

Dutch Police

Building a case for a shared services center for the Dutch Police



The Challenge

Since 1993, the Dutch Police Force has comprised of 25 regional and one national police forces employing around 65,000 people, including both enforcement officers and functional support staff. Over time however, it had become increasingly clear that opportunities existed to improve the efficiency of the various forces and achieve substantial cost savings overall by integrating support functions.

As a result, the Dutch Ministry of the Interior and Kingdom Relations (the government department responsible for police services in the Netherlands at that time) investigated the opportunity to optimize the support functions by establishing a national shared services organization. The ministry recognized the need for a thorough assessment of their current operations in order to both identify the costs and benefits of adopting a shared services model, and build consensus within the regional forces on the need for a new operating model.

Given the decentralized structure of the Dutch Police, the requirement for a deep project management skills

and the highly political environment, the Ministry set about engaging an external and independent services firm to help deliver the project.

The Approach

Working with KPMG in the Netherlands, the ministry and the police started by commissioning a feasibility study aimed at examining the potential for creating a shared services model that would bundle together parts of Finance, HR, ICT, Procurement, Communication and Facility Services into a single operating division, thereby creating economies of scale.

By combining data and input from the various regional forces with robust benchmarking metrics based on similar organizations around the world, the project team identified approximately EUR260 million in potential annual savings with a pay-back period of less than 5 years. The feasibility study also demonstrated that both the efficiency and the quality of support functions could be improved through centralizing the control and concentrating the staff into one service center.

Based on the findings of the feasibility study, more detailed business cases were developed during 2010 and 2011. At the same time, the project underwent a change in ownership, with the ministry relinquishing the leadership role to the police force. Detailed business cases were designed for each of the functional areas to better support overall decision making and facilitate the transition into

“ One of our greatest **challenges** was to ensure a high level of responsiveness to local **customers** while centralizing services into a **central division**. Through KPMG’s work, we were **better** able to map and maintain critical local **capabilities** against those that would deliver more value as a **centralized** function, thereby ensuring that **our employees** gained the **best** of both worlds. ”

Leon Kuijs,
Assistant Commissioner
(of The Netherlands National Police)

the new shared services organization. This required the business cases to transcend simply quantifying the financial benefits to also include an analysis of the current state, a high level design of the future state (governance, organization, processes, and IT), a detailed transition plan and the identification of dependent preconditions.

The Results

Interestingly, while the business cases were being developed, the newly formed government decided to change the structure of the Dutch Police. In essence, this entailed the realignment of the independent forces into one centrally-led police force with ten regional and one nation-wide division. Also, in deviation of the feasibility study and business cases, the new government decided to separate policy and execution in the shared services model. The movement towards a centrally-led police force further catalyzed the establishment of a Police Service Center, and allowed the program team to create a more streamlined transition plan that enabled the team to quickly move ahead with a series of critical decisions. These included the assessment and division of the activities that were performed centrally and those to be performed locally, as well as the breakdown of the support function tasks into policy and execution.

Armed with design templates and a substantiated financial goal, the police have now moved ahead with the design and implementation of the shared service center, which would be positioned as a Police Service Center with a substantial percentage of the

support functions being centralized to maximize the economies of scale in both their administrative and value-adding processes. Moreover, by working closely with the individual forces, the program team has developed a strong consensus across the various forces on the benefits and need for a transition to a service center. It is now only a matter of time before the center is designed in detail and implemented.

Lessons Learned

The route followed by the Dutch Police Force offers a number of best practices and key lessons for police forces around the world. These include:

- **Quantify the benefits up front:** By undertaking a rigorous planning process that included both, a feasibility study and the development of individual business cases for each support function, the Dutch Police Force gained clear insight into the risks, benefits, opportunities and challenges of transitioning towards a service center. As a result, the force now has a high level of confidence in their ability to both execute the plan and achieve the cost savings anticipated.
- **Tackle resistance early:** One of the key benefits of conducting an initial feasibility study was the ability to identify and address the concerns of the various forces in the planning stages. By working face-to-face with regional force leaders and developing a body of evidence that clearly articulated the benefits on both a national and regional level, the feasibility study and business cases effectively reduced internal resistance and helped crystallize consensus within the police.

- **Recognize potential integration points:** While the police initially approached each business case on a function-by-function basis, there has been increasing pressure to identify and maximize potential points of integration between the various transition plans. Indeed, by integrating their business and transition plans, the force is increasingly finding opportunities to streamline the change process and coordinate systems and controls to deliver enhanced efficiency and results.

- **Balance the need for centralization:** Organizations moving towards a shared service center model will need to understand the unique balance between centralized and decentralized processes within their operating model. While centralized processes enhance economies of scale, other processes require regional configuration and organizations must therefore create a fine balance to maximize efficiencies and quality improvements.

“Delivering a top quality support function requires a keen understanding of the types of skills and capabilities that would be key to enabling our future state. KPMG’s professionals not only helped us identify areas for improvement, but also provided significant knowledge transfer that has helped our people prepare for the task that lies ahead of them.”

Leon Kuijs,
Assistant Commissioner
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