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## RECORDS MANAGEMENT – MORE IMPORTANT THAN EVER

Recent events have shown us good records management is more important than many people in business imagine.

Virgin Blue is taking the Sydney Airports Corporation to court over a verbal agreement. Arthur Anderson stands accused of destroying records that could have been used as evidence in the Enron case. Former managers of the Seal Rocks Centre are unhappy with their understanding of commitments made by the Victorian Government. Sydney Bulldogs Rugby League Club made "special" agreements with the Liverpool City Council and now there is controversy over who said what. And records will be critical to the investigation of numerous alleged salary cap breaches in several different sports.

Records are evidence of business transactions and should clearly record:

1. What happened;
2. When it happened;
3. What was decided;
4. What advice, approval or instruction was given;
5. Who was involved; and
6. The order of events and decisions made.

Good record keeping practices benefit every business because they:

- Improve operational efficiency by providing all the necessary information when needed to get the job done quickly and efficiently.
- Provide the basis for defending claims or litigation by fully documenting evidence of all the decisions made by the business and the reasoning behind them.
- Help the business comply with legislative requirements by recording and retaining the required information for the required length of time.
- Optimise record keeping costs, by storing in the most cost effective manner only the necessary records for the necessary amount of time.

There are many important issues to resolve when establishing record-keeping policies and practices. For example, many organisations do not have a definitive standard for record keeping or a way to arrive at such a standard. Views often differ across the organisation about the relative importance of specific records, their retention period, access and disposal and in the absence of a standard, confusion reigns.

As hardware and software technology changes, storage media become obsolete – remember 5 inch floppy disks, WIN 3.1 and Laser Disks? Information becomes inaccessible when staff turnover results in "memory loss" about information recorded in the past. When businesses merge or separate, records are often lost or simply deemed to belong to the preceding organisation, with no transfer of records to the new business.

National Archives of Australia (NAA) has developed an excellent method to Develop and Implement an efficient and effective Record Keeping System, known as "DIRKS". This method is being rolled out across all Federal Government agencies, and ACIG is assisting Australia Post with their DIRKS project.

If you don't yet have an efficient record keeping process that protects you against litigation and claims and helps you to fully comply with legislation, then you too may be interested in DIRKS.

Test your business by answering these questions:

- |  |   |
|--|---|
| ■ Our staff have a clear understanding of what business decisions must be documented in a record, where that record is to be stored, how it is to be retrieved later and when it may be disposed of. | <input type="radio"/> Yes<br><input type="radio"/> No |
| ■ Business decisions documented in e-mails are securely stored on a computer server that guarantees a defined storage period, secure access and easy retrieval by authorised persons.                | <input type="radio"/> Yes<br><input type="radio"/> No |
| ■ We know all the legislation that affects us in terms of record keeping and retention and know all the record-keeping requirements contained in the legislation.                                    | <input type="radio"/> Yes<br><input type="radio"/> No |
| ■ We store only those records absolutely necessary for our business and routinely destroy unnecessary records which need not be kept to satisfy legislated requirements.                             | <input type="radio"/> Yes<br><input type="radio"/> No |
| ■ We have an easy way of retrieving a particular record from the records we hold, quickly, efficiently and securely.   | <input type="radio"/> Yes<br><input type="radio"/> No |
| ■ When a new business decision is being made, relevant records and information are made available to the decision maker in a useful format.  | <input type="radio"/> Yes<br><input type="radio"/> No |

If you answered "No" to one or more of the above, you could well benefit from better record keeping practices.

Web sites: [www.acig.com.au](http://www.acig.com.au) - ACIG  
[www.naa.gov.au](http://www.naa.gov.au) - National Archives of Australia

### INTRODUCING ACIG PEOPLE

#### Fred Renneberg

Fred Renneberg has 32 years of experience in the food industry. As a Fellow of the Quality Society of Australasia he has a strong grasp of the quality foundations required by Australian industry to succeed in tough export markets. He has played a wide variety of roles including Chief Chemist, R&D Manager, Manufacturing Projects Manager and Continuous Improvement Coordinator. Based in country Victoria, Fred is well placed to service our rural-based food industry as well as the metropolitan industry. Fred's strong technical background is supplemented by strong project management and communication skills. Fred's hobbies include cycling and snow skiing.



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INTRODUCING ACIG PEOPLE

### BECOME MORE COMPETITIVE THROUGH 'KNOWLEDGE MANAGEMENT'

Being competitive in today's world means making the most of your company's knowledge.

Companies like BP, Siemens, Nokia and Daimler-Chrysler have a head start but many more organizations, large and small, in Australia, Asia, Europe and North America are using their brains to boost their bottom line.



Is it smoke and mirrors? Certainly not, according to Knowledge Management advocates. 'Knowledge' companies report tangible benefits such as shorter production cycles, cost savings, faster new-product-to-market cycles, improved customer retention, increased innovation and greater personal productivity.

Just what a difference it makes is revealed in the MAKE (Most Admired Knowledge Enterprises) 2002 survey. It stated 'finalists and winners of the award show a total return to investors 3.2 times higher than the Fortune 500 median'. Benefits are not limited to the private sector. Many public entities like the US Navy, the South Australian Justice Department and the Singapore Prison Service have really lifted their game.

So what is it and how does it differ from what you do now? Simply put, Knowledge Management is "the way that organizations create, capture and re-use knowledge to achieve organizational objectives". All companies and the public sector do this now but many don't do it well.

Ask yourself, do your staff share their knowledge, do you systematically capture information about customers and competitors, do you take time out to assess lessons learned from your successes and failures, is your information easily accessible or is it buried in many offices and files? Is there a deliberate effort to get staff to convert the knowledge in their heads into a usable and widely-accessible form before they walk out the door to retirement or a competitor?

In the absence of any systematic knowledge management in a business, is it any wonder costs are higher than they should be and customer "stuff-ups" still happen, and are followed by the usual 'why didn't you tell me'?

It is not too late to do something about it. Here are some ideas to help you get your mind around knowledge management:

- Read a good introductory book - something down to earth like "Learning to Fly", written by BP executives who have seen the powerful impact knowledge management can have on a company.
- Conduct a brief 'situation survey'. Visit the ACIG web site [www.acig.com.au](http://www.acig.com.au) and do your own analysis. Then, if you want some selective reading, go into our best practice library to locate some short, but helpful background material. We have also placed a short PowerPoint presentation on the web site for you to download.
- Identify a current problem within your organization and assess its causes. Then ask the question: if you had better knowledge management practices would that have occurred? If the answer is no – then form a team tasked with examining how typical knowledge management practices (see box below) could be used to avoid such problems in future.
- Call us for a discussion. Remember, knowledge management is not about getting bigger and better computer systems. It is not about leaping into some overwhelming training activity. It is mainly about changing the organization culture so we more freely exchange our knowledge, collectively and systematically acquire new knowledge and, most importantly, apply it to make our organizations perform better.

Bob Hood is currently assisting the Asian Development Bank establish their Knowledge Management Strategy

#### Features of Knowledge Management:

- Communities of Practice or Theme Groups build trust and sharing between employees.
- 'Lessons learnt' review points built into the business processes to enable continuous learning and head off potential problems.
- 'Good Practice' reference sources established within the organization to capture how things should be done.
- Personnel skills database available to all through easily accessible 'yellow pages'.
- Incentives encourage knowledge sharing and disincentives removed.
- Alliances and training ensure staff have access to a wider pool of knowledge.
- Company databases available in an accessible format.
- People are given open access to the internet to encourage them into a learning habit.

Australian Continuous Improvement Group is a specialist group addressing the best practice needs of the public and private sector. Our skills cover implementing continuous improvement processes which have a customer focus, meet strategic goals and achieve culture change. For advice, contact any of our named Directors, Consultants or Managing Director, Bob Hood.

These notes are not intended to be comprehensive. Readers are therefore advised that before acting on any matters arising from these notes, they should discuss the situation with a director of the firm.

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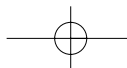
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## BENCHMARKING DRIVES LOCAL GOVERNMENT SERVICE IMPROVEMENTS

### Local Government Professionals benchmarking project

Benchmarking is a key element of Best Value, the state-wide service improvement program for Victorian local government. ACIG has just completed a major benchmarking program on behalf of Local Government Professionals Inc. (LGPro), the Victorian association of professionals working in local government.

Using benchmarking techniques, participating councils have already committed to implementing their improvement plans. Here are some examples of the actions already taken:

- Food health surveillance policy and procedures changed.
- Performance measurement systems changed to reflect true performance indicators in Traffic & Local Laws.
- Fleet management database improved and working procedures modified.
- New sign-making equipment purchased to reduce turnaround time for street sign replacement.

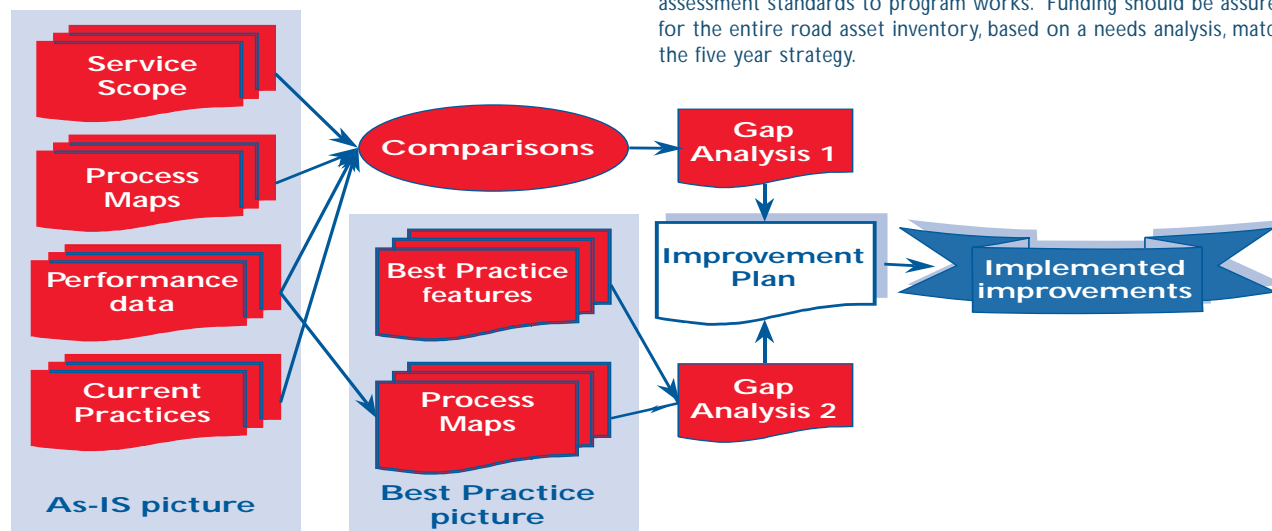
As councils continue to implement their action plans, many more improvements will flow.

LGPro sponsored the state wide benchmarking project, with the assistance of a grant from the Federal Government, involving 148 delegates from 31 councils. An average of eleven councils per benchmarking group benchmarked these services

- Engineering Design
- Environmental Health
- Fleet Management
- Parks & Gardens
- Rural Road Maintenance
- Urban Road Maintenance
- Statutory Planning
- Traffic and Local Laws

#### Benchmarking Approach

The benchmarking groups analysed and compared their services to arrive at an improvement plan for each council, following the sequence in the diagram below.



The project commenced in December 2001 and continued with working sessions at six weekly intervals to July this year.

#### Results

The following issues which were highlighted through the gap analyses illustrate key industry concerns and improvement actions:

##### Engineering Design

- Manage workloads and finances by scheduling engineering project pre-delivery processes in the year prior to construction
- Consultation should be planned to allow sufficient time for consultation responses to be taken into account in the project implementation.

##### Environmental Health

- Ensure food safety enforcement procedures are clear, fair and endorsed by council and followed by all inspectors and enforcement officers.
- Integrate Planning and Health requirements into the one process so that the customer deals with one consistent set of information and requirements.

##### Fleet Management

- Provide pro-active training of vehicle and plant operators, to encourage better driving habits with a consequential reduction in "unfair wear and tear" and accidents.
- Upon disposal of a vehicle, fleet managers should account for, report and analyse its whole of life cost and compare actual and planned results.

##### Parks and Gardens

- An urban street tree management plan should be in place.
- Trees planted should be appropriate to location and purpose and their selection take into account their continuing maintenance requirements. Tree selection guidelines should be documented in a local council document, e.g. in a list of "top 10" types for specific situations.

##### Road Maintenance

- A 5 year capital works program should be tied to the annual budget and reviewed annually by Council. Base the budget on proper needs assessment, not "last year plus x%".
- Use a road hierarchy and inspection program linked to condition assessment standards to program works. Funding should be assured for the entire road asset inventory, based on a needs analysis, matching the five year strategy.

#### Results - cont.

##### Statutory Planning

- Regular performance reports should be based on true KPIs, showing performance, not just outputs & volume of work. Software should calculate statutory days consistent with the legislation and be consistent from one council to another.

##### Traffic and Local Laws

- Strict enforcement of school crossing zones is necessary.
- Changes to parking restriction should be done in close consultation between traffic engineers and enforcement officers, through a documented process.

Participating councils have committed to implementing their improvement plans. Here are some examples of the actions already implemented:

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Members of the Parks and Gardens group working on process analysis.

#### Participants Responses

Participants rated the project highly in a survey and strongly supported involvement in further LGPro benchmarking projects which will likely follow in 2003.

A typical comment from one of the project participants was: "The collecting of data for the project was itself interesting and has prompted me to review what data I collect and record. This will form the base for benchmarking other Councils using the established criteria. This in itself is an achievement as there was nothing like it before this project began. Most Councils were not even aware of what benchmarking was let alone how it could be used."

#### Reports

A CD-ROM containing case studies of all eight services has been distributed to every council in Victoria.

#### Presentations

- Bryn Campbell recently addressed the Asset Management Special Interest Group of the Institute of Public Works and Engineering Australia (IPWEA), as well as a Parks and Gardens Special Interest Group.
- Euan Lockie addressed LGPro's "Vision 2005" Best Value conference and the National Works and Engineering Conference.

#### For more information contact:

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#### Web sites:

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## MAKE YOUR KEY PERFORMANCE INDICATORS WORK FOR YOU

"What you measure is what you get", so setting up good performance indicators and performance management systems is vital to the success of your business.

Not everyone gets it right the first time and many businesses benefit from the external perspective and experience that consultants like ACIG bring to the task.

In fact, recently the internal consultancy division of the Victorian Department of Justice, the Business Excellence Unit, sought ACIG's assistance to develop KPIs for their Unit. Staff at the Business Excellence Unit really put their imagination to work on their reporting system. They captured data and graphed KPI trends automatically and included cause, effect and solutions in their reports. They also included links for each measure to a detail page describing the measure, its usefulness, what trends to look for and the effect of the trends on business outcomes. The reporting was all done within the standard Microsoft Office suite, at no additional cost for software. ACIG also trained Business Excellence Unit internal consultants to assist implementation of KPIs across the entire Department of Justice

ACIG's knowledge of Key Performance Indicators is a core skill which underpins our Benchmarking, Performance Management and Business Planning services, both locally and abroad.

ACIG, using our proven approach will assist your organization;

1. Build a strategy-activity model;
2. Define the inputs, outputs and outcomes;
3. Define measures to monitor costs, timeliness, quality and customer satisfaction;
4. Source the data required and amend the measures if the data is not available;
5. Develop the reporting medium;
6. Test the method, trial the KPIs, promote their usefulness; and
7. Monitor the KPIs' effectiveness.

This is tied in with our knowledge of BS (Balanced Scorecard) and TBL (Triple Bottom Line Reporting) so your performance indicators are suited to your strategy and operations.

