



Creating Long-Lasting Outcomes and Building Agency Capacity

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Objectives of this Presentation

- Identify ways for CAAs to build long-lasting agency capacity as a result of the stimulus funding
 - Identify the attributes of the current organizational environment
 - Identify scenarios for the future of CAAs
 - Create a set of strategies for long-term organizational capacity enhancement

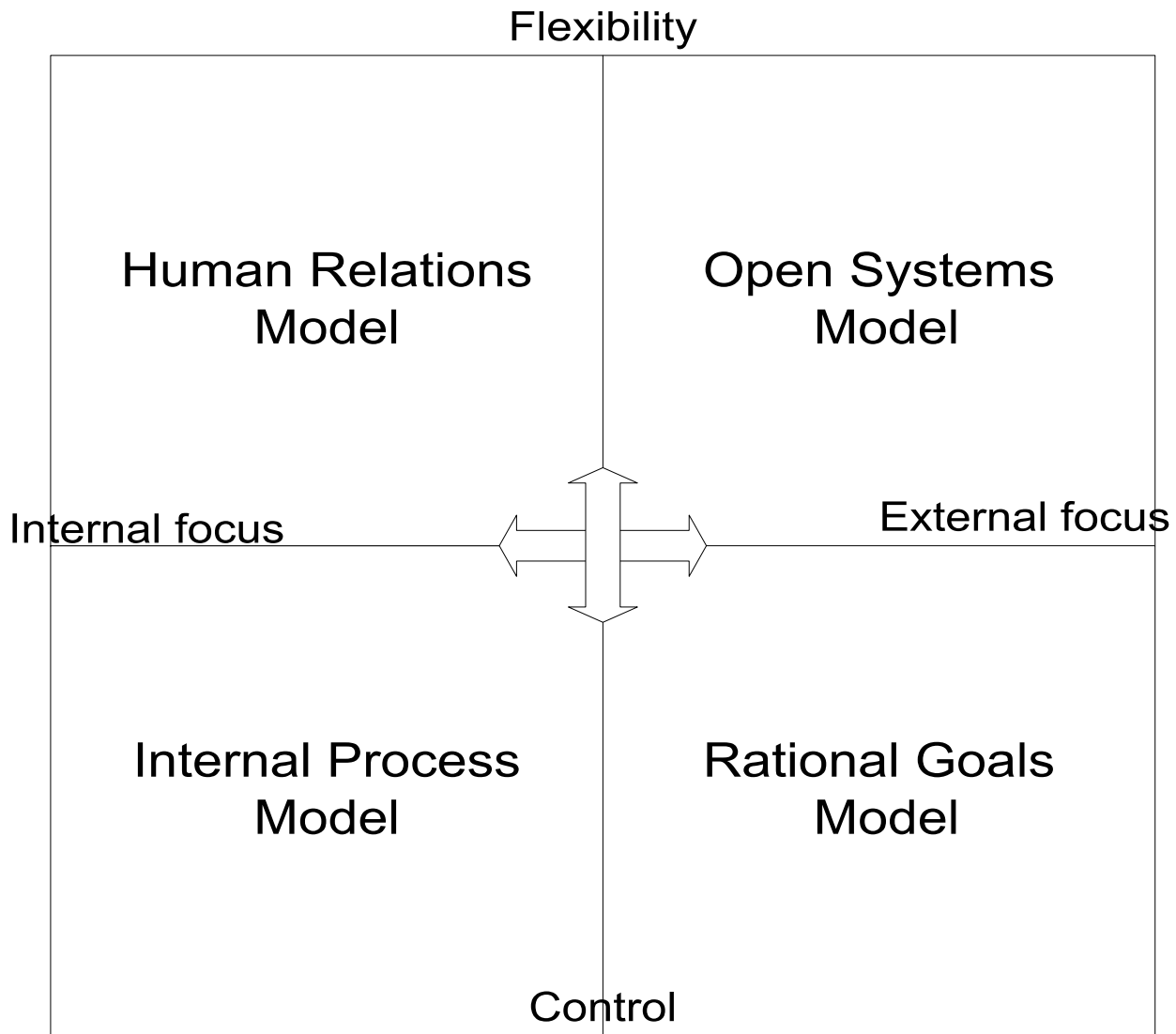
Part 1

ANALYSIS OF THE CURRENT ORGANIZATIONAL ENVIRONMENT



The Competing Values Framework

- Developed by Robert Quinn and others at the University of Michigan in the early 1980s
- Provides a useful model for the analysis of the movement of private sector firms in a hyper-competitive economy
- Provides a prescriptive model for public-sector change
- Developed on the observation that the environment sends conflicting signals to organizations and that organizations must find optimal tradeoffs among those signals
- The conflicting messages are related to the internal versus external focus of the organization and the extent to which it allow flexibility or requires control
- The result are four quadrants arrayed in



The Quinn Competing Values Framework

The Competing Values Framework: the 4 Quadrants

- The internal-process model: this model represents the traditional, industrial and hierarchical model of the organization. The emphasis is on stability, control, and repeatable processes. The traditional functions of management are exercised in the internal process quadrant.
- The open-systems model: this model represents adaptability and innovation. It comes closest to organic systems. Managers are challenged to inspire and enable innovation and creativity. Experimentation is key, and managers inspire innovation and protect innovators.
- The rational-goals model: this model represents the organization that can define rational goals and attack those goals successfully. Organizations in this quadrant are competitive and thrive on clear objectives and tasks. They move toward those goals efficiently and relentlessly. Managers in this quadrant are challenged to set goals, marshal necessary resources, and push the organization to best its competition.
- The human-relations model: this model represents those organizations that function like a family. Morale, cohesion, and teambuilding are emphasized. Employees are made to feel a part of the organization and may serve for extended periods. Managers in this quadrant are challenged to build effective teams and growth plans for employees.

Strategic Implications

- The rational-goals quadrant requires asset optimization
- The open-systems quadrant requires comfort with trial and error
- Organizations concerned with the long-term need to focus their efforts on the top two quadrants
- Organizations more concerned with the short-term need to focus on the bottom half of the framework
- Organizations in a stable environment can focus on the left two quadrants
- Organizations facing chaos in their environments need to give their attention to the right side of the framework.

Private-Sector Movement Across the Quadrants

- Because most private-sector organizations are focused on short-term outcomes in a chaotic environment:
 - Private-sector organizations are moving rapidly to the rational-goals quadrant and out of the others
- This movement is illustrated by:
 - Outsourcing
 - Cost cutting and downsizing
 - The creation of “Bedouin-like” organizations that operate with minimal fixed assets and shifting partnerships with others to exploit network models of organization
 - The end of the lifetime employment implied contract
 - The termination of company provided benefits and shifting risk back to individuals
 - The greater use of temporary and part-time employees
 - A short-term, high-speed focus

Management Tools for Optimization within Quadrants

- Rational goals:
 - Project management
 - Benchmarking
- Open systems:
 - Open innovation, network innovation
 - Skunk works
- Human relations:
 - Mentoring
 - Team building
- Internal process:
 - TQM, six sigma
 - Process improvement

One Strategy Set for Public-Sector Agencies

- Use project management to move toward the rational-goals quadrant
- Use lean government and innovative process improvement tools to move toward the open-systems model while still maintaining a focus on necessary processes
- Build flexible long-term relationships to leverage the advantages of the human-relations model

Exercise

- For your organization:
 - Identify the shape that currently describes it by scoring it on each of the four quadrants
 - Identify how you think it needs to change (i.e., what should the shape be?)
 - Identify a set of strategies for moving from where you are to where you want to be

Part 2

A LOOK TO THE FUTURE

Application of Scenario Planning

- Scenario planning was developed by the planning department at Shell Oil in recognition of the belief that predicting the future was impossible but that identification of a set of potential future scenarios could inform project decision making.
- The goal, as a result, is to identify a set of robust actions that would serve the organization well across the full range of potential outcomes.
- Those scenarios are created in scenario planning by matching pairs of business drivers in a two-by-two matrix to create four scenarios. Those four scenarios are then explored to identify a potential future posed by the scenario. Data can be added to the scenario to quantify the exploration.
- The results of scenario planning is a set of robust strategies designed to move the organization toward the more desirable scenarios and away from the least desirable ones and to create a set of strategies appropriate for any of the scenarios.

Scenario Matrix Example

High levels of resources

High demand for service	I. High levels of resources High demand for service	II. High levels of resources Low demand for services
	IV. Low level of resources High demand for service	III. Low level of resources Low demand for services

Low resource levels

Exercise

- For your organization:
 - Identify at least two business drivers
 - Choose two of the drivers to build a matrix
 - Name and explore the four scenarios created by the matrix (write the cover page for a newsletter five years into the future for the scenario)

Strategy Development

- Given that look into the future,
 - What organizational strategies are necessary for thriving under any of the scenarios?
 - What organizational strategies can be deployed to steer the organization toward quadrants that it desires over others?

Part 3

BRINGING IT ALL TOGETHER TO BUILD CAPACITY

What We Know About Organizational Success

- The long-term key is adaptability (DeGeus, *The Living Company*)
- A lot less is known about the future than we think; the key role of unknown unknowns (Taleb, *The Black Swan*)
- Networks are more important than control (Brafman and Beckstrom, *The Starfish and the Spider*)
- Knowledge is our most important asset (Nonaka and Takeuchi, *The Knowledge Creating Company*)
- Solving complex problems requires managing complexity and creating an environment which innovation can happen (Bar-Yam, *Making*

The Relevant Question

- Given:
 - The environment we face (think Quinn):
 - The most likely future scenarios:
 - What the literature tells us about what makes organizations work:
- What are the four most important things that CAAs can do during the next two years to position themselves for success?

Our List

Questions?

Thank you for your attention and
the opportunity to work with you!