



# **TOUGH TIMES:** **What Will You Do?**

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**Jerry Mechling**

**Harvard University**  
**July 16, 2009**





- Time for the defense...

## **China Prepares to Hunker Down for Three Years to Weather the Global Economic Crisis**

ChinaMatters

- But not only defense?...

**“You never want a serious crisis to go to waste. What I mean by that is it's an opportunity to do things that you think you could not do before. This is an opportunity.”**

Rahm Emanuel, Obama Chief of Staff



# Will the crisis make room for major moves?...

- **Economics** – the worst pain since the Great Depression
- **Citizen demands** – government must DO SOMETHING!
- **Demographics** – as baby boomers retire, needs for service go up while the workforce goes down
- **Technology** – new Web 2.0 ++ powers: data, processing, and communications (peer-to-peer)
- **Politics** – Obama, change, and civic engagement

*Beyond hunkering down, what will you do?*



# Agenda

1. Major moves: status from the past
2. Major moves: new opportunities
3. Conclusions



# Harvard Policy Group for Network-Enabled Services and Government

PK Agarwal, State of California  
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Michael Armstrong, Corpus Christi  
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# Research Supporters/Collaborators

- Center for Technology and Government (SUNY Albany)
- Center for Digital Government
- Government of Singapore
- IBM
- Microsoft
- State of California

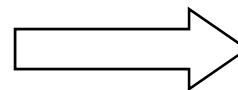


# Process + Governance → Value

## GOVERNANCE:

feedback + self-control

feedback + authoritative control



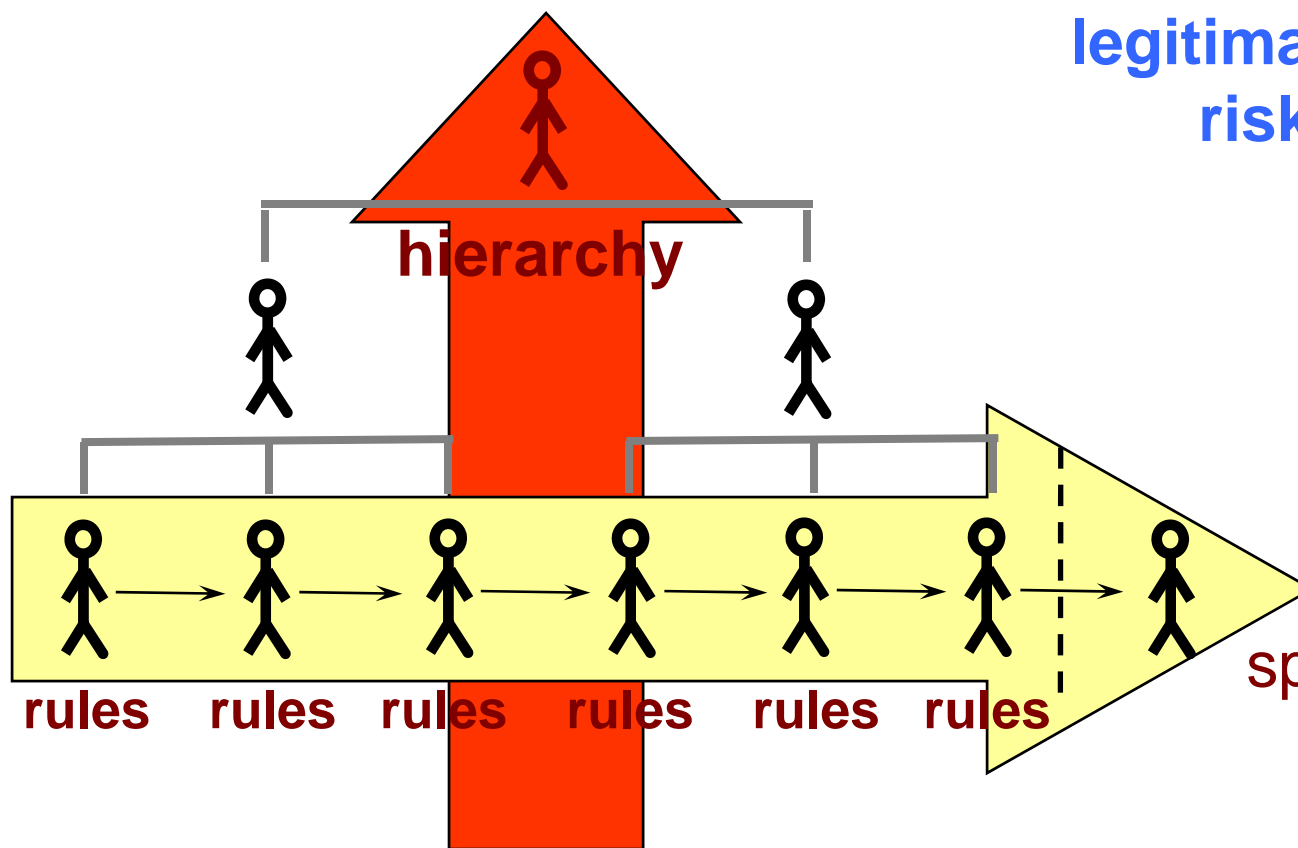
## VALUE as:

productivity

equity

legitimacy/transparency

risk/uncertainty



**PROCESS:**  
economies of  
specialization/scale

*Given better information, what changes?*

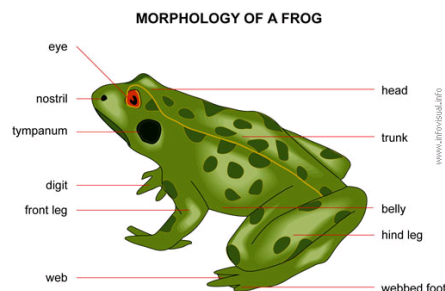
# Often, not much. Leadership problems...



- **Head in the sand**
  - IT “not strategic”
  - “Don’t bother me”



- **Silver bullet**
  - IT as “the solution”
  - “Don’t bother me”



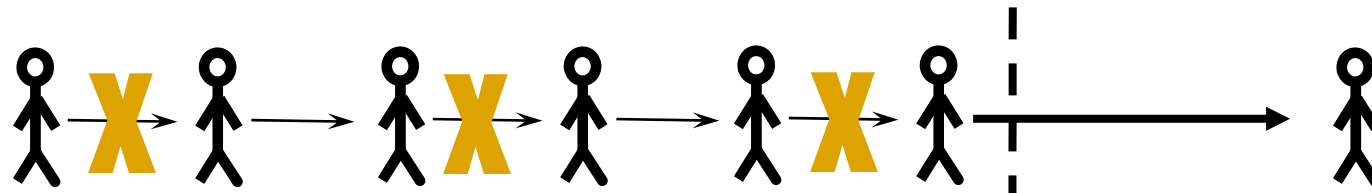
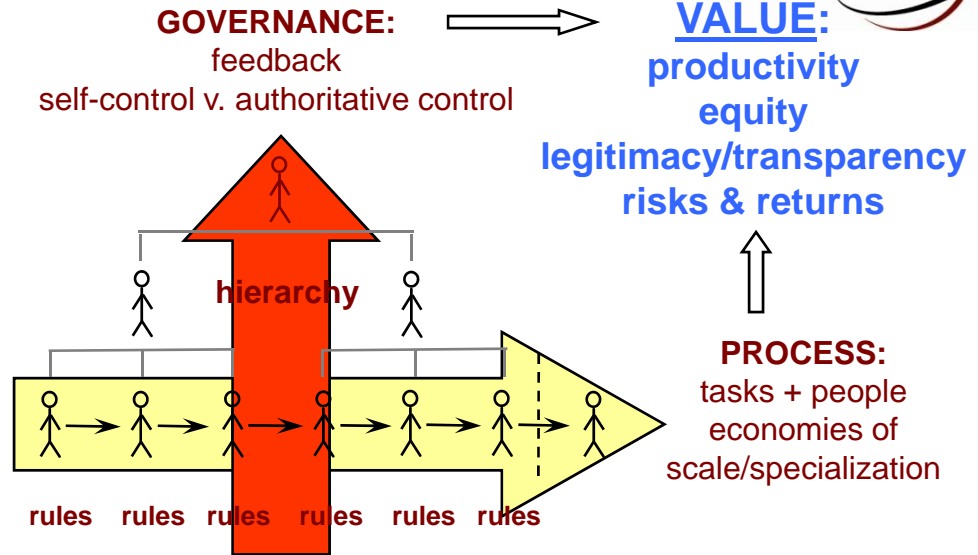
- **Boiled frog**
  - Gov’t ignores, if not a crisis
  - Can’t respond in time

*Where do we stand on the major moves?*



# Major Moves: Process...

Reach broadly  
throughout the  
value chain



*narrower*

1. **Delivery:** Remote service – fewer interruptions/trips

2. **Production:** Integrated, shared service – fewer handoffs/delays

*broader*



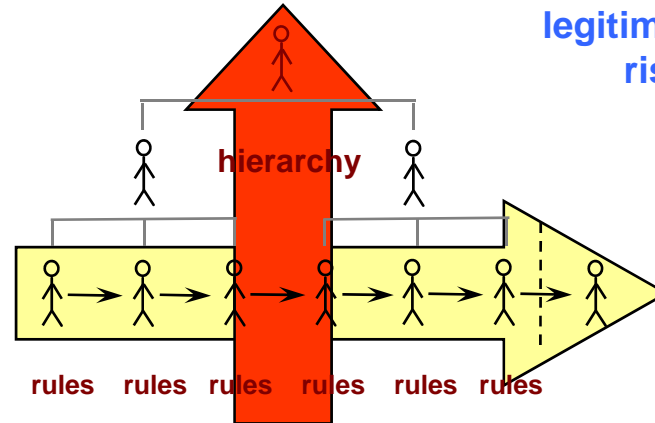
# Major Moves: Process...

## Reach broadly throughout the value chain

**GOVERNANCE:** →  
feedback  
self-control v. authoritative control

**VALUE:**  
productivity  
equity

legitimacy/transparency  
risks & returns

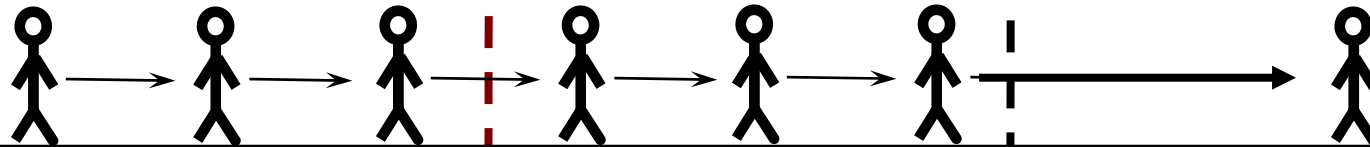


**PROCESS:**  
tasks + people  
economies of  
scale/specialization

**Boundaries:** program, enterprise = **areas of accepted authority**

Supplier/Partner

NEW ORG (core functions only)



narrower

1. **Delivery:** Remote service – fewer interruptions/trips

2. **Production:** Integrated, shared service – fewer handoffs/delays

3. **Industry:** Cross-boundary service – better specialization

4. **Infrastructure:** Standardization – better sharing

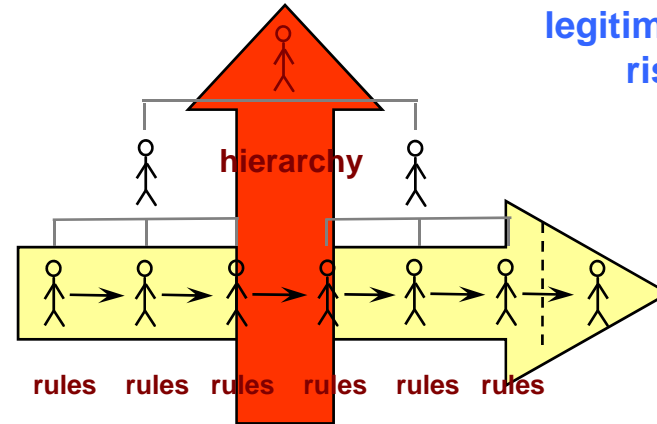
broader

# Major Moves: Governance...

**GOVERNANCE:** →  
feedback  
self-control v. authoritative control

**VALUE:**  
productivity  
equity  
legitimacy/transparency  
risks & returns

↑  
**PROCESS:**  
tasks + people  
economies of  
scale/specialization



Reach deeply into  
feedback and  
authority

Self-organization

1. **Data feedback** – for transparency and accountability
2. **Massive collaboration** – for planning and implementation
3. **Open standards** – to coordinate while preserving local initiative
4. **New organizations and authority** – for sustained new interactions

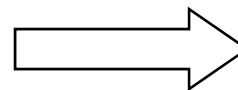
Authoritative-organization



# Process + Governance → Value

## GOVERNANCE:

feedback + self-control  
feedback + authoritative control



## VALUE:

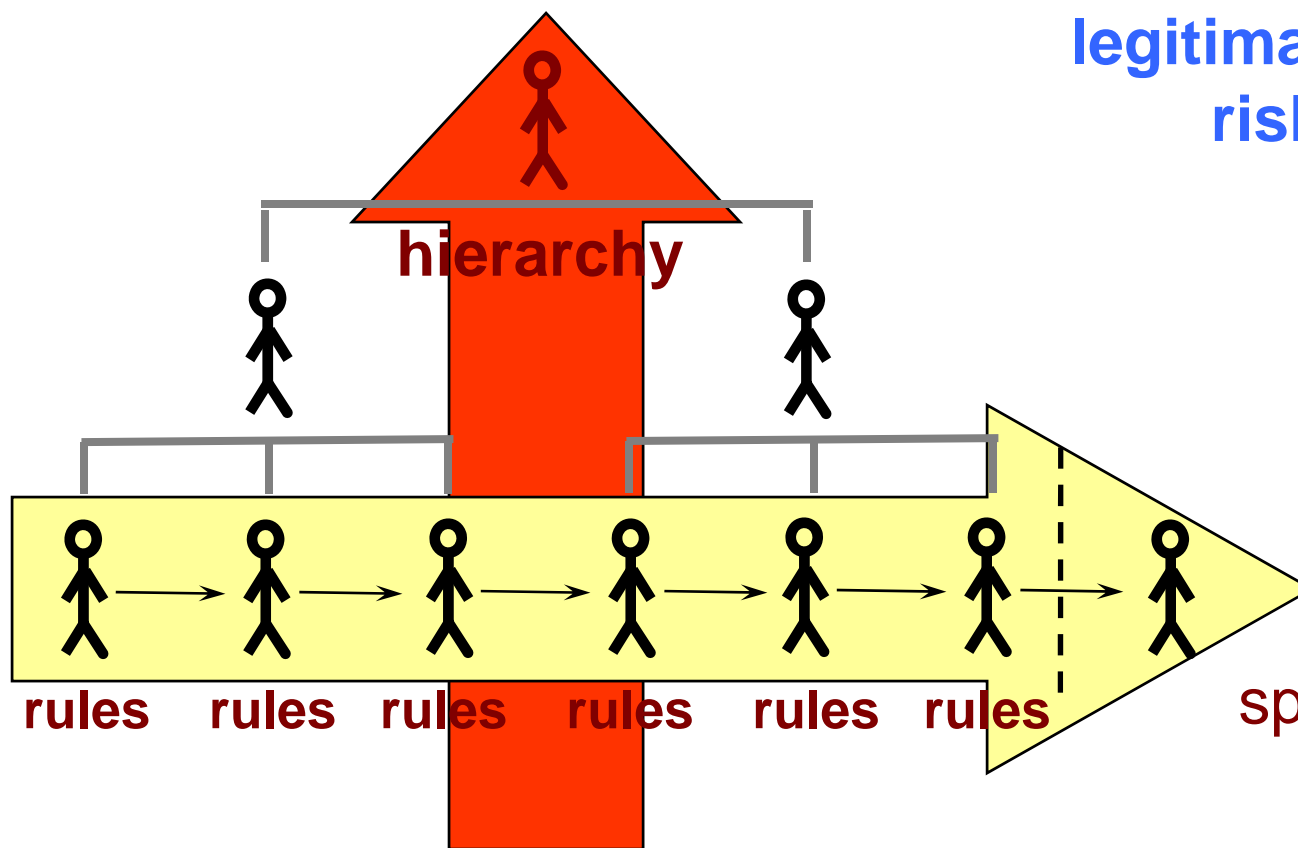
productivity  
equity

legitimacy/transparency  
risks & returns



## PROCESS:

tasks + people  
economies of  
specialization/scale



*We've done a lot. But where next?*



# Agenda

1. Major moves: status from the past
2. Major moves: new opportunities
3. Conclusions



# Analysis: What's valuable and feasible?...

		Eight Major Moves	Val.	Feas.
process		1. Delivery: online/civic engagement		
		2. Production: integration/shared services		
		3. XBT/industry reconfiguration		
		4. Infrastructure extension		
governance		5. Feedback/transparency		
		6. Massive collaboration		
		7. New and open standards		
		8. New patterns of authority		

*How to assess the “tough times” moves now underway?*

## 1. Service Delivery/Civic Engagement

Remote, asynchronous service – fewer interruptions/trips

- **better bundling** for “life events” – self-service
- **broadband** (video/emotions) and **wireless** (anywhere)
- **two-way interaction** (massive collaboration)
- examples: **Obama campaign ++**

**Low cost + risk, with high returns; much left to do...**

## 2. Production Integration/Shared Services

Self-service, simplified flows – fewer handoffs/delays

- **shared service** scale economies with responsiveness (SLAs) re: technology, HR, finances, etc.
- examples: **Technology consolidation** (internal and external including SaaS and cloud); Nova Scotia province-wide ERP

**Obvious efficiencies, if truly committed; moderate cost + risk for (“get with the program”) imperative**

## 3. XBT/Industry Reconfiguration

Transparent extended value chain with better specialization

- reforming entire industries: **health care**, education, counter-terrorism

**Big cost + risk, with major strategic impacts  
(IT for value creation, not just cost reduction)**

## 4. Infrastructure Extension

Standardized pervasive infrastructure – better sharing

- broadband, wireless, and data opportunities
- examples: **Stimulus bill broadband**, Netherlands data standards for financial regulation

**Broadest reach, at moderate economic/political cost**

## 5. Feedback/Transparency

Improve feedback for transparency and accountability

- for many, transparency more important than productivity
- examples: **D.C. “democratizing data” initiative**; federal follow-ups [data.gov](http://data.gov) and [itusaspending.gov](http://itusaspending.gov)

**“Free your data” as an easy and innovative move**

## 6. Massive Collaboration

Collaborate extensively for planning and implementation

- using Web 2.0 ++ tools to engage far more stakeholders than previously possible
- examples: **Diplopedia**, the Patent and Trade Office Peer-to-Patent project.

**“Free your data” as an easy and innovative move**

## 7. New and Open Standards

Coordinate via open standards to preserve local initiative

- promote collaboration without the dependency and delays of centralized, case-by-case decisions
- examples: **cloud computing standards**; Netherlands financial transaction standards; Canada identity standards

**Offers enormous leverage for economies and customization without stifling local initiative**

## 8. New Patterns of Authority

Establish new authority for new patterns of interaction

- to sustain ongoing funding and staff
- examples: **new budgeting powers** for CIOs

**Cross-boundary innovation may emerge voluntarily, but typically requires formal authority for sustenance**



# Analysis: What's valuable and feasible?...

	Eight Major Moves	Val.	Feas.
process	1. Delivery: online/civic engagement.	2	2
	2. Production:integration/shared services.	3	5
	3. XBT/industry reconfiguration.	<b>1</b>	8
	4. Infrastructure extension.	4	1
governance	5. Feedback/transparency	8	4
	6. Massive collaboration.	7	3
	7. New and open standards	6	7
	8. New patterns of authority	4	6

*In FB it's "Take what the defense gives" + the "bomb"*



## What's key in Texas?...

- **Questions/examples** about the “out there” priorities?
- What should jurisdictions in Texas **do**?
- What should jurisdictions in Texas **avoid**?



# Agenda

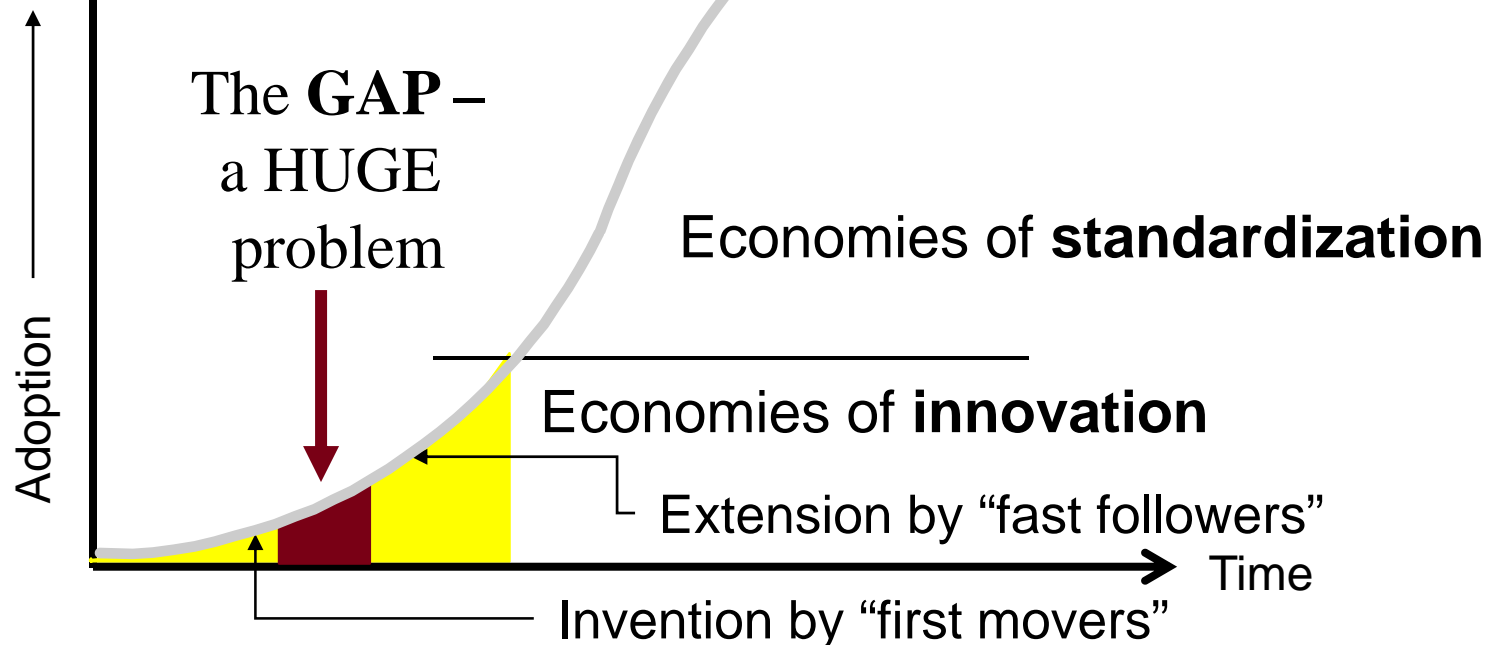
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## IT-enabled innovation: a strategic concern

- **For productivity:** IT-based innovation is the major contributor since 1990 (but many projects have failed).
- **For equity:** IT-based shifts could extend opportunity to have-nots everywhere (but the gap between rich and poor has grown).
- **For legitimacy:** Transparency and accountability could improve (but trust has eroded).

***With committed leadership, we can use the crisis to become more productive, equitable, and trusted.***

## We need to work together to learn faster...



### *Build bridges via deeper, trusted communications*

1. More effective **CXO + CIO relationships**
2. Easier/deeper access to **exemplary tools for action**: scorecards, budgets, project proposals, RFPs, contracts, job descriptions, press releases, evaluations, articles, etc.
3. **Virtual communities of practice** (e.g., the Tough Times Project)

## Parting Thoughts...

1. IT-enabled innovation is a **leadership challenge**, not just a technology problem.
2. Change is risky, but **failing to change is now our biggest risk**.
3. Develop your **major moves** agenda: What changes will you make in **work processes**? In **governance**?
4. Join the **Tough Times Project**: [www.inwprogram.org](http://www.inwprogram.org); for questions contact – [jerry\\_mechling@harvard.edu](mailto:jerry_mechling@harvard.edu)
5. Remember Tom Paine...



These are the times that try men's souls.  
The summer soldier and the sunshine  
patriot will, in this crisis, shrink from the  
service of his country; but he that stands it  
now, deserves the love and thanks of man  
and woman.

Thomas Paine, *The American Crisis*, No. 1  
December 19, 1776