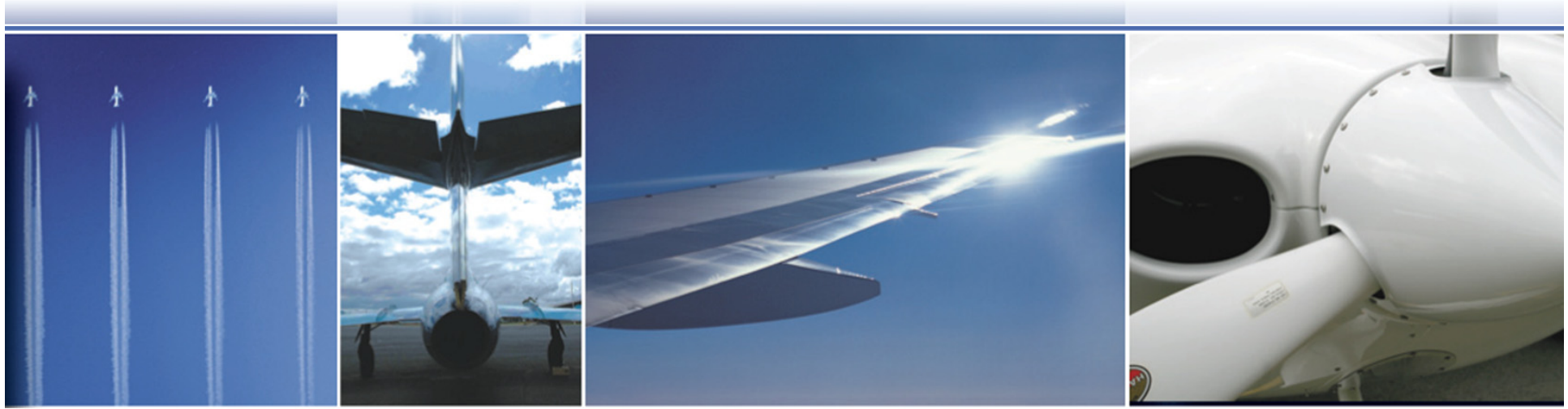




Australian Government

Civil Aviation Safety Authority

A Dramatic Customer Service Turnaround in an Essential Services Environment



BEVINGTONGROUP

Understand • Engage • Evolve

www.bevingtongroup.com



Today's Agenda

- What is CASA?
- The Past is Prologue
- Project Objectives
- Methods used
- Findings & Results to Date
- Lessons & Challenges
- Continuing the recovery
- Conclusion





Civil Aviation Safety Authority (CASA)

- ❑ Australian government regulator and regulatory service provider for aviation
- ❑ Wide range of clients from the major airlines to the small aircraft owner
- ❑ Many services and tasks - regulation, licensing, surveillance and safety education
- ❑ CASA makes the news whenever there is an incident in the air but our customers also judge on how efficiently we deliver service
- ❑ Better aviation safety through effective safety regulation and by encouraging industry to deliver high safety standards



CASA Licensing and Registration Centre

CLARC

- ❑ This case follows the turnaround of CLARC, part of CASA's Personnel, Licensing, Education and Training Group – or PLET
- ❑ PLET is responsible for aviation standards development, issuing licences, medical certificates, aircraft registration and safety promotion and education
- ❑ CLARC issues licences, security clearances and medical certificates to pilots as well as licences to maintenance engineers and the registration of all aircraft



CASA Licensing and Registry Centre

CLARC

- ❑ CLARC now operates as a centralised issuing centre in Canberra
- ❑ Up until 2005 these functions were administered through CASA's numerous field offices
- ❑ CLARC's current weekly workload

Example activity	Volumes per week
Mail items	1,500
Phone enquiries	800
Medical Certificate applications	600
Licence & ratings applications	350
Aircraft Registry additions/changes	75



Today's Agenda

- What is CASA?
- The Past is Prologue
- Project Objectives
- Methods used
- Findings & Results to Date
- Lessons & Challenges
- Continuing the recovery
- Conclusion





CASA in hindsight

- ❑ CASA focus had long been on regulating not service delivery
- ❑ A staff culture that saw regulation as primary and service delivery as secondary
- ❑ Recruitment was based on ex-aviation industry people. Often a second career
- ❑ Though industry was not satisfied with the service they could bear it given they didn't actually have to pay



From 2006 a changed operating environment

- ❑ Licensing and certification centralised to bring consistency to licensing activity – but estimated personnel numbers were never realised
- ❑ Background checking was introduced for aviation personnel – increasing interaction and reliance on external government agencies
- ❑ Cost recovery or fee for service was introduced in January 2006 – dramatically increasing processing requirements
- ❑ Technology was (and is) not available for handling money although it is a fee for service organisation



CLARC

a sorry situation

- ❑ Complaints were running at 300 per week with enquiries at 2,500 per week
- ❑ The backlog for student licences was over 1100 outstanding applications
- ❑ Turn around time on some ASIC applications took 1 year with an average of 106 days
- ❑ Fees took so long to be processed credit cards were expired and cheques had been cancelled
- ❑ There was a lot of change but it was out of control and short sighted



Today's Agenda

- What is CASA?
- The Past is Prologue
- Project Objectives
- Methods used
- Findings & Results to Date
- Lessons & Challenges
- Continuing the recovery
- Conclusion





Project objectives

- ❑ Improve the efficiency and productivity of CLARC
- ❑ Improve the market reputation of CLARC and, as a result - CASA
- ❑ Reduce the costs to deliver CLARC services
- ❑ Build a continuous improvement culture focussed on service delivery
- ❑ Document processes and procedures

In short - a total business turnaround



Today's Agenda

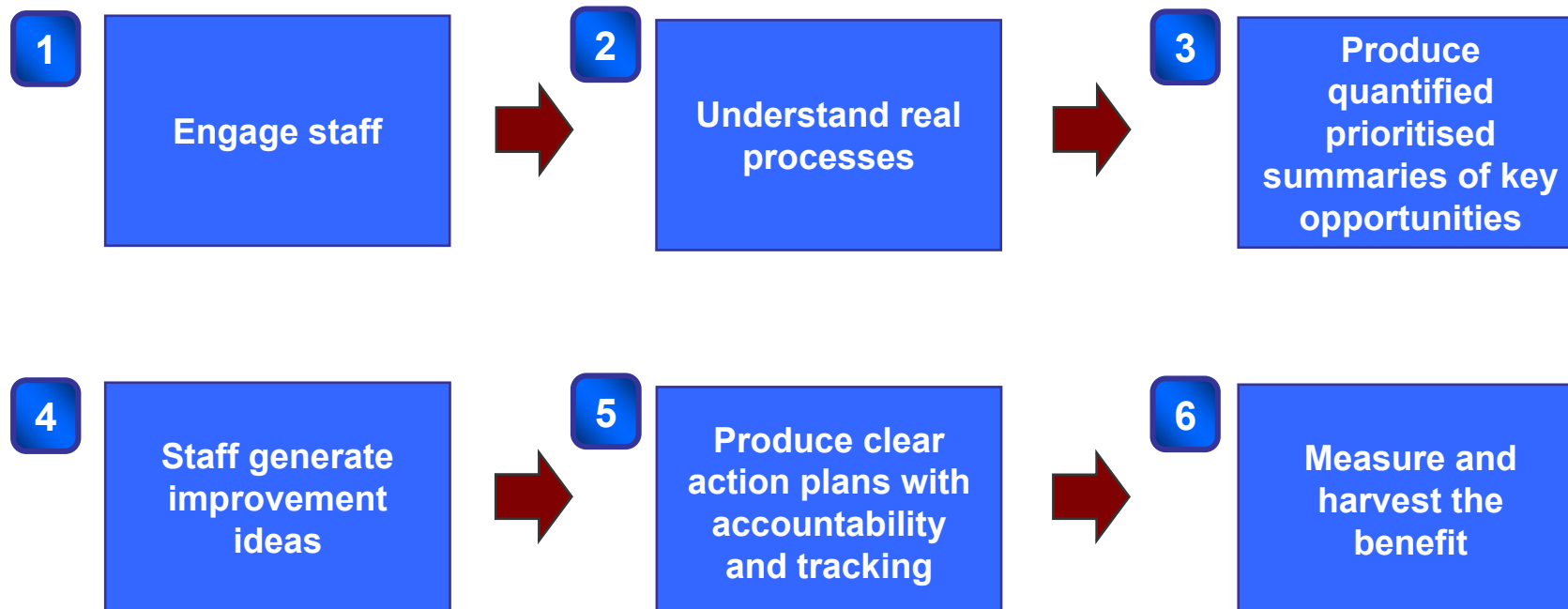
- What is CASA?
- The Past is Prologue
- Project Objectives
- Methods used
- Findings & Results to Date
- Lessons & Challenges
- Continuing the recovery
- Conclusion





Methodology - process

- A structured method (XeP3) selected for the study - engages staff and produces quantifiable recommendations





Methodology - outcomes

- ❑ All CLARC teams highly engaged in the project
- ❑ Around 2000 detailed steps were collected and analysed
- ❑ Data used to model the CLARC workflows and pinpoint problems
- ❑ 100 specific problems quantified to prioritise improvement
- ❑ 650 improvement ideas to attack those problems



Today's Agenda

- What is CASA?
- The Past is Prologue
- Project Objectives
- Methods used
- Findings & Results to Date
- Lessons & Challenges
- Continuing the recovery
- Conclusion

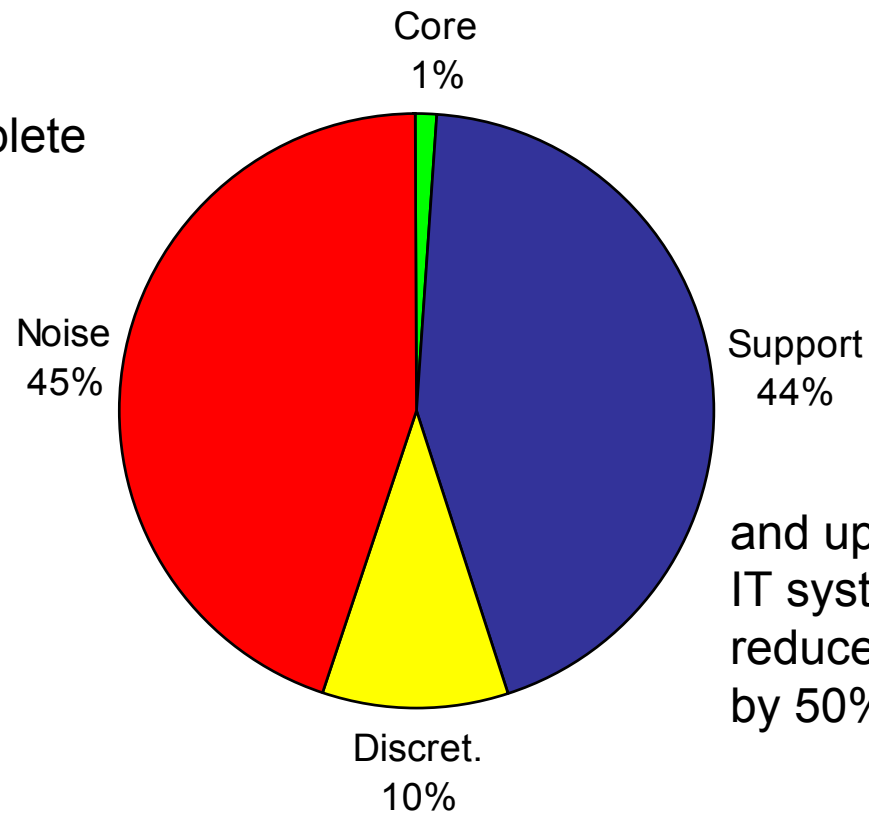




Opportunities for improvement

- ❑ Non-value adding activity made up 45% of total effort

Backlog levels, incomplete applications and poor payment management drove problems



and upgrading the archaic IT systems could also reduce support workload by 50%



Key change initiatives

- Manage change in a more methodical manner
- Remove backlogs and resolve payment streams
- Reduce queries and increase frontline resolution and throughput
- Cut the student licence turnaround time to win back the flying schools
- Relaunch the online medical to win back the pilots
- Medium term focus on form design and cross training
- Long term focus on IT upgrades through a portal and online applications and payments
- Establish a continuous improvement and operational excellence culture



Means for Improvement

Wave based implementation

- With over 650 ideas to work with the Implementation Team selected and waved ideas to prioritise and align ideas based on the change initiatives

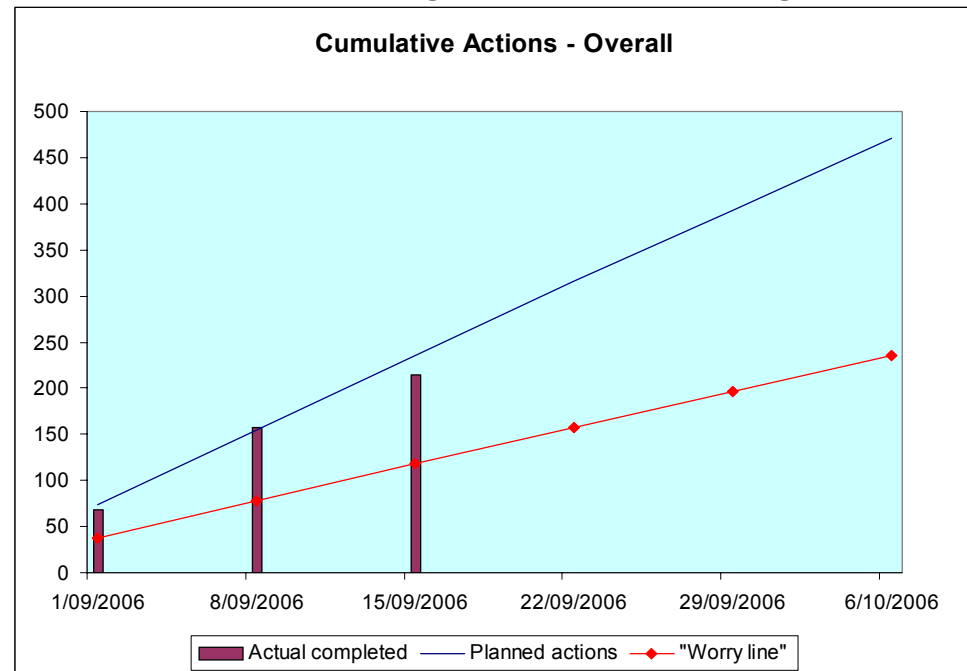
Wave	Timeframe	Focus	Example Ideas
1	9/06-10/06	Quick wins to reduce backlog	1) Return applications with no Proof of Identity rather than chase 2) Blitz on mail opening using resources from other departments
2	11/06-2/07	Job training and form design with minor IT	3) More training for Processors on Licence pre requisites 4) Better guidelines and instructions for applications on website 5) Install fax to desktop functionality to remove paper faxes
3	3/07-7/07	External interactions, developmental training and mid-level IT	6) Uplift endorsement requests direct from major airlines 7) Operational Excellence training for senior personnel and cross training through departments for Processors 8) Bulk printing and issuing of licences/certificates from system
Continuous Improvement	Ongoing	High performance through measures & major IT upgrades	9) New Service Delivery targets customised to departmental operational specifics and IT environment 10) Online self service portal for industry including payments



Means for Improvement

Momentum Methods

- ❑ Weekly meetings to report on progress and ensure cross silo communication of changes – provides regular feedback on successes and roadblocks
- ❑ A project governance steering committee monitoring traction and alignment
- ❑ Team leaders focused on action to break inertia
- ❑ Measures to ensure change activity is done and that the benefits are being realised
- ❑ Waves of change generating momentum





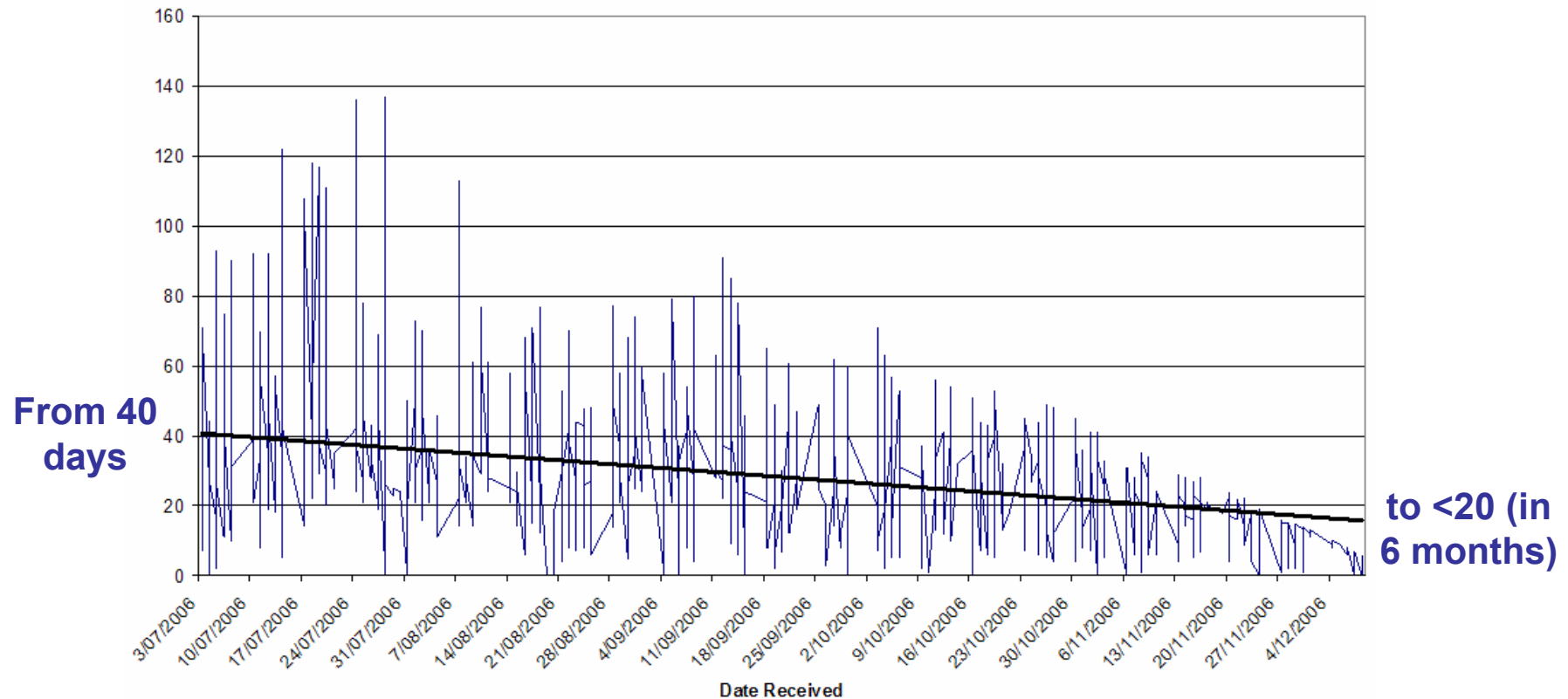
The results so far ...

- ❑ Complaints from 300 per week to complaint free weeks
- ❑ Frontline enquiries from 2,500 per week to 800
- ❑ The backlog for student licences from 1100 outstanding to less than 300
- ❑ Average turn around time on ASIC applications from 106 days to 35
- ❑ Clients are noticing and our reputation is improving
- ❑ Clients have commented – ‘your turnaround has been dramatic’, ‘personal attentive service, issues resolved quickly’, ‘well done, please keep going’
- ❑ and a picture (or 2) is worth a thousand words



100% improvement on average turnaround

Processing Time for SPLs - straight line trend

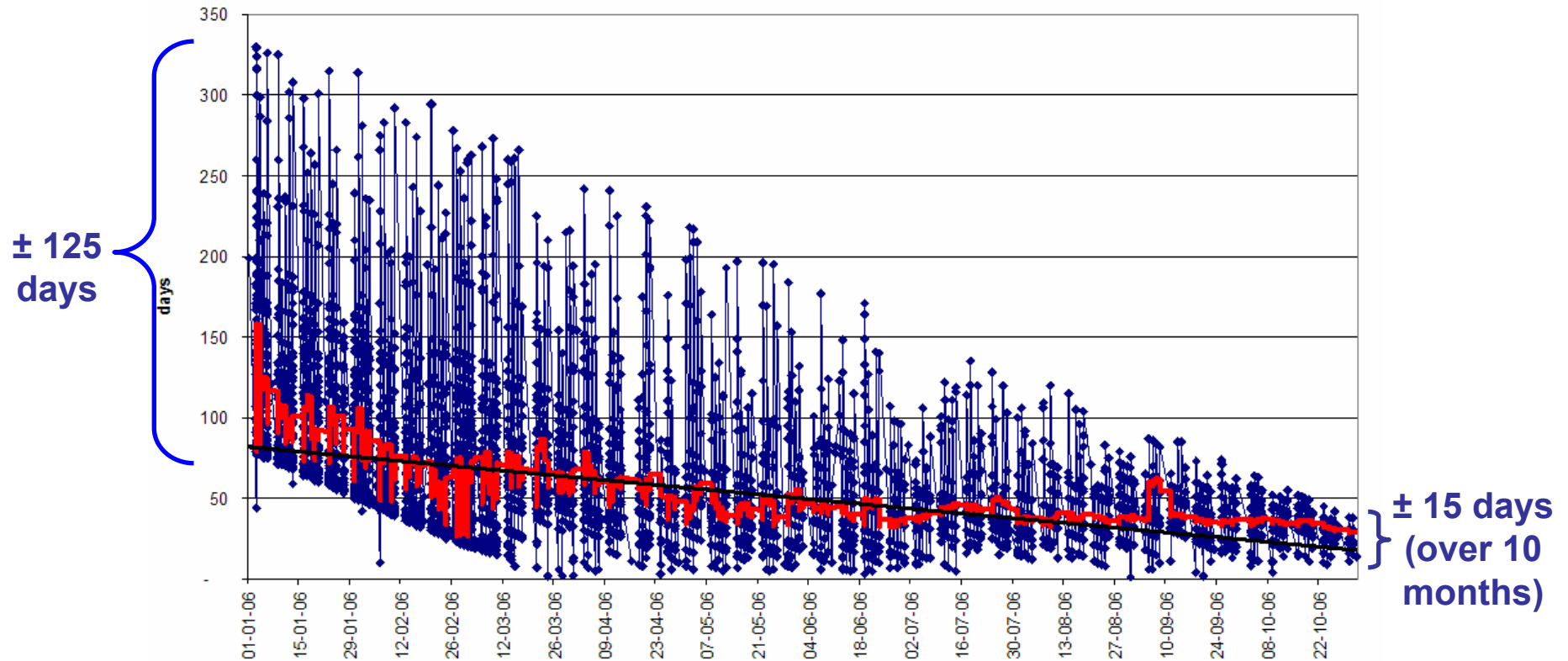


Service Delivery is the bottom line for CLARC!



830% improvement on variation

Days to complete ASIC application



and there is more to come – our change journey is continuing.



Today's Agenda

- What is CASA?
- The Past is Prologue
- Project Objectives
- Methods used
- Findings & Results to Date
- Lessons & Challenges
- Continuing the recovery
- Conclusion





Some tough challenges

- ❑ Good change control mechanisms have helped in more challenging times
- ❑ Cultural issues continue to present roadblocks - resistance to performance measures; ongoing silo mentalities etc
- ❑ Project has coped with office relocations, lose of phone service, data corruptions, IT system breakdowns, key personnel departures, structural changes etc
- ❑ Disparity in results – some teams have been stellar but others almost stagnant
- ❑ Difficulty in harvesting – service delivery is improving dramatically and we are investing heavily in cross training but there is pressure to cut numbers



Valuable lessons

- ❑ The depth of detailed data available from the XeP3 approach will lead to solutions
- ❑ “Momentum” methods can be used to support implementation – even after a significant disruption e.g. office move
- ❑ The data is being used to support the benefits case for major IT developments and measures realignment
- ❑ The data provides a rational basis for discussions on appropriate CLARC resourcing and SLAs
- ❑ Cross training equipped the teams to cope with “shocks” like key departures etc
- ❑ The change control mechanisms have improved cross silo communication



Today's Agenda

- What is CASA?
- The Past is Prologue
- Project Objectives
- Methods used
- Findings & Results to Date
- Lessons & Challenges
- Continuing the recovery
- Conclusion





The final stage

continuous improvement and IT upgrades

- ❑ Operational Excellence training – providing the skills to:
 - develop and manage high performance teams with a culture of continuous improvement
 - utilise measures to drive performance
 - further improve cross silo communication
- ❑ Ongoing mentoring to ensure team members are available and have the skills to engage in IT developments and align the IT outcomes with their business needs



Today's Agenda

- What is CASA?
- The Past is Prologue
- Project Objectives
- Methods used
- Findings & Results to Date
- Lessons & Challenges
- Continuing the recovery

Conclusion





Conclusion

- ❑ Considerable change was taking place but the team did not have the capabilities to manage it
- ❑ Using detailed data owned by the staff allowed for clear long term priorities to be set
- ❑ Control mechanisms could be used to align the many small incremental improvements
- ❑ The project has positioned us for the next big leap forward through stability in processes and data plus prioritisation of IT improvement
- ❑ The project has provided opportunity to look up from the desk