# Evaluation of the Australian Men's Shed Association

**PART 4 a**

**BUSINESS PROCESS REVIEW**

Final Report

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# Contents

### Evaluation Question 4a.

### Are AMSA's business processes effective and efficient?

Note: this section excludes reference to the NSDP Grants program, which is covered in Part 4.

### Executive Summary

In order to answer this evaluation questions, a pre-approved checklist was used to examine AMSA's business process (through document review, interviews and observation) from the aspects of:

- Performance monitoring, reporting and accountability; and
- Quality, safety and sustainability.

The Evaluators then used this data to specifically answer questions of efficiency and effectiveness, based on the preferred definitions of the Department. The findings were that:

AMSA monitors its performance by collecting, analysing and acting upon data to improve service delivery and contract/Agreement compliance. This is a long-standing practice within the organisation, but in the view of the funder the reporting needs to be improved. AMSA can demonstrate that it meets regulatory and contractual requirements. The funding body has concerns with *how* contractual requirements are met, not with *whether* they are met.

IT systems are outdated and have not been efficient (these are being upgraded, see Part 5: IT Review). New IT systems will enable better data collection about the AMSA membership. Separate processes (e.g. insurance payment and membership renewal) could potentially occur at the same time and achieve greater efficiency for both AMSA and its Members. The success of any such change will depend on (1) adequate planning and resource allocation to manage the change and (2) the technical capacity of Sheds.

AMSA uses a flat staffing structure whereby 'subject matter experts' have full responsibility for one or two aspects of AMSA service (all tasks, high to low complexity). This has meant inefficient IT systems can be 'worked around' because of familiarity and practice. It is a cost-effective model (not uncommon in small organisations and businesses), but arguably not a sustainable one. Improvements in IT systems will also require flow-on changes to the existing staffing model. In terms of economic efficiency, these changes would mean 'more results for the same funds,' rather than 'the same results for fewer funds.'

Questions about whether AMSA's governance, management processes and strategies support the delivery of safe and high quality Men's Shed programs and about whether they achieve outcomes are difficult to answer. This is because AMSA's role is advisory and not regulatory. There are measures that suggest AMSA's support is a contributing factor to quality and safety in Men's Shed, but attribution is complex to establish.

AMSA has demonstrated that it is capable of modelling and predicting future demand in order to respond to need and deliver support to new and existing Men's Sheds, but not always within the allocated budget. Therefore, some priority strategies have not been implemented due to resource constraints. Foreshadowed improvements in IT, together with new skill sets recently approved for funding (finance and business management), should free up staff resources to devote to other priority areas, without outsourcing.

AMSA's human resources system and processes support staff and office holders and ensure quality program delivery, but may not be sustainable. There is a need for more internal cross-team information sharing and training, deputation, delegation and back-up; and for the expansion and implementation of succession planning to ensure quality program delivery in an emergency.

**Main Messages**

> AMSA is a small not for profit that has successfully managed its operations and service delivery within budget and to the satisfaction of its membership.

> Regulatory and contractual requirements have been met, although the government funding body has concerns with how contractual requirements are met.

> The supporting IT systems have been inefficient, but are being replaced. This opens opportunity for changes to AMSA's ways of working.

> The changes will require adequate planning and resources, as well as additional communication to and support of the membership.

> Greater clarity in communication about contractual reporting requirements has commenced between the Department and AMSA and will greatly benefit the working relationship.

**Recommendations**

1. Collaborate with the Department to develop agreed, simplified reporting requirements and templates to replace the previous Departmental reporting requirements.

2. Work with the contracted IT suppliers to develop implementation plans for the transition to the new, inter-operative IT systems and concurrently identify minimal core IT proficiency and business proficiency for all staff members to utilise the new IT systems.

3. Develop and maintain simple operational manuals for all new business processes.

4. Identify separate processes that can be combined in the future and maximise opportunities to collect data from annual processes.

5. Identify areas where IT upgrades and simpler reporting requirements will save resources and develop plans to transfer these resources to deliver more field work in Sheds.

**Findings**

**Applying the checklist for business process review**

**1. Performance monitoring, reporting and accountability**

*Does AMSA monitor its performance by collecting, analysing and acting upon data to improve service delivery and contract/Agreement compliance?*

| Documentary evidence | Qualitative evidence | Observed processes |
|---|---|---|
| There is considerable evidence of collection of data on inquiries and activities.<br><br>It is a documented requirement of AMSA employees to track and record their activities.<br><br>Quarterly, half yearly and annual reports to the funder 2011-2015 contained extensive reports of data for performance monitoring, based on activities or outputs. | AMSA respondents reported an informal process of monitoring and responding to trends in inquiries or requests for assistance. The staff identify an issue, formulate possible responses (e.g. a new type of resource) and consult with the EO for decision making. Staff provided examples of same.<br><br>Department respondents spoke of excessive reporting of activities; long reports and repetitive information; and insufficient detail in financial reporting. | Reporting on activities has been a stated requirement of Funding Agreements since 2010-11. In more recent years (2015-16) some contractual reporting requirements have changed. The communication about such changes (between the funder and AMSA) seems to have been fraught at times.<br><br>More recent funding agreements contain more precise performance indicators against which AMSA is required to report.<br><br>This new process has only recently |

| | Surveys of Shed office holders showed positive ratings of AMSA's capacity to identify and respond to their service delivery needs | commenced (no data available). |
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*Does AMSA demonstrate maximising the effective use of Program resources?*

| Documentary evidence | Qualitative evidence | Observed processes |
| --- | --- | --- |
| In most years (except for 2012 when there was a small deficit) AMSA has delivered services within budget; and the number and type of program services has increased.<br><br>The resources available have been rudimentary (in terms of IT) and although adequate at the time of AMSA's inception, are now in need of updating. (This is in train). | IT systems that are not inter-operative have meant that multiple processes are required from some straightforward administrative transactions (e.g. changing membership details involves 5 processes).<br><br>The structure and work allocation has created 'subject matter experts' in the key areas (e.g. new Shed development and support; membership and insurance). This has created experts in the work who perform very efficiently because they know the subject matter and are practiced in the processes. | Phone calls from Shedders usually take more time than a standard business call. The culture within AMSA is to accommodate the communication needs of older people. This is sometimes not efficient, but it is effective in satisfying the caller/inquirer.<br><br>The expertise and efficiency of the staff (in working with existing systems and technology) carries risk for sustainability unless work arrangements are modified to share knowledge and skills, and unless operational manuals are developed to support other users. |

*Can AMSA demonstrate that it meets regulatory and contractual requirements?*

| Documentary evidence | Qualitative evidence | Observed processes |
| --- | --- | --- |
| Directors Reports and audited financial reports are produced annually as per ASIC requirements.<br><br>By-Laws on Employee Conditions conform with the current Industrial Legislation and adhere to the National Employment Standards.<br><br>Contractual requirements with the Department have been met, as evidenced by renewed funding over six years. | An estimated 25% of a senior staff member's time is devoted to reporting for contractual requirements.<br><br>Departmental concerns appear to be about *how* contractual requirements are met, rather than *whether* they are met. | Directors Reports and audited financial reports are made publicly available via the AMSA website (with the exception of the 2015 financial report which is yet to be placed on the website). |

## 2. Quality, safety and sustainability

*Do AMSA governance and management processes support the delivery of safe and high quality Men's Shed programs?*

| Documentary evidence | Qualitative evidence | Observed processes |
| --- | --- | --- |
| AMSA's authority does not extend to regulating or monitoring safety and quality in Men's Sheds. It plays an advisory and support role only. | The survey of Shed office holders indicated that management resources and safety resources were useful to and used by Men's | The internal governance policies of AMSA's operations (as distinct from the Board governance of the membership network) are often |

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| The only 'enforcement' capability of AMSA is applied through its membership By-Laws, which stipulate certain conditions for eligibility (e.g. incorporation, adherence to a code of behaviour, non-discriminatory practices, certain minimum insurance).<br><br>AMSA has developed resources to assist Sheds with governance, management, safe practices and appropriate insurance. This is advisory only and not enforceable.<br><br>Internally (within AMSA) all the appropriate governance policies have been created (see Part 2 of Evaluation). | Sheds.<br><br>The provision of such resources by AMSA, could be interpreted as a contributing factor to the relevant stability/ sustainability of the number of Men's Sheds, although causal attribution is not possible. | adaptations from templates freely available to not for profit (NFP) organisations. This is neither uncommon nor unacceptable. It would be inefficient for such a small organisation to develop its own policies in areas of standard NFP operation.<br><br>Some of these policies and plans need updating. The succession plan needs to be expanded beyond the Board Directors and EO to cover all key services areas of AMSA; and then the plan needs to be implemented. |

*Can AMSA demonstrate strategies for sustaining quality and safety in Men's Sheds; and any outcomes from these strategies?*

| Documentary evidence | Qualitative evidence | Observed processes |
|---|---|---|
| Developing resources and providing advice on quality and safety issues is a large part AMSA's support to new and established Men's Sheds.<br><br>Outputs have been manuals, safety guidelines, management guidelines, insurance advice and insurance policy provision for Member Sheds. | Respondents said that increasing on-site presence (e.g. field officers) has been a part of AMSA's strategy for quality and safety in Sheds. However, it has not eventuated due to resource constraints.<br><br>Gauging outcomes is restricted to usefulness measures and feedback from the survey respondents. | For the reasons stated above, it is difficult to meaningfully measure the outcomes of AMSA's efforts in terms of sustaining quality and safety in Sheds. They would be regarded as a contributing factor only. |

*Is AMSA capable of modelling and predicting future demand in order to respond to need and deliver support to new and existing Men's Sheds within the allocated budget?*

| Documentary evidence | Qualitative evidence | Observed processes |
|---|---|---|
| Since its inception, AMSA has collected and reported data on membership numbers and levels; services /resources accessed (via website or hard copy), contacts and inquiries.<br><br>It has occasionally surveyed the membership (or others have, e.g. 2013, 2014). One survey had focused on Shedders' health, the other more broadly on Shed management/activities/needs.<br><br>The focus of the funding agreement has shifted from | AMSA also collects qualitative feedback from site visits.<br><br>State representatives on the Board inform AMSA priorities about member services and future need.<br><br>Respondents said that sustainability of Sheds is the current priority. Self-reported allocation of staff members' time reflected this shift in focus (e.g. less demand for support of new Sheds, more demand for management and safety advice).<br><br>The most commonly reported need | Responding to members' needs has predominantly been dealt with either in-house (e.g. creating new resources) or through partnerships (e.g. participating in Men's Shed Online). This has largely, but not always, been achieved within the allocated budget.<br><br>Where AMSA has requested additional funding (in more recent years) it has usually involved increased staff or outsourced expertise. This was related partly to member needs (e.g. expertise for improved communications to the |

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| establishing new Sheds to sustaining existing Sheds. | (that AMSA respondents could not meet within the allocated budget) was for more presence in the field, i.e. field officer staff. | membership) but more commonly were related to meeting contractual requirements (e.g. financial reporting; upgrading technology; improving AMSA's financial sustainability through marketing /communications) |

*Does AMSA's human resources system and processes (including recruitment, retention strategies, performance management, training, position descriptions and scopes of practice) support staff and office holders and ensure quality, sustainable program delivery?*

| Documentary evidence | Qualitative evidence | Observed processes |
|---|---|---|
| There has been occasional recruitment, but the 4 core staff had been employed since soon after AMSA's inception.<br><br>They key retention strategy appears to be the payment of above-award salaries. AMSA has a small staff, each with a portfolio, and with responsibility for both 'managing' and 'doing' all the tasks in that portfolio.<br><br>Annual performance reviews are a requirement of the Employment Conditions By-Laws.<br><br>Guidelines and a Code of Conduct for Board Directors reflect the former Constitution and are in the process of being changed (as is the Board composition and membership). | Some respondents said that their position descriptions are out of date and do not accurately reflect the scope of work performed.<br><br>Most respondents said that training was not a priority for them at the moment; or that the training available externally is not relevant to their role in AMSA. One said that learning new skills would be useful, but the workload doesn't allow the time.<br><br>Some staff reported regularly working on weekends, working through the January office shut down, taking work home at night etc. | AMSA has a small staff working in a flat structure.<br><br>The scope of each role is very defined. There is a lot of informal discussion and information sharing between the team members, but responsibilities are siloed, with person x being responsible for all aspects of a service, and others stepping in to help if required - but by giving low-level support, not by managing any part of the process that is another's responsibility. |

## 3. Answering questions of business process efficiency and effectiveness

*Efficient*

*Have resources been used economically?*

The *staff* resources have been used economically in that, although staff are paid relatively well, they have responsibility for all aspects of delivering a particular service (from low – high complexity). It would not be uncommon in another organisation for similar portfolios to be delivered by 1.5 or 2 FTE paid at a lower level. This would deliver the service for the same price, but would increase on-costs (e.g. insurances) and would increase the risk of staff churn, and consequent recruitment costs. It is a strategy that is not uncommon in small organisations or businesses. However, it carries risks of sustainability and these have been mentioned in other sections of this evaluation (e.g. the need for succession planning, back-up, operational guidelines for all key functions in AMSA).

The quality of IT resources that support the business processes is covered elsewhere in the evaluation.

*Are there alternatives for achieving the same results with fewer funds?*

Once the improved, interoperable IT systems are in place and training, operational guidelines etc. are complete, the roles of more senior staff should be able to encompass more planning, communication and strategic service improvement. It would be a case of 'more results for the same funds', rather than 'the same results for fewer funds'.

*Are deliverables achieved on time and within budget?*

Yes.

*Are activities carried out as simply as possible?*

Activities are carried out as simply as possible with the current (inefficient) IT systems. This is partly because staff are proficient in developing work-arounds to overcome the shortcomings of, say, the membership database or the ACT (activities) database. It would not be simple for a new staff member.

The foreshadowed new IT systems should considerably simplify the AMSA's work, especially by minimising data entry and duplication.

*Are decisions made as close to where services are delivered as possible?*

Yes. Decisions are made by the small team at Newcastle, who implement all of the services except the Community Engagement/Health activities (which emanate from Tasmania). The plan is to eventually locate all key roles in the same office.

*Are overheads as low as possible?*

Staff costs are above award and therefore employment overheads are higher per staff member than in some comparable community sector organisations. However, the staff size is smaller than in some comparable organisations, and the retention rates are higher. This results in savings in insurance costs, recruitment costs etc.

Other overheads (IT services, rent) are low due to discounted arrangements. Utilities and other costs are standard. Insurance costs are somewhat higher due to the inclusion of coverage for some State Associations in the AMSA policies.

*Are duplication or conflicts addressed and resolved?*

Internally, there is little duplication because of the ways of working already described. There is a written complaints policy to guide some types of conflict. The small team at AMSA has worked together for many years; any internal conflict seems to be dealt with promptly and informally.

Issues of duplication and conflict are more prominent in the national organisational structure of the Association and have been a catalyst for constitutional change (as described in Part 2 re governance).

*Is innovation present?*

Innovation has been present in terms of developing new resources, services (e.g. the insurance policy) and responding to members' needs. In terms of business process innovation, there has not been a great deal – largely due to (1) the rapid growth in membership numbers, with which AMSA kept pace and (2) uncertain or short-term funding since 2013, when membership numbers began to stabilise. Recent IT improvement (encouraged and funded by the Department) is the first broad innovation in AMSA business process since its set-up.

### *Effective*
*The extent to which the objectives were achieved.*

The objectives of the business processes are broadly (1) to support the delivery of AMSA's services to its membership and (2) to meet AMSA's regulatory and contractual obligations.

As stated above, there is evidence that both objectives are met. Feedback from members is strongly positive about AMSA's service provision and responsiveness. There is evidence that regulatory requirements are met. It is in the area of contractual obligations that the Department stakeholders expressed concern. This concern seemed to be related to *how* obligations were met, rather than *whether* they were met.

*Timeliness*

There was little or no evidence of AMSA's service delivery being slow or of any contractual deadlines not being met. Issues about contractual performance were related to quality.

*Quality*

The quality of the SMART resource was questioned by some survey respondents. These issues were related to the expiration of the contract to maintain and upgrade the resource, which occurred during a period of funding uncertainty for AMSA. This resulted in SMART being inaccessible for some members; and of less utility to others. These matters have been resolved with renewed funding and the resource is now about to be upgraded.

There were instances of reports or documents submitted to the Department being returned to AMSA as unsatisfactory – either lacking in detail or having too much detail or the wrong detail. This appears to coincide with changes in approach, priorities and personnel at the Departmental level.

*Management*

AMSA is a small not for profit organisation, staffed by 4.6 FTE, serving 950+ member Sheds nationally with an estimated membership of 22,500 Shedders. It has been governed by a representative-based Board and is in the process of moving to a skills-based Board. It has operated within budget for six years (with the exception of 2012 when it incurred a small deficit).

Its members (via survey) expressed high levels of satisfaction with its service delivery and support.

The two key challenges for AMSA in terms of management are: reducing reliance on government funding by achieving increased financial independence; and working collaboratively with the funding body (the Department of Health) to achieve clearer two-way communication and to improve reporting processes to the satisfaction of the funder.

*Credibility*

AMSA's processes and systems have a high level of credibility with the membership.

All Health Partners spoke highly of AMSA's processes in terms of efficiency, responsiveness and credibility (that is, credibility with the partner organisation and credibility with the men's health sector).

AMSA's credibility with Departmental stakeholders is not high.

*How success is measured and monitored by AMSA.*

The measures of success (that are able to be monitored by AMSA) are:

- *Within the Men's Shed movement*
  Membership retention; member awareness of AMSA as a support provider; access to and usefulness of its resources and services; timely and useful responses to members; Sheds where health resources reach men; Sheds where management resources reach office holders; Sheds where safety information reaches men; and sustainable Sheds.
- *Beyond the AMSA membership*
  Timely and appropriate responses to health partners and the public; establishment and maintenance of health partnerships; inquiries to AMSA about the Men's Shed movement; inquiries to AMSA about the potential health benefits of Men's Sheds; attracting and

maintaining government support; attracting and maintaining funding from other sources; attracting and maintaining sponsorship and in-kind support.