

APPLIED FUTURES

The Importance of Effects-Based Thinking and Leadership

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The Nature of the Problem

- Successful acquisition of complex systems requires a systematic approach to contracting, and firm acquisition governance
 - Recently, there have been a number of examples of where the acquisition process has failed to deliver desired capabilities or to control escalation of costs
- There is a need, both in Government and in private industry, to improve the ability to define the desired results of a given acquisition, this includes:
 - Developing the right contract approach to deliver a complex system with the desired capabilities
 - Keeping costs under firm control

What is Required?

- A Vision for the Program that is shared by all the Stakeholders – both private industry and the Government. This is generally requirements-driven
 - A Strategic Plan for the Acquisition with the logic trail and critical paths explicit – so that any changes can be made in conscious recognition of what they are going to affect and how they will change the planned output
 - Measures of Effectiveness (MOEs) that take priority over Measures of Performance (MOPs)
 - A systematic approach to the contracting process
 - A means for achieving firm acquisition governance
 - Good, effective communication of all the above

Communications

- The Number 1 problem with leadership communication is the illusion that it has occurred.
- 85% of leaders believe that they communicate well
- Only 37% of employees said they have a clear idea of what their organization is trying to achieve
- Only 20% were enthusiastic about their team's and organization's goals

The Perils of Process

- Everyone is going overboard on Lean Six Sigma, BPR, BPI
 - These are very useful if we have clear goals/objectives towards which we're working
 - If we're going in the wrong direction, these approaches will help us get there faster
 - (And, by the way, if we are trying to develop a truly network-centric organization, we need "fat" built in to the system. Lean will prevent it)
- Compliance Checklists – beware!
 - It is possible to be "in compliance" with every item on a check list, and yet the Program can be off track (e.g. Information Assurance)
- Effectiveness trumps Performance
 - Both are important, but achieving the Vision or Goal is more important than getting to the end of some process on time

What is Required?

- Good Leadership, including:
 - Shared Vision for the project/program
 - Values that are shared with project/program stakeholders
 - Clear expectations
 - Good communications skills
- A significant change in mindsets!
 - Away from PROCESS
 - Towards OUTCOMES or EFFECTS

Two New Habits of Effective PMs to Combat the Perils of Process

- Direction
- Focus

Thoughts on Accomplishing the Two Habits

- Vision Based Planning

- A Vision has passion

Engaging the Heart
Inspiring
Providing Direction

- Effects Based Thinking

- EBT requires logic

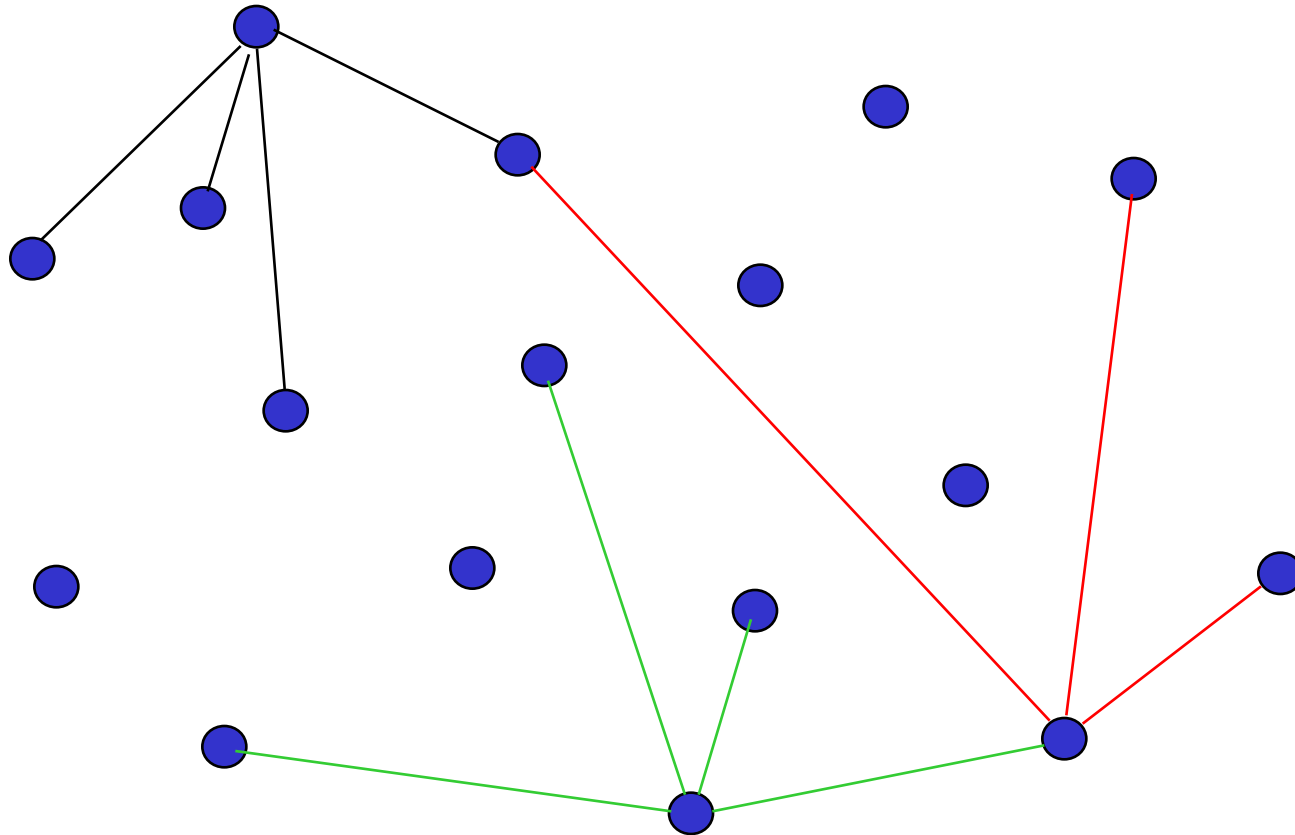
Engaging the Head
Motivating
Providing Focus

To get the best out of people and their capabilities,
we need to harness both head and heart

Increasing and Managing Complexity?

- The world has always been complex, but we have often seen and thought about only a small part of it
- Today we are being forced to take a larger systems perspective on our operations
- As the number of nodes (people, things, organizations) increase, the possible relationships between them increase exponentially
- Large projects that involve multiple organizations and many people must understand that complexity and be able to deal with it

Increasing Complexity?



Future Business Challenges

- Increasing complexity
 - Technology
 - Society
 - Politics
 - Need to form strategic alliances
- Increasing globalization
 - Understand cultures
 - Understand ways people know and think
 - Understand markets
 - Understand ways of doing business
- Need for speed
 - Innovation
 - Disruptive innovation – macro and micro

Which make the outcomes/effects more difficult to determine and measure

Key Components of EBT

- Visualize or develop a Vision of the desired outcome
- Use the Socratic Method / Critical Thinking / System's Thinking to find the REAL Vision / desired outcome
- Engage in dialectic reasoning to examine contradictions and to promote creative thinking.
- Engage in **deep think** – including **reframing** – **seeing from different perspectives**
- Take a system's perspective on the Vision / desired outcome

Simple Example of Critical Thinking and Systems Thinking

- First thoughts on Vision (?)
 - **I want my house painted**
- Use the Socratic Method to find the REAL desired outcome (the larger systems perspective) – keep asking questions...
 - **Why do I want my house painted?**
 - **Because the paint is peeling**
 - **Because I want to protect my investment**
 - **Because I don't like the present color**
 - **Because my spouse is nagging**
 - **Because I want my house to look beautiful and cared for**
- Let us assume our *real Vision* is the last desired outcome – it is the most Visionary of the reasons ... in which case...
- If I want the house to look beautiful and cared for, is painting enough?
 - **If I want the house to look beautiful and cared for, what else could I do?**
 - **Replace doors and windows**
 - **Replace the roof tiles**
 - **Re-landscape the garden**
 - **Re-surface the driveway...**

Example (cont.)

- What's involved in making the house look beautiful and cared for?
 - **Money**
 - **Time**
 - **Labor**
 - **Disruption to daily life**
- If I want the house to look beautiful and cared for how much / many of these ideas can I afford?
 - **If I hire contractors to do it?**
 - **If I do it myself?**
 - **If I do part and contractors do part?**
- If I take the third option, how can we schedule the work?
 - **What preparation will be involved?**
 - **What needs to be done in what order?**
 - **We don't want dirt/sand blowing about when paint is wet**
 - **We want the drive to be re-surfaced when people do not need to use it**
 - **Will it affect the time of completion?**
 - **...etc. ... etc.**
- How will we know when all the work is done?
 - **Develop a critical path analysis**
 - **Develop metrics of outcome (MOEs not MOPs)...**

Vision

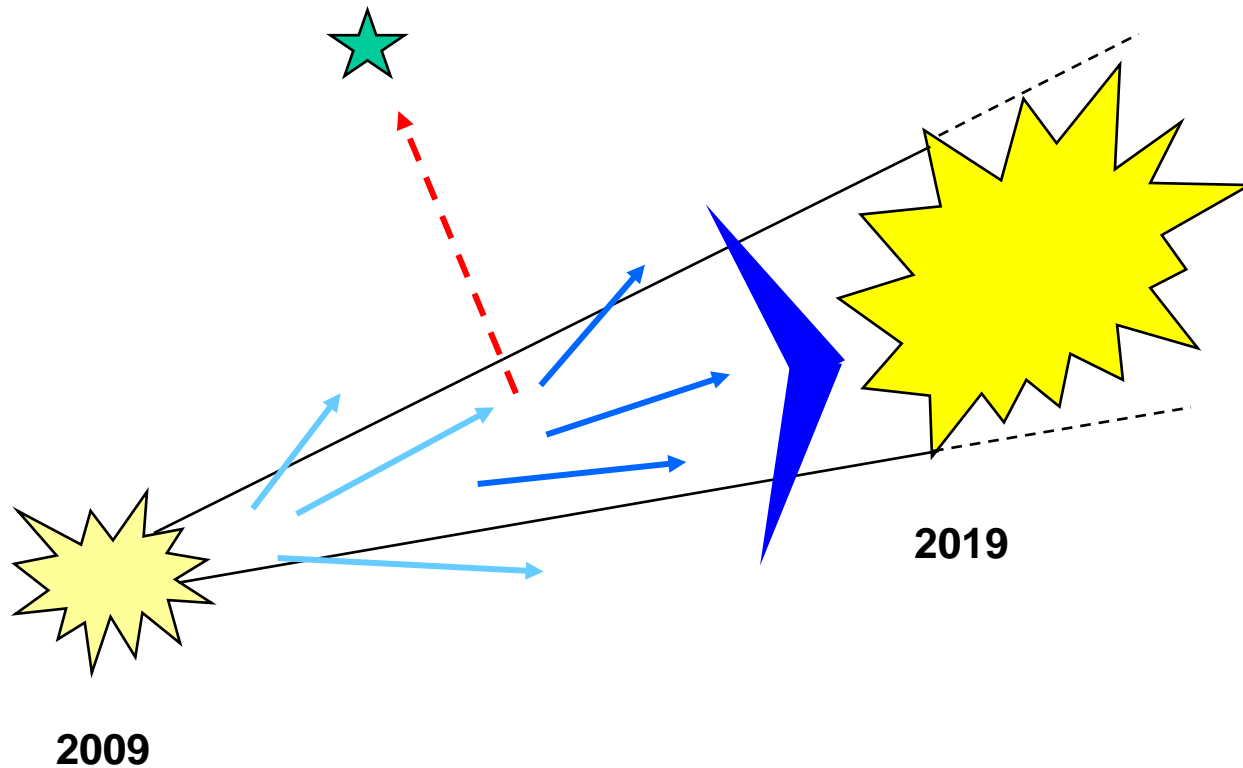


A Vision without (Strategy and) Action is a Daydream

Action without (Strategy and) Vision is a Nightmare

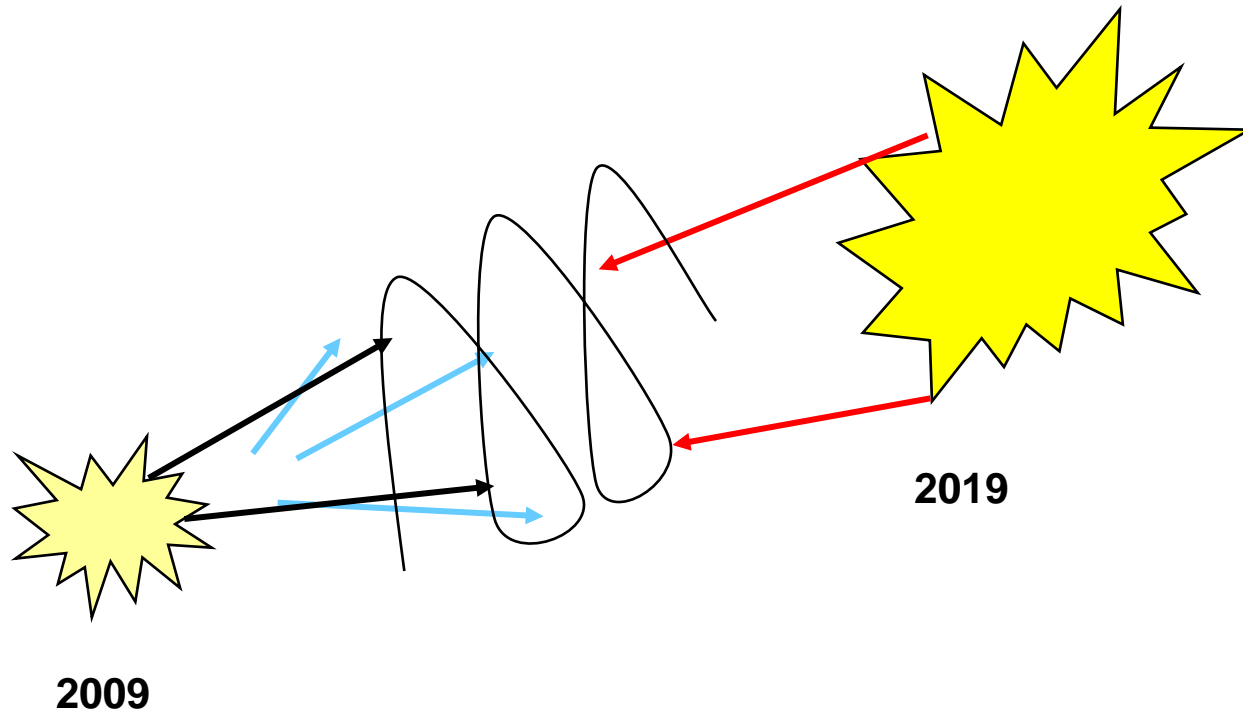


Purpose of a Vision



To provide direction – a “Guiding Star”

Vision Must be demand- or requirements-led



Technology- or
Supply-Push

Requirements- or
Demand-Pull

Vision-Based Strategic Planning



The Leader's Responsibilities

- Know yourself
 - Manage your energy
 - Know your values
 - Publish your Leadership Principles
 - Articulate your values
 - Articulate your “hot buttons”
 - Articulate your expectations
 - Communicate effectively as a Leader
 - Be passionate
 - Keep a journal – reflect on what has happened and why

The Leader's Responsibilities

- Know your people
 - Inspire and Motivate them
 - Manage/resolve conflict
 - Coach them
- Know your stuff
 - Understand your organization's business
 - Develop a clear, unambiguous vision
 - Develop specific, measurable goals
 - Lead productive meetings
 - Manage time (yours and theirs)

The Two Habits

And don't forget the two new habits:

- Direction – Provided by the Vision
- Focus – Enhanced by Effects Based Thinking

Both contribute to the overall performance of the people engaged in the project and to the quality and effectiveness of the outcomes

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Questions?