Becoming an Outcomes-Focused Organization

Is Accountability important for your organization?
Is Transparency expected by your Shareholders/Stakeholders/Community?
Is merging cultures or advancing collaboration amongst numerous parties crucial to your success?

If so, then developing an Outcomes Focus just might be the best approach to strategy thinking, planning, performance management and day-to-day leadership for your organization.

What Do We Mean by Outcomes?

Moving towards Outcomes by an organization, its employees, suppliers, and network partners can provide:

- Focus on <u>achieving impact</u> vs. <u>doing</u> things.
- External/Service frame of thinking vs. being only internally-driven
- Forward- and future- orientation vs. context of status quo or past
- Ongoing "so what" questioning for the customer/community you serve
- Added energy, enthusiasm and motivation for all involved

All too often, employees are found doing tasks mainly because "the boss" asked them to do so. Or, power politics and turf protection games drive actions that actually reduce effectiveness and/or confuse and disillusion the people of the enterprise. Or, we get caught up in the whirlwind of the day-to-day feeling overwhelmed with all the things coming at us! With clear outcomes in place however, executives and leaders can provide better context and meaning for all involved – and better answer the questions "why?"…

- Why are we doing this?
- Why is "this" our priority for today/this week?
- Why should I work across boundaries and make the effort to collaborate with others?

With clear outcomes, staff can also more easily take initiative, step-up and take responsibility for achieving impact, manage their time, and unleash their creativity. Outcomes combine:

1. Statements of commitment to achieving a future impact, along with
2. Specific and concrete measures of that success

Outcomes allow everyone to strive for and celebrate making a difference.

Top 10 Reasons Employees Come To Work Each Week

1. To Make a Difference/Contribution, sense of achievement
2. Work with interesting/friendly colleagues
3. An enjoyable work environment
4. Opportunity to learn, grow, receive training
5. Opportunity for promotion/advancement
6. Feel work is appreciated/respected by boss/mgr.
7. Earn a good wage
8. Opportunity for bonus
9. Vacation & other Perks
10. Retirement plan

[A compendium of several sources & many annual survey results]

Why Shift To an Outcomes Approach – from Your Existing Goals?
Imagine merging two companies. All involved start thinking about which culture will "win" over the other; which system(s) will provide the backbone to the new enterprise; and how will the new organization structure be decided.

Focusing on Outcomes, and how the new enterprise can best serve its clients – redefining success and consequences in an external, future-focused manner – allows for more objective decision-making and enhanced focus outward where it can be most productive. It will also encourage people to work across stovepipes and innovate together.

Imagine the devolution of responsibilities from a Federal/Central Government to Regional/Provincial/State Governments, and on to Local Governments. Again, an Outcomes approach may be the only way to navigate divergent interests and to keep the citizens and community benefit foremost in the process. Agreement on over-arching community results/achievement can better allow the different levels government to focus on what each can bring to the initiative - as well as what capacity-build might be requires for the next layer which the new powers & responsibilities are being devolved.

Imagine developing consensus amongst diverse professionals, artistic contributors, or mobilizing a network of otherwise disparate organizations to share knowledge, insight, expertise and perspective. Finding "common cause" and meaningful impact to galvanize the group into a team can be well achieved through the co-definition of Outcomes.

Outcomes also provide the basis for Transparency and Accountability. In fact, without Outcomes statements and measures, there is arguably NO possibility for achieving the Transparency and Accountability that so many organizations talk about today. The reason that Transparency and Accountability is so hard to achieve, is that so few organizations make the effort to put in place the statements of impact that they will publicly commit to, and also enunciate clear measures of such, upon which they can report their progress annually, quarterly, etc.

So, in a world of multi-jurisdictions, network organizations, continuously shifting expectations, and enhanced community requirements regarding dialogue and reporting; Outcomes can be the force that pulls us forward and together, stretches us to truly perform and achieve meaningful impact together.

What Does an Outcomes-Focused Organization Look Like?
First and Foremost, you take an Outside-In approach. You must shift the thinking and attitude external! It becomes about making a difference vs. just achieving "results" that you internally define.

In order to do this, almost everyone in the organization has to get out and talk with clients/community about the expectations they have for the enterprise's products, programs, and services. Better still; bring the clients, community and collaborators IN to the organization's planning processes, customer service training, and product/service design initiatives.

In a technical, scientific, creative, or even policy dominated organization; this can be a difficult change in the way people do things. Likely the professionals-turned leaders have been trained to be "experts" and rewarded/promoted for their own ideas. While this expertise is valuable, today's fast-paced rate of change requires bringing more diverse perspectives IN to the table. Otherwise cloistered internal experts can become insular, separated from the very people that are the organization's lifeblood, develop innovations that "miss the mark", and possibly develop a debilitating arrogance.

Outcomes focused organizations get the critical mass of the workforce thinking and acting Outside-In!

Second, in engaging multiple stakeholders, leaders must become *facilitators* rather than directors. Outcomes focused organizations have successfully developed facilitation expertise throughout the organization. These facilitation skills can then promote real dialogue, collaborative exploration, knowledge-sharing, and ultimately break-through innovations. Outcomes focused organizations embrace exploration of paradox, or different perspectives of an issue, pattern identification and re-combination of pattern elements into new ones. They also exemplify leadership of projects that invites contributions from and engagement of all the parties involved. This really IS a different way of thinking, asking questions and leading.

Third, focus on "dynamics". How are things changing around you? Where are we headed? What are the "values shifts" that are occurring in the communities we serve? How do we want to position ourselves to add/create value? What must we accomplish – by when?

Finally, Outcomes organizations are committed to accountability and measurement:
- ➢ measurement of achieving impact vs. churning out of pieces, events, copy, etc.
- ➢ measurement of advancement, progress, and change vs. the input of money, time, effort and resources.

This commitment to measurement moves Outcomes measures higher up in the strategic thinking/ planning process. No longer are we measuring whether we carried out the strategies or actions *we* decided were important to do. Instead, right up front, we engage multi-stakeholder input to the definition of measures of our long-term success – ones that we can advance against over time. These long-term measures then allow us to define/adjust our strategies & actions as conditions change or we become more wise; yet they act as beacons towards which we can work together to pursue and achieve.

Beyond Semantics – This is a Major Cultural & Leadership Shift!
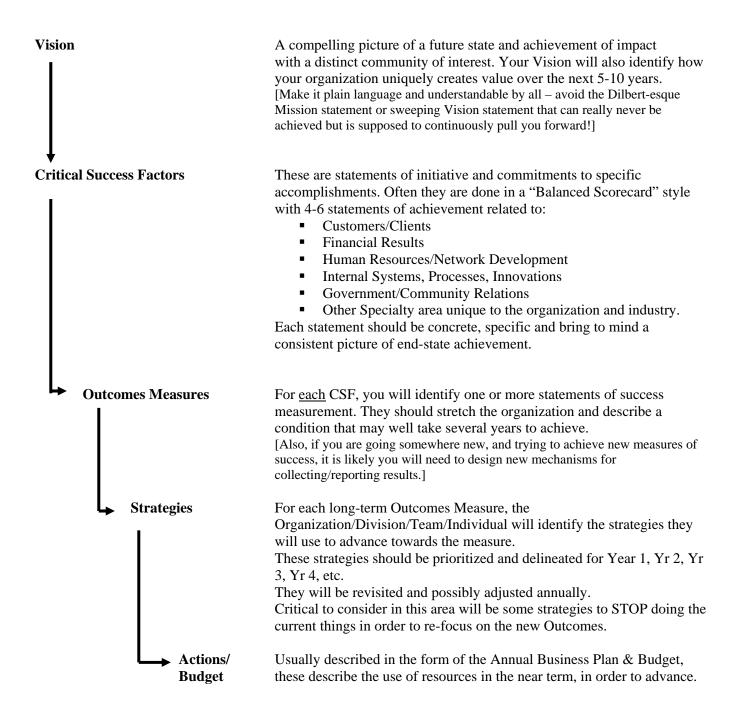When we are committed to achieving impact as opposed to doing things, we will think, act and work differently.

Even the most mundane of meetings will start with the question: "what are we trying to achieve here today?"

Decision-making will start and end with the thoughts: "How will the various elements and approaches of our solution advance us towards the positioning we want or the outcomes we are trying to deliver?"

Executive leaders will start and end staff meetings reinforcing the impact the organization/division is pursuing - or at least the component(s) to which the team is contributing. Executives themselves will get out and talk with clients, meet with community leaders and dedicate say 10 – 15% of their time to such activities. Also, they will make time for and encourage project teams or communities of practice working across traditional stove-pipes, time-zones or geographic areas to meet, dialogue, exchange knowledge/insight and learn together in their achievement efforts.

The Strategic Plan and Guideposts of the organization will also be structured (and possibly sequenced) differently.

Environmental/Network Scan   What are the dynamics around us that might impact upon us and provide opportunity to make a difference? What are the forces/flow elements that are affecting our clients, collaborators, competitors, regulatory environs – how are we connected and what do they mean to us and the impact we can make?

Vision

A compelling picture of a future state and achievement of impact with a distinct community of interest. Your Vision will also identify how your organization uniquely creates value over the next 5-10 years.
[Make it plain language and understandable by all – avoid the Dilbert-esque Mission statement or sweeping Vision statement that can really never be achieved but is supposed to continuously pull you forward!]

Critical Success Factors

These are statements of initiative and commitments to specific accomplishments. Often they are done in a "Balanced Scorecard" style with 4-6 statements of achievement related to:
- Customers/Clients
- Financial Results
- Human Resources/Network Development
- Internal Systems, Processes, Innovations
- Government/Community Relations
- Other Specialty area unique to the organization and industry.

Each statement should be concrete, specific and bring to mind a consistent picture of end-state achievement.

Outcomes Measures

For each CSF, you will identify one or more statements of success measurement. They should stretch the organization and describe a condition that may well take several years to achieve.
[Also, if you are going somewhere new, and trying to achieve new measures of success, it is likely you will need to design new mechanisms for collecting/reporting results.]

Strategies

For each long-term Outcomes Measure, the Organization/Division/Team/Individual will identify the strategies they will use to advance towards the measure.
These strategies should be prioritized and delineated for Year 1, Yr 2, Yr 3, Yr 4, etc.
They will be revisited and possibly adjusted annually.
Critical to consider in this area will be some strategies to STOP doing the current things in order to re-focus on the new Outcomes.

Actions/ Budget

Usually described in the form of the Annual Business Plan & Budget, these describe the use of resources in the near term, in order to advance.

Reporting will also change somewhat!

Reporting both internally and externally will not only show what has been achieved, but also describe the gap remaining between current achievement levels and the desired end-state impact. Along the way to success you will actually be reporting a 'gap' between current state and end-point. Of course, you will hopefully be reporting a closing of the gap, and advancement towards the Vision of impact!

Performance Management – Also a Focus on Achievement
Consistent with the above principles, the organization must also shift their approach to performance management.

At the start of each annual business cycle, executives & managers will meet with their people to review the Vision, Critical Success Factors, Outcomes Measures, and Strategies.

Starting at the top, the CEO will have all CSF and Outcomes Measures on his/her Performance Plan for the year.

These then spill down to each Divisional/Regional VP – most likely at this level every VP has a component of all 5-6 CSF's and Measures of Success, showing how their division/region will contribute to the overall Outcomes Measures.

As these spill-down further to the front-lines of the organization, each person should be aware of the organization's overall Vision for impact in the community and how they will contribute to the advancement towards the Vision in the coming year. At the front-line level, though an individual may only focus on one or two of the CSF's, they should know about all of them and how they contribute to/support others in their team or other parts of the organization to achieve advancement towards the Vision of Impact.

These Performance Plans ideally will be completed within a month of the start of the annual cycle and be reviewed Quarterly so there are <u>no surprises</u>, and adjustments may be made to their strategies/actions in order to deliver results.

At the end of the year, individuals, teams, divisions and the organization as a whole are then evaluated/rewarded based upon achievement and advancement vs. just doing things. This is very different to an Annual Appraisal without concrete criteria and many subjective assessment elements.

Thus, this approach to performance management is a critical component to implementing an Outcomes approach.

Becoming Outcomes Focused is Rigorous and Demanding
As you can see, taking an outcomes approach is a demanding leadership move. Ultimately however, it is the "right way" to move in today's high performance world.

Organizations that can't clearly enunciate how they create & deliver "value" to their clients and community, will having an increasingly difficult time surviving. Investors, tax-payers and customers are all expecting more frank and honest communication about how their funds are used by the organizations they support.

These demands for Transparency and Accountability can be best answered by executives transforming their enterprises into Outcomes-Focused organizations!

Exploring the Web!
This month, the connections below take you to sites with more perspectives, commentary and discussions of Outcomes and related elements.

http://www.osc.gov.on.ca/About/WhatWeDo/wwd_2004-2008_osc_business_strategy.jsp
The Ontario Securities Commission: An example of Transparency, Accountability & Outcomes Focus

http://www.lsegil.com/article.php?op=Print&sid=28&PHPSESSID=fece4641864414abc11a12eba59360e8
Alliances: How to Get Desired Outcomes

http://www.managementhelp.org/evaluatn/outcomes.htm
Basic Guide to Outcomes-Based Evaluation for Not-For-Profit Organizations

http://diac.cpsr.org/cgi-bin/diac02/pattern.cgi/public?pattern_id=733
Social Responsibility: Organizational Transparency & Accountability

http://www-1.ibm.com/services/us/imc/pdf/g510-3975-big-lie-transparency.pdf
IBM Brief: The Big Lie About Transparency – How to Implement Performance Management in Government Effectively.

http://www.dilbert.com/comics/dilbert/games/career/bin/ms.cgi
Dilbert's Random Mission Statement Generator!
Enjoy, but don't let your guiding statements look like these!

http://www.sec.gov/divisions/marketreg/contsummit.htm
USA Securities & Exchange Commission – Financial Industry Summit on Business Continuity

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