Reducing cost with smarter policy
Understanding rules and policy to improve efficiency

By: Rosalie van Oostrom

When budgets decrease, organisations have to administer their tasks with less resource. In recent years many have used methods such as 'LEAN ' and ' Six Sigma' to improve processes and reduce costs. When further budget cuts have to be realised, the questions of where these can be found and how they have to be realised are even more acute.

Since laws, regulations and policy are at the root of many processes, unexpected cuts and savings can be found in the policy domain. This could be in a policy which is expensive or complicated to administer or with complex processes. It could be policy which a (governmental) organisation has no obligation to execute. Juris has successfully supported several customers to find the areas where policy can be reduced and costs can be cut. Using the Juris Methodology® our clients were able to achieve better results with less.

Optimise by understanding rules and policy
When cutting costs it is essential that staff and management have a clear insight into the areas where their organisation is active, especially how the administration in these areas is governed by legislation and policy.

An analysis of the question of whether laws and regulations support or frustrate an efficient administration is the key to find savings. Furthermore this analysis can include an investigation of policy which can be used more generally throughout the organisation. By applying the analysis to policy generically budgets can be saved while increasing the quality of the administration.

Saving by understanding the relation between laws and processes
The starting point in our approach is to model the way in which the organisation and its processes relate to legislation, policies, roles and responsibilities. This includes the perspective of the customer and partners. Such a model is called a 'Decomplexification model®'. As soon as experts and practitioners start to model or contribute their knowledge to such a model, it provides a direct inspiration to find savings, i.e. simplification of policy or processes, improving efficiency and quality .

By understanding the rules and policy, organisations can achieve better results with a smarter budget.

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Simplifying policy

Instead of salami slicing we opt for reducing costs at the root. The final Decomplexification model will therefore show whether:

- administrative processes do things which are not necessary based on laws or policy.
- policy is conflicting or counterproductive to other policy;
- the policy objectives are implemented efficiently and whether these are objectives are achieved;
- laws and policy can be administered more effectively.

The model can then be used as a basis to negotiate the budget or to plan how a negotiated budget will be realised. Furthermore it can be used to calculate the administrative burden. Practice shows that up to 30% of policy can be reduced including the related costs of administration.

The Juris approach

Whilst making an analysis we explicitly investigate which departments are responsible for which parts of the policy and its administration, which stakeholders are affected and in which situations. Furthermore, we examine whether there is policy which is comparable or similar (what are the generic elements?). Obviously, this analysis is performed with the policy experts within the various domains.

The results of the analysis and the model and can be used to make plans, but also for internal and external discussion of the proposals. The large poster visualisation can streamline discussions and improve decision making.

Cases have shown that using the Juris Methodology by some dedicated employees and executives can result in surprising ideas and proposals. Ultimately, the goal is to administer laws and policy as smart as possible.

Do it yourself or ask for help?

To produce a Decomplexification model you need a dedicated team that has experience and knows all about your processes and policy. We will learn them all about structuring and modelling. What about time? Obviously you need to dedicate some time, but all within set and agreed limits. The learning curve is steep, and you will have you initial results early in the process.

For more information please contact Niko Kuijper at +31 70 783 00 38 or at niko.kuijper@visuall.nl.

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About Juris

Juris shows you how the laws and regulations you are responsible for work and what they look like to those affected by them. We help you map all legislation related to your services and guide you towards an improved design.

Author

Rosalie van Oostrom is partner at Juris and specialised in reducing the impact of legislation on governments and companies.