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**Planning and Managing for
Results Under Reengineering:
*Early Lessons From the Field***

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Planning and Managing for Results Under Reengineering: Early Lessons From the Field

In the first year of applying Agency reengineering systems, USAID Missions have developed promising and innovative approaches. Their experience, and the earlier experiences of the country experimental laboratories, is changing how USAID does business. Now, as we move into the second year of reengineering, Missions face new challenges and some uncertainties. Senior managers can help by being clear about AID/Washington's expectations; providing overt, visible support for innovation, risk-taking, and sharing of experience; and demonstrating USAID/Washington's own commitment to the core reengineering principles.

In June 1996, USAID's Program Policy and Coordination Bureau and Management Bureau sponsored three workshops, including one during the Center for Development Information and Evaluation Summer Seminar. These sessions reviewed preliminary Mission experience in applying the reengineering systems instituted Agencywide on October 1, 1995. They drew particularly on what CDIE staff and contractors heard when they worked with 29 Missions from all four geographic regions on applying reengineering principles to strategic planning and performance measurement.

Workshop discussions centered on two features of reengineering: working with teams, and working with customers and partners in implementing the four core values—customer focus, results orientation,

teamwork and participation, and empowerment and accountability. All three workshops were standing room only. More than 120 USAID professionals participated. Most wanted more discussion time. The high level of participation reflects the interest in USAID about experience with reengineering.

This paper summarizes some of the challenges and practical questions Missions face in making reengineering their way of doing business. It draws on field visits and the June 1996 discussions in suggesting issues to be resolved and priorities for senior management support and guidance. Most important, it underscores the serious efforts most of the Missions observed are making to implement reengineering and develop and apply innovative approaches. Further USAID support is needed to ensure that such innovation continues and is shared and that the Agency learns from and builds on experience.

A more detailed review and analysis of the Missions visited is in CDIE Working Paper No. 224, "Planning and Managing for Results with Teams, Customers, and Partners in the Reengineered USAID: Observations From the Field," PN-ABY-228, by Keith Brown, Patricia Vondal, and Larry Beyna, Management Systems International.

To date, most experience has been with planning. Few Missions have tackled the difficult task of working with teams,

customers, and partners in judging and achieving results. There are three major reasons why Mission implementation of reengineering—particularly teamwork and participation—is so challenging.

First, reengineering calls for significant changes and, in some cases, radical departures from traditional practices. Both teamwork and participation imply a fundamental redefinition of how USAID staff relate to each other and to groups outside the Mission. Missions need to form relatively long-term, cross-functional teams. Teams must share authority, decision-making, and accountability for planning, managing, and evaluating development programs. To involve customers and partners requires integrating non-Mission people in the process of developing, implementing, and evaluating program strategies.

Second, reengineering is a work in progress. Although the rewards are welcome, reengineering requires Missions to use scarce resources to define new processes and procedures when carrying out basic operations. Missions must reconcile worthwhile but competing principles, such as flexible implementation and performance-based contracting, or Mission accountability for achieving strategic objectives and greater reliance on partners for key intermediate results.

Third, reengineering has become a lightning rod for almost everything that is happening in the Agency, both good and bad. The latest budget issues, potential cuts, and staff reductions-in-force carry over into reengineering. Similarly, hope for a better Agency future is pinned to improved,

reengineered systems that empower USAID staff and strengthen collaboration with partners and customers.

Despite the challenges of implementing reengineering and the myriad constraints of this difficult period in USAID history, most Missions are making good-faith efforts to implement reengineering. Many are making remarkable progress. Missions are developing and trying out innovative approaches to applying the core values and maximizing the benefits. This is most apparent with teamwork and customer and partner participation.

Working with teams. Reengineering requires, at a minimum, that all Missions establish and use strategic objective teams to manage their development programs. In doing this, Missions have encountered five common challenges:

1) *Determining the most acceptable, effective ways to integrate strategic objective teams in Mission organizational structures.* The new directives require strategic objective teams to assume responsibilities held by technical offices. Missions that kept their technical offices are finding it hard to draw clear lines of authority and accountability between the two units. Where technical offices have been cut, some Missions find that strategic objective teams—as multidisciplinary, program-focused units—are not well suited to perform other technical office functions, such as personnel supervision and administrative reporting.

2) *Deciding how much and what types of authority should be delegated to strategic objective teams, and how Missions can empower team members.* Organizational

ambiguities, such as those with the technical office mentioned above, and Mission leadership ambivalence about program direction and implementation contribute to the complexity of this task. Some Missions find it hard to change from a traditional technical office director approach to less hierarchical leadership and a more learning-directed organization.

3) *Figuring out how to staff strategic objective teams, ensure that teams and senior management agree about team objectives, and ensure that teams function effectively.* Missions face many practical questions as they implement teamwork, from the selection of team members to effective team communication, to skills development for empowerment. Missions need help in resolving these issues and time to work them out.

4) *Determining the accountability of a Mission director for achieving shared objectives and results in a reengineered USAID.* Reengineering has heightened USAID's emphasis on achieving results and holding Missions accountable for them. It also requires Missions to include partners in developing and managing strategic objectives, and incorporate partners' results in results frameworks. That can lead to more ambitious objectives, creating tension over how challenging strategic objectives should be. Finally, individual team members are concerned about sharing accountability with teammates who have differing levels of competence or dedication.

5) *Finding ways to link related strategic objectives and strategic objective teams?* While reengineering encourages such links, for instance in developing results

frameworks and achieving results through results packages, ensuring those links without overburdening strategic objective teams remains a challenge.

Working with partners and customers.

Under reengineering Missions must include, more than ever, customers and partners in planning, achieving results, and monitoring and evaluating their programs. This presents program and logistical challenges as well as opportunities to test strategies and strengthen collaboration. Among the issues Missions grapple with:

1) *How should Missions systematically include customers' perspectives in strategic objective team deliberations?* Language, cost, and time constraints can make it hard for customers and Mission staff to do strategic planning together. Missions have tried to incorporate customer perspectives by having customer-oriented nongovernmental organizations on teams, or, more commonly, drawing from customer surveys.

2) *When and how should Missions include their partners in strategic planning?* Since strategic objective teamwork is new for most Missions, many are reluctant to include partners until they have set their own priorities and parameters. Some are concerned about how to include contractor and grantee partners in planning without creating conflicts of interest for future stages of implementation. Several small Missions that brought partners fully into the planning process from the beginning, however, report very positive gains.

3) *What is the right mix of partners to include in strategic objective team activities and how can Missions ensure their*

effective participation? Partner participation is new and early results are mixed. Some Missions report overwhelmingly positive, useful participation; others have difficulty getting partners to participate. There are risks both in including too few partners—only those implementing programs, for example—or including so many that working teams are too large to be effective.

How Senior Managers Can Help

Reengineering entails a comprehensive, dramatic organizational change for USAID. To sustain it, senior managers should clearly communicate their reengineering vision and expectations to Missions, other operating units, and offices.

This should go beyond the issuance of directives. Missions need tangible senior support for their initiatives; risk-taking and testing of new approaches and systems; and learning from experience, including sharing what isn't working so well. Field reviews and Agency discussions suggest that senior management help is particularly important in the following five areas.

1) *Communicate clearly expectations about teamwork and customer and partner participation. Where possible link these expectations to available resources.* What is senior management's vision of how teamwork can help Missions move beyond planning to achieving results? How should virtual teamwork function? How can these expectations be met with current staff and travel and other operating expense (OE) resources?

2) *Provide further guidance or help in resolving important reengineering*

implementation issues. What are the opportunities and limits in engaging potential contractors and grantees as partners in the strategic planning process? What guidance can senior managers offer Missions on organizational structures? How can organizational and personnel reward structures be adjusted to reinforce teamwork and participation?

3) *Provide tangible support for the Missions' reengineering effort to help ensure reengineering's success.* Missions need help developing teamwork skills of staff and partners. They need resources to work with their customers and partners. It is important for Missions to share experience and help each other directly. This can be done by disseminating successful practices and solutions electronically, providing opportunities to share reengineering experience at workshops and conferences and supporting direct Mission-to-Mission assistance.

4) *Demonstrate commitment to reengineering.* AID/Washington needs to show visible signs of change, for example, by reengineering its own administrative processes, consulting with Missions as its customers and partners, collaborating with other AID/Washington offices as teammates, and working with Missions as virtual team members.

5) *Strive to improve reengineering's new processes and policies and to protect Mission flexibility and empowerment.* USAID should periodically review new directives for clarity, fairness, feasibility, and contribution to the results sought under reengineering. Missions need assurance that reengineering is a process of continuous improvement, where shortcomings in policy

and directives are acknowledged and corrected and where AID/W joins in and supports the learning process.