

Long Description for
4TH Quality Conference 2006
for Public Administrations in the EU



1. Title of the C case

Widufix – Actively working for businesses in the District of Herford (widufix – aktiv für Unternehmen im Kreis Herford).

widufix is a project to improve co-operation on a practical level between medium-sized enterprises and public administrations. The foundation and starting point of the project is the implementation and design of an administration network with target-orientated content.

2. General description of the organisation and/or project

In the District of Herford, a large number of medium-sized businesses, basic local government units, public administrations, autonomous administration units of industry and business and many other institutions and individuals of importance for business life came together in 1996 to form "Initiative Wirtschaftsstandort Kreis Herford e. V." (briefly referred to as "Economic Initiative"). Extensive co-operation on many topics – currently in seven working groups - is underway there between companies, administrations, policymakers and other institutions on general issues of location development and special issues, such as the development of individual companies or the labour market. The experience gained through this form of co-operation has led to a high degree of mutual understanding. Today, the association has around 330 members from all areas of economic relevance.

Not least in light of the diverse findings and experience which basic local government units were able to win through co-operation with companies in the Economic Initiative, service offers were developed in the past that specifically addressed the needs of medium-sized enterprises. These services are offered especially at local government level, i.e. in the District of Herford itself and the related cities and municipalities. Particular mention must be given to the function of the municipal "Business officer" appointed in each local government unit who is the first contact partner for all companies requiring support or advice and who provides business start-up advice, as well as to the district business start-up advice service.

4. The reasons behind the case

In 2001, the Ministry of Economics in the federal state of North Rhine-Westphalia offered the District of Herford the opportunity to take part as a model municipality (out of a total of 9 cities and 3 districts) in a nation-wide project titled "Mittelstandsfreundliche Verwaltung NRW" "SME-friendly administration in North Rhine-Westphalia" within the scope of the "move" initiative targeting medium-sized business. With this project, the federal state deliberately targeted the core area of public administration, i.e. orientating operative administration activities and concrete administration procedures to the needs of small and medium-sized enterprises (SMEs).

The first step in this direction involved structuring and recording the needs of SMEs in a suitable manner. The starting point for this was a company survey conducted in autumn 2001 in which 200 representative companies in the District of Herford and/or their contacts were polled in telephone interviews specifically with regard to administration in the past three years. Using this survey as a basis, a SWOT analysis of services relevant for medium-sized businesses in the District of Herford was performed which then played a key role in the project design.

Furthermore, a strongly participation-based approach was adopted when it came to deciding which individual projects were to be implemented within the scope of the overall project in the District of Herford. All the groups relevant for the action field were involved in the process from the very outset so that they were able to contribute their ideas, recommendations and concerns along with their specific knowledge with regard to co-operation between medium-sized enterprises and administration. This strict involvement is still being pursued with determination today. This kind of full-scale involvement is vital for the future-orientated, cybernetic steering of the overall project.

3. The main content of your case

widufix essentially features four elements:

a) An (administration) network for medium-sized business

Against the background described above, a key approach pursued by **widufix** was to develop a network involving all municipal, government, semi-public and private institutions and under this one roof to jointly develop suitable instruments and mechanisms that warrant the holistic optimisation of public services and administration procedures in the interest of SMEs and, when necessary, to ensure prompt support for these companies. The support offers developed by the network were to be easy to identify and were to be implemented with a high degree of dependability and customer orientation.

This network was to be deliberately established beyond the status of virtual network. It was hence to be given its own "identity", to operate with agency-spanning services and service promises and to thus generate a context with existing administration structures.

The accompanying organisational structures, i.e. an advisory project council and a steering group, were set up in order to ensure the sustainable functioning of the network.

widufix now has 37 agencies and institutions as partners in its ranks – from the small district-based municipality to district government, from tax offices to the Employers' Association. Up to today, the following institutions put their binding signatures under the **widufix** skeleton agreement:

Detmold district government, District of Herford, city of Bünde, city of Enger, city of Herford, Hiddenhausen municipality, Kirchlegern municipality, city of Löhne, Rödinghausen municipality, city of Spenge, city of Vlotho, State Office for the Environment and Industrial safety OWL Minden, State Office for the Environment and Industrial Safety OWL Detmold, federal-state road authority in North Rhine-Westphalia NL Minden, federal-state road authority in North Rhine-Westphalia NL Hamm, Herford tax office, Bünde tax office, Bielefeld main customs office, Minden federal forestry office, Bielefeld-Herford chamber of agriculture, Herford job centre, OWL Chamber of Industry and Commerce, OWL Chamber of Skilled Trades, Herford district skilled trades associations, Association of wood industry and plastic processing, Employers' Association Herford, Sparkasse Herford, Volksbank Bad Oeynhausen-Herford eG, Volksbank Enger-Spenge eG, Commerzbank Herford, MACH 1 / MACH 2 further education, OWL Marketing GmbH, University of Applied Sciences for medium-sized business, Institute for medium-sized business in the District of Herford, Energie Impuls OWL e. V., Association of the self-employed e. V., Herforder Kreisblatt.

widufix has now become more than just a pure administration network – it has advanced to a social network that has formed around the core of administrations in order to sustainably anchor the idea expressed in the network in the many different areas.

b) Improving administration procedures

The co-operation mechanisms to be developed within the **widufix** network required improved communication between all participants. From the point of view of medium-sized enterprises, the business procedures in and between the public administrations and service units in particular had to be improved with both targets and addressees in mind. The company survey showed that these administration processes were considered to be confusing, to lack transparency, to be misaligned and on the whole to be far too time-consuming.

This was why an attempt was made to improve these administration procedures by optimising business processes whilst keeping a close eye on the needs of SMEs, on the one hand, and considering the aspects brought forward by administration staff, on the other. Due to the many administration procedures that are relevant for SMEs and the large number of offices participating in the network, the approach towards optimising business processes was to be carried out in an exemplary manner on the basis of selected, relevant procedures.

1. Subject: Building permit procedures

The business processes were analysed under the leadership of the lower construction supervisory authorities of the District of Herford and the city of Bünde. Weak points were identified here and optimised, in particular, through improved and more thorough preliminary examination and an optimised participation procedure. It was possible for the participants to agree to deadlines for individual processes which were included in an internal target agreement that was signed by all. This meant that equal application and implementation was ensured in the district.

The target agreement forms the basis for the service promise for this subject which the network gives to external parties. **widufix** today guarantees the handling of building permit procedures within a maximum of 8 weeks.

2. Subject: Approvals pursuant to Section 45 of the German Road Traffic Code

Formally speaking, approvals pursuant to Section 45 of the Federal Road Traffic Code are orders issued by the road traffic authorities in response to an application by an individual, company or municipality. This subject serves as an example for a host of road traffic regulation procedures pursuant to the German Road Traffic Code. In addition to the road traffic authorities, local administration agencies, the district police authorities and those responsible for road construction and related costs (North Rhine-Westphalia federal-state road authority, districts and municipalities) are involved. Within the scope of process optimisation, different measures were developed and introduced in order to speed up procedures. In the end, the average processing time was reduced from the previous 78 working days to 26 working days.

c) Agency-spanning knowledge management

It was found that administration staff involved in administration procedures relevant for medium-sized business had only very limited knowledge of the responsibilities and procedures channels in areas of administration other than their own. In addition to this, there was also very little knowledge of the actual needs and requirements of medium-sized enterprises in conjunction with the administration procedures relevant for them.

This was why all those involved considered it to be important to set up technically supported knowledge management for the **widufix** network via which all the knowledge required for a first contact or case-based activation of the network can be accessed. This particularly supports and facilitates the work of the Business Officer in the municipalities of the district,

however, the other administration employees also have access to data and findings relevant for medium-sized business.

Knowledge management was implemented as a protected area within the scope of the general **widufix** presence on the Internet.

d) Customer-orientated service offers

It was also noted that SMEs were of the opinion that the services and advice offered by public administrations were not sufficiently customer-orientated. This was particularly the case when it came to identifying contact partners, time-consuming search processes and reliability with regard to advice and appointments.

The **widufix** network responded to this problem in two ways:

On the one hand, in addition to the municipal Business Officer, a central contact office (ZKS) was set up in the District of Herford that can be reached via contact channels that are easy to communicate. This central contact office can immediately answer many queries. All other issues and special matters are immediately passed on to the department and/or public agency in charge. The **widufix** service promise guarantees that the contact partner in charge will reply to the company in question within a maximum of 48 hours. The necessary search processes are thereby performed for the companies and handled within the administration network. Another service is availability: Companies can bring their issues and questions from Monday to Friday between 8 am and 6 pm. Queries up to now have been very diverse. Apart from accompanying companies through approval procedures, there is also demand for advice within the scope of business start-ups (this is, of course, also provided). Furthermore, the contact office can be requested to intervene if communication and workflows between different agencies are to change.

The mobile advice service (MBS) can be used in the case of important issues and significant investment projects. Following a request by a company, prompt and competent advice is provided on site within five days (service promise). All the authorities and departments in charge take part in this (subject to the provisions of the skeleton agreement). This ensures that many questions and issues can be clarified in a competent and, if possible, final manner.

In addition to obtaining services and service promises directly from the network via the central contact office, it is possible to do so via the **widufix** contact partners in the participating administrations, especially via the municipal Business Officer.

5. The actors behind the case

The lead project sponsor is the District of Herford. The district administration's department for business promotion is in charge of **widufix**. The department head was appointed the project head. In addition to this, project management was appointed and was responsible for all co-ordination during the project set-up phase and now forms the central contact office together with the project head.

As already presented, all the relevant groups were involved in the process of developing the project. Furthermore, these groups were and still are involved in the implementation, evaluation and ongoing further-development of **widufix**.

Two committees were primarily established here – the **widufix** advisory project council and the **widufix** steering group.

The project advisory council is made up of representatives from business, senior administration staff, representatives from associations, etc. in addition to the members of the district committee. The steering group is made up of the project officers from the participating state and municipal administrations. The advisory council and the steering group permanently accompany the project. The decisions necessary for multi-level project control are made here and/or initially discussed. In addition to this, the broad multiplication of the project is carried out through these two committees – both to the public and to a particular degree to staff in the participating administrations.

6. The process leading to success

The overall concept of **widufix** was compiled to form a goal that defines the future situation aimed at as well as the self-understanding of all the administrations involved on the topic of "SME-friendly administration". This goal was derived from the findings of the expert interviews, the company survey and was co-ordinated with all the participants.

widufix then selected different ways to implement this goal and to make it binding.

The question concerning the "binding nature" is particularly relevant here in light of the many administrations involved and the fact that a goal was identified not for an existing organisation or similar body but for a network that had not existed up to now and was generated so to speak for the first time ever. In this respect, networks have a control logic that differs from that of traditional organisational forms. This was why a skeleton agreement was drafted in which all the participating institutions were obliged to co-operate in a binding manner on the basis of this goal which served both as the preamble to the agreement and which was defined more precisely there.

This skeleton agreement was signed by the heads of all the institutions (in a deliberately official setting that attracted much media attention). The skeleton agreement also bears the signatures of many institutions that have undertaken to support **widufix**. This clear top-down approach with the voluntary undertakings by all the public agencies and institutions was a necessary precondition for continuation in the operative area.

Supplementary to this, the goal was given priority over the balanced scorecard which is used to control the overall project. This BSC was used to analyse certain areas of action from different perspectives, and strategic and operative aims were agreed and linked to certain measures and specific measured values. Up to now, the BSC serves as an analysis and development tool. It is further-developed every year by the steering committee and co-ordinated with the companies.

7. Results indicating the success

The **widufix** project was implemented with all the elements presented. **widufix** was officially launched in the Herford District Administration Building on 16 February 2004 by Harald Schartau, Minister of Economics and Labour for the federal state of North-Rhine Westphalia.

The network functions and is "alive". Work has already begun on setting up knowledge management. Since this is a process that will never end, the aim is to obtain ever-more information and data.

The new services offered by the central contact office and the mobile advice service were announced to the public and have already been frequently used by companies. The service guarantees offered here are upheld by all the **widufix** partners.

Measuring criteria have been assigned to all the aims of **widufix** so that indexes can be generated in order to represent the improvements aimed at. This concerns firstly the (top) aims presented. In this case, these criteria have been defined as (intensive, publicly communicated) service promises. Adherence to these aims can hence be checked both internally and externally.

In September 2004, another company survey was conducted in order to evaluate the extent to which improvements had been achieved through the project compared to the company survey conducted in 2001.

The following results were found:

1. The District of Herford has managed to increase significantly the share of satisfied customers and to reduce significantly the share of dissatisfied customers.
2. Consistent improvement was achieved in all service aspects.
3. We are pleased to report that perceivable improvement was achieved, above all, in the relevant areas.

8. The main obstacles of the case

It proved to be very helpful (and in fact vital) that from the very beginning **widufix** was able to win the support of all decision-makers in the public area and key opinion makers from the ranks of private companies and politics.

These "heads" gave their sustainable support to **widufix**, multiplying and promoting it in their own ranks. **widufix** would not have been successful without this top-down support which was formally expressed in the signing of the skeleton agreement.

The signing of the skeleton agreement sounded an important signal to the respective authorities and institutions.

In addition to this, there was the early involvement of companies, company representatives (associations, chambers) and banks. The aim of this was to include their ideas, recommendations, concerns and specific knowledge so that broad acceptance was ensured from the very beginning.

Another decisive aspect was likely to be that the District of Herford, sponsor of the "SME-friendly administration in North-Rhine Westphalia" model project, elected to join ranks with all the other institutions and authorities. Although the District of Herford was always the "engine" behind **widufix**, it never claimed a sole right of representation or a final decision right. This was also always explicitly communicated.

9. Main sources of inspiration behind the case

As already mentioned, the District of Herford was one of twelve model municipalities in the federal-state project titled "SME-friendly administration in North-Rhine Westphalia". All the model municipalities came together regularly during the project term to exchange their experience to date. This meant that each member was able to benefit from the experience of the other members and reach conclusions for their own projects. Furthermore, with a view to design and implementation, **widufix** was also accompanied by an external consultant who steered the project with a "neutral external view".

10. The most important lesson learned

widufix has developed and implemented a series of innovative ideas. Special mention must be made at this point to the persistent implementation of a basic concept which views public activities in their entirety.

An administration activity sustainably optimised to the needs of the addressee, i.e. the SME, means more than just optimising a public administration, for instance the District of Herford, if it aims to do more than just "single-case repairs". Instead, the aim must be to use the overall differentiation as the initiative and starting point of its actions.

Optimising administrations with a view to "SME friendliness" must hence always look at the respective overall process seen from the point of view of the SME. In almost all relevant procedures, however, this goes far beyond the scope of responsibility of a single administration. "SME-friendly administration" in this sense therefore translates "responsibility" as the "assumption of overall responsibility both internally and externally". This kind of result and process-based view is often "*contrary*" to a fully differentiated public administration that is organised on the basis of technical aspects.

Through different activities, **widufix** has also achieved that mutual understanding for the respective issues and need for action – both among administrations and companies – has grown significantly. All those involved have also become sustainably aware that balanced co-operation is the only way to warrant greater value for the District of Herford region as a whole.