The global economy is reaching a crucial point with a tremendous focus on inequality, poverty, and pressure for sustainable economic growth. In that context, it is important to have a reliable assessment tool to measure how countries, government, public and private firms, and by extension the entire population, are prepared for change, and help them to find answers to improve their situation.

What is the CRI?

The ‘Change Readiness Index (CRI)’, on which KPMG collaborated with Oxford Economics, makes assessments and comparisons based on extensive databases with data from 137 countries. The data enables deeper comparisons between countries with a similar level of income, living standards, and population size. The assessment using the index also makes it possible to explain why some countries perform better than others, and how the gap between those countries can be bridged. This index can allow governments to set policy priorities.

Progress is tied to essential conditions: efficient government, a sufficiently strong, educated middle class, a good health care system, scope for economic investments, etc. Belgian administrations will have to work hard on this in the next few years. Change processes are complex. The CRI is an important tool to unravel that complexity, and ultimately take better, well-founded decisions.

What does this mean for Belgium?

What does the index tell us about Belgium? In the overall results, Belgium comes in 18th place, amid countries like Australia (16th), Austria (17th), and Chile (19th). But, Belgium still lags behind countries like Switzerland, Norway, Denmark, Sweden, and the Netherlands. At the very top of the index we find Singapore, a country very ready to face change.

According to the index, Belgium belongs to the category of countries with a small population, a strong economy, and a population with a great readiness for change. Like other countries, Belgium has a lot of opportunities, many based on their geographical location within Europe, and the resources available. But, if Belgium is not prepared to change and make the most of these opportunities, they risk falling behind. The countries in this category have by far (almost 40%) the greatest probability of still increasing their prosperity. They rate highly in the ranking of ‘people with high equality’, followed by ‘government capability,’ and ‘enterprise capability’. For Belgium, ‘enterprise capability’ ranks better than ‘government capability’. This means that business rates higher than government when it comes to readiness for change.

Belgium rates well in terms of health care, economic diversification, and as an open economy. It has challenges in the field of strong population growth, a healthy labour market, and food and energy security.

For Belgium, the index tells us that standing still actually means falling behind. Particularly for the government sector, the effort to make progress needs to remain in force.

In particular, the CRI measures a country’s change readiness against three main categories (‘pillars’):

1. Enterprise capability: the ability of private and state-owned organizations to manage change and grow within a dynamic economic environment
2. Government capability: the ability of governmental and public regulatory institutions to manage and influence change
3. People & civil society capability: the ability of individual citizens and wider society to cope with change and respond to opportunities. Each pillar contains sub-indices based upon secondary data and primary survey responses

kpmg.com/changereadiness

Standing still is the same as falling behind

“Belgium in the Country Change Readiness index for the first time”
The power of high-quality public services

Governments are the world’s largest service providers. Irrespective of the fact that the customer relationship between the public and government is ‘compulsory’ rather than voluntary, citizens still expect government to help them in a professional and efficient manner.

Today, government organizations face a huge challenge: how to enable their customers to enjoy high quality services within the context of current budget cutbacks. For this reason, more than ever before, government is having to ‘do more with less’. With a view to improve transparency and accessibility for the customer, new technologies, in combination with organizational actions, are important pillars of providing this quality service. It is crucial that government should provide a coherent range of services in an effective manner.

What should they watch out for? Here is a brief summary of ‘Do’s and Don’ts’ which contribute to determining the quality of public services:

**DO’s**
- Try to offer the shortest, most efficient possible customer process.
- Go for co-creation with the customer in the development of new services and applications.
- Provide coherent service offerings, without overlap and contradictions.

**DON’Ts**
- Avoid unclear and complicated procedures.
- Avoid the customer having to enter the same information several times for different government departments (‘Only Once’ principle).
- Don’t shift the focus of the service provision entirely to the digital channel, but if possible, go for a multichannel approach.

In this context, KPMG has charted a number of possible improvements:

1. **Further development of digital services via E-gov-ernment**

   E-government means the organization of dependable and effective service provision by using information and communication technologies to re-design, simplify, and digitize existing processes. For example, the online STCW-On-Web application has resulted in a perceptible difference in service provision to customers, by digitizing the whole application procedure. In comparison with the paper-based procedure, an application for seafarer’s safety training and certification can now be handled up to 7 times faster.

2. **Offering a short and pleasant ‘customer journey’ via the Single Window**

   When customers complete a government form, it often involves several components, with the result that several government organizations are involved. To offer the shortest and most pleasant ‘customer journey’, the number of customer contacts must be kept to a minimum. The Single Window Concept consists of offering customers a single point of access to similar kinds of services. Related services are grouped together to make them more accessible to the customer and exploit synergies. Using e-government, a ‘Single Digital Window’ can also be provided. An example of this is the e-window ‘Irisbox’ operated by the Brussels Capital Region, where citizens can apply for both local authority and regional administrative procedures and/or have them processed.

3. **Evolution towards a ‘citizen-centric’ service provision.**

   The involvement of the citizen in the design of a new (digital) service is a major success factor. Customer group composition must be examined in a holistic way: their needs, their preferences, their expectations, and their current level of satisfaction. In other words: know your customer. WebDIV is an example of providing the utmost transparency in public administration; it is the introduction of a ‘track-and-trace’ system that is an example that share progress with the customer, from the submission of a file until processing has been completed, where the file stands. Although sizeable investments will need to be made (in organizational structure, organizational culture, and in the processes), this kind of system delivers all the benefits set out above.

4. **Striving for transparent government depart-ments**

   A public administration that is organized with a view to improve transparency and accessibility for the population will not only increase citizens’ trust in public institutions, but also promote efficient operation of the government organizations and stimulate their mutual cooperation. So a reciprocal information exchange between government organizations has made it possible since the beginning of 2015 to identify potential beneficiaries of ‘higher-rate income support’. According to estimates, 750,000 people were eligible for higher-rate income support, but only 250,000 were actually claiming it4. This new arrangement will enable all those entitled to the benefit to receive it.

An example of providing the utmost transparency in public administration is the introduction of a ‘track-and-trace’ system that is an example that share progress with the customer, from the submission of a file until processing has been completed, where the file stands. Although sizeable investments will need to be made (in organizational structure, organizational culture, and in the processes), this kind of system delivers all the benefits set out above.

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2 In 2013, 1,176,539 vehicles were registered via WebDIV, which corresponds to 73.94% of all registrations. Source: KPMG calculation.  
3 KPMG calculation  
Shared services centers (SSC) are being implemented throughout the public sector. Think of the shared service centers that have been set up in the Flemish Government, the evolution in that direction in the Federal Government, the establishment of cooperation between local authorities, etc. The potential cost savings are expected to be in the tens of percent.

However, the reality is often a different picture. Many organizations experience difficulties in achieving that kind of percentage, or see no cost savings at all. But why is that? People, or rather ignoring people, is one of the main reasons, as shown by research carried out by KPMG together with the Technical University of Delft (Netherlands).

Pitfalls for implementing SSC

‘Doing more with less’ is the order of the day. To cut costs and improve quality, rigorous changes are necessary. This is where the tension arises: major changes in organizations that are unaccustomed to change.

Although the decision-makers formally decide to set up the organization differently, usually there is no central position of power within public organizations. We see that many individuals have a small share of authority.

The existing organization often does not have a very positive attitude towards changes despite having to endure them. From various parts of an organization, you will hear that there is a lot of unease about whether the SSC may be unable to deliver the promised service. This is often the beginning of an ‘us and them’ culture; a culture that is not conducive to achieving goals.

The many changes bring about two trends. One where more and more work gravitates to the shared service center, and one where there is less and less work in the existing organization. Former line managers lose control over the organization, but there are also people who lose colleagues and activities.

Tips for a successful SSC

Research by KPMG together with TU Delft shows that successful implementation of a SSC involves organizations avoiding the pitfalls during the design and implementation phase by:

- Start discussions with the existing organization at an early stage to create support for the large-scale organizational change; getting the whole organization on board;
- Iron out difficult problems at the time when the situation requires it or becomes aware, and don’t ignore anyone in the process; stakeholders concerned must be brought into the picture and involved. The distributed power position is a problematic situation that requires involvement of policy-makers and change managers;
- Bring two worlds together by setting up processes to manage supply and demand. Get the existing organization and the SSC to understand, help, and reinforce each other. Only in this way will a sustainable situation be achieved.

The hard part about shared services is the influence of situation-specific information. Every organization is different and every organization needs a different approach. Organizations can collect information from others to learn from previous implementations, but ultimately, organizations have to deal carefully with their specific situation, in order to achieve successful implementation of shared services.