

Exploring Strategic Management in the First Gypsy & Traveller Community Interest Company in England

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ABSTRACT

The purpose of this article is to show an understanding of strategy and the strategic process. ‘Strategy is the long-term direction of an organisation’ (Johnson, Whittington and Scholes, 2011, p3). This is one definition that aims to give an understanding of what strategy is and how it relates to an organisation. It uses a case study approach to look at one business organisation analysing it within the strategic process and looking at options to apply to its future. The organisation used as the case study in this report is Homespace Sustainable Accommodation (HSSA) CIC. The strategic process includes looking at the mission statement / objectives / strengths / weaknesses / resources and culture of the organisation as well as the external and competitive environments that it operates in. Key issues for the organisation will be identified with options for change. Following use of strategic tool’s the appropriate option is identified for implementation and the appropriate change management issues have been highlighted.

Keywords: strategy, assessment, organisation, issues, Gypsy, Traveller.

I. INTRODUCTION

This article starts with a look at the organisation chosen for this case study, background detail and historical perspective. A strategic analysis using the PESTEL (political, economic, social, technical, environmental, legal) approach, Porter’s *Five Forces* and *Blue Ocean Thinking*. It then assesses the organisations capacity, culture and structure. The organisations value chain is looked at and an analysis done of its competition. The strategic options are then identified and evaluated. Two models called the *Change Kaleidoscope* and *Leavitt’s Diamond* are looked at and the options chosen are placed into a strategic planning framework for delivery.

II. ORGANISATION - HOMESPACE SUSTAINABLE ACCOMMODATION (HSSA) CIC

Registered as a Community Interest Company (CIC), Homespace Sustainable Accommodation (HSSA) was formed in 2009 in Cheshire by three founding members (including a husband and wife team who are members of the Gypsy and Traveller community) as a not for profit organisation to provide ‘affordable sustainable accommodation options’ (Homespace, 2011, www.Homespacea.co.uk) for Gypsy and Traveller communities. The organisation was set up with a strong social ethos to specialise to tackling some of the key challenges facing the Gypsy and Traveller community which are primarily accommodation based but also include access to education, health and cultural differences with mainstream society.

The organisation has developed new business since 2009 spread over a wide geographical area including the following;

- Temporary contract to manage a fifteen pitch local authority owned Gypsy and Traveller site in Carlisle, Cumbria -2010
- Temporary contract to manage a forty two pitch local authority owned Gypsy and Traveller site in Ipswich, Suffolk - 2011
- Leasehold management of community centre (asset transfer from the local council) Winsford, Cheshire - 2010
- Registered Provider with the Tenant Services Authority (TSA) – 2012
- Preferred Partner for the Homes and Communities Agency (HCA) -2012
- Development of forty two pitches across Cumbria with £1.4 million Homes and Community Agency (HCA) grant 2012-2015

- Commissioned to undertake work for three local authorities on the assessment of site provision need by contacting and surveying members of the Gypsy and Traveller communities from those areas

Since being formed HSSA has been working to develop its name within a very restricted market, initially the management of Gypsy and Traveller sites leading to the development and building of new site provision. The organisation started to expand following development of its management reputation amongst councils and subsequent acceptance by national organisations for registration as a provider (TSA) and grant for site provision (HCA).

III. HISTORICAL PERSPECTIVE

With the growth in urban development, changes in the economy and labour markets over the last sixty years the traditional way of life for Gypsies and Travellers has changed. This term is used to define a wider grouping of different ethnic minority communities including English many gypsies, Irish Travellers, Welsh and Scottish Gypsies. In an uneasy co-existence with mainstream society significant issues have presented themselves including education, health and primarily access to accommodation / sites for living on or places to stop when travelling.

There are no reliable statistics available for the Gypsy and Traveller population within the United Kingdom but it is estimated to 'vary widely from 82,000 to 300,000' (Kendrick & Clarke, 1999 as cited in DCLG, 2006, p 11). Approximately two thirds living in permanent housing with the remainder living in trailers/caravans on a mixture of authorised public/private sites and unauthorised encampments/unauthorised developments either on land owned, other private land or by roadsides.

For a small minority grouping, Gypsies and Travellers generate a significant amount of attention within the modern United Kingdom from politicians, the media, the law, the police, public agencies and the public as a whole. Although some of this attention is positive a lot is negative and to an extent hostile. Some of this hostility is seen by Gypsies and Travellers as non acceptance of their culture, traditional ways of living and working. Since 1945 the history of the relationship between mainstream society and the Gypsy / Traveller communities is important in providing the contextual backdrop for the development of HSSA.

IV. ANALYSIS

Strategy has existed in society for thousands of years used predominantly in military planning, battles, wars and campaigns. Analysis of this historical background can be seen as providing insight into the development of modern approaches to business strategy. In 1987, Mintzberg developed his 'Five P's for Strategy' (Mintzberg, Quinn and Ghoshal, 1998. P 13-14) which highlights the military dimensions in both the language and the interrelationships between them. The five dimensions are;

- Plan - a 'course of action' (Mintzberg, Quinn and Ghoshal, 1998. P 13-14).
- Ploy - a 'manoeuvre to outwit an opponent' (Mintzberg, Quinn and Ghoshal, 1998. P 13-14).
- Pattern - a 'definition that encompasses the resulting behaviour' (Mintzberg, Quinn and Ghoshal, 1998. P 16) from the implementation of a plan.
- Position - a 'means of locating an organisation within an environment' (Mintzberg, Quinn and Ghoshal, 1998. P 17) looking externally.
- Perspective - looks 'within the organisation' (Mintzberg, Quinn and Ghoshal, 1998. P 18)

The interrelationships between these five dimensions of strategy undermines the fluid and developmental nature of the strategic process when applied to a business. The business is live, functioning and operating in its chosen market. As such it is implementing the strategy.

It could be said that the view of Johnson, Whittington and Scholes is that the strategy of an organisation is long-term direction of the organisation in reality includes the short and medium term dimensions of change in implementing the strategy that Mintzberg has identified. This includes patterns of organisational behaviour from implementing the plan, ploys used in implementing it, the changing position of the organisation in the market place and the changing internal perspective of the organisation. The dimensions of the strategy can be seen as building blocks adding to the

longer term strategic development and direction of the organisation and constituent parts resultant of the implementation of the strategy or plan by the organisation.

V. MISSION, AIMS AND OBJECTIVES

If the strategy provides the direction for the organisation the purpose/mission statement describes the ‘purpose why the organisation exists’ (Fritz, 2011, www.nonprofit.about.com). Under the mission statement are the vision/aims or the ‘changes the organisation is trying to achieve’ (CES, 2012, www.ces-vol.org.uk/index/aims and objectives) and objectives or the ‘methods by which the organisation will achieve its aims’ (CES, 2012, www.ces-vol.org.uk/index/aims and objectives).

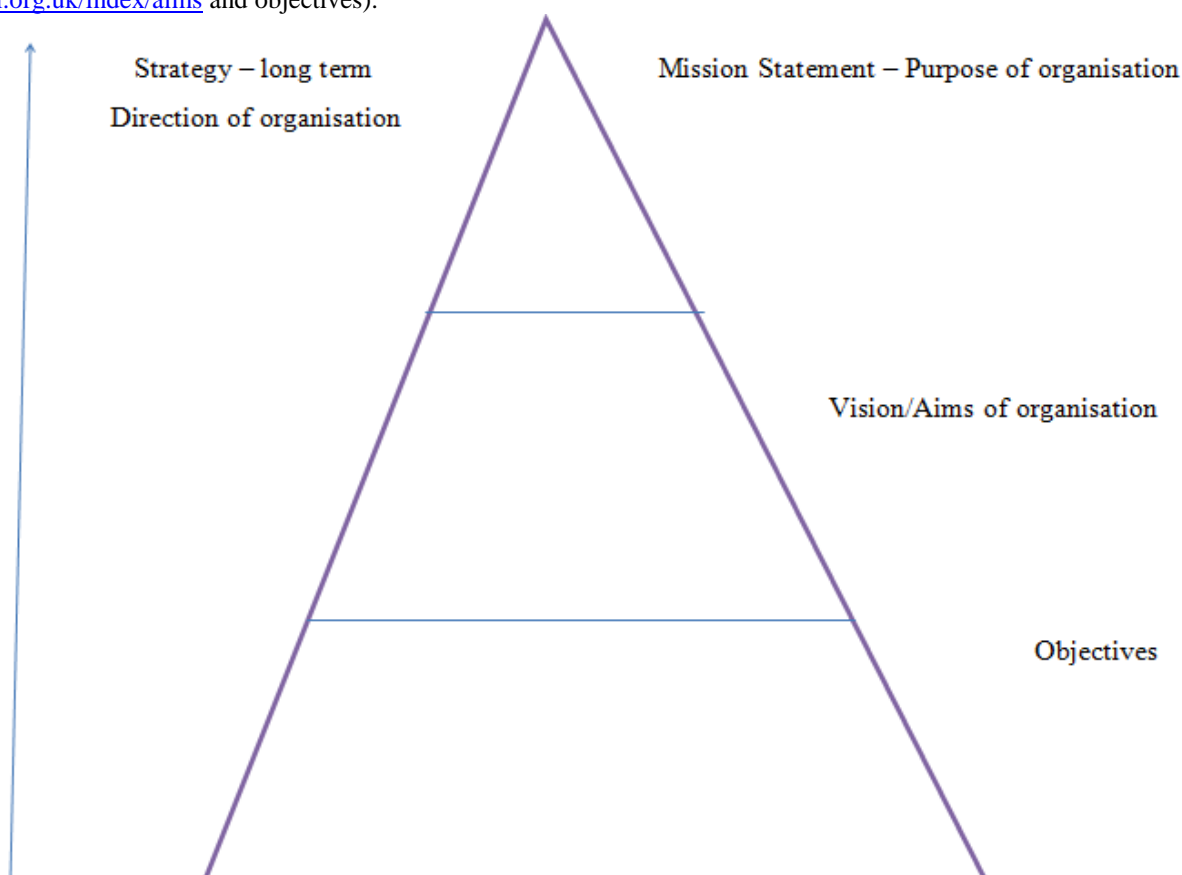


Fig 1 - relationship between these elements of the strategic policy planning framework for HSSA (adapted from CES, 2012, www.ces-vol.org.uk/index/aims and objectives).

The mission/purpose statement of HSSA is;

‘The enduring purpose of HSSA is to revolutionise the quality of life of all our customers by unleashing the skills, potential and goodwill within people’.

(Homespace, 2009, P 5)

The mission/purpose statement for HSSA clearly states the enduring overall purpose behind the organisation to improve things for their customers. This includes the quality of life as well as unleashing the skills of their customers. The statement clarifies the purpose why the organisation exists for customers from the Gypsy and Traveller community.

The vision/aim of HSSA is;

‘To provide a network of sustainable well managed Gypsy and Traveller sites where residents receive the support they need, enjoy harmonious relationships with the wider community and where no one is forced onto unauthorised encampments due to homelessness’.

(Homespace, 2009, P5)

As shown in the pyramid diagram above the vision/aim of the organisation broadens out under the purpose/mission statement highlighting the changes that HSSA are trying to achieve by existing, developing their business and managing Gypsy and Traveller sites in a different way. The statement makes clear the improvements that HSSA want to make for Gypsy and Traveller communities.

The objectives that HSSA are working to are;

- ‘To acquire and manage decent, affordable and sustainable Gypsy and Traveller sites ensuring everyone can reach their full potential and where the rights and responsibilities of all communities are central.
- Work in partnership with all stakeholders to obtain contracts for site refurbishment and new site construction ensuring all HSSA sites benefiting from Traveller Pitch Funding (TPF) are sustainable and genuinely meet the needs of communities going forward.
- Provide support to Gypsy and Traveller site residents that will include skills, education or training, homelessness prevention, pathways into work and links to other support services where this is deemed necessary; this will include ensuring opportunities for work and skills through our refurbishment and new site construction work.
- Develop excellent relationships and working protocols with all stakeholders, including the local authority, education, police, probation, social services, health service providers and the third sector.
- Contribute to relevant fora in support of reducing crime and disorder, promoting race equality and community cohesion and good neighbourhood management.
- Develop a network of well managed sites, initially across the North of England, to ensure that residents can pre-plan periods of travel thus avoiding unauthorised encampments’.

(Homespace, 2009, P6)

The statements of objectives broaden out further under the aim (as shown on the pyramid diagram above) to show what will be done by the organisation to achieve the organisations stated aim.

Using the metaphor of the pyramid the long term direction of the organisation is driven by its strategy which is defined by the organisations purpose, the changes that it wants to bring about (vision/aims) and how they will enacted (objectives). To many organisations the ‘use of the words vision, mission and strategy are synonyms’ (Botha, 2008, P10) and as such it could be claimed that there is such an approach with the HSSA statements.

The HSSA vision/aim and objective statements reflect off each other to give strategic structure regarding the change that is to be made for site provision and how this will be achieved. The objectives are open to allow for the organisations activities to develop as well as being of equal importance in achieving the vision and aim. However, there is a hierarchy established through the long and short term deliverability of the different objectives. An example of this is the development of a number of sites being longer term than the work on joining partnership fora. The ethos of the organisation is economically based, to develop business opportunities for the organisations founders and improve the economic circumstances of Gypsies and Travellers.

VI. EXTERNAL ENVIRONMENT

All organisations operate in and are affected by the *wider environment*. This includes the markets that each organisation operates within, the number of external factors that control or impact on these environments and the different layers that they work on. A way of showing how HSSA can be seen as an organisation within the context of the *wider environment* is through a circular diagram as follows;

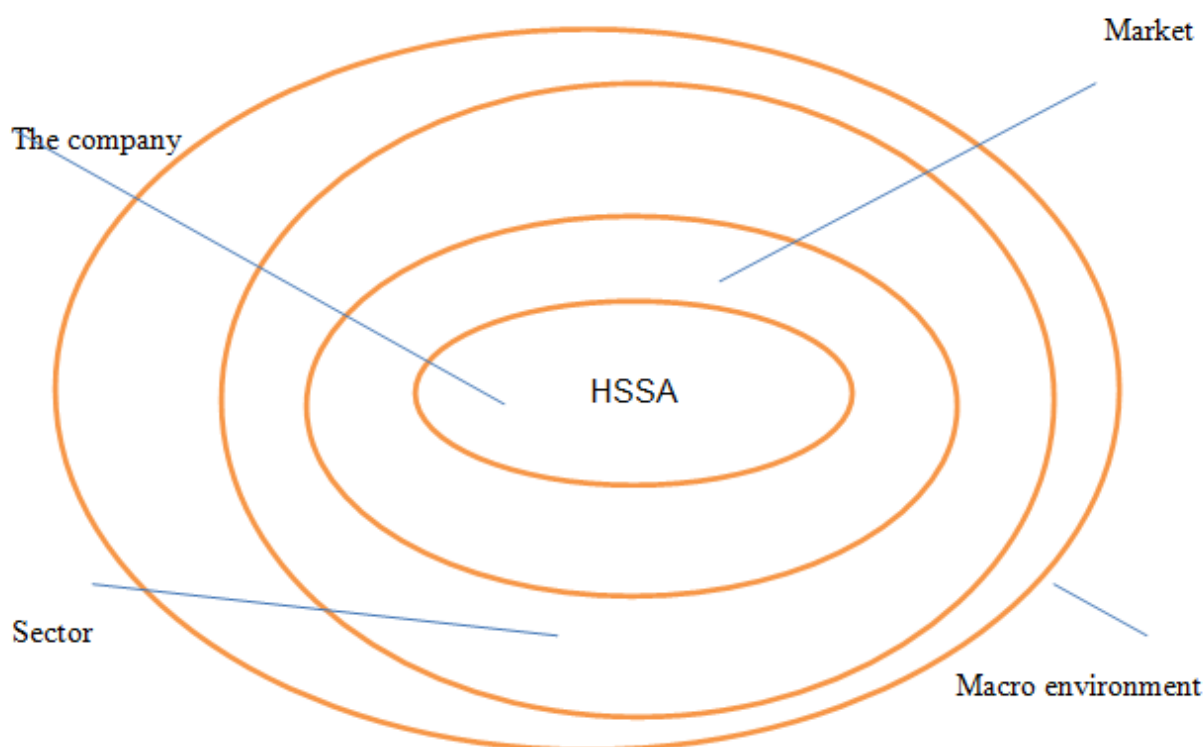


Fig 2 - HSSA & environments (adapted from Johnson, Whittington and Scholes, 2011, P 49)

The specific nature of HSSA, the markets / sector in which they operate and the specific impact of elements in the macro environment means that there are areas of cross over between the layers. A PESTEL analysis has been used to identify wider issues affecting the macro environment that HSSA operate in (these are marked under the general heading) and those issues that cross between the sector and macro layers (these are marked under the specific heading). An overall indication is identified as to if the environment is favourable, unfavourable or mixed. The PESTEL analysis provides a useful tool in which to look at and analyse the context of the environment in which an organisation is working however as stated above, in the case of HSSA the model can be applied to general and specific issues.

VII. PESTEL ANALYSIS

The PESTEL framework has been developed to provide a ‘wide overview’ (Johnson, Whittington and Scholes, 2011, p 50) of the macro environment in which HSSA operates. The framework identifies six main categories (adding on the last two categories to the four categories already identified in the PESTEL analysis) – political, economic, social, technological, environmental and legal. The analysis below identifies both the general external environmental factors in which organisations are operating and those specifically relating to the market and environment that HSSA CIC operate in.

Table 1 - PESTEL analysis of the macro – environment that HSSA CIC operate in (adapted from (Johnson, Whittington and Scholes, 2011, P 51))

| | |
|---|---|
| <u>Political</u> <u>General</u> <ul style="list-style-type: none"> Coalition government elected 2010 Shift in emphasis to the private sector <u>Specific</u> <ul style="list-style-type: none"> Government policy relating to site provision for the Gypsy & Traveller community. | <u>Economic</u> <u>General</u> <ul style="list-style-type: none"> Economic downturn since 2008 effecting availability of money / work Public sector downsizing <u>Specific</u> <ul style="list-style-type: none"> The changing nature of the traditional labour |
|---|---|

| | |
|---|---|
| <ul style="list-style-type: none"> • Negative views regarding the Gypsy & Traveller communities. • Political and community views/actions at a local level – planning applications, site provision and unauthorised developments / encampments. <p>Overall – Favourable for a private sector new solution focused approach to the management of Gypsy & Traveller sites.</p> | <p>markets for the Gypsy & Traveller community – seasonal work</p> <ul style="list-style-type: none"> • The impact of economic changes to trade and business for the Gypsy & Traveller communities – decline in horse trading markets, scrap metal, rag and bone. • Impact of the cash economy • Increasing reliance and need to engage with illegal activity to access funding <p>Overall – Mixed in terms of setting up new organisation to enter the market.</p> |
| <p><u>Social</u> <i>General</i></p> <ul style="list-style-type: none"> • <i>Effects of recession – unemployment</i> • <i>Migration into the country over last 10 years</i> <p><i>Specific</i></p> <ul style="list-style-type: none"> • Decline in ability of the Gypsy & Traveller community to keep to traditional way of life. • Isolated nature of communities from mainstream society. • Inability of the Gypsy & Traveller community to progress within mainstream society through generations due lack of engagement with education. • Development of a ‘siege’ mentality within the Gypsy & Traveller community. <p>Overall – Mixed in that the challenges facing the Gypsy & Traveller community are significant but there is an opportunity to seek to tackle these.</p> | <p><u>Technology</u> <i>General</i></p> <ul style="list-style-type: none"> • <i>Development of the internet, digital and other new technologies</i> • <i>Advances in technology altering nature of business and employment</i> <p><i>Specific</i></p> <ul style="list-style-type: none"> • Engagement by minority of members of the Gypsy & Traveller community with digital and technological advances on a self-taught basis – mobile phones, internet. • Technological eliminating traditional work • Lack of engagement with formal education system so preventing opportunities that new technology presents being maximised. <p>Overall – Mixed in that there are challenges and opportunities.</p> |
| <p><u>Environment</u> <i>General</i></p> <ul style="list-style-type: none"> • <i>Global warming issues brought about by the increase in carbon dioxide emissions and focus on ‘green’ industries.</i> • <i>Population and household increases putting pressure on the supply of land.</i> <p><i>Specific</i></p> <ul style="list-style-type: none"> • A number of sites for the Gypsy & Traveller’s who live in trailers are situated in the worst places – near motorways, in industrial areas. • Problems caused ‘tipping’ of work waste or living waste through unauthorised encampments. <p>Overall – Mixed as there are challenges and opportunities issues around land/site availability.</p> | <p><u>Legal</u> <i>Generic</i></p> <ul style="list-style-type: none"> • <i>Rule of law and applicability of EU law</i> <p><i>Specific</i></p> <ul style="list-style-type: none"> • Planning legislation regarding the provision of sites and unauthorised developments. • Civil law of trespass relating to unauthorised encampments. • Criminal law (introduced in the 1990’s) regarding unauthorised encampments, conveys and non-compliance with civil law enforcement. • Housing legislation regarding Local Authority duties to assess housing need for sites and emergency homelessness provision. <p>Overall – Unfavourable as there are significant challenges posed through the complexities in the legal system surrounding the provision and management of Gypsy & Traveller sites.</p> |

VIII. THE SECTOR AND COMPETITION

The provision of sites for the proportion of Gypsies and Travellers who live in trailers and caravans is split between local authorities and private owners. In England there are '18,148 estimated caravans in England of which 6,852 are on social rented sites, 7,627 on authorised private site, 2,199 on unauthorised developments and 1,470 on unauthorised encampments' (Richardson, 2011). There is a variety of different management options around these sites including;

- Local authority owned sites, managed by external companies or housing association
- Local authority owned sites managed by council staff
- Privately run owner occupier sites
- Commercially run private sites

Local authority sites can either be permanent or transit (for a twenty eight day period) and their existence is based on service provision whereas most private sites are profit driven. Local authority sites 'constitute a specialist form of accommodation provision developed since 1960 and make a significant contribution towards meeting the accommodation needs of Gypsies and other Travellers' (Niner, 2003, P 15).

In forming HSSA the founders felt that there was considerable opportunity within the Gypsy and Traveller community as well as the wider environment for a business to develop including the provision of site 'funding by government' (Homespace, 2009, P 22). As well as the opportunities there were also overall threats considered including a 'change in the political environment' (Homespace, 2009, P 23) potentially affecting the availability of grant (this did happen in 2010 with the general election, a change in national administration and a freezing of the funding programme for site provision). Specific opportunities and threats for HSSA relating to the external environment are drawn together into the SWOT analysis in section

IX. PORTER'S FIVE FORCES ANALYSIS

Using Porter's *Five Forces analysis* theory we can look at HSSA operating within their sector within a framework to gain an insight into their competitive position. This theory was developed by Michael Porter in 1979 to 'analyse the attractiveness of an industry by considering five forces within a market' (Gillespie, 2007, www.oup.com). These are;

- Supplier power
- Buyer power
- Competitive rivalry
- Threat of substitution
- Threat of new entry.

An analysis using the framework applying to HSSA and the market for the management of Gypsy and Traveller sites is below;

Threat of new entry

-Not too expensive to enter the market

-Experience needed and specialist know

Knowledge

-Some economies of scale

-Some cost benefits if in business for some time

-Some barriers to entry

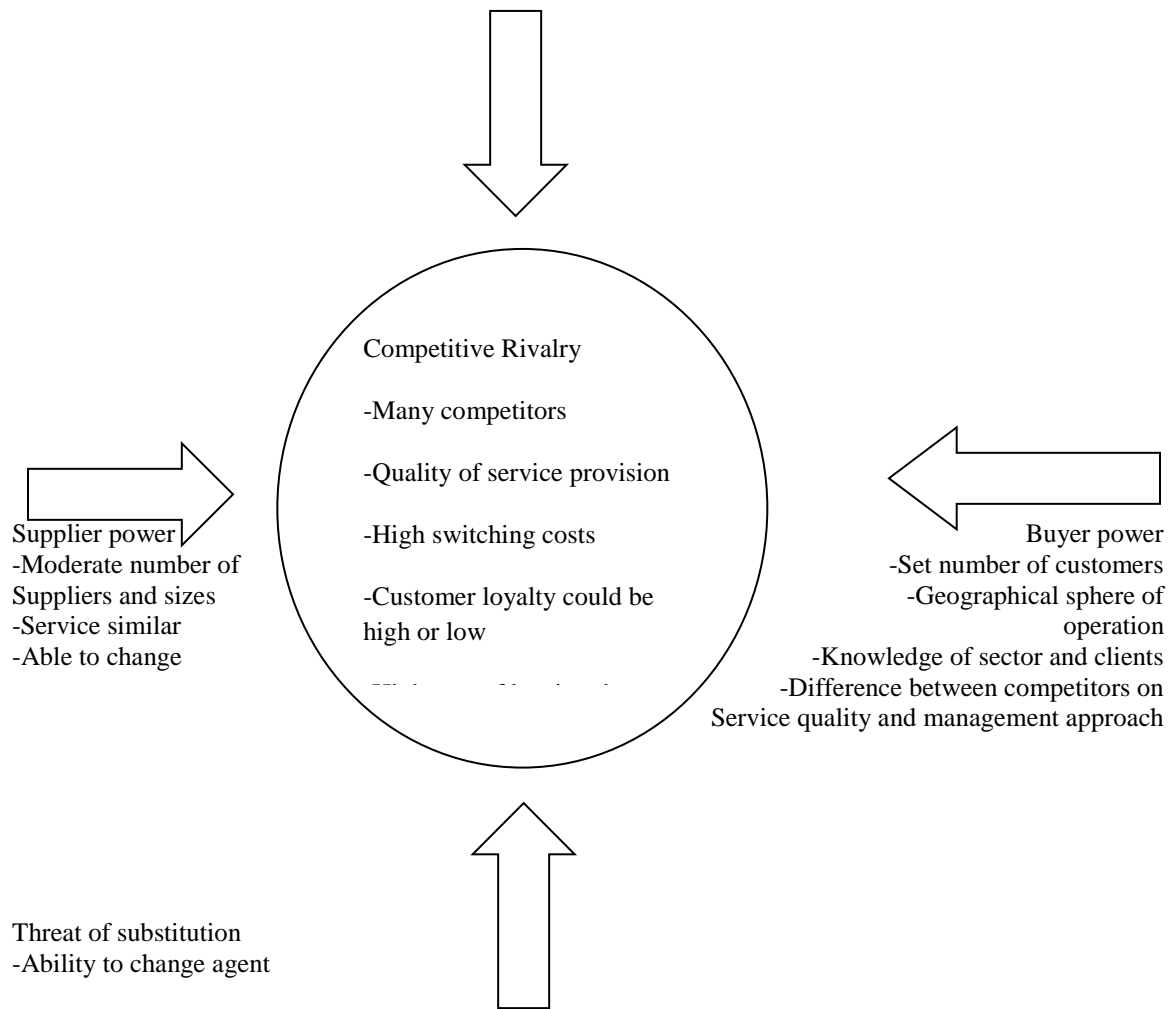


Fig 3 - HSSA assessed against Porter's Five Force Analysis theory (adapted from (Johnson, Whittington and Scholes, 2011, P 55).

A conclusion from the above analysis regarding HSSA position is as follows;

- The threat of new entry to the market is quite high so new competitors can come into the industry easily.
- Competitive rivalry is high
- Buyer power is mixed
- There is some threat of substitution

From this analysis it appears that the sector could be difficult for HSSA if it is looking at the straight management of Gypsy and Traveller sites. There is a case for differentiating the organisation within the sector more.

X. BLUE OCEAN THINKING

Blue Ocean thinking theory can be used as a framework against which HSSA can be analysed. Through the use of Porter's *five forces analysis* model it can be seen that HSSA need to offer more within the sector than a traditional

approach to the management of Gypsy and Traveller sites. This can be differentiating by HSSA of their organisation within the sector and by creating demand in what is referred to by Kim and Mauborgue as *untapped market space* (Kim and Mauborgue, 2005). In taking forward the analysis of the strategic approach from the structuralist viewpoint the concentration is on companies competing in the traditional way to gain greater market share. However, in differentiating their approach to their sector HSSA can tap this new market space. Under the *Blue Ocean thinking* theory all markets are made up of red and blue oceans, red being the known market space and blue being untapped markets.

An analysis of HSSA under both red and blue oceans is provided below;

Table 2 - An analysis of HSSA under the Blue Ocean Strategy framework (adapted from Kumar and Gupta, 2010, P 5)

| | |
|---|--|
| Red Ocean Strategy | HSSA |
| Compete in existing market space | <i>Working with local authorities to take over the management of existing sites</i> |
| Beat the competition | <i>Competing on price and service quality for existing contracts</i> |
| Focus on existing customers | <i>This would require focusing on two sites under management</i> |
| Exploit existing demand | <i>Continued demand for sites from within Gypsy & traveller community</i> |
| Make the value/cost trade off (greater value = higher cost or reasonable value=lower cost) | Looking at improving quality and lower cost |
| Align the whole system of firms activities with its strategic choice of differentiating or low cost | Looking at aligning the offer from the company to show differentiation |
| Blue Ocean strategy | HSSA |
| Create uncontested market space | It is the first non profit Gypsy led organisation in the UK looking to offer a unique support and site management service to local authorities |
| Make the competition irrelevant | The unique service approach will remove competition HSSA developed approach is to the benefits to public agencies from their supported service The service approach is value at lower cost |
| Focus on non-customers | |
| Break the value cost trade off (seek greater value at lower cost) | |
| Align the whole system of a firm's activities in pursuit of differentiation and low cost | Looking at aligning the offer from the company to show differentiation |

Blue ocean strategy offers a reconstructuralist viewpoint within the academic debate on business strategy and markets. An organisation can be seen to offer both value and low cost whereas Porter holds that organisations are either low cost, offer value at a cost or serve a niche market. The Blue ocean strategy holds that companies can move boundaries of markets to tap into bigger spheres of influence, markets and profits. A criticism of the theory is that it appears to be more a description or a metaphor for what companies can achieve as opposed to a serious academic theory. A benefit of Blue ocean strategy is that as a metaphor it can be applied to business markets, service provision and markets in all walks of life. In the case of HSSA to the provision of site management, accommodation and support provision to Gypsy and Traveller communities.

XI. INTERNAL ORGANISATIONAL CAPACITY

In looking at the internal environment of HSSA the financial and staffing resources of the organisation are considered to identify how they contribute to establishing a 'competitive advantage'. For HSSA its 'competitive advantage' is superior performance and service provision over other competitors not profit.

In their Business Plan HSSA layout the capacity, capability and resources of the new organisation which was founded as a non-profit community interest company (CIC), the first in the United Kingdom to include members of the Gypsy and Traveller community. It had an advisory board when set up including specialists from professions such as the police, barrister, housing and planning (which has subsequently become a board as the organisation have become a preferred investment partner by the Homes and Communities Agency). The capacity of the organisation is based on the three core founding members of the organisation with flexibility and expansion part of the business approach. The competencies of the core members are important to establishing a 'competitive advantage' position with the organisation through differentiation in the approach it takes to the provision of management to Gypsy and Traveller sites. This intellectual and knowledge base is the key competence of the organisation.

In terms of physical and financial resources HSSA has start up loans to both the Government (through the Future Builders Fund for non profit ventures) as well as commercial borrowings. centre and two Gypsy and Traveller sites. It is against the income streams generated by these assets that the business will fund the loan repayments, fund the business and develop new business.

XII. CULTURE AND STRUCTURE

The culture of HSSA as an organisation is heavily influenced by the background of the three core founding members, the social aims/objectives of the organisation and the market in which they are operating. As a not for profit Community Interest Company (CIC) they have been set up for the betterment of the housing and accommodation issues in the Gypsy and Traveller communities.

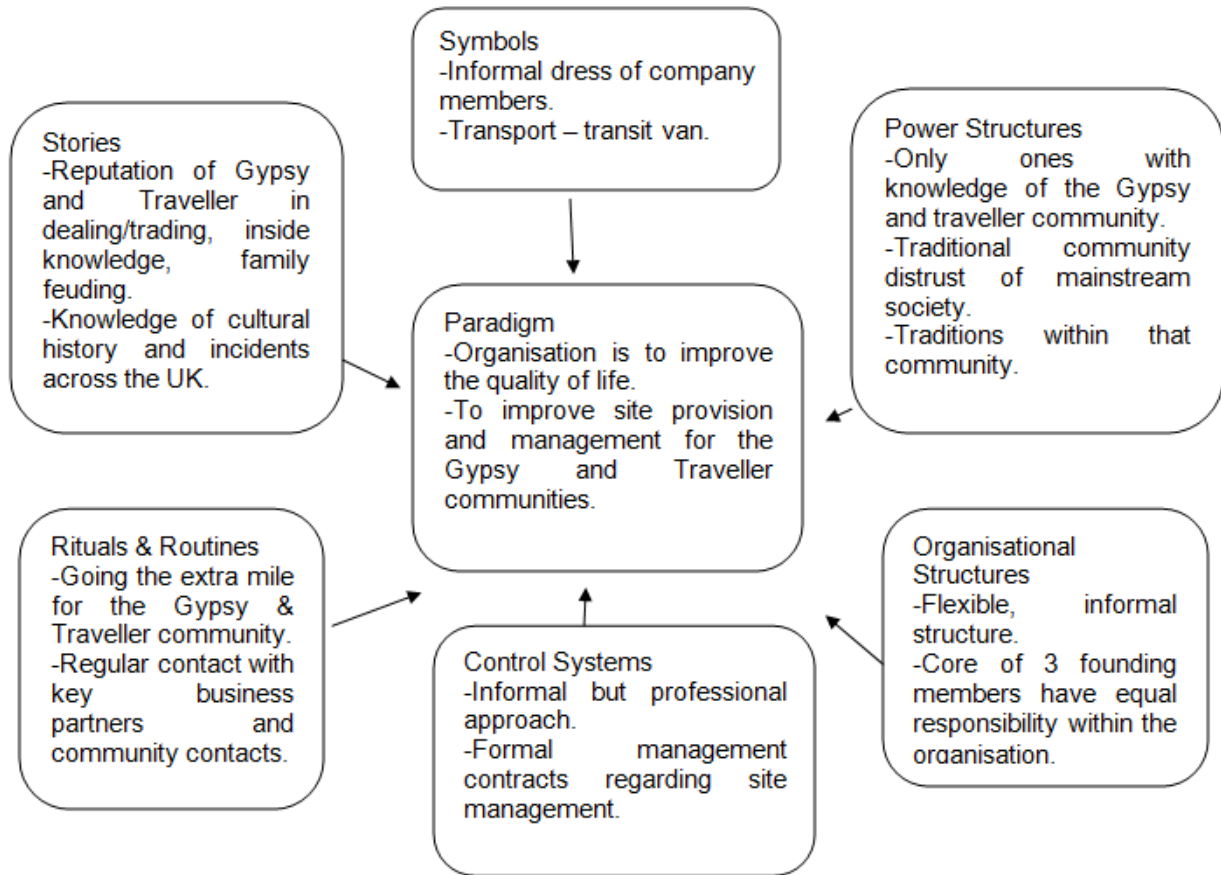
Two of the three founding members are from an English Romany background. Having lived on a number of sites for Gypsies/Travellers and seen a number of the problems caused by poor site provision/management they set up HSSA with a strong social vision. The aims and objectives of the organisation (shown under section 2.1) mirror the social vision and background of the founding members. An issue that presents itself with not for profit organisations when compared to a commercial organisation is that the measurement of performance and achievement can be overridden by the social aims of the organisation. 'If there is a lack of clarity in the objectives of an NFP (Not For Profit), and if the goals are clear but achievement is not measurable, then assessing the performance of the organisation becomes extremely difficult' (Bowman and Asch, 1996, P60)

The market in which HSSA are operating is specifically contained to the provision of better sites and management for the Gypsy and Traveller community. The culture of the Gypsy and Traveller community heavily influences the culture of HSSA as an organisation. The other significant influences are that of the settled community and the councils who own and manage sites.

The structure of HSSA as an organisation is small giving it the ability to have a flexible approach to the provision of services. It has advantages over big structured organisations due to its size which makes its approach flexible and beneficial when seeking new business opportunities. For contracts that HSSA already manage the size, structure and approach of the organisation means that if any problems appear then change can be enacted quickly.

An academic model that has been developed to look at the culture of an organisation and that has been adapted to look at HSSA is the Cultural Web.

XIII. CULTURAL WEB



The value chain 'is a systematic way of examining all of the organisations functional activities and how well they create customer value' (Coulter, 2002, P131). For HSSA the value chain can be seen in the management of a site when a Gypsy/Traveller family who are living at the side of the road are able to access a site for their caravan to be placed. The value added to improving the quality of life for that family is significant. As HSSA only manage two sites on behalf of councils nationwide a key part of increasing the value is to increase the number of sites they manage.

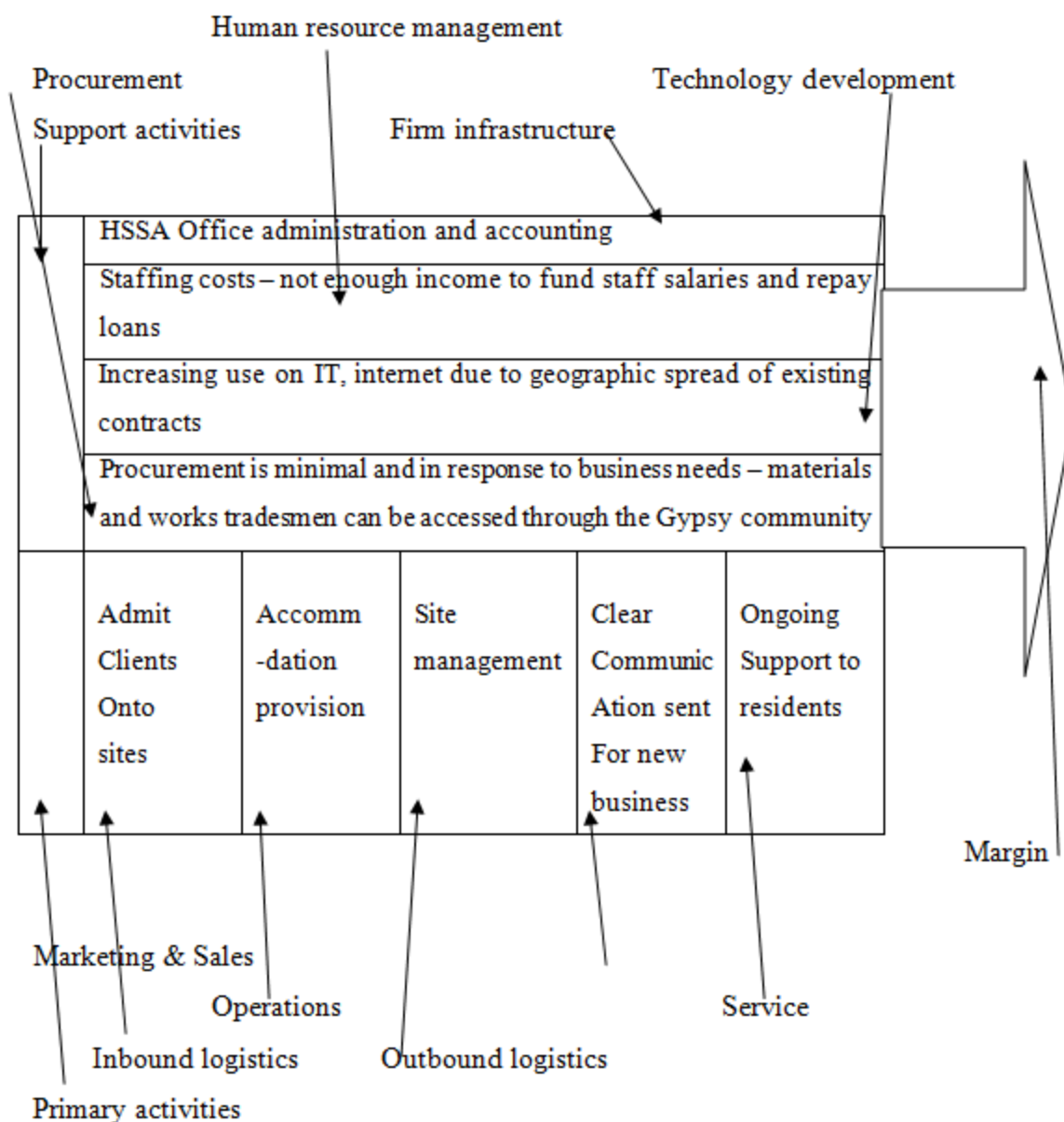


Fig 5 – Value Chain for HSSA (adapted from /Porter, 1985, cited in Johnson, Whittington and Scholes, 2011, P 97)

XIV. Competitive analysis

The Ansoff product / growth matrix is a model designed to provide four directions for an organisation based around new and existing markets. As has been seen through the work done on Blue Ocean thinking – differentiation (uncontested markets) within the market is the way forward for HSSA.

Products / Services

Table 3 - Ansoff matrix applied to HSSA for new and existing markets (adapted from Ansoff, 1988)

| | Existing | New |
|----------|--|--|
| Markets | Market penetration | Product development |
| Existing | Increase marketshare by winning competitive tenders for site management contracts. Also by becoming preferred developing agent for the Tenant Services Authority (TSA) and Homes and Communities Agency (HCA). | Development of the organisations innovative services and approach to site management. |
| New | Market development | Diversification |
| | Attract interest from local councils and government by developing the reputation of the organisation. | Possibility depending upon the external environment, business opportunities developing and contracts secured. Differentiation within the market. |

XV. STRATEGIC OPTIONS

Further to looking at the HSSA as an organisation, external and internal environments the strategic process requires assessment and choices to enable the organisation to go forward.

XVI. SWOT ANALYSIS

A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis aims to ‘summarise the key issues from an analysis of the business environment and the capabilities of the organisation to gain an overall picture of its strategic position’ (Johnson, Whittingham and Scholes, 2011, P106). This model has been used to assess HSSA to help understand the strategic position of the organisation.

Table 4 - A SWOT analysis of HSSA

| | |
|--|--|
| Strengths <ul style="list-style-type: none"> • Founding members from the Gypsy and Traveller community with specific knowledge of that community. • Specific knowledge and skills – accounting, construction. • Experience of government procurement and funding systems. • Experience of site management and what is needed on new sites. • Commitment to social/cultural values of the community. • Government funding programme. | Weaknesses <ul style="list-style-type: none"> • Knowledge and experience gaps regarding site management. • Inability to fulfil business contracts due to geographical spread of sites. • Financial constraints due to issues with cash flow and borrowing capacity. • Inability of organisation to cope with business expansion or a large scale construction project. • No track record of site management. |
| Opportunities <ul style="list-style-type: none"> • Innovative approach to site management. • Councils looking to outsource ownership and management of sites. • Councils do not have inside knowledge of Gypsy and Traveller culture. | Threats <ul style="list-style-type: none"> • The business model. • Existing site management companies / competition. • Change in government and funding programmes. |

| | |
|---|--|
| <ul style="list-style-type: none"> • Legal duty on councils to enable site provision for Gypsy and Travellers. | <ul style="list-style-type: none"> • Views of the public against Gypsy and Travellers, local communities, councillors. • Time to get new sites through planning. • Staffing capacity. |
|---|--|

XVII. OPTIONS IDENTIFIED

From the information analysed through this paper key issues present themselves about HSSA together with current operational information. An identification of the challenges/opportunities and options available for HSSA are in the table below.

Table 5 – A table to show challenges and options for HSSA

| Challenges / Opportunities | Options | |
|--|--|---|
| | Operational | Strategic |
| 1-Cashflow problems within the organisation threatens its existence | <ul style="list-style-type: none"> -Win more business -Expand to develop more capacity to deliver on more business -Look at other business areas of work | <ul style="list-style-type: none"> Growth Diversify |
| 2-Unable to deliver on existing contracts due to capacity issues | <ul style="list-style-type: none"> -Expand to increase capacity -Define roles of staff within organisation -Focus on delivering existing contracts | <ul style="list-style-type: none"> Growth Consolidate Consolidate |
| 3-Competitors/closed shop from existing site management organisations | <ul style="list-style-type: none"> -Emphasis on the unique selling points of HSSA -Expand capacity of organisation to challenge competitors | <ul style="list-style-type: none"> Growth Growth |
| 4-The view of communities, public organisations and politicians about Gypsy and Travellers | <ul style="list-style-type: none"> -Concertrate on communicating the benefits of HSSA -The need for good site management for Gypsy & Travellers and mainstream society | <ul style="list-style-type: none"> Consolidate |
| 5-The behaviour of some Gypsy & Traveller families and threats regarding the running of some sites | <ul style="list-style-type: none"> -Expand to provide capacity to manage all existing business -Strong partnerships with police/Councils where sites are managed | <ul style="list-style-type: none"> Consolidate |
| 6-Changes in national funding programme for new site provision | <ul style="list-style-type: none"> -Diversify business to look at site design consultancy -Look at innovative approaches to site provision ie. Leasehold and investor model | <ul style="list-style-type: none"> -Diversify -Diversify |
| 7-New organisation with experience, knowledge and management gaps | <ul style="list-style-type: none"> -Consolidate organisation to become stable -Focus on existing business and ensure service delivery -Build reputation on quality delivery ability and seek new business -Diversify operations to seek new business | <ul style="list-style-type: none"> Consolidate Consolidate& service quality |
| 8-Opportunity regarding Councils outsourcing sites & new provision | <ul style="list-style-type: none"> -Build reputation on quality delivery ability and seek new business -Diversify operations to seek new business | <ul style="list-style-type: none"> Consolidate, service quality& Growth |
| 9-Opportunity to build on HSSA inside knowledge of the Gypsy & Traveller community | <ul style="list-style-type: none"> -Build reputation on quality delivery ability and seek new business -Diversify operations to seek new business | <ul style="list-style-type: none"> Consolidate, service quality & Growth |

XVIII. OPTIONS EVALUATED

To evaluate the given strategic options ‘fundamental questions’ (Johnson, Whittingham and Scholes, 2011, P 18) have to be asked. These are around the following;

- Suitability – matching the ‘opportunities and threats’ (Johnson, Whittingham and Scholes, 2011, P 18)
- Acceptability – for the relevant stakeholders
- Feasibility – if the organisation is capable of delivery of the options
- Positioning – relating to the organisation gaining a competitive advantage in undertaking any of these options.

The strategic options previously identified are evaluated below. A scoring of between 1-3 is given under each with one being for priority consideration and three the least priority.

Table 6 – A table to show the evaluation of the strategic options for HSSA

| Strategic Option | Evaluation criteria | | | |
|------------------|---------------------|---------------|------------------|-------------|
| | Suitability | Acceptability | Feasibility | Positioning |
| Consolidate | 1 | 1 | 1 – questionable | 1 |
| Service Quality | 1 | 1 | 1-questionable | 1 |
| Growth | 2 | 2 | 3-queationable | 1 |
| Diversify | 1 | 2 | 3 | 1 |

In assessing the strategic options open to HSSA, the issues around cash flow, the need for the organisation to focus on the delivery of a quality service for existing contracts and its relationship with core existing customers are fundamental for the survival of the company. Growth, new business and diversification are important in terms of future development of the organisation. However, the organisation needs to be stable both financially and in its ability to deliver services to its existing customers. Issues to do with the capacity and capabilities within HSSA are hampering the delivery of services to existing customers. These issues would only become exacerbated if new site management contracts were won.

There is a need to look at the development of a plan to look at consolidation of existing services in a focused time period with medium term targets to take forward the expansion, growth and diversification options.

Table 7 – Table to show strategic priorities for HSSA

| Priority | Delivering/reason |
|-------------------------------|--|
| 1. Existing contracts | -Focus on consolidating existing business -Stabilising cash flow -Improve relationship with existing customers -HSSA focus on service quality, capacity and capability -Foundations to build business on |
| 2. Growth and diversification | -Future planned expansion of the organisation (as opposed to unplanned expansion without the necessary organisational infrastructure being in place) |

XIX. The Change Kaleidoscope

Strategic management for an organisations development, success in competing in its given market and implementation on its long term direction can have two approaches – through ‘planned processes’ or a ‘negotiated process’ (Balogun and Hailey, 1999, P 1). The *Change Kaleidoscope* model presents a framework for the assessment and design for the direction of change in an organisation. This model is sensitive to a number of contextual factors affecting organisations in a period of change. As a tool to focus on HSSA it can enable the specific nature of the organisation and its market place to be accounted for.

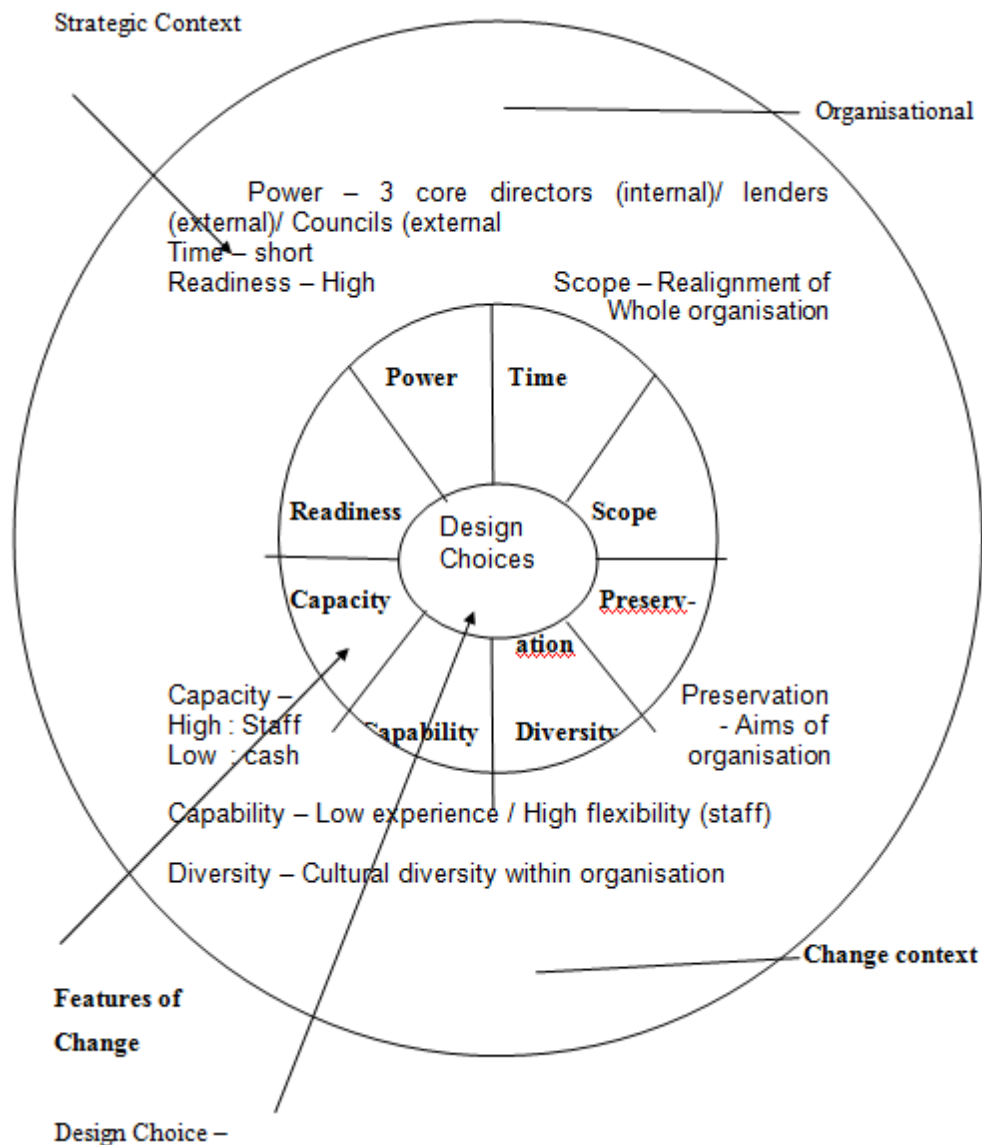


Fig 6 - Change kaleidoscope applied to HSSA (adapted from Balogun and Hailey, 1999 ,P14)

The *features of change* are the contextual factors applying to any change situation. In relation to HSSA the assessment within the model is based on the organisations need to change to seek business opportunities due to the short term problems with cashflow and ability to pay back the loans taken out to set the company up. Like an actual kaleidoscope that presents different coloured patterns, the 'eight contextual features remain the same but are constantly reconfigured to produce different pictures for each organisational change situation they are used to assess' (Balogun and Hailey, 1999, P 60). An example of the constant change in the contextual features impacting on HSSA is the winning of business and continued financial viability of the organisation. The external power of lenders to whom HSSA owe money increases the longer that the organisation is seen as not able to repay its loans due to the lack of business.

The *design choice* for HSSA flowing from the *features of change* assessment in the diagram are as follows;

- Change path – HSSA was set up in 2009 when the external funding environment from the Government was favourable in terms of funding for the refurbishment of existing sites and the provision of new sites for the Gypsy and Traveller communities. As this has changed there is a need for the organisation to change.
- Change startpoint – This needs to start at the top of the organisation with the three core founding members, understanding the need for change and the urgency involved in terms of timescale.

- Change style – The organisation needs to become more business orientated and focused on the provision of services to existing customers.
- Change target – The short term targets are to get more business, improve cashflow and stabilise the organisation enabling it to survive. The core target is to enable the organisation to survive by making it sustainable and able to fulfil its overall purpose.
- Change roles – There needs to be an assignment of some roles by the three directors to concentrate on delivering the core business of the organisation to existing customers.
- Change lever – The change needs to take place immediately and the urgency of the timescale is enforced by the financial circumstances that the organisation is in.

XX. IMPLEMENTATION

Change within an organisation can be seen at its simplest as a three stage process (Balogun J and Hailey V, 1999) - the current situation, where the organisation wants to get to in the future and the process for getting there. Through a strategic assessment of the options relating to HSSA the priorities for the organisation are to focus on existing business and customers to stabilise the business. The three founding members and operational directors of the organisation had been focused on rapid expansion and growth without establishing the internal capacity and infrastructure of the organisation. Through the *Change Kaleidoscope* design choice change path has been identified for HSSA to adapt to changes in the external environment together with the financial pressures the organisation finds itself in. The need for the implementation of the change is immediate starting at the top of the organisation with the directors/founding members. The organisation needs to become more business orientated in order to survive. Issues such as the commitment to delivery of the social missions of the organisation can be seen as problematic if they are working against the implementation of change.

XXI. LEAVITT'S DIAMOND

An alternative socio-technical model that can be used to understand change and its management and impact on the different parts of an organisation is the Leavitt's Diamond. The four key components of an organisation (people, task, structure and technology) relating to HSSA can be shown as in fig 7. The internal impact of changes implemented within HSSA can be seen by the need to concentrate on existing business to sustain the organisation. This requires a focus of energy by the organisation on the tasks involved in sustaining existing business. The impact within the organisation is shown by greater staff or people energy placed on the tasks as well as greater focus needed from the organisation structure and technology infrastructure. This can be translated into operational aspects such as more staff time and business focus spent on managing existing sites.

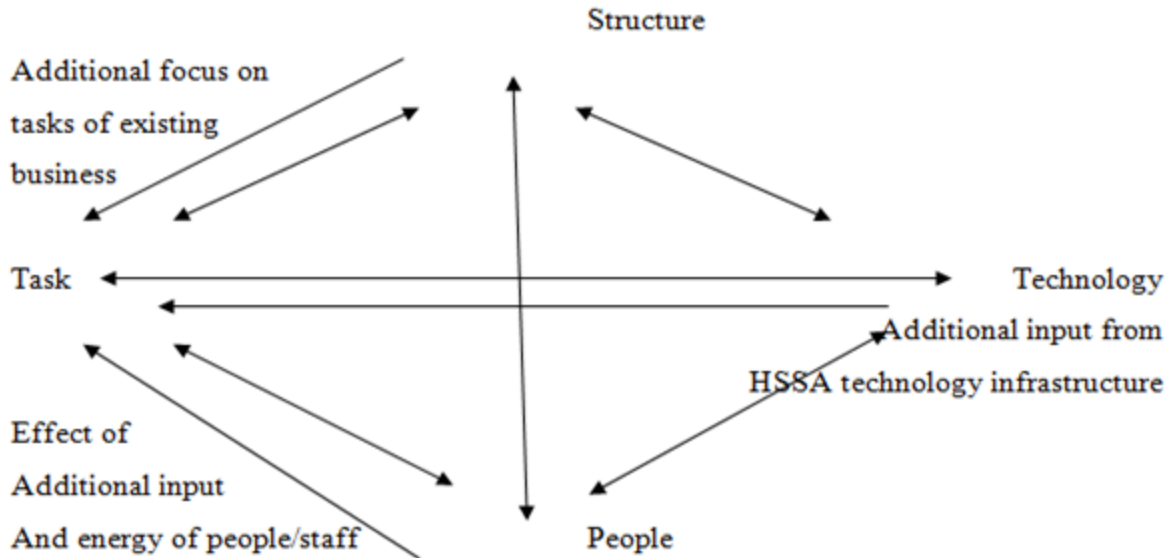


Fig 7 - Leavitt's Diamond and HSSA (adapted from Leavitt,1978, P 287)

XXII. Strategic planning

A tool that can be used to view such problems during a change period (the period of transition from the current position to the future position) is a *Forcefield Analysis*. This identifies 'the current forces acting for and against change' (Johnson G, Whittingham R and Scholes K, 2011, P 471) and can be informed by the strategic options looked at including through the *Change Kaleidoscope*.

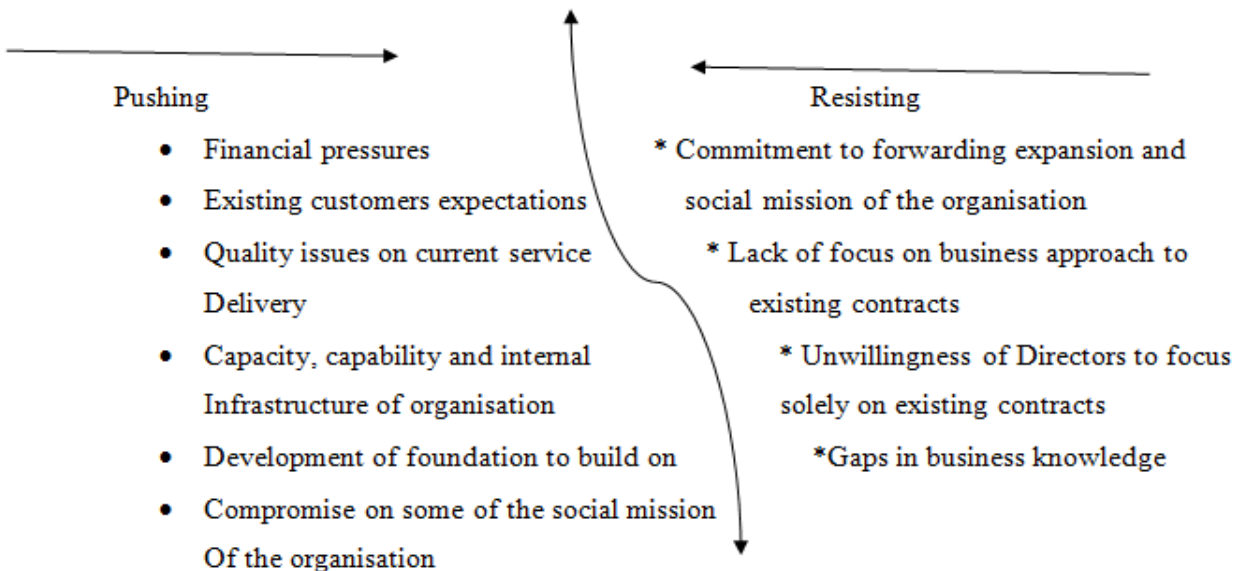


Fig 8 – A Forcefield analysis of change for HSSA (adapted from Johnson, Whittington and Scholes, 2011, P 470)

The *forcefield analysis* shows that some of the forces pushing change such as the financial pressures on HSSA together with the need to focus on existing customers are externally driven but some of the forces within the organisation resisting or working against change are the very values that help set the organisation up. The path of change that HSSA have to take or the process of transition to move the organisation from its current financially threatened state to a future stable position is a transition period.

Strategic planning of the change will need a refocus of all the energies of the three Directors on the existing business including the following;

- Re-visiting the relationships with existing clients including including their expectations of HSSA as a service provider
- Reviewing the capacity of the organisation in view of the feedback from existing customers to ensure delivery of existing service contracts
- Making the provision of quality as a key part to the review of existing contracts and capacity
- Reviewing the financial capacity of the organisation to stabilise itself in light of its loans and debts
- Drawing up a short, medium and long term plan for the organisation

XXIII. STRATEGY TO ACTION

‘Without effective leadership of strategic change the risk is that people in an organisation are unclear about its purpose or lack motivation to deliver it’ (Johnson, Whittingham and Scholes, 1999, P 471), there is a significant issue with this situation applying to HSSA. Three out of the four forces resisting change can be related to behaviours by the leaders of the organisation including skills / knowledge gaps. For the pathway of change to be taken forward in HSSA there needs to be a realisation by the Directors of the position of the organisation as the implementation of change will require significant leadership from them to see HSSA through the transition phase of change. In looking at styles of leadership that will need to be displayed to see the change through it is useful to look through the capability / readiness model.

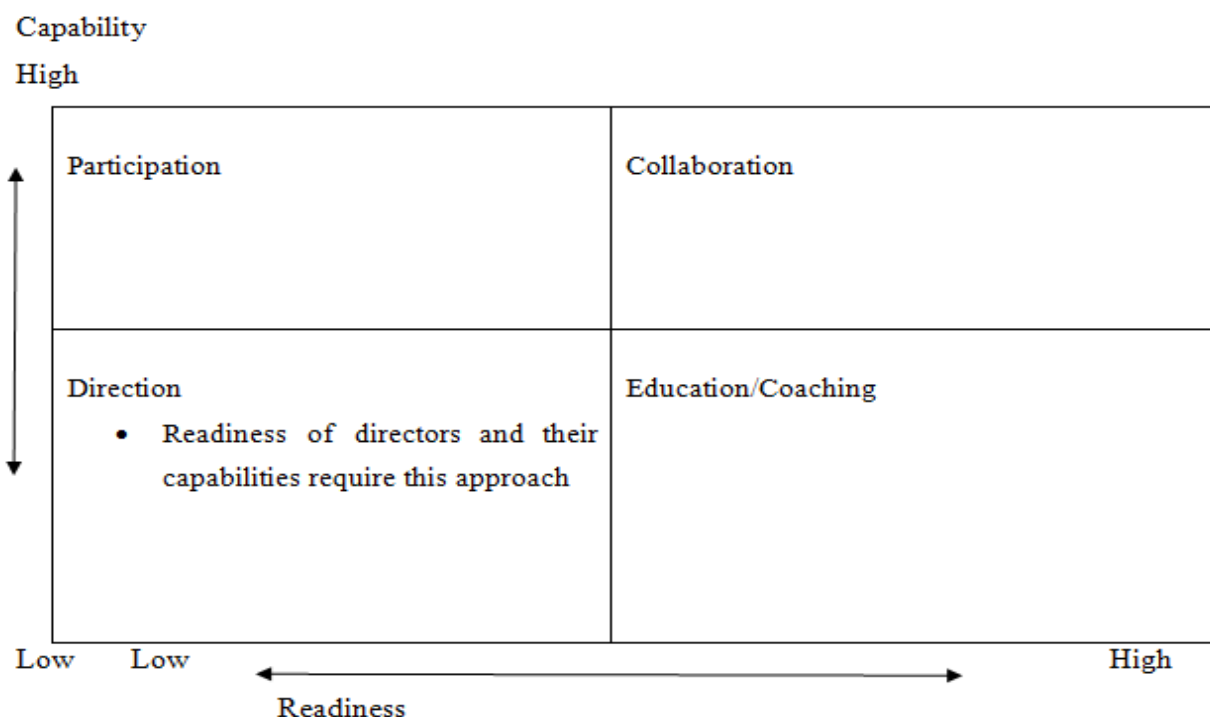


Fig 9 – Table to show the styles of change leadership in HSSA according to capability and readiness (adapted from Johnson, Whittingham and Scholes, 2011, P 477)

The model shows the different types of change management leadership which vary depending upon the capability and readiness for strategic change within the organisation. The assessment is that the position within HSSA where immediate change management needs to take place there is low capability and low readiness for strategic change. According to the model the most appropriate style that a leader could take to bringing about change is through directing it.

The pressures on the organisation in terms of financial borrowing and timescales to generate business as well as deliver on existing contracts has left HSSA in the difficult position of low capability / low readiness for change and

to deal with what is required to sustain the company. The organisation has not developed the capacity to enable a high level of capability to have been learnt by staff. Neither has the business edge of the organisation developed whereby it has a state of readiness to deal with the changes needed to be adopted and enacted.

XXIV. CONCLUSION

In the introduction Johnson, Whittingham and Scholes were quoted in regard to their view that strategy is the long term direction of an organisation. However, as an organisation operates, progresses and develops, the processes used to go forward with the strategic vision and its implementation change. As highlighted under section 3.3 the two approaches can be identified as planned and negotiated. It can be said that both are used by some organisations with the former being the long term direction for the organisation and the latter being part of the developmental / implementation approach. Alternatively this negotiated approach to strategy development could be seen as the basis for the long term direction of the organisation. Johnson, Whittingham and Scholes identify this approach as being an 'emergent strategy' stating its basis as being 'on a series of decisions, a pattern in which becomes clear over time' (Johnson, Whittingham and Scholes, 2011, P404).

The enduring purpose of HSSA to 'revolutionise the quality of life of all our customers' (Homespace, 2009, P 5) is the long term direction for the organisation that Johnson, Whittingham and Scholes identified. The challenges and changes of the external and internal environments mean that as an organisation HSSA need to adapt in order to survive and be able to achieve its long term purpose. The 'emerging' strategic approach has to be the selection of the key option for consolidating survival for HSSA as an organization.

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