



Efficiency Review of UKAS

SUMMARY OF A REPORT BY
HEDRA PLC
FOR THE DEPARTMENT OF TRADE
& INDUSTRY

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Executive Summary

The United Kingdom Accreditation Service (UKAS) is the sole national accreditation body recognised by Government to assess, against internationally agreed standards, organisations that provide certification, testing, inspection and calibration services. UKAS is a non-profit-distributing company, limited by guarantee, and operates under a Memorandum of Understanding (MoU) with the Government through the Secretary of State for Trade and Industry.

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UKAS occupies a unique position as the sole national accreditation body recognised by Government. The DTI, as the sponsoring Department, and UKAS agreed jointly that an efficiency review would be undertaken to provide independent assurance of UKAS' efficiency and quality of service provision.

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The DTI subsequently commissioned Hedra plc, a leading UK management consultancy firm, to undertake an objective and independent assessment of UKAS' efficiency in relation to customer service delivery.

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Scope

The scope of the review covered:

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- An assessment of UKAS efficiency in the delivery of its services;
- The perceptions of UKAS' service to accreditation customers from a sample of direct customers and their intermediaries;
- An assessment of UKAS' responsiveness;
- An assessment of its processes for measuring customer satisfaction;
- An assessment of its processes for dealing with complaints;
- The effectiveness of the business information collected by UKAS in order to measure efficiency.

The review was designed to meet DTI's requirements as the sponsoring department and to assist UKAS to identify areas where operational efficiency or customer service could be improved. It examined the above areas of UKAS operation, identified potential improvement opportunities and advised the DTI on the approach and methods to be adopted in conducting future efficiency reviews and on related performance management requirements.

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The review was conducted over a three-month period and reported to the DTI and UKAS in July 2004. Part of the review involved interviewing a representative sample of 25 UKAS customers and Trade Associations. One-to-one consultations with UKAS and DTI staff were also conducted

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to collect information and perceptions, and inform review conclusions and recommendations.

Findings

The overall review finding was that, in general, UKAS is operating as an efficient service delivery organisation in discharging its remit but that there is room for improvement in certain areas of customer service; in particular customer responsiveness, ease of communication with UKAS and approach to assessment. 7

The customer interviews revealed a wide range of service expectations between customers and customer groups, but also strong agreement that their key satisfaction drivers are responsiveness, technical competence and ease of communication. 8

Many customers interviewed, particularly in the Laboratories sector, expressed overall satisfaction with UKAS and the benefits of the accreditation service to their businesses. They were especially positive about the technical competency of the assessors and the conduct of the assessment visits. The majority considered that overall value for money was fair in terms of the days spent and charge rates, although many could see much room for improving the value side of the equation by offering more challenge and business improvement support. The Certification Bodies as a group of customers were more demanding in what they expected from an accreditation service, and expressed less satisfaction. 9

With regard to responsiveness, 60% of interviewees said UKAS is meeting their needs overall. In the critical response areas of post-visit Corrective Actions and scope extensions, roughly equal numbers of customers believed that UKAS *is* meeting their needs as *not* meeting their needs. Of the 25 customers interviewed, 6 volunteered that UKAS performance had improved in the last year or so, which may reflect recent changes undertaken by UKAS within its Operations department and its strategic intent to significantly improve customer service. 10

Conclusions

From all sectors there were suggestions on areas where UKAS customer service levels could be improved, the key areas being: 11

- Better communications between UKAS front-line assessors, operational support staff and customers;
- Better responsiveness to customer requirements during certain stages in the assessment life cycle, namely post-visit Corrective Actions and scope extensions; and
- A more 'holistic' approach to assessment that is focused on risk and business outcomes and seeks to add more value.

Although UKAS keep records on a variety of management information, the review found shortcomings in the information available which made it 12

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difficult to track customer service levels, internal productivity and cost recovery.

UKAS have well developed processes that allow them to monitor customer issues including the Operations Forum, the associated survey and the annual PAC survey. These would be enhanced by an additional measurement process that gave an objective, balanced measure of customer satisfaction across the whole customer base. 13

With regards to complaints handling, we conclude that UKAS have a well-developed process which is being followed. UKAS are making improvements to the process to maximise the capture of future complaints. UKAS are responding to complaints mostly within their own expected service levels, but resolving complaints is frequently exceeding these levels. There is evident linkage between the complaints and business improvement initiatives. 14

It was encouraging to find that UKAS is a learning organisation that is aware of these issues and many of the underlying factors, and has a business strategy that identifies them as corporate priorities. Before the review started UKAS had already begun to address many aspects of current practice that the review identified as meriting further investigation. 15

Recommendations

Based on these findings, the review made several recommendations on the way forward. These include: 16

- Putting in place a continuous performance measurement and reporting regime to enable DTI and UKAS to monitor operational efficiency over time. Suggested measures include a customer satisfaction index, cycle times for pre and post-visit processes and scope extensions, growth of customer base, resource utilisation, and cost to customer of accreditation;
- Developing the customer satisfaction index as a key indicator of changes in efficiency over time. This measure should be based on customer satisfaction drivers identified by the customer interviews including value for money;
- Undertaking an independent efficiency review every four years, or sooner by exception; the focus for such reviews should be informed by the continuous monitoring process; and
- UKAS to review the areas for improvement as indicated in the Conclusions section above (paragraph 11), carrying out investigations as required and evaluating the business case for change in each identified area.

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