Reducing Red Tape

A facilitation and management manual

February 2010, Version 2

This is the author's final draft of manual version 2. The final version will be published after a consultation process with a number of development practitioners and layouting. It will be available from www.led.co.za, www.businessenvironment.org, and www.mesopartner.com from April 2010 onwards.

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Introduction

Legal and official documents in Britain have been bound with red tape since the 17th century. This tradition is the origin of the term, which refers to fussy or unnecessary bureaucracy. The media, politicians, business and ordinary people use it to refer to –tedious rules and regulations involving long queues, endless paperwork, lengthy procedures and onerous legal requirements. Red tape hampers performance. Rules and regulations, procedures and systems, and service interfaces lead to costs and frustrations on a personal level, inefficiencies and ineffectiveness on an organisational level, and considerable losses in national economic output.

Governments all over world are embarking on programmes to reduce red tape and improve public services and the environment to do business. The topic has become an important aspect of the international discourse on governance and private sector development. In South Africa, reducing the regulatory cost of doing business is high on the government agenda. Several departments have been driving an initiative specifically to reduce red tape on the local government sphere to improve service delivery and foster economic development.

This manual addresses local government officials and development facilitators tasked to reduce red tape. Building on existing knowledge of local governance and local economic development, the manual provides the theoretical background as well as practical steps on how to embark on a red tape reduction exercise in a local municipality.

The foundations of red tape, the different types, and the two main perspectives on red tape are discussed in Chapter 1. The rest of the manual will assume that the reader has read this first chapter. Chapter 2 examines the diagnosis of and solutions to an issue of red tape, providing a practical approach to design interventions that create smart solutions to red tape. Chapter 3 describes a programmatic approach to red tape reduction, addressing the entire service delivery system or business environment of a locality. Chapter 4 then provides worksheets and templates that are frequently needed in the reduction of red tape.

The Department of Provincial and Local Government (the dplg) and the German Technical Cooperation (GTZ) published a first manual in 2006 titled "*The dplg, GTZ: Red Tape Reduction to Improve the Business Climate, Facilitator's Manual"*(GTZ & the DPLG, 2006)*. Version 2.0 of this manual builds extensively on Version 1.1, but includes new theoretical insights as well as experiences gained from practical fieldwork.

We hope that you will enjoy this manual and that it will provide useful guidance in the reduction of red tape. We encourage you to share your ideas, experiences and approaches with us and other development practitioners.

Chapter 1 The Foundation of Red Tape Reduction

Red tape is a characteristic of all kinds of organizations. Whether it is a civic body, a business membership organization, local government or a school, red tape emerges as an organization grows, changes and evolves. Red tape affects the performance of these organisations, with severe impacts on individual performance and the levels of innovation, dynamism and growth of the economy. This chapter looks at the foundations of red tape. It discusses what red tape is, what different kinds of red tape there are, what perspectives one can take, as well as why to address the issue of red tape at all and what to consider in the process.

1.1   What is meant by red tape?

Red tape is defined as rules and regulations, administrative and management procedures and systems, which are not, or are no longer, effective in achieving their intended objectives, and which therefore produce sub-optimal and undesired social outcomes.

In many cases, a perfectly sensible bureaucratic procedure can become clumsy through poor interfaces between people, or through poor communication on how the process works. Streamlining procedures and increasing the service orientation of administrative personnel can therefore play an important role in reducing inefficiency and thus reducing costs.

Red tape is a term that describes regulations and rules, administrative procedures and systems, which are not effective in achieving their intended objectives. Red tape therefore produces sub-optimal and undesired social outcomes.

Red tape shows up in and between all kinds of organisations, such as the different spheres of government, in the private sector and in civil society. Although much red tape is created elsewhere in the economic and social system, we specifically focus on red tape that occurs at the local governance sphere, or that shows up in the area of sector or value chains.

1.2   Three main kinds of red tape

Within the definition given above in Section 1.1, three kinds of red tape can be identified within or between organisations:

1. Red tape which is created by **rules and regulations** that are designed to achieve a specific policy objective and that are thus **policy related.**
2. Red tape which is created by **procedures and systems** that do not function in an efficient and effective way due to **administrative and management** issues.

Most red tape issues can be classified within these two broad categories which exist within or between organisations.

Furthermore, whenever an organisational unit interacts with stakeholders, inefficiencies in communication and knowledge or information transfer may occur. These information and communication failures are a third kind of red tape which emerges between stakeholders:

3   Red tape which is created when stakeholders from different sub-systems exchange information or interact.

The **interfaces** between stakeholders include human and technology interfaces, customer service and transparency. In highly departmentalised organisations, this third kind of red tape may also be an issue between internal units.

In Figure 1.1 the three kinds of red tape are illustrated, with the overlaps between the different kinds of red tape shown.

Figure 1.1: Three main kinds of red tape
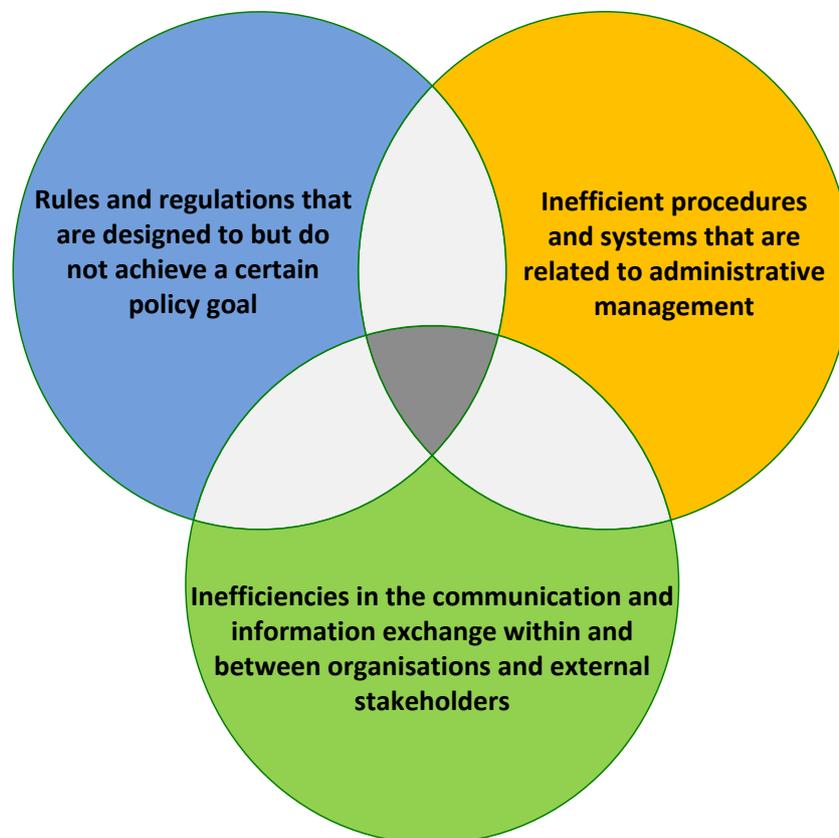
Each category of red tape has distinct symptoms and, more importantly, responds to different approaches of analysis and intervention. In many instances where there are symptoms of red tape, more than one kind of red tape is present. Consider the following example:

> ### *Example 1: Different kinds of red tape*
>
> *TRAFFIC DEPARTMENT: "Traffic Department, good day, all our lines are currently busy. Please leave a message indicating your request, name and phone number, and we will call you back." Beeep.*
>
> *CALLER: "This is Jack Mabuza from Fountains B&B. I've just got a fine for erecting an illegal sign down at the M86 crossing. I went to check and it's gone! I really don't understand this. I put it up last week after waiting five month for the approval by you guys. Ask the clerk at the counter in the main building, he stamped the thing! Aren't you talking to each other? Besides, my lawyer finally got hold of the signage regulation. The thing is so ambiguous. No wonder all kind of signs clutter the town. But mine was legal and it wasn't exactly cheap! Man, how are my customers supposed to find me now? This is the third time I am calling; can someone please get in touch with me? You can reach me at 068 3158955!"*

Example 1 contains all three kinds of red tape: a rule or regulation not achieving its policy goal, an efficient as well as an inefficient procedure, and several elements of communication and information failure. The three kinds of red tape are discussed in more detail under the next three headings.

1.2.1 Red tape caused by rules and regulations

Senior decision makers in local municipalities or local firms must make decisions that affect the behaviour and performance of the resources and people under their control. In some cases, these managers have to respond to or interpret policies shaped higher up in the organisation or legislative environment, with little space for customisation or flexibility. In other cases, managers at a local sphere can choose how to prioritise the use of resources and people, and how to develop the strategy of the organisation. All of these decisions or legislative requirements can be broadly described as policies that define how an organisation as a whole should behave or perform.

Red tape caused by policies, and implemented by rules, regulations and laws, may be due to their absence or partial to complete ineffectiveness. Inconsistent interpretations and difficulty in enforcement are symptoms of policy-related red tape.

Policies implemented by rules, regulations, and laws govern not only the functions of an organisation, but also the behaviour of society or the economy as a whole. Government regulations and laws exist in order to shape behaviour and to guide individuals and organisations to behave in a certain way that is deemed socially desirable. They are created by every society and within almost every organisation. Furthermore, governments at different spheres also have a responsibility to address market failure, and to provide public goods that create positive externalities to all enterprises (and citizens).

While policies are in most cases developed with good intentions, they often result in unintended consequences, or become ineffective as circumstances change. Perhaps a regulation made sense under a specific set of circumstances, which is no longer relevant. Alternatively, a rule was never

properly defined, and people found all kinds of work-arounds, resulting in several changes or additions to the rule. This could lead to the rule becoming difficult to enforce or interpret in a consistent way.

Finally, when management decides not to make a decision about a given issue, either through ignorance or other more important priorities, this can also be interpreted as a policy decision.

1.2.2   Red tape caused by inefficient procedures and administrative systems

Administrative and management procedures and systems are at the operational core of any organisation and therefore affect its performance. The procedures of organisations and their subsystems determine how decisions are made and how people can perform routine or standard operations. For instance, the accounting system may require certain procedures with regard to making or receiving payments, combined with a particular IT equipment and software configuration.

Administrative and management procedures and systems create the routines that enable organisations to perform functions. Typical symptoms of red tape at this level are long delay and unclear roles and responsibilities.

Together, procedures, equipment and people are described as a system. It can be the entire system or the procedures involved that are poorly designed. Thus only a holistic perspective of how a system is supposed to function and how it supports the objectives of the organisation will make it possible to refine or enhance performance. All too often, the focus on efficiency improvement is on technological equipment, while the supporting procedures and the human elements are neglected. By definition, there are not too many or too few procedures, suitable or inappropriate equipment, or helpful or unhelpful people. It is the right mix of these elements that enables the system to reach a specific objective.

Typically, there is a close interaction between the procedures and systems and the regulations and rules of organisations. Organisations use procedures to enforce regulations and rules, and use regulations and rules to make procedures work better. Yet many procedures and systems are designed purely from a functional or transactional perspective.

Example 2, as a continuation of example 1, shows part of a customer care system, with a procedure of how to record and forward messages, operated by a receptionist using specific technical equipment. In this example, the administrative and management customer care system, involving procedures, people and equipment, seems to be designed, managed and implemented efficiently to reach the objective of quick reaction to customer complaints.

Typically red tape in administrative and management procedures and systems is caused by a multitude of factors ranging from poor management skills, lack of formal procedures, poor design of procedures, little oversight of the performance of procedures, to staff simply not following procedures. Complicated forms, unnecessary steps, or poor IT systems also create problems at this level. With the broadening of municipal functions, and the increased size of municipalities, the procedural level of management is often under huge pressure because of pressures from the local community for the municipalities to address a wide range of policy issues. At the same time, many private sector actors are also under pressure at this level due to changes in the legal environment and increased international competition.

1.2.3   Red tape caused by poor communication and information exchange

This kind of red tape is caused by the interaction between stakeholders, either within or between organisations, or between an organisation and external stakeholders. These interactions take place through:

- human interfaces such as interpersonal communication between individuals, teams and organisations
- technological interfaces that enable communication or automation such as websites, telephone systems and other media
- the usage or consumption of public and private services and goods by people or consumers, such as refuse removal or telephone lines.

There is a close relationship between the procedural level and the interface level. Even carefully designed procedures and systems can become cumbersome if there is too little information available on how the procedure works, or if the staff behind the counters are unfriendly or unhelpful.

Many quick wins can be achieved at this level, because improving service levels can in fact be achieved without senior management involvement. That said, getting administrative staff to 'care'

and be helpful can be extremely difficult in an organisation where management is unfriendly or where morale is low due to poor performance or unsatisfactory working conditions.

Red tape on this level can be addressed by identifying the various ways the organisational units interface or interact with other units and organisations. With the increased use of information technology, the role of the traditional receptionist as the main interface between organisations is rapidly changing. In the private sector, several instruments have been developed to make sure that service standards and efficient interfaces are maintained. One such instrument is called service blueprinting that will be discussed in Chapter **Error! Reference source not found.**.

The interfaces between units and organisations allow information and communication to flow. These interfaces can be physical, human or technological. Typical symptoms of red tape at the service interface are lack of information and transparency, and poor or inconsistent customer care.

Service blueprinting is based on the premise that all service transactions must be carefully designed. It is not only the one-to-one communication between two people that matters The physical environment, parallel interfaces, the available information and the communication style all affect the delivery of services. In service blueprinting the following interfaces are typically diagnosed:

- Physical evidence or environment of the transaction or exchange
- Customer actions (the role of the customer in the transaction or exchange)
- The visible contacts or employees (who represent the organisation)
- The backstage or invisible contacts or employees (who support the visible frontline staff)
- Support processes (both equipment and also decision-making powers of service staff).

In service blueprinting, attention is thus not only given to the traditional frontline staff. The environment in which the interaction takes place, the direct interaction the customer engages in, the other employees of the organisation that are visible to the customer, the employees invisible to the customer but still involved in the service, as well as the internal organisational structures and resources available to the interacting staff, are all critically important to avoid interface-related red tape.

Myth: Red tape is created by incompetent or obstructive staff.

The truth is that red tape increases over time as organisations grow and as the variety of routines and specialised departments expands. What is seen as red tape today might be the result of well-intended solutions to address specific problems at a specific time. Unfortunately red tape also gets worse over time as the interdependency between different factors is not understood, and the interventions and its consequences are often separated in time.

1.3   Approaching red tape from different perspectives

Different stakeholders will approach the identification and reduction of red tape from different perspectives, and will thus have different motivations to participate in the process. Red tape not only affects the ability of a specific organisation to perform its functions, but also influences performance of other stakeholders and organisations.

Clearly, under-performance due to red tape will affect the services delivered by a municipality (see Figure 1.2 below). This in turn has an impact on the performance of businesses in the local economy due to changes in the local business environment. Similarly, red tape in the private and social sector affects citizens and consumers, and this has an impact on the broader developmental context.

Figure 1.2: Factors influenced by local government on service delivery and the business environment

Service Delivery		Business Environment		
Infrastructure and Environment	**Social Services**	**Laws, regulations and policies**	**Procedures and systems**	**Interface**
Roads	Residential quality	Taxes and levies	Management structures	Public-private dialogue
Electricity, Energy	Education and research	Town planning	Decision making	Partnerships, collaboration
Water and Sewage	Health	Environmental regulation	Reporting structures	Information and consultation
Built and natural environment	Recreation	Business sector regulations	Skills and capacities	Service interface
Property and Land	Culture	Licensing	Human resources	Private sector organisation
ICTs	…	…	…	…

A first perspective on red tape is to consider its effects on **Local Economic Development** (LED). The South African LED Framework describes LED as an ongoing development process between the public, private and civil society stakeholders of a given territory to improve the local economy, in a competiveness-oriented, inclusive and sustainable manner. It further suggests using the available resources to create conditions which stimulate and enable the general environment in which business is done (DPLG, 2006).

Indeed, initiatives which pursue LED are likely to show very limited and isolated effects on the local economy, if they are designed within a disadvantageous or even hostile local business environment (LBE). Firstly, this approach refers to the regulatory framework and the administrative systems which provide, besides market forces, the rules of the game that shape the decisions and actions of all businesses. Hence it is an approach with leverage, which has to be used responsibly, as it can change the situation of thousands of businesses almost at the stroke of a pen. Secondly, the approach refers to the relationship between the public and private sector, including their organisational arrangements.[1] These allow the negotiation and implementation of the rules of the game. In a decentralised government system, there is an often complex relationship between the spheres of government and the associated private sector organisations. Policies might be shaped at national sphere, translated into laws at the provincial sphere, and implemented at the local sphere where businesses are operating. Hence regular feedback mechanisms between spheres and across sectors are a necessity.

From a LED perspective, reducing red tape creates opportunities for the public and private sector to work together to identify red tape issues that affect the local business environment. From a service delivery perspective, red tape reduction provides opportunities to address inefficiencies in service delivery.

The reduction of red tape is clearly embedded in the concepts of LED and LBE, and it is one of several tools promoted by the South African Government in this context (DPLG, DTI & SALGA, 2008). Implemented as a programme on the local sphere, it is based on dialogue between the public and private sector, focusing specifically on the rules of the game: efficiency and effectiveness. Smart tape, to use the positive term, can reduce the cost of starting, operating and closing a business. In more practical terms, simply imagine the costs of a street trader not allowed to do business in the town centre, a transport company unable to operate a truck during a seven-month vehicle registration process, or a large-scale investor losing patience with a 24-month land rezoning process. When these resources are used more productively, new profits and market shares can be achieved. This in turn enables investment, employment and output, as a recent study on cutting the cost of red tape in South Africa has shown (Small Business Project, 2004).

Myth: If we could only do away with all bureaucracy then we would have no more red tape.

The truth is that many stakeholders actually demand red tape to protect their investments by creating entry barriers, standards, checks and balances. Tourism provides an example where guest houses often complain that 'new entrants' do not comply with certain standards. Red tape in the business environment is critical for firms (and other stakeholders) as it governs how they compete or operate. Therefore, while businesses may complain about regulations, they would also be the first to complain if all the regulations were abolished.

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[1] See: http://www.publicprivatedialogue.org/

A second perspective on red tape is **service delivery.** Figure 1.2 shows several examples of services typically rendered by municipalities. Organisations such as local municipalities and other government and non-governmental organisations involved in the provision of public services have limited resources to perform a wide range of duties. Some services directly affect citizens and businesses. Other services have indirect effects on the ability of businesses to operate profitably, or citizens to enjoy a certain quality of life. Inefficient planning, poor resource management, vacant positions and service backlogs are often symptoms of red tape that affects service delivery. Inefficient or unclear bureaucratic processes waste valuable time, energy and resources. Furthermore, employees can easily become demoralised and may leave the organisation. In the worst case, red tape creates opportunities for corruption and bribery of officials, who wield power by being able to influence processes or decisions.

Municipalities offer many services to overcome market failures, for instance by providing public goods such as libraries or municipal abattoirs. Other services are charged for (e.g. electricity and waste removal). One way of increasing public service delivery is by making sure that essential and public good services are of a high standard and are delivered effectively. From the service delivery perspective, instruments such as organisational development, process development, regulatory reform and customer service improvement are important. This topic is further explored in Chapter 1.4.2.

Myth: Red tape is created only by government.

The truth is that red tape is also created by the private sector and by other actors like universities, business membership organisations and trade unions. Take for instance the requirements to join an accommodation association in a town with a strong tourism sector, or the number of forms that must be completed to change a subject at a university.

1.4   The rationale for reducing red tape

Not every rule, regulation, procedure or system is necessarily red tape. The purpose of reducing red tape is not to take away all the policies and administrative and management processes. **Rather, the aim of cutting red tape is to focus rules, regulations, procedures and systems on achieving their objectives efficiently and effectively**. Where this is not possible, it becomes necessary to make sure that people can interact with the policies and procedures in a more efficient and transparent way.

In the previous section the different perspectives of reducing red tape were described. Two themes emerged that provide a rationale for red tape reduction:

1. The LED perspective: reduce compliance costs for business and thereby improve the business environment, leading to economic growth.
2. The service delivery perspective: reduce costs for service provision and increase the use of services.

1.4.1 Addressing red tape to save costs

The cost of red tape first of all affects the budget and resources within the organisation where the red tape originates. In the municipal context, for instance, rules and regulations which are unnecessary or do not help to achieve their policy goals make it more difficult for officials to do their jobs, even when there is no enforcement. Unnecessary or complicated procedures and systems also create costs. There might be increased training costs, compliance enforcement costs and performance monitoring costs for management and staff to use the procedures and systems. Furthermore, there is also ever-increasing pressure on local municipalities to better utilise their financial, human and physical resources.

Second, the cost of red tape within an organisation does not only relate to its own budget and resources, but also creates costs for other stakeholders interacting with the organisation. In a municipal context, red tape increases the costs of doing business by the private sector directly through:

- Compliance costs: the costs of complying with regulations and procedures in terms of time and money
- Non-compliance costs: fines, bribery, harassment, appropriation of stock (specifically relevant for the informal sector), etc.
- Procurement costs: barriers created by procurement procedures, poor supply chain management or clumsy tender procedures

and indirectly through:

- Ineffective service delivery
- Inefficient or ineffective allocation of public funds

New technologies and ICT create many opportunities to redesign or optimise the performance of procedures and systems in order to reduce costs. However, while reducing costs in the long term may be sensible, the immediate costs of redesigning a system or upgrading to a better technology may require short-term investments that may exceed the financial resources of a department or unit in an organisation.

1.4.2 Addressing red tape to improve the use of services and service delivery

Many symptoms of red tape in an organisation relate to the consumption of the services offered by the organisation. Red tape in the municipal context reduces the consumption of services in many cases, which in the end defeats the objective of government. In the worst case, inefficient service provision has a marginalisation effect.

For instance, when a municipal licensing department responsible for vehicle registration and driver's licences is poorly configured, then long queues will develop and the throughput of the system will slow down. Mothers with children or small enterprise owners cannot afford be away from their homes and businesses to go through such a procedure. This result in fewer people using the service – they then either go to another municipality where the service is faster, or they find illegal means to obtain licences and register their vehicles. The problem may be that although enough resources have been allocated to the department, the procedures and interface have not been designed holistically for efficiency. This is likely to lead to frustrated staff and service users. A redesign of the

entire licensing system, including simplifying the rules, signage, forms and application procedure, may result in the ability to process more license applications and decreased frustration levels.

Myth: Red tape cannot be addressed at a local sphere level.

While it is true that a lot of red tape originates at national or regional spheres of government, many red tape issues are created at local sphere by the local municipality or local business. Furthermore, local offices of national or regional institutions, such as a local affiliate of a national hospital, often also create red tape.

Again, technologies, such as websites or self-help counters, can greatly improve the delivery of certain services. The interface can be improved by providing forms on a website or by ensuring that people have all the required supporting documents before they start the application procedure. This will save valuable time, and can reduce the length of queues.

1.5 Important considerations when addressing red tape

Experience in various fields of development cooperation has proven that the design and implementation of reforms require a holistic and systemic perspective and an iterative and participatory approach.

Reducing red tape must therefore be seen as a complex, diverse and pluralistic process, which cannot be simply implemented and controlled through one-dimensional hierarchical planning and management. Bringing a multitude of actors to work together and complement each other requires systemic and facilitative interventions towards change. A red tape issue may lead to several symptoms that are created or reinforced by many different causes. Some of these causes may even be external to the organisation in which the red tape issue resides.

Facilitating change in a local system has to be based on a systemic understanding of the local context and the red tape issue at hand. Red tape reduction takes place within a variety of different local systems – the economic system, the political and administrative systems, the social and cultural systems - all of which collectively make up the specific local context. At the borders of the locality, these different local systems again interact with other systems at local, provincial and national spheres, such as the national tax regime.

There is no 'one size fits all' approach in red tape reduction. Bringing about change requires an approach that sufficiently takes into account the specific dynamics, the complexity and interrelatedness of a locality and its actors.

A systemic approach is based on seven main assumptions:

1. Understanding the local context requires knowing the different elements of which it is comprised, and understanding and awareness of the multiple, complex and reciprocal relationships and linkages by which these elements are connected.

2. Each system follows its own logic, which functions as a perfectly rational guiding principle for the system's stakeholders. Being aware of the logic of these different systems is crucial for understanding the local context as a whole.

3. Systemic change can only be made by or with the local stakeholders and the people most affected by the specific issues.

4. To bring about systemic change, the internal actors must be aware of the local characteristics and the issues that might inhibit the performance of the local systems.

5. Systemic change cannot be linearly planned, but can only be achieved in a step-wise and flexible manner. The main triggers to change a local system are likely to be revealed only as the change process unfolds. The interconnectedness of the different factors and stakeholders make it impossible to understand and predict all the reactions of all the elements at any one point.

6. Problems that reduce the performance of a system are likely to be benefiting someone working within the system, otherwise the problems would already have been eliminated by the system itself. This phenomenon can often be observed in the form of invisible vested interests or hidden agendas of certain people, e.g. public service officials benefiting from ineffective rules and regulations.

7. Every local context is unique. A systemic approach aims at exploring the specific triggers or leverage factors of this uniqueness.

These assumptions clearly show that to approach red tape from a systemic perspective, a specific type of intervention is required, because the logic involved in problem identification and problem solving from the outside would not give the desired results. We call this specific type of intervention 'facilitation'.

Why is facilitation so crucial for systemic interventions in the local business environment? The common definition of facilitation already contains the main answers to this question: Facilitation is understood as "a process of decision-making guided by a facilitator who ensures that all affected individuals and groups are involved in a meaningful way and that the decisions are based on their input and made to achieve their mutual interests."[2]

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[2] http://www.nymir.org/zoning/Glossary.html

The concept of facilitation therefore directly relates to the key requirements of systemic intervention: It is conceptualised as a process unfolding, as opposed to the one-time implementation of an ambitious plan. It aims at including all affected stakeholders – and their interrelations - and thus looks at systems rather than single actors or elements. The idea that solutions have to be born by the internal actors themselves based on their inputs and knowledge and not on some mere transfer from outside is clearly reflected. And finally, facilitation aims at creating decisions that correspond to the mutual interests of all different stakeholders involved.

The private sector and the local government have different reasons for undertaking a red tape reduction exercise. Business is interested in cutting red tape in order to reduce the costs of doing business, and the public sector is interested because of the direct effect of cutting administration costs, and at the same time because of the indirect benefit of supporting existing and attracting new enterprises. Initiatives and proposals for cutting local red tape therefore have to be measured carefully against this aim - which includes a clear calculation of costs and benefits of the planned interventions in the regulatory framework.

The aim of increasing local competitiveness is to make the area and its businesses more competitive than other areas – regionally, nationally and even internationally. Therefore an important element of strengthening local competitiveness is supporting the development of endogenous solutions which are suited to the area's specifics. These specifics make the area unique in its business-friendliness and efficiency, and can be marketed in competition with other areas.. The mere introduction of 'outside solutions' – often termed best practice and resulting in just another 'one-stop –shop' – is not sufficient, as external solutions must be developed further and fitted into the local context by local actors. Therefore the finding of homegrown solutions should be encouraged, and creative thinking on the part of local actors is sometimes more essential than importing great ideas that worked elsewhere.

Exploring the local red tape context – and designing solutions for improvements - is an incremental process with surprises waiting around each corner. Policy issues and actors are linked by a complex network of interrelations, and often the development of proposals requires detailed technical research and debate. *Red tape reduction must therefore be facilitated by taking a clear incremental approach in the form of a step-by-step process*. Defining the next steps can often only be done on the basis of the previous step. This requires flexibility in the planning and implementation of interventions, and clear management of expectations: systemic intervention in the local regulatory context will in many cases not be able to come up with 'quick and big' (and often unfeasible) interventions, but will rather devise a number of smaller improvements which will allow relatively easy implementation. This often prepares the ground for more challenging interventions in the course of the longer process.

Incrementalism is also required in the light of the fact that large-scale, intensive changes can be perceived as a threat to local actors and provoke adverse reactions. In contrast, a variety of small and incremental changes, instead of one ambitious big change, gives the actors involved sufficient time to adjust.

We stated above that the *reduction of red tape at a local sphere will only be successful as a multi-stakeholder process with broad and systematic participation of a variety of actors*. In reality we often find that the local context is characterised by isolated stakeholder groups with only a minimum level of communication and trust. Public sector and private sector hardly collaborate, and different public departments are held captive in a 'silo mentality', in which highly specialised actors take decisions which are perfectly in line with the logic of their department, but which can provoke adverse and even counterproductive effects with regard to the broader context of development.

Here we wish to underline once more the general importance of participation as a key principle to successful red tape reduction: *Although it might be difficult to encourage active participation and dialogue at the beginning of the process, this does not justify an isolated planning approach without a clear emphasis on participation*. Only through participation can it be ensured that the right local solutions are found, that the necessary momentum for implementation is built, and that an institutionalisation of the process can be envisaged. In other words, participation is the key to the sustainability of the process through acceptance and commitment of the local stakeholders. Only through participation in its various forms and phases can an LRTR (Local Red Tape Reduction) process be successful and sustainable over time.

Furthermore, *participation and an active public-private dialogue produces important benefits far beyond the concrete red tape initiatives*. By working together and being focused on clear tasks and objectives, the public and private sectors are given the opportunity to build networks and trust: these are the prerequisites for an active and stable public-private dialogue also on other topics of Local Economic Development and Local Governance.

Chapter 2 Diagnosing and addressing a specific Red Tape issue

Diagnosing and addressing red tape be done as part of a larger red tape reduction programme, or by simply addressing one specific red tape issue as a stand-alone project. In this chapter, the different approaches to diagnosing and addressing one specific red tape issue are described. These approaches can then be applied to addressing red tape in a programme, which is described in detail in Chapter 3 of this manual.

Myth: reducing red tape is a complicated and expensive process that requires legal expertise.

The truth is that there are many red tape issues that can be addressed by local stakeholders without much cost. While some resolutions require legal input, many others only require careful thinking and joint problem solving.

A specific red tape issue can be diagnosed in four generic steps:

Step 1: Identify the red tape issue and describe it in detail by developing a problem statement. Explore the boundaries or scope of the problem by identifying the various symptoms.

Step 2: Diagnose the red tape issue using a variety of facilitation and analytical tools. This often involves looking at alternative solutions.

Step 3: Intervention selection and project design.

Step 4: Implementation of interventions or solutions.

In **Error! Reference source not found.**, the four coloured layers represent the steps described above. Within each step we have suggested a simple order of how the tools contained in this chapter can be applied. Experienced facilitators can mix, combine, or substitute any of these tools, although we are confident that the logic is relevant. In some cases, a red tape issue can be diagnosed, solved and the solution implemented quickly, while in other cases, what appears to be a simple issue might require a detailed step-by-step analysis.

Figure 2.1: Flow diagram for the diagnosis of a red tape issue
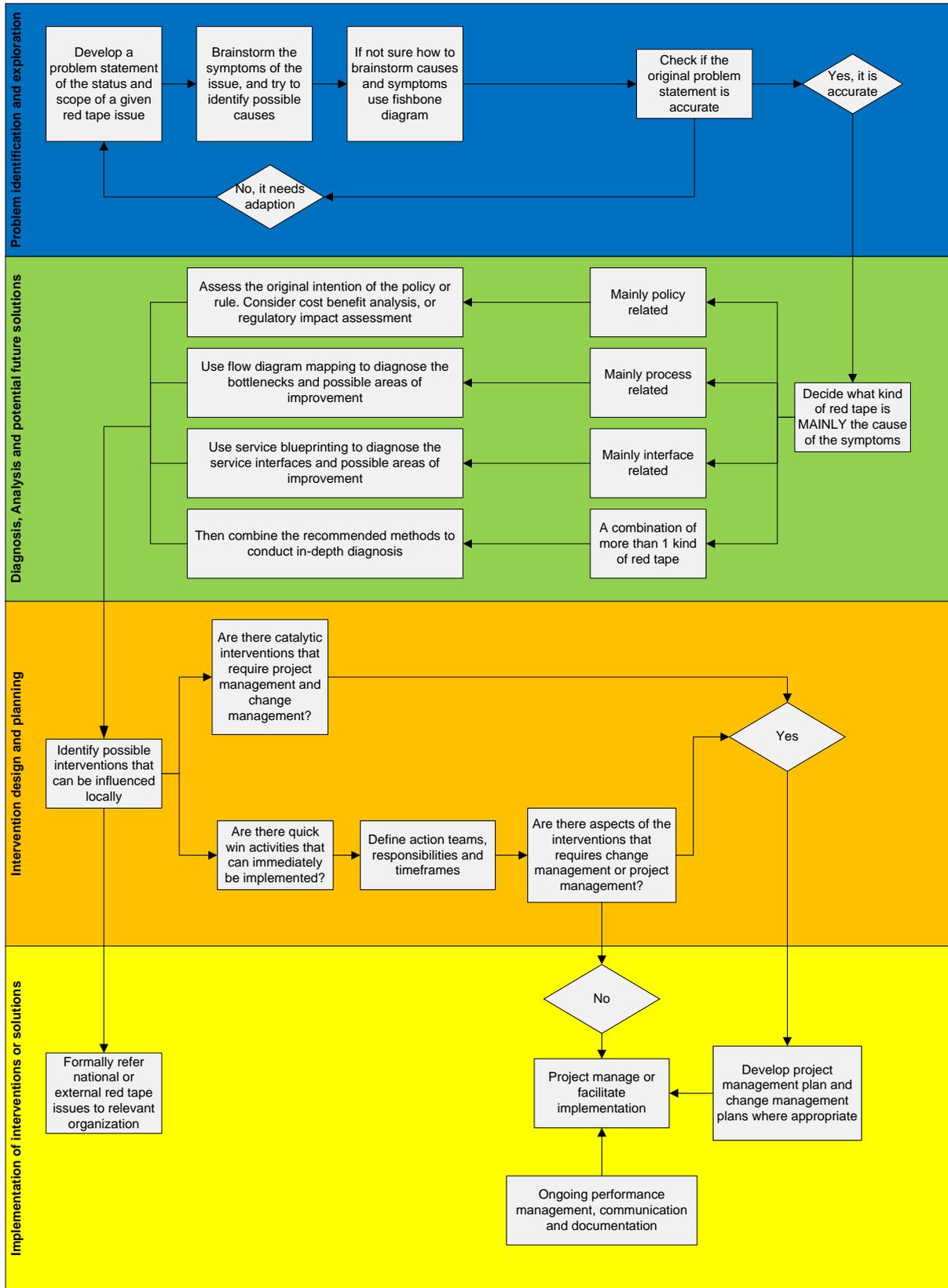
2.1 Problem identification, description and exploration

The first step in diagnosing a red tape issue is to determine whether the stakeholders are describing one or several different problems. In order to define the exact problem that must be solved it is important to develop a comprehensive problem statement describing the red tape issue. Furthermore, by identifying all the symptoms and causes associated with the issue, it becomes possible to conduct an in-depth analysis of the problem. These two steps are discussed under the next two headings.

2.1.1 Determine the scope and description of the red tape issue: what is the matter?

What must be done?

A comprehensive problem statement must be developed that accurately describes the problem or red tape issue to be addressed. This statement must be precise enough so that the stakeholders in the process know exactly which problem is being described, diagnosed and optimised.

Why?

This makes it possible to get the stakeholders to focus on solving a specific problem. The problem is isolated and the scope or effect of the problem is clarified. This helps to determine who should be involved in better understanding or solving the problem.

How?

When an issue is identified, the facilitator or project champion should try to determine what exactly the problem is. This can be done during a facilitated workshop or during key interviews with stakeholders.

The questions asked to develop the problem statement are:

"What exactly is the problem?"

"Who is involved or affected by this problem?"

"How do we know there is a problem?"

"What is the impact of the specific issue?"

What next?

This problem statement should be visually present in all future workshops or meetings to make sure that the discussions are focused on the specific issue. The next step is to identify the symptoms and possible causes of the specific issue. After that, it may be necessary to revisit the formulation of the problem statement to make sure it still accurately describes the problem or issue.

2.1.2 Identifying the symptoms and causes of red tape

When inefficiencies exist in an organisation certain evidence may arise to suggest a potential problem. The same issue might be described by different people in different ways. For instance, if signage and information postings in municipal premises are inadequate, the receptionist might describe the symptom as: "I spend a lot of time directing people to the right office". For customers, the symptom might be: "I have to spend a lot of time searching for the right person to assist me". These are two symptoms that are related to the same cause, namely inadequate signage.

What must be done?

Using the problem statement as a reference point, the facilitator or project champion must get as many different descriptions of symptoms from people affected by the problem. The wider the range of people providing inputs, the better the chances of designing a system that performs better than the existing one. The facilitator should try to steer participants away from identifying the causes (people are tempted just to solve the problem) for as long as possible.

Why?

Symptoms are indicators of causes. One of the main reasons for identifying all symptoms and causes is that many problems in organisations recur after being fixed, because often only some of the symptoms have been addressed and the underlying causes remain in place.

Symptoms and causes are often separated by time. There are also chains of symptoms that together lead to more symptoms and only then to causes. For instance, if people faint waiting in a long queue, it is unlikely that this symptom is directly linked to a complicated form as the cause. The cause is connected with this symptom by other symptoms, such as long processing times, leading to longer queues, combined with too few human resources.

In complicated systems, it is difficult to identify all the symptoms of a given problem. The symptoms and causes of red tape are spread throughout the system, making changes to policies, procedures and service interface necessary. These kinds of intervention need to be carefully managed, not only from the legal, administrative or technical angles, but also from a project management and change management approach. The systemic and multidimensional character of red tape means that care should be taken not to decide too early whether a given piece of red tape is of a policy, process or interface nature. Rather, all the symptoms and relations between the different causes must first be captured.

How?

Symptoms can be identified either in a workshop with different stakeholders, or through a series of interviews with different affected parties. Participants very often find this step frustrating, as they tend to want to solve the problem directly without spending too much time on the symptoms. As symptoms are indicators of the problem, it is important that a proper diagnosis of the symptoms and some of their potential causes is done in a comprehensive way.

To identify all the symptoms associated with the red tape issue, ask questions along the lines of:

- "What are the symptoms of this specific red tape issue?"
- "How do you know there is a problem in this area?"
- "What are the complaints or comments received from users or consumers?"
- "How are other people affected by this issue?"
- "How would someone from the outside know that this problem exists?"

Thereafter the symptoms are organised to see whether there are causal relationships between the causes and different groups of symptoms. These causes are then identified as either one or a combination of the three types of red tape.

What next?

If the causes of the red tape issue can clearly be allocated to one of the three kinds of red tape, then proceed to Chapter 2.2. However, if the red tape issue spans two or more kinds of red tape, then consider completing the cause and effect diagram in **Error! Reference source not found.**, as it helps to allocate the causes of the red tape to different origins.

2.2 Diagnosis, analysis and identification of potential solutions

The next major step is to conduct a detailed diagnosis of the specific red tape issue. In most cases this will take more than one meeting or event to complete. Several tools are explained in this chapter that can be used to diagnose a specific red tape issue. All these tools are also used to design solutions. However, we strongly recommend that the diagnosis first be completed before solutions are designed. Experienced facilitators will be able to mix and combine different tools and methods to deepen the diagnosis as they see fit.

The following tools are appropriate in the following instances:

Main type of red tape issue	Preferred approach	Alternative approach
A combination of two or more types of red tape	Cause and effect diagram combined with visual mapping of key affected process or interfaces	Combining mapping with general brainstorming and interviews
Mainly regulatory or policy related	Use interviews and workshops to determine the original intention of the regulation and policy and its intended objective.	Other instruments available are regulatory impact assessments or more quantitative measures such as detailed cost-benefit analyses
Mainly procedure or system related	The main instrument is a flow diagram, which can be combined with either service blueprinting or with a cause and effect diagram	Benchmarking a specific process with another similar approach within the organisation or from another organisation
Mainly service interface or communication related	Main instrument is service blueprinting or brainstorming	Service design process

2.2.1 Using a cause and effect diagram to diagnose a red tape issue

In most cases, it is necessary to probe deeper than the symptoms analysis described in Chapter **Error! Reference source not found.**. Cause and effect diagrams, also known as fishbone or Ishikawa diagrams, help one to think through a problem or issue in a very systematic way. This tool is especially useful in instances where it is difficult to decide what the origin (cause) of the problem is, or where a red tape issue is caused by a combination of different kinds of red tape or from different units in an organisation. A generic template is provided in Chapter 4.2.

What must be done?
This exercise can either be done in an interview process or in a workshop. Symptoms are identified under six generic headings as they relate to the problem statement: process, people, equipment, materials, environment and management.

Why?
A cause and effect diagram is a simple instrument used to thoroughly diagnose the relationship between different symptoms and causes of a red tape issue as it relates to a specific problem

statement. This helps to go beyond the most obvious causes or symptoms of the problem, and assists in identifying multiple causes and points of intervention.

Steps to construct a cause and effect diagram:
A generic example of a cause and effect diagram is provided in **Error! Reference source not found.**, which is developed through four steps:

Figure 2.2: An example of a fishbone or Ishikawa diagram
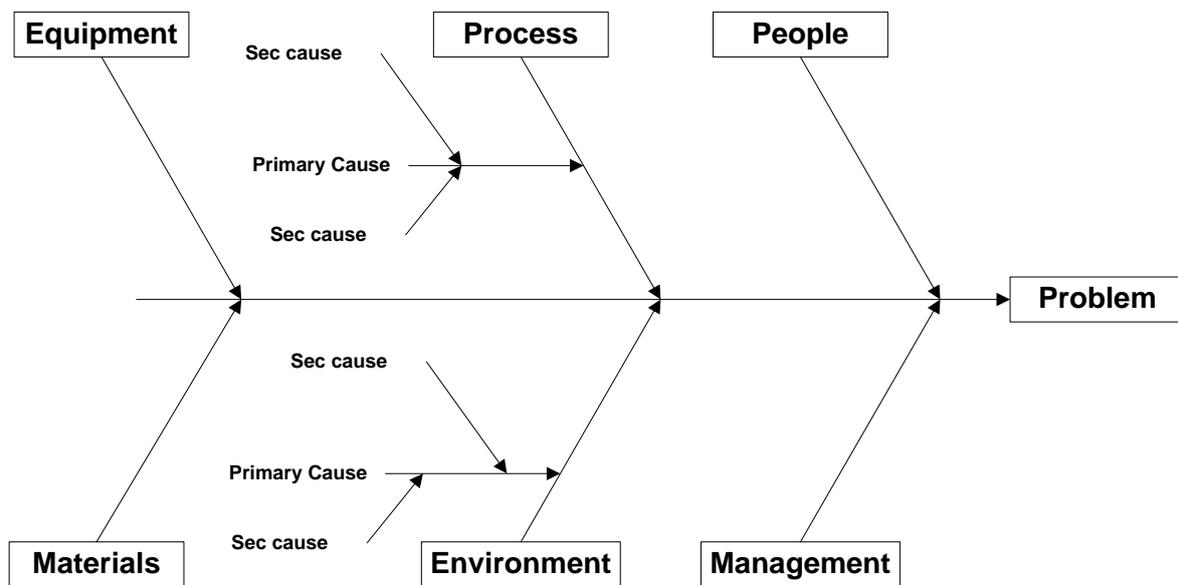
1. Make sure that the problem statement developed in Chapter **Error! Reference source not found.** describes the problem in detail. This statement is inserted under "problem" in **Error! Reference source not found.**.
2. Determine the major factors involved using the generic headings of:
    a. process
    b. people
    c. equipment
    d. materials
    e. environment
    f. management

    The symptoms already described in the earlier step can be allocated to these six heading, but at the same time these headings may prompt the identification of some additional symptoms and causes not yet identified. Connect each factor with the spine that leads to the problem statement. Try to draw out as many factors as possible. Experienced facilitators can also use their own customised headings, or can add additional headings if deemed necessary.
3. Identify possible causes.

    For each factor, brainstorm possible causes of the problem that may be related to the factor. Show these as smaller lines coming off the bones of the fish. Where a cause is large and complex, it may be best to break it down into sub-causes. Show these again as lines coming off each cause line.

4. Analyse the diagram.
    All the possible causes should be on the diagram now. Phrase questions and point out issues that need to be investigated.

What next?

The cause and effect diagram makes it easy to identify different intervention points to improve the situation. The same method can be used to develop an 'ideal' or future state of how the system should work. The diagnosis can now be deepened with the other tools, such as detailed process mapping or service blueprinting, or the interventions can be designed next.

2.2.2   Mapping procedures and interfaces

There are many different approaches to mapping the procedures within and between organisations, ranging from simple flow charts constructed during a workshop to complicated procedure maps of an engineered service solution.

What must be done?

Very often, the first attempt to understand a sequence or procedure within a red tape context will be developed by a group of stakeholders in a workshop. During this workshop accuracy is not as important as getting the stakeholders to think through the process in a systematic way.

Why?

This simple map is usually useful as it typically shows that even a simple procedure consists of many different steps, involves different decision makers, and could be delayed by many other sub-routines, meaning that any attempt to improve it needs to be properly managed. By developing this procedure map in a visual way with a group of stakeholders, trust is built, information shared and joint learning takes place.

How?

Use rectangular cards or A4 pages and simply map out a procedure according to the main steps involved. After the main steps are identified, the smaller in-between steps can then be identified.

In **Error! Reference source not found.** an example is shown where a simple 6-step procedure was mapped. Originally, this example was created on the floor in a conference room with about 16 participants. The participants who created this example were very familiar with the procedure, so the actors involved in the process are shown on the Y-axis and time line on the X-axis.
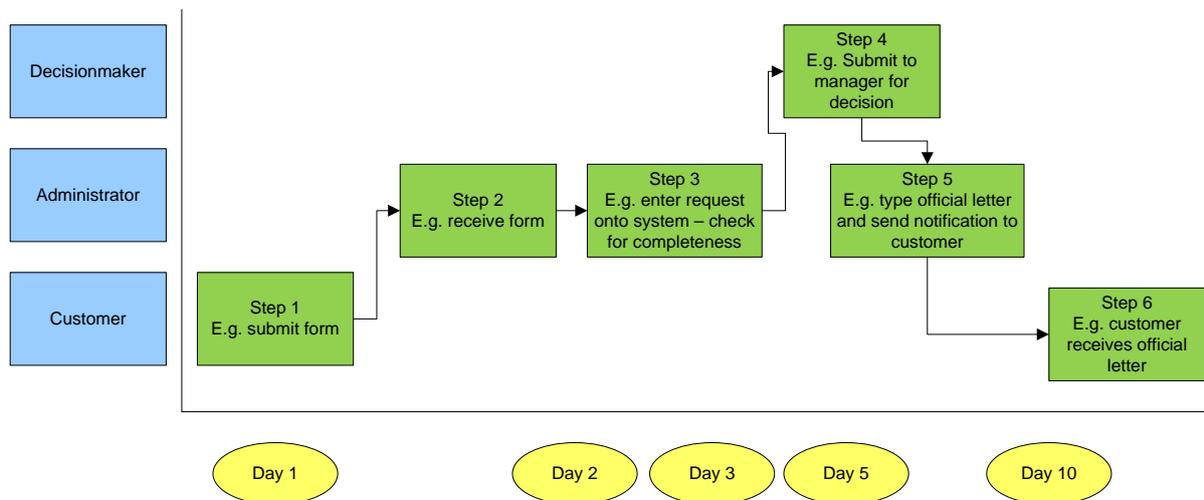
The next step is to allocate symptoms or descriptions to the procedure. In the example provided in **Error! Reference source not found.**, the customers complained that they could not receive updates of where in the process their applications were. The administrator complained that people submitted incomplete documents, that this is only discovered after the customer leaves, and that it leads to another attempt to start the procedure. Another symptom identified was that the administrator did not know how long the manager would take to make a decision, nor whether there was any management or escalation of issues that were waiting for the manager to decide upon.

An experienced facilitator may opt to add other dimensions to such a map, for instance indicating missing steps, allocating costs, forms, or decision-making routines on the map.

What next?

Establishing a flow diagram sometimes takes several iterations. Uncertain issues or unclear steps must be identified, marked and investigated either during the meeting or afterwards. The flow diagram makes it easy to identify different intervention points to improve the situation. The same method can be used to develop an 'ideal' or future state of how the system should work. Care should be taken, however, that the participants first map the system as it currently is.

After the workshop or meetings, the flow diagrams should be captured for monitoring purposes. The flow diagram shows the situation before the intervention. After the intervention, the solution can be compared to the original status and the impact can be determined.

2.2.3 Detailed mapping of problem analysis and potential intervention points

In some cases, the solutions or interventions are easy to identify, and a facilitator feels that the group should move from problem analysis to problem solving. It may, however, be necessary to further refine the procedure map after the mapping workshop or interviews.

What must be done?

In many cases a simple map is not sufficient and a more detailed map indicating timelines, decisions, processes and routines, decisions made, and documents, is required. Now accuracy and

completeness become very important, and in most cases a flow diagram will be refined in several iterative steps of stakeholder consultation.

Why?

In instances where a solution may require a change in functions, powers, or formal procedures, or where there are cost and resource implications, it may become necessary to develop a more detailed flow diagram. The more detailed a flow diagram, the more useful it is for monitoring and evaluation purposes.

How?

Although several notation systems exist for flow diagrams, the common thread among the different techniques is that similar basic symbols are used.

Figure 2.4: Most commonly used flow diagram symbols
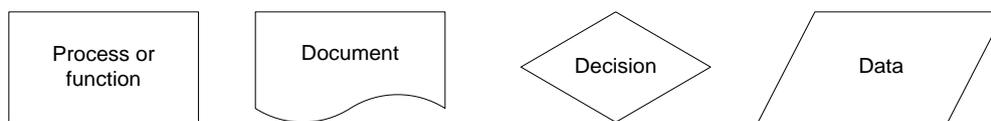
Distinct steps in the process are visualised using rectangular shapes that are connected by lines with arrows. These arrows indicate when control moves from one distinct activity to the next. Documents are shown by the second symbol in **Error! Reference source not found.**. Diamond shapes are used to show decisions or conditions, especially for YES/NO or TRUE/FALSE questions. Where data are needed for a decision, the parallelogram is used. Arrows shows the flow of control and when the control passes from one symbol to another. [3]

What next?

Detailed mapping can be used both to diagnose and analyse an issue in detail, and to create an ideal or desired future state for the system. If the flow diagram provides sufficient insight, then the interventions must be designed next.

2.2.4 Using blueprinting to diagnose and design service and communication interfaces

What must be done?

Service blueprinting is a diagnosis and planning technique that is suitable to design services in detail. In the business sector this tool is often used to design the service interfaces of hotels, retail stores, banks and other kinds of enterprise. An example of a service blueprint of a hotel is provided in **Error! Reference source not found.** below, with the different layers that must be considered. A detailed description of service blueprinting is provided by Bittner *et al*. (Bitner, Ostrom & Morgan, 2008). A template is provided in Chapter 4.3.

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[3] For more sophisticated process mapping and design the following methods can be studied:
- IDEF http://en.wikipedia.org/wiki/IDEF
- Unified Modelling Language (UML) http://en.wikipedia.org/wiki/Unified_Modeling_Language;
- Business process modelling notation (BPMN) - http://en.wikipedia.org/wiki/Business_Process_Modeling_Notation

Why?

Ad hoc maps often neglect important aspects of good service provision. The result of a service blueprint is a map that shows how a service is transacted between a service consumer and the various agents and interfaces involved in the service delivery. It allows one to consider all the important layers of service quality:

- Physical evidence or environment of the transaction or exchange

- Customer actions (the role of the customer in the transaction or exchange)

- The visible contacts or employees (represent the organisation)

- The backstage or invisible contacts or employees (support the visible frontline staff)

- Support processes (both equipment and also decision-making powers of service staff).

How?

As with the flow diagram, care should be taken that the system is first mapped as it currently is! Only then is an ideal blueprint established. Use the template provided in Chapter 4 and convert the flow diagram developed earlier into a more detailed blueprint, based on four steps:

1. Clearly articulate the service process or sub-process to be blueprinted. This includes deciding which customer segment to focus on. During this step, it might become evident that there are several services or sub-services that must be mapped separately.
2. Map the customer actions. When does the service start and stop from the customers' point of view? Very often this involves observation of the flow of people and their interactions in the service area being analysed. Interviews with customers, service staff and back-office staff can also be used to expand the blueprint.
3. Map the contact, onstage and backstage employees. Links can be added that connect customers with contact employees, and between contact employees and supporting functions.
4. Map the supporting processes and add the physical evidence to the blueprint.

From these four steps it becomes obvious that both direct and indirect employees need to be interviewed, and where possible, the accounts from customers should also be used to construct a blueprint.

The resulting service blueprint(s) can now be used to identify areas of improvement, standard documents, frequently asked questions, frequently repeated routines, and potential recurring problems. Where possible, standard routines and responses must be developed, and staff must be trained in these. It may also be necessary to delegate decision-making authority to visible or indirect service staff. An important aspect of standard documentation is that can be used to address frequently asked questions. The intention is to free up the service staff as much as possible by providing the customer with the relevant information so that the service staff need not repeat the same answers to different customers. This will allow service staff to dedicate more of their attention to the non-standard issues. A benefit of developing standard routines is that it is easier for staff to rotate. This often leads to increases in job satisfaction, especially for staff who deal with customers every day.

What next?

Service blueprinting makes it easy to identify different intervention points to improve the situation. The same method is used to develop an 'ideal' or future state of how the system should work. After developing a service blueprint it will be necessary to get senior management support and staff buy-in. This should be treated as a change process. It is important to create visualisations of the processes (different maps and routines) and to display the new processes clearly.[4]

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[4] For more information on service blueprinting, see the article by **BITNER, M.J., OSTROM, A.L. & MORGAN, F.N.** 2008. Service blueprinting: a practical technique for service innovation. *California Management Review,* 50(3):66-94..

2.2.5   Analysing red tape issues resulting from rules, regulations and policies

When the symptoms of red tape are caused by rules, regulations and policies, some additional work over and above the tools already discussed in this chapter may be required. However, from our practical experience most of the policy related issues can be diagnosed using the tools described earlier. Some additional questions, interviews and legal expert advice may provide sufficient insight on how a rule or regulation may be altered to improve its effectiveness.

For instance, it is important to determine whether the identified rules and regulations are required by legislation elsewhere in the government system, or whether there is a legal requirement for municipalities to have specific regulations in place.

Before going further it is important to confirm that the problem or issue is indeed a policy or regulatory issue and not an enforcement or procedural issue (although a close relationship may exist between the policy and the procedure). This can be confirmed by asking:

> "Is there a problem with consistent interpretation and enforcement of a regulation?"

If it is confirmed that the issue is caused by a rule or regulation then the following questions can be used to diagnose it further:

> "Which stakeholders are directly or indirectly affected by this rule or regulation?"

> "What was the original intention (policy goal) of creating this rule?"

> "Do affected consumers and officials understand the rule or regulation?"

> "Does the current desired policy goal differ from the original one?"

When there are strong lobby or advocacy groups working to change rules or regulations it is important to identify the less-organised yet affected parties. For instance, in many towns there are strong advocacy groups demanding that informal traders should be banned from selling their goods in town. It is important to ensure that the perspective of commuters who support informal traders, and indeed the traders themselves are also consulted or involved in changing respective rules or regulations.

In most cases, the legal department or chief financial officer of a municipality is the most informed on the constitutional and legal requirements of municipalities, such as the Local Government Municipal Systems Act (2000) and the Municipal Finance Management Act (2004). When investigating how a rule or regulation can be improved with regards to red tape, it may indeed also be worthwhile comparing or benchmarking specific rules or regulations with those used by other municipalities.

It should be born in mind that there are specific legal processes involved when changing or adopting municipal rules and regulations. Not only is a consultative process required by law, but other steps, such as seeking legal opinion, and announcing council approved changes in the media must be done correctly. It is important that the opinion of a legal expert familiar with municipal law is consulted before changing rules and regulations. The Presidency of South Africa as well as the Department of Cooperative Government and Traditional Affairs are constantly working on the performance of the

local regulatory environment. In recent years, new legislation concerning local tender procedures, local human resource procedures, and local rates and taxes have been approved by parliament, which must be implemented by all municipalities. Resources and specific documents are made available from time to time on the www.cogta.gov.za website.

2.3   Designing interventions and solutions

Generally, there are two kinds of interventions that can be identified based on a diagnosis of a red tape issue: quick wins and change processes. The first interventions, namely quick wins, are activities that are suitable for an open and visible implementation process. A quick win is measured against three criteria (see **Error! Reference source not found.** below):

1. Can this activity be implemented with local resources?
    o   Local resources include people, funds, authority and knowledge. The criterion makes sure that the local capacity exists to implement the proposed activity.
2. Can implementation start immediately?
    o   Starting immediately means that the first credible steps can be taken in the next three weeks. The criterion makes sure that no long planning or approval processes are required.
3. Can you expect a visible result within three months?
    o   A visible result can be clearly communicated internally and to external stakeholders. This builds credibility and generates goodwill and trust.

There are three possible answers when testing a proposal against the criteria: 1 = No; 2 = Maybe; 3 = Yes. After having answered the questions, the score is obtained by multiplying the values allocated to each question. The proposal with the highest score is the most feasible and should be chosen for implementation.

Table 2.1: Example of the scoring process for interventions

Proposed intervention activity	Availability of local resources (people, funds, knowledge, authority)	Can implementation start immediately (within the next three weeks)?	Is there a visible result within three months	Score
Upgrade billing system to new software	1	1	3	3
Properly document and publish the procedure for the sale of municipal land	3	3	3	27

From these criteria, it is obvious that a quick win favours an incremental learning process and it draws from the experiences of process consultants working with change in learning organisations. By limiting the activities to those that are possible with local resources, local ownership and understanding is assured. This helps to build local confidence and trust. The criterion of how soon the process can starts filters activities that can start soon and that thus require less decision-making

time or planning. The last criterion ensures that the progress will be visible and easily communicated.

Thus activities that score high on all three criteria are more likely to be driven from within an organisation, can be started soon, do not require much planning or approval, and will be easily communicated to others. If an activity scores low (9 or below) then a practical tip is to check if the activity is perhaps configured as a project (these typically require more planning), and then breaking the activity into smaller steps (e.g. 'write project proposal' instead of 'implement project') will typically change the score.

People typically argue about the scores. If the scores awarded differ widely, then double-check that the participants agree on the formulation of the activity. Generally speaking, the more specifically the activity is described, the more likely it is to be scored correctly and that it will succeed. Generic or vague activity descriptions (e.g. revise all forms used in the municipality) are prone to failure.

The second kind of intervention is a change process or a project that needs to be managed to certain performance criteria, overseen by senior management. In this case a proper implementation plan must be prepared using good project management and change management principles and approaches (see Section 2.9 for more information on the change aspects of red tape reduction interventions).

The Guide to Project Management Body of Knowledge (PMI, 1996) provides a detailed insight into the standards of project management. It identifies 44 processes that fall into five basic process groups (Initiating, Planning, Executing, Controlling and Monitoring, and Closing) and nine knowledge areas that are typical of almost all projects. The nine knowledge areas are: Project Integration Management, Project Scope Management, Project Time Management, Project Cost Management, Project Quality Management, Project Human Resource Management, Project Communications Management, Project Risk Management and Project Procurement Management.

In a relatively simple red tape intervention, an individual without prior project management experience may be able to manage the process. However, with more sophisticated red tape interventions spanning different types of red tape and organisational departments, project champions should either be qualified in project management or have previous experience of managing projects of this nature.

2.4 Tools not discussed in this manual

There are many tools, workshop formats and instruments that an experienced practitioner or manager can draw upon. For instance, tools such as Regulatory Impact Assessment or Analysis (RIA) are often promoted for policy or regulatory reviews. We do not promote these methods in this manual because these approaches are typically implemented at a national level (under regulatory reform programmes) and are not particularly participatory in nature. Several organisations, such as USAID and the OECD (2009, 2006) have published handbooks on these topics.

Other business management tools, such as cost-benefit analysis, communications and public relations, or human resource management have also not been discussed in this manual. This also applies to public management and local government laws and regulations. The facilitator or manager leading a red tape reduction process has to draw on the resources available in the municipality or other supporting structures for this specialised expertise.

2.5   Summary

In this chapter, the process of diagnosing a specific red tape issue is described. The process starts with a precise problem description that may be changed upon reflection as the process unfolds. Thereafter the various symptoms and causes of the red tape issue, as well as the main origin of the symptoms or causes are identified. To diagnose a red tape issue in detail, a variety of workshop tools or interviews can be used to dig deeper and to identify potential solutions. We recommend that priority be given to quick win activities, as these build confidence in the process and are more likely to succeed. As stakeholders' confidence increases, more difficult issues that require professional project or change management can be taken on. However, there are instances where a major change or project is required, and in these cases we urge practitioners to manage the project with care and sensitivity.

Within the frameworks provided by this manual, experienced facilitators and public officials can use a variety of other instruments that they are already familiar with.

Chapter 3

The Red Tape Reduction Programme

This chapter describes how red tape reduction (RTR) can be conceptualised as a programme in a local municipality, and how this programme is operationalised in a programme cycle. Chapter 2 showed how to diagnose, analyse and find solutions to red tape. The respective steps are introduced on a project basis, with a defined short-term timeline and objective to deal with a single red tape issue. In the context of local governance, such a project-based intervention will not be sufficient to establish either of the two perspectives on red tape reduction - an environment conducive to business or service delivery excellence. These perspectives can only be achieved through a programmatic approach, with a long-term timeline and with complex, multiple objectives.

3.1   The programme cycle in a nutshell

The programme cycle to implement RTR in a local municipality, shown in Figure 3.1, consists of four phases: scoping, assessment, implementation and evaluation. The scoping phase prepares the programme, the assessment phase establishes RTR projects, the implementation phase focuses on achieving the objectives, and the evaluation phase celebrates success and prepares the continuation of the cycle.

Figure 3.1: The red tape reduction programme cycle
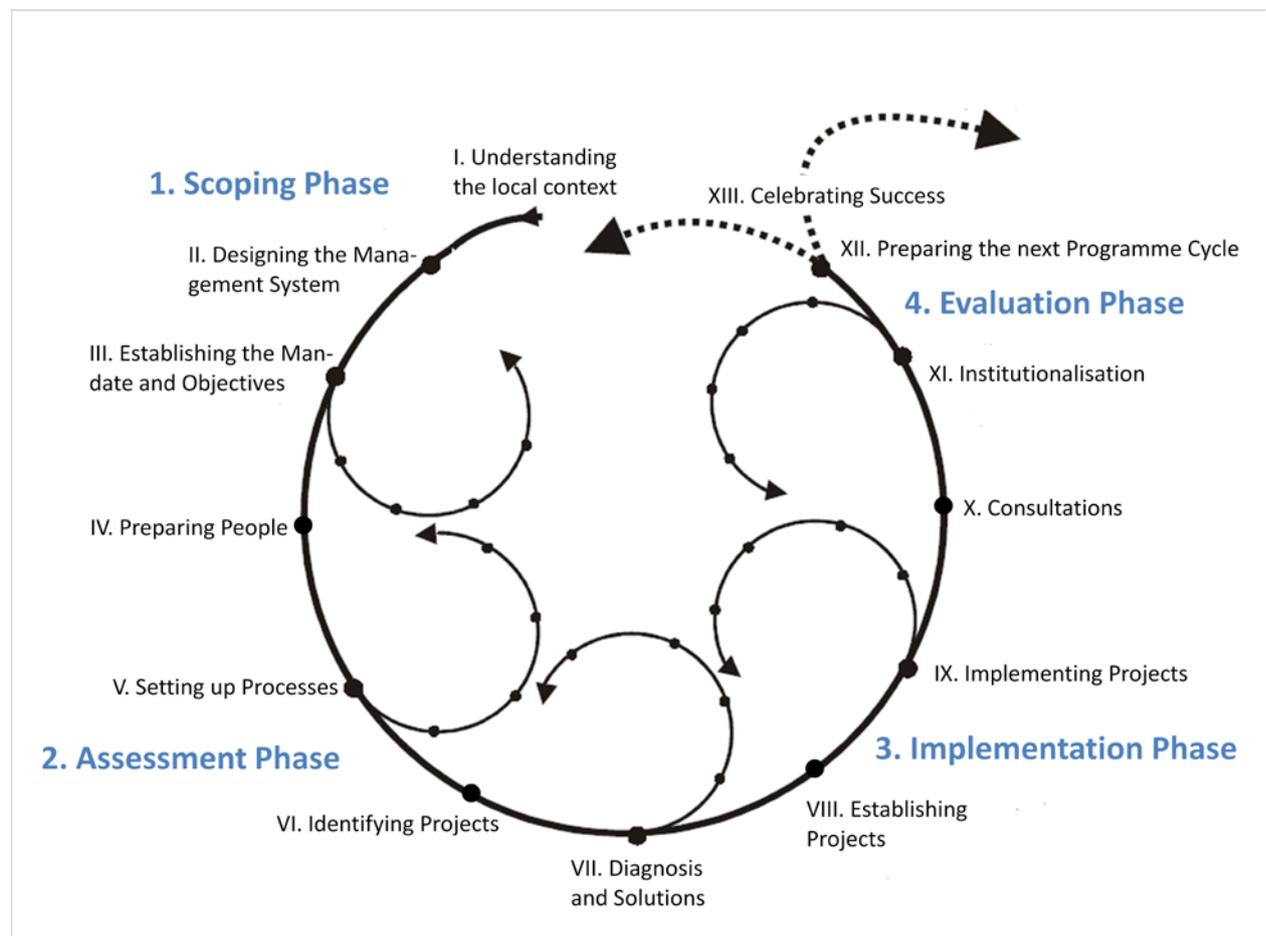
The smaller cycles within the main programme cycle represent the iterative implementation progress: systemic change is usually a non-linear process, which cannot be rigidly planned. Each

phase consists of a number of steps, and the smaller cycles indicate their possible repetition if circumstances demand.

The phases and steps are specific enough to provide guidance, but at the same time they are generic enough to allow for unique local circumstances. The necessary customisation becomes apparent as the red tape reduction programme unfolds. Therefore the programme cycle needs to be constantly adapted to new insights. A template of the cycle is provided in Chapter 4.4.

The programme cycle is based on an integrated management system, which provides further guidance without pre-empting local circumstances. It consists of four success factors, which are apparent in various steps of the cycle:

- A clear mandate & objectives
- Prepared people
- Established projects
- Custom-made processes.

In the next section, the RTR management system is explained and the next section integrates this system into the RTR programme cycle step by step.

3.2   The management system

A comprehensive RTR programme will change the management system of a municipality. Aimed at improving the business environment or achieving service delivery excellence, a programme will change municipal policies (regulations and rules) and will result in more innovative processes (administrative procedures and systems). Experience shows that this is a profound intervention with far-reaching implications. A programme will lead to the adaptation of several elements of the management system, including the Integrated Development Plan (IDP), operational plans, organisational structure and functions, job descriptions, work assignments, employee development, performance management, as well as monitoring, evaluation and reporting systems.

Example - the effect of red tape reduction on the municipal management system
In order to change the street trading by-law and the related licensing procedure and enforcement, the council decides to proceed with a budgeted IDP project. The LED manager is appointed as the project leader and her performance management scorecard is updated. A consultant then facilitates a consultative process to determine the focus of the by-law. The resulting by-law is adopted by council. Because it restricts traders to certain locations, changes in the licensing procedure are undertaken and more police enforcement becomes necessary. The job descriptions and work assignments of the officials involved are adapted as a result. Due to the increased complexity, the municipal manager further decides to have all the officials involved trained in a three-day course.

While an RTR programme will change the municipal management system, at the same time it needs to be firmly integrated into the system. As a municipal programme, the change approach becomes a temporary feature in the municipality. It might run over two to three years until the desired impacts

on the business environment and service delivery are achieved. This means that the programme must be treated as an integral part of the municipal management system which requires top management oversight and management.

Figure 3.2 provides an overview of the elements required in a municipal RTR management system. Based on standard practice, the system features four dimensions: mandate & objectives, people, projects and processes. These dimensions are clearly interdependent and mutually reinforcing: a mandate & objectives empower people to implement red tape reduction projects, based on a number of standard procedures.

Figure 3.2: A checklist for the red tape reduction management system

✓ **Mandate and Objective**
- ❑ The political sphere, including the mayor, speaker, mayoral committee and council give the administration an explicit and clear mandate for the programme and support it actively.
- ❑ The IDP lists the programme with clear objectives and timeframes
- ❑ The programme features in the operational plans of the municipal departments
- ❑ The organisational structure and functional charts are updated, if required
- ❑ There is a sufficient annual budget for the programme
- ❑ ....

✓ **People**
- ❑ The programme has a designated and mandated champion from the political sphere and senior management
- ❑ The job descriptions, performance management scorecards and work assignment of the champion and other involved staff include the implementation of the programme
- ❑ The champion and staff are capacitated (trainings, coaching)
- ❑ All municipal staff is aware of the programme, its objectives and their respective roles and responsibilities in it
- ❑ ....

✓ **Processes**
- ❑ The red tape reduction cycle is utilised as the standard approach to the programme
- ❑ A decision-making system is in place, which allows for speedy approval of change and innovation
- ❑ A reporting system is established, providing weekly, monthly and annual progress updates for management and the political sphere
- ❑ A results-based monitoring and evaluation system for the entire programme is operational
- ❑ A communication system is established, frequently informing municipal staff and private sector stakeholders on programme progress

✓ **Projects**
- ❑ There is an implementation plan for red tape reduction projects with timelines and objectives
- ❑ Suitable private sector representatives are co-championing the projects
- ❑ The facilitation support for each project is secured
- ❑ A result-based monitoring system for the implementation plans is in place
- ❑ The monitoring results inform staff performance appraisals
- ❑ ....

The checklist serves as a guideline to set up a management system, and a template can be found in Chapter 4.5. In each specific application, one has to determine how the dimensions and elements need to be conceptualised to achieve the specific objectives efficiently in the prevailing context. All dimensions and elements are equally important, because they are mutually reinforcing. However, depending on the prevailing parameters, certain elements of the management system require specific calibration to achieve success.

The size of a municipality determines to what extent the mayor or the municipal manager has the time to lead the programme operationally. The perspective on red tape – LBE or service delivery – determines the required extent of participation of the private sector and civil society, and suggests whether political (LBE) or administrative (service delivery) leadership is required. The capacity and

general status of the municipality, in turn, determines the required perspective on red tape. Fragmentation and silo attitudes in the municipality require a programme under senior political and administrative leadership. The dynamism of the economy has an influence on the available resources and therefore the size of a programme, but also the perspective of the programme.

Figure 3.3 suggests a way to illustrate how such parameters define the programme management system. First, all relevant parameters are brainstormed between the initiating stakeholders. Then two are selected and their extreme opposites are placed at the ends of the vertical and horizontal axes of a matrix. The four emerging quadrants now each compare one of the opposites of both parameters. Based on the question of how the management system should be designed, short scenarios are written in the quadrants. Finally, the quadrants and even several matrixes are compared and analysed and a decision is taken on the basic features of the management system.

Figure 3.3: Selected parameters defining the management system
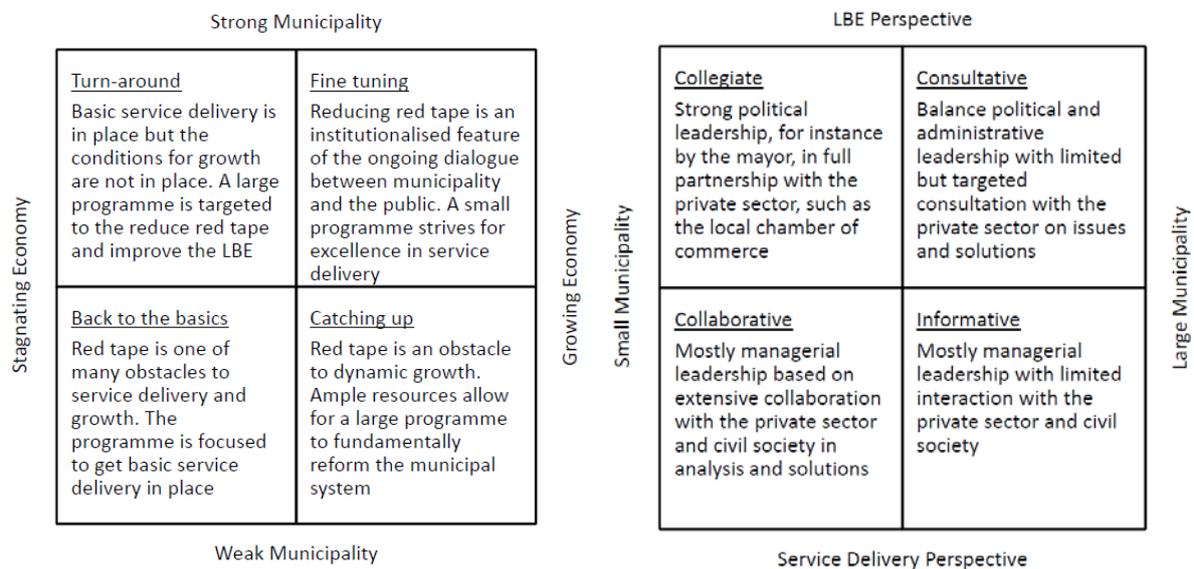
To emphasise the importance of the right management system for the individual contexts and objectives, Table 3.1 lists some typical symptoms encountered in pilot programmes where certain management dimensions or their elements were neglected or not properly prioritised in red tape reduction programmes.

Table 3.1: The symptoms of ineffective management systems

Symptoms of not having a mandate and objectives
• *Senior management prioritises more pressing projects over red tape reduction*
• *When political decisions are required, such as on land issues or suspected corruption in a municipal procedure, council is not available and the programme is blocked*
• *There is no budget for the implementation of a changed procedure, such as a new telephone system to improve customer care*
• *No annual objectives were set and hence nothing is done!*
• *Because the mandate of the champion is not captured in the organisational and functional chart, there are power struggles over changing procedures which are affecting several departments*
Symptoms of not preparing people
• *The programme is stuck, as a champion from lower management was selected and senior management ignores the proposed solutions*
• *In the absence of oversight from a political champion, senior management half-heartedly implements the programme, as the proposed changes affect their power bases*
• *Senior management does not have an incentive to implement the programme, as no performance agreement is in place and hence nobody checks and enforces progress*
• *Nobody prioritises time for the programme, as its activities are not part of their work assignments*
• *The municipal staff do not know about the programme, do not understand what red tape is and hence do not see why it should be eliminated*
Symptoms of not establishing projects
• *As there are no project plans for the reduction of individual red tape issues, long delays jeopardise the credibility of the projects and the municipality as a whole*
• *A new procedure makes things worse for businesses and citizens, as the private sector was not involved in the conceptualisation and was not consulted on the outcome*
• *Meetings are ineffective and conflict and tensions arise, as a facilitator is not in place to moderate workshops efficiently and mediate between departments or the municipality and the private sector on delicate topics*
• *Only what is monitored and has an influence on performance appraisals!*
Symptoms of not following processes
• *The foundations of red tape are ignored and more red tape results from the programme*
• *It is unclear as to who can take decisions on the solutions developed and at what time,   and the projects get delayed – by red tape*
• *The mayor and council reject budget proposals, as the impacts of the programme have neither been captured nor reported to them*
• *Employees continue to implement old procedures, as they have not been informed about the newly developed ones*
• *Red tape is successfully reduced but nobody except the staff and businesses involved know about it - the results have not been celebrated and made public to create trust in the municipality's ability to provide services efficiently and effectively.*

3.3 Managing the four phases of the Programme Cycle

In the following four headings we discuss the scoping, assessment, implementation, and evaluation phases of the RTR programme cycle. The various steps through which the management system is implemented are described.

3.3.1 Scoping Phase

How does an RTR programme come about? The programme can be initiated from within local government, by another stakeholder in the local sphere or from outside the locality. A politician or an official from the municipality, a local LED agency, a business membership organisation, the province, a national government department, or a donor might take the initiative and suggest implementing a programme.

Whoever the initiator is, the first steps are likely to be informal, with tentative talks being held on the programme objectives, scope and timeframes between and within organisations. Only at a later stage will the formal programme leadership emerge. The first few steps of the RTR cycle therefore do not specify who undertakes the tasks until a formal programme champion is identified in step IV.
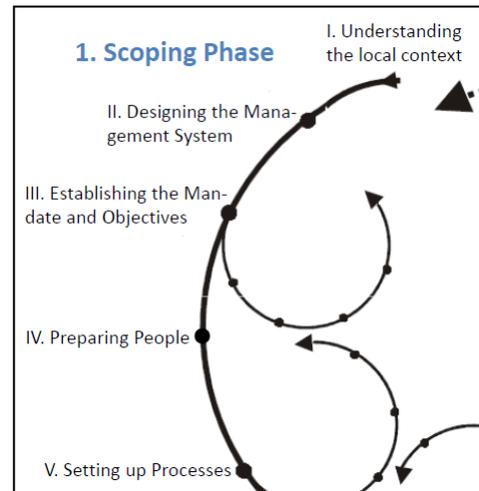
I. Understanding the local context

An RTR programme involves multiple stakeholders in a locality. Understanding who these stakeholders are, what interests and capacities they have, and how they relate to each other is a key preparatory step for each participatory process and will define the RTR management system. In the process of understanding the local context, which ideally continues throughout the entire programme, the perception of the political, social and economic context and stakeholders often changes considerably, as new stakeholders and relationships are discovered.

Figure 3.4 Rules, regulations, procedures and systems span several levels of government

The RTR programme, with the perspective on the LBE, by definition evolves between two **primary stakeholders**: the local municipality – responsible for shaping large parts of the LBE - and a formal or informal business membership organisation (BMO) - advocating the interests of one or several economic sectors.[5] However, red tape is often due to the inter-linkages of local, provincial and national government, as shown

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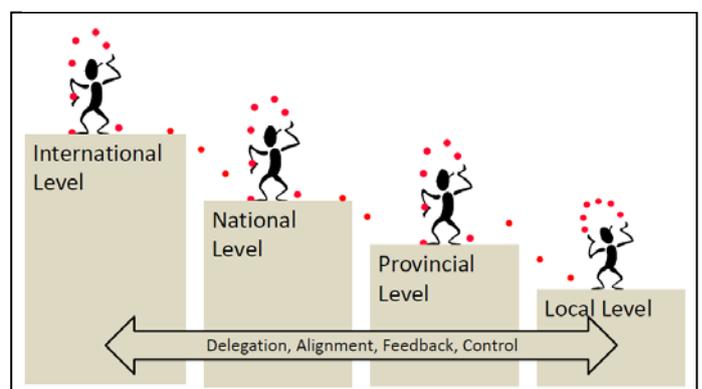
[5] To learn more about PPD, see **DFID, WB, IFC & OECD**. 2006. The PPD Handbook, A toolkit for business environment reformers (www.publicprivatedialogue.org). or www.publicprivatedialogue.org.

in Figure 3.4. Therefore public and private organisations in other spheres of government can be important, even if only as **secondary stakeholders**. Finally, a variety of **tertiary stakeholders**, such as a local college or an LED agency, might be valuable partners with an interest of informing or even supporting the programme.

The following tools help to understand the local stakeholder landscape and the key relationships between primary, secondary and tertiary stakeholders. Templates for these tools can be found in Chapter 4.

Tool 1   Rainbow Stakeholder Mapping

This mapping technique differentiates between public and private stakeholders and tiers of governance. The map can be enhanced with linkages between stakeholders, such as tensions, partnerships or disconnection

Tool 2   Public-Private Dialogue Analysis

The analysis of the relationship between a municipality and a BMO is the core of this tool. The public-private dialogue partners are asked the same questions on how they cooperate and the (potentially diverging) answers are analysed.

Tool 3   Organisational Profile

This tool allows for the analysis of the degree and form of self-organisation. Applied for instance to the municipality or the BMO, the strengths and weaknesses of a number of organisational criteria are assessed and provide a profile.

II.   *Designing the management system*

Understanding the local context will help to define the parameters that shape the municipal RTR programme management system. As set out in Section 3.2 of this chapter, the parameters are analysed in terms of their implications for the programme, and the basic features of the management system are conceptualised. This first draft of the management system serves as a work plan for the establishment of the RTR programme. The elements of all management dimensions are described in as much detail as possible. The

✓ **Mandate and Objective**
❑ The political sphere, including the mayor, speaker, mayoral committee and council give the administration an explicit and clear mandate for the programme and support it actively.
❑ The IDP lists the programme with clear objectives and timeframes
❑ The programme features in the operational plans of the municipal departments
❑ The organisational structure and functional charts are updated, if required
❑ There is a sufficient annual budget for the programme
❑ ....

guidance for this can be found in the various chapters of this manual. The example below shows how the elements of the management dimensions are conceptualised and a respective work plan is established. Chapter 4 also provides a template for this task.

Example: Conceptualising the element relating to the involvement of the political sphere, mandate and objective dimension	
How should the element be conceptualised?	The mayor, speaker and the mayoral committee understand and strongly support the programme. The mayor is available for key programme activities. A council resolution, mandating the administration, is established. The LED portfolio councillor champions the programme from the political side.
Why is it important and what are the supporting arguments for this concept?	The programme will only succeed if there is an explicit mandate from the political sphere, and active leadership from a council member, as it is likely to address mismanagement if not corruption in a specific municipal department, affecting the LBE.
What needs to happen next to operationalise this element?	The programme needs are presented to all parties mentioned above and their commitment is secured.
Who should do this?	The LED portfolio councillor, who has initiated the programme and already held informal talks within the municipality and with the private sector
When should this happen?	Within the next three weeks, until 12 December

Note that not all programme management elements can be outlined to the same level of detail at this stage. At the start of the programme, it might not yet be exactly clear which red tape issues need to be addressed, as they will only be identified in the course of programme implementation. Still, the project dimension of the management system can only be outlined so that stakeholders understand how the projects will be managed.

With the established draft of the management system, the identified tasks are implemented according to the specified timelines. Once the system is complete, the programme is operational. It is suggested that the logic of the management system be followed: 1) obtaining the mandate & objectives, 2) preparing people, 3) creating and implementing projects, 4) following processes. The following steps of the cycle will provide further guidance on the activities involved.

III. Establishing the mandate & objectives

Following the logic of the management system, the establishment of the mandate & objectives dimension is completed first. It is self-evident that without a mandate, the people, project and process dimensions cannot be established. Therefore the political mandate and support, the objectives in the strategic and operational plan, the organisational and functional charts, the budget, as well as other local specific elements, need to be brought into place. This is done via the tasks defined in the draft design of the management system (see step II).

In the South African Intergovernmental Planning Cycle, the ideal time to initiate an RTR programme is October to January, when the integrated development planning (IDP) consultations and drafting takes place. This is because the IDP is the most important strategic plan for local government to operationalise the political mandate and objectives of the programme. The necessary inputs to outline the programme objectives can be seen in chapter 1.4. The ideal programme start is therefore in April, with the adoption of the IDP, the budget and the PMS as critical management system elements. The programme then runs for a year, which is a realistic timeframe to achieve short to medium-term successes, and can be renewed in subsequent years if the overall programme objectives have not been reached completely. Importantly, times of high programme activity should not be planned close to larger events, such as local government elections, sports events or major conventions, as large events often completely absorb the capacities of local government.

How much does an RTR programme cost? Exact figures depend on the scale and scope of the programme. Therefore the budget has to be calculated carefully to suit the objectives of each programme.

In certain municipal contexts, it might well make sense to devise a special organisational section for the RTR programme, for instance a line function to the municipal manager. As red tape spans municipal directorates, adapting the organisational and functional chart provides the programme and its champions with the necessary power and mandate versus existing organisational structures and functions.

There are four types of costs to be budgeted for in most programmes: First, we suggest contracting an external facilitator to support steps VI to VIII of the programme. Second, the programme involves various workshops. This will require venue hire and catering. Third, the public relations of the programme will require communication costs, such as advertising in local newspapers, which go beyond the regular communication budget of a municipality. Last but most importantly, some measures identified to turn red tape into smart tape are likely to require funds. As these solutions will only emerge in the course of the programme, it is suggested that funds be earmarked for implementation of RTR programme projects. Solutions requiring no or only limited funding can then be implemented immediately, whereas solutions requiring larger budgets can be budgeted for in the following IDP.

To finalise the mandate and objectives, it might also be necessary to establish formal or informal agreements between primary, secondary and tertiary stakeholders, as shown in Figure 3.5. Particularly in programmes with a large involvement of the private sector or when external funding is involved, clear roles and responsibilities and a common vision of the outcome are vital prerequisites for success.

Figure 3.5: Example of contractual parties
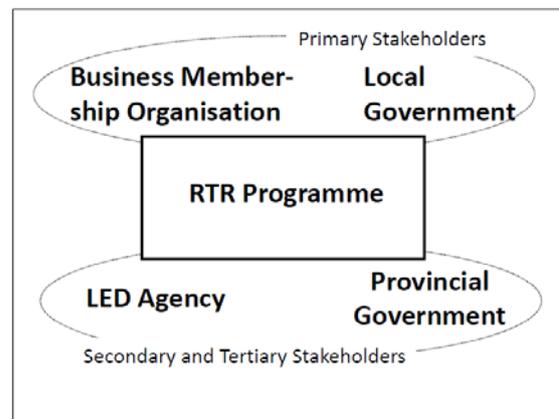
IV.   *Preparing People*

However well the RTR programme is set up, it is always the people who make or break it. Choosing the right champions and staff to implement the programme is the most essential ingredient of success.

How are the champions qualified? Based on the mandate and objectives, they take full ownership of and are accountable for the programme. Hence the job descriptions, performance management system and work assignments have to include the programme objectives. This will give them the power and

✓ **People**
❑ The programme has a designated and mandated champion from the political sphere and senior management
❑ The job descriptions, performance management scorecards and work assignment of the champion and other involved staff include the implementation of the programme
❑ The champion and staff are capacitated (trainings, coaching)
❑ All municipal staff is aware of the programme, its objectives and their respective roles and responsibilities in it
❑ ....

incentive to implement the programme and change the performance of the organisation. They need to have a clear understanding of how the programme unfolds, understand all roles and responsibilities, and have a vision of the outcome to be achieved. The champions know their organisation very well. They are change agents who are well supported by their superiors and colleagues and clearly gain from the reduction of red tape. The champion markets the programme and its results on a continuous basis in a very visible, honest and transparent way, encouraging dialogue and feedback from the clients of the municipality.

From this description it becomes clear that the champion to operationalise the programme will be a senior manager. The champion to oversee the programme is at least a municipal councillor, if not a member of the mayoral committee or the mayor himself or herself. Furthermore, consider nominating one or several co-champions from the private sector or civil society, who will serve as essential links of the programme to the many businesses and citizens in the municipality.

Preparing people, however, not only relates to the champions. The programme will be implemented by designated staff members, possibly allocated to the programme for the time of its operations.

Their human resource tools also have to include the RTR programme and it might well be advisable to train them on RTR.[6]

A final step in preparing people is to communicate the programme to all staff members of the local municipality, as well as to businesses and citizens. One of the first steps of the champions is to announce the programme. This might entail a memorandum to municipal staff as well as members of business membership organisations, a press statement in the local newspapers, and perhaps a discussion on the programme on a local radio station. Through this initial communication effort, the programme champions become accountable to deliver results, and the stakeholders become aware what to expect as well as what to contribute to the programme.

The announcement is formulated as a strategic intent, delivered in motivating, non-technical language. It used throughout the programme to brief new stakeholders joining the process. It lists the major vision, briefly explains how the programme is to unfold, describes the expected outcomes, and states who is involved with what roles and responsibilities.

V.   *Setting-up Processes*

Processes enable projects, hence it is a good idea for the champions to conceptualise the programme processes before engaging in projects to reduce red tape. The programme management concept developed for this dimension in step II is now verified and operationalised. Whoever has to take decisions, whoever needs to receive progress reports, and whoever needs to be informed about programme outputs, now needs to become aware of their roles and responsibilities and accept them – otherwise

✓ **Processes**

❑ The red tape reduction cycle is utilised as the standard approach to the programme

❑ A decision-making system is in place, which allows for speedy approval of change and innovation

❑ A reporting system is established, providing weekly, monthly and annual progress updates for management and the political sphere

❑ A results-based monitoring and evaluation system for the entire programme is operational

❑ A communication system is established, frequently informing municipal staff and private sector stakeholders on programme progress

the programme implementation will suffer at a later stage. In turn, this will raise the expectations of these stakeholders and they will demand these management elements in future. While processes will vary according to the perspective on red tape or the size of the municipality, it is advisable, as a general rule, to align the programme with the operational routines of the municipality. Programme reporting should for instance feature in management, council or mayoral committee meetings, which already take place on a regular basis. The same bodies are also likely to take decisions on changing rules, regulations, procedures and system. In this way, the programme is integrated into existing processes, rather than giving rise to many additional forums, such as steering committee meetings.

In terms of internal and external communication, existing structures are often not sufficient, though. As a general rule, we suggest that the internal and external stakeholders be informed about the output of *every step* of the RTR cycle, starting with a public notice about the start of the programme. In all likelihood, the number of stakeholders will increase in the course of implementation. Hence the importance and time requirements for communication are not to be underestimated. Imagine a

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[6] There is an LG SETA-accredited training course available for RTR: InWEnt, MXA (2008), Locati Trainer's Manual for Improving the Environment for Business. See www.led.co.za

municipal staff member being informed about the programme in the IDP process, or a business person being consulted on a red tape issue. If these stakeholders do not hear about progress after four months, they will suspect that the programme has been blocked or has even failed. They might then classify the programme "as another failed attempt to improve service delivery". Communication requirements will be further highlighted in the remaining steps of the RTR cycle.

A last crucial element of operationalising the process dimension of the management system is the RTR programme M&E system. It is the basis for much of the reporting on the progress of the programme versus the IDP, the budget the political sphere and, not least, the performance assessment of the champion. Above all, however, the M&E system provides an overview and a constant reminder of the higher-level objectives that need to be achieved – something that often goes missing in the course of implementation. **Error! Reference source not found.** provides an example of a logical framework with objectives, indicators and a means of verification for an RTR programme from the perspective of improving the business environment.[7]

Note that the operationalised management system equals the outputs or services of the programme. The M&E systems for each RTR project logically feed into the programme M&E system as an intermediary outcome. How these are conceptualised is part of step XII of the cycle. Note also that some of the tools proposed in this manual can be used not only to inform the programme, but also to measure progress.

3.3.2 Assessment Phase

The previous steps have prepared three of the four dimensions of the RTR management system: the mandate and objectives, the people and the processes. The assessment
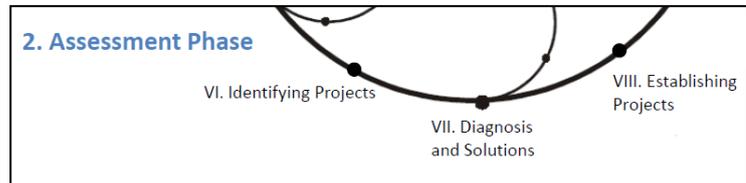
phase now serves to finalise the last remaining dimension: RTR projects are prepared, designed and established so that the programme can become operational.

The following steps VI to VIII are most efficiently and effectively implemented in one go, within a period of about three weeks. Red tape is often characterised by long delays and frustrations. The announcement of reducing red tape often meets with hope but also disbelief. If the assessment phase is implemented at a fast pace, this will send a message that smart tape is within reach. The raised expectations of officials and businesses are met, trust in the programme is built and the willingness of stakeholders to participate is high.

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[7] Consult the handbook on M&E in LBE programmes, **IFC, GTZ & DFID**. 2008. The Monitoring and Evaluation Handbook for Business Environment Reform.

Table 3.2: Exemplary M&E system for an RTR programme

Objectives	Indicators	Verification
Higher-level impacts contributed to by the programme (for observation only)		
1) New economic opportunities are created for the local community	Gross value added and employment grow faster that the national average by [year]	Official statistical sources, annual measurement
2) The productivity and competitiveness of the local economy is enhanced	The local productivity and market share of economic sectors grows faster than the national average by [year]	Official statistical sources, annual measurement
Programme Outcome		
3) The continuous reduction and avoidance of red tape improves service delivery and the LBE	The LBE (defined by dialogue and state-business relations, infrastructure, regulatory environment, land and property rights, government support, and quality of life) improves by 20% between [year] and [year].	Local Business Environment Survey[8], annual measurement
Intermediary Outcome		
4a) A PPD is initiated	The public-private dialogue analysis reveals a cooperation improvement in at least three catagories by [date]	Tool 2 Public-Private Dialogue Analysis, annual measurement
4b) The awareness of the importance of reducing red tape for improved service delivery and LBE is created	At least 30% of municipal staff can provide the correct rationale for and strategic intent of red tape reduction by [date]	Quick staff survey, annual measurement
4c) Exemplary solutions to a selection of core local red tape problems are implemented	At least 60% of the RTR programme projects achieve their objectives by [date]	RTR project M&E systems, annual measurement
Output or Services of the Programme		
5a) The mandate and objectives of the RTR programme are established	The political sphere actively supports the programme, which is listed in the IDP and budgeted for throughout programme implementation	Report on the conceptuatlisation and implementation of the RTR, IDP, programme management sytem, continuous monitoring
5b) The champions and support staff are mandated, prepared and implement the programme	The champions and their staff allocate sufficient time to the programme, based on their performance management agreements, job descriptions and work assignments throughout programme implementation	
5c) RTR projects are being implemented and monitored together with the private sector	At least 60% of the RTR projects are implemented based on the original project planning by [date]	RTR project M&E systems, continuous monitoring
5d) Information on rules, regulations, procedures and systems hampering a favourable LBE is created, discussed and disseminated	The outputs of each programme cycle step is disseminated internally and externallybetween [date] and [date]	Quick survey of the level of information of selected senior managers, councillors and businesses, continuous monitoring

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[8] An efficient way of measuring the LBE is suggested in **ROGERSON, C.M.** 2009. Economic governance and the local business environment: evidence from two economically lagging provinces of South Africa. Pretoria: GTZ.

Hence the assessment phase is a very intensive work period. It is unlikely that the programme champion and staff have sufficient resources to dedicate three weeks of full-time work to the programme in addition to their normal work. Contracting facilitation support is therefore a solution for smooth implementation. There is, however, a further reason for involving a facilitator. Experience shows that only an external team can facilitate an objective and demand-oriented issue selection, diagnosis and solution process.

Consider a number of examples: a municipal official is unlikely to speak freely, if interviewed by his superior on a red tape issue actually caused by this very superior. Similarly, a businessperson might fear repercussions if the information provided about potentially corrupt tendering practices is not treated confidentially. A manager accused of misconduct cannot mediate conflicts with the private sector or another manager in a municipality.

Therefore external facilitation support is suggested for an efficient and effective assessment phase. The high number of tasks to be carried out in a short time period require careful preparation. The interviews are conducted in the first week and the prioritised red tape issues are decided upon immediately afterwards. Then the diagnosis and solution workshops are conducted and the projects are established immediately afterwards.

VI. Identifying Projects

A preliminary step for the completion of the last remaining programme dimension is the identification and selection of RTR projects. During the preparation of the programme, the stakeholders involved are likely already to mention certain red tape issues which are their concern. However, only a participatory and therefore demand-driven, structured approach will reveal the red tape issues which are hindering service delivery from the municipal client's point of view.

The number of red tape issues to be tackled in a particular year of the RTR programme depends on the available resources, the time allocated by the involved staff and the financial resources made available. Less is more! Rather focus on three red tape issues and solve them, than tackle ten projects, of which seven fail due to lack of dedicated resources.

A series of structured interviews with senior management, selected middle and lower-level staff, as well as selected councillors of the local municipality follow the announcement of the programme. At the same time, a small sample of businesses (and possibly civil society organisations) of varying sizes in all major economic sectors of the local economy are interviewed. These interviews serve three equally essential purposes:

1. To manage expectations by checking and then if necessary correcting the understanding of the programme based on the initial announcement
2. To gain insight into who is keen to reduce red tape and who is less so, by uncovering motivating factors and opportunities, but also fears, risks, hidden agendas and vested interests
3. To identify red tape issues both within the municipal structures as well as between the municipality and the business.

The results of the municipal and business interviews are then assessed in a hypothesis workshop between the interviewers, the process facilitator and the process champions. In the workshop, the red tape issues identified by the public and private sector are, if possible, matched. Furthermore, the motivations of the stakeholders involved in a red tape issue are assessed and the chances of

successfully creating smart tape with these stakeholders and within a reasonable timeframe are evaluated.

The workshop informs a written recommendation on which red tape issues to prioritise for implementation. The bodies that need to approve the selection – already identified in the preparation of the process dimension of the management system – meet and take a decision. The resulting selection of red tape issues is communicated to all stakeholders involved in the programme so far, using the established communication processes. A public announcement in the local media is advisable, particularly if further private sector stakeholders need to be mobilised for the next steps.

The municipal and business interviews as well as the the hypothesis workshop are further explained in the following tools. Templates for these tools can be found in Chapter 4.11 and 4.12.

> **Tool 4   Municipal and Business Interviews**
>
> This tool provides interview templates as well as indications on how to organise the interview process.

> **Tool 5   Hypothesis Workshop Format**
>
> The workshop format provides a guidline on how to arrive at a choice of red tape reduction issues, which have a good chance of being implemented in a reasonable timeframe.

VII.   Diagnosis and Solutions

Chapter 2 outlined all the necessary steps to diagnose, analyse and find solutions to red tape issues. Now the task is to apply these steps to the selected red tape issues. In most cases, a series of workshops and meetings between the public and private sector for each of the prioritised red tape issues are the core of the step. Note that the time requirements for this task are not to be underestimated. It might take a workshop and several meetings to diagnose and analyse a red tape issue and several more to identify solutions based on the suggested steps in Chapter 2.

The workshops are essential to build trust between public officials and business people, which is a basis for ongoing public-private dialogue. Individuals get to know each other and constructively analyse a specific issue and discuss how red tape can be turned into smart tape. Business people often contribute ideas on how to structure procedures more efficiently but at the same time learn from the public officials about legal requirements.

The appropriate diagnosis, analysis and solution-finding tools are described in Chapter 2, and the tool below provides a checklist for the organisation of the workshops. The template for the tool can be found in Chapter 4.13.

Tool 6   Checklist for the Diagnosis Workshops

The workshops need to be prepared well. This checklist provides a guide on how to organise successful red tape diagnosis workshops.

VIII.   Establishing Projects

The diagnosis and solution workshops create a number of outputs which complete the project dimension of the RTR management system. For red tape issues requiring project or change management, which applies to most projects, an implementation plan with clear timeframes and objectives is defined. Public and private representatives commit to task teams for the implementation of these projects and facilitation support is secured, if necessary. Furthermore, a results-based M&E system is established for each project. It feeds into the

✓ **Projects**
❑ There is an implementation plan for red tape reduction projects with timelines and objectives
❑ Suitable private sector representatives are co-championing the projects
❑ The facilitation support for each project is secured
❑ A result-based monitoring system for the implementation plans is in place
❑ The monitoring results inform staff performance appraisals
❑ ....

overall M&E system of the programme, as shown in Table 3.2 earlier in this chapter. The defined projects are likely to need the approval of senior management and the political sphere. The full extent of what it means to reduce red tape only becomes apparent at this stage and the proposed solutions need approval. Hence the already prepared decision-making processes are utilised. Based on the approval, the work assignments and performance agreements of the municipal staff involved are updated. It is important that not only the RTR programme champion and staff have clear incentives and a mandate, but also those people who are involved in project implementation. Otherwise it is likely that other change processes or routine tasks will be prioritised over the RTR projects.

Finally, as for all outputs of the various steps of the RTR cycle, information on the proposed solutions to red tape, timeframes and responsibilities are distributed to all public and private stakeholders who have been involved in the programme so far. The by now established communication processes are used for this purpose. Besides updating the involved stakeholder on progress, communicating the projects helps to establish clear accountability and ownership.

Chapter 2 has already outlined the critical factors of project and change management. One option to develop an implementation plan and a results-based monitoring and evaluation system at the same time is to use the 'Compass of Local Competitiveness' (GTZ & mesopartner, 2010). The compass is a participatory performance management tool, used in the context of local economic development (LED) initiatives (see

Figure 3.6: The Compass of Local Competitiveness
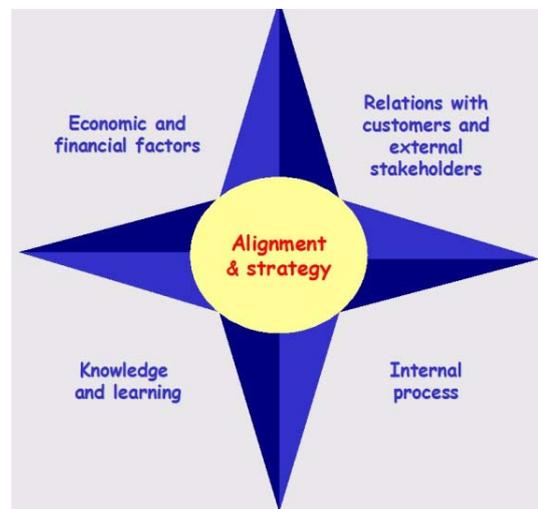
Figure 3.6). It is based on the Balanced Scorecard, a performance management tool often applied in the private sector. The Compass uses the principles of the Balanced Scorecard to assist with:

•   Articulating a vision and objectives
•   Aligning key stakeholders
•   Identifying critical success factors for successful implementation
•   Defining key performance indicators and specific targets
•   Defining specific activities to achieve these targets

We suggest using the tools provided in Chapter 2 to support the RTR project M&E system. The red tape problem statement, the symptoms, the cause and effect diagram, and the flow diagrams describe the situation before the intervention. These tools therefore not only serve to diagnose and analyse red tape, but as baseline information for M&E. Once smart tape is implemented, one simply has to evaluate whether the problem statement really has been addressed, the symptoms have disappeared and whether the redefined flow diagram or the service blueprint is working in practice.

3.3.3   Implementation Phase

The description of all four dimensions of the RTR management system is now complete. It is only now that the programme implementation starts. With mandates and objectives in place, people prepared, and the processes already in use, the projects can now move forward. Experience shows that the RTR cycle is implemented fairly smoothly in the scoping and assessment phase. It is often in the implementation phase that blockages occur, as there is always opposition to the implementation of innovation and change processes. The health check for change processes (ChangeWright, 2008) serves as a final test of whether the programme, i.e. the management system, is integrated and robust.
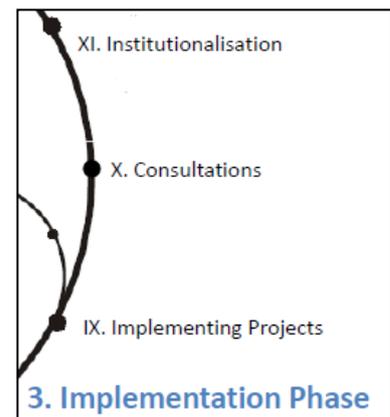
The change management and organisational development aspects of red tape reduction is discussed in Chapter 3.4, and a template for the instrument can be found in Chapter 4.14.

Tool 7   Health Check for Change Processes

The 'health check' is a spreadsheet that contains a list of critical items to be considered for both designing and assessing the change process throughout its lifespan.

IX. Implementing Projects

The implementation plans for the RTR projects contain all of the necessary activities, timeframes, and objectives that guide implementation. Whatever the exact nature of the projects, the teams set out to produce first drafts of new rules and regulations, procedures and systems, and stakeholder interfaces.

Note that this should start right after the first diagnosis workshops. So-called 'quick wins' – solutions than can be implemented within a few days – often do not need long design, approval or consultation processes. Signs directing businesses and citizens to offices in the municipal premises can be printed and put up within an hour. However, complex solutions to red tape require a lot of preparation by the project teams, possibly including feasibility studies, funding applications or staff training initiatives. While a new by-law for street traders can be drafted and approved within a few weeks, it might take months to design a first draft of a revised billing system or a customer care programme.

The programme champion actively manages this step of establishing first drafts of new rules and regulations, procedures and systems, and stakeholder interfaces. Based on the project and process dimension of the management system, four management elements are required:

1. Facilitation Support

The programme champions initiate and then support the work of the project teams, if required with the help of an external facilitator. Some teams might implement the solutions very fast, while others might need extensive guidance and support. The latter is the more likely case, because otherwise an RTR programme would not have been necessary in the first place. In the absence of capacity, managing by objectives does not work. Considerable time needs to be allocated to network the project team members, facilitate solutions and guide individuals.

To find ways of reducing the time requirement of rezoning, for instance, the champions support the town planning officials to establish the legal background by contracting an external expert with RTR programme funds. Then the champion facilitates consultations with other municipalities in the district on possible solutions. Finally, the champion initiates a session with HR and the responsible senior manager to review the functions of the town planning unit. Based on these inputs, the town planning official finally drafts a new rezoning procedure.

2. Results-Based Monitoring

Experience shows that project team meetings on a regular basis are indispensable to monitor and support the implementation process. Of course, detailed activities, timeframes and objectives of the RTR project implementation plans are indispensable for effective monitoring of progress. A suggested format for these monitoring sessions are workshops where all project teams present the status of their projects to each other. The team members can then exchange successes and failures, and thereby learn from other teams. This creates an environment where all involved stakeholders are motivated, progress is rewarded, commitment renewed, responsibilities clarified and accountability to the objectives of the RTR programme upheld.

3. Reporting

The champions in turn regularly report to their superiors on the results of the RTR project result-based monitoring, as well as the overall RTR programme progress. They use the established reporting processes for this purpose. The more integrated these reporting processes are in the existing municipal management practices, the better. Senior management or mayoral committee meetings are obvious possibilities.

4. Decision Making

Finally, the established decision-making processes serve to approve the reporting, take action if the results-based monitoring results suggest major delays or deviations from objectives, and last but not least to approve the developed draft rules and regulations, procedures and systems, and stakeholder interfaces.

X.   Consultations

Each project will typically reach a point where rules and regulations, procedures and systems, and the stakeholder interface of a particular red tape issue are revised and ready for implementation. This is a critical point in red tape reduction and the public-private dialogue on the creation of a conducive business environment and effective service delivery.

In its regulatory capacity, the municipality sets the framework conditions for all businesses to operate in the local economy. Correspondingly, the smart tape solution has to be recognised as such by all affected businesses. In a consultation workshop, the private sector gets the chance to comment and approve of the draft solution. This caters for the risk that unintended consequences of a regulation or procedure lead to market distortions, such as providing an unfair advantage to specific businesses or even excluding certain businesses from the market. At the same time, the workshop serves to communicate the proposed solution to all relevant stakeholders.

*One of the most common red tape issues in the South African municipal context is long delays and unclear procedures in **the approval of building plans**. Once a task team has designed optimal procedures, these are then presented to the business community – such as architects, developers and construction companies – in order to make sure that all relevant businesses approve of the solution as smart tape.*

With slight adaptations, Tool 6 provides suitable guidance on how to organise and facilitate a consultation workshop.

After incorporating possible amendments based on the consultations, the smart tape solution needs approval through the RTR programme decision-making processes. At this stage, this might for instance mean the official adoption of a new law by council, which in turn very often legally requires certain communication processes to the public. At the same time, the approval and communication is also the mandate for the stakeholders involved to institutionalise smart tape.

XI.   Institutionalisation

The smart tape rules and regulations, procedures and systems, and stakeholder interfaces are now legally in place. Having drafted these solutions to red tape issues, the stakeholders involved have already undergone a learning process and have a good idea of how to institutionalise the innovative ways of doing business. As it is unlikely that all institutionalisation features are foreseen in the establishment of RTR projects, it might be advisable to adapt the project implementation plans, timeframes and objectives.

Once again, the programme champions actively manage institutionalisation of the new rules and regulations, procedures and systems, and stakeholder interfaces, based on the above-mentioned four management elements: facilitation support, results-based monitoring, reporting and decision making. By now the RTR management system should be well established and smoothly operating – if not, it is unlikely to have achieved the described outputs and intermediary outcomes. Strictly following the system elements will ensure that smart tape becomes institutionalised.

While this step is described only briefly in this manual as it builds on methods and tools already described above, it is important to realise that this is the most important step in the entire RTR programme. A new law, even if adopted by council, does not turn red tape into smart tape. Only its implementation by means of operating the adapted procedures - possibly with new staff with a different attitude, in a new office, with a new IT system, and new ways of law enforcement - make the difference. The RTR projects end when the defined objectives have been achieved. For instance, only when the result-based project-monitoring shows that the timeframe for vehicle registration - in reality and in day-to-day practice - was reduce by the targeted 30 days, comes the respective project to an end. Once the objectives have been achieved, it is time to evaluate progress.

3.3.4   Evaluation Phase

The main purpose of the evaluation phase is to celebrate success, learn from failures, and conceptualise the next cycle of red tape reduction. Of course, the primary evaluation tasks are to compare the progress of the programme and projects to the defined objectives, based on the respective M&E systems. These evaluation results also inform the performance appraisals of the people involved – from the programme champion to the staff involved. However, the main purpose remains to look ahead and provide the environment for continued red tape reduction.

XIII. Celebrating Success

XII. Preparing the next Programme Cycle

4. Evaluation Phase
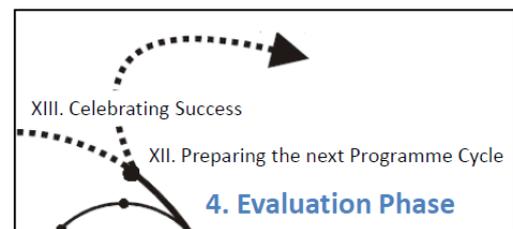
XII.   Preparing the next Programme Cycle

The established M&E systems allow a comparison of the progress of the programme and its projects to the defined objectives. While the programme already might have been planned to run over several years, this step structures the assessment of progress, learning from failures and planning of the next cycle of the RTR programme. We suggest three evaluation steps:

Consider fast tracking the reporting and decision-making by inviting the decision makers right away to the results-based monitoring sessions.

1. Was the RTR programme effective in achieving the main outcome objective? In the exemplary M&E system illustrated in Figure 3.7, the main objective relates to the improved business environment and/or excellence in service delivery. Evaluating the outcome indicator measured by the specified verification method provides the answer as to whether the RTR programme continues in the next municipal planning cycle or whether it can be ended.

Figure 3.7: Evaluating the RTR Programme

Outcomes	☐ Service Delivery
	☐ Conducive LBE
Intermediary Outcomes	☐ Awareness and Information
	☐ Public-Private Dialogue
	☐ Smart Tape
Outputs	☐ Mandate and Objective
	☐ People
	☐ Projects
	☐ Processes

2. Was the programme effective in achieving its intermediary outcomes? In the exemplary M&E system shown in Figure 3.7, these objectives relate to the creation of information on red tape, the public-private dialogue, and the effective reduction of red tape. Evaluating the intermediary outcome indicators provides the answer to whether the programme champions have achieved their goal or not. This evaluation step therefore informs the performance appraisal of the champions, as they are responsible for implementing the programme.

3. Was the programme effectively implemented? In the exemplary M&E system in Table 3.2, the output objectives relate to the various elements of the four management system dimensions. This evaluation step not only informs the performance appraisal of the champions and other staff involved, it first and foremost allows one to learn how to adapt the management system in order to improve effectiveness.

An efficient way to evaluate the RTR programme with these three questions is for the programme champions to prepare the evaluation and to assess the results in a workshop. All major stakeholders, such as the mayor, mayoral committee members, selected councillors, senior management, as well as the co-champions from the private sector and BMO representatives, should attend the workshop.

Provided the evaluation results suggest a continuation of the RTR programme, the recommendations from the lessons learnt are implemented by again engaging in step I of the programme cycle.

XIII. Celebrating Success

The RTR programme, with its focus on problems, challenges and issues, by definition triggers a rather negative overall association, even though it is more than often very much welcomed by both public officials and businesses. Smart champions realise the value of celebrating success to motivate the creation of smart tape. Celebrating success is part of creating an incentive for change and innovation, by awarding agents of change. The celebration objectives are to increase the motivation for sustained red tape reduction on an individual and an organisational level.

On the one hand, success is celebrated on an everyday basis to motivate staff during project implementation. The champions and the facilitator might simply thank staff individually for putting in an extra effort. A second simple technique to celebrate success is to ask project teams what went well since the last meeting. Alternatively, one might simply invite the task team out to lunch to

celebrate the achievement of a specific milestone, such as a successful consultation workshop with the tourist and hospitality sectors on a new by-law of street signage. Finally, the evaluation results, positive or negative, of course need to inform the performance appraisals of the people involved – from the programme champion to the involved staff – as set out in the respective management system elements.

On the other hand, the successes should be celebrated both internally and externally, based on the reporting, information and communication elements of the process management dimension. This will help to raise the project teams profile and credentials for future projects. However, such success stories are not only a source of motivation for the team, but also a matter of public relations of the municipality and the participating BMO. The municipality can show that it is efficiently and effectively providing services to the public and the BMO can show that it is effectively advocating the interests of their member businesses.

3.4 Understanding organisational development and change aspects of red tape reduction

When attempting to improve or address issues related to red tape in an organisation, it is important to recognise the change management aspects of these interventions. Managers and consultants often intuitively understand that larger or more sensitive interventions must be properly managed both from a project management and a change management perspective, but the importance of proper management of smaller interventions is often underestimated.

A distinction can be made between organisational development and change management. At the core of organisational development is the concept of 'organisation', which is defined as two or more people working together towards one or more shared goals. Development in this context is the notion that an organisation may become more effective over time at achieving its goals through purposeful attempts to address certain inefficiencies or to create new ways of doing things. Typical organisation development practices include business re-engineering, hierarchy or organisational restructuring, technology upgrades or training. Most organisation development approaches are planned, implemented organisation-wide and managed from the top. They are meant to increase organisational effectiveness and health.

For instance, the management of an organisation might decide to improve its customer service using an organisational development approach. Their programme could include:

- running an organisation-wide communication campaign on customer service and why it is important
- holding department or unit-based workshops with staff to identify areas where customer service can be improved
- reducing the steps in processing a query from a customer
- improving the IT systems to make customer information management faster and more integrated
- increasing the decision-making ability of frontline service personnel by changing a policy about delegation of authority
- changing the financial reward system for customer service and management staff

- redesigning the areas where customer-staff interaction takes place to a more customer-friendly environment.

The example provided above is generic enough to illustrate a typical customer service improvement programme in a large retail store or in a municipality. But the example is specific enough to show that an organisational development programme is systematic with planned approaches to change. Furthermore, this example shows how an organisational development approach could address three different kinds of red tape.

Thus the purpose of organisational development is to increase the effectiveness of the organisational systems, and to fully develop the potential of all the individuals and units of an organisation. In most cases, organisational development practitioners are professionals with more than 10 years' management experience, appropriate qualifications and membership of professional bodies. A textbook that is often prescribed in organisational development courses is *An experiential approach to organisation development,* by Don Harvey and Donald Brown (2005). For consultants or facilitators, the book by Edward Schein (1999) is recommended: *Process Consultation Revisited: Building the helping relationship.* Process consulting describes the role of an external professional that guides organisational development and change processes.

Change management is often seen as a more specific aspect of organisational development, but is very often seen as a less systemic and more issue-specific approach. People often intuitively understand and recognise the need for change, as humans are subjected to change on a daily basis. It is often claimed that people reject or resent change because it takes them out of their comfort zone. While this may be true in some cases, what is often overlooked is that it requires a mental and physical effort for individuals to change their behaviour or attitude. Thus a positive vision of the benefits or rationale for change and a managed process already enhances the likelihood of a successful change process (Figure 3.8). While individuals in their personal capacities often struggle to cope with change, it is even more difficult to achieve change in an organisational context where the failure or anxiety of individuals affects their colleagues, thus influencing the outcomes of a change process.

The difficulty of achieving change in organisations even when the benefits of the change are very clear has led to the emergence of a specialised field called change management. In change management, change is seen as a carefully designed process that must be managed. A change management approach requires that the individuals subjected to change receive dedicated attention at the same time that a technical or organisational change is taking place. Thus change management is about the human dimension that typically accompanies technical or organisational changes.

Central to change management is the realisation that people tend to resist changes they do not understand, value or approve of. A properly managed change intervention takes cognisance of the fact that organisational systems and not just individuals can resist change. To ensure a successful change process it is necessary to use influence and strategic thinking in order to create vision and identify those crucial, early steps towards it. In addition, the organisation must recognise and accept the dissatisfaction that exists by communicating industry trends, leadership ideas, best practice and competitive analysis to explain the necessity for change.

Figure 3.8 The change process

Figure 3.8 The change process
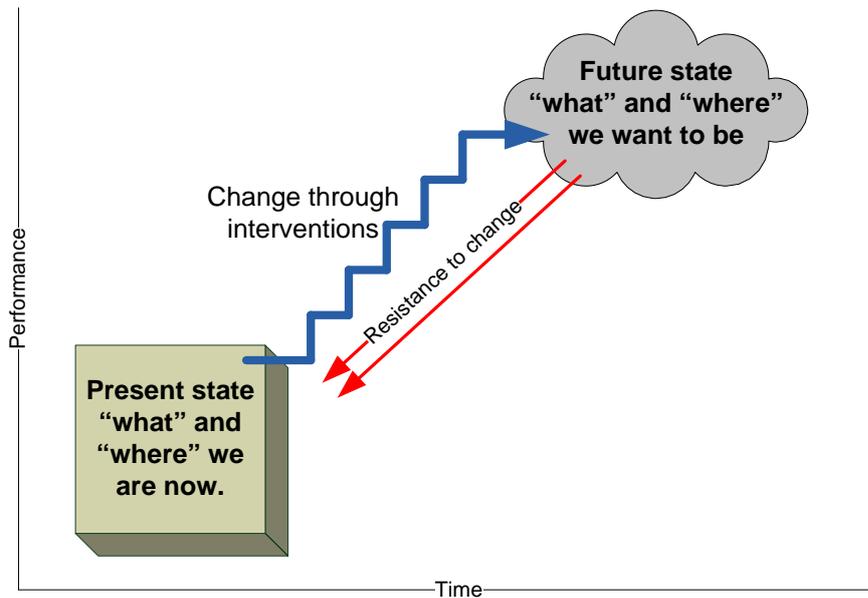
From a red tape reduction perspective, resistance to change does not come about only when attempting to 'fix' a specific red tape issue. The resistance might actually already start long before the actual intervention during the activities to identify or diagnose specific organisational inefficiencies, with some people not wanting to participate or be honest about the symptoms or effects of red tape. Sometimes inefficiencies or administrative (or legal) processes allow some people to gain bargaining power. In some instances this bargaining power might lead to corruption, but in most cases people use this power to further their own ambitions or to remain relevant. In other cases, people might resist addressing a red tape issue because the clumsy design of the system hides their own insecurities, incompetencies or performance levels. It might even be the case that people resist addressing red tape because they do not like the champion, or because they are afraid that they might become obsolete if the efficiency of the system is improved.

A very useful book that can be given to leaders or managers of a change process to equip them for their journey is *Our iceberg is melting: Changing and succeeding under any conditions* by John Kotter and Holger Rathgeber (2006).In it they describe the following 8-stage process of successful for change.

Set the stage:

1. **Create a sense of urgency**
   Help others to see the need for change and the importance of acting immediately.
2. **Pull together a guiding coalition**
   Make sure there is a powerful group guiding the change — one with leadership skills, bias towards action, credibility, communications ability, authority, analytical skills.

Decide what to do:

3. **Develop a change vision and strategy**

Clarify how the future will be different from the past, and how you can make that future a reality.

Make it happen:

4. **Communicate for understanding and buy-in**
Make sure as many others as possible understand and accept the vision and the strategy.
5. **Empowering others to act**
Remove as many barriers as possible so that those who want to make the vision a reality can do so.
6. **Produce short-term wins**
Create some visible, unambiguous successes as soon as possible.
7. **Consolidate gain and produce more change**
Press harder and faster after the first successes. Be relentless with instituting change after change until the vision becomes a reality.

Make it stick:

8. **Create a new culture**
Hold on to the new ways of behaving, and make sure they succeed, until they become a part of the very culture of the group.

This process is described in more detail in the book by John Kotter, *Leading change* (1996). An additional resource that describes many different tools frequently used in change management is *The Change Handbook* by Holman, Devane and Cade (2007).

Change interventions, and more specifically organisational development interventions, are in most cases managed by professional facilitators or change practitioners. Depending on the intensity or complexity of the intervention, it might be advisable to approach a professional service provider in this regard.

In summary, many red tape interventions should be considered as change interventions, even if these interventions seem to be purely technical (for instance, the upgrading of accounting software). Change management deals with the human side of change, and seeks to find ways to overcome uncertainty, resistance and confusion through a properly managed process. Organisational development is also a change intervention, but on a much larger scale that typically affects the whole or large parts of the organisation. In both cases, strong leadership is required.

Chapter 4 Additional tools, worksheets and templates

4.1 Cheat sheet to disentangle red tape fast

For experienced facilitators who are able to mix and match methods, the following steps can be used in the context of a workshop or a process to diagnose and immediately address a red tape issue.

1. Identify and describe the issue
2. Unpack the issue using symptoms, causes and sequences
3. Map the sequence and analyse it
4. Identify multiple improvement points
5. Develop action plans and appoint action groups
6. Analyse the decision-making structures and the improvement process
7. Project manage the implementation and change process
8. Reflect and evaluate implementation
9. Celebrate!

4.2 Cause and effect template

1. Symptoms caused by the process	2. Symptoms related to people involved	3. Symptoms related to equipment used in the activity
4. Symptoms related to the materials required	5. Symptoms related to the environment that the problem occurs in or where service takes place	6. Symptoms related to management

4.3   Service blueprint template

Service blueprint	
Physical Evidence	
Customer actions	
	————————————Line of interaction————————————
Onstage/Visible contact employee actions	
	————————————Line of visibility————————————
Backstage/ invisible Contact Employee Actions	
	————————————Line of internal interaction————————————
Support Processes	

4.4   Red tape reduction cycle template
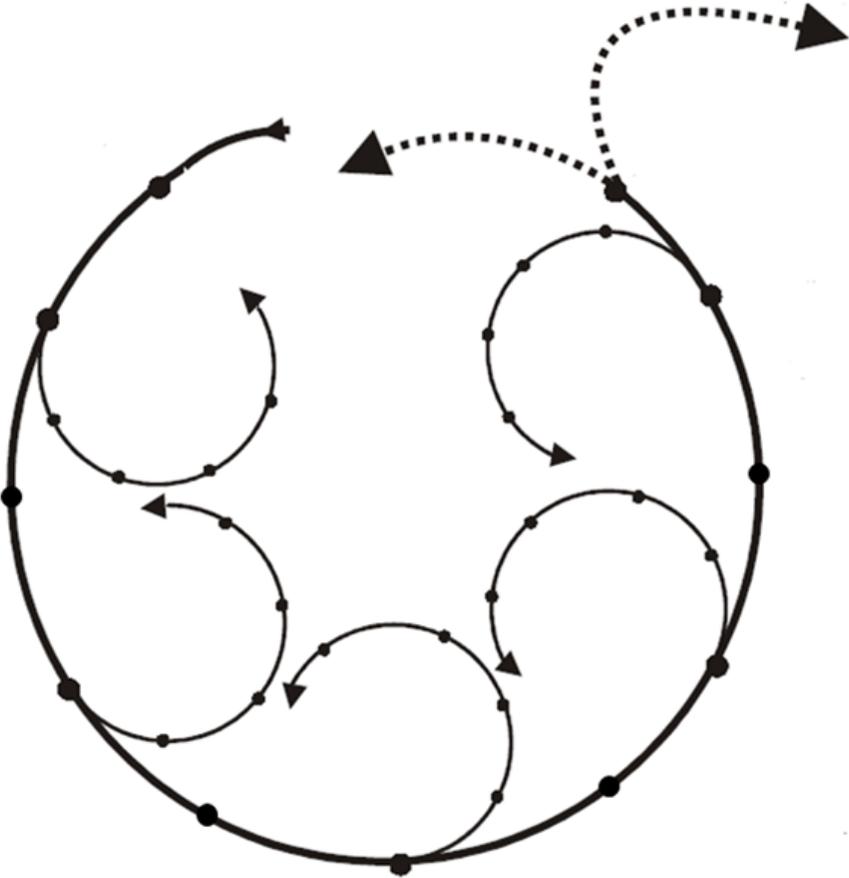
4.5   Management system template

√ Mandate and objective	√ People
☐	☐
☐	☐
☐	☐
☐	☐
☐	☐
☐	☐
☐	☐
√ Processes	**√ Projects**
☐	☐
☐	☐
☐	☐
☐	☐
☐	☐
☐	☐
☐	☐

4.6 Parameter matrix template

Parameter 1, positive:

Scenario 1	Scenario 2
Scenario 3	Scenario 4

Parameter 2, negative:

Parameter 2, positive:

Parameter 1, negative:
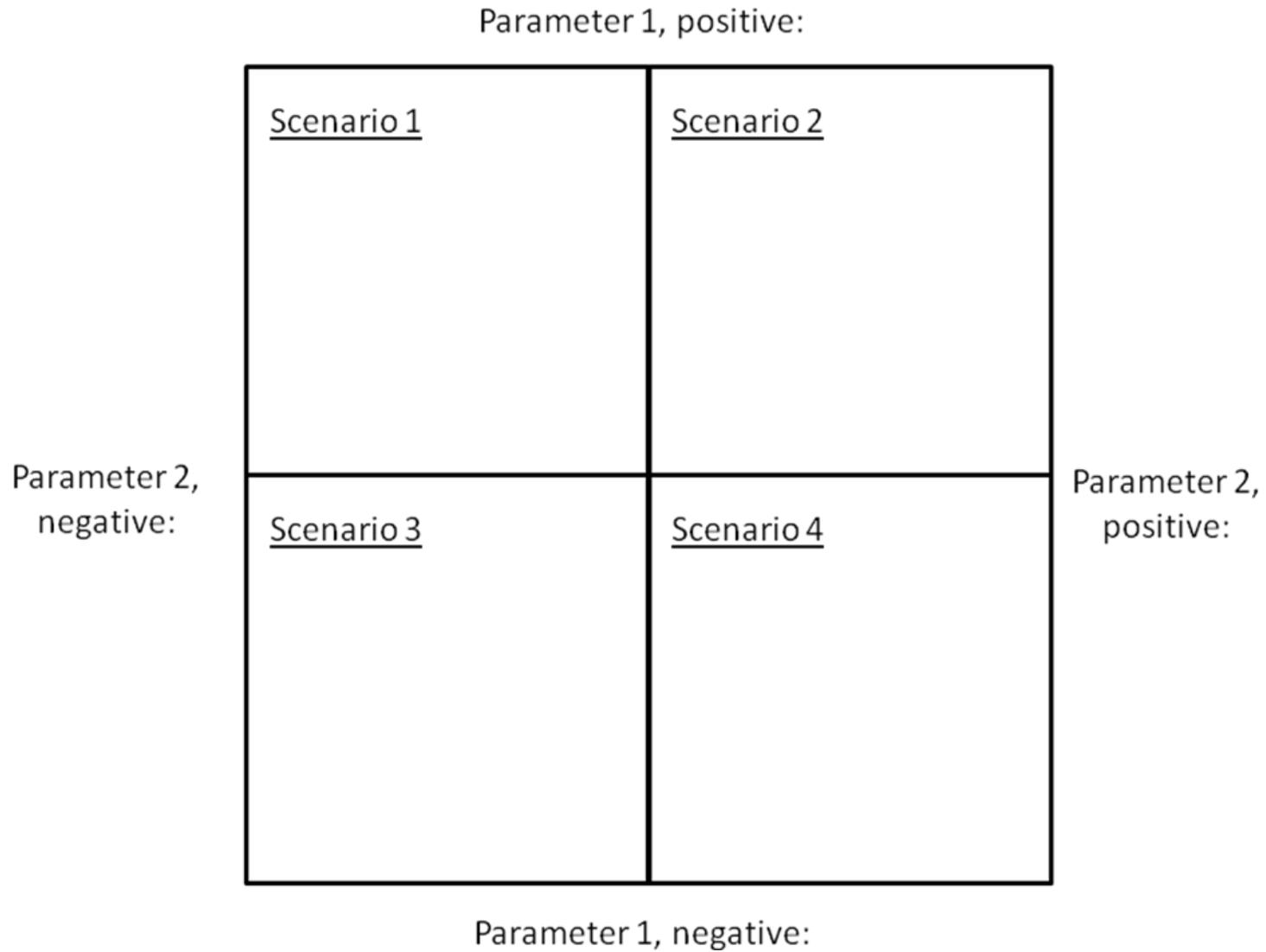
4.7 Template to conceptualise management system elements

Management system dimension:	
Management system element:	
How should the element be conceptualised?	
Why is it important and what are the supporting arguments for this concept?	
What needs to happen next to operationalise this element?	
Who should do this?	
When should this happen?	

4.8   Tool 1: Rainbow stakeholder mapping

Step 1: Brainstorm all stakeholders – individuals or organisations, public and private, local to national - and place them into graph
Step 2: Highlight relationships, like conflict, tensions, alliances, or cooperation
Step 3: Decide on potential primary, secondary and tertiary stakeholders to the RTR programme.
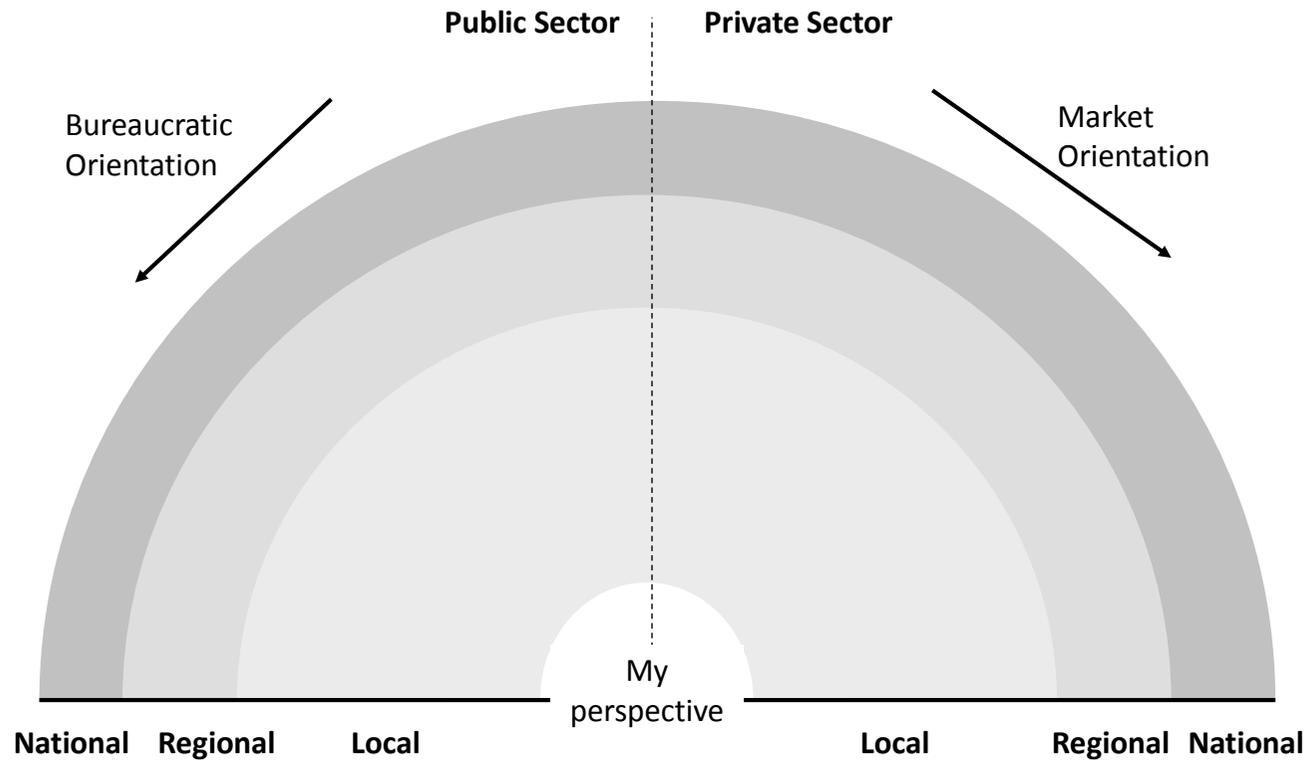
4.9   Tool 2: Public private dialogue analysis

Step 1: Decide on a public and a private stakeholder
Step 2: In separate meetings, ask the stakeholders how they assess their dialogue; fill in dots on the agreement scale of ++ to --.
Step 3: Compare the results. Decide on what dialogue features the RTR programme can build, and what needs to be improved through the programme
Step 4: Share the results with the stakeholders, if possible. Use this tool to monitor progress in the public private dialogue.

Elements	Question on how the dialogue is assessed	by the private stakeholder				by the public stakeholder			
		++	+	-	--	++	+	-	--
Goal	"We periodically define goals"								
Agreement	"We have a clear understanding of duties and liabilities"								
Agreement Compliance	"We stick to our agreement"								
Communication	"We provide contact persons and adequate means of communication"								
Trust	"We inform actively on our agenda"								
Benefits & Opportunities	"We benefit from the cooperation and derive opportunities"								
Costs & Risks	"The cooperation involves considerable costs and risk"								

4.10 Tool 3: Organisational profile

Step 1: In a workshop or a meeting with key organisational representatives, answer the statements by filling in dots on the agreement scale of ++ to --.
Step 2: Analyse the results and decide what the RTR programme can build on, and what needs to be improved. Use the tool to monitor progress.

Criteria	Statement	++	+	-	--
Strategy	The organisation has formulated goals and a medium term planning, which describes purpose, clients, products, services and partners.				
Goal Coherence	The staff / members show through their behaviour their agreement with the declared goals				
Centre of Expertise	The organisation is focussing on tasks, which can be solved competently				
Market position and client orientation	The products of the organisation are in demand; the organisation pursues its competitive advantages and is client oriented				
Task structure	Tasks involve the whole cycle from planning, to implementation to evaluation				
Staff management	The organisation appoints qualified staff at the right time and at the right place, staff has clear mandates and is adequately supported and trained				
Incentives	Staff/members knows the performance criteria and they are periodically evaluated and rewarded				
Relations	Conflicts are immediately, openly and directly discussed with all stakeholders				
Delegation	The decision making power is situated where the experience and information are in place				
Decisions	Decisions are take timely and clearly & unmistakably				
Management	The management is interested in staff expectations, client orientation, limiting factors and future trends				
Cost transparency	The organisation knows the cost of its services and utilizes resources efficiently				
Administration	Administrative processes are efficient				
Cooperation	The organisation cares for relations to other organisations and is capable to manage and foster				
Information and self-assessment	The organisation provides timely, decision-relevant and client-specific information, has a system of self-assessment and incorporates lessons learnt				

Adaptability and Perspective	The Organisation adapts to new situations quickly and invests in the research & development of products / services				

4.11   Tool 4: Municipal and business interviews

What must be done?

During a number of consecutive days, the interview team talks to a number of businesses of varying sizes and sectors, as well as a number of municipal officials and politicians from lower to senior level. The interviews serve three equally essential purposes: 1) to manage expectations, 2) to determine who is motivated to reduce red tape, and 3) to identify red tape issues.

Most people prefer surveys to interviews, because they are a cheaper way of gathering information. If you chose this option, be aware that surveys will not provide the same extent and quality of information as interviews. Also be note that extremely frustrated individuals are unlikely to participate in surveys.

How?

A team of up to five external facilitators conducts interviews over 4 days. One facilitator can do about four interviews of 45 minutes per day. This results in more than 60 interviews with public officials and businesses.

We suggest doing slightly more business interviews than municipal interviews. Consulting an organisational chart and senior management helps to identify municipal interview partners across all management levels. Consulting the major business membership organisations helps to identify a number of interview partners from the private sector. We suggest, however, not to determine all interview partners at the beginning, but to follow the leads uncovered in the course of the interview process. For instance, if a businessperson mentions a red tape issue, determine with other businesses from the sector whether they experience the same problem.

The template below provides all the necessary questions for the interviews. Each interview is captured with this template. Let the team determine what the best interview style is. A short sharing and learning session before and after the first interviews determines which methods lead to the best insights.

What next?

After each interview day, the team and the programme champions gather to share and compare the insights. "Who has been interviewed?", "What are the identified red tape issues?", "Who is involved in these issues?", and "who needs to be interviewed next?" are guiding questions for these mini workshops. They allow to flexibly manage the interview process and keep all interviewers updated on the latest findings.

Disclosure of personal details and statements	☐ **Yes** ☐ **No**	**Name, organisation, position**	
Contact details Cell, Email, Address		**Description of organisation, or function**	
"What have you heard about the RTR programme?" Provide more information if necessary			
"What red tape issues have you experienced in recent months?" **"Are others experiencing the same red tape issues?"**			
"Are you willing to support the programme?"		**"Who else should we speak to?"**	

4.12　Tool 5: Hypothesis workshop

What must be done?

The interviewers, the process facilitator and the process champions assess the results of the municipal and business interviews in a hypothesis workshop immediately after the interviews. The results are treated as preliminary findings, as only the unpacking of the issues reveals the full information. The workshop leads to a written recommendation on which red tape issues to prioritise for implementation, which is considered by the decision makers of the programme.

How?

We suggest organising the workshop according the following steps:

Step 1: Prepare a large table or several pin boards, and then create a section and label for all red tape issues identified during the interview process.

Step 2: Write a short problem statement for each red tape issue, and allocate cards with the names of all interviewees who have raised this issues, separated according to public and private sector. Highlight those people who are willing to support the RTR programme on an issue.

Step 3: Add the names of the managers and officials who are responsible for or working on the red tape issues in the municipality. Highlight those who are willing to support the RTR programme.

Step 4: Determine those red tape issues with the best overlap between the public and private sector and the best support from the stakeholders.

Step 5: Apply the prioritisation tool in Table 2.1, chapter 2.3 to this selection and determine which issues have the best chance for success.

What next?

Write a recommendation on which red tape issues to prioritise for implementation. The bodies that need to approve the selection – already identified in the preparation of the process dimension of the management system – then meet and take a decision immediately. The resulting selection of red tape issues is communicated to all stakeholders involved in the programme so far, using the established communication processes. A public announcement in the local media is advisable, particularly if further private sector stakeholders need to be mobilised for the next steps.

4.13   Tool 6: Check list for diagnosis workshops

Before the workshop

- ☐ Plan the facilitated workshop based on the tools in chapter 2
- ☐ Have the plan approved by the programme decision makers
- ☐ Determine which public and private sector stakeholders need to be part of the workshop
- ☐ Ask some businesses and officials what an appropriate workshop date and time is
- ☐ Book a large enough venue that suits the invitees, with lots of natural light and without tables
- ☐ Organise facilitation material, like pin boards, cards and markers, as well as catering
- ☐ Write an invitation with all the relevant information (what, why, how, when, where) and send it to the selected stakeholders
- ☐ Call the invitees a few days later and ask them whether they will participate. Provide additional information, if required
- ☐ Two days before the workshop, send a reminder SMS to the invitees. Repeat this a few hours before the workshop
- ☐ Prepare the room, if possible the day before the workshop, and make sure catering and materials are ready.

At the workshop

- ☐ Be there well before the workshop starts and do last preparations
- ☐ Personally welcome the participants when they enter the room
- ☐ Start on time, even if not all participants have arrived yet
- ☐ Facilitate the workshop based on the plan, or on a flexible basis according to new insights
- ☐ Take pictures of participants during the workshop
- ☐ Make sure next steps, tasks, responsibilities and timeframes are determined towards the end of the workshop
- ☐ Ask the participants who else should have been at the workshop
- ☐ Thank participants for their support and close the workshop on time
- ☐ Take pictures of all workshop outputs, pack materials and clean up the venue

After the workshop

- ☐ Write a short but concise workshop report within 24 hours, include the pictures as references
- ☐ Send it to all participants for their perusal or comments and thank them again for their support
- ☐ Oversee the implementation of tasks and involve additional stakeholders (if applicable).

4.14 Tool 7: Health Check for change processes

The health check, provided by Ivan Overton from ChangeWright, is an Excel spreadsheet that contains a list of possible items to consider when assessing the health of your change initiative. It is intended to be completed by those facilitating and/or leading the change, during a session specifically scheduled for this purpose. Two to three hours should allow adequate time for some discussion and debate. One can also add own items by inserting rows or modify/delete the existing items as appropriate. Download the full tool at http://www.change-management-toolbook.com (registered users only).

	++	+		-	--	
There is an explicit internal sponsor for the change process.						There is no explicit internal sponsor for the change process.
There is an effective and explicit performance management process which is fully aligned with the change initiative						There is no effective and explicit performance management process, or if there is, it is not aligned with the change process.
There is adequate organisational capacity to deal with the current change initiative.						There is inadequate organisational capacity to deal with the current change initiative.
There is a documented case for change, which is brief, clear, logical and compelling, and is well-accepted within the						There is no case for change, or if there is, it is too long, vague, confusing, and/or irrelevant.
There is a definite and formal process in place to identify all the risks related to the change process.						There is no definite or formal process in place to identify all the risks related to the change process.
There is a common acceptance among employees that the status quo is not desirable and that change is necessary.						There is a common perception among employees that the status quo is desirable and that change is not necessary.
There are well-monitored processes in place to manage the risks related to the change processes.						There are no processes in place to manage the risks related to the change process, or such processes are not well monitored.
There are people from within the organisation who are accountable for the change management process.						Nobody from within the organisation is held accountable for the change process.
The strategy and strategic vision is clearly and effectively communicated to all employees.						The strategy and strategic vision is not communicated very clearly or effectively to all employees.
The sponsor markets the change process on a continuous basis in a very visible way.						The sponsor does not market the change process on a continuous basis or in a visible way.
The sponsor has the support of senior management regarding the change process, and is also well-respected within the						The sponsor does not enjoy the support of senior management regarding the change process, or is not well-respected within
The sponsor has taken ownership of the change process.						The sponsor has not taken ownership of the change process.

The organisation has a history of largely successful change initiatives.						The organisation has a history of failed change initiatives.
The likely impact of the change is well understood by all involved.						The likely impact of the change is poorly understood by many of those involved.
The communication programme uses several channels of communication, and the effectiveness of communication is						The communication programme is dependent on one or two communication channels only, or the effectiveness of
The communication programme is creative, easy to understand, and well-executed.						The communication programme is dull, confusing, or poorly executed.
The communication programme is based on honesty and transparency.						The communication is not honest or transparent.
The communication programme elicits interaction and encourages open feedback.						The communication programme does not allow for interaction or open feedback is not encouraged.
The change process is visibly supported by senior management.						Senior management do not visibly support the change process.
The change process is managed through a formal, well-documented and focused overall plan.						There is no formal, well-documented or focused overall plan, or the change process is not managed according to it.
Systems and processes have been put in place to support people during and after the change process.						There are no systems and processes in place to support people during and after the change process.
Stakeholder issues and needs are explicitly accommodated in the change process.						Stakeholder issues and needs are not accommodated in the change process.
Major issues and needs have been identified and documented for each significant stakeholder.						There has been no identification and documentation of major issues and needs for significant stakeholders.
Individuals who are responsible for the change initiative have a very good understanding of typical human emotional reactions						Individuals who are responsible for the change initiative lack understanding of typical human emotional reactions to change,
Employees understand how they personally will benefit from the change process.						Employees cannot see how they personally will benefit from the change process.
Employees understand how the business will benefit from the change process.						Employees do not understand how the business will benefit from the change process.
Employees have an excellent understanding of how the change process relates to the organisation's strategy.						Employees do not understand how the change process relates to the organisation's strategy.
Change initiatives usually result in lasting change which is well-supported by appropriate internal systems.						Change initiatives are not followed through and often "fizzle out" after the initial spurt of activity.

Change agents are well trained and understand their role.						Change agents are not well trained and/or do not understand
At present, there are no other major change initiatives happening in the organisation, or if there are, they are limited						At present, there are many other change initiatives happening at the same time in the organisation.
All the stakeholders in the change process have been identified in a formal manner.						There has not been a formal identification of stakeholders in the change process.
A well-organised communication programme is in place to support the change process.						There is no communication programme in place to support the change process.
A network of change agents is in place to support the change process.						There is no network of change agents in support of the change process.
A formal system is in place to track those individuals who find it difficult to cope with the change process.						There is no formal system to track those individuals who find it difficult to cope with the change process.
A detailed and formalised implications analysis has been undertaken for the areas affected by the change process, or if						No detailed and formalised implications analysis has been undertaken for the areas affected by the change process, nor is

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