

21st Century Education

Helping our schools and universities to improve



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About the MCA

The Management Consultancies Association (MCA) is the representative body for management consultancy firms in the UK. Our 55 member companies comprise around 70% of the UK consulting industry, estimated to be worth £9 billion in 2008, employ more than 40,000 consultants and work with over 90 of the top FTSE 100 companies and almost all parts of the public sector.

The MCA's tough entry criteria and rigorous Code of Practice mean that MCA member companies are widely acknowledged to provide high quality services to their clients. Many of their achievements are recognised in the annual MCA Awards.

The MCA informs and influences public debate on topical issues, and provides authoritative data on the industry. It commissions research and policy analysis and represents the industry in discussions with government and other stakeholders. The MCA also facilitates networking and the sharing of best practice within the industry through events, publications and initiatives such as the Young MCA.

FOREWORD



What matters more to a nation than its educational achievements – at schools and, then, through its universities? All governments, quite rightly, have made the success of Britain’s education system a top priority.

The new coalition government is no exception. It is introducing a significant programme of change and reform. In many ways it is offering a new vision for how our schools and colleges should work.

Greater autonomy, opportunity and responsibility for individual educational institutions are clearly a key part of that vision. For instance, the new Secretary of State, Michael Gove, has spoken of a “new generation of independently run state schools”. This report shows how the management consulting industry can play its part in helping to deliver this vision.

As the pace of change quickens, and as finances inevitably become tighter, educational leaders will – and should – be looking for help. Management consultancies will work alongside head teachers, managers and academics to drive up value and standards in education, while also keeping costs down.

Many consultancies are experts on the management of change and the effectiveness of schools. They understand how institutions can work together, how to improve efficiency, and how to tap the resources and skills of the wider private sector. As one of the consultants says in this report, they introduce different perspectives – essential when the task is as complex and important as educating our children and young people.

But the pace of change brings dangers and plenty of risks as well. One is that school leaders will feel deserted or isolated. They might try to soldier on alone. Or they might turn to the nearest available offer of help and end up with poor guidance or unqualified support.

Our advice is to look at the track record of what the best management consultancies have done, and to quiz them hard on what they are ready to do in the future.

For many head teachers or university leaders, choosing the right management consultancy is one of the most significant decisions they take.

A handwritten signature in black ink that reads "Alan Leaman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Alan Leaman

Chief Executive

Management Consultancies Association



The new environment for education

Education faces a new environment – higher demands and fewer resources, together with a new approach from the centre. There will be casualties – as well as opportunities – along the way.

Largely hidden from the public discussion of the now cancelled Building Schools for the Future programme (BSF), was a transformation of how we learn and teach. Technology has already introduced massive change and has the potential to do far more in the future, creating a society in which learning is much more flexible, engaging and motivating. The planned new schools would have supported this approach, with enormous capacity to innovate and to support the greater freedoms now being offered to individual educational institutions.

The government's plans to free up schools from central control create genuinely new opportunities for improvement, releasing the pent-up energies of a hugely motivated and talented educational community – all of which may be lost if that community is not given the infrastructure and support it needs to see the changes through. As the Department of Education starts to withdraw, setting direction and allocating funding rather than intervening directly, how well prepared are local authorities, schools and colleges to cope with, let alone take advantage of, the new environment?

Head teachers are being asked to do more for less, but without adequate training to respond to the impact on their strategy. The private sector has spent the past ten years learning how to squeeze more from less, while education funding has doubled. School leaders are very capable, but they face an unprecedented challenge. Some will rise to it, but others may cut indiscriminately, ultimately compromising their ability to educate.

“The political view is to empower the frontline and trust the experience and expertise of the leadership, especially head teachers, and thereby let the system evolve in an emergent fashion”, says Chris Davies at Tribal. “This approach creates opportunities for different parts of the system to work together in new ways; but for it to succeed it will involve balancing a reduction of bureaucracy with more active risk management.”

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In the absence of government support, many educational institutions will inevitably turn to the private sector. Clusters of schools that are already collaborating can tap into private sector expertise in deciding whether and how to merge. The political messages around professional co-operatives may translate into novel organisational structures that will require specialist know-how to design and implement. "In the last decade, a lot of people have moved out of education into the private sector," says Tony Smith at Mott MacDonald, "but the flow the other way has been limited."

Commissioning – the idea that the role of the public sector is to buy in services rather than be the sole provider of them – is already changing the relationship with private suppliers; local education authorities are becoming clearer about what they provide and what they buy, and are turning to management consultants for a wide range of services from advice through to service delivery. "Our role is to help show education institutions what they can do, and help them to do it", says Tony Smith.

Work in progress

Local education authorities, schools, colleges and universities spent £37 million on support from management consultancies in 2009, much of which went on managing complex implementation programmes, streamlining processes and specialist ICT support (Figure 1).

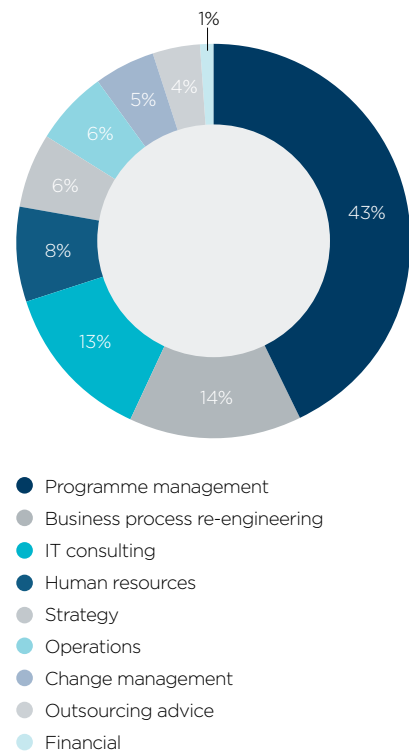
"We've helped set up many academies", says Tribal's Chris Davies, "and continue to be involved in the programme. In addition, recently we have focused on improving efficiency and effectiveness, particularly helping schools think about the way they use their resources." One example has been procurement where the firm has been able to help many schools make substantial savings: "We were able to cut one school's cleaning bill by more than £40,000 a year", says Davies. Another project, looking at the organisational structure of a school, resulted in an additional £500,000 of staff time going into front-line teaching.

Mouchel's Management Consulting business has also worked with academies, helping set up and project manage 45-50 academies across England. "Our work involves working with the sponsors, senior leadership team and staff to set and agree a vision for the school, together with advice and support on the curriculum and planning for all aspects of learning", says Kate East. "We have also worked with individual local authorities to improve their school provision with a view to increasing school effectiveness and ensuring better outcomes and achievement levels for children and young people."

Xantus Consulting's work with universities has typically focused on helping improve the effectiveness and efficiency of IT functions. "In recent engagements with one university we helped define a new operating model to clarify segregation of duties and highlight key accountability areas", explains Paul Pugh. "The university wanted to be more efficient with its limited resource pool, and encourage a culture of operational best practice and service excellence, whilst minimising the challenges inherent in transferring projects into the live environment." Over a period of time, Xantus advised on a number of initiatives, and built a business case to reflect the most effective sourcing arrangements for its hosting options and new operating model, and considered the best use of resources, both internal and of third-party suppliers.

Local education authorities are becoming clearer about what they provide and what they buy, and turning to management consultants for a wide range of services from advice through to service delivery.

Figure 1 Use of consultants in the education sector



All told, our work saved the university around £1 million a year out of a £6 million budget.

All of these were achieved – with Xantus using step-changes to deliver the recommendations, avoiding unnecessary wholesale change, to ensure service responsibilities could be maintained. All of this was underpinned by a revamped evaluation framework, allowing the university to measure the effect of change and manage any impact on service performance.

As these examples illustrate, projects don't have to be big to have an impact. Transform helped a contractor supplying services to more than 100 schools to develop a simple website to replace the large volumes of emails going to and from. "But the website also enables the contractor to communicate more effectively and get feedback from the schools", says Johan Hogsander. "The solution we developed was cheaper, faster and better."

Crucial to success has been consulting firms' ability to understand and work with teachers and university professors. "Adding value in this sector depends on understanding and involving the academic staff", says Professor John Oakland at Oakland Consulting. Much of Oakland's work has been with senior people running educational institutions. "Academic culture promotes individualism," he says, "so the teamwork required to run a university is a challenge for people who come up through the system." His other role is in helping universities to bridge the gap between themselves and the outside world: "A university that has developed – say – new nanotechnology needs to know how to compete with commercial companies, and we can help them establish the right structure and processes to do so", says Oakland.

While much of Deloitte's work has been supporting the Department of Education and BIS on large-scale programmes to implement government policy, its education team has also been involved at the coal-face, helping colleges and universities to understand and reduce their cost base. "In one project, we worked with a university to really understand its cost base and the impact on their financial sustainability of how they were organised", explains Julie Mercer. "We built a financial model that provided the university with a tool to explore its cost structure by course, faculty and campus in order to understand what each area contributed to its bottom line." The results triggered some important conversations: some areas thought to be profitable weren't in reality. What kind of cost base did they want in the future? How could they restructure courses and services to reduce costs without impacting quality? How could they ensure cutbacks wouldn't endanger their ability to compete for students?

But the focus hasn't just been about immediate cutbacks. "We've also helped organisations to improve performance by introducing balanced scorecards and leadership programmes to provide the skills they'll need in the future", she says.

"Our work has ranged from carrying out reviews of special needs departments and developing school transport policies", says Mott MacDonald's Tony Smith, "to establishing academies through tight project management. It's when organisations have to do something they don't usually do that consultants come into their own. Why would you expect to find these skills in-house when they're not something you need all the time? But they are the kinds of things we do all the time, so you can tap into our experience."

Adding value in this sector depends on understanding and involving the academic staff.

We've also helped organisations to improve performance by introducing balanced scorecards and leadership programmes to provide the skills they'll need in the future.

“It’s not just that consultants bring additional capacity to organisations already short of resources and proven methodologies for driving change – we’re also brought in by senior people with private sector experience who recognise the importance of benchmarking systems and processes against best practice across all sectors.”

Paul Pugh, Xantus Consulting

“One of the crucial things consultants bring is a different perspective, challenging the colleges and universities we work with to improve performance and do things differently by looking at experience and techniques from other sectors.”

Julie Mercer, Deloitte



Getting best value from consultants

“We’re hearing of local authorities writing to their schools saying they’re not going to be able to provide all the services they are used to in future”, says Kate East at Mouchel. “Some are going as far as to say we recommend you apply to be academies; you will be better able to support yourselves. They’re advising schools to look more widely for services.”

The changes in the education sector now being unveiled, combined with a decreasing level of government-funded support, mean that schools, colleges and universities will increasingly be looking to the private sector for practical help and inspiration. Management consultants will play a central role, so it will be important that they are used wisely and appropriately. Money can be wasted on poorly specified requirements: “It’s vital to understand the question you’re asking of consultants”, advises Johan Hogsander. “The value we can add depends on how willing you are to have an open and honest conversation about what you really need.”

“You also have to be clear about the capability that already exists within your organisation”, adds Julie Mercer at Deloitte. Like others, she welcomes the greater scrutiny over using consultants challenging people in the education sector, as elsewhere in the public sector, to use consultants only where they can really make a difference. Her concern, however, is that this may prevent schools and universities asking for support from the private sector at a time when they need it most. “Some institutions are struggling with very big challenges that they don’t always have the experience to deal with”, she says.

“Schools are going to have to find the support they need from different sources and in new places. This creates opportunities to do things creatively and innovatively, but also presents challenges in ensuring they get that support in a timely and effective way.”

Chris Davies, Tribal

“As consultants, our role is to help clients help themselves.”

Professor John Oakland, Oakland Consulting

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Contributors

The MCA would like to thank the following for their help in writing this report:

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