

NDIS readiness and beyond

Designing new NDIS readiness supports with and for providers to deliver on the ambition of the NDIS



*“We realised that to be
‘NDIS ready’ is more about
understanding ourselves as
an organisation, and our
clients’ needs, not just
about getting processes in
place.”*

– Manager, Disability Provider



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The Fay Fuller Foundation

This work has only been possible with the generous financial support of the Fay Fuller Foundation. Both TACSI and TDi would like to thank the Foundation for its commitment to making an impact for people with disability.

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A summary

Executive summary

The National Disability Insurance Scheme (NDIS) is one of Australia's largest social policy reforms. Its promise is to support a better life for hundreds of thousands of Australians with a disability and their families and carers.

Crucial to the NDIS delivering on this promise is the readiness of the suppliers of disability services to operate and excel in the new, consumer-directed funding environment where people with disability get to choose the services they want.

If the supply of high-quality services is not there, offerings may not extend beyond basic needs (let alone fulfil the aspirations of people with disability). If these services are not supported by viable business models, services and service providers may be forced to close.

Making the change from an environment of block funding to a 'marketplace' of disability services means the changes service providers need to make are large – and they need to be made quickly.

Full implementation of the National Disability Insurance Scheme is scheduled to start as early as 1 July 2018.

With the generous support of the Fay Fuller Foundation, The Australian Centre for Social Innovation (TACSI) and The Difference Incubator (TDi) worked with 18 disability providers in South Australia to assess their *NDIS readiness* and design ways to accelerate readiness across the sector.

Providers told us that typically, NDIS readiness workshops focus on providing information and resources to support organisations to adjust their essential business structures. However, providers are struggling to shift their organisation's relationship to people with disability - from a client relationship to a customer relationship - and to develop sustainable business models to underpin this relationship, service delivery and their organisational sustainability.

The providers we worked with were committed to the goals and values of the NDIS, and were aware of the challenges involved in shifting their service models, cultures and business systems. However, despite this commitment, we found significant shortfalls in levels of preparedness, and access to capacity and resources to get prepared. In our rapid assessments of NDIS readiness, which focused on preparedness to deliver customer-driven business models:

- No provider was assessed as having a 'strong' level of readiness.
- 40% of providers were assessed as being 'moderately prepared.'
- 60% of providers were assessed as being 'poorly prepared.'

We found organisations would be more prepared for the NDIS if they were better equipped to develop desirable, feasible and viable business models and if NDIS readiness activities were structured to lead whole organisations through a journey of transformation.

Based on these findings, TACSI and TDi worked with the providers to prototype an alternative approach to accelerate NDIS readiness and build a constituency of organisations thinking differently about NDIS readiness.

This report recommends that funders seeking to fulfil the ambition of the NDIS focus on targeted capability building that can unlock future savings and greater social outcomes.

For service providers, the report addresses prominent issues including how to understand the needs of their future customers, how to define a unique offer in a competitive marketplace and how to sequence change across their organisation.

In our work, we found service providers openly acknowledging the gaps in their approaches to readiness and re-committing to an effective transition to the new system.

About this report

This report provides disability service providers and funders of capability building with insights into organisations' preparedness for the NDIS, their perceptions of existing NDIS readiness offers and opportunities to supplement those offers.

For funders we provide an overview of a new 'route to readiness' designed with providers and drawing on elements of human-centred design, business modelling and change management. For providers we provide a set of practical resources and five deceptively simple questions to structure their journey to readiness and beyond.



Watch the video

You can watch disability providers talking about their experience in the prototype capability building sessions here: tacsi.org.au/projects/ndis-ready

Thanks

A particular thanks to the providers that were involved in the rapid consultations and prototyping for their participation and honest feedback.

Key findings

To realise the ambition of the NDIS, disability service providers need the capability to develop new services grounded in the needs and aspirations of their customers, supported by feasible business models that are financially viable.

In this project, TACSI and TDi have:

- Worked closely with 18 (of approximately 150) providers in South Australia, large and small, not-for-profit and for profit - directly accelerating their NDIS transition and building a cohort of South Australian providers thinking differently about NDIS readiness.
- Assessed the readiness of those 18 providers to develop and deliver customer-centred services.
- Developed insights into what NDIS readiness means at different levels of an organisation.
- Explored providers' experiences of existing NDIS readiness workshops and programs.
- Designed and prototyped four new and novel models of NDIS readiness support, including low-cost models.

We found that disability service providers are not well equipped to efficiently develop customer-centred services and are unfamiliar with approaches commonly used in commercial environments to do the same. However, even in the space of our rapid prototyping, we saw that introducing approaches from human-centred design, business modelling and change management created real value for providers, enabling them to make significant progress on their NDIS journey.

While many existing NDIS readiness offers are building necessary knowledge, they are insufficient to enable providers to understand their customers, develop viable business models and deliver services that realise the ambition of the NDIS. Further, it appears that some NDIS readiness offerings framed as customer or business focused seem to be addressing issues out of sequence. For example, we heard of workshops that focused on developing marketing materials without first helping providers understand their customers and workshops that focused on the design of back-end systems without first designing front-line service and staffing models.

In this project, we set out to answer the following questions:

- How ready are providers to develop desirable, feasible and viable business models?
- What are providers' perceptions of existing NDIS readiness offers?
- What capabilities do disability services providers need to build to be NDIS customer ready, and could concepts commonly used in the commercial sectors be helpful?
- What format will capability building need to take to be effective?

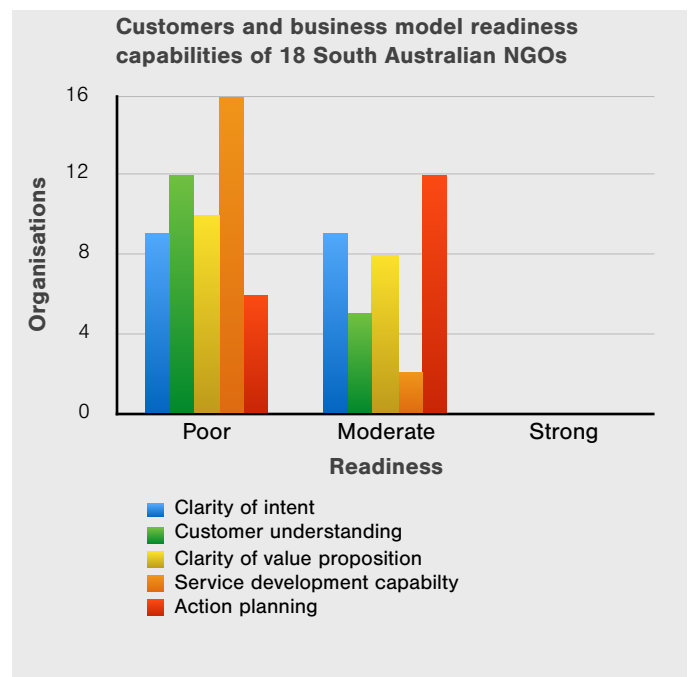
How ready are providers to develop desirable services and viable business models?

We conducted rapid assessments of 18 South Australian disability service providers, large and small, for-profit and not-for-profit, established providers and new entrants using a five-component capability framework that TACSI and TDi regularly use to assess organisations seeking to become viable social enterprises.

Out of a group of 18 providers who had chosen to be part of the program, no provider was assessed as having a 'good' level of readiness. We assessed 40% of providers as moderately prepared and 60% as poorly prepared.

Most providers we spoke to:

- Struggled to articulate a clear intent for their business
- Had only a generic understanding of their customers
- Had a poorly articulated value proposition for their customers
- Did not have the capability to test and prototype new models
- Were taking action to get NDIS ready but in a sporadic and poorly sequenced way.



What capabilities do providers need to build to be NDIS customer ready?

Our hunch at the outset of this project, informed by experience, was that human-centred design and business modelling approaches commonly used in the commercial sector to build customer-focused businesses could help disability providers become NDIS ready.

Indeed, providers told us they saw real value in these capabilities; however, the providers also consistently brought up the challenges they faced engaging frontline staff in the transition. So to complement human-centred design and business modelling, we identified a need to integrate some of the key practices of change management.

Thinking from human-centred design enabled providers to understand their customers in a more nuanced way:

“it has really focused us on our organisation and our value proposition for our clients [...] our clients aren’t a homogenous group and they are segmented and there needs to be a value proposition for each segment.”

Using the Business Model Canvas promoted fundamental questions for many providers:

“The revelation for me is who is the customer, who are we serving as an organisation?”

Tools from change management helped turn the abstract and complex process of organisational change into practical actions.

“gave us permission to think of the possibilities, rather than focus on the challenges. I found the strategies for engaging our staff on the journey really useful.”

In summary, for disability service providers to develop sustainable business models under the NDIS, i.e. to develop compelling offers for their customers - they will need to build their capability in five main areas:

- Develop a clear articulation of their organisation’s intent.
- Gain insight into the unmet and under-served needs of their customers.
- Determine their value proposition to customers and their fit in the marketplace.
- Model, test and refine their business, taking into account what’s desirable to customers and what’s viable as a business.
- Understand the needs of middle managers, back-office and front-line workers and take them on a journey of change that assists in a smoother transition to the NDIS.

What format will capability building need to take to be effective, and how does this compare with existing NDIS readiness offers?

To be effective, we believe support needs to be:

- **Tailored:** Sensitive to a provider’s current state of NDIS readiness, flexible to accommodate an organisation’s priority needs and paced with an organisation’s rate of progress.
- **Generative:** Sessions to help providers develop new knowledge about their customers, value propositions and business models.
- **Sequenced:** For efficiency and effectiveness, activities need to happen in the right order - starting with a focus on organisational intent, then customers’ needs, then building a business model and enabling the cultural change to fulfil those needs.
- **Layered:** Capability needs to be tailored to the different layers of the organisation while also building the organisational capabilities to transfer knowledge between layers. We think content and form of capability building would need to be differentiated for the following groups: board and executive, middle managers, back-office teams and front-line teams.
- **Multi-modal:** Capability building activities should employ a variety of formats to meet the needs of different people, organisations and budgets including rapid workshops, intensive courses, ongoing coaching and peer support models.

Table: Comparison of support models

Characteristics of proposed support models	Common characteristics of existing models of NDIS readiness support
Tailored	Same experience of all organisations regardless of stage or priorities
Generative	Informational, informing organisations about the NDIS
Layered	Single stream offering, usually attended by middle managers
Sequenced	Themed offerings inappropriately sequenced, e.g. marketing, CRM, processes, HR & recruitment
Mult-modal	Large workshops or one to one support from consultants from organisations that can afford it.

Recommendations

Recommendations for funders

Funders play a crucial role in these early and transitional phases of development of the NDIS. There is a great need for catalytic funding across the sector (rather than provider by provider) that enables targeted capability building work that then goes on to unlock future savings and greater positive social outcomes.

Funders seeking to make the ambition of the NDIS a reality should fund capability building activities that enable providers to understand their customers better, build feasible and viable business models and align and support staff to deliver through these changes.

Approaches from human-centred design, business modelling and change management, which have been proven in the commercial sector, provide an approach to do this and all have tested very well with South Australian providers.

For maximum effect, capability building activities need to be: tailored, generative, layered, sequenced and multi-modal. Given the limited funds available, we see particular potential in peer support models, within and between providers. This could also foster greater collaboration and spark the partnerships that many providers will require to be viable.

Peer-to-peer capability building not only provides a path to impact at a lower cost but, based on our prototyping, could improve the quality of learning experience for participants.

Recommendations for providers

Disability providers seeking to develop new services that are desirable to customers and viable business models should seek support and draw on existing tools to help answer these five deceptively simple questions, in sequence:

1. What is our organisational intent?
2. What do our customers want and need?
3. What is our value proposition to our customers?
4. How do we realise our value proposition through our business model?
5. How do we align our organisation to our intent and new service models?

Here are some of the key messages we worked through with organisations participating in our prototype:

- **Articulate your organisational intent:** Clearly articulating your organisational intent will ensure you have a clear purpose to underpin all your organisational thinking and activity.
- **Understand your customers:** Understanding your potential customers and what matters to them is the only way to develop services that will be desirable. It will no longer be enough to assume that your organisation 'knows its customers' without robust customer engagement and participation in designing, shaping and reviewing service and product offerings.
- **Focus on your unique value proposition:** Get really good at delivering specific services to specific customer groups, and seek the partners who can complement your offerings and values. No provider can be good at delivering everything to everyone, and increasingly such claims will seem hollow and lack credibility. Organisations need to develop expertise in their core offerings and be prepared to 'retire' the parts of their business that they are not so skilled, equipped or interested in delivering through divestment or simply cessation. Customers will respect and trust providers who are honest about what they can and cannot deliver, and who can offer effective signposting to other options that meet people's needs better.
- **Align and support your staff to deliver:** The scale of change for staff under the NDIS will be at least as dramatic as the change for people with disability. New kinds of demand from customers will mean that staff can expect changes in role, skill set, culture and behaviour. For a time there will also be uncertainty about what these changes will be. Organisations need to understand their staff's readiness and support the personal, professional and emotional dimensions of the change journey. Focusing on training and skills development alone will be insufficient.

Conclusion

We will only realise the ambition of the NDIS - to enable all people with disability to thrive - *if* we foster the creation of a new generation of services and business models founded in the aspirations of people with disability and viable under the NDIS.

Currently, disability providers are not well equipped to build a deep understanding of their future customers, or to develop viable business models that respond to that need. But the tools to do this are available, and our experiments in South Australia show that providers see real value in their application. Organisations and funders of sector capability building now need to prioritise a focus on understanding customers, service innovation and business model innovation to ensure impact and sustainability.

The opportunity

If the NDIS is a success, it will create futures that were previously unimaginable for people with disability. To achieve this, we need to raise the bar on what constitutes NDIS readiness to include the capability to develop customer centred services and business models. To realise the ambition of the NDIS, we also need to create the conditions that will allow market defining 'lead innovators' to emerge.



NDIS readiness and beyond

This report explores the NDIS readiness of disability service providers and suggests how that can be accelerated.

Our recommendations for readiness extend beyond simply preparing providers to function in a new system; they aim to enable providers to deliver on the ambition of the NDIS - to enable a genuinely better quality of life for people with disability. To do that the NDIS will need to work with the aspirations of people like George, Dave, Rhonda, Belinda, Pat and Les.

George is looking for any opportunities to work - he has skills, is motivated, has qualifications - he just needs an employer who is prepared to give him a chance. **Dave** would like to get up at midday and spend the afternoon in town, the evening on his computer and go to bed at 4 a.m. **Rhonda** would like to run her own business and study at university. **Belinda** would like to live in her own home with people she likes and a few pets. **Pat and Les** would like their daughter to live independently, make friends, find a job and live a fulfilled life.

We will know the NDIS has reached its potential when it is enabling futures that were previously unimaginable for people with disability. Achieving this will take services that challenge the norms of what we've come to understand as 'disability services'.

The NDIS funding environment changes the game for providers and people with disability but a new set of rules alone won't help either perform at their best. Creating the conditions of an individualised market may shift what's on offer and what people ask for but it might not drive the creation of that ideal future quite as quickly as we would like.

A tentative reception for the NDIS

Over the last two years, TACSI and TDi have worked with people with disability and disability service providers across Australia. We've found both groups tentative in embracing the NDIS. For people with disability - their enthusiasm for what the NDIS stands for is tempered with frustrations with the bureaucracy and a disbelief that providers themselves can deliver. As one person told us:

"There is no guidance with it, and there's so many stories and so many variations, that nobody knows what's what."

Similarly, providers whilst enthused about the potential of NDIS are also frustrated by the bureaucracy, the lack of clarity and are even critical of their own capability to achieve 'readiness'. As one told us:

"We are designing the future in the dark. No one really knows what the reality will look like on the ground, so we are making it up on the best evidence we can find. I'm not entirely sure we will make it when it all comes down to how we stretch from the present to a future we don't entirely understand".

This all makes a lot of sense. Historically, people with disability have had to work hard to get the best they can - too often with less choice and more of a battle than they would like. Providers have been conditioned too, on the one hand to serve government as a customer and on the other hand to lobby government for more resources and a wider set of options.

What needs to change?

Making sense of the NDIS and making services and organisations work under the NDIS is a starting point. The real shift is the shift in mindsets and capabilities required to realise the aspiration of the NDIS - for providers and people with disability alike.

People with a disability, their families and advocates will need to learn to become astute customers of services. They will need to understand how to configure an assortment of different services to support their needs and aspirations.

This is not a small ask for many people who have to date experienced little choice and control over services; this will be an even greater challenge for people with profound disability that may not exercise direct choice and control in any aspect of their life. Under the NDIS there is a real risk that the most vulnerable will stand to gain least - unless we explore new ways to enable choice and control for people with profound disability.

Service providers will need to become astute developers and deliverers of new services that are founded on the aspirations of people with disability. To achieve this they need to form a different relationship with people with disability, re-orientating to people with disability as customers as well as beneficiaries. They also need to re-calibrate their own organisations to deliver what customers want and need (as well as shaping customers' perceptions of what's possible and desirable). This will require a very different kind of capability to what's served providers well in the past.

“Market conditions do not automatically create compelling options for customers. That is down to the enterprising behaviour of providers in the market.”

Market conditions create the playing field for companies to compete for customers with propositions that best meet their needs and desires - but they do not automatically create compelling options and choices. This is down to the enterprising behaviour of the organisations that seek out unmet wants and needs and shape and deliver new products and services. Consumer demand did not directly create Uber or Airbnb; consumers may have been frustrated with existing services but it was enterprising organisations that spotted those frustrations, built compelling propositions in response to them and in turn shaped consumer preferences to want more of their services.

In the last decade the world of product and service development has been transformed by the democratisation and refinement of some now common tools - the *business model canvas* as a tool for designing effective business models and human-centred design as an approach of working with customers to design services they want and need. These approaches have enabled organisations to reduce the cost of new product development, manage risk and accelerate time to market. They have been widely embraced by organisations who obsess over creating value for their customers (and their shareholders).

Readiness and beyond

If we equip providers with the best approaches to innovation they can avoid making the mistakes failed businesses and social enterprises have made before them, e.g. assuming that they know their customers when they don't or investing in new service offerings without testing them and pursuing business models that eat away at the bottom line.

We can raise the bar on what it means to be NDIS ready - so that basic readiness includes expectations that providers can learn from potential customers, test assumptions about new services and build sustainable business models.

Alongside building innovation capabilities across the sector, funders also need to create the conditions for lead innovators to emerge and effective innovations to spread.

Not every disability provider needs to develop cutting edge services. Most industries rely on just a few 'lead innovators' to define new services in the market and influence what others do. Providers will need to decide whether they want to be an innovation leader or a follower - there are viable and worthy business models for each - but it is the 'lead innovators' that will be the most influential in the delivery of the NDIS promise.

A readiness to work with customers to co-create breakthrough services and business models is the kind of NDIS readiness that is going to contribute to outcomes for people with disability and the ultimate success of the NDIS.

People with a disability and disability providers have always demonstrated ingenuity in the face of adversity. And they will again in an NDIS environment.

There are few sectors that hold the people they serve with such high regard as the disability sector. With the right approach, what providers will create when they partner with George, Dave, Rhonda, Belinda, Pat and Les we can't predict. And that's the point. What we do know is that with the right kind of help they could get there faster, with fewer avoidable mistakes and better outcomes for all as a result.

The current situation

Are providers ready to develop and deliver new kinds of services that will meet the needs and aspirations of people with disability? How helpful do providers find existing NDIS readiness supports? We provided rapid consultations to 18 disability providers in South Australia. We heard how ready they think they are, we assessed how ready we think they are and they shared their views on existing NDIS readiness workshops and programs.



How ready are providers?

We conducted rapid consultation and assessment sessions with 18 South Australian disability service providers, large and small, established providers and start-ups, for-profit and not-for-profit. We wanted to establish how ready these providers are and identify how they could be supported to improve their readiness. We also tested tools that we had developed based on our prior experience of working with disability providers to get early feedback on helpful capability building. There was an extremely positive response.

*“The setting and focus just on us, the diverse views and approaches of the group was excellent”
- Manager*

*“They were able to ask valuable questions and identify specific areas of the business to concentrate on. A great opportunity for a third party sounding board to discuss thoughts and ideas for the business.”
- Service Manager*

Methodology for rapid consultation and assessment sessions

We contacted 35 providers by phone and email, with others finding out about the consultations via the TACSI Facebook page and sector e-bulletins. Of those contacted, we had 26 who expressed an interest in participating, with 19 being available to attend on the dates being offered. Eighteen did participate - one needed to withdraw at the last minute due to an urgent organisational issue. In total, 31 people attended the consultation and rapid assessment sessions and the breakdown of those who attended across the 18 providers is outlined below:

Board member	CEO	Senior manager	Service manager	Entrepreneur (Start up)
4	3	10	12	2

Assessments with providers took 1.5 hrs, and organisations were asked to prepare some work in advance to enable us to discuss their overarching organisational intent, their self-assessment of their NDIS readiness, their most critical points for change, and their current understanding of their customers and beneficiaries. The consultation and rapid assessment sessions were conversational in nature, using the prepared information as a springboard to dive more deeply into the NDIS readiness journey. Each individual session was worth approximately \$1,500 of consultancy time.

After the consultations we analysed the transcript and data gathered to identify the positioning of each provider in relation to NDIS readiness across five capability measures.

How ready do providers think they are?

At the outset, service providers explained how they thought they would fare in the transition to the NDIS, given their current models and service lines. The biggest concern was around cash flow and revenue streams, given the shift from block funding, with some more positive than others regarding the impact NDIS would have. For all the providers we spoke to, the NDIS is something they welcome at a values and ideological level. However, the scale of the change and the risks bearing on their organisations seemed to be influencing many of them to be conservative and risk averse in outlook - making the full potential of NDIS hard to realise.

We asked all providers to complete a preparatory exercise. We were struck by how challenging many found it. Around a quarter prepared the work as requested. Half were unable to complete it due to time constraints or brought us other materials that they had already produced (e.g. action plans or strategic plans). A quarter brought us the work we had requested but with significant gaps, most notably the parts where we had asked them to self-assess their NDIS readiness.

The main areas that providers felt they needed to attend to to be NDIS ready were process and systems, staffing issues (roles, recruitment and culture) and customer-centric service models.

Those who felt more optimistic about the opportunities of the NDIS also saw the need to help NDIS participants get the most from the service.

About 50% of providers we spoke to were very preoccupied with the sense of increased competitiveness in the sector, leading to a need to guard and protect 'IP'; a small but significant percentage saw new opportunities ahead to build strategic partnerships for better outcomes for people with disability, but most of these doubted the ability of the sector to embrace collaboration fully, citing 'ego' and suspicion as significant barriers. While several providers said they were keen to partner to increase value for participants, only one provider we met was doing this in a strategic way - through the building of an 'ethical alliance' of like-minded yet complementary providers.

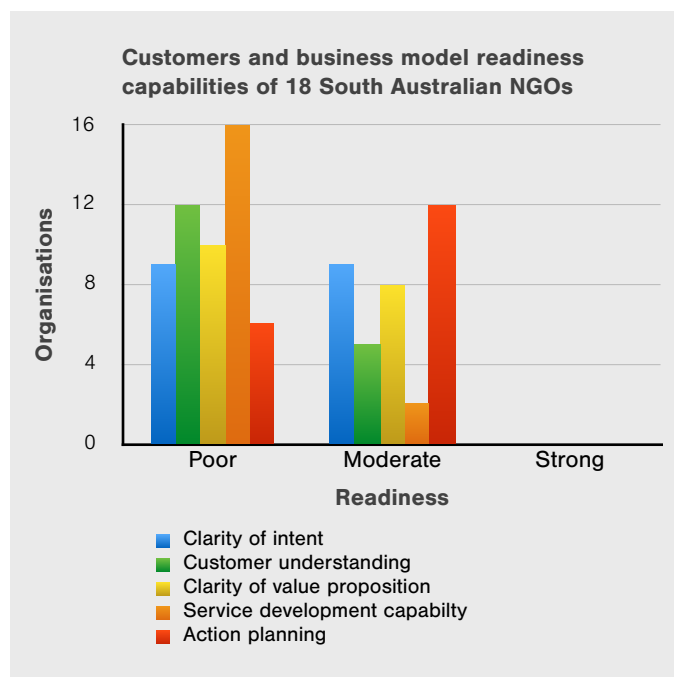
Rapid assessment results

Out of a group of 18 providers who had chosen to be part of the program, no provider was assessed as having a 'good' level of readiness. We assessed 40% of providers as moderately prepared and 60% as poorly prepared. This assessment was based on data gathered throughout the course of the conversation, based on the responses given to key questions and the data received in advance.

Most providers we spoke to:

- Struggled to articulate a clear intent for their business
- Had only a generic understanding of their customers
- Had a poorly articulated and undifferentiated value proposition for their customers

- Did not have the capability to test and prototype new models in collaboration with their customers & staff
- Were taking action to get NDIS ready but in a sporadic and poorly sequenced way.



From what we have seen, the sector is on a trajectory to create incrementally better disability services rather than deliver services that fulfil needs and aspirations in new, surprising and effective ways.

Clarity of intent

We found that providers generally lacked clarity on the intent of their organisations; this is likely to be a hindrance to the development of strategy and effective decision making.

Customer understanding

For the purposes of developing business models, we defined a customer as anyone making active decisions about buying a service. In an NDIS environment, customers may include people with disability, families and friends providing care as well as intermediaries such as planners or advocates outside of family/friends.

The range of 'customers,' with an ability to influence whether or not revenue flows into the business, presents a particular challenge to service providers. Not only are providers moving to a customer-driven model, they are moving to a model where there are many customers doing the driving.

While all providers recognised the need to engage better and understand their customers more deeply, most were reliant on methods such as customer surveys and formal feedback mechanisms rather than on more nuanced and insightful methods such as in-depth interviews, observation and

generative research approaches which draw customers into the conceptualisation and design of services.

We met with only two providers who were actively trying to understand customers from a behavioural and values perspective to inform their business model. Even these two providers admitted that their ability to uncover and apply customer insights was relatively limited.

An effective transition into NDIS would see providers build a capability to understand and respond to the range of active decision-makers, tailoring their offerings accordingly and ensuring clearly differentiated offerings are articulated, offered and delivered. Providers need to understand who they need to influence to ensure their services are sought out. In this regard, relationships with these customers, and the channels used to influence or inform them are a key element of the transition to NDIS. Most providers did not know how they were going to address this gap.

Clarity of value proposition

In our consultations, none of the provider were able to articulate a strong value proposition that would differentiate their offerings from other providers.

More than half told us that their point of difference was taking on “the really challenging clients” and they did not see a need to articulate a more nuanced value proposition than this. Assumptions abounded that providers’ reputations would be enough to draw customers to them in the future. This assumption is risky in a context in which people with disability will be exercising choice between providers offering very similar services. Historically, there hasn’t been a pressing need for disability providers to be clear on why customers might engage with them over others. The move into the NDIS will change this.

For providers to develop a differentiated value proposition, they first need to have a better understanding of their customer segments. Many providers suggested that marketing and branding were a significant part of their transition process but we believe understanding their value proposition with their clients should come first.

Service development capability

Most providers we met with believed that in the future, NDIS participants may look for very different services and products. However, in the short term they believed that they needed to stick with their core offerings as this was what people knew and would ask for from their planners. About half of the providers we spoke to held the assumption that most participants would stay with their current providers for 18 months before considering new options. It was unclear where this statistic had emerged from, but it was widely accepted.

Nearly half of the providers expressed a desire to create new services and products but were concerned that doing so might lose them business. They were particularly concerned about being able to package new offerings well, ‘sell’ them to people with disability and their families, and ensure that they were on

the radar of planners. This uncertainty led many providers to a place of risk aversion - curtailing innovation and creativity.

The fact that most providers are still relying on rigid feedback channels, such as surveys, to understand their customers is limiting their capability to develop truly customer-centric services and products. They currently have few channels for direct participation of customers in service development or testing.

Action planning

The rollout of the NDIS has spurred a lot of activity - we wanted to ascertain what this looked like at the individual service provider level. All providers we met with had specific streams of work to address their NDIS readiness and all but two had been to at least one NDIS readiness workshop.

However, the analysis of the pre-prepared materials and the subsequent consultations suggested there was little that was significantly different in the form of this NDIS action planning compared to pre-NDIS action planning. The main areas of focus seemed to be the development of back-office systems and marketing - without first having a foundational understanding of organisational intent and the providers’ value proposition to future customers.

Workforce and culture

Readiness of workforce and organisational culture was not part of our initial assessment, but came through as a strong theme.

Most service providers spoke about the challenges of hiring the right people and taking existing staff on the change journey. They all saw their staff as their greatest asset and resource; however, they were still using pre-NDIS approaches to benchmarking and profiling staff.

A significant proportion of providers also believed that there was a qualitative difference required into the future in delivering personalised customer experiences. Even those aware of this future need were unclear how this would be possible on the low wages afforded by the sector. In the current climate of uncertainty, most were unclear exactly what the change required would mean for staff.

*“In this sector we’ve done a fantastic job of deskilling our staff. We’ve compartmentalised their roles and stripped away rather than adding.”
- Manager*

As things currently stand in the sector, there are significant structural barriers to hearing the voice of front-line staff, yet they are the most connected to the end users of services, exactly where we believe most providers need to grow their capability. In our experience, many of these staff are likely to have great insight into customer needs but currently these insights are not informing strategic decision making.

Providers' views on existing NDIS readiness offers

A number of providers commented on how different the rapid consultations and assessments from TAsCI and TDi were to other NDIS readiness sessions they had experienced.

From those consultations and through our sector research we understand that existing NDIS readiness offerings are characterised by:

- Full day, multi-day or interstate commitments: accessible to well-resourced providers that would have staff available to attend
- One generic offering for providers: not pitched at and bringing together different levels of the organisation or providing different kinds of learning experience, e.g. workshop only
- Focused on providing information and “answers” to the more structural elements of the NDIS and how it would work - often using information already publicly available
- Focused on transactional and business elements of the change required, e.g. marketing, CRM, accounting systems, rather than the cultural changes required
- Being very similar to pre-NDIS offerings: lack of tailoring or deep understanding of what the NDIS means for the sector
- Poor sequencing - e.g. a focus on marketing before designing products and services or a focus on back-end systems before understanding staffing models
- Lack of focus on joined-up innovation: any innovation methodologies offered are not combined with support to use them or a stepped out, logical sequencing
- One-to-one support delivered by consultants that are perceived as too expensive for smaller providers

Two aspects of existing readiness offers deserve further focus - they were the most commonly criticised - a tendency for sessions to provide information rather than build capability and business support that seemed poorly sequenced.

Information and answers

Providers found that many readiness workshops focused on providing information about the structural elements of the NDIS and how it would work but did not support providers in building a readiness to understand their customers, design new services and develop sustainable business models.

*“NDIS readiness for providers is very much based around process and forms and having everything in place.”
- Manager*

Providers told us how presenters at these sessions often seemed to be equipped only with information already publicly available and gave answers as if reading directly from the website. The providers we met in the consultations had a gut feeling that they needed something more, something different to the currently available programs.

Providers commented that the prototype sessions gave them something tangible to take away that they could continue to work on with their teams.

Sequencing

Providers described some NDIS readiness sessions as providing simplistic messages like ‘You need to have great brochures’, ‘You need a marketing strategy’, ‘Update your website’, ‘Do you have the right CRM?’

Many of these offerings that claimed to be business-minded or customer-centred appear to be putting the cart before the horse - e.g. a focus on marketing before understanding customers or a focus on back-end systems before understanding staffing models.

Project approach

What does it mean to be NDIS ready and what will it take to get providers there? To answer this question we experimented with some alternative forms of NDIS readiness capability building - rapid consultations and prototype support for four disability providers.



Prototyping readiness support with and for providers

Over the last two years, TACSI and TDi have spent time supporting providers across Australia to become NDIS ready: large NGOs, start-up social enterprises, community-based models and the NDIA itself. Our hunch at the outset of this project, based on our experience, was that human-centred design and business modelling capabilities, commonly used in the commercial sector to build customer-focused and sustainable businesses, would be helpful to providers seeking to become NDIS ready.

The consultation component of the rapid assessments validated this hunch. Organisations told us they saw real value in these capabilities; however, the providers also consistently brought up the challenges they faced engaging front-line staff in the transition. So to complement those tools, we identified a need for a set of tools related to the practice of change management.

Following the rapid assessments, we ran four prototype sessions over six weeks with a range of providers picked for their diversity. We wanted to test and refine our thinking as to what capability building would help providers.

The prototypes gave us a better understanding of the varying needs of different segments of learners and how the content and format of capability building will need to be adapted for each.

Methodology for prototype sessions

We deliberately selected a range of providers to participate in the prototypes. It was important for us to test if our prototypes would be relevant and useful for organisations in diverse contexts; be they small or large, rural or metropolitan, established or start-up, or solely focused on disability or with a multi-service focus.

Table: Profile of prototype participants

	Organisation			
	1	2	3	4
Employment services	X			
Care services		X	X	
Social support services			X	X
Metropolitan focus		X	X	X
Rural focus	X	X		X
Multi-focus provider				X
Disability-only provider	X	X	X	
Small provider		X		
Medium provider	X			
Large provider			X	X
Start up or newly established		X		
Established provider	X		X	X

The prototypes were held over a six-week period to enable service providers to apply their learning in between sessions and provide feedback as to what worked, what didn't and where they wanted more input; this also gave us time to revise and adapt content based on this feedback. The four focus areas for prototyping are outlined below, along with the key questions we wanted to answer and what we discovered through the journey.

Prototype Area 1

Focus	Strategic Intent
Key questions	How clear is the intent of the organisation? Can service providers articulate clearly the 'why' that drives them as well as 'what' they do? How well does this shape their business model and decision making?
Key prototype methods	TDI's intent frameworks.
Findings	No provider we worked with came into the process with a clearly articulated intent that flowed through into their business models, service models and decision making at every level of the organisation. We found that whilst many providers we worked with in the rapid assessment did not see the need to do this, the longer engagement afforded by the prototyping workshops led all four providers to do focused strategic work to address this and firm up a coherent and strong strategic intent.

Prototype Area 3

Focus	Business Model
Key questions	Do service providers have a desirable, viable and feasible business model? Are service providers equipped to develop business models that are desirable, viable and feasible?
Key prototype methods	Business model canvas.
Findings	Service providers found the simultaneous focus on developing a business model that stacks up financially, which aligns with what customers want and with staff capability was a powerful framing of the challenge before them. The interweaving and sequencing of these elements enabled us to kickstart a journey with the four providers that balanced all of these elements. We did not find that service providers had the resources or support to do this well in the current NDIS readiness options.

Prototype Area 2

Focus	Value Proposition
Key questions	Can providers articulate a clear value proposition for their services? How well do the value propositions of services align with the value sought by customers?
Key prototype methods	Value Proposition Canvas. Customer Journey Maps. TACSI Discovery tools (based on human-centred design methodology).
Findings	Service providers were able to articulate a comparative value proposition with reference to other current offerings on the market ("we are better than x provider at y service because we do z") but could not demonstrate that their services aligned closely with what customers genuinely wanted or needed to live the lives they wanted. Customer understanding on the whole was fairly generic and based on need and nature of disability rather than on behavioural or attitudinal factors.

Prototype Area 4

Focus	Workforce
Key questions	What are service providers doing to transform their workforce to be NDIS ready? How are providers planning to recruit the 'right' workforce into the future, and what does this look like?
Key prototype methods	ADKAR change management methodology. TACSI discovery tools.
Findings	Whilst all the providers knew things needed to look different, none had a well-articulated recruitment strategy or change management plan in place to ensure a suitably skilled, equipped and adaptive workforce to deliver within the NDIS. Some simple diagnostic tools to identify staff's change readiness and the nature of their resistance to change proved to be of value. Likewise, the work undertaken to understand the value proposition began to lay the landscape to determine in more definite terms what the skill set of the future needed to be for the NDIS workforce.

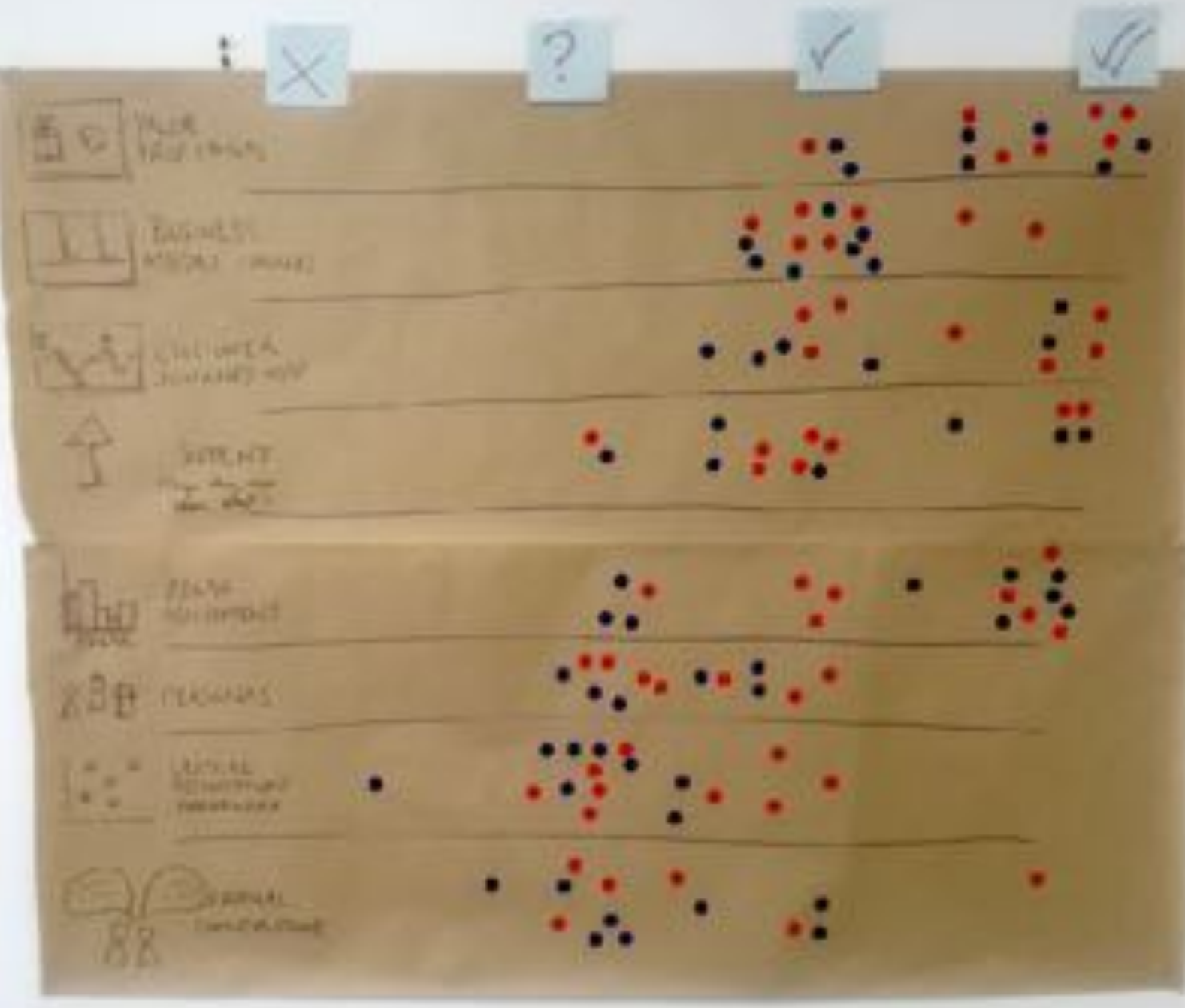


Image: Participants in the prototypes tried out using a number of different tools. This feedback shaped the design of the 'route to readiness' and the resources that are included in the last chapter of this report.



What worked

The service providers we worked with across the prototypes all reported new learning, insights and developing new skills as a result. The prototypes also shifted priorities for some providers.

Most providers had not seen developing organisational intent as a priority, prioritising work on back-office systems and processes. However, the focus we put on intent in the workshop was seen as very valuable by providers, after they had experienced that session:

“It gets you out of the clouds and day-to-day stuff and gets you to think about what your organisation is really about. For me, getting to the intent of what we are about is really important”

Many of the providers spoke about how the sessions prompted them to think differently about the relationship they have with their customers:

“To be NDIS ready is more about understanding ourselves and our clients’ needs not just focusing on systems.”

“The power of these workshops... has really focused us on our organisation and our value proposition for our clients. Now we are going, ‘Wow, our clients aren’t a homogenous group, and they are segmented, and there needs to be a value proposition for each segment.”

“The revelation for me is ‘Who is the customer? Who are we serving as an organisation?’”

“Rather than saying that we provide a service that we think they need, or prescriptively what we’ve traditionally

done, we will probably now focus more on what they want and what can be done.”

Others saw how this helped them take practical steps on a seemingly untameable task of NDIS readiness:

“This process has helped me clarify how. How is this going to help us to break down the barriers, how are we going to engage with the NDIS, who are we going to engage with for the NDIS for that opportunity to be really made tangible to be made real.”

“It’s a good thing getting CEOs and senior managers thinking about the front line a little better.”

What didn’t work

The prototyping also helped us discover what not to do. We tested some tools to help providers understand their staff, including a diagnostic tool to understand staff openness to uncertainty. This seemed like it would be useful given the current climate of change, but the four providers found it hard to understand what to do with the insights gathered. In contrast, providers found the ADKAR change management tool immediately useful. The service provider who gained the most benefit from this also sought on-site support to supplement their self-guided work between workshops. This indicated to us that the workshops were of greater benefit when supplemented with on-site mentoring.

We also tested out using staff personas to help providers understand staff motivations, needs and NDIS suitability more deeply. While providers could see their usefulness, the sequencing of injecting this methodology was too early in their readiness journey. We predict they would be more useful after work has been undertaken with staff and customers.

A new route to NDIS readiness

Here we consolidate our learning and set out a new approach to NDIS readiness supports that can be used as a template for sector-wide capability building. We also provide five deceptively simple questions and helpful resources to guide individual providers on their journey.

Content

To be effective, NDIS readiness support needs to cover the right content in an appropriate format to meet the varying needs of people within providers.

From our consultations and our prototyping, we found that for providers to be NDIS ready, they need to be competent in understanding their customers, developing a business model and aligning their organisation to intent. We used tools and thinking from human-centred design, business modelling and change management.

Thinking from human-centred design enabled providers to understand their customers in a more nuanced way:

“it has really focused us on our organisation and our value proposition for our clients [...] our clients aren't a homogenous group, and they are segmented, and there needs to be a value proposition for each segment.”

Using the Business Model Canvas promoted fundamental questions for many providers:

“The revelation for me is who is the customer, who are we serving as an organisation?”

Change management methods provided providers with tools and frameworks where they previously had none.

“gave us permission to think of the possibilities, rather than focus on the challenges. I found the strategies for engaging our staff on the journey really useful.”

In summary, for disability service providers to develop sustainable business models under the NDIS, i.e. to develop and deliver compelling offers for their customers - they will need to build their capability in five main areas:

1. Develop a clear articulation of their organisation's intent.
2. Gain insight into the unmet and under-served needs of their customers.
3. Determine their value proposition to customers and their fit in the marketplace.
4. Model, test and refine their business taking into account what's desirable to customers and what's viable as a business.
5. Understand the needs of middle managers, back-office and front-line workers and take them on a journey of change that assists in a smoother transition to the NDIS.

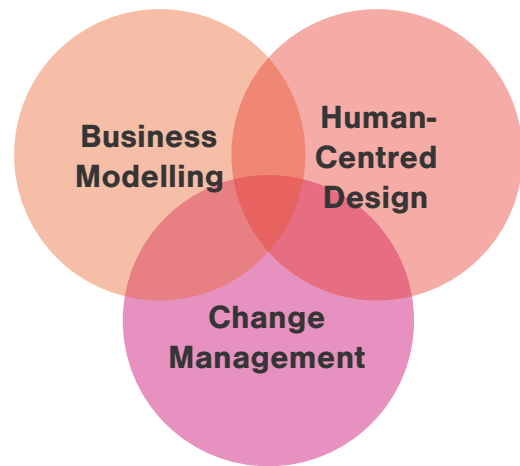


Image: Three components of NDIS readiness

Format

We believe that an effective offering needs to be tailored to where providers are now and to each level within the organisation to ensure that support is immediately relevant, phased appropriately and takes all parts of the organisation through a well paced and well aligned change process.

“It can seem so huge that you don’t know how to get there. So for us this process has been really useful in breaking it down into bite-size chunks, seeing what the barriers for us to embrace it have been, making tangible the steps along the way and working out what are the things our staff need to embrace that opportunity, what might be getting in the way for them to say, ‘yeah, NDIS is a good thing”
 - Manager

To be effective, we believe support needs to be:

- **Tailored:** Sensitive to an organisation’s current state of NDIS readiness, flexible to accommodate a provider’s priority needs and paced with an organisation’s rate of progress.
- **Generative:** Sessions to help providers develop new knowledge about their customers, value propositions and business models.
- **Sequenced:** For efficiency and effectiveness, activities need to happen in the right order - starting with a focus on organisational intent, then customer needs, then building a business model and enabling the cultural change to fulfil those needs. ‘Slowing down to speed up’ is a phrase we constantly found ourselves using in the prototype sessions. Pacing that allows the fundamental discussions, such as organisational intent, to be done properly will provide a foundation for further work. Of course, the idea of slowing down is counter to the busyness and urgency of preparing for the NDIS. Many in the group had an ‘ah-ha moment’ when we explained how clarity at the strategic level can unlock decision making in a way nothing else can.
- **Layered:** Capability needs to be tailored to the different layers of the organisation while also building the organisational capabilities to transfer knowledge between layers. We think content and form of capability building would need to be differentiated for the following groups: board and executive, middle managers, back-office teams and front-line teams.
- **Multi-modal:** Capability building activities should employ a variety of formats to meet the needs of different people, organisations and budgets including rapid workshops, intensive courses, ongoing coaching and peer support models.

The table below shows how these qualities compare with common characteristics of existing models of NDIS readiness support.

Table: Comparison with existing support models.

Characteristics of proposed support models	Common characteristics of existing models of NDIS readiness support
Tailored	Same experience of all organisations regardless of stage or priorities
Generative	Informational, informing organisations about the NDIS
Layered	Single stream offering, usually attended by middle managers
Sequenced	Themed offerings inappropriately sequenced, e.g. marketing, CRM, processes, HR & recruitment
Mult-modal	Large workshops or one to one support from consultants for providers that can afford it.



Sequencing

Disability providers seeking to develop desirable, viable and feasible business models need support in answering five deceptively simple questions:

1. What is our organisational intent?
2. What do our customers want and need?
3. What is our value proposition to our customers?
4. How do we realise our value proposition through our business model?
5. How do we align our organisation to our intent and new service models?

The questions need to be answered in sequence, and the 'readiness route map' on the following page shows the relative importance of each of these questions to each of the four key groups: executives and boards, senior managers, front-line teams and back-office teams.

1 Organisational intent

Clearly articulating organisational intent ensures providers have a well-defined purpose to underpin all organisational thinking and activity.

Intent is a critical component for executives and boards to conduct with senior managers - to put in place the systems, policies and culture changes required to deliver. For executive teams, it is the overarching rallying cry of the organisation and one that the CEO needs to lead. For senior managers, the focus is on the translation of intent into practice.

In the prototype, we used Patrick Lencioni's thinking on values and playbook to inform this work.

2 Understanding customers

There are multiple customer types for NDIS, people with disability, friends, family and carers and intermediaries such as planners. Organisations need to understand who they do and don't serve and what different segments of customers value. Deeply understanding potential customers and what matters to them is the only way to develop services that will be desirable.

It will no longer be enough for leaders to assume that they 'know their customers' without robust customer engagement and participation in designing, shaping and reviewing service and product offerings.

As providers become clear on what their unique value proposition is to customers and realign their services and support around that, it is critical that the voice of the customer reaches throughout the organisation rather than being confined to interactions with front-line staff to continue to shape and influence policy and strategy that impacts on them.

For senior managers, this involves an understanding of the tools and methods that can be used to surface customer insights, a commitment to their implementation and the structural realignments required internally to ensure customer insights are heard at the executive level.

In the prototype sessions, we used the *business model canvas* combined with TACSI's discovery research methods, based on human-centred design as the core frameworks to shape this work.

3 Value proposition

No provider can be good at delivering everything to everyone, and increasingly such claims will seem hollow and lack credibility. Organisations need to develop expertise in their core offerings and be prepared to 'retire' the parts of their business that they are not so skilled, equipped or interested in delivering through divestment or simply cessation. Customers will respect and trust providers who are honest about what they can and cannot deliver, and who can offer effective signposting to other options that meet people's needs better.

Senior managers need to develop distinct value propositions which align with the organisation's intent and resonate with customers' needs, aspirations and priorities. We found that equipping senior managers with techniques to articulate the value proposition of services delivered by their organisation was a critical first step to diagnosing shortcomings and assumptions. In turn, this enabled them to better sequence and prioritise the changes to systems, process and culture which would be required to deliver new services.

In the prototype sessions, we used the *value proposition canvas* as the core framework to shape this work.

4 Business models

This is a critical element for senior managers, to enable them to have the tools to translate value proposition and intent into a business model that is desirable for their clients, feasible to deliver with their staff and viable as a business. Working through this with senior managers enables them to identify key decision-makers in the NDIS process, core offerings and business channels, while also surfacing gaps and assumptions in their thinking and planning. We used the *business model canvas* as the core framework to shape this work.

Our view is that providers should get really good at delivering specific services to specific customer groups, and seek the partners who complement organisational offerings and values.

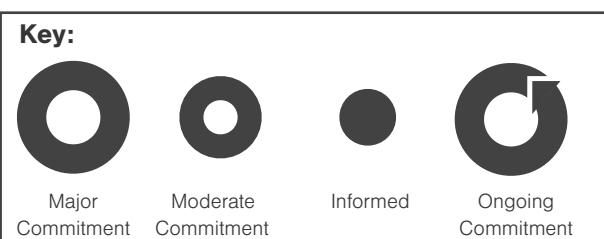
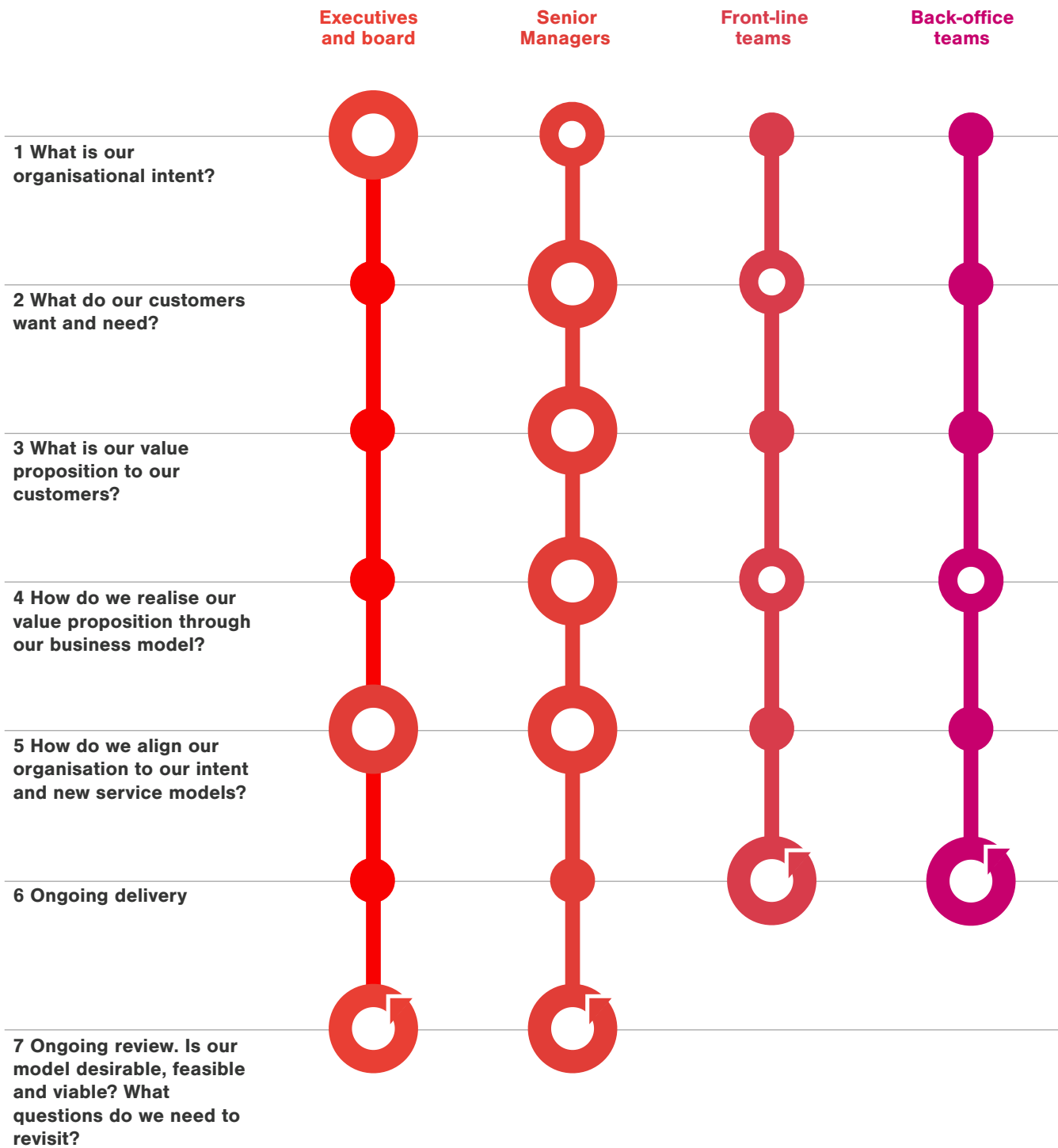
5 Align and support your staff to deliver

The scale of change for staff under the NDIS will be at least as dramatic as the change for people with disability. New kinds of demand from customers will mean that staff can expect changes in role, skill set, culture and behaviour. For a time there will also be uncertainty about what these changes will be. Organisations need to understand their staff's readiness and support personal, professional and emotional dimensions of the change journey. Focusing on training and skills development will be insufficient.

In our prototyping, we heard repeated concerns about the readiness and suitability of existing staff for delivering excellence in NDIS services. Senior Managers need to provide clarity to front-line staff on what the intent, value proposition and subsequent business model mean for their delivery of services and support, not only in what they deliver but in how they deliver it, and what it means for them personally and professionally.

In our prototypes, we used the ADKAR® framework from the *Prosci® Change Management toolkit*, as the core framework to shape this work, combined with training in TACSI's discovery research methods to understand staff's state of change readiness better.

Route map to NDIS readiness



Readiness outcomes across organisational levels

To develop effective forms of capability building, we first needed to understand the different kinds of learning needs across organisational structures. Through our conversations with providers, we've identified four main groups

- Executive and boards
- Senior managers
- Back-office teams
- Front-line teams

Each has a unique context and needs to develop capability in certain content areas through an appropriate format to achieve key learning outcomes. Understanding content, format and outcomes will be key to developing NDIS readiness measures and evaluation of capability building activities.

Executives and boards

CEOs are time poor and strategically focused while providing visionary leadership aligned to a social cause. They need to be confident that their senior managers are aligned and leading the delivery of coherent value propositions to customer groups within a robust business model.

"We need culture change throughout our organisation. I get push back from the Board and the CEO when I talk about our 'business'. I am trying to encourage a rethink from 'not for profit' to 'profit for purpose'."
- Senior Manager

Content

Their learning and support package needs to be time-efficient and tightly focused. It needs to equip them to refine, communicate and inspire others with the clear intent of the organisation and hold their senior management accountable to that in their development of viable business models. As they refine and articulate their own organisation's intent, they need to build strategic alliances with values-aligned organisations that offer complementary supports to customers.

Format

- Short, sharp workshops
- Networking opportunities to meet with other senior people experiencing similar challenges

Outcomes

- Have clarity on why their business exists, their organisational intent
- Own the value proposition for their organisation to their customers
- Are equipped to communicate and inspire their teams and hold them accountable to intent
- Are aware of the state of readiness of the different levels of their organisation
- Have opportunities to network and collaborate on complementary value propositions to the benefit of business and people with disability

Senior managers

Senior managers are under pressure, having to work at every level of the organisation, influencing up to the CEO and Board, across to back-office and down to service and front-line staff. This requires significant skill in managing, influencing change and phasing reforms. It seems to us that the weight of NDIS transitions rests on senior managers, and subsequently they will require the most support.

Senior managers are focused on delivering the business models and organisational changes that are required to meet the strategic intent. It's most likely senior managers that will frame and then deliver on any particular value proposition. It is critical they are engaged collaboratively in this process with executive and boards; yet they also need the frameworks and tools to inspire and equip middle management, back-office and front-line teams to put it into practice.

"This is great and will be really useful when I have my five minutes with the CEO. I often struggle to know what the most important message he needs to hear is, and how to articulate it clearly, effectively and quickly!"
- Senior Manager

"This forum is amazing where you're sitting in a room and talking it through - no question is a silly question, and no one is thinking, 'You're so underprepared...'"
- Senior Manager

Content

Senior managers need to pay attention to the phasing of multiple changes across the business and value practical, usable tools and support to enable this and equip them to make the decisions and have compelling strategic conversations across different levels and functions of the organisation. They also need to drive these changes in a way that builds and enhances a positive culture in the organisation and fosters good outcomes for customers and ongoing active engagement of staff.

Format

We found that small group peer workshops were a well-received model for this group. They found it helpful to work alongside others facing similar challenges in the disability sector and share challenges and strategies. While they are incredibly busy, they also have significant flexibility and control over diaries to prioritise business development, and many see it as a critical priority for them.



Outcomes

- Have alignment with organisational intent developed by board and executive
- Are able to define the value proposition for their organisation to their customers
- Are equipped to build and validate an NDIS ready business model
- Are equipped to conduct insight/discovery work with customers to inform new service offerings
- Are aware of the current state of readiness of the different levels of their organisation
- Are equipped to build and mobilise teams and lead them through change including senior managers and managers of back-end teams and front-line teams.

Back-office teams

Back-office managers and their teams are tasked to source and deliver business processes that lead to an efficient service delivery. They are often the least connected to customers and consequently may not always understand the need to be customer-centred; they are also unlikely to have been involved in strategic decisions to take the business in this direction.

“We need to look at how our support workers feel connected in, but it’s hard with rostering to get them all there. We need the Rostering team on board to make things like this easier.”
- Service Manager

Content

Back-office staff and the systems they build and maintain are a key enabler of the reforms required to maximise NDIS opportunities. Executive teams and senior managers need their buy-in and input for the inevitable back-of-house change that will be required to deliver different kinds of services.

Format

We have not tested the form of capability building support for back-office staff, but from our interactions with managers and front-line staff, it is clear that it is critical to get this part of organisations on board. Our hunch, given their absence from the consultations and prototyping, is that this capability building needs to be built in-house and framed to align very directly with their role and function, e.g. HR, marketing, etc. We also expect that capability building for this group will need to be rooted in the language of business efficiency and building fit-for-purpose processes.

Outcomes

- See the business potential of putting customers first
- Understand how back-end systems need to change to support customer focused service delivery
- Are equipped to motivate and equip their staff

Front-line teams

Front-line managers and teams are customer-focused. Many we spoke to feel a greater affinity with and loyalty to customers than the provider they work for. A common complaint is that they do not get opportunities to connect with each other and learn from each other’s experiences and knowledge apart from in highly structured mandatory training settings. Many of them have great insight into customer needs - but are disconnected from strategic decision making and don't have the opportunity to connect these insights with the business.

“In this sector we’ve done a fantastic job of deskilling our staff. We’ve compartmentalised their roles and stripped away rather than adding.”
- Manager

Front-line staff need to know what NDIS means for them; how they deliver services and what it means for their job regarding skills, experience and job security. Organisations need to actively support their staff through the change process.

Format

Given casual, shift work and lone-working arrangements, our hunch is that this capability-building is best delivered 'on the job' or via pre-existing training and development opportunities, e.g. team meetings, case conferences and mandatory training sessions.

Outcomes

- Are aligned with intent and value propositions
- Are equipped to deliver customer-focused services
- Are involved in providing customer insight

Resources for providers

In this section we help providers take practical steps towards answering the five deceptively simple questions we developed through our prototypes by sharing the resources providers found most useful in the prototype including: Patrick Lencioni's work on organisational intent, the *business model canvas*, human-centred design methods to understand customers and the *ADKAR*® framework to support organisational change.

Five deceptively simple questions

Disability providers seeking to develop desirable, viable and feasible business models need to answer five deceptively simple questions, in sequence:

1. What is your organisational intent?
2. What do your customers want and need?
3. What is your value proposition to your customers?
4. How will you realise our value proposition through your business model?
5. How will you align your organisation to your intent and new service models?

What is your organisational intent?

Clearly articulating your organisational intent will ensure you have a clear purpose to underpin organisational planning and activity. An organisational intent that is clearly articulated, well communicated and widely understood is critical to building a business model that flows from purpose rather than one that is formed into shape by external drivers.

To develop your intent means grappling with your organisational "why?". The question "why do we exist?" is often referred to as 'mission', 'purpose' or 'vision'. Unhelpfully, in many organisations, these are sweeping statements focused on the things organisations do rather than *why* they do them.

In the prototype readiness sessions we found that the following steps helped providers unpack, articulate and refine their organisational intent.

1. Unpacking your organisation's "why?"
2. Unpacking your organisation's origin story
3. Understanding the components of intent
4. Articulating the organisation's core values
5. Developing a 'playbook' for the organisation

We've found Patrick Lencioni's thinking and writing on organisational values and *playbooks* particularly useful in helping organisations to unpack and articulate their values and intent. Below are links to some of the articles and videos we've found most useful, an example *playbook* from TDi and a bonus TED talk from Simon Sinek.

Resources

Make your Values Mean Something - Lencioni, P. Harvard Business Review, 2002.
<https://hbr.org/2002/07/make-your-values-mean-something>

Core Values - Lencioni, P:
<https://www.youtube.com/watch?v=5JUxDXaeWcQ>

'Six Questions in the Playbook' - Lencioni, P. :
<https://youtu.be/TXDKo6zT6U8>

An example playbook for The Difference Incubator
<http://www.tdi.org.au/tdi-playbook-private/>

How Great Leaders Inspire Action, Simon Sinek
https://www.ted.com/talks/simon_sinek_how_great_leaders_inspire_action?language=en

Modelling your business

Questions two, three and four relate to customers, value propositions and business models. We used the *business model canvas*, a tool created by Alexander Osterwalder, Yves Peigner to support providers to build successful business models. The framework helpfully unifies a number of important concepts relating to business models.

There are three parts to the *business model canvas*:

- Desirability (Do customers want it?)
- Feasibility (Can our organisation actually do it?)
- Viability (Can we avoid going broke in the process!)

The desirability component of the canvas asks providers to look to their customers, to understand the value they are looking for and how they want to experience that value. The feasibility component asks questions about how you bring this value into practice and what needs to happen behind the scenes to create the experience the customer is looking for. The viability component explores the flow of money required into and out of the business to deliver the value customers seek.

The *business model canvas* can help organisations quickly diagnose the areas where their business model is weakest. In the prototyping workshops we found that the starting point for most organisations needed to be in the desirability portion of the canvas - the questions that relate to understanding customer segments, the value proposition to different segments, how to reach customers and how to sustain relationships with customers.

To learn more about the *business model canvas* you can download the canvas itself, watch videos introducing the canvas and read the book. TDi has also created videos explaining the canvas specifically for social enterprises.

Resources

Getting started with the *business model canvas*:
<http://blog.strategyzer.com/posts/2015/4/29/webinar-2-getting-started-with-the-business-model-canvas?rq=business%20model%20canvas>

Business model canvas download:
<http://businessmodelgeneration.com/canvas/bmc>

Introductory videos to the *business model canvas* for social enterprises, The Difference Incubator:
<http://www.tdi.org.au/business-modelling/>

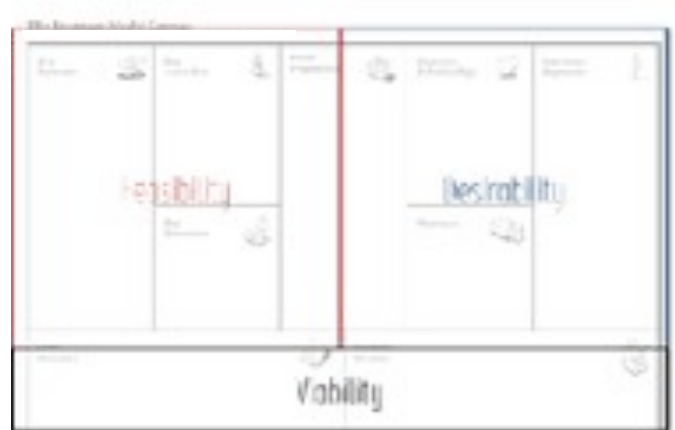


Image: The three parts of the business model canvas

What do your customers want and need?

Understanding your customers and how they want to engage with you is the most crucial element of any business or service model. To do this TACSI uses a methodology that draws on the tradition of human-centred design.

Human-centred design methods aim to quickly build an understanding of what people (potential customers) really do (rather than what they say they do), explore what people might come to value in the future (something that people find hard to predict for themselves), and to understand what people experience, feel, dream and believe. Just interviewing and surveying people rarely taps into this tacit level of knowledge.

Typically this kind of 'design research' works with a relatively small sample size but spends considerable time with people, using tools like rapid-ethnography, semi-structured interviews, card sorting and mapping. Eight to twelve participants from a particular group are often enough to identify recurring patterns of needs, wants and unfulfilled opportunities.

Recruiting people to participate in this kind of research can be up to half the work. We reach out to people in their own context - in their homes, backyards, a familiar cafe or their workplace. Recruitment can happen via services, but is often more effective through informal networks or sometimes even public recruitment such as door knocking or stalls outside of supermarkets.

At TACSI, when we set out to understand potential customers better, no matter what methods we use, we always find that we come back to a core set of questions:

Contextual questions about the current situation:

- Who are our customers?
- What's their context, who helps your customers?

Evaluative questions:

- What helps or hinders your customers achieving what they want?

Generative questions about the future:

- What do your customers value?
- What could create greater value for your customers?

In an NDIS environment these questions need to be answered for all groups - i.e. any groups that have significant influence over decisions to buy services. This includes:

- People with a disability themselves
- Carers and advocates of people with disability
- NDIS planners

Answering these questions through research with people in their context will give your organisation the grounding to develop compelling value propositions and service models.



Design research with people with disability

Many people with disability have busy and complicated lives, so patience, support and persistence are key when it comes to recruitment. In our experience it's not unusual to have people reschedule four or five times due to unforeseen circumstances.

Methods for contextual research always need to be adapted to the people and context. For example, we've successfully adapted visual tools such as card sorting to work for people who are visually impaired by sorting sounds and words rather than pictures and we've adapted specialist communication technologies for people with autism who are non-verbal to facilitate generative conversations.

Our number one tip is to test and try research tools so they can be shaped to meet individual communication needs and preferences.

Resources

A guide to recruiting participants, semi-structured interviews and card-sorting from TACSI
<http://www.tacsi.org.au/cdschool/Tools.html>

Convivial Toolbox: Generative Research for the Front End of Design - Liz Sanders and Pieter Jan Stappers, 2013
<https://www.amazon.com/dp/9063692846>

What is your value proposition to your customers?

A value proposition describes the value that an organisation will deliver to a particular customer segment. A good value proposition is built on a strong understanding of customer needs and aspirations.

A clear value proposition will help your organisation focus on what services to design and deliver and also help you differentiate your offer in the marketplace.

To help providers articulate their value proposition we used the *value proposition canvas* which fits into the *business model canvas*. The value proposition canvas is available to download and has its own book too.

Resources

Download the value proposition canvas
<https://strategyzer.com/canvas/value-proposition-canvas>

Read the value proposition book
<https://strategyzer.com/books/value-proposition-design>

How will you realise your value proposition through our business model?

Now you have your intent established, a strong understanding of your customers and your value proposition to your customers defined, it's time to build out the other components of your business model.

Once again the *business model canvas* is your go-to tool. Now you can build out the rest of the elements relating to desirability and also the elements relating to feasible and viable.

Resources

Getting started with the *business model canvas*:
<http://blog.strategyzer.com/posts/2015/4/29/webinar-2-getting-started-with-the-business-model-canvas?rq=business%20model%20canvas>

Business model canvas download:
<http://businessmodelgeneration.com/canvas/bmc>

Introductory videos to the *business model canvas* for social enterprises, The Difference Incubator:
<http://www.tdi.org.au/business-modelling/>

How will you align your organisation to your intent and new service models?

The business model canvas is a great tool at designing your business model and can provide a structure for communicating it - but it's just a framework. Realising your business model will mean taking your organisation on a journey, aligning your people to intent, customer needs and wants, your value propositions, service models and business models.

In the prototype sessions, to identify individuals' position on the change journey and their specific barrier point at any given time, we used tools from the *Prosci® Change Management toolkit*, most notably the ADKAR® framework. Knowing individuals' readiness for change will enable managers and leaders to support staff effectively through change and prepare them for the implications of new business models and roles.

A careful approach to change will be particularly important for front-line staff who are likely to be moving from a structured and tightly controlled environment to one of greater variety, and flexibility with higher expectations of customer experience and greater autonomy to enable that experience.

Staff will need to be supported personally, emotionally and professionally to make this change.

Resources:

PROSCI® suite of ADKAR® resources:
<https://www.prosci.com/adkar>

Three reasons people get stuck in the status quo - Stagl, H.
<http://www.enclaria.com/2016/11/02/three-reasons-people-get-stuck-in-the-status-quo-and-how-to-break-free/>

Learning what to look for during change:
<http://www.change-management.com/tutorial-adkar-barrier-point.htm>

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