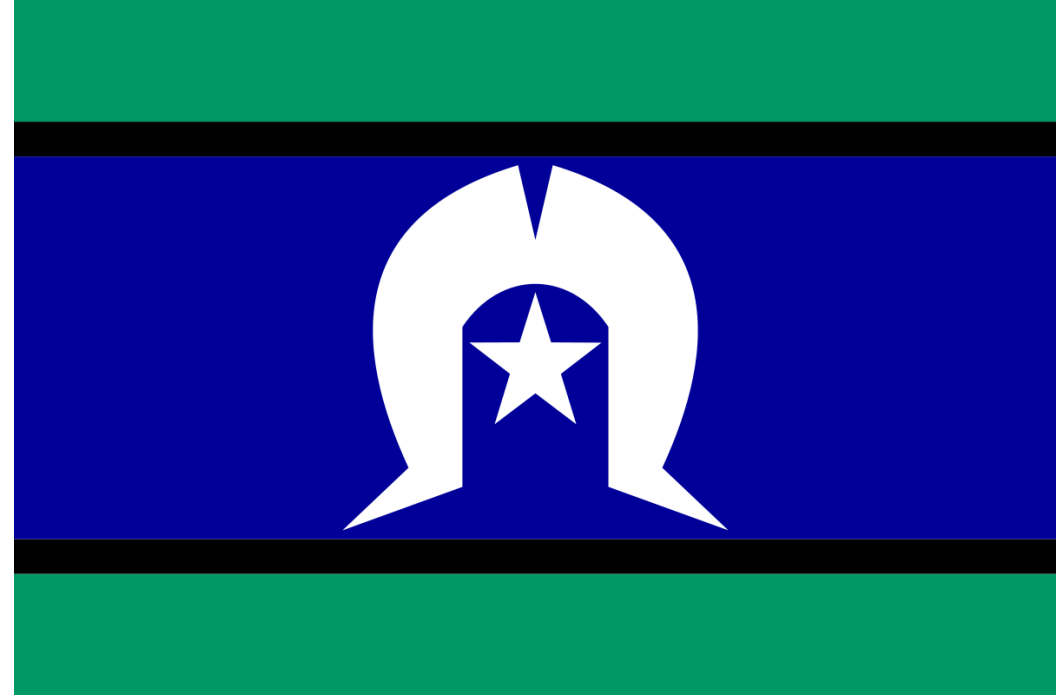


Strategy, Risk and Impact

NDIS Success Roadmap – Governance webinar two

Acknowledgement of Country



The NDIS Success Roadmap

Management series



Governance series



The NDIS Success Roadmap: Governance series



- ▶ Two webinars followed by Q&A
- ▶ Join the NDIS Success LinkedIn group

Strategy, Risk and Impact

- ▶ Today's webinar
 - Board's role in strategy
 - Board's role in managing risk
 - Measuring impact as well as outcomes
 - Governance processes with the NDIS
 - Elements of the NDIS to address as part of the governance responsibilities for strategy and risk

Strategy

Vision and Mission

- ▶ Start with the Objects in the Constitution
- ▶ Stay true to the core purpose of the organisation
- ▶ **Mission** statement defines the company's business, its objectives and its approach to reach those objectives
- ▶ **Vision** statement describes the desired future position of the company
- ▶ Elements of the Mission and Vision are often combined to provide a statement of the company's purposes and goals

Values - Board sets the tone

- ▶ The Board sets the standard when it comes to living out the Values of the organisation
- ▶ Values based leadership and decision making
 - e.g. Tylenol drug recall

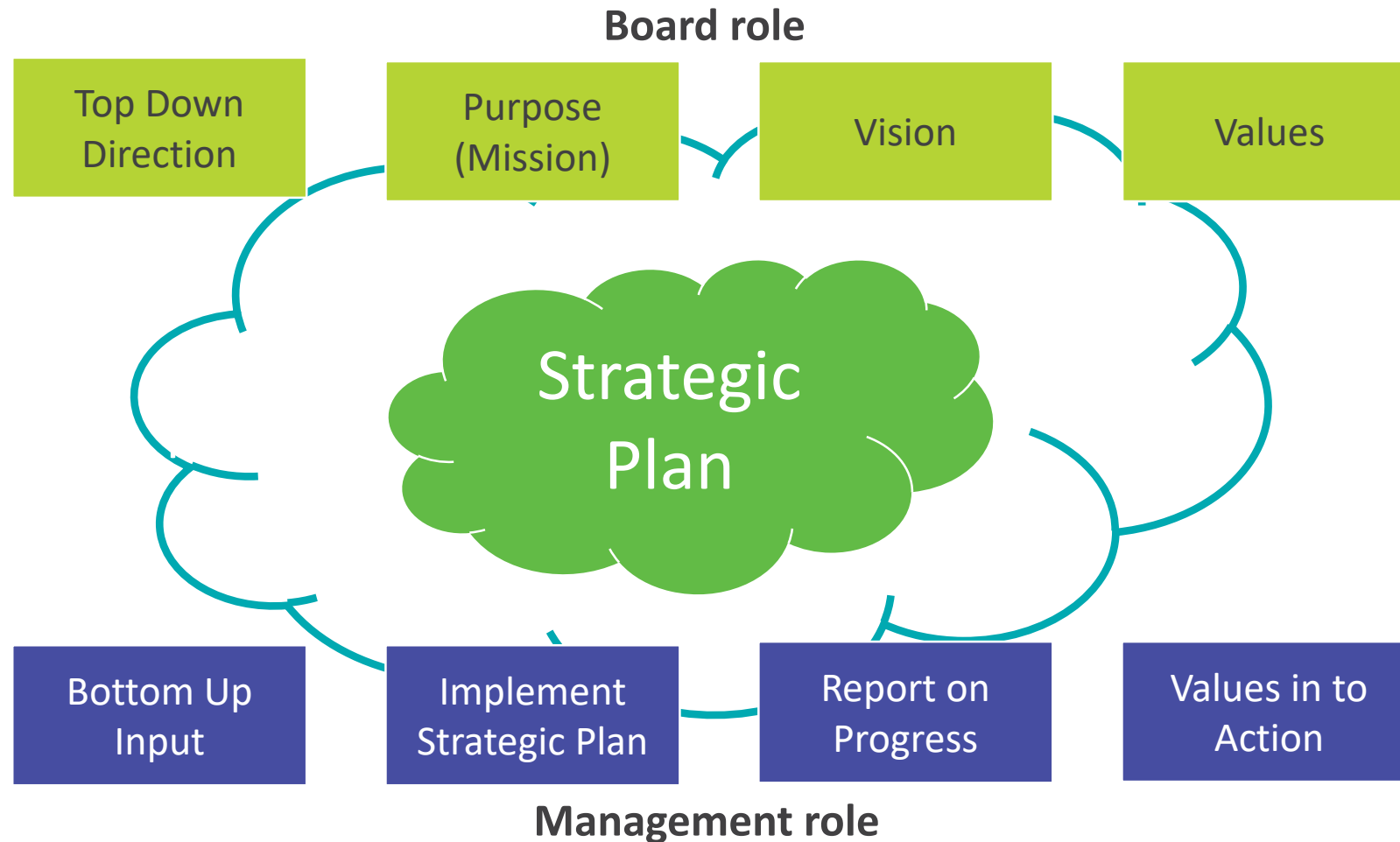
Role of Board and Management with strategy

Board input top-down – Purpose, Vision, Values and Strategic Priorities

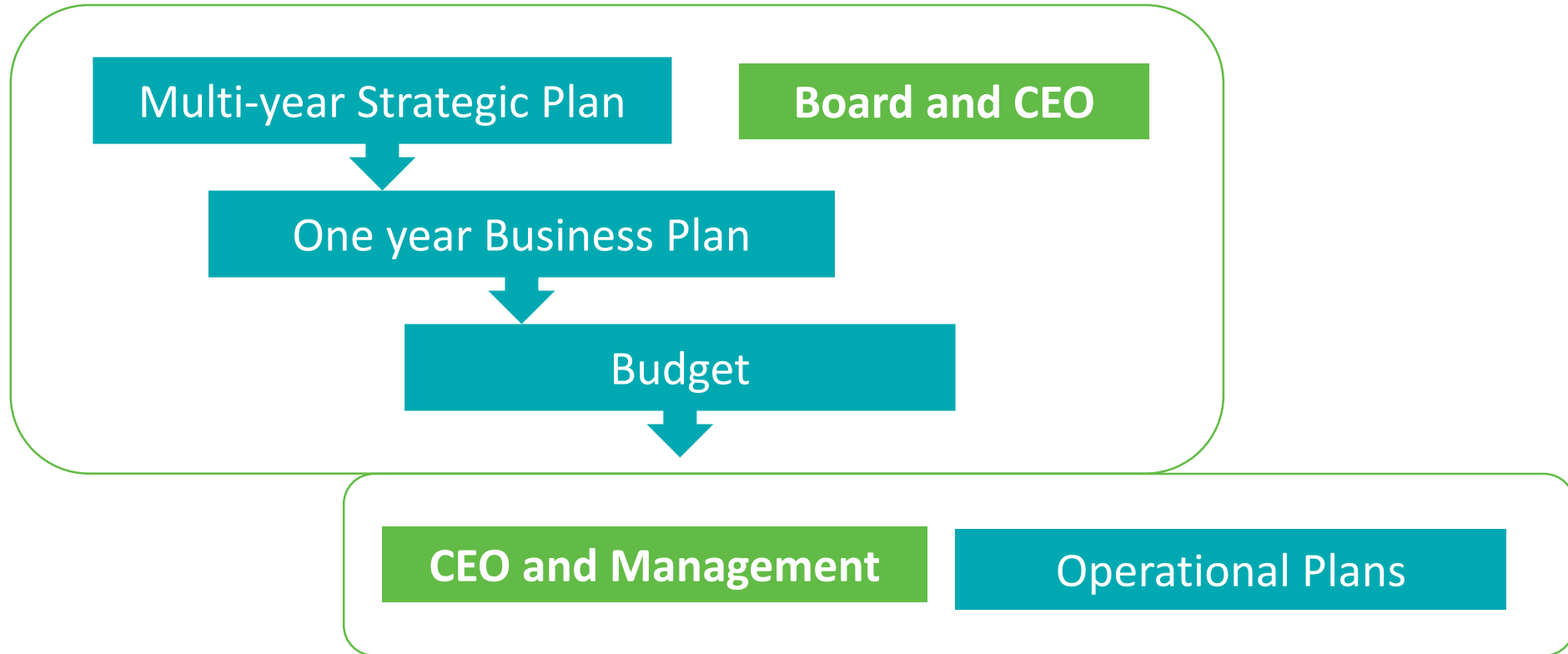


Management input bottom-up – Market knowledge, Goals and Operational Plans

Development of the Strategic Plan



Strategy Process



Content of a Strategic Plan

- ▶ Start by understanding the market
- ▶ Market assessment – customer analysis, market size and trends, competitor analysis
- ▶ Using tools like SOAR and PESTEL
- ▶ Developing goals/objectives so they can be measured against later
- ▶ The NDIS is just one part of the Strategic Plan

Example - Occupational Therapist provider

Strengths

- ▶ 10+ years practice working with children and young people
- ▶ Established brand name and reputation in local community
- ▶ Strong referral pathway from a local area coordinator
- ▶ Administration systems that ensure efficient invoicing and payments received

Aspiration

- ▶ To see children and young people with disability participating in local community
- ▶ We want to operate at best practice and keep pushing to improve
- ▶ To be the best known occupational therapy team in our local community

Opportunities

- ▶ Identify local support coordinators who could be a potential source of new referrals
- ▶ Hire a graduate therapist out of University to grow our team of therapists
- ▶ Provide some awareness training to the local school so that teachers are better equipped to work with children with disability

Results

- ▶ NDIS participants consistently achieve the targets in their NDIS plans
- ▶ Our results are recognised in the industry as leading practice
- ▶ Business growth through word of mouth referrals

Example - Occupational Therapist provider

Political <ul style="list-style-type: none">▶ Bi-partisan support of NDIS▶ Disability Royal Commission likely to lead to further changes	Environmental <ul style="list-style-type: none">▶ Minimal requirements and impacts on the nature of these services
Social <ul style="list-style-type: none">▶ Social media provides opportunity to reach potential new clients with good targeting▶ Demographic trends mean a greater number of older potential clients	Technological <ul style="list-style-type: none">▶ Use of tablet computer and cloud based software would enable a more efficient service provision
Economic <ul style="list-style-type: none">▶ Economic conditions and job losses may result in less fee for service (non-NDIS) clients	Legal <ul style="list-style-type: none">▶ Need to ensure Service Agreement template addresses risks and requirements

Strategy in the NDIS environment

- ▶ Involvement of customers in the process
- ▶ How does the NDIS fit with or contribute to the strategic objectives
- ▶ Continual market changes
- ▶ Market data available to aid decision making

Monitor and Review Strategy (Board role)

- ▶ Regularly review progress against the strategic goals and objectives
- ▶ Reporting depends on size, scale and complexity
- ▶ Strategy monitoring should include the following:
 - Regular discussion at Board meetings
 - A central part of CEO report

Risk Management

Risk introduction

- ▶ Definition of risk is – *the effect of uncertainty on achieving objectives*
- ▶ Types of risk:
 - Operational and strategic
 - Opportunity (a positive risk)

Role of Board and Management with risk

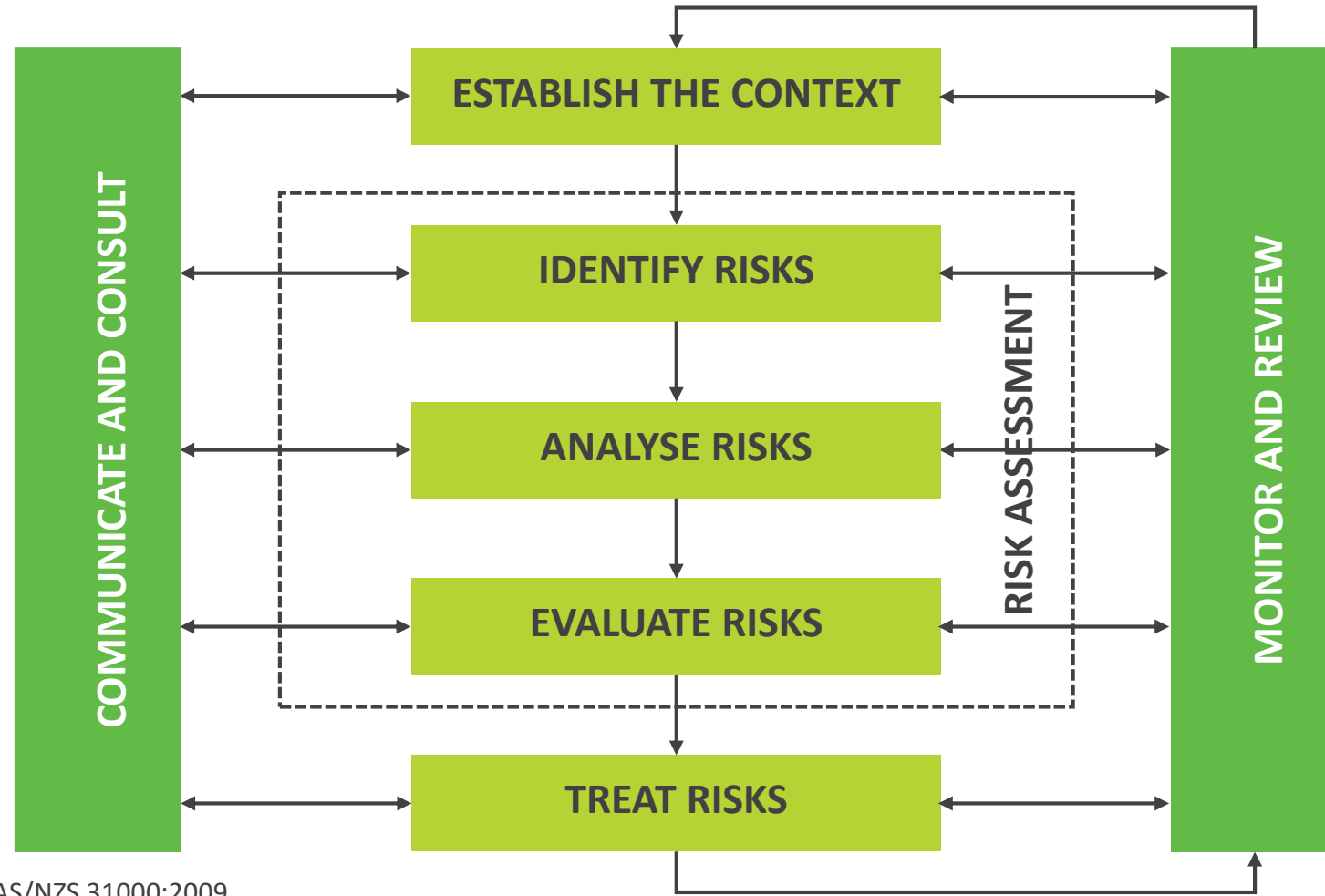
Board's role:

- Ensure an appropriate policy and procedure in place
- Set the risk appetite and lead the culture of risk management
- Review and approve significant risks
- Receive (and review) reports on risk management

Management role:

- Implement the risk policy and procedure
- Develop risk register/s for review by the Board
- Provide regular reports to the Board on risk management

Risk Management overview

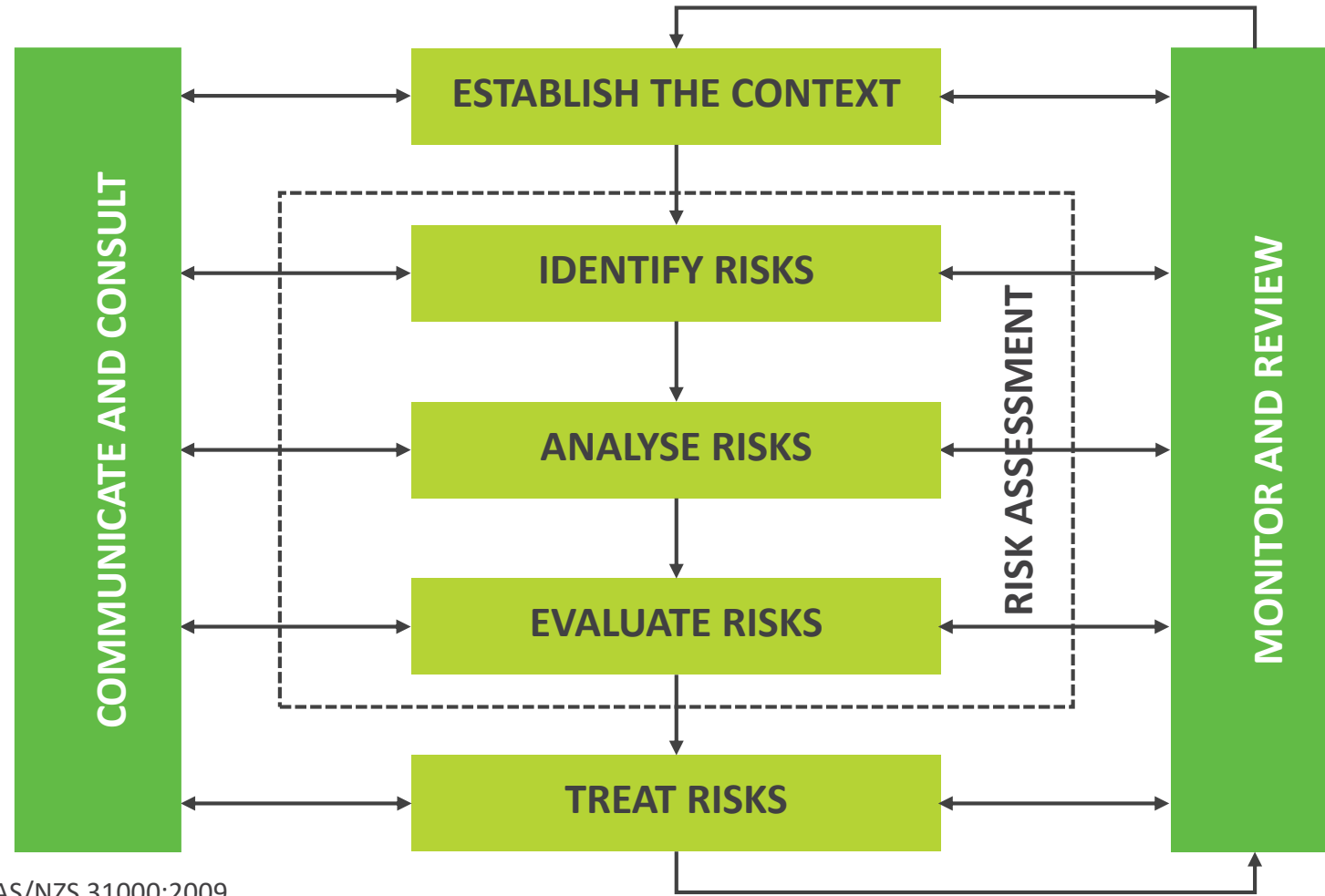


AS/NZS 31000:2009

Risk rating based on consequence and likelihood

Consequence	LIKELIHOOD RATING				
	A Rare Only in exceptional circumstances	B Unlikely Not likely to occur	C Possible Could occur, less than 50/50 chance	D Likely Is known to occur	E Repeatedly Common or frequent occurrence
1 Insignificant	LOW	LOW	LOW	MODERATE	HIGH
2 Minor	LOW	LOW	MODERATE	HIGH	HIGH
3 Moderate	MODERATE	MODERATE	HIGH	HIGH	EXTREME
4 Major	HIGH	HIGH	EXTREME	EXTREME	EXTREME
5 Catastrophic	HIGH	EXTREME	EXTREME	EXTREME	EXTREME

Risk Management overview



AS/NZS 31000:2009

Monitor and review risk (Board role)

- ▶ Regularly review for new and emerging risks
- ▶ Reporting depends on size, scale and complexity
- ▶ Risk management monitoring should include the following:
 - risk register in place and reviewed regularly
 - engagement across the organisation to identify new and emerging risks
 - report on new/emerging risks is part of board reporting
 - monitoring of relevant internal KPIs (staff turnover, safety incidents etc) to look for emerging internal trends and risks

Risk Management under the NDIS

- ▶ NDIS Practice Standards specify requirements for registered NDIS providers
- ▶ Core Module 2 – Governance and Operational Management – includes a section on Risk Management
- ▶ Outcome: *Risks to participants, workers and the provider are identified and managed*

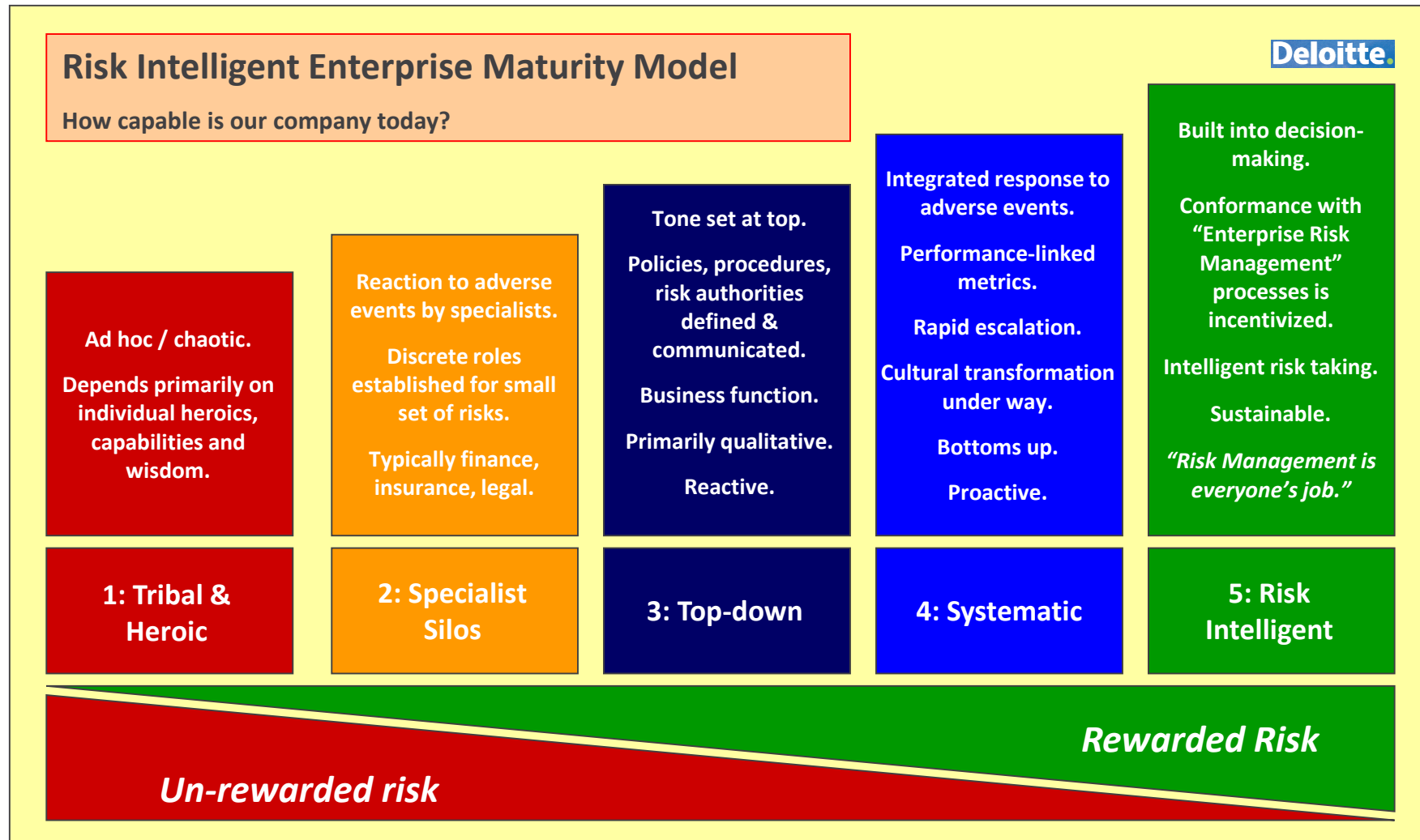
Risk Management Indicators under the NDIS

- ▶ Risks to the organisation, including risks to participants, financial and work health and safety risks, and risks associated with provision of supports are identified, analysed, prioritised and treated
- ▶ A documented system that effectively manages identified risks is in place, and is relevant and proportionate to the size and scale of the provider and the scope and complexity of supports provided
- ▶ Support delivery is linked to a risk management system which includes:
 - Incident Management;
 - Complaints Management;
 - Work Health and Safety;
 - Human Resource Management;
 - Financial Management;
 - Information Management; and
 - Governance

Risks to consider in the NDIS environment

- ▶ Health and safety – relevant to the sector
- ▶ Quality of care and clinical governance
- ▶ Financial – debtors and cashflow
- ▶ Key person risk
- ▶ Legal and insurance
- ▶ Compliance – e.g. code of conduct, screenings for directors as well as staff
- ▶ Other accreditation requirements – e.g. CHSP standards

Risk maturity



Walk the talk in risk management...

...it costs less to proactively manage risk today, than it will to reactively respond to risk consequences tomorrow



Impact

Measuring an organisation's success

- ▶ Many different measurements that we use to look at an organisation's success
- ▶ More than financial!
- ▶ Key performance indicators
- ▶ Output, Outcomes, IMPACT

What is a KPI?

- ▶ A Key Performance Indicator (KPI) is a measurable value that demonstrates how effectively a company is achieving key business objectives
- ▶ Examples:
 - Financial: revenue, margin, ratios
 - Marketing: leads generated
 - Sales: new customers
 - Safety: incident rate
 - Quality: successful audits, complaints (customer satisfaction)
 - ▶ HR: staff turnover, satisfaction
 - ▶ Operations: repeat business
 - ▶ IMPACT: how lives are being transformed

What to measure?



- ▶ What you count
- ▶ What was created or delivered
- ▶ e.g. provide services to 100 people

- ▶ What you wish to achieve
- ▶ Occurred because of your services
- ▶ NDIS goals
- ▶ e.g. NDIS participant now more independent

- ▶ What took effect because of your services
- ▶ Hard to measure
- ▶ e.g. NDIS participant has better quality of life

Governance processes

Governance processes

- ▶ Skills based board
- ▶ Board induction and training
- ▶ Effective meetings
- ▶ Agendas and meeting minutes
- ▶ Annual board calendar
- ▶ Constitution reviewed
- ▶ Reporting requirements – ensuring the Board understands and is clear on what they need to see from CEO/senior leadership to acquit governance responsibilities

Governance under the NDIS

- ▶ NDIS Practice Standards specify requirements for registered NDIS providers
- ▶ Core Module 2 - Governance and Operational Management
- ▶ Each module has:
 - a series of high-level, participant-focused outcomes, and
 - for each outcome, quality indicators that auditors will use to assess a provider's compliance with the Practice Standards
- ▶ Outcome: *Each participant's support is overseen by robust governance and operational management systems relevant (proportionate) to the size, and scale of the provider and the scope and complexity of supports delivered*

NDIS Success Roadmap - what's next

Governance series

Next time



- ▶ Q&A: 25 June
- ▶ Submit questions via the NDIS Success LinkedIn group or email ndis@cbb.com.au

Thank you



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