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Country Experimental Laboratories:
One Year Later

by

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Executive Summary

Bolder, more innovative approaches, renewed creativity, higher morale, and widespread enthusiasm are some of the benefits country experimental labs have experienced in their year of experimenting with reengineering. The ten labs have hit some bumps in the road, but for the most part, have found that managing for results, adopting a customer focus, promoting participation and teamwork, and working toward empowerment and accountability can make a positive difference in USAID's effectiveness.

Some observations CELs made in their reports give the flavor of the pioneering work they are undertaking.

"Once begun, you never know where the process will lead you. You just have to live it and breathe it one day at a time." USAID Mali

"Teams can't be declared. They need to be cultivated. At first they even need to be nurtured." USAID Niger

"Reengineering and strategic planning are not static; methods employed to plan and reengineer will continue to change." USAID Mali

"We believe dramatic results are possible if one is willing to invest the time and effort required. Each Mission must work out the reengineering transformation for itself and at its own pace."

USAID Dominican Republic

Among the lessons learned on the frontier of reengineering:

- With a shared vision and shared values, teams will make better decisions
- A customer focus inspires staff and grounds Mission strategies in reality

- Involving customers from the outset, when needs are detected and problems identified, is essential for sustainable development
- Full participation of partners in design and planning improves the quality of the end product
- Teamwork increases staff empowerment
- Morale of the Mission as a whole, and foreign service nationals in particular, increases as authority and responsibility are delegated
- Investing time to develop work plans and objectives for each employee that relate to the strategic framework pay large dividends in performance
- Sustained emphasis on staff development is key to reengineering
- Planning and design can be reengineered within existing policies and regulations.
- The fact USAID/Washington hasn't yet been reengineered and key players in the external environment (embassies and Congress) don't endorse those values hinders CELs' progress

COUNTRY EXPERIMENTAL LABORATORIES: ONE YEAR LATER

Introduction

Change is a given. Though disruptive, change is inevitable and necessary if individuals, operating units, and organizations are to evolve or progress. To avoid it is to remain static or even deteriorate. In establishing core values and reengineering operational systems, the USAID is addressing a need to examine its old ways of doing business, get better results, and play a role in reinventing government. USAID's Country Experimental Laboratories (CELs) in 10 Missions overseas chose to meet this challenge head on by experimenting with reengineered systems beginning in October 1994, a year before full implementation throughout the Agency began in October 1995. The rest of the Agency can benefit from the experience of the CELs, (in Bangladesh, Dominican Republic, Guatemala, Jamaica, Madagascar, Mali, Niger, the Philippines, Poland, and Senegal) synthesized here.

After months of planning and start-up activities, discussed in CDIE Working Paper No. 207, *Interim Report: Country Experimental Labs, The First Six Months*, the CELs spent six to nine months implementing core values. The results to date invite the rest of the Agency to take a hard look at the possibilities. The CELs have shown what can be done and where we can go if we are open to change and take the initiative. CEL staff report revitalization and increased enthusiasm for the work they do. Inculcation of the core values has begun to influence USAID's management practices and those of our partners and counterparts.

This report picks up where the first report ended (March 1995), synthesizing experiences and lessons learned as reported by CELs from April to December 1995. The CELs are to be commended for their forthright, honest reporting,

which revealed not only the successes but the bumps along the way.

Findings

Core Values

CELs were energized by implementing and practicing the core values, though new approaches involved longer work hours and increased levels of effort for many. The Bangladesh CEL reported an increased sense of professional satisfaction.

USAID Mali said, "The unleashing of this amazing participation, and the creativity that it spawned, has transformed us...As momentum and ownership built, people stopped worrying about the long hours."

USAID Jamaica reported, "We have built a cohesive team that is no longer skeptical about a results-oriented, customer-driven development program."

USAID Niger is extremely proud of its lab's progress; it took enormous effort, but, the Mission said, "We have been seeing concrete and positive results, which convince us that it is a worthwhile endeavor."

USAID Mali reported concerted efforts to develop structures that reinforce the core values. For example, the CEL worked to create interrelated strategic objectives (SOs), making SO teams interdependent in achieving planned results. In this way, the Mission ensures routine communication and coordination among SO teams.

"Simply memorizing and talking about them, despite how deeply they are held, will not guarantee that the core values will drive the operations of the Mission," the Mission wrote.

Though transformation required added effort, some CELs expect to return to more normal work hours once the new values are integrated into daily operations. The CEL in the Dominican Republic, where the Mission as a whole took on reengineering, reported that many were frustrated the CEL had not gone faster and further.

"Complexity of refocusing our SO framework, organizing effective SO teams, and ensuring widespread buy-in and participation has resulted in a much more time-consuming process than originally anticipated," the Mission reported.

The CEL also reported, "We believe dramatic results are possible if one is willing to invest the time and effort required. Each Mission must work out the reengineering transformation for itself and at its own pace."

USAID Niger's Mission director noted, "Some of the reengineered systems will lead to gains in efficiency (clearances, delegations of authority, automation), but others will be less efficient (strategic planning, decision-making, etc.)."

USAID Madagascar's CEL experience showed that the core values can be taken outside the Agency. When the Mission director presented the core values and their implications for Mission operations at meetings with two government ministers and the Central Bank governor, the officials immediately showed interest in introducing the values into their organizations and including other donors in the discussion.

Though CELs are optimistic, the jury is still out, according to USAID Niger's Mission director, as to whether incorporating core values will increase efficiencies or effectiveness.

Managing for Results

Vision and Values. Several CELs reported the importance of developing a shared vision and values. A clearly written vision and values statement gives staff a shared commitment to their goals and the way they want to achieve them. The statement must be based on shared values, not just intellectual agreement.

USAID Dominican Republic, in particular, paid close attention to establishing a shared vision and values among all staff. The CEL reported, "A broad vetting of draft vision and values statements encouraged participation and buy-in and a clear understanding of the Mission's program direction. This, in turn, has been used regularly as a weather vane for our strategic framework review and related decisions on program focus." The CEL also developed 14 working principles to guide its work processes.

After much deliberation by USAID Mali staff, a statement capturing their commitment was proposed by a foreign service national in the management office. The Mission director said, "I cannot tell you how powerful this vision is in our Mission and how it directs and motivates staff."

In the Madagascar Mission actions and decisions are judged against its vision and the values explicit in it.

Leadership. The CELs reported less on leadership in the second six months of the experimental period than in the first, perhaps indicating the importance of leadership in the initial stages of charting a new course. What continues to be evident is that committed leadership is essential at many levels.

LAB VISIONS AND VALUES

Dominican Republic

- Vision: "In a collaborative style, USAID stimulates critical change to ensure equitable access by all Dominicans to basic social services and gainful employment within a free and just society." (This was translated into Spanish as well as English)
- Values: "Let's go for the whole bag of marbles; Use your best judgment; Manage for results; Practice good communication."

Mali

- Vision: "More Mali, less aid."
- Goal: "Mali achieves a level of sustainable economic, political, and social development that eliminates the need for concessional foreign assistance."

Madagascar

- Vision: "USAID Madagascar is dedicated to enabling the Malagasy people to improve the quality of their lives. We constantly strive for excellence in performance. We utilize teamwork, cooperation, and empowerment. Our approach is flexible, creative, and responds to the needs of our customers."

High-level support for reengineering is necessary, according to USAID Mali. It is critical, the CEL reported, for the Mission's chief operating officer, the deputy director, to ensure that office supervisors understand reengineering is the priority and generally must come *before* the daily demands of regular work. Working group leaders are key actors, the CEL noted.

"The success of each working group in fulfilling its mandate has been largely determined by the motivation and leadership ability of the two co-leaders in each group. These leaders must commit the time and intellectual energy necessary to ensure that their group produces high quality work. They must also place the interests of the Mission above their own interest in maintaining staff, funding levels, and supervisory responsibilities of their particular technical division."

The Mali CEL found that implementing the core values prompted leadership to emerge from throughout the Mission.

USAID Philippines opined that good coaches cannot be *made*. "The strong interpersonal skills and self-confidence that are key characteristics of a good coach ... don't come naturally to all of us. But thankfully every team seems to have one person with these skills."

In USAID Dominican Republic, the team leader's role was negotiated and defined within each team by its leader and members, during a team-building workshop. The Mission director closed the exercise by stating:

"We think you are a good choice for the role of team leader; however, we want to be clear. You will be expected to carry out this role as your team has described it. We see it as a contract between you and your team, and we in the front office will hold you accountable for fulfilling the job as it has been described. If you would rather not

take the assignment for any reason, that is okay. But if you do accept, you are accepting it as defined."

Teams agreed to turn the definition of each team leader's role into a contract between the leader and team members. At the same workshop, Mission leaders and staff together clarified the role of the front office:

- Provide clear understanding of the Mission's strategic and political context
- Establish vision and direction
- Empower strategic objective (SO) teams to make decisions
- Facilitate conflict resolution among SO teams if necessary
- Maintain open communication
- Provide direct and honest feedback
- Create a learning organization by forgiving mistakes as the Mission learns new ways of operating

For further information on how USAID Dominican Republic initiated team building, a brief description is available in CDIE Reengineering Best Practices Series No. 2, *Building Teamwork in USAID's Dominican Republic Mission*, 1996.

Structure. Niger and Mali CELs reported flatter structures as a result of reengineering. Each of eight working groups at a Niger Mission retreat presented a proposal for reorganizing the Mission. A task force studied the proposals and recommended to the Mission director a flattened, two-level reorganization. The office of the director now contains the director, special assistant, results coordinator (deputy director), and support staff. Nine other offices and teams make up the second level of the Mission. Three cross-cutting themes (food security, education and training, and democracy) were elevated to office status, with representatives of each assigned to SO teams. The support offices remain independent; however, some financial management staff have been assigned to SO teams and physically relocated to

sit with their teams. The Mission also created a Results Coordination Unit.

USAID Niger staff say they now have a better idea of what is going on in the rest of the program because representatives from each office and team either serve on or attend meetings of other teams. On the down side, the Mission reported staff are still too wrapped up in the old system. As a result, instead of making the transition to the reengineered system, the Mission is actually running two parallel systems. They believe that when new management systems and software are in place and the old system's paperwork no longer needs to be done, this problem will be eliminated.

USAID Mali eliminated four offices and four divisions by reorganizing. The team operations working group proposed a 12 percent reduction in staff. The steering committee proposed a short list of team leader candidates to the director. Selected by the director, team leaders developed their own team organization chart. The Mission then conducted open bidding on all team positions. Team leaders selected their own team members.

To keep staff concentrating on results when everyone "has a boatload of nitty-gritty work to do," USAID Mali created a Maximum Results Center, which staff dubbed the Max Center. Its primary activity is stimulating and guiding the Mission toward results through constant study and dissemination of material about the program. Its function is similar to research and development. By examining and refining the Mission's work, the center will provide continual feedback on reengineering and program results. The goal of the center, with its four-person staff, is to make the Mission a continuous learning organization.

In contrast to CELs in the Dominican Republic, Jamaica, Mali, Niger, and Senegal, USAID Madagascar and Philippines retained an office structure alongside a team structure. The

Philippine CEL said it decided on the parallel structure "...for administrative reasons and to give employees a sense of security in these unsettled times." In that CEL, the team structure is informal; it doesn't show up on the organizational chart. Though the parallel structure has caused some confusion, the Mission believes it gives staff more flexibility to adjust team structures (no paperwork or approvals required from USAID/W) as they learn more about teams and their behavior. The parallel system does require increased coordination between technical offices and SO teams. Though the SO teams are informal, they are driving day-to-day development activities.

Strategic objective, results package (RP), and cross-cutting teams are official (formal) in the Madagascar CEL *and* the original office structure remains in place. However, authority is being delegated to the strategic objective and results package teams, not the offices.

Before reengineering, USAID's systems were over-detailed and highly directive, USAID Philippines states. While several sub-systems still are, most new systems, plus the more decentralized structure, call for greater reliance on professional judgment. The CEL's own new team structure requires more fluid, less structured job descriptions. The CEL report says both managers and staff must continue to adapt to a less structured, more independent work environment.

Process Management. Reengineering is a continuous process, the Jamaica CEL has found, that needs to be well-defined and paced according to the Mission's capacity to absorb changes. The Mission has gone through a year of streamlining operations and changing the management style and work force culture. The Mission accomplished this in several phases.

The Mission also found enthusiasm for reengineering was cyclical. "It always reached a peak when staff moved from 'theorizing' and just

discussing new systems to actually putting the reengineering into practice."

Introducing elements of fun and creativity, such as a reengineering logo contest, kept staff interest and spirits high. It was also important to keep staff informed about the progress of reengineering activities via newsletters, videos, and briefings to sustain momentum and increase understanding. The Mission found it necessary to establish a strong internal structure, a cohesive team, and a participatory environment for change before developing a customer service plan and involving customers.

USAID Mali took a different approach. "Dealing with the whole puzzle at once (management, contracting, financial management, personnel) rather than limited, separate pieces at different times has turned out to have results, because structure and functioning of the Mission are inextricably linked to the nature of the development program."

USAID Mali recommends using facilitators. "The process was made up of so many meetings that facilitation training was important ... [it] really affected the ability to do quality work." Both USAID Niger and USAID Jamaica hired reengineering coordinators to facilitate the change. The Niger CEL report contends that to reengineer a Mission, a full-time manager is required to oversee and nudge the process along. In USAID Jamaica, the coordinator was part-time. She noted that, because of her role, staff were less burdened with the logistics, coordination, team building, paperwork, and reporting that reengineering required. The coordinator ensured continued progress and informed staff, USAID/W, and other CELs of progress.

Phases of Reengineering in USAID Jamaica

I. The First Pioneers:	Phase I teams (customer service, procurement reform, and team management) October 1994-June 1995
II. Changing Paradigms:	Participatory workshops to discuss strategic planning, team management, and design of the customer service plan
III. Building Cohesion:	Conflict resolution sessions
IV. Empowering FSNs:	Training of trainers
V. Revitalize & Refocus:	Phase II teams (team management, automated systems, staff training, and customer service) June-October 1995
VI. Moving to SO Teams:	October 1995 to present

Some CELs put considerable attention, time, and other resources into developing a working environment consistent with their newly identified values. USAID Dominican Republic, for instance, implemented reengineering in a fashion that values healthy disagreement, trust, and teamwork. To accomplish this, the CEL conducted workshops on topics such as team building and conflict resolution. The command-and-control management style before reengineering was replaced by a shared vision of teamwork, open communication, creativity, and initiative, it reported.

SO teams and support offices showed great diversity in management and operational style, USAID Philippines reported. "This diversity reflects the growing operational independence and delegation of authority to our teams and the need for each team or office to operate in a manner best suited to its own strengths and structure. The Mission must nurture systems that facilitate and encourage good inter-office/team relations."

"Of course, once begun," the director of USAID Mali reported, "you never know where

the process will lead you. You just have to live it and breathe it one day at a time."

Information Systems. Though relatively little was reported on information systems, what was reported indicates its importance for reengineering and improved management practices. Upgraded information management, for example, is greatly increasing the ability of USAID Niger to do more with less.

In the Philippines, improved communication was considered crucial for assuring the success of the team structure. "Information must flow freely and frequently putting in place additional structures and technologies that permit effective information flow is critical to the success of our program." Using Lotus Notes and the assistance of IRM/W, the Mission created five databases. In addition, to increase communication about reengineering within the Mission, USAID Philippines is issuing numbered reengineering notices via e-mail to all staff.

LOTUS NOTES DATABASES CREATED BY USAID PHILIPPINES

- A personnel directory to keep track of team composition by names and positions
- A strategic objective (SO) and results package (RP) profile, which includes the SO statement, indicators, obligated amounts, and a list of partners for the SO and RP teams
- A team documents library—a repository for all design documents and supplementary analyses and correspondence
- The team "dialog," where interaction between team members is sorted by activities included in the team's work plan
- Design documents that allow SO team members to quickly search for key design information

Staff Development. CEL reports included substantial information about human resource concerns. Many CELs specifically addressed FSN concerns, and recognition and awards tied to reengineering.

The key to reengineering is not new operating systems but an emphasis on staff development, USAID Dominican Republic stressed. The Agency frequently neglects to invest properly in human resources, the Mission noted.

"We are a success because we put priority on working with staff on reengineering."

As a result the Mission has had no problem recruiting for vacancies. USAID Dominican Republic formed an Employee Development Committee and charged it with 1) providing quality control of employees' objectives and work plans at the beginning of the rating period and thorough evaluation narratives at the end of the cycle, 2) integrating performance evaluation, training, and awards in a transparent process, and 3) encouraging supervisors and employees at all levels to serve as mentors and attend career development sessions. The committee established

uniform annual performance review cycles for foreign service nationals to facilitate more open, transparent decisions on evaluation, training, and awards. The committee also now requires work objectives and work plans for all FSN and U.S. Personal Service Contract (USPSC) employees. USPSCs are also now eligible for cash awards.

To strengthen evaluation, the employee development committee conducted a facilitated one-day training on giving and receiving feedback, and reviewing and improving employee performance objectives and work plans. The committee noted that investing needed time to develop specific objectives and work plans for each employee, and relating them to the strategic framework was beginning to pay large dividends. The committee also developed a consolidated annual Mission Training Plan, which prioritizes all training requests on the basis of the needs of the Mission and professional development of individual employees.

In his book, *Managing Transitions, Making the Most of Change*, William Bridges says stepping back and allowing the process to evolve (rather than controlling it) allows new insights and approaches to emerge out of the perceived confusion or chaos of change. This is the time when the most creative and innovative ideas and solutions surface in the work place.

Extensive training is key to moving forward with reengineering, according to USAID Niger. The Mission identified teamwork training for all employees as critical to the success of reengineering. The Mission noted a real change in employees' mentality as reengineering ideology sank in and staff worked past the new terminology and began to apply concepts. However, to apply the new concepts, staff had to learn new skills.

"The skills mix for USAID employees has changed. Local language, ability to work in a team, cross-cultural skills, etc....need to be reinforced and developed." Not surprisingly, employees were finding their "new" jobs were not matching old job descriptions or scopes-of-work.

FSN contributions become more essential as the Agency struggles to incorporate participation into its operating environment, in the opinion of the USAID Niger Mission director. FSNs are central to achieving program sustainability necessary for graduation to the next phase of U.S.–host country relationships. Mission morale also increases in direct relationship to the increase in FSN delegations of authority and responsibility, he noted.

In USAID Madagascar, FSNs have been assigned important roles on strategic objective and results package teams, including as RP team leaders. The Mission contract officer has assigned PSCs and FSNs as contracting officer technical representatives (COTR) for contracts and grant officer technical representatives (GOTR) for grants. They now have the authority, delegated by the contracting officer, to approve international travel, short-term and long-term experts, annual

work plans, and other deliverables designated in contracts.

USAID Dominican Republic raised several still-to-be-resolved issues. The CEL noted a need for an FSN career path to encourage longer term employee development; a need to develop clear definitions of FSN roles and responsibilities on SO and RP teams, including delegation of authority; and a need to develop compensation packages commensurate with expanded levels of authority asked of FSNs, especially those in senior positions.

CELs generated many ideas in the area of employee awards, recognizing that creative and productive work deserves acknowledgment. For reengineering to be successful, employee incentives must be tied to reengineering.

Planning, Design, and Implementation. As part of its experiment, the USAID Bangladesh CEL reexamined and redesigned the Agency's program strategic planning and design process, and used its redesign in developing its democracy program.

Over a five and a half month period the CEL's Democracy team (known as the "D" team) conducted an appraisal of its customers' democracy needs, issued a request for applications, competitively selected its partners, and developed a results framework (including a strategic objective, program outcomes, and indicators). The team prepared activities packages for each program outcome, a monitoring and assessment plan, a customer service plan, and operating principles for the partnership. The pace of work was rapid and could be sustained only through effective teamwork, including use of sub-teams formed to address particular problems.

EMPLOYEE AWARD IDEAS

Dominican Republic: "Bag of Marbles Award" to honor outstanding contributions to the Mission's reengineering efforts.

Mali: "Out of the Box" award for the most creative ideas and suggestions. Also declared mental health reengineering-free days.

Philippines: "Glitch" award for finding a new solution to an old problem.

Director's award for the strategic objective (SO) or Results Package (RP) team that achieves the greatest results for the year.

Deputy Director's award goes to the team whose work over the prior year best exemplifies teamwork.

"The rapid design turn around time resulted in occasional and temporary burn-outs by team members and possibly insufficient time for the team to consult with outside experts," the CEL reported. "However, these problems were certainly minor and proceeding at a slightly slower pace in the future should eliminate them altogether."

Other aspects of the Bangladesh experience worth noting:

- All members of the design team acknowledged the supportive role played by Mission management in fostering a supportive environment that enabled members to operate as an empowered team and complete the task in the stipulated time
- By the end of the experiment, skills previously considered critical to good design were supplanted by abilities such as teamwork, rapid appraisal, customer environment, and a knowledge of strategic planning processes
- Coordination groups to work on specialized design topics proved useful
- Frequent meetings should continue between stakeholders and between USAID

and the recipient organizations to promote coordination and keep all involved in the design process.

- Recipients should be defined as partners, using a design and implementation mechanism
- The alternative design approach enabled 40 people to participate directly in the design process
- The experimental approach boosted staff morale

Two lessons from the Bangladesh experiment merit emphasis. First, the CEL accomplished all it wanted to achieve *within the framework* of existing policies and regulations. No special waivers or authorities were needed. What changed were behaviors. Second, *after* the Mission completed its customer needs and interests assessment, it put out a request for award (RFA) to potential partners. The Mission selected two partners (recipient and sub-recipient) for planning, designing, and implementing their democracy program. Because the competition to select a partner was conducted before strategic planning, the competition among partners, which another CEL experienced, was avoided.

USAID Madagascar advises Missions that have already developed strategic objectives to consider using the reinvention exercise to reexamine strategic assumptions and results frameworks for selected SOs. USAID Madagascar reexamined the results linkages for its environmental objective before moving to a strategic objective agreement. Workshops with counterparts, contractors, and grantees introduced participants to reengineering and core values, then facilitated an iterative thinking process focussed on results. In the economic growth sector, the more participatory process of developing results frameworks for SOs with partners and customer representatives led the Mission to cancel two planned projects in FY 1995. To get sustainable results, USAID may have to do less better.

USAID Mali found that moving too fast does not produce better results; not all working groups progress at the same speed. To proceed through its strategic planning process, the CEL conducted four two- or three-day retreats. One retreat was also designed to increase the lagging commitment and morale of staff. At the fourth retreat, staff shared strategic plan drafts with Sahelian partners. As a result, staff and partners lowered their expectations to more realistic, attainable objectives. The CEL also presented the strategic plan to directors of major private voluntary organization partners, who became enthusiastic and wanted to be members of SO teams, as well as the in-the-field implementers. PVO partners were less concerned about higher level goals and objectives in the plan than about actual activities, the CEL noted. This CEL concluded that reengineering and strategic planning are not static and that methods employed to plan and reengineer will continue to change.

USAID Niger improved its strategic plan by incorporating USAID's four core values into planning. The Mission first used a "PRISM (Program Performance Information for Strategic Management)" exercise to identify the essence of the SOs.

SO review meetings were a very useful tool in designing and reviewing the strategic plan, the CEL reported. The meetings encouraged a broad range of Mission personnel to evaluate and critique SO proposals, and ensured all interested parties had an opportunity to voice their opinions and see to it their issues were addressed.

USAID Niger found that having a program goal and subgoals clouded the picture. The emphasis needed to be squarely on the SOs. The Mission replaced a goal statement with a summary of its sustainable development vision, which provided an overview of how the SOs were linked to helping Niger achieve sustainable development. The staff found they had a tendency to overload the results framework with details that belong elsewhere in the plan. For instance, they tended to include items related to implementation issues, such as approaches, purpose, tactics, and tools. They suggested creating standard guidelines for what should be incorporated into the framework and what should stand separately.

SO teams and cross-cutting offices in particular found it difficult to make all existing projects fit neatly under the SO framework, or relate some of their ongoing activities, including regional projects, to results. Until some of these activities are removed from their workload, these groups think they will have a hard time linking all their work responsibilities to measurable results.

Other players, including stakeholders, affect reengineering, for better or for worse. USAID Niger was dismayed to find that USAID/W's program review process, when reviewing the Mission's strategic plan, had not been reengineered. Also the Mission found it difficult to develop a strategy incorporating the core values when a stakeholder—especially a principle player such as the embassy—is not operating from the same values and management concepts. Because it is critical to keep the embassy involved, the CEL recommends that USAID/W provide stronger involvement and support for reengineering in a dialog with State.

More needs to be done by the Agency to create a supportive external environment.

USAID Philippines garnered a lot of experience with SO agreements (SOAg). The most fundamental change the CEL achieved was the commitment of two governments to a statement of specific results, indicators, targets, and benchmarks. Both governments realized their respective constituencies actually expected the results to be achieved. A summary of the CEL's experience and advice in SO agreement preparation is in Appendix A.

Customer Focus

CELs took different approaches to the customer focus core value. Some dove in and addressed it at the beginning; others held back until they had completed some internal reengineering. USAID Jamaica staff felt strongly they could not serve outside customers under the Agency's new core values until they improved their own team management and internal customer service. One of the CELs first teams was a Customer Service team. It collaborated with the Team Management team in developing two codes of conduct. One establishes principles of conduct among Mission staff to improve internal customer relations. The other addresses staff conduct in their interactions with customers. The Mission followed this with a customer service plan (CSP) that lays out the primary principles and standards for customer service.

The Jamaica CEL considers the customer service plan the beginning of a conscious effort to involve customers and partners in all aspects of the development program.

"Customer surveys, site visits, consultative sessions, and including customer/partner representatives as extended members of SO teams are essential to receiving systematic feedback from the people we intend to serve," the CEL reported.

The Jamaica CEL enhanced customer focus by developing a customer needs assessment survey and free trade survey, designing customer service plans by SO, and holding luncheon seminars with key partners, stakeholders, and customers. At the seminars, the CEL solicited participation in developing a new five-year strategic plan and began to develop donor coordination by sharing customer survey findings and participatory methods for understanding needs and priorities of customers.

USAID Madagascar created a customer service plan working group composed mainly of FSNs from staff and technical offices. The outcome was a plan that has ownership across the Mission, and empowerment of FSNs not normally involved in program activities.

The CELs took varied approaches to obtain customer feedback. A few heard from customers directly by inviting them to meetings. When USAID Niger asked customers to tell the Mission what they thought of the USAID program, they "came *en masse* and told us what they needed."

The feedback may not always be what one wants to hear. USAID Mali customers told the Mission it was insular, arrogant, and a bureaucratic hardship.

Other CELs conducted surveys or charged others to conduct surveys for them to ascertain customer needs and interests. NGO and Government of Guatemala partners conducted a client needs survey for USAID Guatemala. In the Dominican Republic, Mission partners conducted an extensive survey of PVO-NGO subgrant recipients. A local consulting firm carried out the Jamaica CEL's first customer needs survey, bringing together social science and market research skills. The CEL's Office of Private Enterprise sponsored a free trade survey of the Jamaican business and legal communities and government officials. An American consultant conducted that survey.

FOREIGN SERVICE NATIONALS

"FSNs potential for contribution to the substance of our work has not been reached. In order to take advantage of the opportunity to obtain better program results by using FSNs, we need to improve the wage package, invest in their training, and increase their delegations of authority and responsibility. The transition will be long, but the final result will be a more efficient organization producing a better product." -USAID Niger Mission Director

USAID Madagascar, in an effort to increase customer participation, organized a workshop on participation and empowerment and invited rural development partners and community representatives. Customers identified the divergence between the objectives, logic, and time frames of the project and those of the communities in which they worked. This difference was a major obstacle to program implementation. To address this, each participant developed an action plan to increase community empowerment in their respective projects. Participants then based their expectations for the projects on communities' needs. This meant projects needed to be more flexible.

USAID Bangladesh took a different approach to customer focus. The democracy team undertook two rapid appraisals of customer needs: one before embarking on strategic planning and the other just before completing it. The team thought its design should begin with customers' assessments of their relationship with democratic institutions and practices of Bangladesh. The first appraisal defined the broad program direction the team expected to take and provided the basis for selecting two partners (recipient and subrecipient).

The purpose of the second appraisal was to validate the preliminary results framework for the program and ensure that intended customers consider the five suggested program outcomes of practical value. The team concluded it was most appropriate to involve USAID's partners after USAID staff identified customer needs and

screened these needs against the Agency's capacity to respond.

Anne Sweetser, an American Academy for the Advancement of Science fellow from the Program and Policy Coordination Bureau trained 20 Bangladeshi staff and some American staff in rapid appraisal techniques. She detailed the training and appraisals in her trip report, *Customer Surveying: Rapid Appraisal Methodology*, April 1995.

As a result of the rapid appraisal, the CEL reported, "We moved our new activities package downstream, closer to the lives of our customers, to address the democracy needs important to our customers."

The most radical departure from the traditional way of doing things was the direct interaction of USAID staff with customers, the Bangladesh CEL reported.

"For a sustainable development effort, involvement of the customers right from the need detection and problem identification stage is essential. The spin-off effects, including most notably on FSN morale, of employing rapid appraisals were amazing and demonstrated to USAID that it has underutilized resources," the CEL reported.

The Mission estimated a complete rapid appraisal cycle costs about \$25,000 for per diem and travel. Two issues emerged as a result of the CEL's experience: Do customers really know what they

NIGER MISSION CRITERIA FOR REVIEWING SOs

- Followed Business Area Analysis (BAA) guidance on planning
- Had a customer focus
- Integrated the Mission's cross-cutting issues into the SOs and subordinate RPs
- Were results oriented

want or need? and What is the role of outside experts?

A customer-focused approach helped inspire Mali CEL staff and contributed to development of a strategy more responsive to customer needs. The approach takes time, however. Including customers required endless hours for initial contacts, meeting coordination, and interviews.

"Customers have a different understanding of USAID and not all can be become engaged at any given level," the CEL found.

Despite the effort, the CEL notes early positive returns. Staff are energized and better informed and the program is more grounded in reality. Long-term payoffs are yet to be fully realized. Based on CEL experience to date, however, customer focus may well lead to better results.

Participation

CELs put much effort in the first year into enhancing participation of those in and outside the Mission. In the Missions, foreign service nationals and personal services contractors were included in more of the work of the Mission.

USAID Mali reported very high levels of participation: even motor pool drivers were arguing about Mali's development. Administrative staff often played strategic roles in program development. They also hit the practical limits of participation. Voluntary, full participation was

difficult to sustain. At the beginning, almost every one of the more than 100 Mission employees was a member of at least two of the 11 working groups. At the time of its report, most groups had no more than four or five active members. Few secretaries and support staff continued to participate. Teamwork training might have helped sustain staff participation, the CEL surmised.

USAID Bangladesh found that ordinarily quiet support staff expressed themselves and became more knowledgeable about indigenous democracy and customer service when they participated in the CEL's "detect needs" field teams. USAID Dominican Republic reported by fully involving FSN professionals in all aspects of reengineering, it tapped a largely underutilized resource.

"While it takes time, the results in terms of more informed decisions and overall productivity are well worth the investment. They are highly motivated and productive. They feel that they are being heard and they are influencing actions in a much more meaningful way. Morale is very high ... and the FSNs feel that our program is having a much greater impact," the CEL reported.

While acknowledging the importance and potential of FSN involvement, Niger experienced some difficulties. Some FSNs felt they had been "left out of the loop," while some in the Mission thought some FSNs had not been able to understand and assist in the process immediately.

Including contracting, legal, and controller representatives as full-time team members aided the accomplishment of tasks in record time for the Bangladesh CEL, and allowed cross-fertilization of knowledge among team members. Similarly, the Dominican Republic found involving support offices was an advantage for SO teams.

"The old project committees tried to do this but never succeeded. The support office members of the SO team get involved in the whole conceptualization process and are active, effective participants," the CEL said.

Participation of all levels of staff in reengineering in USAID Jamaica helped give each person a reason for and responsibility for change.

Niger reported "...having all USAID staff knowledgeable and fully on board with the SOs, the desired results, and team processes was extremely important to the implementation phase, for they are the key to bringing others efficiently into the process and keeping up the momentum."

Most CELs also increased participation of partners, customers, and stakeholders in planning, design, and implementation. As indicated above, USAID Bangladesh involved partners in strategic planning and design. The Mission and its partners committed 50 percent to 100 percent of their time to the work of the partnership, depending on their role and the nature of the work throughout the process. They learned that partner roles, responsibilities, and mutual expectations should be sorted out and clearly defined early on. Two outside facilitators, contracted by the recipient, helped during the first month as the partners discussed their original results framework with six Bangladeshi experts. Participating private voluntary organizations and nongovernmental organizations showed great enthusiasm for the design and implementation approach adopted, the CEL found. It concluded that the quality of the end product was improved immeasurably by full

participation of USAID's partners in the design phase.

In a series of workshops with partners in Madagascar, participants stressed the importance of USAID's participatory process. They argued it should serve as a working model for the government to plan its environment priorities for the next five years. The process requires significant energy and time from staff and partners, the CEL observed, but elicited strong (and positive) feedback from all collaborators.

"Although this participating process may have slowed down the development of a strategic objective agreement, we firmly believe final results will better respond to the need of our customers and the priorities of Madagascar," the CEL reported.

In the Mali CEL, customers and partners were fully integrated into the experiment as working group members. They attended all meetings and participated in some retreats. However, the CEL found many partners and customers don't have the time to participate in all meetings. To solicit the opinions and advice of those individuals, some working groups, such as the Democratic Governance group, organized three all-day meetings. In every working group, which included at least three partners from government, nongovernmental organizations (NGOs), private voluntary organizations (PVOs), donor organizations, and private sector, the CEL found non-USAID participants provided valuable ideas that greatly improved the quality of group work. Given the broad array of partners, customers, and virtual team members, keeping the partnership spirit alive is a challenge. To accomplish that, there will be a team member for each SO whose principle job will be outreach, liaison, and communication in and outside the Mission. The CEL also recognized the need to include and communicate with those who do not speak English.

External professional facilitation was invaluable for resolving differences and increas-

ing benefits and productivity. Partners who participated in the Mali CEL were very active and concerned about how they related to Mission staff. Private voluntary organizations wanted to talk about procedural issues because their interests were involved. But other partners self-selected out or put a limit on their time. The CEL found that participation involves a loss in efficiency, and an increased demand on time and human resources, but that the value gained is in an increased sense of ownership. Participation, as measured by output, the CEL concluded, has been very meaningful and productive.

USAID Niger also had to address the language issue. Staff there felt, in retrospect, it would have helped to conduct meetings in French or have simultaneous translations. The CEL had to make an additional effort to recruit women for its focus group. Initially, there were very few women, but after recruiting, the SO focus group ended up with one-third women. The CEL also attracted membership from various social strata. The group was able to reach consensus in spite of differences, the CEL found. The SO team in health will be chaired by the Ministry of Public Health—certainly a move in the direction of ownership.

As a result of pressure from focus group members, the second SO includes a results indicator that specifically targets women. And the group for the third SO ended up developing a technological research results package, which the Mission had not originally planned to emphasize.

Some partners found the team structure too informal. This was particularly true of government officials, who are accustomed to official meetings and processes. Government of Niger personnel, however, showed substantial interest and support for the process, as evidenced by the relative ease and speed with which the SO agreement (SOAg) was developed and signed.

The Jamaica CEL included partners in its semi-annual review process, which proved suc-

cessful in resolving project implementation problems. The CEL also conducted a USAID audit requirements seminar for officers, partners, and audit firms. It now holds team meetings involving technical officers, accountants, and partner organizations to resolve financial and technical implementation problems collectively.

USAID Madagascar also increased participation within and outside its Mission. It hosted, with Africa and the Management Bureau, the first-ever outreach meeting with home office representatives of the Mission's major implementation partners. The purpose of the meeting, held in the United States, was to explain reengineering and what it means for these firms and organizations as partners in development. Contractors and grantees were pleased to be involved and their input and feedback provided valuable advice for continued participation, the Mission reported.

Teamwork

The CELs reported varied experience in getting teamwork started. Successful introduction of the concept of teamwork requires periodic reinforcement from the top and from credible teamwork "lobbyists" throughout, said USAID Niger. "Teams can't be declared. They need to be cultivated. At first they even need to be nurtured."

Many CELs undertook team-building training to facilitate the process. In Jamaica, to address conflicts between and within offices, sessions were held on the connection between characteristics of a healthy family and a healthy work environment. The approach recognized how Americans and Jamaicans bring different expectations about relationships and teamwork to their work environment, based on their family environments. The sessions helped uncover and address cultural and interpersonal constraints and management-employee tensions that interfere with active and successful participation of staff in reengineering. Mission staff observed a notice-

able change in their work environment as they became more active listeners and better communicators. The CEL's Team Management team will continue team-building efforts already begun.

In the Dominican Republic, a week-long workshop resulted in: 1) individuals selected the team they most wanted to work on, 2) SO teams started to share resources, building a win-win collaborative approach, 3) each team defined the responsibilities of its team leader, 4) agreement was reached that SO teams would replace technical offices and office space would be allocated to support teamwork, 5) everyone learned about and worked on the customer service plan (CSP).

USAID Niger also conducted team-building exercises that it said helped solidify decisions on participation. Staff there too thought training in teamwork was essential to the success of reengineering. They also thought it would be helpful to train USAID staff and partners in running efficient meetings. "We should work with our partners to identify their training needs and establish complementary training plans."

The Dominican Republic CEL believed that widespread buy-in to the team concept was essential for successful reengineering. To ensure that, the objectives of the teams had to be clearly defined, relationships and lines of responsibility had to be clearly drawn, and staff had to be trained to manage productive teams.

Reflecting on its experience, the Bangladesh CEL, thought it should have paid more attention to building a design team early in the process, rather than concentrating too soon on products, such as the results framework or activities packages. The CEL also learned that teamwork requires a definite commitment from all members to carry the team mandate forward for all its endeavors—to show respect and tolerance, and to treat all views and contributions of team members equally. Teamwork also involves fostering an environment conducive to meaningful participation that can culminate in productive

consensus. The CEL quickly learned the difference between general participation and the team approach. The team approach, by placing everyone on equal footing, was critical in getting full participation.

Team composition was important. The dynamics of a team's membership influences its effectiveness, the Bangladesh CEL concluded. Niger reported that having financial management and administrative management employees on teams was perhaps the biggest improvement over the old system. These team members did a great job of following up on requests and pushing through team documentation.

Niger found that working in teams takes a lot of time, more work, and patience. More time was spent exchanging information at meetings.

However, the CEL anticipates that once staff have more practice they will spend less time, especially on reengineered processes. The Mission also found a problem with time and work responsibilities when members of cross-cutting and functional offices are assigned to SO teams on a part-time basis. This can lead to burn out and low morale if these staff are not relieved of some of their "regular" work.

Time became an issue for many CELs. Bangladesh reported that the team approach need not be a time guzzler and can actually *save* a lot of time if it operates properly.

"The various techniques to get issues quickly on the board, setting agendas with time frames and sticking to them, and the extensive use of small sub-teams are just three ways to speed up the process significantly," the CEL said.

Time was also an issue for the Jamaica CEL. Initially staff saw reengineering as an add-on to their work instead of an integral part of their work. Though many hours were devoted to reengineering, the director declared reengineering mornings every Monday to ensure all staff had time to concentrate on reengineering.

ISSUES USAID DOMINICAN REPUBLIC FACED MOVING TO SO TEAMS

- Anxiety over turf
- Amount of time support office staff would spend on SO teams versus "home" office responsibilities
- Complications of sorting out supervisory responsibilities
- Shift of office directors to new roles as mentor, leader, coach, resource gatherer
- Sense of support office core staff that they were left out of new team orientation
- Delegation of authority--what, how much, and to whom

Establishing and maintaining teams involves a learning process. Niger reported stress, noting teamwork and participatory approaches can be challenging to those without experience. "Producing acceptable products via teams takes more time and more skill than our experiment has yet allowed," Niger reported.

The CEL gave three reasons why SO teams evolved slowly:

1. Not enough time was devoted to team building. As a result there are still turf wars and a lack of trust among some team members.
2. Teams began to operate before they had a common understanding of their purpose or a set of standards for team operations. This, in turn, made it nearly impossible to clearly define the roles of individual team members.
3. No specific authorities had been delegated to teams or individuals serving on teams. This was partially due to AID/W's slowness in delegations of authority (DOA) policies for the labs, and partly to the director's hesitancy to delegate authority before functioning teams were in place to accept them and individuals received training so that they were qualified to assume authorities.

The role of the team leader was worked out differently in many CELs. In the Dominican Republic each team defined the role of its leader.

Staff found "being an SO team leader is much different than being an office chief. You can't just close the door and make decisions. You have to make sure that the entire team is on board with decisions and that means involving all team members from the start."

As a result there were more meetings, but one CEL found them intellectually stimulating and felt they led to a higher quality product. Niger thought that parameters should be established to clarify when team leaders can and cannot make decisions for their teams.

The Philippine CEL said team leaders should, as one of their main responsibilities, uphold the Mission values of open communication, transparency, fairness, sense of humor, and harmony. Team leaders should also ensure that coaching and team-building roles are assigned and credited as one of the most important functions on the team. No policy mandates that a certain person be coach. In some cases a full-time coach may be required, but, the CEL said, the team leader should also serve as coach.

USAID PHILIPPINES TIPS FOR PROMOTING TEAMWORK

- Set aside an adequate number of meeting rooms around the building. It facilitates communication and teamwork.
- Ensure that personnel evaluations of support staff team members include at least one standard work objective concerning teamwork skills and contribution to team performance.
- Encourage each team to consider using an electronic calendar or issuing a newsletter.

SO team leaders were responsible for establishing their own standards and were not expected to work alike.

To consolidate gains from the CEL experience and provide training and encouragement to teams to move ahead, the Madagascar CEL held a three-week training and retreat exercise in October 1995. Widespread participation of key partners along with all Mission staff, including drivers and maintenance people, continued the momentum toward incorporating Agency values and working as high-performing teams.

USAID Bangladesh advised that teams evaluate their progress toward achieving commonly held goals at regular intervals. Several of their own self-assessment and evaluation findings recommended continuation of the team approach, along with frequent, productive meetings and periodic monitoring of team performance.

"The success of future design work will depend to a large extent on the inclusion of . . . multifunctional, empowered teams," the CEL said.

In Mali the CEL concluded, "teamwork led to increased empowerment and a feeling of ownership (of the strategic plan) among staff."

The Philippines CEL noted that not all support office chiefs are satisfied there are ade-

quate safeguards in the emerging decentralization system. Nor do all technical office SO team members fully trust their support staff colleagues. Nonetheless, the team concept is working, and generally working well.

Empowerment and Accountability

USAID Mali reported, "Empowerment = more delegation = more trust." The CELs tried many ways to seek empowerment, but reported fewer approaches for achieving accountability.

CELs emphasized delegating more authority to staff, particularly to SO teams. To establish needed authority and have clear parameters and expectations, some CELs developed contracts, charters, or pacts between each team and Mission management. Bangladesh, Jamaica, the Philippines, and Madagascar, experimented with these team-management agreements. In the Bangladesh charter, management agreed to judge the team's work in terms of its fit with the Agency's democracy strategy and implementation guidelines, and the customer's needs, as identified by the team. The team, in turn, agreed to document its decisions and make this information available to management on a timely basis (accountability).

USAID Jamaica was drafting pacts at the time of its last report, and had chosen to have

support offices, as well as the SO teams, develop pacts with management. The Philippine CEL found team-management pacts were not necessary. They concluded that they did not need any additional documents to describe what had already been agreed to in strategic plans, monitoring and evaluation plans, formal semi-annual review reports, budget exercises, and other documents.

Though empowerment begins with self-empowerment, only one CEL spoke to this. In its training sessions, the Jamaica staff came to the realization: "In any situation of change or when facing a problem, each individual must take on the initiative to say 'change begins with me.'"

Mali revised Mission policies to empower staff at all levels. The steering committee, task forces, and working groups were given almost complete authority to fulfill their individual mandates.

Niger established a task force to suggest a chain of delegations for the Mission. Using a draft delegation of authority prepared by the Dominican Republic CEL, the Niger task force prepared a draft Mission order on the subject and presented it to the Mission director. The Mission ultimately issued an administrative notice extending delegations of a range of administrative authorities (ability to sign vehicle, long distance telephone and fax requests) to all project managers and office director-team leader secretaries. Previously, only U.S. direct hires and supervisors signed such requests. The notice also delegated to SO team leaders the authority to sign letters of delegation of purchasing authority for purchases under \$25,000. The Mission concluded that delegations of authority must be based on trust, negotiation, and formal agreement of responsibilities between employee and supervisor.

To support and enhance delegation of authority, the Philippine CEL encouraged support office chiefs to review delegations to their team

representatives and allow them as much clearance authority as possible.

"Support office clearance procedure should not be used only as an information tool by office chiefs," the CEL concluded. Clearance should be required only when substantive input is needed or there are vulnerability concerns.

Each team in the CEL was responsible for assigning its own tasks and creating its internal structure. It also had full responsibility for the quality of its own documentation.

The Dominican Republic CEL found redelegation of authority permits increased flexibility and more efficient implementation.

An issue for USAID Guatemala was the requirement that an environmental officer in USAID/W make the environmental determination for a Health and Family Planning activity. Clearly there is much to be worked out between USAID/W and the field regarding delegating authority.

The Mali CEL contends that for empowerment to come about, staff should be encouraged to speak their minds, information should be disseminated to all staff, and the organizational hierarchy of the Mission should be flattened. To empower Foreign Service Nationals, the Jamaica CEL committed to selecting and sending FSNs to the training of trainers workshop on the Agency's new operations systems. Mali and Niger noted that people and teams who are delegated new authorities need to receive appropriate training so they are qualified to assume those authorities. They also pointed out that not everyone wants to be empowered. Mali was clear about the need to define the parameters and limits to empowerment; empowerment is not anarchy.

Efforts to empower generated very favorable results. "The sense of empowerment within the Mission is real," the Dominican Republic CEL reports. "It is reflected in the number of

ideas and suggestions that are coming from staff and in their increased creativity (especially in the context of diminishing resources)." The CEL felt that to a large degree the Mission has successfully worked its way through major reengineering issues by empowering its staff to do so.

Bangladesh said, "Empowerment and delegation of authority to the design team reduces the need for substantial rework and improves the cost-effectiveness of the design process." Implementing the experimental design model promoted a sense of empowerment. By employing rapid appraisals the Mission learned for itself what is happening with customers without having to rely on partners.

FSNs experienced empowerment from activities they undertook in the CELS. The Mission director in Niger reported "Mission morale increases in direct relationship to the increase in delegations of authority and responsibility to FSNs." A team member in Niger said she felt empowered because she now had the right to talk to anyone in the Mission about any of the Mission's activities. The Mission director said staff are taking bolder, more innovative approaches under reengineering and feeling more empowered. As a result, morale in the Mission improved.

The foundation of empowerment is accountability and is an area that requires a good deal more experience. Through accountability, managers have the confidence to trust and delegate more. As stated by the Dominican Republic CEL, "It is the integration of skills and capabilities and the accountability of teams for achieving the targeted results that will empower individuals to be truly achievement oriented."

One CEL said accountability tended to be marginalized in the beginning. The Bangladesh "D" team evaluated, monitored, and reported its progress during implementation of its experimental design process. Then the team evaluated the process after completion, which is one means of

being accountable. The team used a variety of approaches, reported in *Monitoring and Evaluation System for USAID Bangladesh Country Experimental Laboratory*, by Thomas Cook and Camille Barnett.

ISSUES RAISED

Many issues raised in the reports will need to be addressed for USAID's reengineering to succeed:

Support

- Without USAID/W's full participation and support, reengineering in the field may be hindered. For example, CEL reports point out that USAID/W has done little to reengineer the program review process.
- A more supportive external environment is needed. Key stakeholders—embassies and Congress—are not operating from the same core values or management concepts.
- Delay in the long-promised New Management Systems is impeding reengineering.

Program Issues

- Guidelines are needed for what and how much should be incorporated into the results framework
- Ideas are needed on managing activities that overlap multiple results packages or other strategic objectives
- Strategies are needed to ensure incorporation of cross-cutting themes into SOs
- Clarity is needed regarding potential conflict-of-interest situations. One example is contractor-partners who do not want to

limit their ability to compete in future contract actions by being involved in discussions on future activities

- Clear expectations are needed about the availability of partners, stakeholders, and customers to participate in the process

Staff Development

- Staff training and orientation is required to support reengineering
- Approaches to recognizing and rewarding performance merits increased attention
- Mid-level supervisors should pay more attention to employee development and career enhancement
- FSN career paths need to be revised to encourage longer-term employee development
- FSN compensation packages need to be commensurate with expanded levels of authority, especially for those in senior positions
- Strategies for dealing with people who do not want additional authorities or do not wish to be on teams are needed

OBSERVATIONS and LESSONS

The CELs reported many useful observations and lessons. Some were valid for one or a few CELs, but not necessarily for others. Most observations listed below are covered above but are worth reiterating:

It Can Be Done

- A reengineered planning and design process can be accomplished within existing

policies and regulations, without waivers or special authorities

- The results framework and activities packages approach are working and worth preserving
- Reducing the size of the program may be necessary to incorporate the core values effectively and achieve their intended effect

Managing for Results

- High level support for reengineering is necessary
- Throughout the process, shared vision and values serve to guide decisions
- Reengineering is a continuous process that needs to be well-defined and well-paced according to the capacity of the operating unit to absorb changes.
- Keeping staff informed about the progress of reengineering activities via newsletters, videos, and briefings sustains momentum and increases understanding
- It is necessary to establish a strong internal structure, a cohesive team, and a participatory environment for change before developing a customer service plan and involving customers
- Facilitation enhances teams' ability to do quality work, and facilitation training is important
- Both managers and staff must continue to adapt to a less structured, more independent work environment
- Programs and organizations need certain built-in structures to reinforce implemen-

tation and continuous adherence to core values

- Each SO team needs lobbyists to speak to cross-cutting issues

Customer Focus

- Preparing a customer service plan is the beginning of a conscious effort to involve customers and partners in all aspects of our development program
- Adopting a customer-focused approach is the first step toward an increasingly inspired staff and a strategy grounded in the reality of customer needs
- For a sustainable development effort, involvement of the customers from the need detection and problem identification stage is essential
- Since feedback helps validate performance indicators, systems are needed for receiving feedback from customers

Participation

- Participation, as measured by output, has been meaningful and productive
- Participation of all levels of staff in reengineering has helped give each individual in the Mission a responsibility for change
- People never involved in program activities in the past are now willing to help solve problems or give ideas
- Partners' roles, responsibilities, and mutual expectations should be clearly understood early on, with more outside consultations at various stages.

- The quality of the end product is improved measurably by the full participation of partners in the design and planning process

- To avoid competition among partners, particularly for resources, partners can be *contracted* for participation *after* USAID has identified customer needs and screened these needs against the Agency's capacity to respond

- Involving partners in activity reviews has proven quite successful in resolving implementation problems

- Voluntary, full participation is difficult to sustain

Teamwork

- Widespread buy-in to the team concept is a key element in successful reengineering

- Success will depend to a large extent on inculcating the value of multifunctional, empowered teamwork

- The new team structure requires more fluid, less structured job descriptions

- More emphasis is needed on building a team early in the process, rather than concentrating on products—results frameworks or activities packages

- The team approach places everyone on equal footing rather than just obtaining inputs of others, which is critical to full participation

- The dynamics of a team's membership influences its effectiveness

- What makes teamwork excel is a commitment from all to carry the team's mandate forward

- Having contracting, legal, and controller representatives as full-time team members aids the rapid accomplishment of tasks, and allows cross-fertilization of knowledge among all team members
- At regular intervals the team must evaluate its performance and progress toward achieving its commonly shared goals or objectives
- Extensive training, especially team-building training, is critical to successful reengineering
- Incorporation of team objectives as employee work objectives in the new annual evaluation form has not been easy, but most agree it is a welcome change
- Teamwork led to increased empowerment and a feeling of ownership among staff
- Upgraded information systems are increasing our ability to do more with less
- Information flow is a crucial *quid pro quo* for assuring the success of the team structure

MOVING TOWARDS RESULTS

The bottom line of USAID reengineering is results. The CELs have pioneered change and have demonstrated the possibilities: Our changing relationships with host country counterparts, contractors, PVOs, NGOs, stakeholders, and customers can lead us toward more respectful collaboration and ownership. Staff can be more creative, energized, and committed. Through a customer orientation, we can better target our programs. Through teamwork we can better understand each other and make a difference. Through empowerment we can enrich ourselves, and, in doing so, our Agency.

The ability of the CELs and other Missions to push ahead and maximize what they can do will be heavily influenced by the extent to which USAID/W follows suit, not only supporting the Missions, but also reengineering itself. As USAID Jamaica learned, "change begins with me." Each employee must undertake self-empowerment, take personal responsibility, and take risks to initiate change. Leadership must be held accountable for the direction the Agency needs to take. We can't do it alone, we *all* have to come on board.

As Niger's Mission director stated, "A long learning process is needed to absorb ... reengineering concepts, procedures, and systems. We are talking years, not months."

"When activities become tools to achieve results (instead of goals in and of themselves), and when people are held responsible for working toward achievement of specific results ... (instead of being held responsible for managing activities)

Empowerment

- Increased delegations of authority reduce unnecessary involvement of others in decision-making
- Mission morale increases in direct relationship to the increase in delegation of authority and responsibility to staff, particularly among FSNs

Staff Development

- A key to reengineering is putting the emphasis on staff development
- The investment of time to develop specific objectives and work plans for each employee related to the strategic framework can pay huge dividends in performance

Information Systems

... *then* we will have become a reengineered Mission (Agency)." —USAID Niger

APPENDIX A

SUMMARY STRATEGIC OBJECTIVE AGREEMENT EXPERIENCE IN USAID PHILIPPINES

1. Describe early and often, formally and informally, the form and content of an SO agreement and the logic that provides the foundation for such an agreement, to our partners, particularly our government partners.

2. Explain in general terms, section by section, how an SO agreement differs from a traditional project agreement (ProAg). Underscore that counterparts are not losing "control" over resources.

3. Conduct appropriate analyses: a results-oriented approach changes the nature of the analyses needed to support an SO agreement, but it does not eliminate those analyses.

4. Be sure the "line" agency concurs in the results, targets, indicators, and benchmarks you intend to use in the SO agreement. Give yourself plenty of time for prior review and approval. (There was clear reluctance to include life-of-agreement targets and indicators in the SOAg.)

5. At the technical level it is essential that USAID and the GOP have reached firm agreement on detailed aspects of these quantified results—this applies to interim results ("benchmarks") as well as end-of-program results.

6. Be sensitive to the expectations that are raised by frequent reference to terms such as "partnership," and "collaborative style." SO agreements must contain language such as "subject to availability of funds" and "disbursements shall be made upon submis-

sion of documents in form and substance agreeable to USAID." Such language clearly affects the balance of power among the parties to an SO agreement. We must be mindful of these realities and not oversell the SO agreement approach lest expectations be raised too high.

7. Be sensitive to the government's internal requirement to designate a "lead implementing agency." While this is an internal Philippine government issue, it must be amicably resolved well before formal negotiations.

8. Recognize in initial understandings with the government that its agreement to work collaboratively with other partners may be fragile, particularly with local government units and NGOs. Some elements of the Philippine government remain very suspicious of the value of bringing in outsiders (particularly those who may have a financial or other interest in the proceedings).

9. Issues involving value-added taxes and counterpart contributions are always contentious. These issues must be resolved as early as possible.

10. Beware that negotiated agreements may establish precedents. Many issues one thinks were resolved in one SO agreement process may arise in future negotiations over other SO agreements.