history tells us both disability and disability employment organisations have previously experienced paradigm shifts which brought:
  - \* a significant reduction in the number of DSOs
  - \* new entrants to a new market, and a new way of operating
  - \* new rules, contracts and measurements



# Mission Critical Strategy 15: Have Fun...Life's A Journey



*"Team Feros"*  
[www.feroscare.com.au](http://www.feroscare.com.au)

A conference room with a long, polished wooden table, several chairs, and potted plants. The room is brightly lit by large windows in the background. The text is overlaid on a semi-transparent white area at the bottom of the image.

*“There is nothing more difficult to take in hand,  
more perilous to conduct, or more uncertain in its success  
than to take the lead in the introduction of a new order of things  
because the innovator has for enemies  
all those who have done well under the old conditions,  
and lukewarm defenders in those who may do well under the new”...*

**Machiavelli**



*Metropolitan,  
Rural & Remote DSOs...  
Your Future Is In Your Hands*

# The Big Picture Toolbox

Review and plan for the recommendations of the *Disability Care & Support* report and other Productivity Commission and Commonwealth Government reports/recommendations that will bring challenges/opportunities for your organisation.

The Big Picture Toolbox is a quick and easy way to:

- ◆ review the recommendations
- ◆ assess and plan for relevant recommendations.



IDEAS - INNOVATION - INFORMATION

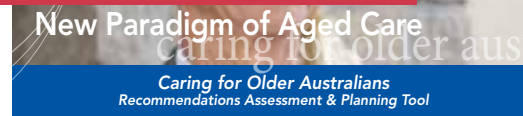
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# The Big Picture Toolbox

The Big Picture Toolbox contains:

- A visual presentation of the recommendations from each of the Productivity Commission and Commonwealth Government reports
- Assessment and planning tools for each report's recommendations to assess and plan for the challenges and opportunities of the recommendations and their possible effect on your organisation
- A CD containing all seven visual presentations (PDF format) and the respective assessment and planning tools (MSWord format for ease of use).



**Cost:**

\$650 plus postage, GST inclusive

**Enquiries/Orders:**

Australian Strategic Services, T: 03 5429 6331, [www.asspl.com.au](http://www.asspl.com.au)

Better Boards, T: 03 5429 3786, [www.betterboards.net](http://www.betterboards.net)

# Further Information & Assistance

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