Episode 95: Sludge Audits For the Win!

with Eva Koromilas, Project Lead with the OECD's Behavioural Science Unit

Sludge is baked into many processes, from filing taxes to renewing licenses to accessing services. Fortunately, folks like Eva Koromilas are paving the way for organizations worldwide to undertake sludge audits to find and eliminate the points of friction and psychological costs that keep us from completing processes. Eva explains the value of sludge audits for organizations, for service users, and for BI enthusiasts hoping to start weaving BI into their work.

Transcript:

KIRSTIN APPELT, HOST: Welcome to this edition of Calling DIBS. I'm your host, Kirstin Appelt, Research Director with UBC Decision Insights for Business and Society, or DIBS for short. Today, we're calling DIBS on Eva Koramilas.

Eva is a Project Lead with the Behavioural Science Unit at the OECD in Paris, and before that, she spent several years in the Behavioural Insights Unit of the New South Wales Department of Customer Service in Australia. So, in other words, she's racking up bucket list destinations around the globe, and she's also racking up bucket list portfolios of work because her name is practically synonymous with some of the top tier work reducing sludge in the public sector.

And that's work I literally can't wait to hear about, so without further ado, welcome to the podcast, Eva.

EVA KORAMILAS, GUEST: Thank you, Kirstin. I'm so grateful to be here. So great to be able to connect with you.

APPELT: Do you want to just start by telling us a little bit about yourself?

KOROMILAS: I work in the OECD's Behavioural Science team, leading on sludge reduction. And as you pointed out in the intro, prior to that, I was leading the sludge team in the New South Wales government's Behavioural Science Unit and the development of the of the sludge audit method back in 2020.

And, yeah, I started in behavioural science about ten years ago, and I was working for a regulator in the Australian government. Back then, you know, regulators were early adopters of behavioural insights in Australia, and I had the opportunity to build a team back then as the Australian government was establishing a behavioural economics team of the Australian government. And from there I did some further study in behavioural economics and then ended up in the New South Wales government.

APPELT: Amazing. And so that sounds like a little bit of your journey from when you were already in behavioural science. What was your journey to behavioural insights and behavioural science? What piqued your interest? How did you get here?

KOROMILAS: So I started in government pretty much, after I got out of uni, I just sort of did a general business degree, and I was working in various roles in government, and I was-- I started to learn about behavioural insights back when it was kind of emerging back in the sort of early 20 tens, and it piqued my interest because I liked the fact that it was-- sort of intuitively made sense.

And it was the fact that there was the, sort of the scientific methods behind it, and the fact that it kind of basically gave you a bit of a license to think about, you know, new ways of approaching policy, that it wasn't about sort of the traditional kind of tools of policymaking, that there's this openness to experimentation and looking at things in new ways. And so that that really appealed to me. And at that stage, I was working for a regulator, and from there I had the opportunity to do my first behavioural trial, which I did with the behavioural economics team of the Australian government. And from there I was hooked.

APPELT: Yeah, I really like what you're saying, because I think that highlights what resonates with a lot of folks, the idea that it's this newer approach and it complements the existing approaches. The idea that there's the science element, and also it combines in this interesting way, this scientific rigor, but also this feeling of it supports intuition, so you have the evidence to support your intuitions.

And thinking of some of the kind of key terms of behavioural science beyond evidence and being behaviourally informed. You know, we think of other terms like nudge, system one, system two, and I think sludge belongs in that list, but maybe not all listeners are familiar with that term. So can you briefly recap what we mean when we say sludge in this context at least?

KOROMILAS: I consider sludge to be basically anything that gets in the way of a good customer experience. But a more technical definition would be that sludge is any friction in the choice architecture that prevents people from getting what they want or doing what they wish. It's also previously been described as excessive or unjustified friction. Basically, it's the friction that's not good in a process.

And, you know, and I guess in a more practical sense, the kind of examples of sludge that we know of are things like information that's hard to find, forms that are hard to complete, uh, long waiting times, not knowing what to expect. But also a lot of the difficult emotions that people experience when they're going through a difficult process. That's also considered to be sludge as well and we call those psychological costs.

APPELT: Yeah, any of those moments where you're like, oh my gosh, I cannot complete this. Those are the moments of sludge, right? We've all had those. We know what sludge is now. What is a sludge audit?

KOROMILAS: So a sludge audit is a structured behavioural assessment of a service or a process that's designed to identify where there's frictions in that process or service, quantify those frictions, and point to solutions to address those frictions using behavioural science. And usually a sludge audit will have a set of metrics that serve as proxy measures for the sludge, and they can include things like time, effort or ease, psychological costs, or inclusion.

And I think what makes a sludge audit unique is that, when we are collecting information for an audit, we're doing it via a series of prompts and assessment criteria. So rather than sort of being a broad discovery pace where we're trying to figure out, okay, where are the... sort of the pain points or the frictions in the process. We're really every step of the way asking very specific prompts, like what does a customer do at this point? How much time are they spending? Does this website that they're interacting with have particular features that make it easier to navigate? And does this particular piece of correspondence have, you know, a call to action? So we're asking specific prompts that enable us to identify if the interaction points have the features that we would look for in order to make that a sludge free experience.

And by forcing you to do that and using structured assessment criteria to do that, then we're able to bring in more of the behavioural science in the way that we conduct that assessment. And one of the tools that we use for our assessment criteria is this thing called the sludge scales. What we've done is we've taken the evidence of what's worked in behavioural science into service improvement and embedded those criteria into the sludge scales so that you can conduct that assessment.

APPELT: I have this mental image of you all like inside a giant pipe with like hardhats and the little miner's lights going through and hacking away at sludge along the journey, clearing the path.

KOROMILAS: Yeah, it does feel like that.

APPELT: I can imagine, yeah. Now that we have a sense of what sludge audits are, I mean, there's some examples that just automatically pop to mind, but where do you see them being useful?

KOROMILAS: Yeah, so I think sludge audits can be used on basically any service or process where there is a user or a customer who has a particular goal and there's a start and an end point, right. So basically there's some sort of linear process or a process that we can map and that we can then try and understand.

I think where I found it useful especially is where there are processes where there might be some sort of behavioural objective maybe that we're trying to achieve. Maybe we're trying to, you know, increase take up or reduce drop off or reduce error rates or other kind of behavioural objectives where we can bring in additional interventions that can help to address those and allow us to measure them. But really it works in any process, so even if there is just-- it's just purely a service that we're just trying to improve for the sake of improving the service, it's something that's useful.

And I think where often people get the most value out of using a sludge audit is a scenario where they really want to be able to explain in more quantitative terms what's going on in terms of the sludge they're seeing in a process, and where they want to bring in a bit of a behavioural lens into addressing some of the solutions. Sometimes I've come across processes that are actually quite efficient, but there's reasons why people might not be engaging with the service. So that's where a behavioural approach can be particularly useful. But really, most of the people that are doing sludge audits are actually people who are already working in service improvement roles or service owners who just want to make their processes better.

APPELT: Yeah, and I think one of the things that's so useful about audits is how widely they can be used. And I love how, in your former work with New South Wales, you put together all those different sludge toolkits for folks who are trying to apply them to emails, newsletters, web pages. And it really, I think, makes it very clear how they can be used and how impactful they can be.

So I'm wondering if you can walk us through a little more about how you see it complementing work that emphasizes the voice of the customer, because I know that's another important piece to service design.

KOROMILAS: I think traditionally in service improvement, when we think about, you know, how do we bring in the voice of the customer? We focus a lot on what the customer tells us, and that's a really important part of doing really good service improvement is actually getting the customer's feedback. Having systems in place where you're systematically getting that feedback and listening to it and doing something with it, where you have processes in place where you're doing, you know, user testing and measuring user satisfaction, all those things are really important.

But what I found in the work that we do and working in behavioural science is that sometimes these insights can be limited. You know, people aren't fully self aware, there's a limit to how much they know about their own needs and preferences. And even when you do have the opportunity, or if you've got people that really have a lot to say about their experience, there's only so much that you can practically do to get the full story of what that person's experience was with that process. You just don't have, you know, enough time with the customer or be able to monitor them in real time, where you can really get a sense of what the experience was like.

So what I find is with behavioural science, in my experience, is that it's kind of bringing in a missing piece, which is not so much what the customer's telling you, what the customer's revealing to you through evidence. And, you know, we know that in service improvement and in the kind of services that we audit that, you know, every service interaction involves the behaviour, you know, anything the service is doing, whether they are navigating a website or reading a web page or filling in a form or making a complaint, or making a phone call. These are all behaviours, and most services I've seen have behavioural objectives as well. So we're trying to change something, to help see a shift in behaviour.

And behavioural science has studied these behaviours, and so there's this wealth of evidence that we can bring to then understanding them. And then that means that we can bring in things like, you know, behavioural metrics and data. We can bring in outcome based insights and evidence from what's worked in similar contexts and use them to then be able to evaluate how good an experiences is in another context.

And that's where those sludge scales come in and those assessment criteria, where we're taking what's worked elsewhere and trying to say, does your service measure up to best practice? But the other thing I think behavioural science brings is the tools to be able to evaluate customer experience more rigorously. So we use a sludge audit as an evaluation tool to do a pre-post measure of sludge according to certain metrics, but we also test solutions to see what impact they're having, where we can. And so behavioural science methods allow us to do that as well.

APPELT: It's interesting, when you were talking, now I'm getting a new mental image of you guys outside of the pipes. And now you're like, you know how restaurants get the grades for, you know, health and hygiene. It's like you're giving the health and hygiene of the behavioural experience for customers. So I have all different images for you all at work.

KOROMILAS: I like that. I like that you give me ideas Kirstin.

APPELT: So that really makes a lot of sense to me, and it's certainly something I've experienced in the occasional times where I've gotten to work on service improvement, the idea that a lot of times we don't know why we're making the choices we're making, like, for example, on a website. I'm curious as well how you see this work, the sludge audit work, complementing more standard, in terms of behavioural science, work like randomized controlled trials. How does this fit into that picture?

KOROMILAS: Yeah, that's a great question. I think that the issue I've found with randomized control trials in service improvement is that they're just not always practical when the scale of the problem is so big, and usually in service improvement it is, because we can't... there's just so many interaction points and there's so many things that are happening at each interaction point and usually so many changes that we need to make beyond just a single point in the process, which is usually what we're trying to do with a trial, is just to try and influence a particular decision point or a particular aspect of an experience. And, you know, practically, we can't run a randomized control trial on every aspect of the service that we want to improve.

So that's where these sludge audits come in because they provide a means to be able to measure change against a baseline by doing that pre-post evaluation, having standardized metrics so that you can compare across the same process over time or different processes over time, which helps with that as well. So by having those standardized metrics, you know, we've got another way of measuring change.

APPELT: That makes a lot of sense, and that brings me back to my restaurant rating metaphor, because I'm thinking about, you know, if you're thinking about a restaurant and let's say it's got potential for grease fires, and it's also got potential for, you know like, maybe it's got rats in the kitchen. You're not going to RCT each of those little changes. You're going to make all the changes and then measure how much it's improved.

KOROMLAS: That's right.

APPELT: So that totally make sense about how you can't do an RCT on every little tweak when you're just doing all these massive tweaks.

KOROMILAS: And you might decide to do an RCT on one aspect of it. And we have had that before, where people have done that if there's a particular thing that we really want to experiment with or we're really not sure. Yeah, it's just that it's not going to be practical to cover all your bases if you really want to be able to also be efficient. I mean, the idea with the sludge tool is it's meant to be a practical tool. We want to sort of get in and use it to diagnose the problem and then make changes straight away. So we really want to be kind of encouraging that, and I guess reserving the testing for the questions that really, really matter.

APPELT: Yeah, and I think, building on that, since this is building on years of evidence, there's also a lot of evidence behind many of the tweaks. So for a lot of them, like again in my restaurant metaphor, you know that removing rats from a kitchen is going to be useful. You don't need to do an RCT on that little piece. But then if there is a more novel thing then that you would test.

So I'm also curious if, in your experience, do the sludge audits mostly help with improving the customer experience, or do they also have broader impacts?

KOROMILAS: I think that that's actually one of the, yeah, great things with having a sludge audit method is that, whilst as I was saying before that that often there is a behavioural objective that is associated with a service where we're trying to change something, we're trying to uplift take up, or we're trying to, you know, reduce complaints or... sometimes we just want to improve the service for the sake of improving the service and there isn't any sort of behaviour change that we want to measure.

So what we do is we can apply what we know about, you know, making a service easy through using behavioural science, but then rather than evaluating change to behavioural metrics, we can evaluate change through those sort of proxy sludge metrics. And so I guess it expands the application of BI because we're not just focusing on where there's a behavioural objective. There's actually a lot broader issues that we can we can address using behavioural science.

APPELT: You've given us lots of good snippets, but we haven't applied them to a single example. So do you have a couple of case studies that could bring these ideas to life?

KOROMILAS: There's a couple that really stick out in my mind. One is, it's probably the first sludge audit I ever did, which was actually on the... it was a pilot sludge audit so it was the first time we'd ever even used the method. And it was on the process for somebody applying, a trades person who's applying to get their trades

license to work on a residential building project. And that was a really interesting one, because there was already so much customer research that had been done on that process by the people that are working on it.

So there was an amazing team that had already done all this great work. And what I found really interesting with that one was that when we did the sludge audit and applied that approach of, you know, asking particular prompts and going through it in a very systematic way and applying the assessment criteria, that a lot of the issues that we thought were the biggest issues going into it weren't actually the ones that came out in the results of the sludge audit.

And one finding as an example was that these trades people were spending over ten hours just collating the information to do their application, not even doing the application, just collating the documents to do the application. And so it's great in the sense that, you know, it shows that sometimes a lot of the sticky points aren't where you expect. And it's only by kind of forcing yourself to ask questions about your process that you might not have thought to ask that a lot of those kind of frictions can come to light.

And another example was another early kind of audit that we did on the process for applying to get a voucher to plant a tree. So you could get a free tree as part of this initiative the government was doing to grow the tree canopy. That was another interesting one where, you know, the process initially was very sludgy. You know, it's super complicated to get this very, you know, this $30 voucher to get a tree. It was, you know, really super onerous, a lot of different steps, a lot of complicated steps. The team had gone in and improved the whole process and made it really great and really streamlined it and it was just, you know, as efficient as you'd want it to be. And then we went back to do the follow up sludge audit.

We found that everything was great, except people were spending hours just deciding what tree to get. And that was an interesting one where, again, we didn't think that the decision point around picking the tree was going to be the problem and we were worried about all these other things. And it was only after we did that, that we realized that was actually where people were spending a lot of their time, and that wasn't something we had focused on as much in our solutions originally.

And I would have found that across the sludge audits generally the decision points are actually where a lot of the sludge lies, that we underestimate just how many decisions people have to make in the course of interacting with your service. They're constantly asking themselves questions like, oh, where do I find this information? Do I fill in this form or that form? What do they mean by this question? Should I do this? Should I do that? Should I... so they’re constantly having to make decisions. And I think if you did nothing else to improve your process but identify where those decision points are and make those decisions easy, then you would, you know, come a long way to creating a sludge-free process.

APPELT: It also is making me think about, just what you were saying before, about the value of the sludge audit, because if you were just looking at standard analytics, a lot of these things might present as abandonment of the process, or just that people were pausing to go work on life and coming back, and you might not realize that they were feeling stuck on that. You might be assuming, oh, they just paused and they went to go grocery shopping, not realizing they're spending three hours deciding on a tree. So the sludge audit, I think it makes it really clear how that brings value and complements existing tools.

One thing else that has come to mind for me in terms of the value of sludge audits, we've talked about the value for the organizations and for the people going through the process, but I think they can also be really valuable for folks wanting to do more in the behavioural insights space. Because in my experience, there's so many people who are finding behavioural insights interesting, but in reality, there's more roles for folks who have BI as one of their tools rather than BI specialists. Maybe to say that another way, there's more

opportunities to weave BI into the day to day work than maybe there are opportunities where BI is the full job. For folks who are looking for ways to bring BI into the work, sludge audits could be a great way to start to do that.

KOROMILAS: Now that is such a great point, and you're spot on. You know, in fact, so many of the people that are doing sludge audits are not actually in behavioural science roles. And really, you know, the idea of the sludge audit, it's not meant to replace what you do, but to be a tool that complements what you do. And a lot of people who working in service improvement or maybe service designers, they use sludge audits as a way to support the work they're doing.

It's another place for them to channel all the insights that they were already collating, and be able to spit out the new data and get more richness out of the data that they're already collecting. And I've had feedback before that it does make it really accessible for non-BI people. And people really love the sludge scales because it gives them that that sort of guidance, and it's a great way to, you know, dip your toe in the waters, and have some immediate impact.

APPELT: Yeah, and then it also strikes me that by doing some sludge audits, it can also help... because I know, I hear from a lot of our students and grads that they love BI, they're totally sold, they've drunk the Kool-Aid, whatever you want to say. But they're in an organization where they're the only person who's familiar with BI, and so they're finding themselves needing to prove the value. And so sludge audits seem like a very clear way where you can do some work that really shows the impact that you can have. And then maybe, you know, if you do a couple of sludge audits, maybe it opens the door to either further sludge audits or other BI opportunities in the organization. Is that something you've come across or that resonates?

KOROMILAS: Yeah, absolutely. And a lot of people have actually made their way into BI through sludge audits. And, we now, you know, have people that are working in dedicated BI roles that started through this route. And I think for me, being the fact that it's accessible, it really speaks to something that I've always told people who are trying to get into BI is the best way to get into BI is just to start doing BI now.

And you know, wherever you are, whatever role you're doing, there's a way for you to be able to apply behavioural science, and a sludge audit can be of doing that with lower barriers to entry. You know, you don't need to be able to know how to design a trial and do, you know, and analyze the trial, you can you can start off with a sludge audit and you can learn a lot about a lot of the principles that we use when we're designing interventions and how we collect data to measure things. So yeah, it can be a really, really valuable first step that you can take if you're interested in space.

APPELT: Yeah, and I love when you're saying about sludge audits being accessible, I also have to say amazing kudos to all of you for making sludge audits so sludge-free, because I can see, you know, it is a big undertaking to do a sludge audit. So I could see it just being like this massive undertaking that's so opaque, but you've done such a good job desludging sludge audits that they are so accessible. So that's amazing work that you've all done for the BI community.

KOROMILAS: Yeah, and I think the other thing I'd say to that is, and I hope it is something that we continue to try and, you know, make it as easy as possible to do. And I guess the other thing I would say is, look, there is still a lot of discretion around how much time and effort you want to put into a sludge audit, and often I tell people that are thinking about doing a sludge audit is really don't aim for perfect accuracy, because if you're doing that, you're probably investing too much time. You know, sort of aiming for more like 70% accuracy is probably going to give you about the same value of like 90% accuracy in terms of giving you a sense of where the problems are.

We're not aiming for like perfect precision. It takes a lot more time to get to perfect precision and it's not really going to tell you a hell of a lot more. The idea with a sludge audit is you, you know, you want to be spending enough time, but not trying to get too caught up on on making it perfect. And you'd be surprised at just how valuable that, you know, that that picture that you'll build will be, even with just, you know, enough time spent on it?

APPELT: Yeah, it definitely strikes me as a place where perfect is the enemy of the good, as they say, where if you're aiming for perfecting, you're just going to spend so much time on one little piece and you could be spending that time on making many things good rather than one thing perfect. And that is a good piece of wisdom. So I'm going to ask you for another piece of wisdom, which is do you have a message for our BI practitioners in training? I think we've already gotten lots of nuggets of wisdom, but any last message for BI practitioners in training?

KOROMILAS: I think my advice would be that really, remember why you're doing this. And I think that behavioural insights and behavioural science is such a fantastic tool that we have in our policy toolkit to make services better, to improve outcomes for people. But really, you know, until a person's experience is changed on the ground, then we haven't really achieved anything. And so the guiding motto that I use is that we haven't succeeded until the customer's experience has actually been changed on the ground. And so, think about that in your work in terms of, okay, what does success actually look like?

And so if you are in the case of, say, doing a sludge audit, how that might influence the way you would approach it is, you really want to be focusing on the services and where there's gonna be an appetite for change, and you're going to be thinking about how am I going to, you know, use this to build a case for change, and how am I going to see this through to implementation and make sure that the work we're putting in actually leads to changes for real people. And so not losing sight of that, you know, in the course of wanting to do exciting things, to try different things and to test and to gain interesting insights that really, you know, what you're really here for is the people whose lives we're trying to improve. And so the more that you can do to really stay focused on that, the more impact you can have.

APPELT: Yeah, I love that as a message. And I think it also just resonates in the idea of, if you're not doing anything, you're not having an impact. So even if you're just dipping your toe in the BI waters and pushing for impact, then that's a lot better than just sitting on the sidelines waiting for the perfect opportunity to do BI. This has been so opening for me because I've heard pieces of this work, but it's been really neat hearing about it from different angles. And in my perspective, I guess going back to your last point, I think reducing sludge in the public sector is some of the most impactful work being done, and there's so many amazing programs and services in the world, but when they're not accessible, then they don't have value. So desludging them is just such important work. So thank you for the work you've done, the work you're continuing to do, and I'm excited to see what else gets de-sludged on your watch. So thank you for joining us today.

KOROMILAS: Thank you Kirstin, you're a legend. I'm so grateful to have had this time with you, I love your podcast. You rock.

APPELT: Right back at you. There's a term in German, gleichfalls, which means like, it's a more elegant way of saying back at you.

KOROMILAS: Oh, I love that. APPELT: And thanks as well to our listeners for joining another episode of Calling DIBS.