

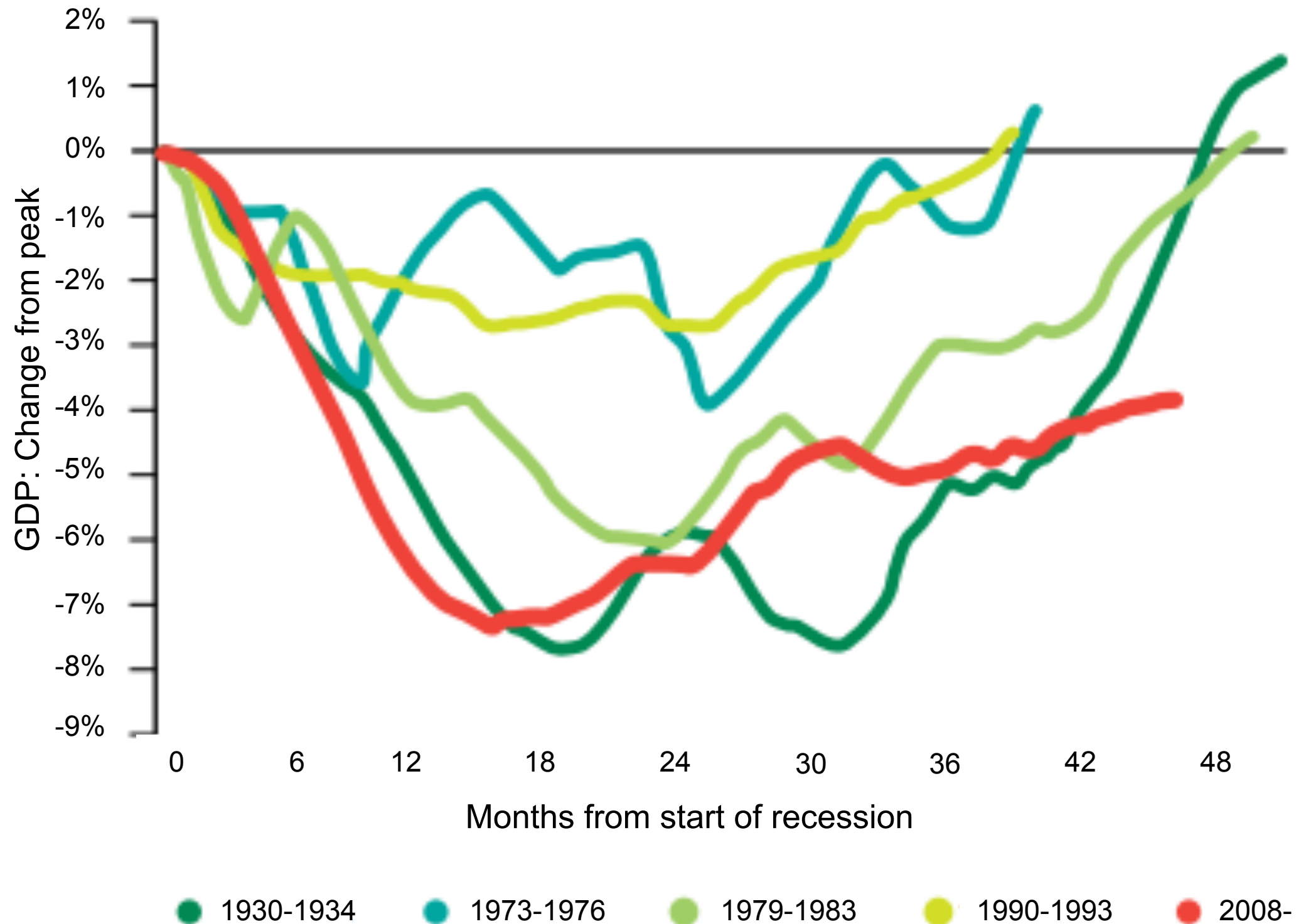
leading and managing in the "new normal"

Barry Quirk

March 2012 for Cornwall Council

Leading through a big squeeze:

at least four more years of austerity for publicly funded services



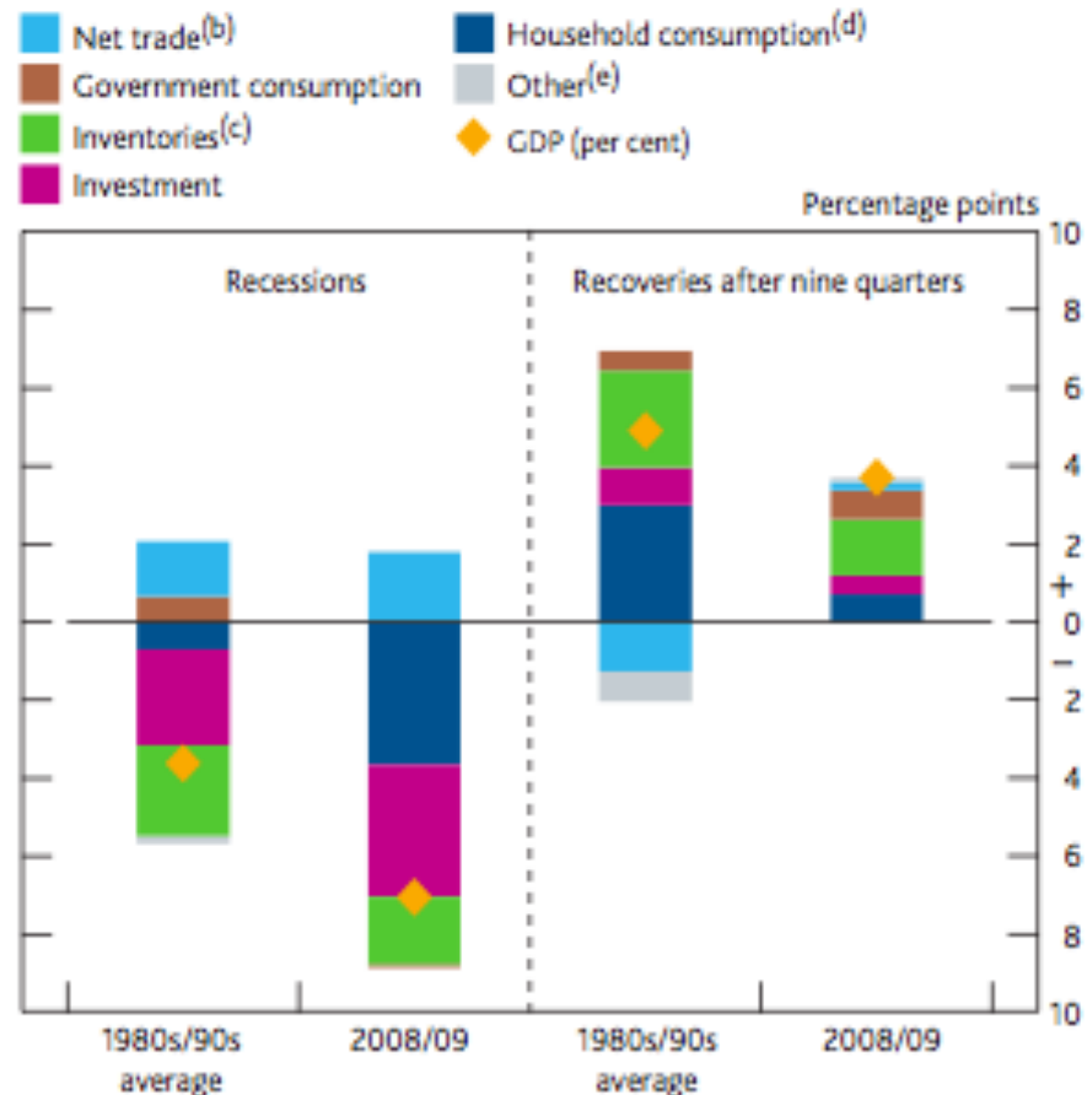
Sources: NIESR, Centre for Cities

**What happens in a
"balance sheet
recession"?**

paying down debts

**recovery is fuelled
by restoration of
private household
consumption and
companies
restocking
inventories**

Chart 2.2 Contributions of expenditure components to changes in demand in recessions and recoveries^(a)



- (a) Chained-volume measures at market prices. Recessions are defined as at least two consecutive quarters of falling output (at constant market prices) estimated using the latest data. The recessions are assumed to end, and the recoveries are assumed to begin, in the quarter that follows the trough in output.
- (b) Excluding the estimated impact of MTIC fraud.
- (c) Excludes the alignment adjustment.
- (d) Includes non-profit institutions serving households.
- (e) 'Other' includes the alignment adjustment and a statistical discrepancy.

leading and managing the organisation

lowering costs and increasing productivity

- Budget management and expenditure control is just a starting point
- Activity based costing; unit costing; facility and service costing; performance and value benchmarking
- The role of "cash committees" in keeping spend below profiled revenues
- Asset management strategies depend upon unrealised value and the "external" demand for assets
- Capturing an appropriate share of the cost reductions achieved by arms-length and "outsourced" organisations
- Productivity improvements

managerial quality

**managerial talent is central to
prospects for achievement**



**Designing the
right way**

**Fostering the
right culture**

**Capturing
savings while
producing value**

**"intrapreneurs" may not make the
transition to becoming entrepreneurs**

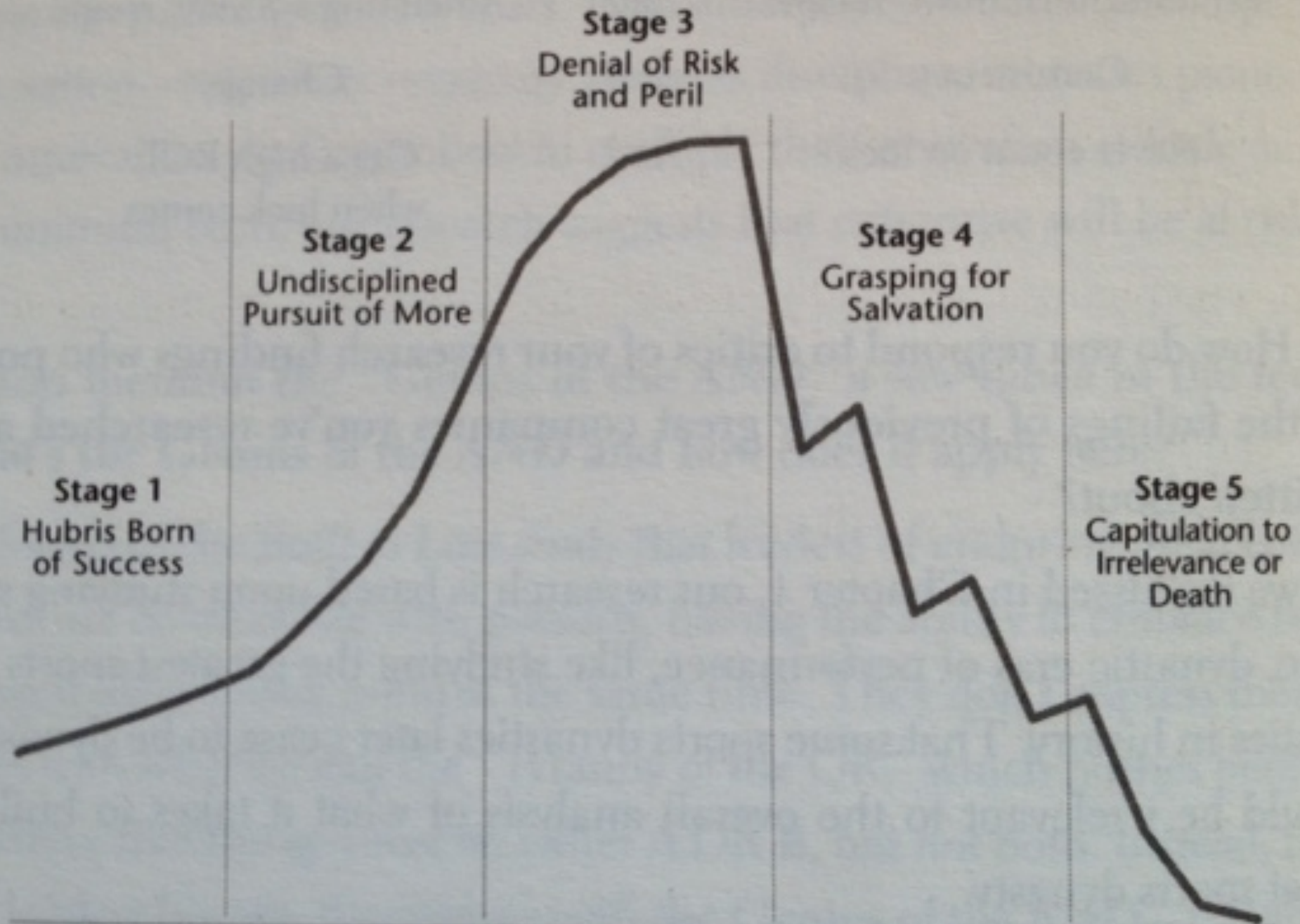
culture: of clocks and clouds

- the discipline, order, rigour and measures necessary to ensure that public services are delivered effectively and efficiently
- the creative imagination that is required to design services that are better, quicker and cheaper

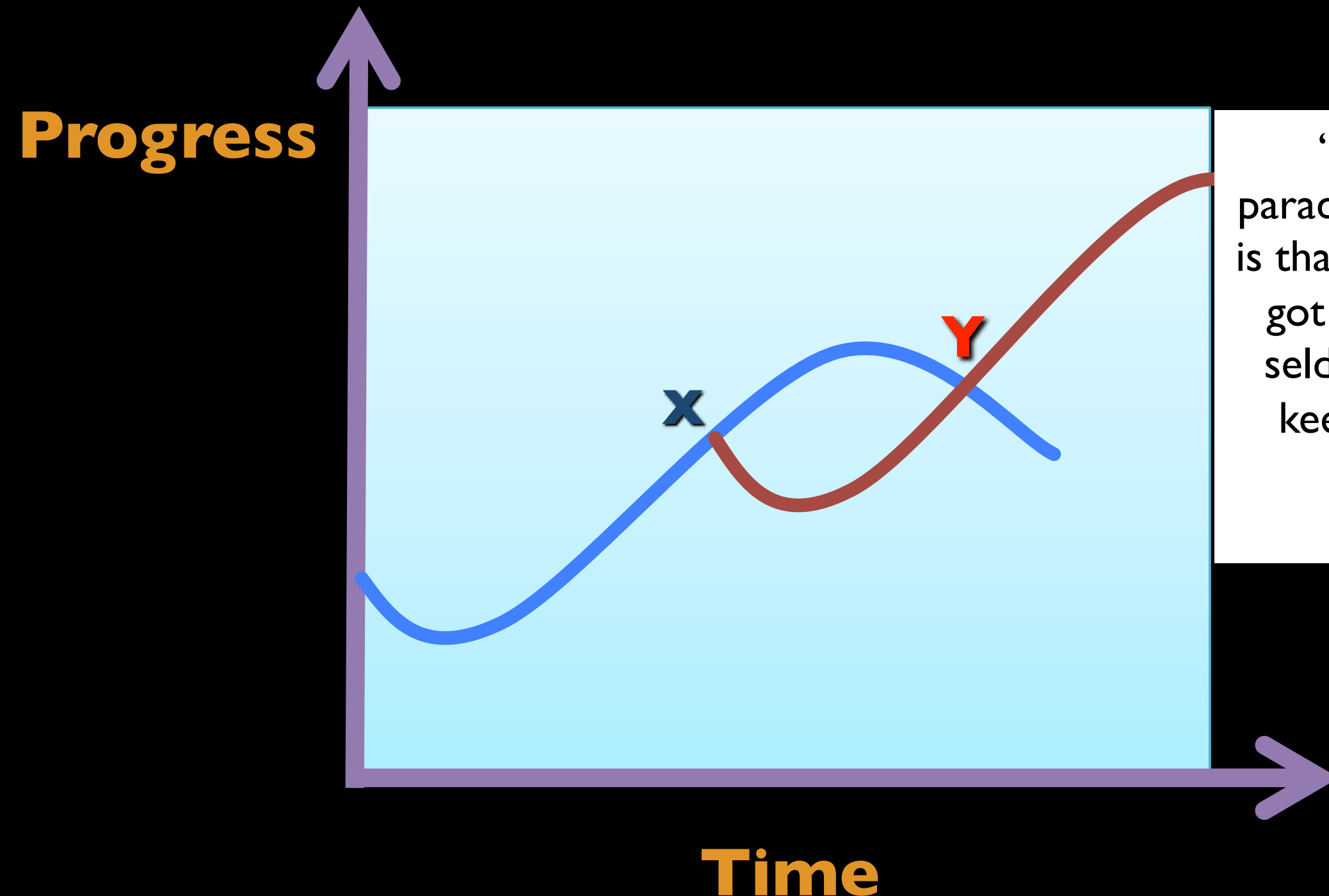


beware the attributes of organisational failure

The Five Stages of Decline from *How the Mighty Fall* by Jim Collins



knowing when and how to turn decline into the positive energy of renewed success

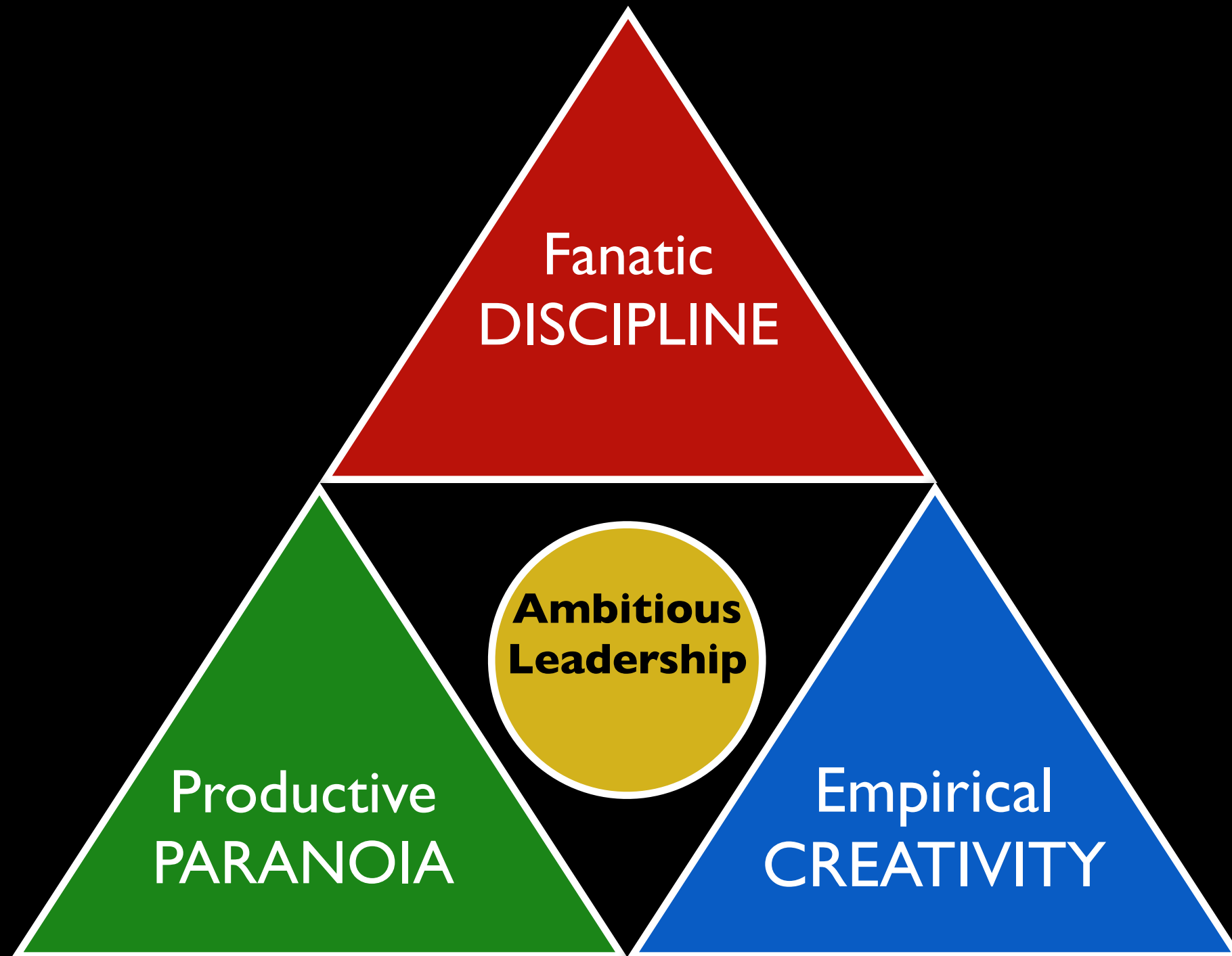


“One of the paradoxes of success is that the things that got you there, are seldom those that keep you there.”

Charles Handy

**Collins and Hansen
(2011) Great by Choice**

consistency of action:
of values, goals, performance standards
and methods



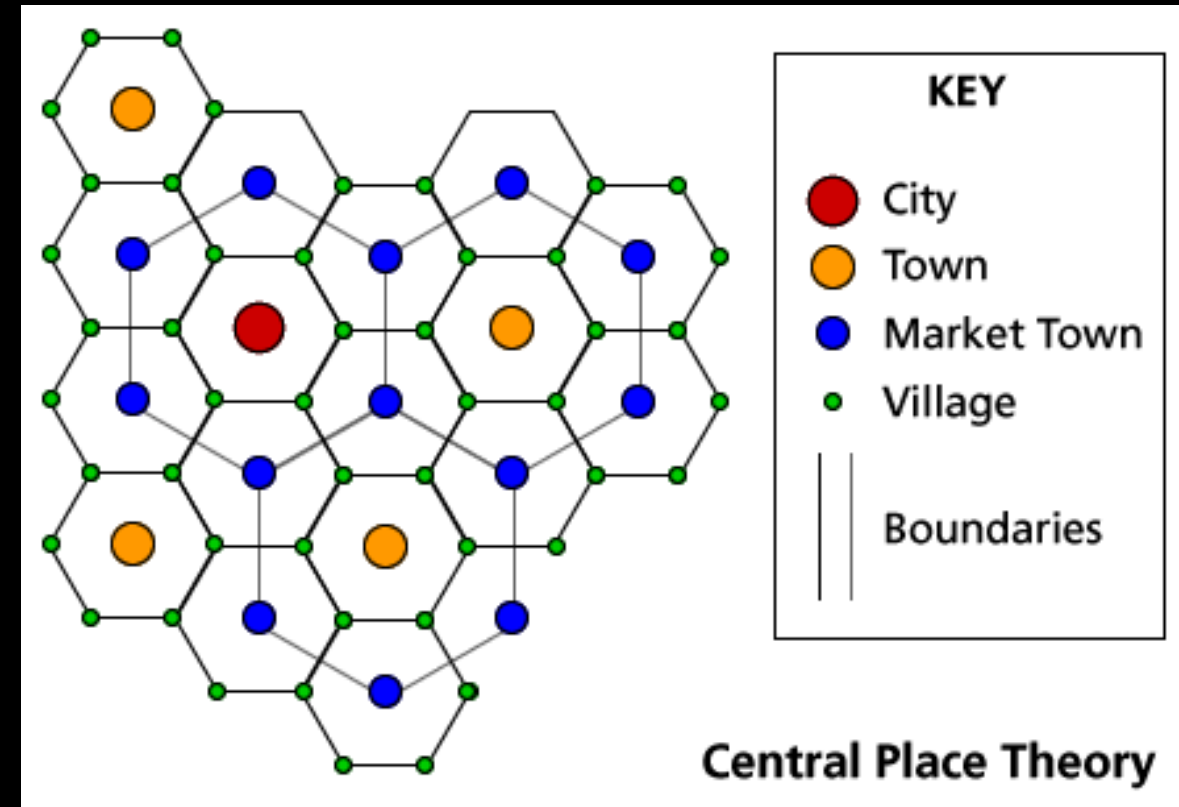
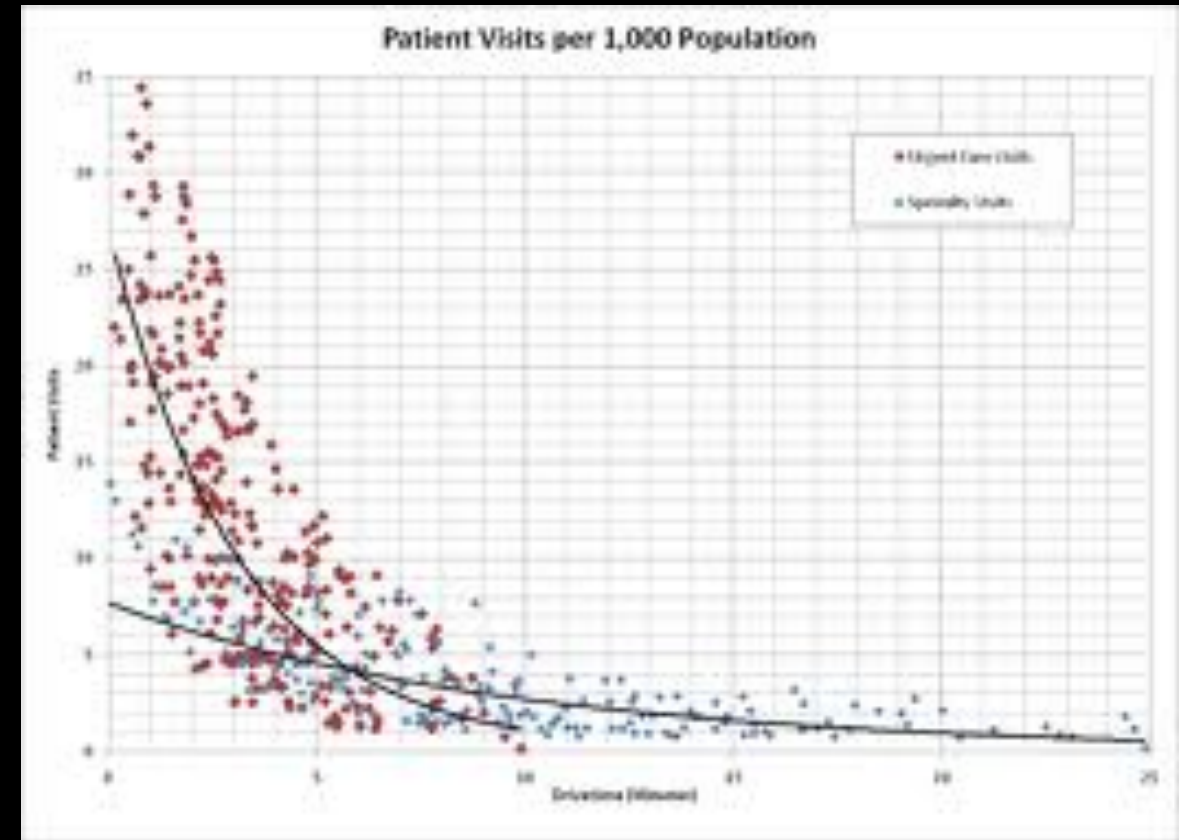
hyper vigilance:
to changes in operating environment
(needs, competitors, comparators, etc)

practical experimentation:
testing out the tangible evidence of what
might work better

**leading and
managing
the place**

the laws of geography

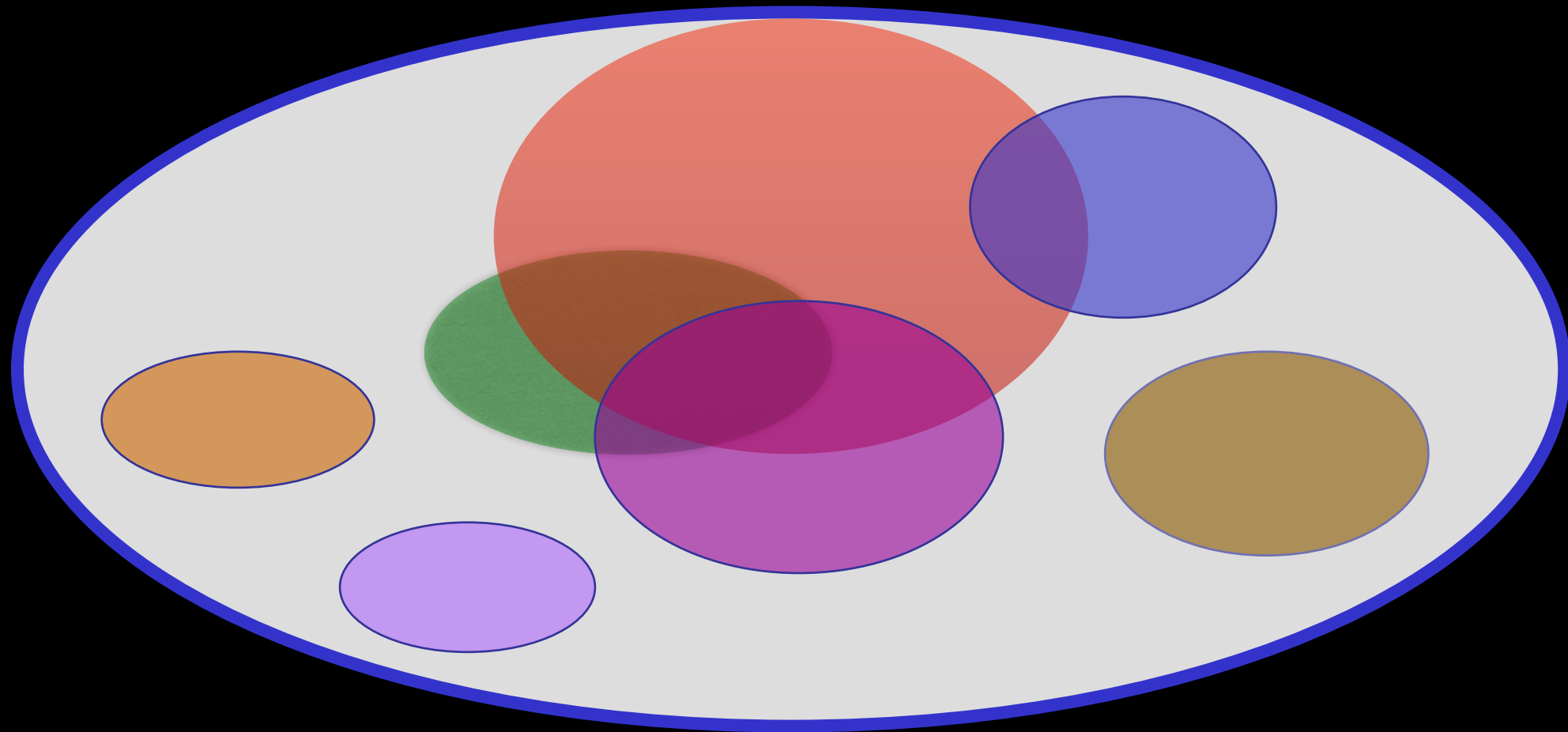
- distance-decay
- unevenness and irregularity
- uniqueness and uniformity
- centre-periphery
- comparative (dis)advantage
- intervening opportunity



Across public agencies locally

- **GAPS**: stress is on missed needs and improved effectiveness; can result in increasing overall costs
- **OVERLAPS**: stress is on duplicated effort, resources and improved efficiency; can result in lowering overall costs

gaps and overlaps can exist between policies, services, activities and service users



Local success requires
"magnets and glue"

Magnets attract talent, resource, investment
and attention

**Amplify the advantages gained through
existing clusters of farming and food
processing, as well as tourism**

**Be realistic but ambitious about the creation
of new clusters**

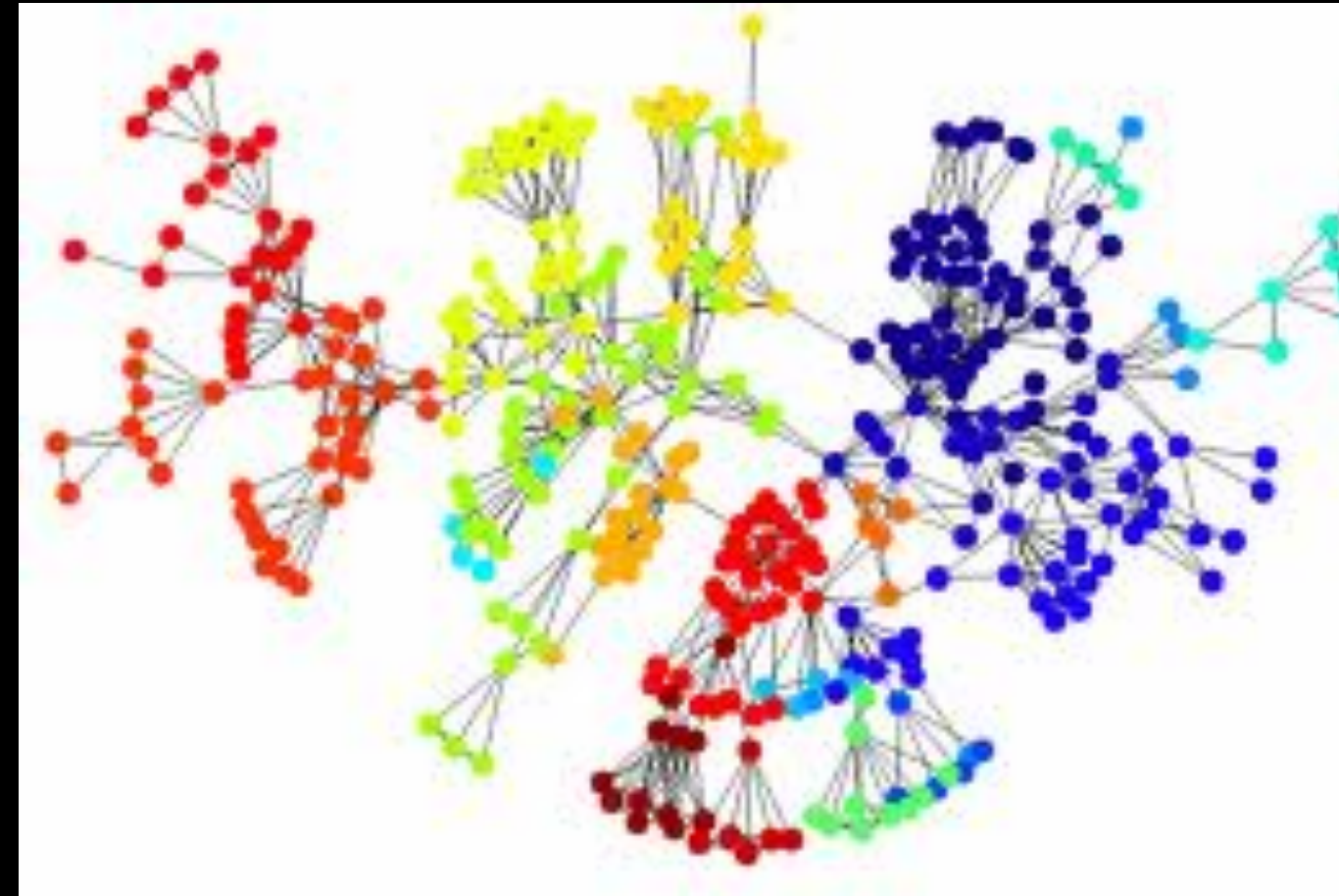
Glue helps the advantages stick locally

networks, connectivity and nodes



Connectivity within
and across social
groups creates
complex networks of
"distributed topology
with nodes"

Value of network is the square of the connections at the nodes



a "guiding coalition" for change

Effective political decision makers choose and decide; effective executive managers design strategy options and implement policy decisions

**What is
desirable?**

politics

**improved
LEGITIMACY**

**What is
feasible?**

management

**improved
COMPETENCE**



good luck