

CITY OF CALGARY
RECEIVED
IN COUNCIL CHAMBER
MAR 12 2020
ITEM: 7.1 AC2020-0323
Distribution
CITY CLERK'S DEPARTMENT

AC2020-0323
PRESENTATION

Calgary



AC2020-0323 Solutions for Achieving Value and Excellence (SAVE) Program Q1 2020 Update

Audit Committee
2020 March 12

The SAVE Program...



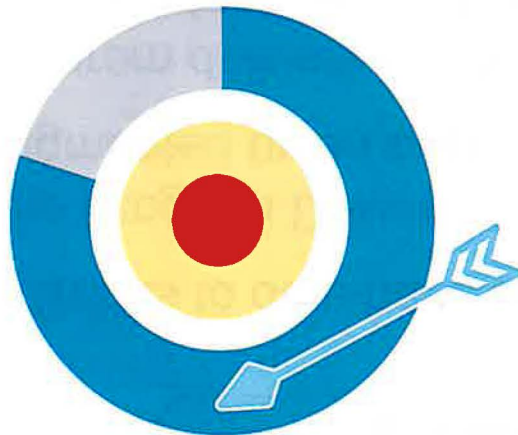
Provides a strategic approach to meeting the fiscal challenges faced by The City while minimizing the need for future across-the-board reductions.

Targets savings of \$24 million by the start of 2021, and \$50 million by the start of 2022 from tax-supported budgets.

Helps us to find these savings while maintaining or improving overall customer satisfaction and citizen outcomes.



Setting up for success



80%

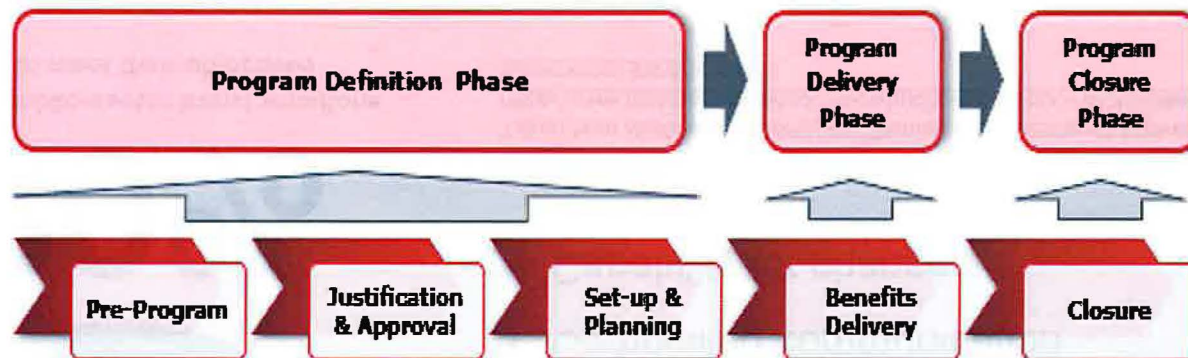
of public-sector transformations
fail to meet their objectives

Five disciplines can more than triple a public sector transformation's chances of success:

- Committed leadership
- Clear purpose and priorities
- Cadence and coordination in delivery
- Compelling communication
- Capability for change

Taken from McKinsey & Company "Elements of a successful government transformation"
<https://www.mckinsey.com/industries/public-sector/our-insights/elements-of-a-successful-government-transformation>

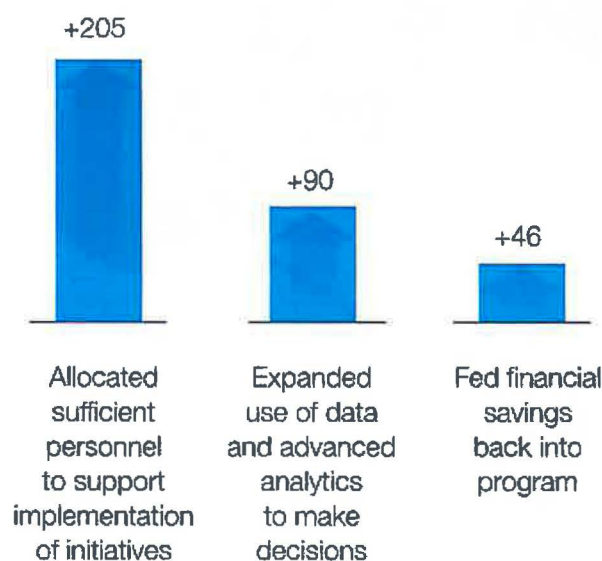
SAVE Program Framework



- Activities to date have been focused on the Program Definition Phase
- The Program Delivery Phase is ramping up and will be accelerated and augmented by an external consultant scheduled to arrive in early April
- Program delivery will continue through 2021 and the Program Closure Phase is tentatively scheduled for 2022

3 actions drive success in cost-focused transformations

Success of cost-focused transformation based on action,¹ % difference



'Very or completely successful' cost-focused transformations reported compared to number of crucial actions taken,² % rate



Taken from McKinsey & Company "A smarter approach to cost reduction in the public sector"

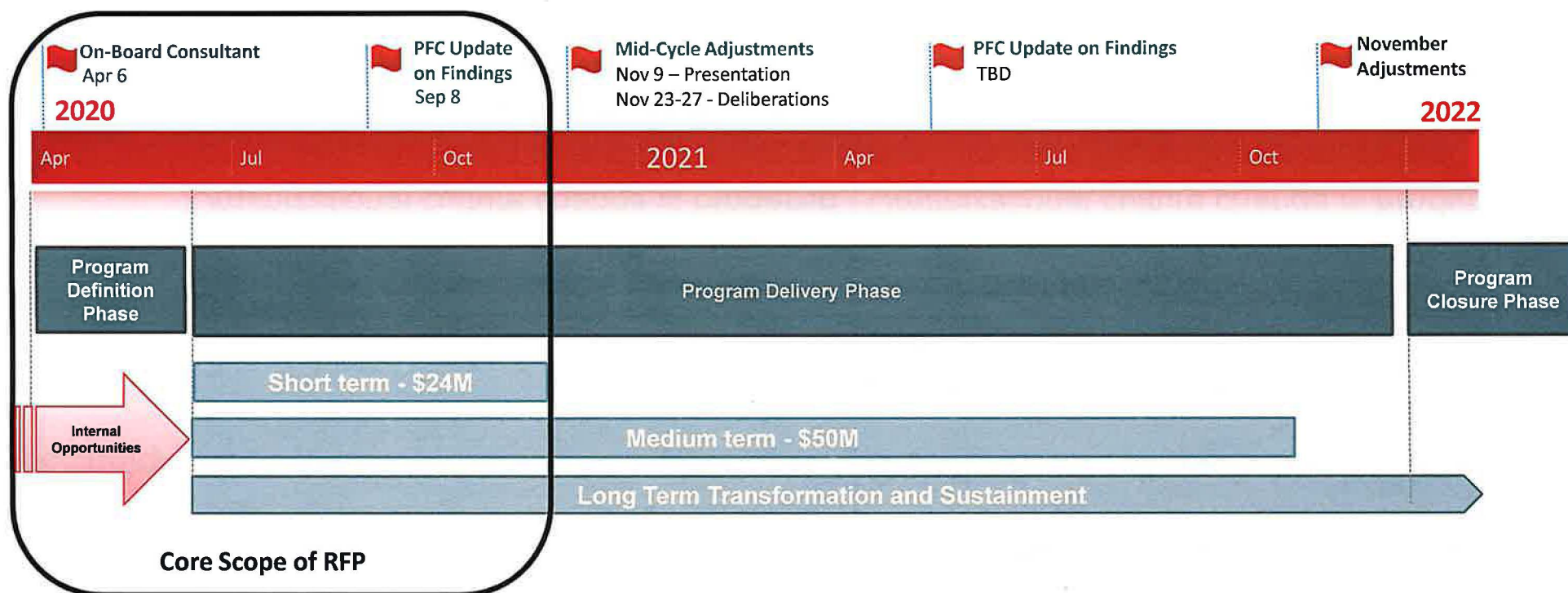
<https://www.mckinsey.com/industries/public-sector/our-insights/elements-of-a-successful-government-transformation>

SAVE Focus Areas

AC2020-0323
PRESENTATION



SAVE Timeline



SAVE Risks and Opportunities

Opportunity		<p>Citizen trust and confidence improves</p> <p>Organizational culture change is reinforced</p> <p>Likelihood and size of future across-the-board reductions decreases</p>
Risk	<p>Citizen trust and confidence declines</p> <p>Organizational culture change is hindered</p> <p>Likelihood and size of future across-the-board reductions increases</p>	<p>Citizen trust and confidence declines</p> <p>Organizational culture change is hindered</p>
No-action		Action



Execution Risks

- High **leadership turnover** and general “**change fatigue**” affects ability to deliver savings in a timely and decisive manner
- **Insufficient resources** to execute program administration and initiatives.
- **Cultural norms** limit collaboration, innovation, and/or centralization of savings.
- **Savings are smaller** than anticipated, or may **impact services** and operations more than anticipated
- **External consultant** does not effectively integrate into program and organization.



AC2020-0323
PRESENTATION

Principal Corporate Risks

Financial
Capacity for Change
Operational

With respect to Report PFC2020-0284

That the Priorities and Finance Committee recommend that Council **commit to trust the processes and endeavor to provide confidence to citizens and encouragement to staff** and direct Administration to:

1. Pause new Zero-Based Reviews (ZBRs) for the duration of 2020 and 2021;
2. Incorporate reporting on prior ZBRs into SAVE program updates; and
3. **Direct all savings-seeking initiatives into SAVE.**



Recommendation

AC2020-0323
PRESENTATION

- That the Audit Committee receive this presentation for information.