

MIX - Leadership Everywhere Challenge

Summary

Improve leadership by making strategic leadership easier.

The OpenStrategies' strategic information platform enables 'open strategising' which:

1. engages stakeholders in collaborative strategy development, validation and implementation
2. succinctly informs all stakeholders exactly what needs to be done and why
3. thereby reduces demands on strategic and operational leaders

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OpenStrategies proposal for the MIX - Leadership Everywhere Challenge¹

Summary

Improve leadership by making strategic leadership easier.

The OpenStrategies' strategic information platform enables 'open strategising' which:

1. engages stakeholders in collaborative strategy development, validation and implementation
2. succinctly informs all stakeholders exactly what needs to be done and why
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Problem

It is alarming how, in many organisations, few people are clear about what they are supposed to be doing, why they are doing it and how it contributes to the organisation's strategy. To compensate for this lack of clarity, strong and effective leadership is required.

Alternatively, when people clearly understand what they are supposed to be doing, why they are doing it and how it fits into an organisation's strategy then they require less leadership.

An effective strategy-development, strategy-validation and strategy-implementation platform is required to fully engage and inform all stakeholders so that there is less need for outstanding leadership. Such a system will "build a **leadership advantage**" by providing "an organizational model that gives everyone the chance to lead".

It will do this by "**redistributing power in a way that gives many more individuals the opportunity to lead**" and by "**equipping and energizing individuals to lead even when they lack formal authority** (or training)".

OpenStrategies is such a strategy platform.

¹ Website <http://www.managementexchange.com/hack/openstrategies>

Solution

Meeting the challenge

We propose an approach to emergent and evolving syndicated leadership in organisations in a manner which parallels the open source approach to software development with its inherent emergence and evolution of leaders, rather than the conscious development of syndicated leadership.

Why do we need more and better leaders? Because leaders guide what organisations actually do. This can be summarized as:

“Organisations create assets (products, services, and infrastructure) and enable people (customers, citizens) to use them to create benefits”

So the ultimate purpose of having more/better leaders is to improve the way organisations create assets and enable people to use them. **Leadership in and of itself should not be the goal.** The goal is for effective leadership to improve the way organisations *do* things.

To improve the way organisations do things using ‘leadership’, two options exist:

1. Get or train more/better leaders
2. Make it easier for people in organizations to lead using existing, or moderately improved, leadership skills

Option one of up-skilling many people to become better leaders is a daunting task.

Is it possible, instead of or as well as improving leadership skills, to make it easier for people in organizations to successfully lead using their existing, or moderately improved, leadership skills? Can we empower prospective leaders so that they emerge and evolve in self-identifying leadership syndicates with minimal requirements for enhanced leadership skills? Can we empower leaders and syndicates of leaders to be effective from start to finish of the complete business sequence from market research and developing strategies through to implementing the strategies and performance managing their areas of responsibility? Can we make sure that leadership continues to be effective in the long term and is not just a short term effect immediately following leadership training?

We believe that the answer to all these questions is “yes!”

An informative parallel here is the emergence and evolution of leaders, and clusters or syndicates of leaders, in the development of open source software by widely distributed programmers with minimal initial leadership skills in the traditional sense.

Instead of explicitly training leaders, the open source community uses a well-defined system of standards and rules that enable good programmers to create exciting software that other programmers can support. Good programmers with good ideas emerge and meritocratically ‘earn the right to lead’ their projects. They don’t achieve leadership through leadership training or by a conscious and deliberate syndication of leadership. They ‘earn the right to lead’ (see the soon-to-be-published OpenStrategies’ book) through their effectiveness in what they do and in how they attract and lead followers. This includes their abilities to plan and write software as well as their effectiveness in connecting with and leading other programmers so that their software interconnects and builds into a greater whole.

Syndicated leadership *emerges* and *evolves* naturally without formal leadership training and without imposed leadership syndication. Certainly there will be advantages if some leadership training is also applied, but the key point here is that in the open source software environment, leadership is an emergent function which is made easier through the systematic way that the development of open source software is led.

We propose an approach to emergent and evolving syndicated leadership in organisations in a manner which parallels the open source approach to software development with its inherent emergence and evolution of leaders, rather than the conscious development of syndicated leadership.

In our model, as with the open source model, instead of focusing primarily on training leaders, we use a succinct system of standards and rules that enable reasonably good managers/leaders/operators to create and implement effective strategies (at all levels) and interface them with all other organisational strategies. Good individuals with good ideas emerge and meritocratically 'earn the right to lead' (as distinct from 'take control') of their projects through emergent and evolving syndicated leadership.

In the open source model, the emergence and evolution of *software* is in a chicken-and-egg relationship with the emergence and evolution of leaders in that each follows the other iteratively.

Likewise, in organisations, the emergence and evolution of *strategies*, their implementation and performance management is in a chicken-and-egg relationship with the emergence and evolution of leaders in that each follows the other iteratively.

This means that an effective platform for the syndicated emergence and evolution of strategies at all levels will underpin the syndicated emergence and evolution of leadership at all levels which will in turn underpin the syndicated implementation and performance management of those strategies by those distributed but inter-connected leaders.

A principle component of the open source model is a common system of communications and 'open standards' which enable all participants, their ideas and their software to inter-relate while requiring minimal leadership skills. The OpenStrategies' platform provides such a common strategy platform (strategy taxonomy, syntax and semantics) which enable strategies, and consequently their leaders at all levels, to inter-relate ie to 'syndicate' in an emergent and evolving manner.

This does not require the widespread up-skilling of people to become leaders. If people use a continuously evolving strategy development platform which makes it explicitly clear exactly what needs to be done and why at all levels in the organisation, then people are able to do their jobs effectively with reduced requirements for 'leaders'.

The OpenStrategies' model of syndicated strategy development and implementation works like this.

As noted above:

“Organisations create assets (products, services, and infrastructure) and enable people (customers, citizens) to use them to create benefits”

Put another way:

“Organisations run Projects that produce Results which communities and citizens Use to create Benefits” (PRUB)

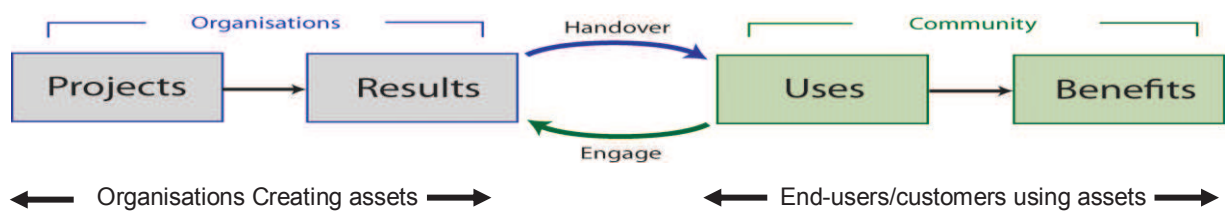


Figure 1: “What organisations do” represented by the OpenStrategies’ PRUB-sequence

Everything else that happens in an organisation (finance, HR, safety) is peripheral to this core function. Therefore organisational strategies, their implementation, their performance management and their respective leaders should all be focused on improving the effectiveness and efficiency of the above sequence. This needs to happen at a high level to produce an overarching organizational strategy as well as at operational levels (where such strategies are often known as action plans - but they are still strategies) and at every level in between.

Leaders, individually and in evolving syndicates, need to lead the above sequence.

In the OpenStrategies’ taxonomy, ‘Results’ consist of infrastructure and services and are often known as ‘outputs’. ‘Benefits’ are defined by the ‘four wellbeings’ (economic, social, environmental and cultural) and are often known as ‘outcomes’.

Every single strategic idea can be encapsulated in this simple PRUB sequence (www.openstrategies.com) irrespective of whether it is a high level aspirational sequence like the following 'SubStrategy' or an operational SubStrategy like the subsequent example.

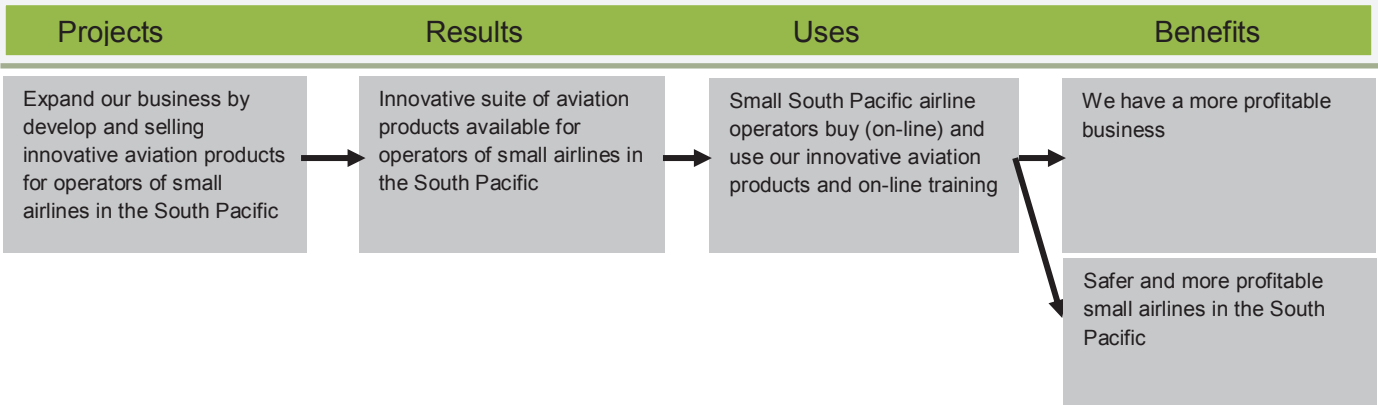


Figure 2: A high level aspirational SubStrategy



Figure 3: An operational level SubStrategy

If each level in an organisation has an evolving SubStrategy like this which is exactly specific to their areas of activities then *there is less need for highly skilled leadership than if this information isn't readily available.*

As shown in the next diagram, the above operational-level SubStrategy is intimately linked to the previous higher level SubStrategy, thereby also 'vertically linking' senior-leaders with operational-leaders into a 'vertical syndicate'.

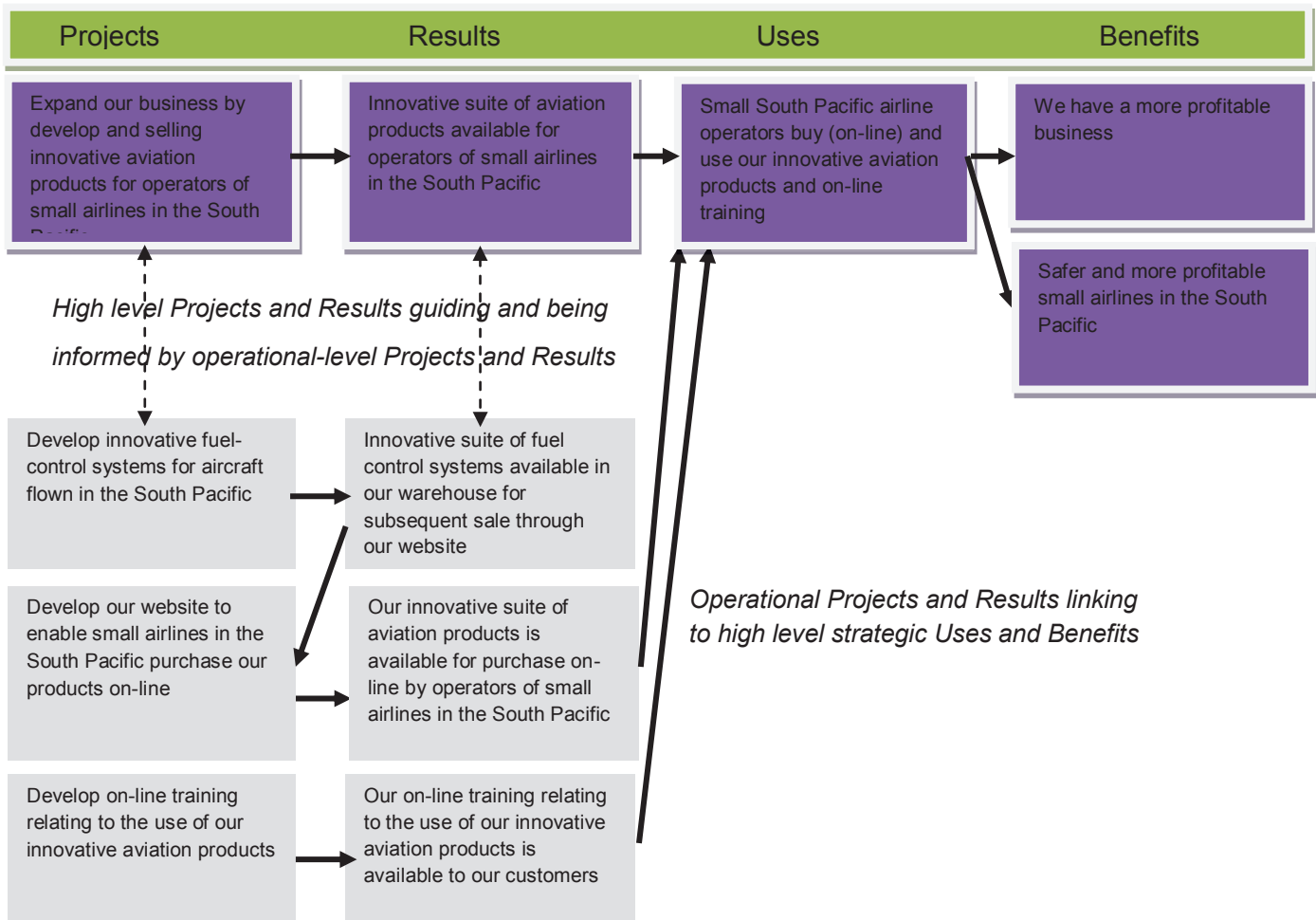


Figure 4: A tiny OpenStrategy which interlinks a high level aspirational SubStrategy with an operational SubStrategy

Similarly each of the operational-level activities is interlinked to the other operational-level activities, thereby simultaneously 'horizontally linking' operational leaders into an operational-level 'horizontal syndicate'. In most circumstances it is likely that mixed vertical and horizontal 'strategy-syndicates' and their accompanying 'leaders-syndicates' will emerge and evolve.

As an example, in the public sector a local authority's community strategy (and its associated real-world actions led by leaders) is likely to contain a number of high-level aspirational SubStrategies relating to the overall well-being of the community it serves. At an operational level it will probably have SubStrategies on transport, housing, health, safety, recreation, the environment and many other topics. Many of these operational SubStrategies will link with each other, so for example a transport strategy will invariably overlap with a safety strategy which will overlap with an older persons' strategy which may overlap with a recreational strategy.

Similarly in companies, a marketing strategy will invariably overlap with a product development strategy and both will overlap with or inter-link with a production strategy.

These overlaps and inter-links across organisations and themes mean that the respective leaders of sub-groups and themes need to form evolving syndicates of leaders to enable collaborative working across organisational and thematic boundaries.

Using the OpenStrategies' platform, every leader always knows exactly what their own SubStrategy or action plan is, how it contributes to the organisation's overarching high level SubStrategy and how it overlaps or links with all other operational or mid-level SubStrategies. This interlinking similarly applies to the leaders of each SubStrategy to create an evolving mix of leadership-syndicates to collaboratively guide the implementation of the inter-linked SubStrategy-syndicates or clusters.

A key principle here is that to enable SubStrategies and their leaders to be interlinked (syndicated) so that they work effectively throughout an organisation, every strategic idea within an organisation must use this same simple strategy language and format. This form of 'leader-and-SubStrategy-syndication' reduces the intensity of demands for advanced leadership skills.

So the OpenStrategies' platform enables high-level executives to work with their own high-level aspirational strategies, mid-level managers to work with their mid-level strategies and operational level people to work with their operational-level – with all the different levels of strategy interlinked with each other. In each case, leadership is simplified and cross-linked – ie leadership syndication emerges and evolves in order to address emerging and evolving cross-linked (syndicated) strategies.

In the above simplified example SubStrategies, the levels of strategies are linked and as a consequence the levels of leadership are also linked in two ways:

1. Operational-level Projects and Results (and their leaders) are sub-sets of the high level Projects and Results (and their leaders)
2. All levels of strategies (and their leaders) share the same Uses and Benefits

So 'SubStrategies' become the core 'strategic information modules' which underpin the syndication of both actions and their leaders.

How does this OpenStrategies' platform cope with the evolution and emergence of ideas at all levels (given that a key role of leaders is to respond effectively to change)? In particular, how does the OpenStrategies' platform support leaders in times of urgency and crisis?

Imagine all levels of strategies (each with their own 'leaders') evolving in-sync with all other levels, each SubStrategy evolving in response to its own needs and co-evolving in response to the evolution in other SubStrategies. Such an evolving suite of SubStrategies would enable local 'leaders' to keep improving the way their organisations *'create assets and enable customers/citizens to use them'*.

To achieve this we need a strategy platform in which clusters of strategies/plans and their leadership syndicates can emerge and evolve at any level within an organization in response to any and all types of change. In such environments, a high level 'corporate' strategy would co-inform and co-evolve with a mid-level 'management' strategy and both would co-inform and co-evolve with a suite of operational-level strategies distributed throughout an organization.

In such a system, leaders at all levels would plug into the strategy platform (their organisational 'OpenStrategy') which displays all levels of SubStrategies so they could continuously co-evolve their strategies so as to stay attuned to all other organizational SubStrategies at all levels and across all disciplines. Leadership would be syndicated.

In this way, locally-led actions (based on local SubStrategies) would always be consistent with high level SubStrategies. Executives responsible for higher level SubStrategies could respond to proposed changes in operational-level SubStrategies by accepting/rejecting/editing them and/or modifying the higher level SubStrategies accordingly.

How could such evolution and emergence of new SubStrategies and inter-linked clusters of SubStrategies and their leadership syndicates actually happen?

An effective approach would be to have a current set (an OpenStrategy) of approved SubStrategies (and their associated leadership syndicates) which are being implemented and in parallel to have a set of emerging and evolving SubStrategies which, once they have been refined and validated, can be transferred into the current set of SubStrategies (the OpenStrategy) to become the new way of doing things.

We have determined that just four steps are required to shift an emerging SubStrategy into a 'validated' operational SubStrategy that potentially gets implemented (see the attached 'PRUB-Validate' paper).

Such evolution and validation of strategies can happen in very short time-frames eg in a crisis or emergency because the OpenStrategies' system simultaneously liberates the collective wisdom of all leaders at all levels by enabling them to rapidly design, share, inter-link and co-evolve new SubStrategies to address immediate concerns.

Therefore, and this is crucially important, ***all leaders at all levels can contribute to the strategy evolution process, the strategy implementation process and the performance management process, all of which are core leadership roles.*** They can recommend improvements to their own SubStrategy to improve it in itself, to improve how it contributes to the overarching corporate SubStrategies and to improve how it interfaces with all other SubStrategies at all levels. SubStrategy leaders can also make suggestions to the leaders of all other SubStrategies as to how they might be improved for the overall wellbeing of the organisation and its customers.

So both leadership, and each leader's SubStrategy, would be interactively syndicated at all levels and these syndicates would constantly evolve in response to the evolution and emergence in the organisation's overall suite of SubStrategies ie its OpenStrategy. In this system, a key role of leadership will to constantly evolve the development and operation of the leadership syndicates themselves so as to optimize the interactions amongst all of an organisation's SubStrategies.

Crucial to this entire process is that all levels of strategy must use exactly the same simple strategy language (taxonomy, syntax and semantics).

The OpenStrategies' platform which is based on the profoundly simple concept of PRUB-based SubStrategies is an effective, perhaps *the* most effective such strategy language:

“Organisations run Projects that produce Results which communities and citizens Use to create Benefits” (PRUB)

We are confident that PRUB represents: “the *smallest* amount of strategic information that has the *most value* to the *most stakeholders*” throughout an organisation (and its suppliers and customers). Through working with several thousand stakeholders in a range of private and public sector organisations we are confident that all stakeholders readily understand and can work with PRUB-based SubStrategies.

As a brief aside, it is worth noting that irrespective of the complexity of the world, every single action, encapsulated within a SubStrategy, must necessarily be simple (known

knowns) even if cumulatively they become a complicated suite of actions (unknown knowns). Actions and SubStrategies cannot be complex (unknown unknowns) or chaotic (unknowables). So SubStrategies can absolutely represent 'what needs to be done and why' (or a "plan and a rationale" as defined by Freek Vermeulen at the London Business School).

How does the OpenStrategies' platform simplify and empower the roles of those leaders who are responsible for the overall strategic wellbeing of an organization?

1. They can develop an overall high-level, aspirational SubStrategy which everyone can see and understand
2. They can ask mid-level and operational-level people to develop SubStrategies at their respective levels which will 'deliver the goods' required by the high level SubStrategy
3. High-level leaders can then watch the emergence of the operational-level SubStrategies and either redirect them to align them with the high level SubStrategies or, as is likely in many instances, to refine the high level SubStrategies in response to operational level ones
4. High level leaders could encourage the formation of leadership syndicates to develop and implement strategies on cross-linked issues
5. Because all levels of SubStrategies would constantly be evolving, the above 4 steps would be constantly iterating

How does the OpenStrategies' platform simplify and empower the roles of those local leaders who are responsible for operational-level strategies?

1. Evolving local SubStrategies and local leadership would be guided by, but not totally constrained by, the higher level SubStrategies
2. The local leaders could demonstrate how they and their operational SubStrategies are contributing to 'the big picture' aspirational SubStrategies of the organisation
3. Local leaders would be able to engage objectively with higher level managers whenever they believed that the higher level SubStrategies needed to evolve to respond to operational-level innovations or market forces
4. Local leaders would be able to form syndicates to develop and implement cross-linked strategies
5. Local leaders would be able to share with their teams exactly what each team needs to do (their operational-level Projects and Results) and how these contribute to the corporate actions (the high level Projects and Results) and the overall objectives of the organization (the high level Uses and Benefits)

So in summary, how does the OpenStrategies' approach address the following MIX challenges:

1. First, you have to **redistribute power in a way that gives many more individuals the opportunity to lead**
2. Second, you have to **equip and energize individuals to lead even when they lack formal authority?**

Answers:

1. OpenStrategies provides a robust strategy development platform to transparently empower leadership at all levels – and in doing so, it 'redistributes power' to all leaders
2. OpenStrategies provides a logical information structure for 'syndicating' (joining together) SubStrategies and as a consequence it simultaneously helps to syndicate leaders
3. Using the OpenStrategies' platform, syndication of leadership and SubStrategies are both emergent and evolutionary and, most importantly, they evolve/emerge in-sync with each other
4. when individuals are equipped to know exactly what they are doing, why they are doing it and how it interlinks with all other organizational actions (as defined in an organisation's multi-level suite of SubStrategies), they become more energized and focused and leadership becomes easier

So the **OpenStrategies' platform directly addresses the MIX challenges.**

Additional Information:

- **"PRUB-Validate Public Sector Investments"**
- note that this applies to any investments whether public or private

Practical Impact

OpenStrategies - Benefits and Impact

So at a general level, the **OpenStrategies' platform does directly address the MIX challenges.**

Let's now look in some detail at how the OpenStrategies' approach addresses the "leverage points" identified in the MIX Leadership Everywhere Challenge.

These leverage points are listed in the first column in the following table. Column two describes how the OpenStrategies' approach addresses every one of these leverage points.

Readers' attention is particularly drawn to the way OpenStrategies addresses leverage point #9 in the table – the concept of an international library of proven SubStrategies which are made available to leaders throughout the world to make their leadership roles simpler and more effective.

Table 1: MIX Leadership Everywhere “leverage points” and how OpenStrategies addresses them

The MIX Challenge: Growing the internal Leadership franchise	How OpenStrategies will enable people in the ecosystem
1. Break big units into smaller units, thereby creating more opportunities for individuals to become full-fledged business leaders.	The OpenStrategies’ approach enables devolved leadership to focus on the achievement of local-level Sub-Strategies which integrally contribute to the high-level SubStrategies. The leadership and strategies of these operational teams will naturally evolve as microcosms of the organisation. Individuals who successful develop and implement effective SubStrategies will naturally emerge from this system, either as <i>sufficiently</i> -fledged leaders (<i>sufficiently</i> fledged to work with an OpenStrategies’ platform) or fully fledged or as partly fledged and ready for further up-skilling.
2. Support the formation of informal teams and “self-organizing” communities where “natural leaders” get the chance to shine.	The OpenStrategies’ approach enables anyone with good ideas and leadership capabilities to put forward new SubStrategies to improve local actions within the overarching organisational SubStrategy. As happens at W L Gore, teams can then cluster around ideas/SubStrategies that appeal to individuals. Since the OpenStrategy and its evolving ideas are widely accessible throughout an organisation, individuals can earn credibility through their draft SubStrategies being ‘liked’ or ‘joined’ by their colleagues and high-level leaders who will eventually approve the emergent new SubStrategy for implementation. Ideally a SubStrategy’s initial proponent will continue in some form of leadership role or where this doesn’t happen, it is likely that others in the team will naturally self-select as leaders. OpenStrategies provides a natural meritocracy.
3. Push down P&L responsibility and give lower level employees a lot more decision-making autonomy.	Once high level SubStrategies have been established, senior executives can require operational-level leaders to create and gain validation approval for local-level implementation. At that point P&L responsibilities can be given to lower level employees to operate within their approved local-level SubStrategies (which may nevertheless evolve and become re-validated by senior executives). SubStrategies include performance measures (measures of Projects and Results) as well as cause-and-effect Evidence (which sits on the Links between each Project and Result, each Result and Use and each Use and Benefit).
4. Syndicate the work of executive leadership by opening up the strategic planning and budgeting processes to everyone in the organization.	The OpenStrategies’ platform enables an evolving mix of top-down and bottom-up strategy development, each informing the other on a continuing basis. Strategy, and its implementation, is the responsibility of all leaders throughout the organisation and is not merely a senior executive function.

<p>The MIX Challenge: Growing the internal Leadership franchise</p>	<p>How OpenStrategies will enable people in the ecosystem</p>
<p>5. Use peer-based review and compensation systems to identify and reward leadership wherever it occurs.</p>	<p>An organisation's web-based OpenStrategy enables employees and local leaders to see and 'rate' each other's SubStrategies and to cluster together to implement mutually interesting initiatives. The 'ownership' of SubStrategies is clear, as is the success-rate (performance) of implementation for each SubStrategy by local leaders. Merit is easily identified but it is up to management to then reward that merit.</p>
<p>6. Systematically de-emphasize the formal hierarchy in favour of more fluid, project-based structures.</p>	<p>SubStrategies are inherently evolving, locally-led "project-based-structures" which nevertheless inter-mesh into a consolidated organisational whole. This achieves an effective mix of "bottom-up meets top-down"</p>
<p>7. Work to legitimize the notion of "bottom-up" leadership through communication and recognition systems.</p>	<p>OpenStrategies encourages all parties to take part so that anyone at any level in an organisation can propose SubStrategies, at any level, and seek their endorsement from fellow stakeholders and executives. The OpenStrategies' platform means that if certain SubStrategies can attract the support of fellow stakeholders they are most likely to attract resources and leadership.</p>
<p>8. Distribute the work of critical staff functions by giving associates at all levels the opportunity to help reengineer core management systems and processes.</p>	<p>As noted above, anyone from any position within an organisation can propose and seek approval for new SubStrategies to reengineer core management systems and processes. Compelling SubStrategies are likely to galvanise resources and leaders to achieve their Sub-Strategy.</p>
<p>9. Hold leaders responsible for increasing the stock of "leadership capital" within their organizations through coaching and delegation.</p> <p><i>Please note paragraphs 2-6 on the right as they relate to empowering leaders worldwide</i></p>	<p>By providing operational-level people with clear local SubStrategies within the context of an organisational SubStrategy, senior executives empower local people to become leaders of their operational areas. Initially local leaders will be issued with pre-defined operational SubStrategies but as they grow their capabilities they can be encouraged to evolve their SubStrategies and contribute to organisation's 'big-picture' SubStrategies.</p> <p>As well as increasing the "stock of leadership capital", the OpenStrategies' process increases the "stock of effective SubStrategies" which can often be applied in similar situations elsewhere in the organisation or in other organisations.</p> <p>This is a particularly significant concept in the public sector where very similar actions take place in thousands of government agencies, especially local governments throughout the world. An OpenStrategies' suite of effective SubStrategies for one local authority is likely to be transferable (with some editing) to many other local authorities.</p> <p>This leads to the concept of an international library of</p>

	<p>effective SubStrategies. Imagine this library with perhaps a dozen SubStrategies on each topic (cycling, public health, recreation, transport, energy, waste management etc) and in which each SubStrategy has been proven to work effectively in a particular jurisdiction. Viewers could download those SubStrategies which have worked in organisations which are most similar to their own and then edit them (where necessary) for their own organisations.</p> <p>This would give them a suite of SubStrategies <i>which have already been proven to work</i>.</p> <p><i>Imagine how this would empower local leaders!</i></p>
<p>10. And perhaps most importantly, systematically train individuals in the art and science of “leading without power.</p>	<p>Individuals who successfully create, evolve, secure peer and senior executive approval for and implement new SubStrategies will ‘earn the right to lead’ rather than ‘take control’. As they develop their local SubStrategies within the context of both other operational-level SubStrategies and high level SubStrategies, they will inevitably learn a great deal about their organisation and how it works. This process will identify emergent leaders who may or may not benefit from further training.</p>

First Steps

In this section we briefly outline how to adopt the principles of OpenStrategies using the PRUB approach to create and Validate a Sub-Strategy as described in the attached paper '**PRUB-Validate Public Sector Investments**'.

The best place to start is to develop a precise understanding of 'Uses' ie *exactly* what to users want to be 'doing'. Once you understand what users (customers, citizens) want to be *doing* it becomes relatively straightforward to determine what 'Results' (assets such as services, products and infrastructure) they want and hence what 'Projects' are required to produce those Results.

It is far more informative to ask users “what do you want to do?” than to ask them “what do you want?”. Here’s a classic example. If you ask city people “what do you want?” many of them will reply “we want more cycle-lanes”. However if you ask these same people “what do you want to *do*?” many of them will admit that “I want to drive my car in the city because there is less congestion because more other people are cycling”. So the *real* issue here is people’s frustration with congestion and more cycle-lanes are probably *not* the best solution.

So it is imperative to start by explicitly understanding Uses and to then use this information to define the *right* Results which will enable these Uses. So step one is to engage with Users to exactly understand their desired Uses and to use this information to define the desired Results and hence the necessary Projects. Users will also be a good source of information explaining *why* they are wanting their Uses and the answers to this ‘why’ question will define the Benefits.

Typically it will require a number of parallel Projects to produce a set of Results to enable a Use. For example, it might require four Projects to: build a swimming pool, train lifeguards, provide a bus service to the pool and provide water-fun programmes in order to effectively enable a Use of 'children come and play in the pool' which in turn creates the Benefit 'children are healthier'.

Ideally the development of a strategy works from right-to-left (BURP) and the implementation of a strategy works from left to right (PRUB). So a strategy using this format is simultaneously a strategy (BURP) and an implementation plan (PRUB).

Once strategic actions are defined as SubStrategies and clustered into OpenStrategies all stakeholders (customers, citizens, communities, employees, organisations and others) can easily see:

1. what needs doing
2. why it's being done
3. how operational-level actions contribute to the organisation's high level strategy
4. how each operational-level action on a particular theme inter-links with other operational actions on other themes

However, the SubStrategy is purely theoretical at this stage. It is now necessary to 'validate' it by:

1. adding convincing 'cause-and-effect Evidence' to the Links between Projects and Results, between Results and Uses and between Uses and Benefits
2. by convincingly determining that the net 'value' of the Benefits is greater than the total costs of the Projects *plus* the costs of the Uses

When a strategic idea has been translated into a SubStrategy and then validated with convincing cause-and-effect Evidence plus net value information it is said to be 'PRUB-Validated'. Every SubStrategy within an overall organisational OpenStrategy *must* be PRUB-Validated if the overall strategy is to be valid.

When stakeholders have direct access to their organisation's suite of PRUB-Validated SubStrategies (ie their OpenStrategy) then they can cluster together and 'get on with their SubStrategies' while requiring minimal leadership. Where necessary for coordination across multiple SubStrategies, syndicates of leaders naturally emerge to lead cross-functional activities.

In the competitive market place those who are able to adopt the OpenStrategies' approach will have a competitive advantage: clarity of purpose, engaged citizens and customers, better strategies, better implementation of strategies and *easier but more effective* leadership.

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Appendix:

“PRUB-Validate Public Sector Investments”

- note that this appendix applies to any investments whether public or private

² Website <http://openstrategies.com/>

³ LinkedIn <http://www.linkedin.com/company/openstrategies-ltd>

PRUB-Validate Public Sector Investments

PRUB-Validate explicitly determines:

- *which investments are 'validated' and should be retained*
- *which investments cannot be 'validated' and should be modified or terminated*

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PRUB-Validate Public Sector Investments

Why?

The public sector is committed to making robust investments in infrastructure and services while making substantial savings by modifying or eliminating investments which produce minimal value.

Commissioners must distinguish between:

1. 'Validated' investments which must be supported
2. 'Non-validated' investments which must be improved, or stopped and savings made

The PRUB-Validate process objectively and simply makes these distinctions by asking four questions about each investment:

1. *What's the big picture?*
 - What desired outcomes should the investment lead to?
 - *Action: define the high level "SubStrategy" (see examples below)*
2. *What's the operational strategy?*
 - Exactly what needs to be done to make the investment successful?
 - *Action: define the operational level SubStrategy*
3. *Will it work?*
 - What evidence is there that the investment will actually lead to the desired outcomes?
 - *Action: justify the SubStrategy with cause-and-effect Evidence*
4. *Is it worth it?*
 - What evidence is there that value of the benefits will exceed the costs?
 - *Action: assess the SubStrategy's net Value*

Each of the above questions *must* be answered convincingly before it's possible to answer the subsequent questions.

Each of the above questions is *easier* to answer than the subsequent questions.

This means that the easiest questions can quickly guide the improvement or elimination of those investments which fail each validation step.

How?

1. Clarify the High Level SubStrategy

The first step in validating each investment is to define it rigorously using the following sequence:

*The public sector invests in Projects
to create infrastructure or services (Results)
which communities/customers Use to create Benefits for themselves.*

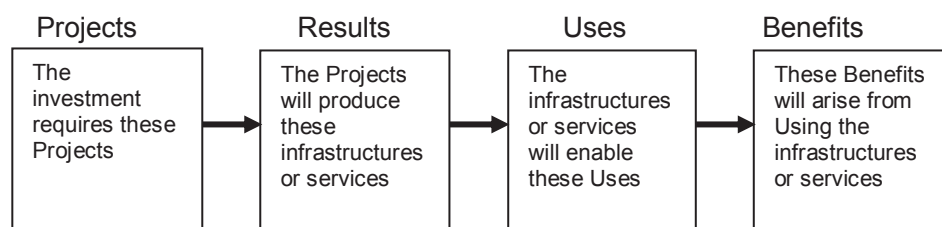
This logical sequence is PRUB. PRUB simply and precisely describes investments.

There are no short cuts. *Successful* investment Projects *must* produce Results (infrastructure or services) which *must* be Used in ways which *must* produce worthwhile Benefits.

Any break in this sequence immediately invalidates an investment.

Step one in validating an investment is to define it as a high level SubStrategy (PRUB-sequence):

1. The high-level Project(s) required to implement the investment
2. The infrastructures and services that will be Results from the investment Projects
3. How the infrastructure and services will be Used
4. The Benefit(s) that will arise



This Linked PRUB sequence defines a high level SubStrategy for the investment.

Results are often known as “outputs”. Benefits are often known as “outcomes”.

If it is not possible to define the investment as a high level SubStrategy like this,
then *do not continue with the investment*.

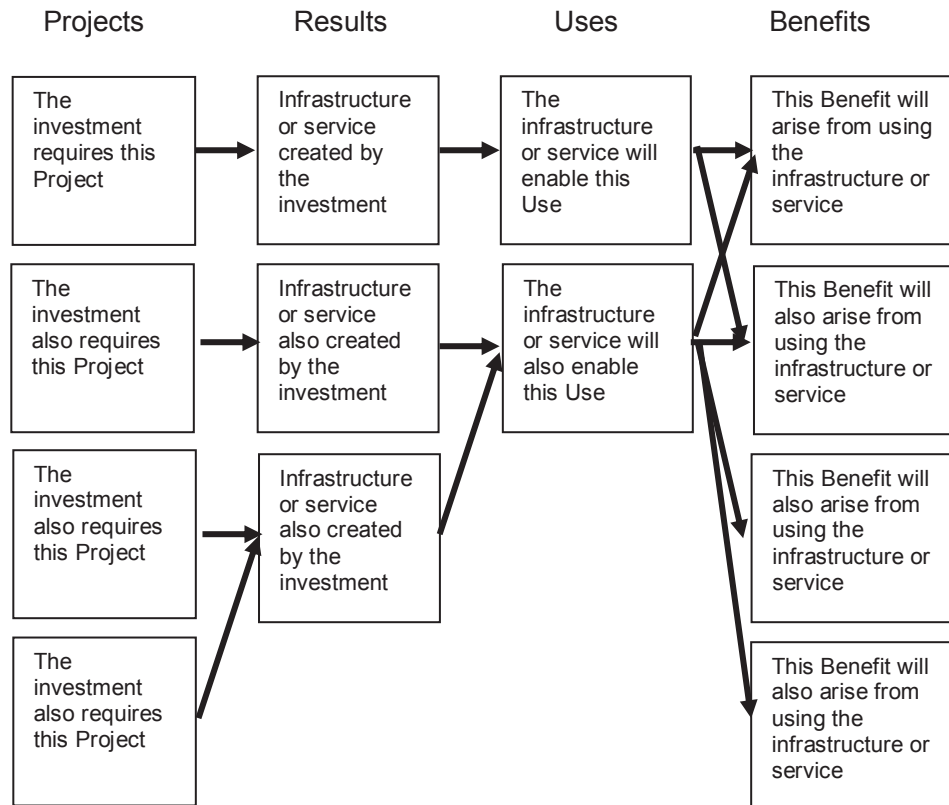
Improve it or eliminate it.

This high level SubStrategy is not yet enough to validate the investment.

We still need to know details of what other actions are required to support the investment, whether the infrastructure or services will actually be used by communities and citizens and whether the investment is sufficiently valuable to be worthwhile. This leads to step 2-4 in the PRUB-Validate process.

2. Define the operational-level SubStrategy

To validate each investment it must be expanded into an operational-level SubStrategy which contains all the Linked Projects, Results and Uses which are both *necessary and sufficient to generate the desired Benefits*.



This SubStrategy now defines and Links all the *necessary and sufficient* things that need to happen if an investment is to be effective and efficient.

There are no short-cuts from Projects to Benefits. To be validated, a Project *must* lead to Results which *must* lead to Uses which *must* lead to Benefits.

If it's impossible to convert the high level SubStrategy into a necessary and sufficient operational SubStrategy like this, then *do not continue with the investment*.

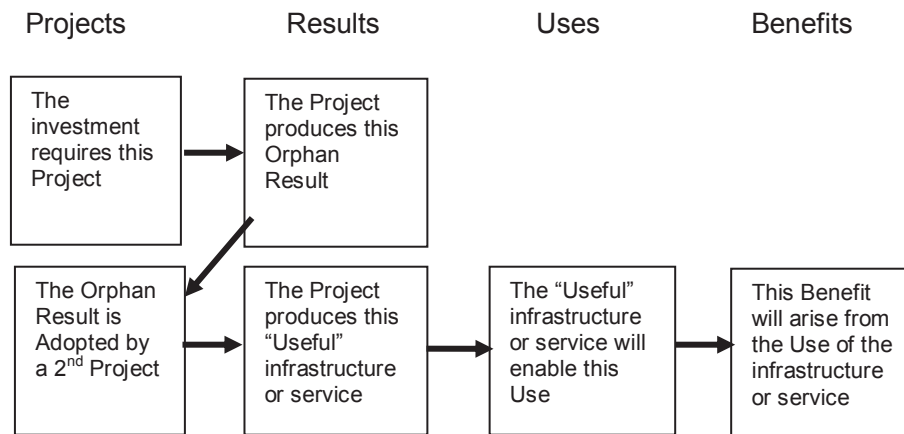
Improve it or eliminate it

Note however that Projects often produce Results which cannot be directly Used by communities *but they may still be worthwhile*. Such Results are known as 'Orphan Results'.

There are two types of Orphan Results:

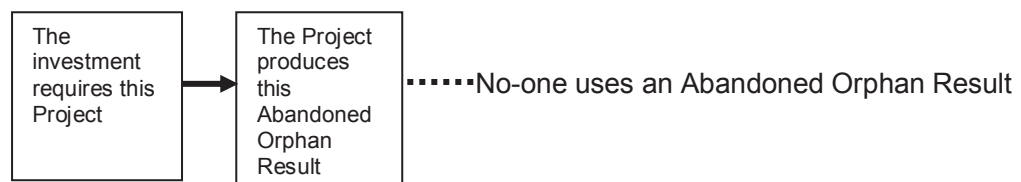
1. Adopted Orphan Results
2. Abandoned Orphan Results

Adopted Orphan Results: If an Orphan Result (infrastructure or service) is adopted by another Project run by another organisation or elsewhere in the same organisation, we say that the Orphan Result has been 'Adopted'. It is an 'Adopted Orphan Result'.



Both Projects above have been successfully PRUB-Linked through Results and Uses to Benefits so they can proceed to the next step in the validation process.

Abandoned Orphan Results: If an Orphan Result is not 'Adopted' by another organisation, then we define it as an 'Abandoned Orphan Result'.



This Result has been neither Used nor Adopted – it is an Abandoned Orphan Result.

Many investments produce Abandoned Orphan Results.
If a Project will produce an Abandoned Orphan Result *do not continue with it.*
Improve it or eliminate it.

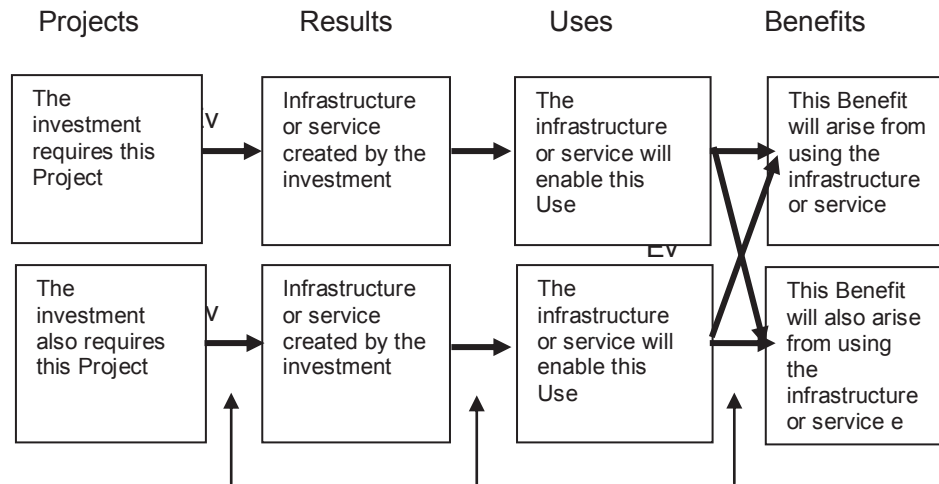
A SubStrategy in which all the Results will either be Used or Adopted is still not enough to validate an investment because at this stage it is merely a theoretical map of possibilities.

We still need to know if it will actually happen at a level which is worthwhile. This leads us to steps 3 and 4 of PRUB-Validate.

3. Justify the SubStrategy with cause-and-effect Evidence

Every Link in the investment SubStrategy must be supported by *cause-and-effect* Evidence to demonstrate that the investment will actually proceed as planned and will actually lead to the desired Benefits.

This cause-and-effect Evidence is precisely located in the Links (arrows) in the SubStrategy.



Convincing cause-and-effect Evidence *must* be found for each of these Links to provide confidence that:

- each Project will definitely produce the desired infrastructure or service
- the infrastructure or services will definitely be Used
- the Uses of the infrastructure or services will definitely lead to the desired Benefits.

Some Evidence is easier to find than other Evidence. For example, it is usually easy to find Evidence that a Project will lead to a Result.

It is usually more difficult (yet crucial) to determine objectively and quantitatively if the infrastructure and services will actually be Used, to what extent, and whether these Uses will genuinely lead to the desired Benefits.

Validating or justifying an investment requires convincing cause-and-effect Evidence that the infrastructure or service will actually be Used in the manner that is anticipated.

Experience shows that *the most useful Validation Evidence is the Evidence which confirms that Results will actually be Used.*

If such Evidence is lacking, *do not continue with the investment.*

Improve it or eliminate it.

Even when an investment has been successfully defined, mapped into a SubStrategy and fully Evidenced (steps 1-3), this is still not enough to Validate it.

We still need to know “is it worth it?” This is determined in step 4 of PRUB-Validate.

4. Assess the Value of an investment

If an investment has been successfully defined, mapped into an operational SubStrategy and fully Evidenced (steps 1-3), this is still not enough to validate it.

We still need to know if the net value of the Benefits will exceed the net costs of creating those values. Specifically:

“will the value of the Benefits exceed the sum of the costs of the Projects plus the costs of the Uses?”

Determining the value of Benefits is often very challenging. This fact alone is a powerful reason why, *before attempting to determine the net value of an investment, it is easier and better to first conduct steps 1-3 above to screen out:*

1. *all those investments which cannot be defined as a high level SubStrategy*
2. *all investment which cannot be described in an operational level SubStrategy*
3. *all investment SubStrategies which cannot be effectively Evidenced*

It is precisely because economic valuations are so challenging that steps 1-3 above are so powerful for rapidly assessing investments.

Having screened out investments which fail the first 3 steps, we now have a smaller set of investments to ‘value’ and hence to completely Validate. Non-validated investments can also be refined so that they can be validated and the PRUB-Validate process identifies exactly where they need to be refined.

Importantly, the second step (defining the investment as an operational level SubStrategy) identifies *exactly which costs will be incurred to achieve which Benefits*.

Frequently the Users’ costs exceed the Project’s costs so they *must* be included in the value calculations.

There are hundreds if not thousands of articles, papers and books on determining the value of outcomes/Benefits and this paper will not attempt to describe them. A keen reader is invited to start here:

http://en.wikipedia.org/wiki/Predicted_outcome_value_theory

The key point here is that the net value of the operational SubStrategy must take into account all 3 factors:

1. the value of the Benefits
2. the cost of the Projects
3. the cost to Users of using the infrastructure or services to achieve the Benefits

and then determine whether the value of the Benefits will outweigh the costs of the *sum* of the Project costs and the Use costs.

Mathematically, is $\sum V_B > \sum C_P + \sum C_U$?

where $\sum V_B$ = Sum of the Values of the Benefits
 $\sum C_P$ = Sum of the Costs of the Projects
 $\sum C_U$ = Sum of the Costs of the Uses

Summary: PRUB-Validate public sector investments

To optimise investments and reduce costs, public sector commissioners must distinguish between:

1. 'Validated' investments which must be supported
2. 'Non-validated' investments which must be improved or stopped and savings made

The PRUB-Validate process objectively and simply makes these distinctions by asking four questions about each investment:

1. *What's the big picture?*
 - What desired outcomes should the investment lead to?
 - *Action: define the high level "SubStrategy" (see examples below)*
2. *What's the operational strategy?*
 - Exactly what needs to be done to make the investment successful?
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 - *Action: assess the SubStrategy's net Value*

The first three steps simply and succinctly describe, and where appropriate, retain or eliminate investment *without having to speculate on the actual values of the Benefits to arise from each investment.*

The fourth step uses the SubStrategy from step 2 to *precisely identify those costs and values which must feed into the value assessment* to complete the investment validation process.

All 4 PRUB-Validate steps are essential to validate an investment.

There are no short-cuts.

You can proceed with confidence when an investment has been PRUB-Validated

OpenStrategies – primary MIX *Moonshots*

<http://www.managementexchange.com/>

The Management *Moonshots* are the heart and soul of the MIX — a roster of make-or-break challenges designed to focus the energies of management innovators everywhere. They emerged in response to a simple but profoundly urgent question:

What needs to be done to create organizations that are fit for the future?

[Moonshots Summary](#)

Mend the Soul: Embed the ethos of community and citizenship

“Stakeholder relationships must be seen as interdependent and positive-sum.”

In our increasingly interdependent world, highly collaborative systems will outperform organizations that are characterized by adversarial win-lose relationships. Yet today, corporate governance structures often exacerbate conflict by promoting the interests of some groups (such as senior executives and the providers of capital) at the expense of others (usually employees, local communities, and the planet). Management systems must more fully reflect the ethos of community and citizenship—and the inescapable interdependence of all stakeholder groups must be designed into organizational operations at every level.

[Moonshot: Embed the ethos of community and citizenship](#)

Distribute Power: Create a democracy of information

“People at the front lines should be at least as well informed as those in the executive suite.”

Most organizations control information in order to control people. Yet, increasingly, value is created where first-level employees meet customers — and the most value is created when those people have the information and the permission to do the right thing for customers at the right moment. Information transparency doesn't just produce happy employees and happy customers, it's a key ingredient in building resilience. Adaptability suffers when employees lack the freedom to act quickly and the data to act intelligently. The costs of information hoarding are quickly becoming untenable. Companies must build holographic information systems that give every employee a 3-D view of critical performance metrics and key priorities.

[Moonshot: Create a democracy of information](#)

Expand Minds:

Retool management for an open and borderless world

“As the distinction between 'inside' and 'outside' disappears, managers must learn how to manage beyond the legal boundaries of the enterprise.”

Emerging business models increasingly rely on value-creating networks and forms of social production that transcend organizational boundaries. In these environments, management tools that rely on the use of positional power are likely to be ineffective or counterproductive. In a network of volunteers or legally independent agents, the “leader” has to energize and enlarge the community rather than manage it from above. Success therefore requires developing new approaches to mobilizing and coordinating human efforts.

[Moonshot: Retool management for an open and borderless world](#)