

A study into the applicability of  
**Operational Excellence** to  
education systems



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# EXECUTIVE SUMMARY

This paper focuses on the importance of Operational Excellence (OpEx) as a discipline for the non-teaching “central functions” of school trusts (trusts). It is positioned as **an enabler of excellence in the delivery of teaching and learning**, which this paper calls Educational Excellence, by **helping to create the conditions where schools can focus on education**.

By engaging with this research, leaders across the education sector will be better placed to respond to compliance requirements and adhere to recently published guidance from the Department for Education, in particular Trust Quality Descriptions. In addition to demonstrating how OpEx facilitates Educational Excellence, benefits will also include **the creation of capacity within stretched resources, improved operational risk management, and culture change**.

Researchers visited ten trusts to understand their current operational practices. The evidence, combined with a range of interviews and expert input, revealed that there are already pockets of good practice. This is commendable, especially in view of the relative newness of the trust sector. That said, given the sector’s challenges, funding constraints, and a shortage of sector-specific training, it is not a surprise that general OpEx capability in trusts is low in comparison to other sectors.

While potentially seen as a negative, **the low current level of embedded OpEx practice represents a great opportunity for the sector**.

OpEx has the potential to significantly improve the performance of central functions and, in doing so, very likely positively influence educational outcomes. Implementing OpEx requires the investment of time and resources, but this investment will pay for itself many times over.

This paper introduces the **Operational Excellence Framework for Schools and Trusts**, which has been specifically designed to provide practical guidance. The framework enables trusts to self-reflect and identify priority areas for focus. In addition, we describe approaches to implementing OpEx in trusts, including the importance of developing skills in-house and the role of leadership in ensuring success and sustainability.

However, it must be emphasised that OpEx can only be successful if the culture of the trust is right. **CEOs need to actively lead the OpEx initiative**, and the executive team must role-model and reward the desired behaviours and new working disciplines. The research identifies 14 cultural barriers to OpEx in the sector and provides a vision of “what it feels like” to work in an organisation of excellence.

**“I can already see how I can use this to drive improvements across the trust”**

Lee Miller MBE, Deputy Chief Executive Officer, Thinking Schools Academy Trust

**“A really insightful piece of work and something we are going to include as a key strategy in our 24/25 business plan”**

Chris Wiseman, Deputy Chief Executive Officer, E-ACT



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# INTRODUCTION BY STEPHEN MORALES

School business leadership and operational management has evolved over the years into a very sophisticated and complex set of disciplines. It is over a decade since the Quiet Revolution publication, where Geoff Southworth eulogised about the positive impact of school business professionals.

Operational Excellence (OpEx) is the natural next step in the sector's improvement journey.

Schools and trusts are complex organisations, but just like any other sector, in the end, their success depends on their people, their processes, and how both are managed. By focusing on how people work, what they do, and why they do it, it is possible to refine the execution of an operating model to greatly improve efficiency and effectiveness.

OpEx is customer-centric; in the context of education, this means teachers and pupils. We understand that the word customer conjures an image of something that is paid for, and therefore, whilst a useful descriptor for industry, it is not applicable to state education. However, a dictionary search reveals that the definition includes "a person of a specified kind with whom one has to deal". We should not feel uncomfortable about being held to account for the services we provide or the way we "deal" with colleagues, other departments, or wider stakeholders. In fact, we should take great pride in the way we interact and the quality of service we provide.



# **“The pursuit of perfection is a journey that never ends.”**

By supporting a school or trust to look at what its teachers and pupils value and need, OpEx aims to enable the organisational strategy, operating model, people, and processes to meet their requirements. Business processes inherently carry with them inefficiency and lead people to behave in a particular way. If processes are complex and indeed sometimes broken, then even the performance of the best people will be inhibited.

This report does not claim to represent practice across the entire system. However, our sample covers many regions and a healthy spread of small, medium and larger trusts, including those that have only recently converted. The intention was an attempt to identify any evidence of embedded OpEx practice. It is also important to be clear that Operational Excellence is not an absolute judgement, it is a systematic approach. Indeed, we would actively discourage another judgement being placed on schools.

Whilst we did observe lots of good practice, we saw very little evidence of a deliberate and embedded approach to OpEx. This should not be seen as a deficit situation but as a huge opportunity for improvement, that can be taken at a pace right for any given context.

The pursuit of perfection is a journey that never ends. How much energy you expend in that pursuit is an individual choice. Through this initiative what we aim to do is to give schools and trusts some of the tools and ingredients that will help optimise their operations.

**STEPHEN MORALES**

CHIEF EXECUTIVE OFFICER, ISBL

**“Perfection is not attainable, but if we chase perfection, we can catch excellence.”**

Vince Lombardi

**“We are what we repeatedly do. Therefore, excellence is not an act, but a habit.”**

Will Durant

# Part One. Research objective, scope, and approach

This paper aims to make the case that Operational Excellence (OpEx) should be a core discipline for all school trusts (trusts). We will explain what OpEx is and why trusts should be interested, drawing on its success in other sectors but, more importantly, elucidating the potential benefits specific to a trust.

Equally importantly, this paper aims to be a practical guide to the implementation of OpEx in a trust setting. The approach, therefore, is less rigorously academic and instead draws upon the experience of the research team to provide simple, easily digestible frameworks and guidelines that will work in the real world of education.

As well as covering key OpEx tools and techniques, this paper aims to provide an insight into what it “feels” like to be operationally excellent. The research findings indicate that the sector has a big opportunity to improve performance by implementing OpEx. This document provides practical guidance to close the gap, delivering significant benefits along the way. Central to this is a new **Operational Excellence Framework for Schools and Trusts**, published here for the first time.

We also cover a crucial enabler for trusts seeking to embed OpEx: culture. We have created a vision of an operationally excellent culture whilst highlighting 14 cultural barriers we observe in trusts and the enablers required to overcome them.

## SCOPE OF THIS RESEARCH

For the purposes of this paper, we have steered away from a focus on teaching and learning practice. Indeed, there exists already a significant body of literature, research, and practical guidance on educational improvement.<sup>1</sup> In this paper, we use the term Educational Excellence to refer to the quest for excellence in teaching and learning and the delivery of great outcomes.

Instead, this paper invites into the limelight the elements of a trust’s activities that need more focus: the support services. The scope can be summarised as “anything that is not directly related to teaching and learning” and comprises all of the other functions of the trust: finance, HR and payroll, procurement and contract/supplier management, technology services, estates management, administration, catering, cleaning, strategy, risk, governance, marketing, public relations, organisational development, and change management. We use Operational Excellence (which we will define in more detail later) to refer to excellence in non-teaching activities.

Our contention is that these “central functions”<sup>2</sup> have significant scope for the implementation of OpEx so that they can be the best they can be. We will make the case that one of the main benefits of Operational Excellence is **to help deliver Educational Excellence, by helping to create the conditions whereby schools can focus on education**, and hence it is essential to the overall mission of the trust and indeed the sector as a whole.

In looking at trusts, we must take account of the variety that exists. We aim to provide guidance to all, no matter their size, geography, maturity, rate of growth, or operating model. A one-size-fits-all approach to OpEx would in fact fit none. These guidelines are designed to be interpreted in different ways by different trusts, applicable to their own context, giving each trust the best chance of fulfilling its potential amidst real-world constraints.

A significant proportion of the trust landscape is made up of single-academy trusts (SATs). Our recommended implementation approach is deliberately flexible to apply to trusts of all sizes. We contend that OpEx would deliver the same benefits to maintained schools as it would to trusts, providing it is sympathetically applied in the same way it would be for SATs.

<sup>1</sup> One notable example of this is “Structural integration and knowledge exchange in multi-academy trusts”, Toby Greany & Ruth McGinity, *School Leadership & Management*, DOI: 10.1080/13632434.2021.1872525

<sup>2</sup> The term we will adopt for this paper, although it does not necessarily imply they are centrally located nor that they report to a central trust hierarchy

# APPROACH

The research project underpinning this paper draws on data from a number of sources:

## 01 TRUST VISITS

Ten trusts were visited, each for one day, to understand their current state of OpEx, look for examples of best practice and test out the Operational Excellence Framework.

**Each visit agenda included the following:**

- **Discussions with senior leaders (typically CFO, COO, or CEO)**
- **A workshop with central-function staff to explore OpEx at the coalface**
- **A tour of the central-function office(s) to understand the working environment**
- **Deep dives on topics of specific interest from that trust (e.g. innovative use of data, developments in automation, recent restructuring)**
- **A meeting with a head teacher and teacher to get the schools' perspective on the services provided by the central functions**

## 02 INTERVIEWS

An exceptionally experienced advisory board, representing key organisations from across the sector, were all generous in giving up their time to contribute. They are credited at the end of this document.

## 03 EXPERT INPUT

Specialists from the University of Manchester, The Key Group (including Arbor Education), and Ei Square have contributed. In addition, the ISBL research team included five experienced education sector consultants/advisers and two experts in OpEx across a wide range of sectors. These co-authors contributed to the development of the OpEx Framework and cultural observations, carried out the trust visits, shaped key messages, and introduced new concepts from their own experience.

## 04 INTERNATIONAL INSIGHT

Insights were gathered from the USA, Australia, and New Zealand school sectors through a combination of qualitative surveys, interviews, and workshops.

## 05 COMPARISON TO OTHER SECTORS

This comparison is based on the research team's extensive experience of implementing OpEx across a variety of service sector organisations. It is augmented by interviews specific to National Health Service (NHS) trusts as they were thought to be a useful public sector comparator.

## 06 LITERATURE REVIEW

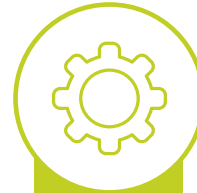
The literature reviewed includes materials published by the Department for Education (DfE), academic papers (some specific to the education sector and others to the domains of OpEx and culture change), and case studies. The detailed list is included in the references.

This paper builds on literature and materials on OpEx available in the public domain, adding thinking specific to the education sector and trusts in particular. Models and concepts that are proven elsewhere are expected to have equal power in trusts if suitably adapted.

# Part Two. What is Operational Excellence?

The definitions of OpEx found in literature often contain concepts that are less relevant to the education sector. These include the concept of “being better than the competition” or technical content about the “flow of value”. Some use language that feels more appropriate for manufacturing environments.

To create a definition that works for trusts, we need to start from some key building blocks:



## EXECUTION

OpEx is not about strategy, it is about everyday execution. It is about every task and process being completed right first time, every time, on time.



## REAL-TIME MANAGEMENT

OpEx is about proactive management to make the best use of resources to achieve desired outcomes in the most efficient and effective way.



## CUSTOMER FOCUS

OpEx is about understanding the needs of all the operation’s customers and aligning all activity to meet those needs, with minimal waste.



## IMPROVEMENT

OpEx is about continuously improving processes, ways of working, and performance, aiming to take a step forward every day.



## TEAMWORK

OpEx is about bringing staff together in pursuit of the organisation’s goals.

On that basis, we offer the following **DEFINITION OF OPEX FOR A TRUST'S CENTRAL FUNCTIONS**:

**“Operational Excellence enables Teaching Excellence** by engaging central-function staff and teams to understand the needs of their customers (schools, pupils, and other stakeholders) and deliver every non-teaching process right first time, on time, every time.”

# Ten principles of Operational Excellence

These ten principles<sup>3</sup> help bring OpEx to life:



## 1. We focus on our customers' needs

Central functions need to focus on what their customers want (see the definition later of "customers" in a trust context). Keeping customers happy by listening to their needs and expectations is essential. This means giving them good value, great experiences, and everything they need to do their jobs to the best of their ability.



## 2. We continually improve

Improving how things work is a never-ending process. To improve things, we constantly seek ways to do tasks smarter, cutting out what's not needed and ensuring everything flows seamlessly. That way, we can keep improving things over time. When we change things, we plan well, communicate clearly, and execute with precision.



## 3. We capture and roll out the "one best way"

Doing things consistently and reliably helps trusts by reducing differences in the results that people get when doing the same task. By following a standard process, we can ensure that everyone is doing things the right way, and we can identify and fix problems more efficiently. Our approach to "one best way" needs to be appropriate for the type of work we are doing.



## 4. We empower and engage our employees

When employees are empowered to make their own choices and take control of their work, it helps them feel like they are in charge of and accountable for their actions. Engaged employees are more likely to put in their best efforts, to take part in improving the way things are done and to be loyal to the trust.



## 5. We make decisions based on good data and insight

Making good decisions and improving operations can be challenging for trusts. Data can be beneficial in such situations. When a trust collects and studies the right information, it can find out what needs to be improved, measure progress, and make decisions based on facts.



## 6. We are agile and flexible

The world is constantly evolving, and being excellent at what we do means being able to adapt quickly and smoothly. When things like regulations, technology, or political preferences change, it's crucial to respond swiftly. That's how trusts stay ahead of the demands on them.



## 7. We all understand our true performance

Clearly seeing how things work is critical to getting great results. When everyone involved in a process has accurate and realistic information, it makes collaboration easier, ensures accountability, and helps each person understand how their task contributes to the primary goal. This enhanced visibility helps to improve teamwork and achieve successful outcomes.



## 8. We adopt Lean Thinking in everything we do

Lean Thinking is a way of doing things that simplifies processes and cuts down on waste. The idea is to optimise the resources available to us by getting rid of anything unnecessary or that causes delays. This approach guarantees enhanced productivity and effectiveness for trusts to reach their goals.



## 9. We continually invest in improving our people's skills

It's crucial that we help employees to keep learning and provide them with training and coaching that is useful for their jobs. If people improve their skills and knowledge, they can become more engaged and efficient in their work.



## 10. Our leaders show commitment and support

Effective leaders are crucial for any trust to function smoothly. They inspire and guide their teams to strive for excellence and encourage them to improve continuously. By actively participating in improvement initiatives and "walking the floor", leaders set an example for everyone else and show the importance of progress and growth for the entire trust.

# Success in other sectors

Lean and OpEx appeared in the service sector in the first decade of the 21st century, driven by the consolidation of bank operations from branches into large service centres. Over the course of the decade, OpEx in service organisations matured greatly until a small number of truly exemplary operations emerged, mostly in the large banks that had invested significantly.

In 2024, OpEx tools and techniques are now found in most commercial sector, and many public sector, organisations. OpEx has been proven time and again to deliver real, tangible benefits to organisations that adopt it. The best leaders understand it, invest in it, and reap the rewards.

As a comparator to education, consolidation of central functions into “shared services” functions in the National Health Service (NHS) has been underway since the mid-2000s. As early as 2010, research demonstrated the successful use of OpEx tools and techniques, although the term “Operational Excellence” was not often used. Anglia Support Partnership (a shared services unit at one time supporting 26 NHS organisations), for example, was at the forefront of deploying Lean and OpEx tools and reported cost benefits of circa 20%.

This demonstrates that the NHS is ahead of education in some respects, particularly in adopting the concept of the **customer** (the internal recipient of the service). However, progressive reorganisation of the NHS trust system since 2010 has delayed true exemplars of OpEx, upon which education could draw, from yet emerging.

## The nature of work: OpEx applicability in different environments

The research visits to a variety of trusts of different sizes and structures quickly confirmed that the work being done by the central functions is diverse. In particular, there is a spectrum of work types that runs from “highly repetitive and transactional” to “highly discretionary and varied”.

This understanding is crucial to ensuring that an OpEx implementation lands well with staff and delivers the desired results. This is because, while the principles listed above apply to all forms of work, no matter how simple or complex, **the tools and techniques used to manage and improve work vary along the spectrum**. As an example, applying techniques such as intra-day management (ideally suited to transactional work like processing purchase requests) to the management of a staff disciplinary case will cause discontent; staff will not buy into methods that are not appropriate to the work they are doing. The OpEx programme will quickly lose credibility.

It is essential, therefore, that OpEx practitioners learn to understand the nature of the work and apply the right tools and techniques to what they find.

# Part Three. Why is Operational Excellence important to school trusts?

## The challenges facing trusts

During the research, senior executives talked at length about the challenges facing trusts. Those most relevant to Operational Excellence emerged as being:

01

### **Educational challenges: outcomes, behaviours, attendance, SEND, safeguarding**

The delivery of excellence in educational outcomes is the ultimate goal of every trust. Achieving that in the face of a changing societal background, funding challenges, external pressures, a rise in special educational needs and disabilities (SEND), and the need to keep pupils safe is the number-one challenge.

02

### **Retention/attrition and recruitment**

Loss of teachers and head teachers, particularly in their first few years, is mentioned frequently as a major challenge. Initiatives are underway (such as working hours reduction) that fall more under the banner of Educational Excellence and so are out of the scope of this paper. However, the central functions have a direct impact on the working lives of those in the schools and can influence the decision of all staff to stay or depart.

03

### **Growth and competition**

Leaders talk about increasing pressure to grow, not just by integrating single academies but by onboarding them in groups with different cultures, different systems, and different ways of working. Achieving operational stability quickly is core to successful onboarding.

Leaders also talk of an increasing sense of competition within the school system. Whether or not this is a good thing, OpEx enables a trust to perform more highly than its competitors.

04

### **Cost pressures**

School business leaders speak of the multiple cost pressures on trusts, including increasing external costs, declining pupil numbers, unfunded or part-funded pay rises, ageing estates, the overhead burden of regulation, and the increasing levels of SEND support required.

05

### **Accountability and control**

Trusts are operating under high levels of scrutiny and accountability; colleagues we spoke to believe this is creating an environment of jeopardy and generating unintended consequences. For example, the reporting burden on schools and trusts, intended to demonstrate good governance and control, has a significant impact on the organisation, absorbing proportions of both teaching and non-teaching roles.

06

### **Understanding operational performance**

Several trust leaders discussed the difficulty of understanding performance as an organisation and in comparison to other trusts. Educational outcome data provides one set of benchmarks, but there is little to indicate whether a trust's central functions are as good as they could be.

# Who is the customer?

Before we can discuss the potential benefits of OpEx to trusts, we must tackle one vital question from an OpEx perspective: Who is the customer?

A core principle of OpEx and Lean Thinking is that we should align all of our processes and resources to deliver exactly what the customer wants, right first time. In that way, there is no wasted effort – anything not directly contributing to meeting the customer’s needs is unnecessary and so an improvement opportunity.

Many within the education sector are resistant to the word “customer”, perceiving it to be tainted by its association with commercial enterprise. Moreover, there is often a rejection of the notion of having a customer at all. Yet, semantics aside, the concept of “**the person whom I serve**” (with no commercial connotations but purely a focus on providing the best possible service) must become a central part of the culture of trusts if they want to become operationally excellent. If there is no customer, and so no understanding of their needs, then there can be no focus to activity and no definition of what excellence in operational practice looks like.

It is important to understand that organisations, and even individuals, **can have multiple customers**. The finance function, for example, is serving head teachers (budget tracking, paying suppliers, etc.) but also serving the leadership team (management accounting and insight), the trust board (fiscal accounting), and regulatory agencies such as the Department for Education (DfE). This is not a contradiction but a fact of life. Every function’s goal is to understand all of its customers and their requirements and to meet them all appropriately. Occasionally, the needs of different customers are in conflict – that again is a fact of life and part of the management challenge.

This paper contends, however, that **the primary customers of the central functions of a trust are the head teachers, school senior leadership team, and teaching staff in the schools.**

This contention arises from focusing on the reason for the trust’s existence – to maximise the quality of education and the academic outcomes. This drive for Educational Excellence is the core mission of any educational establishment.

Every child  
deserves to be the  
best they can be.

East Midlands Academy Trust

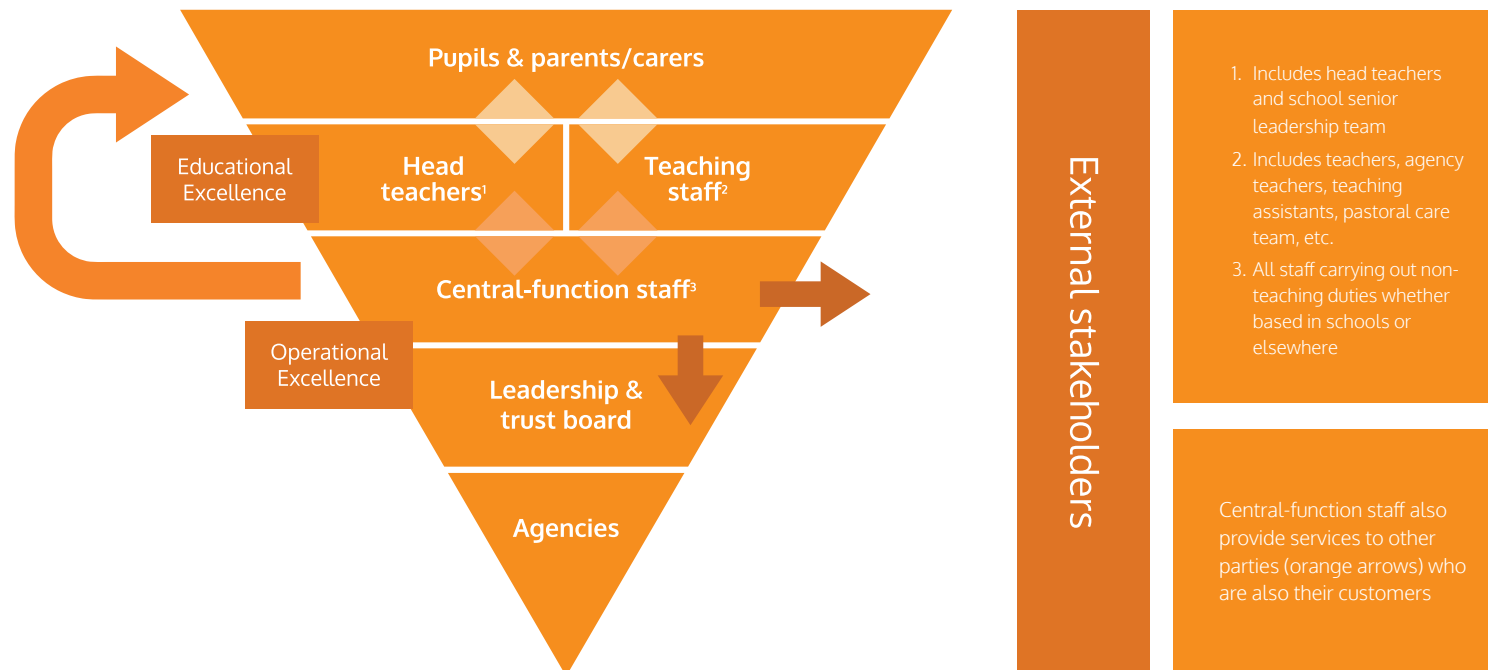
If we are to deliver on that mission, then every function in the trust must align with that primary goal. If we do not, then we will not achieve it.

This paper, therefore, proposes an inverted pyramid model<sup>4</sup> of trusts to clarify who are the customers of the individual parts of a trust. The inverted pyramid<sup>5</sup> places the “most important people at the top”. In the case of a trust, **the most important people are the pupils** (and their parents/carers).

<sup>4</sup>See figure 1

<sup>5</sup>Adapted to organisations by Jan Carlzon in his book “Moments of Truth”

# Pyramid model



**Fig. 1: The inverted pyramid model of a trust**

While the pupils are the ultimate customers of the trust as a whole, for the central-function teams, the **primary** customers of their services are the head teachers/senior leadership team and the teaching staff. In addition to servicing pure customers, we should be conscious of the significant time and effort required to meet our regulatory obligations to various agencies.

# Aligning central functions to support Teaching Excellence

Those primarily delivering services to the pupils are the teaching staff (including teaching assistants, pastoral care, and agency teachers), who provide direct education and development, and the head teachers and school leadership team, who, in addition, create the conditions for teaching and learning success.

The primary role of the central functions, therefore, must be to support the head teachers and teaching staff to enable them to focus on their core roles. This concept of “**internal customers**”<sup>6</sup> aligns all the functions in the trust towards the common outcome.

The central functions have other customers as well – from pupils and parents/carers (where processes involve a direct interaction) to the trust executive, trustees, and external bodies such as regulators. But if the organisation is to be aligned towards its core mission, then the central functions must assume a customer-centric model with the teaching and learning parts of the trust being their primary customers.

Although there are alternatives to the word “customer”, there is a wealth of research and guidance available on the subjects of **customer service**, **customer experience**, and **customer journeys** that is of great potential value to the sector. We recommend that the term “customer”, used in the sense of “**the person whom we serve**”, should be adopted across central functions to focus the understanding of needs and measure the success of service delivery. **This is already the case in the US**, where our research suggests the concept of customers, internal and external, is very much part of school-district culture for the central functions.

<sup>6</sup>First developed by Kaoru Ishikawa and now adopted across the world to align quality along a process

# Four benefits of Operational Excellence

Four major benefits to trusts have been identified:

## Benefit 1: Enabling educational excellence

The current Workload Reduction Taskforce reflects the fact that some parts of a teacher's job are unnecessarily burdensome. The initial recommendations paper (January 2024) lists 24 examples of administrative tasks that often fall on teaching staff. The recommendations argue for such tasks to be removed from teachers and assigned elsewhere.

Operational Excellence challenges the work done not just in terms of who carries it out but also more fundamentally whether it is efficiently designed and even whether it needs to be done at all. There was ample evidence from the trust visits and research interviews that **administrative processes in trusts create waste in schools**. Examples include forms that take too long to complete, duplicate data entry into multiple systems, errors that result in rework, wasted time for teachers due to slow responsiveness from central teams, wasted time resulting from poor communication, and many more. Adoption of OpEx by the central functions would systematically drive out waste, freeing teaching time that can be redeployed towards Educational Excellence.

Opportunities for improvement are even greater for the schools' senior leaders and head teachers because of their more frequent interactions with the centre. End-to-end processes such as recruitment, procurement, and budgeting can often be ineffective (create the wrong outcome) or inefficient (consume too much resource). A lack of OpEx disciplines leaves a general background of wasted time, confusion, errors, and their consequences.

---

OpEx therefore supports Educational Excellence in two ways:

1. By giving the teachers and head teachers everything they need to do their jobs well (such as computers that work, productive and safe teaching environments, materials that arrive on time, high-quality recruits attracted by a great recruitment process, and much more)

2. By taking away all of the waste and noise that prevents them from being able to do their jobs (such as the examples given above)

A secondary benefit of OpEx is an increase in staff engagement and motivation. This partly comes through their involvement in improvement activities, but in the case of the school staff, the stronger benefit would be **seeing that things are improving**. This “hope for the future” could be a powerful lever in reducing attrition in the teaching community. Given the importance of retention as a key challenge for schools, this benefit perhaps warrants being listed separately in its own right.

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## Benefit 2: Capacity creation

The research visits highlighted many examples of waste in central function teams, driven by inefficient processes, defects, miscommunication, lack of proper process control, weak operations management, inefficient allocation of resources to work, and staff with insufficient process skills.

OpEx systematically reduces these sources of waste. The consequence is to **free up time** in everyone’s day, more formally referred to as **creating capacity**.

It is up to the trust to decide how that capacity is utilised. Typically, there are three options:

1. By moving work around, roles can be freed up and released, resulting in cost savings
2. The time can be reinvested in activities that are perceived to be of more value
3. To absorb more academies without needing to grow the central team proportionately

Other cost impacts of OpEx include better value from procurement, lower recruitment costs, lower contractor costs, and lower costs of projects.

## Benefit 3: Operational risk management

Most trust boards would claim that they have strong risk management due to the requirements of good governance. The trust visits, however, revealed a common blind spot: that of **operational risk management** due to weaknesses in process and quality control.

While there are policies and procedures in place to manage risk, we found that **understanding and use of in-process quality control is limited**. This is the discipline of looking at the work being done, assessing its quality, and ensuring that corrective actions are in place. Without this, procedures and policies can give a false level of confidence that risk is being controlled at the front line. OpEx includes a suite of quality-management tools that enable boards to sleep soundly, knowing that there is robust real-time control of the work being done.

## Benefit 4: Culture change

Conversations with trusts that have begun to invest in OpEx techniques revealed that their efforts have had a significant impact on the trust's culture.

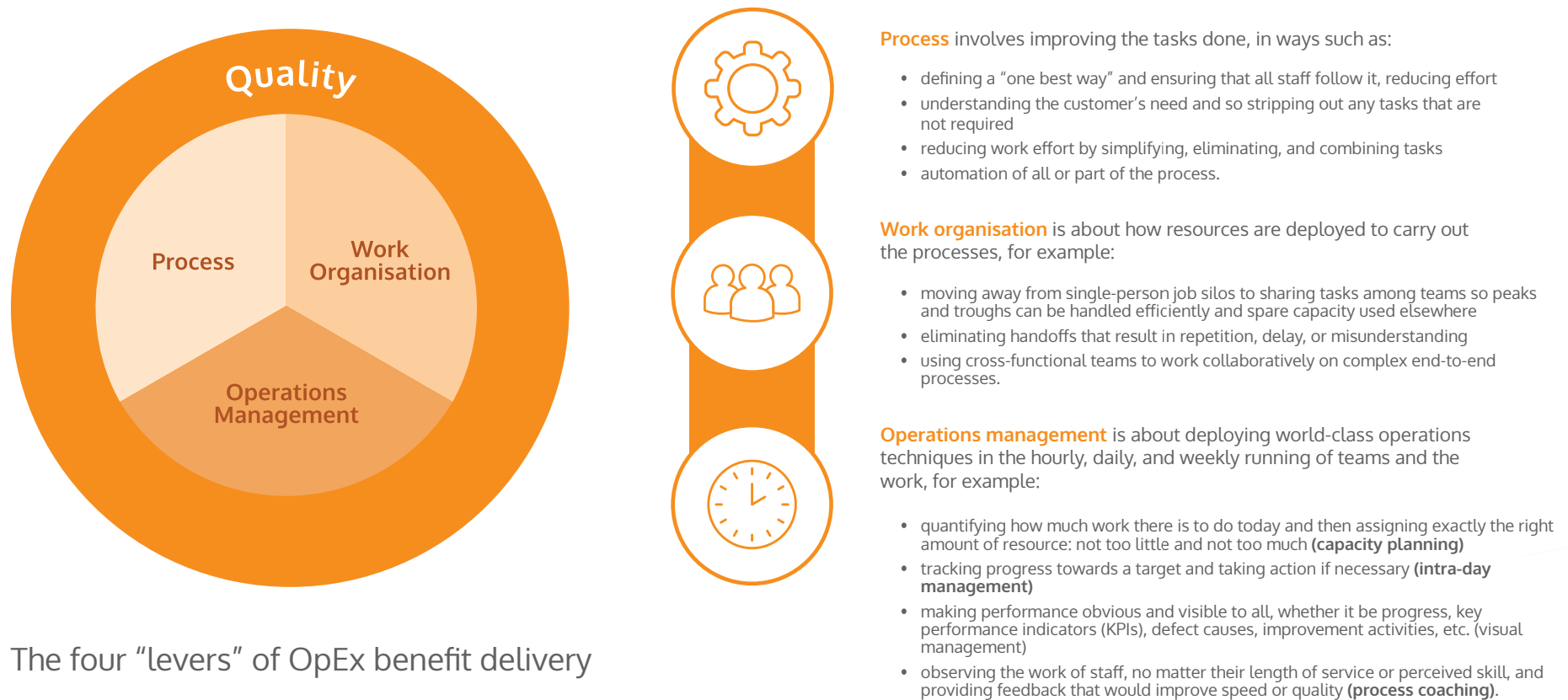
Even simple OpEx tools, such as process analysis and quality control, start to change ways of thinking and working. Looking at processes end to end creates conversations between staff members who previously did not understand their respective roles. Analysing the root causes of errors creates an understanding of the importance of "right first time" at all stages of the process. The implementation of OpEx, therefore, creates a virtuous circle: initial improvements create an understanding of the benefits of new ways of working and start to change the way people think about their work. That in turn helps to create new opportunities and starts the cycle anew.

There are limitations to how effective and self-sustaining such a cycle can be. Later in this paper, we will look at the cultural barriers to OpEx and how they can be (and need to be) overcome.

# Levers of benefit creation

A common question from those new to OpEx is: How does it actually create the benefits? It can be helpful, therefore, to talk about the main levers of benefit delivery.

There are four main levers: process, work organisation, operations management, and quality.



The four “levers” of OpEx benefit delivery

Underpinning everything is **quality**, the drive to do everything “right first time”. This elimination of defects creates benefits by reducing rework, rectification, and confusion.

# Part Four. Operational Excellence Framework for Schools and Trusts

The challenge for those new to OpEx is knowing “what good looks like”. Without a vision of world class, it is difficult to judge how well, or otherwise, the organisation is doing, what might come next and what might be missing from current thinking.

In this paper, we introduce for the first time practical, hands-on guidance on “what good looks like” specifically for trusts: **the Operational Excellence Framework for Schools and Trusts**.

The framework is based on similar tools in other sectors but is specifically designed for trusts, not just in terms of terminology but also adding emphasis to some aspects and playing down or eliminating aspects that do not feel relevant in an education context.

There is a risk that organisations at the start of an OpEx journey might be intimidated by how far their current state is from this picture of “world class”. It is true that the full journey is one of single-minded devotion over several years. However, we encourage any trust to just get started with some simple tools and techniques and start to reap the benefits.

It is also common to hear “We haven’t got time to do this”. This is not the case: the time is currently occupied by waste and inefficiency. One of the maxims of the Total Quality movement was “quality is free” – the resource invested in getting things right first time was more than repaid by the benefits of doing so. This is also true of OpEx. The secret is to start with simple methods to solve simple problems and build capability and impact along the way.

**The OpEx Framework for Schools and Trusts** is a series of statements of what good looks like, divided into ten domains. It is deliberately written to be applicable to a wide range of environments and types of work, which is important if it is to be used trust-wide. For example, the statement “All processes are documented; process maps and user guides are readily available to all staff when needed. Material is simple, clear, easily referenced, and “in use” is equally applicable to transactional processes (such as processing purchase requisitions) and to discretionary processes (such as handling a grievance case). It is the format and content of the documentation, and the way it is used, that should be varied according to the nature of the work – from a simple process map showing how to raise a purchase order to more complex guidelines about the handling of a case.

The framework is complementary to documents like the Academy Trust Handbook, the Trust Quality Descriptions, and the Chief Executive Officer content framework. Some aspects of the Finance and Operations section of the Quality Descriptions and the CEO content framework touch on operational techniques, but none of the documents explicitly stress the importance of OpEx to trusts; we recommend that the next generation of all three is extended to include OpEx.

# In publishing the framework, it is important to be clear about what it is NOT designed to be:

## **It is not designed to be a scoreable audit**

We have seen many examples of frameworks like this being turned into scoring systems. This in itself is not an issue, but the consequence of doing so is the potential for scores to become targets and league tables, incentivising gaming of the system and raising leaders' stress levels one more notch. This framework is designed instead to "point the way" as well as to provide an opportunity for self-assessment and reflective practice.

## **It is not about strategy – it is about execution**

OpEx is only one driver of operational performance. The framework does not cover the other aspects such as operations strategy (how to set up the operation to deliver the business strategy), operating model design (how to structure the whole operation in terms of hierarchy, people strategy, rewards, technology, structure of the central functions, location strategy, etc.), and sourcing (outsourcing, strategic partnerships, etc.). OpEx sits alongside strategy, design, and sourcing as a complementary enabler of overall performance.

## **It is not designed to teach professionals how to do their jobs**

The framework does not attempt to tell professionals such as chief financial officers, people directors, or procurement officers how to do their jobs. While there may be references to procurement, for example, they are only made, in the context of how procurement practices or mindsets impact OpEx (or the other way round); the framework does not try to advise on specialist skills such as how to define and execute a procurement strategy. That remains the domain of the well-qualified and experienced professionals in their various specialist roles.

## **It does not cover integrated curriculum and financial planning (ICFP)**

As there is considerable material already available in the sector about ICFP, we have not covered it again in the framework. ICFP is an approach that sits alongside Operational Excellence in enabling schools to make the best use of resources.

# The framework: Domains

The statements of best practice have been divided into ten domains as follows:

- Impact on Teaching and Learning
- Operations Management Capability
- Process and Quality Control
- Operational Risk and Quality Assurance
- Resource Planning and Deployment
- Productivity and Cost Control
- Data, Performance Measurement, and Action
- Technology Effectiveness
- Skills and Human Performance
- Continuous Improvement

Within each domain, there are between six and ten statements of best practice, deliberately written so that they can be applied to any type of work in any function. **The correct interpretation of each statement to the context of the work is an essential skill that will develop over time** – in the early days, this is something for which external advice can be particularly helpful.

## As an example, the statements in the Process and Quality Control domain are:

01. All processes are documented; process maps and user guides are readily available to all staff when needed. Material is simple, clear, easily referenced, and "in use".
02. Process documentation is up to date and shows evidence of ongoing review and updating.
03. Process maps and user guides are used for initial training and ongoing coaching.
04. There is clear end-to-end ownership of each process. Process changes are approved by the right level of authority prior to implementation. Process changes are clearly communicated and, where necessary, trained in prior to implementation.
05. There is a clear definition of "good" for each task or process, enabling non-conformance (errors) to be identified.
06. Local managers actively check that process documentation is being followed and enforce its use. Quality failures are tracked back to process documentation, and it is improved or reinforced where required. There is no use of ad hoc reference materials.
07. Errors are captured and tracked in a simple way for future analysis. A measure of "quality performance" (% errors or similar) is defined and tracked.
08. Quality data is regularly reviewed to seek root causes and trends. There is evidence of active improvement of processes, training, controls, systems, or materials in response to quality issues that have arisen.

The full framework across all domains is available as a companion document to this report.

# Part Five. The current state of Operational Excellence in school trusts

One of the main objectives of the ten trust visits was to sample the current level of OpEx in trusts. The framework was used as a basis against which assessments were made. The visits aimed to identify strengths and weaknesses across the sector and consisted of both leader/manager interviews and workshops with administrative staff to gain a balanced view of the reality of trust operations.

## General commentary on Operational Excellence capability

The trust visits and interviews revealed that there are already pockets of good practice. This is commendable, especially in view of the relatively embryonic state of the trust sector. We have listed some of the good practices in this section of the document. That said, given the challenges of being newly established, funding constraints, and a shortage of sector-specific training, it is not a surprise that currently general OpEx capability in trusts is low in comparison to other sectors.

Within each trust visited, good examples tended to be of specific techniques in specific teams or functions – so good practice in the finance team, for example, was not yet being replicated in the other functions. Individual trusts are developing approaches in specific aspects of OpEx (e.g. Productivity and Cost Control) but have opportunities to tackle more of the domains of the framework.

The best trusts in our sample were actively working on OpEx-style initiatives, with good results and momentum. Progress is being made but is not yet approaching “world class”. This, however, is good news – with such a level of improvement available, OpEx has the potential to make a significant impact in the sector and so to help tackle some of the challenges trusts are facing.

At a high level, looking across the sample of trusts, strengths and weaknesses were found to be:

- **good examples of:** customer focus, process control, resource flexibility, improvement (informal/unstructured), use of data, technology effectiveness, procurement cost control, operational risk management
- **some evidence of:** balanced scorecards/KPIs, effective dashboards, coaching to improve process performance, people performance management
- **little evidence of:** quality control, improvement (formal/structured), work measurement and capacity planning, team-based performance measures, operations management training and skills, appropriate spans of control.

A more detailed look at each domain of our sample follows, with an overall commentary and some examples of good practice included. (Note: the trusts had more than one example we could have included here, but we have limited examples to one per trust for brevity).

## Impact on Teaching and Learning

Some teams understand the schools as being their “customers” and seek feedback. Most head teachers are broadly happy with services provided by the central functions. Some trusts have key performance indicators and are reporting them, with regular service review meetings being held.

Thinking Schools Academy Trust has established formal partnership agreements between each school and each central function. These documents lay out clearly the services that will be provided, the standards (KPIs) and timescales. In exchange, the responsibilities of the school are detailed.

There is opportunity to develop customer journey thinking. Examples of changes being implemented without proper design and engagement of the schools suggest a good opportunity to strengthen change management.

Nicholas Postgate Catholic Academy Trust has enrolled all of its central-function staff on a Level 2 NVQ in customer service, aiming to significantly increase internal and external customer awareness.

## Process and Quality Control

Trusts typically have developed process maps for a few processes but only in a subset of functions. Written procedures often exist, but they are sometimes out of date or too wordy/detailed for practical use.

There is confusion about the difference between “policy” and “process”, with even senior leaders discussing the former when asked about the latter. A real opportunity is to better understand end-to-end processes, particularly more complex ones such as recruitment and procure-to-pay. Implementing quality control is a big opportunity in all trusts that were visited.

Houlton Church of England Multi-Academy Trust has made good strides in understanding the risks and defect causes in some of its processes, starting with finance, and has implemented a series of process controls to tighten up performance.

## Resource Planning and Deployment

Several trusts have given active thought to how to structure central functions to meet school needs: this typically revolves around the question of central vs devolved and the challenges of regional vs national organisations.

There are examples of roles or teams being designed with the flexibility to deploy staff to meet varying levels of demand. Some teams talk about multi-skilling. A couple of trusts demonstrated intra-day management (i.e. tracking progress towards an operational target).

E-ACT used a third party to complete an operational review, leading to a redesign of the operating model. That new design has been implemented, resulting in changes to the national/regional structure and a new business partnering model to face off to the schools.

The prevalence of “one person, one job” is very strong, meaning lots of one-person resource silos. This means either the business is resourced to the peaks (and so at non-peak times has spare resource that is hidden) or those peaks are times of great stress and increased chance of error/risk.

Simple work volume tracking, and work volumes being converted into hours of effort, would be the foundation for other improvements, such as capacity planning (matching resource hours to demand hours). Proactive scheduling of investment activities (training, coaching, improvement, comms) would ensure they happen more reliably.

<p><b>Data, Performance Measurement, and Action</b></p>	<p>Performance measures are most commonly found in help desk-type environments where they typically report on ticket volumes or status. Some trusts are now establishing data roles to gain better insight. One trust has invested significantly in building a data function to provide services both internally and externally. Another is building integrations between its core systems to provide a solid backbone of data and technology.</p> <p>In general, performance measurement is a big opportunity. KPIs should be challenged to ensure they are measuring what is important. “Balanced scorecard” thinking<sup>7</sup> (holistic sets of metrics making sure performance is being looked at from all of the necessary angles) would ensure fairness and appropriate focus. Those KPIs can then be used to drive improvement.</p> <p>East Midlands Academy Trust has built a reporting dashboard from its IT helpdesk system that shows good progress towards a “balanced scorecard”. The “Shared Services Satisfaction Report” includes metrics on speed (against SLA), customer satisfaction, average resolution time and % compliance.</p> <p>The Challenge Academy Trust has built a set of dashboards that draw together the performance of multiple central functions (finance, HR, health and safety, IT, estates, data, governance and complaints) for each school. The dashboards have led to action planning, which the central team use as their planning tool.</p>
<p><b>Skills and Human Performance</b></p>	<p>Some trusts have recently improved performance management and are taking more proactive supporting action with staff. One finance team is actively coaching other staff members to improve their completion of forms (e.g. purchase requisitions) when issues are found. There were two examples of improved recruitment processes, taking advantage of new technology.</p> <p>In general, training and personal development for central-function staff feels to be a secondary priority to continuing professional development (CPD) for teachers. The development of structured training plans for central staff that include process-related training would be a good step forward. Coaching should be embedded as a tool to improve process performance. Skills matrices are a simple tool to understand who is skilled to do what and to what level. Talent management and succession planning are areas that several trusts are aiming to prioritise.</p>
<p><b>Operations Management Capability</b></p>	<p>Individual managers impress with their knowledge of their teams and the services they provide.</p> <p>Operations management techniques are a major quick-win opportunity for all of the trusts visited. Frontline managers/team leaders should be trained in operations management or OpEx. Basic OpEx disciplines such as capacity planning, visual management, skills matrices and intra-day management would be a great place to start. Spans of control represent an opportunity, being very small (typically 1–4) in comparison to those in other sectors (6–8 in professional teams and 10–15 in processing teams).</p>
<p><b>Operational Risk and Quality Assurance</b></p>	<p>Two strong examples of operational risk management stand out. There are examples of internal audits being seen as coaching rather than just a threat.</p> <p>STEP Academy Trust has created a risk framework that is deployed trust-wide. A comprehensive set of “STEP Standards” has been built, and each risk can then be assessed against a set of descriptors. Risk/performance is heat-mapped for individual schools and functions and then aggregated to trust level to highlight priorities for action.</p> <p>Assessing the operational risk/defect potential of different processes and building appropriate quality control systems would improve real-world and real-time risk management. Control Plans (lists of quality checks and when they should be done) and Surveillance Plans (to make sure the quality system is working correctly) would be the basis of new quality disciplines. The concept and practice of quality assurance should be widely understood.</p>

<sup>7</sup>“Applying the Balanced Scorecard to Education”, Karathanos and Karathanos, 2005

<p><b>Productivity and Cost Control</b></p>	<p>Most trusts have good control over external costs. Levels of accountability are generally thought to be well understood and applied. There are several good procurement initiatives underway, including the use of third parties to bring insight. Several trusts are increasing resources in procurement and/or contract management and showing clear benefits from doing so.</p> <p>Woodard Academy runs a partnership with a third party to provide expertise in procurement, making best use of external specialism rather than feeling the need to develop capability in-house.</p> <p>Procure-to-pay is an example of a complex end-to-end process that should be mapped, understood, improved, and managed. Given that staff in several trusts expressed their frustration with how that process operates for them as a user, this would be a good win for the central function teams.</p> <p>How staff time is spent on different activities should be recorded so that it can be analysed (e.g. time spent on particular processes or tasks).</p>
<p><b>Technology Effectiveness</b></p>	<p>Not surprisingly, the overall fitness for purpose of IT systems varies. The use of help-desk systems to manage issues (not just with technology but also for estates and, in some cases, other functions) is growing. In most cases, this is seen as a positive development. Some head teachers report very good responsiveness by the central teams to issues raised.</p> <p>There are examples of some recent implementations not having been as successful as wished. Engagement of users in design seems to be an approach that would deliver benefits widely, as is better training and launch support to ensure new systems/processes are actually used correctly and deliver the intended benefit. End users (schools) do need to invest sufficient time for training to be completed properly. The help desk focus needs to evolve from “time to respond” to “time to fix”, and root-cause analysis of common issues should start to develop more permanent fixes.</p>
<p><b>Continuous Improvement</b></p>	<p>Several trusts are able to evidence improvements being designed and delivered. One trust’s finance function has embarked upon a major programme of improvements with the aim of simplifying processes for the schools.</p> <p>Red Kite Learning Trust has invested in AI-powered automation to process supplier invoices. The benefits have been actively realised: the finance team was able to reduce its headcount as a consequence of the elimination of work.</p> <p>There is a big opportunity to embed formal improvement skills across the central function teams. An understanding of Lean Thinking would be a great place to begin, ensuring improvement is driven by all and not just the good efforts of individuals.</p> <p>Stronger project management and change management could significantly improve both small internal improvement projects and major projects such as onboarding new academies.</p> <p>Astrea Academy Trust has established a strategic projects board with the aim of overseeing all major change within the trust. The focus is now on understanding the combined change impacts of the overall portfolio, not just in terms of the resources assigned to multiple projects (and so potentially stretched too thinly) but also in terms of the recipients of the change (such as school ops managers).</p>

# International perspectives

ISBL contacts in the United States, Australia, and New Zealand were engaged to understand the development of OpEx in those school systems and to understand whether there are exemplars of OpEx already developed that English trusts could use as a guiding light.

Qualitative surveys, asking for insights based on the framework categories, were received from all three countries, and interviews and workshops were held with professionals extremely knowledgeable in the systems of Australia and the US.

The summary of the information gathered is that those international school systems do not appear to be substantially further ahead in OpEx than trusts in England.

- In the US, there is a parallel between school districts and English trusts in that they are groups of schools with central control. Our research suggests that, while there are pockets of good practice, there is no system-wide embedding of OpEx from which the UK can learn. The exception to this is that our research suggests that **school district central functions are very much at home with the concept of the “internal customer” and commonly use customer-centric language** when referring to their interactions with schools.
- The Australian and New Zealand school systems are more similar to England’s local authority system, with government schools reporting into a state hierarchy. This provides benefits: states in Australia, for example, provide considerable resources (buildings, core infrastructure, and ongoing professional learning). Schools must follow a standardised curriculum and adhere to stipulated policies, regulations, and audit regimes. However, outside of the legally mandated areas, the schools have considerable autonomy in terms of how they choose to run and spend their budgets. Almost 40% of schools are totally independent – they are private or faith-based institutions. However, as with the US and the UK, there do not appear to be obvious exemplars of OpEx to which English trusts can turn.

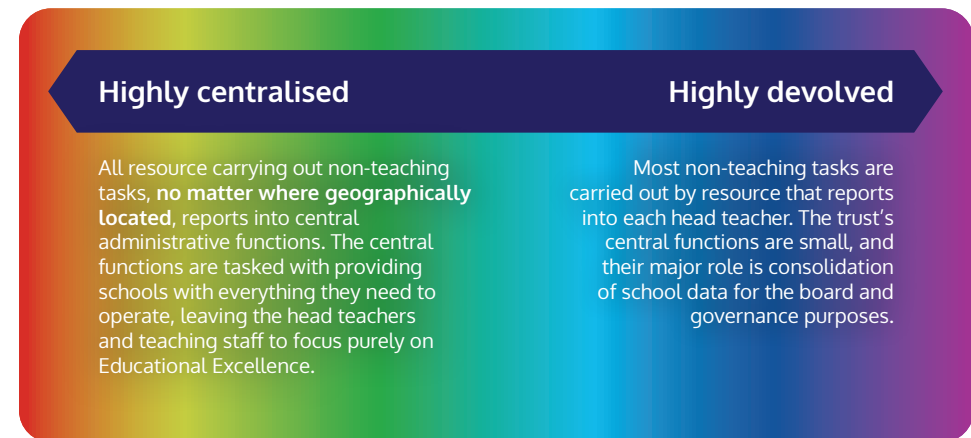
## Impact of different operating models

Of the ten trusts visited, no two had an identical operating model. Not only were they of different sizes (from one SAT to the largest being 38 academies), but their contexts varied considerably. Some were reasonably stable, while others had recently onboarded or relinquished schools. Some were concentrated in a specific geography, while others were distributed nationally or had regional clusters. Some had a strong culture of centralisation and standardisation, while others believed that central-function tasks should mostly remain devolved to the schools.

This study does not recommend a specific operating model. Such a theoretical one-size-fits-all approach would quickly fall foul of the real-world constraints under which each trust operates. We do, however, comment on how the choice of operating model impacts a trust’s drive for OpEx.

The main decision that impacts the approach to OpEx is the degree to which the trust wishes to centralise the central functions. The following table explores the pros and cons of two extremes of a spectrum: from highly centralised to highly devolved.<sup>8</sup> All of the trusts visited showed different models along this spectrum, including examples that were quite close to each end.

### Spectrum of operating models



<sup>8</sup>There is a distinction between where the resource is located (in schools or not) versus the reporting lines. By “centralised” here, we mean that the resource is considered a single pool of resource with a single management team; by “devolved”, we mean the resource is controlled by the individual schools.

The following table provides pros and cons from an OpEx perspective:

	Highly centralised operating model	Highly developed operating model
PROS	<ul style="list-style-type: none"> <li>• Central planning optimises task distribution and so minimises overall resource needed. Better able to handle peaks and troughs</li> <li>• Larger central teams, giving economies of scale (e.g. spans of control) and resilience (fewer single points of failure)</li> <li>• Greater chance to “professionalise” the roles, greater multi-skilling and learning from colleagues</li> <li>• Better chance to define and enforce “one best way” of working for each task/process</li> <li>• Larger trusts are likely to have specialists in each function (finance, HR, technology, etc.) giving greater strategic input</li> <li>• View of the same issues/opportunities across the trust can result in better, more cost-effective solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Schools have the ability to focus on their own priorities</li> <li>• Locally based and managed resource can be more responsive, especially in a crisis</li> <li>• Local resource better understands the context and needs of the schools and can offer more tailored solutions</li> <li>• Continuity of resource, where that is important (e.g. complex HR cases handled by a single individual rather than switching across a multi-person central function)</li> <li>• Central staff aligned to school and pupil outcomes by being part of the school team</li> </ul>
CONS	<ul style="list-style-type: none"> <li>• Centralisation can often lead to less responsive processes, loss of alignment with the needs of the schools, etc.</li> <li>• Even larger functions are not huge, so sometimes C-level staff directly managing frontline administrators</li> <li>• Problems can no longer be resolved through personal relationships: processes need to work well</li> <li>• Multi-skilling and resource sharing can result in less personalised support; potential for miscommunication and handoff of waste within the central teams</li> <li>• Central functions lose some of their alignment with the overall vision; become more internally focused</li> </ul>	<ul style="list-style-type: none"> <li>• Lots of small silos of resources (“one person, one job”), likely masking spare capacity or creating extreme pressure on some individuals. Single points of failure</li> <li>• Lots of variants of ways of doing a task; they cannot all be the “one best way”. Loss of efficiency but also potential for risk</li> <li>• Career paths not clear for standalone positions</li> <li>• Duplicated effort (e.g. solving the same problem in multiple ways across schools)</li> <li>• More likely to have generalists than specialists in role. Harder to manage performance with no comparators</li> <li>• Resources prioritised within schools but not across them; less able to target help where it is most needed</li> </ul>

# Regional vs national operations

Several trusts in the sample had national coverage but were in fact multiple regional clusters (rather than a random distribution across the country). Structuring the central functions was a trade-off between the perceived benefits of a national model (maximum resource flexibility and so efficiency) and a regional model (local management and closer relationships with the schools). Some trusts had experimented with one model only to go back to the other.

From discussions during the visits, our view is that both models have merits, and it probably does not matter strongly which is chosen. The key learning, we believe, is that **any operating model will struggle if OpEx is not in place to underpin it**. Performance issues are less likely to be caused by the concept and more likely to be a result of it not being set up and managed well. With the right basics in place, using the OpEx Framework for Schools and Trusts as a guide, either operating model can be made to work efficiently and effectively.

## Size of the prize

It is not unusual to hear objections such as “We haven’t got time to do this”. However, this is not the case: the time is currently occupied by waste and inefficiency. The resources invested in getting things right first time should be more than repaid by the benefits of doing so (if done well).

Based on dozens of examples<sup>9</sup> of OpEx implementations in organisations from a wide range of sectors, sizes, types of work, and levels of maturity, we are able to state with confidence that **most trusts have a minimum capacity creation opportunity of 20–30%** in their central functions.<sup>10</sup> This capacity can be unlocked by the systematic elimination of waste from every task, process, and role and so would be progressively realised over time. This is probably an underestimate of the true opportunity, but it needs to be tempered by some of the challenges of realising benefits (such as TUPE/contracts, small team sizes, and the constraints of trust financing).

<sup>9</sup>The authors’ own experiences include more than 100 projects in organisations from a range of sectors including public sector/government bodies, commercial organisations (financial services, utilities, healthcare, outsourcing, manufacturing, logistics, and others), charities, and regulatory bodies.

<sup>10</sup>In the authors’ experience, any team that has not implemented OpEx has at least this figure available. Rapid implementations (see next section) regularly deliver 10–20% in just a few months just by focusing on the low-hanging fruit, with the internal team then able to deliver further benefits over time.

# Part Six. How to implement Operational Excellence

There is a wealth of material in the public domain on the tools and techniques that underpin OpEx and how to implement them. It is not necessary for this paper to repeat that information.

The one caveat is to reiterate that the approach to **Operational Excellence should be appropriate for the nature of the work**, as detailed earlier. Much OpEx thinking is focused on transactional work, but trust central functions have a mixture of both transactional and knowledge work, and this nuance is important if staff and managers are going to find the selected techniques meaningful and helpful.

Here, we aim to discuss some of the key implementation decisions and enablers, specifically in the context of trusts.

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## Implementation approaches

There are typically three ways to approach an OpEx implementation:

**Rapid implementations** aim to install the basics of operational management and a suite of improvements (to process, work organisation, and quality) in a short, intense burst (usually 10–16 weeks). This can deliver benefits very quickly, although the organisation must make the capacity to fully engage. The biggest risk is the lack of sustainability – it requires the management team to pick up the baton at the end of the project and build on what has been implemented.

**Training-led implementations** introduce skills by training the frontline managers/team leaders and then tasking them with deploying the learning in their teams. This approach requires not just initial training but also ongoing coaching to help interpret and support when the OpEx tools meet their real working environments. The coaching period should not be underestimated: a minimum of three months. Training-led implementations run the risk of being superficial as no one involved in the actual implementation is an OpEx expert.

**Champion-led implementations** use OpEx champions, embedded in the business, as internal coaches and drivers of change. Trained to an intermediate or high level of OpEx (and often Lean) skill, they are the internal experts who provide the skills and support and help to drive OpEx forward. They facilitate workshops and transfer skills to the managers, helping to identify opportunities and select the right tools and techniques as OpEx is deployed.

For most trusts, rapid implementations are probably the least useful approach. They require high levels of specialist OpEx resources, which are usually provided by an external consulting firm, and significant focus, engagement, and willingness to make rapid changes from staff across the trust. Although able to deliver benefits quickly, they are least aligned with trust cultures.

A more pragmatic approach is a combination of training- and champion-led implementation. Training the management team and then supporting them with internal champions is most likely to create momentum, albeit more slowly. The role of champion could be assumed by school business professionals, or there could be champions in each function. While trusts may struggle to have full-time OpEx champion roles (although this should not be ruled out, especially in larger trusts), it is essential that individuals are given time to play the part. The organisation must back itself that the investment in OpEx, both for the champions and the management team, will be more than repaid by the benefits.

Whatever implementation approach is selected, taking a **pilot-to-prove** approach, usually in a clearly defined area, is highly recommended. Pilots create learning that will shortcut roll-out. They define ways of working that can be applied trust-wide (such as the look and feel of visual management or the design of skills matrices). They also provide success stories that increase the chances of “pull” from the rest of the trust.

## Skills required in the trust

The following table gives some idea of the skills necessary for a successful implementation.

Cohort	Training needs	Typical duration
Board of trustees	<ul style="list-style-type: none"> <li>An introduction to OpEx and Lean</li> <li>Facilitated workshop on how the board can support (and also not inadvertently hinder) OpEx</li> </ul>	<ul style="list-style-type: none"> <li>1 hour</li> <li>1–2 hours (then ongoing touchpoints)</li> </ul>
Executive leadership team	<ul style="list-style-type: none"> <li>An introduction to OpEx and Lean</li> <li>Ongoing coaching sessions including “floor walks”, mixture of group and one-to-one sessions</li> </ul>	<ul style="list-style-type: none"> <li>Half day</li> <li>1–2 hours every 2–4 weeks</li> </ul>
Middle managers, team leaders	<ul style="list-style-type: none"> <li>Operations excellence training (should include basic Lean knowledge)</li> </ul>	<ul style="list-style-type: none"> <li>3 days (can be modular)</li> </ul>
OpEx champions	<ul style="list-style-type: none"> <li>Operations excellence training (as above)</li> <li>Further Lean training following the Lean Competency System through levels 1B and 1C</li> </ul>	<ul style="list-style-type: none"> <li>3 days as above</li> <li>3–6 days of training, practice, and accreditation</li> </ul>
All staff	<ul style="list-style-type: none"> <li>Lean awareness (value, waste, problem-solving) – <b>OpEx skills come from their team leaders over time</b></li> </ul>	<ul style="list-style-type: none"> <li>1–2 hours</li> </ul>

Note: the scope of this paper is central functions, but it would also be helpful for school leadership, and even teaching staff, to have awareness of OpEx and Lean principles.

There are many sources of Lean and OpEx training,<sup>11</sup> although not typically education-specific. That is not necessarily a drawback; discussing OpEx in a multi-sector context is valuable in helping to properly understand the techniques and learn how they can be adapted to trusts. Such training is currently offered by commercial providers, but ISBL intends to make this more accessible to the education sector and is exploring the merits of an OpEx accreditation scheme.

Existing education-specific pathways, from organisations such as ISBL (UK), the National Governance Association (UK), Deakin University (Australia), and ASBO International (USA), cover elements of operational effectiveness but do not yet cover OpEx in detail; following this research, ISBL’s intention is to embed OpEx more explicitly, including in the School Business Professional Standards.

*“This paper recommends Operational Excellence and Lean as the two primary methods. Other methodologies exist, notably Six Sigma and Systems Thinking. These are less applicable to trusts given the current level of operational maturity. Six Sigma is a powerful approach but is best suited to solving more complex data-led challenges, a bit like tuning the engine of an already powerful car. There are simple tools in the Six Sigma toolkit, but they are mostly also present in Lean. Systems Thinking has the potential to be transformational for the entire sector, but it attempts to solve big problems in a holistic way. Attempting to “fix” the sector from the bottom up feels like a challenge too far at this time.*

# Organisational roles and structures

Implementing OpEx has implications for certain trust roles and structures.

- 01 Team leaders** One of the largest gaps between the trusts visited and other service organisations is the absence of the team leader role, a hugely important role for OpEx.  
Service sector operations are typically organised into teams of 8–12. Each team will have a team leader whose duties are to manage the work of the team in a very hands-on way: assigning staff to work, tracking intra-day progress, handling exceptions, providing process coaching, maintaining the team’s visual management, motivating staff, etc. **The team leader is the most important role in the organisation, operationally:** a good team leader will drive the team to optimum performance by being on the ball and getting the best out of all resources; a poor team leader will allow waste to creep in through lack of presence, focus, and attention to detail.  
The challenge is that **this role doesn’t exist** in many trusts. Central functions, particularly if devolved rather than centralised, often have very small teams, and their leaders think of themselves as “managers” rather than “team leaders” – an important psychological difference. As a consequence, work at the front line is not as sharp, organised, and accurate as it could be. One issue with small central teams is that frontline staff sometimes report directly to a C-level or senior executive, who has neither the time nor the inclination to get involved in the hands-on management of work in the way a team leader would.  
Even if a trust does not choose to appoint team leaders as such, **the role a team leader plays needs to be carried out by whoever is managing the frontline staff.** There are typically three potential solutions: either 1) the management team should be restructured to create team leader roles, or 2) existing managers should adopt the skill set and expectations of their roles and be trained and willing to carry them out as if they were “team leaders”, or 3) a “working team leader” model could be adopted, where a member of the frontline staff steps up “half a step” to carry out some of the hands-on role of the team leader while also continuing to process work.
- 02 OpEx champions** The role of OpEx champion (typically a senior leader) would help trusts to adopt the new techniques in ways that make sense. Champions may be internal staff, contractors, or external consultants, but they should be embedded in the business for a significant period (at least one year, often permanent roles). They might combine their champion duties with another role. School business professionals, whether they are centrally or locally aligned, would be ideal candidates for this skill set.  
OpEx Champions require training and might receive some recognition for doing so; recognised qualifications/accreditation is one route that ISBL intends to explore.  
It is important that this role is seen to be “champion/coach” and not the “doer” of OpEx – if the staff and managers think it is someone else’s job to “do” OpEx, then it will not embed or sustain. There is a rule of thumb in commercial organisations that improvement leaders (100% dedicated to the role) should generate savings typically three times their cost every year. For reasons given earlier, benefit realisation in trusts may be slower, but it would still be reasonable to expect OpEx champions to generate savings that are at least better than the investment in their time and training and then for benefits to be greatly enhanced through their support of the overall OpEx implementation across the trust.
- 03 Senior leaders** The importance of active leadership of any OpEx initiative cannot be overstated. In most cases, if an OpEx implementation is flawed, lack of leadership interest/drive (and constant purpose over time) is the root cause.  
OpEx means genuine change for everyone. Leaders will need to make time, on a regular basis, to visit the teams, discuss performance, coach improvement, check progress, and ensure disciplines are maintained. That cannot be allowed to slip over time – it is a permanent change to ways of thinking and working, led and role-modelled by the executive team. Quite simply, if it is not seen to be important to “the boss”, then it won’t be important to the staff for long either.
- 04 OpEx Centre of Excellence** Organisations in other sectors that have most successfully adopted OpEx have one thing in common – some form of OpEx Centre of Excellence (CoE). A CoE provides more than just training – it provides coaching support, a knowledge base of tools and templates, and sharing of learning and best practice, and it looks externally for the latest thinking. CoEs often provide qualifications or accreditation for staff, which can be very attractive.  
Larger organisations have built permanent CoEs in their operations. This is not practical for most trusts, but it is still important that the functions of a CoE (training, coaching, accreditation, methodologies, best practice sharing, innovation) are available to the organisation (and curated over time as things change). That could be through a combination of the OpEx champions, an external training/coaching provider, a managed knowledge base, etc.

# Enabling Operational Excellence through good technology and data

Chris Kenyon, CEO, The Key Group



## Working with the right tools

As with any job in life, working with good tools makes a critical difference to output. When we're thinking about the enablers for Operational Excellence in trusts, we should, as a starting point, ensure that central teams and the schools they support are **working with good, usable systems and technology**.



## User-focused technology

Suppliers of this tech need to have a fanatical focus on the end user (their workflows, their needs, their pain points) when developing software tools. Such tools are used multiple times a day, every day, in a climate where workload and stress are high and quick decisions matter. Attention to detail, administratively speaking, can be the difference between a pupil picked up for being absent without authorisation, or not. It can be the difference between a teacher being made aware, in a critical moment, of a safeguarding concern raised by a colleague, or not.



## Retaining staff through better technology

In a climate where staff are leaving the sector for better work-life balance, providers have a responsibility to ensure that their daily experience of using tech is as good as in alternative sectors. We can prevent a scenario where staff are suffering a thousand paper cuts every day because their tools and systems are painful to use.



## Data visualisation and centralisation

**In addition, trusts should be demanding good centralised systems, which allow central teams to monitor data through clear visualisation.** But it shouldn't stop with having visibility. Really impactful, modern technology should give trusts the ability to "push down" actions to schools to create uniformity where needed. Let's take, for example, a policy that trusts might want embedded in all their schools, such as a common behaviour policy for its secondaries. Using centralised technology to "push down" that policy to school level, so all schools are recording behaviour incidents against the same metrics in the same way on a shared system, is key to both a successful implementation and a central team's ability to monitor impact. Governance too, will be able to see the effect of policies they've signed off.



## Bridging the gap between policy and practice

The result is that **trusts can close the gap between the theory – addressed via written, "static" policies – and the practical reality**, by using common metrics that are spun out and implemented from the policy.



## From data to stories

Running underneath this, operational excellence relies on the democratisation of access to data. **Good technology allows staff to move from stats to stories at speed.** Technology should allow staff (at the right levels) to drill down from the metrics to the real human story beneath the data. Clear triangulation of standardised data from multiple sources is just the starting point – layering in on-the-ground knowledge from staff, collected in a systematic way, is what gives leaders the whole picture about a child, a family, a class, a member of staff, an incident. In turn, having the whole picture, accessed at speed, allows teams to move from hindsight to foresight and then to make better decisions on what to focus their limited time on.



## Redesigning processes with new technology

Finally, trusts should be using the opportunity of changing suppliers to **redesign processes, solve the intractable problems**, and achieve operational excellence. If trusts are buying timetabling software, they should be asking: How does this technology solve problems around staff wanting to work flexibly or to job share? If they're buying HR systems, ask: How does this help us to track whether our new induction programme is leading to good staff staying longer? If they're buying a management information system, ask how it supports the teaching assistants to communicate behaviour incidents happening in the playground to class teachers. Coming full circle – start with the user problems, and look for technology that will help you to solve them.

# Part Seven. Developing a culture of Operational Excellence

The impact of culture on OpEx cannot be overstated. Organisations that do not consider cultural factors cannot expect to become “excellent”, as evidenced by the Toyota Production System (TPS). Early attempts by Western manufacturers to copy TPS focused on the adoption of tools and techniques, but performance did not come close to the Japanese. It was only after culture was understood to be the most significant difference that Western organisations started to compete.

## Cultural barriers to OpEx observed in trusts

While the culture of each trust is unique, a number of cultural barriers to OpEx have been identified. Tackling these barriers would make the journey to OpEx more impactful.

1

### Cultural observation 1: Threat is endemic

There are multiple threats to individuals in the system, arising from a wide range of sources (parents/carers, boards/trustees, local authorities, DfE/ESFA, Ofsted, trade unions, media, and others). The attempts to create “accountability” have created an environment where failure or error can have severe consequences.

*Challenge: Boards and external bodies must recognise the impact that an environment of fear has on the wellbeing and performance of employees. They must support executive teams to create a culture where there is no jeopardy if decisions are made in good faith.*

2

### Cultural observation 2: Fear drives waste

As a result of the level of threat, “covering your back” is an instinctive behaviour. This creates waste that impacts the effectiveness of the trust, such as:

- documenting everything – minutes in fine detail
- a reluctance to challenge the status quo, meaning poor practices persist
- fear of change as it makes individuals more vulnerable and likely to make a mistake
- meetings to make all decisions, resulting in management by committee
- excessive reporting that drives waste in the schools and central teams.

*Challenge: Boards and external parties need to understand the impacts of the demands they place on trusts. The requirements of governance should be proportionate and achieved in the most efficient and effective way, with the board and the executive working together to challenge ways of working.*

3

### Cultural observation 3: The unsophisticated trustee

If not careful, the role of trustees could be interpreted as “auditor/checker”. A trustee is not thought of as a “leader” in the way that a director of a business is; the role feels more like “external auditor” than “internal leader”. Trustees are volunteers and sometimes “enthusiastic amateurs” in education, even though they may be experienced in their own fields. Some lack board experience, which increases the tendency to manage, not oversee, managers.

If the executive team feel trustees are there to check up on them, they can become defensive. Board meetings are to be survived/tolerated rather than valued. Trustee visits are a threat rather than a help.

*Challenge: The education of trustees needs to cover far more than the basics of governance and regulation. Trustees need to understand their role in enabling/allowing the trust to function to maximum effect. A good understanding of OpEx is an essential part of this.*

4

#### Cultural observation 4: Lack of data-driven management

There are not enough meaningful key performance indicators in the central functions. Data on performance is sparse. Data is not presented in ways that drive understanding or improvement (e.g. weekly attendance figures contrasted purely to the previous week, showing no understanding of underlying trends, special causes, etc.). Only a few dashboards exist showing actionable insights. There are few examples of a “balanced scorecard” of metrics to ensure rounded management of performance.

*Challenge: Managers, executives, and trustees should be educated in the sophisticated interpretation of data and should also aim for maximum insight with minimum overhead. If information is no longer needed, stop measuring. Training should include the use of data to track progress against strategic goals.*

5

#### Cultural observation 5: Variable staff performance

The pool of staff in education seems to contain a wider range of capabilities than might be found in commercial organisations. There are some excellent individuals, but there would seem to be more of a “tail” than most commercial businesses would tolerate. Union interactions, legacy contracts, and TUPE arrangements are part of the picture, but the determination to tackle performance does feel less strong.

There is little data to enable effective performance management (although good leadership is a better manager of performance than any performance management system). This is true for individuals but more importantly for teams – there are no team KPIs, performance charts, improvement goals, etc.

*Challenge: In world-class organisations, the team is the focus of performance management. Great team leaders get the best out of their people as a whole. Individuals are motivated to perform for the team, pulling up the performance of all. True underperformers need to be tackled robustly with good evidence.*

6

#### Cultural observation 6: Operations is an undervalued discipline

A shortage of operations skills means that emerging solutions to the evolution of the sector are not necessarily being driven by the best thinking. There is a risk that new processes and ways of working are designed by the old guard and so are no more effective than the old systems. Operations strategy and operating model design are missing skill sets.

*Challenge: Operations should be seen as a key skill set, in the same way as finance and HR. Operations professionals should have a solid grounding in all operations disciplines, which will usually require formal education or recruitment of the right skills and experience.*

7

#### Cultural observation 7: The natural response is bureaucratic

Innate responses have a tendency to be bureaucratic rather than agile and effective. That is not true of all, but it does feel like a cultural norm for many.

Example: One trust implemented cross-functional teams so that each school had a specific team of individuals, representing all central functions, assigned to support them – in principle, a strong and innovative concept. However, the impact of this was seen to be underwhelming.

Scratching the surface, the concept of cross-functional teams had been interpreted as a monthly meeting with detailed agenda and minutes, an action log, routine updates and actions held over. The alternative could have been a ten-minute stand-up three times per week to rapidly share any key information, request help and create a fast-paced and agile working cadence.

There is an underlying desire in the sector to keep everyone “safe”, and this means that innovation is seen as risky, causing turbulence and anxiety. It is safer to fail predictably than to be seen as failing whilst trying to be innovative. (It is acknowledged that not all people who work in the public sector want to innovate and drive transformation.)

*Challenge: Leaders must learn, and then role-model and reinforce, more agile and effective ways of working. The management system needs to be as lean and flexible as the operation.*

8

### Cultural observation 8: Fortress education

The education system is seen as a public service, and therefore it resists concepts/ideas from other sectors (particularly commercial sectors). This isn't wholly true – especially where leaders have moved across into education from elsewhere. However, it does feel like there is a battle to gain traction. Where there is learning from other sectors, it tends to be about general principles of leadership rather than a focus on the specifics of operational models/systems/processes.

*Challenge: "Stealing with pride" from other sectors should be rewarded as a desired behaviour. There should be a willingness to take what is available and adapt it to the sector rather than a rejection of anything that is not already education-ready.*

9

### Cultural observation 9: A two-tier system

The main focus of trusts is quality of education. This is quite rightly so, but there seems to be a blind spot in recognising the important role that central functions, and so the excellence of those functions, play in giving the schools headroom to work on Educational Excellence.

For example, while there is a big investment in continuing professional development for teaching staff, there were almost no formal training plans or external training spend for central-function staff found in our sample (and the staff were keen to make that point).

*Challenge: Culturally, the operational side of the trust should be seen to be as important as the educational side. Trustees have a role in ensuring this balance is in place.*

10

### Cultural observation 10: Improvement is not "the way we work around here"

Most central-function staff do not recognise their role as being one of improvement. "School improvement" dominates trust thinking and is driven by the Ofsted agenda. Therefore, most staff rarely think about improvement of the overall system.

The scarcity of knowledge of methods such as Lean means that most staff do not "see" the waste in their work. The thinking is about tasks that need to be done, with less emphasis on whether those tasks could be done better, or need be done at all, and the implications up- and downstream in the process..

*Challenge: Lean Thinking is an essential skill for all; it is the first step in kick-starting improvement.*

11

### Cultural observation 11: Control rather than delegation

OpEx requires real-time management (decision-making) and a continuous drive for small improvements. This can only be effective if decision-making is delegated down into the organisation, always to an appropriate level but in principle as close to the work as possible.

Centralisation of decision-making, so that only a small number of senior individuals (and/or the board) make all the decisions, is fundamentally at odds with an OpEx culture. Trusts have schemes of delegated authority, but these need to be examined in detail to see whether an OpEx culture could thrive under them as currently designed.

A common finding in other sectors is that control regimes imposed from the top give leaders the illusion of control, whereas in reality, the impact is less control. Those who are close enough to potentially identify and mitigate risks of all kinds, large and small, do not take ownership to manage and eliminate them but instead rely on a top-down risk process that is often slow and bureaucratic; therefore, only "big" risks are tackled while large numbers of smaller ones go unresolved every day.

*Challenge: The mindset of trustees and executives needs to move away from "control by central decision making" to "oversight of the risk and quality system", backed by the design of effective real-world control systems and training of staff. In some trusts, collaborative decision-making is upskilling those at the front line and helping them learn and become more confident in change and improvement.*

12

### Cultural observation 12: “Right first time” is not a mantra

There is a big opportunity to introduce quality management to the sector. While staff undeniably want to “do a good job”, the idea that errors should be systematically identified and driven out of processes and tasks was not commonplace in our sample. The result is constant defects clogging up the system, consuming everyone’s time.

*Challenge: Everyone should begin a relentless drive for “right first time” in everything they do.*

13

### Cultural observation 13: Effectiveness of change

There is inbuilt inertia in the system because change is feared/distrusted. The words “we’ve always done it like this” are seen as a positive rather than a negative. Formal change management methodologies are rare, and change communication is patchy. Many changes land poorly, resulting in unintended negative impacts, workarounds, and failure of staff to adopt new ways of working. The impression is that doing change well (e.g. having a project manager and investing in good design and training) is “too expensive”.

*Challenge: Excellence in change design and delivery should be far more of a focus. Change needs to be positively led by leaders and managers, with more emphasis on the people side of change. This should be led from the board with appropriate challenge to change plans and approaches.*

14

### Cultural observation 14: Can we cope? (Nobody knows)

Understanding of the capacity of systems (teams, people, the entire trust) and how it compares to demand is limited. As a result, work can be layered on with no understanding of its potential impact.

In some cases, there will be latent capacity, but people “feel” busy, and there is no data to prove the argument one way or the other. In other cases, there is genuine overload to the point of breaking, but this is also unquantified, and so there is nothing stopping even further demands from being added.

*Challenge: It should never be assumed that systems have the capacity for extra work or to absorb change. **The capacity may be there; it is just that we need to find data to make objective decisions.***

# A vision of a culture of Operational Excellence

The table below uses a series of statements to bring to life the culture of OpEx. It is not intended to be a complete description of a culture but is designed to enable trusts to self-assess.

01.

## The importance of Operational Excellence

- OpEx is intrinsic to the way we work and becomes more embedded every day.
- Our leaders support and encourage OpEx behaviours daily in all staff.
- Our leaders model the behaviours they encourage in others.

02.

## Customer focus

- We see the head teachers and teaching staff, the pupils/parents/carers, our own central-function colleagues, our board, and our external stakeholders as customers.
- With our support, head teachers and teaching staff are able to focus on teaching and learning. We give them everything they need to do their jobs properly, and we are easy to work with. We care about their "user experience".
- We are self-critical. We want to hear what customers say and encourage them to raise problems. We listen with an open mind and accept that perception is reality.

03.

## Process standardisation and quality first

- We believe in the concept of "one best way" of doing any task or process.
- We are disciplined in documenting our processes and keeping them up to date. We ensure that everyone follows the defined "one best way" of working.
- We strive to do things right first time and to drive out the root causes of errors.

04.

## Continuous improvement

- Everyone understands that their job is not just to "do their job" but also to "improve their job". We look for ways we could do things better as a matter of course.
- As an organisation, and as individuals, we have the skills and confidence to make improvements. We know where to go if we need support.
- Everyone understands Lean Thinking. We recognise that there is wasteful activity in tasks and processes that can be improved or eliminated. We are constantly "learning to see" the waste around us in our working lives.

05.

#### Employee empowerment and engagement

- We delegate authority to the right level and empower our people to be decision-makers, giving them appropriate training, coaching, and guidelines.
- All of us are actively engaged; our opinions are listened to, we are involved in improving things, and we are able to contribute to achieving the trust's mission.
- It is safe to fail. We back our colleagues. We learn and improve from our failures. There is no jeopardy if we make decisions in good faith.
- We go the extra mile for our colleagues and customers. We know colleagues will do the same for us. We are "one team" across the trust – we genuinely believe this to be the case.

06.

#### Data-driven decision-making and transparency

- We understand the importance of seeking and using accurate, timely, and complete data to measure our success and to identify opportunities. We see data as an asset.
- We give careful thought to our performance measures to ensure that they are fair, drive the right behaviours, and do not have unintended consequences.
- We have a culture of transparency, which is key to our approach to excellence. Our measures show true performance. When something goes wrong, we do not hide it. We welcome problems as opportunities to learn and improve.

07.

#### People performance

- We want every staff member to be the best they can be; we value personal growth and invest in our central-function staff.
- We have high standards and expect everyone to make the best contribution they are able to, every day. We manage performance proactively, taking difficult decisions and having difficult conversations with underperformers in equal measure to our support and reward for our stars.
- We understand that flexibility of mind and ways of working is vital to enable us to approach excellence. We adopt flexibility as the norm, even if that takes us out of our comfort zone.

08.

#### Delivering results

- We plan well and communicate and execute better. We achieve the result we set out to deliver.
- We understand that working as a team gives us the best chance of success.
- Our processes and levels of empowerment ensure quick responses to both opportunities (to ensure they are not missed) and issues (to ensure they are resolved as quickly as necessary).

09.

#### Change delivery

- We design all change from the perspective of the users of the new processes/systems.
- We understand that change is only successful if our people adopt new ways of working.
- We understand our capacity to change. We aim to do less, but do it faster and to a high standard, to quickly achieve the desired results and move on.
- We finish what we start.

# Understanding and changing culture

Trusts that want to tackle culture as part of an OpEx implementation may be interested in tools that enable culture to be objectively assessed in a practical way, meaning that concrete changes can be identified and implemented.

Culture change is not driven by slogans on mouse mats and posters. Changing the culture of an organisation is hard work but essential if it is to achieve its OpEx objectives. The adoption of OpEx and creating the culture needed to sustain it are mutually supportive activities. OpEx will only get traction if it is led from the very top of the trust. Leadership is the essential ingredient for success.

In order to change culture, we must first understand the gap between where we are now and where we need to be. One effective tool is the Culture Web.<sup>12</sup> This tool enables organisations to visualise their culture, something that is often seen as ethereal and difficult to define, enabling a gap analysis between the current and required cultures and supporting the creation of an actionable culture development plan.

## The Culture Web looks at the organisation through six lenses:

Rituals and routines	The daily actions of people that signal acceptable behaviour. This determines what is expected to happen in given situations and what is valued by management.
Stories and language	The past events and people talked about inside and outside the organisation. Who and what the organisation chooses to immortalise says a great deal about what it values and perceives as great behaviour.
Organisational structure	This includes both the structure defined by the organisation chart and the unwritten lines of power and influence that indicate whose contributions are most valued.
Control systems	The ways that the organisation is controlled. This includes financial systems, quality systems and rewards (including the way they are measured and distributed within the organisation).
Power structure	The pockets of real power in the organisation. This may involve one or two key people, a whole group, or even a department. The key is that these people have the greatest amount of influence on decisions and strategic direction.
Symbols and visuals	The visual representations of the organisation, for example logos, how plush the offices are, the layout of the car park, and the dress codes.

Once the manifestations of culture are identified, they can be actively changed;<sup>13</sup> the change involves coaching and reinforcing the new ways of behaving. There is more information on the Culture Web in the references section. Specifically, there is an example of its application in an English school. Other assessment tools also exist (e.g. Schein's model of organisational culture<sup>14</sup>).

<sup>12</sup>Exploring Corporate Strategy, Johnson & Scholes, 1992

<sup>13</sup>It is hard for an organisation to self-assess its culture. Individuals on the inside are often "blind" to the nuances and peculiarities, having adapted to them. Using external resource to carry out such an assessment, and to help to build the change plan, is important to avoid bias.

<sup>14</sup>Organisational Culture: A dynamic model, Edgar Schein (1983)

# Underdeveloped disciplines

As well as OpEx, the research found two other disciplines that seem to be underdeveloped. Each has an impact on OpEx because the weakness or lack of each results in operational problems.

## Project management

Project management appears to be weak and often left to third parties. Examples from the research included a school business professional (with an existing full-time job) being expected to manage the onboarding of a group of academies into a small trust and multiple examples of the implementation of core software platforms being left entirely to the software provider.

Under-resourcing a change project is a classic false economy that has the potential for knock-on implications for years (workarounds that cost money year on year, project benefit case never realised, staff morale impacted for the life of the new system or process). Management of important projects cannot be delegated to suppliers – they may provide the day-to-day oversight of project work, but trusts have a duty of care to own the delivery of the overall project. A poorly implemented solution is not the supplier's fault – it is the responsibility of the trust to ensure correct oversight of the supplier's activities. Project managers must have the skills to **lead** projects effectively (not just update the Gantt chart and risk log).

Properly resourcing projects is a challenge that CFOs need to face. Typically, it will mean investing in a specific academic year to save money in future years. Funding models and financial planning need to be sophisticated enough to recognise the value of this upfront investment.

## Change management

Another common gap found during the study was methodologies to deal with the people side of change. This is even more important because of the cultural tendency for staff to be wary of, or resistant to, change.

Change methodologies understand the psychology behind the human reaction to change and aim to simultaneously overcome resistance and create positive momentum. They recognise, for example, that what motivates people varies by individual. A simple statement that "this project will be good for the trust" might motivate some and leave others cold. They also recognise that fear is a very strong driver of behaviour and so aim to create confidence in the ability to work in new ways. They look not just at individuals but also at the dynamics of teams/groups and the structural enablers and barriers the organisation creates for the change.

The Influencer Model<sup>15</sup> has been found to be practical and effective, as has the work of Kotter.<sup>16</sup>

<sup>15</sup>*Influencer: The New Science of Leading Change*; Grenny, Patterson, Maxfield, McMillan & Switzer (2013)

<sup>16</sup>John Kotter's works on change management include *A Sense of Urgency* (2008) and *Our Iceberg Is Melting* (2017)

# Conclusion

This research project has identified four key benefits of OpEx that are directly relevant to trusts given the challenges they face: **enabling Educational Excellence, capacity creation, operational risk management, and culture change.**

The study finds that there are good examples of specific OpEx tools in specific functions of specific trusts, but that, based on the sample of trusts visited, the sector has a fantastic opportunity to reap the benefits of OpEx.

Operational Excellence has the potential to significantly improve the performance of central functions and to indirectly influence educational outcomes. Implementing OpEx does require an investment of time and resources. If done well, however, it should pay for itself many times over.

This paper introduces the Operational Excellence Framework for Schools and Trusts to provide practical guidance to “what good looks like”. The framework is intended to enable trusts to self-reflect and identify priority areas for focus. Alongside the OpEx tools and techniques, culture is key to a successful implementation; this paper also provides a series of vision statements to bring to life what it feels like to work in an operationally excellent organisation.

OpEx and Lean are not complex methodologies. Their power is in their simplicity and adaptability to any environment. The secret to success is consistent, committed leadership and a willingness to tackle old problems with a new mindset. The possibilities for school trusts are endless.

For more information and guidance on developing Operational Excellence capability, contact [training@isbl.org.uk](mailto:training@isbl.org.uk).

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## Possible next steps for trusts seeking to implement OpEx

- Identify external support to help get started (from ISBL or other bodies)
- Educate the board and executive team
- Decide on your implementation approach
- Identify and free up the resource
- Select the pilot area or process
- Train your people, spot some opportunities, and get started!
- In parallel, start to consider key enablers such as culture and measurement



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**For The Key Group: Chris Kenyon and Nicola West-Jones**

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# Glossary of terms

## Balanced scorecard

A set of metrics that look at a team's or process's performance from a variety of perspectives (such as customer, quality, speed, productivity, and people satisfaction). Using a balanced scorecard approach avoids the unintended consequences of individual metrics (e.g. a single-minded focus on productivity resulting in poor quality and unhappy customers).

## Capacity creation

The elimination of waste that frees up time for resources (people, systems).

## Capacity planning

The act of scheduling resources to meet the demand an operation is facing.

## Central functions

Also called support services/central services/business support, the functions within a trust that are not directly concerned with teaching & learning, such as finance, HR, procurement, technology, data, catering, cleaning, estates, marketing, and PR.

## Customer

The person or team who is in receipt of a service. In the context of trusts, there are no commercial relationships, but nevertheless, clarity over "whom we serve and what their needs are" is at the absolute core of OpEx thinking.

## Customer journey

The end-to-end experience that a customer goes through from realising they have a need to that need being fulfilled. Journeys can be complex (e.g. the journey of a candidate applying for a post with an organisation, from initially seeing the advert to starting on their first day) or simple (e.g. an employee updating their bank details with the payroll function).

## Demand

The amount of work to be done, usually quantified in terms of work effort (minutes/hours/days to complete it).

## Educational Excellence

A term coined in this study to refer to the pursuit of excellence in teaching and learning.

## Effectiveness

Achieving the correct outcome.

## Efficiency

Achieving an outcome with the minimum possible resources.

## Functional silo

An individual team or department acting without thought to other teams with which it needs to interact to work effectively.

## Huddles

Regular, short team discussions, typically held daily, to understand recent performance, any exceptions, and the plan going forward. A daily huddle would typically be five to ten minutes in duration.

## Internal customer

The next person/team/function in a process; the person/team to whom you need to provide a great service so that they, in turn, can provide a great service to **their** customer.

## Intra-day management

Tracking progress towards a defined target, often across the course of a day (although the same technique can be other on other timescales, e.g. a week). Usually combined with visual management so that progress is visible to all and can be addressed if not on track. The secret to intra-day management is **doing something different** if performance is not as desired.

## Key performance indicators (KPIs)

A small number of measures of performance that have been agreed as the most important for a particular team or process. A team may have many PIs (performance indicators) but should have a maximum of three to five KPIs (often one per balanced scorecard category).

## Knowledge work

Work that is complex or has high variety, requiring higher levels of skill or empowerment to complete. May require a degree of judgement that cannot be enshrined in rules.

## Lean/Lean Thinking

An improvement methodology codified in the 1980s based upon techniques developed by Toyota and now used in all sectors around the world.

## Operating model

The overall operating “system” of an organisation, comprising the services it provides, the customer journeys it supports, the processes it carries out, the structure of locations, functions, and teams, the data and technology systems, facilities/estates, the people systems (including organisation structure, people strategy, pay and rewards), and the management systems (planning, quality assurance, management information, improvement/change, learning and development, and risk management).

### Operational risk

The risks associated with operational factors such as processes, people/resources, and systems. Risks can be individually material (e.g. failure to approve a large purchase order before sending it to the supplier), or they can be cumulative (e.g. the risk of consistently making errors in the keeping of single central records).

### Operations management

The real-time control of the activities of a team to optimise performance, such as capacity planning, visual management, intra-day management, huddles, and KPI tracking.

### Process coaching

Coaching that is specifically focused on how a process or task is carried out. It starts with process observation (watching the work being done) and then uses the process standards (process maps, user guides) as the coaching tool to reinforce the "one best way" of working. Even very experienced staff benefit from process coaching. Process coaching often reveals improvements to the "one best way".

### Process map

A visual representation of a process in the form of a flow chart. May contain additional information (e.g. the resources that carry out different steps, process controls, links to more detailed user guides).

### Process standardisation

The act of capturing "one best way" of completing a process and ensuring that all staff follow that best way of working.

### Productivity

A measure of the amount of work completed compared to the amount of resources used. Detailed definitions of productivity will vary from organisation to organisation.

### Quality

Conformance to requirements. (This therefore assumes you have identified the customer and worked with them to define their requirements.)

### Quality assurance

The activities carried out to improve quality over time. Includes overseeing the quality control system to ensure it is working effectively. Also includes the activities to identify and drive out root causes of errors.

### Quality control

The act of assessing the current standard/quality of work being produced and **doing something about** it if it does not meet requirements.

### **Resilience (operational)**

The ability of an operation to withstand change without failing (e.g. coping with the onboarding of a new academy or the retirement of a team member).

### **Skills matrix**

A record of the tasks/processes that are carried out, cross-matched against people's level of skill to complete them.

### **Span of control**

The number of direct reports that any individual manager has.

### **Transactional processes/work**

Work that is simple and repetitive with little variety from one work item to the next. Usually operates on simple rules.

### **User guide**

A detailed guide on how to complete a specific task. The best user guides are visual, simple, and easy to follow and contain hints and tips on how to complete the task correctly.

### **Value**

That which the customer needs and wants.

### **Visual management**

The use of visual techniques to make exceptions obvious. This might be the portrayal of data in a way that helps interpretation, but it can be other forms of visual clue (e.g. making it obvious that something is missing).

### **Waste**

Anything that does not directly contribute to providing value to the customer.

### **Work organisation**

The way that resources are deployed to carry out the steps of a process (e.g. one person completing the whole process or splitting it into different steps done by different people/teams).

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To access a copy of the ISBL Operational Excellence Framework for Schools and Trusts and relevant training, visit [www.isbl.org.uk](http://www.isbl.org.uk) or email [training@isbl.org.uk](mailto:training@isbl.org.uk).

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