

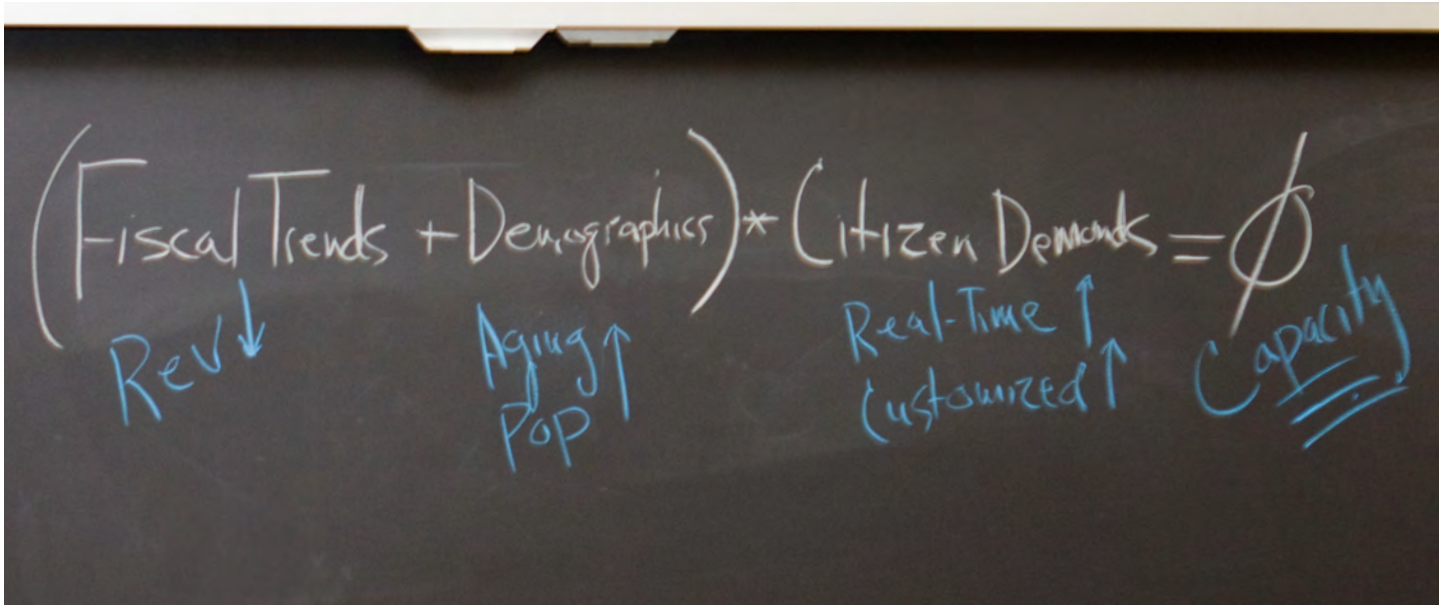


CROSS-JURISDICTION COLLABORATION

A **Formula** for the **Future**

*A Report from the 2010 Shared Services
in the Public Sector Summit at Harvard University*





You know the feeling: When the formula you're supposed to use is on the board but the math is just not adding up. You're anxious, you're tired, and the longer you stare at it the more pressure you feel to make it work — even though it's clear it never will.

This is what it feels like for public service leaders today, when leaders must find ways to deliver ever-increasing services with dramatically fewer resources. It's a multi-variable problem that will take new ideas and new resolve to solve.

First, there is the sustained economic downturn, which leads to fewer resources. Second, there is the demand from constituents of all ages for more and newer government services, which often leads to increased costs. Standing at the chalkboard are the legislatures, governors, mayors, county commissioners, and other officials who must chart the future of government organizations. Many are stuck.

Just look at Memphis, Tennessee and surrounding Shelby County, where in November voters just rejected a merger of the two jurisdictions. The citizens were faced with a stark vote: "For consolidation of City of Memphis and Shelby County," or "Against consolidation of Memphis and Shelby County."

For years city and county officials debated the merits of a full-on merger or a consolidation into a regional government. From a region-wide vantage point, there's a clear argument for a merger: Both city and county officials say that to modernize and meet future demands, they have to take a regional view, which means aggressively collaborating on economic development, improving services for citizens and businesses, and reducing overall costs to taxpayers. And with an array of duplicative back-office functions and a multitude of overlapping citizen-facing services, there is the possibility of fiscal savings from a collaboration, not to mention the potential for more coordinated and effective service delivery.

From other viewpoints, the possibility of a merger would mean a loss of control, responsibility, and identity. Some citizen and constituent groups opposed the merger, imagining a loss of localized services specific to their needs in favor of serving more powerful stakeholders in the region. Certain governmental agencies feared a loss of responsibility, and influence.

The result? Naturally, a split vote took down the proposed merger: 49 percent against a merger to 51 percent for a merger in Memphis, 85 percent against a merger to 15 percent for a merger in Shelby County. Bridging these chasms was insurmountable.

The three most important questions stemming from the case study of Memphis and Shelby County—questions leaders across jurisdictions need to ask themselves—are: Was there a better way forward? Were there no other options besides total consolidation? Why is this such a tough problem?

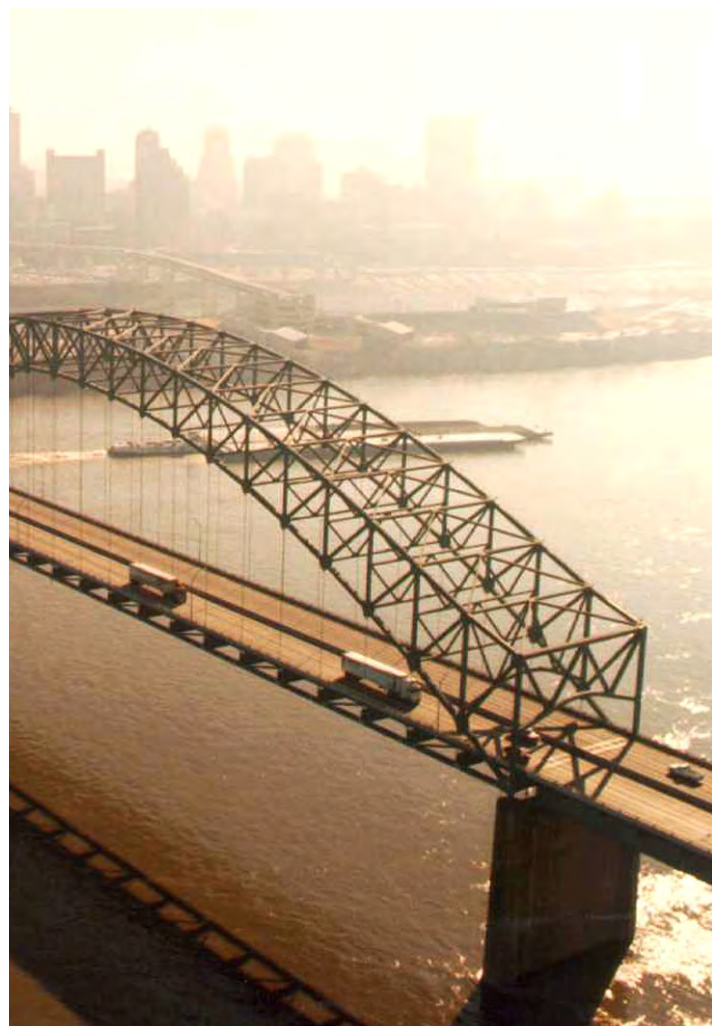
And it's not just Memphis and Shelby County. From New York to Texas to Michigan to California, leaders of school districts, counties, and states are grappling with the thorny issue of how to preserve and protect services for constituents while under the pressure of declining revenue. Across the board, as public service leaders look for solutions, they're finding that cutting their way out—scaling back programs and services and merging agencies, school systems, or counties—is tactically difficult and politically challenging. They're also finding that raising resources—increasing taxes, fees, and borrowing—is economically unsustainable and politically unpalatable. Growing their way out isn't a viable option either—most projections show tax receipt and cost curves will not line up. The formula on the chalkboard just no longer adds up.

What we need is a new formula.

We need new solutions for government that embrace **Cross-jurisdiction collaboration**: a model in which government and its partners work across traditional boundaries to provide current or new services to constituents. In its most basic sense, Cross-jurisdiction collaboration is about increasing government's capacity to deliver citizen services today and tomorrow. Cross-jurisdiction collaboration has the potential to not only dramatically reduce the cost of government, but also preserve and improve local decision-making and service provision to citizens. And, most importantly to the citizens that government serves, it can improve overall effectiveness and efficiency.

In a future that considers Cross-jurisdiction collaboration, citizens and their governments won't have to choose among options that only solve part of the problem, and create even more problems.

Leaders can move forward in a sustainable way, full of possibilities for cost savings, more efficient government, and better services to citizens.





“There are risks and costs to a program of action. But they are far less than the long-range risks and costs of comfortable inaction.”

—President John F. Kennedy

TABLE OF CONTENTS	4 - 5
INTRODUCTION	6 - 7
WHY IS TODAY'S WORLD DIFFERENT?	8 - 9
A FORMULA FOR THE FUTURE, A NEW WAY FORWARD	10 - 11
SURVEY: HOW ARE LEADERS RESPONDING?	12 - 13
THE EVOLUTION OF JURISDICTIONS AND BUREAUCRACIES	14 - 15
GETTING STARTED	16 - 25
POLICY	
PROGRAM	
PRODUCTION	
PROVISION	
ECONOMICS OF CROSS-JURISDICTION COLLABORATION	26 - 27
TAKING ACTION	28 - 37
MOVE ONE	
MOVE TWO	
MOVE THREE	
MOVE FOUR	
CASE IN POINT	38 - 41
THE VIEW FROM THE HILL	42 - 43
SUMMARY	44
ACKNOWLEDGEMENTS & CREDITS	46
ABOUT LNW & ACCENTURE	47
REFERENCES & NOTES	48

Leaders across government, industry, and higher education met at Harvard University in July to participate in a robust learning environment around the concept of shared services and cross-jurisdiction collaboration.



Sharing re: shared services...

- **Shared services:** not decentralized, not central strategic mission, shared governance. Can include:
 - **Administrative services** - e.g., payroll, accounting resources, fleet maintenance - whose users are internal individuals and organizations
 - **Regulatory "services"** - e.g., tax reporting, environmental compliance reporting - whose users are other governments, and the public
 - **Customer services** - e.g., distance education, help portals - whose users may also be other programs, governments, or the public
- **Leadership for:** vision, launch, growth, and transition

INTRODUCTION

“The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise to the occasion. As our case is new, so we must think anew and act anew.”

—Abraham Lincoln



When President Abraham Lincoln uttered these prescient words, the foundations of a young nation’s way of life hung in the balance. A revolution was taking place in the definitions of values and equity — citizens and leaders alike wondered how governance should adapt to secure a new way forward.

Today’s world resonates with this history. Governments across the country are finding their legitimacy challenged by citizens who feel government is not responsive, equitable, transparent, and productive enough. And the underlying kinder box of economic conditions, demographic shifts, and social changes are reframing what public services will be for the coming generation.

Forward-thinking executives are now looking at new ways to respond and new ways of delivering public value – with business models that enable new divisions of responsibility and labor and new patterns of specialization that are in tune with today’s world and tomorrow’s challenges. In essence, the entire value chain of government is being transformed.

To help practitioners move forward, Leadership for a Networked World, in collaboration with Accenture, is pleased to present this whitepaper, “**Cross-Jurisdiction Collaboration: A Formula for the Future.**” This paper brings forward research, analysis, and insights gathered for and during the **2010 Shared Services in the Public Sector Summit: Moving Forward in Today’s World**, held July 14 - 16 at Harvard University in Cambridge, Massachusetts.

The goal of this paper is to inform and inspire leaders on their journey to new forms of public value, and to offer a model to help chart the course.



HARVARD UNIVERSITY


High performance. Delivered.

This document was developed by Antonio M. Otelie to disseminate lessons learned from the 2010 Harvard Shared Services Summit and is intended solely as a research and learning document. The content and cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management. Copyright © 2010 by Leadership for a Networked World and Harvard University.



Why Is Today's World Different?

Why is it time to think anew? How did we get here? What is at stake?

First and foremost, many governments are facing a crisis of confidence. Despite where a community or person falls on the political spectrum, a central demand has been for government leaders to provide a high level of “public value” — a measure of how effective and efficient a government is in achieving outcomes. This calculation, along with the transparency of our institutions, legitimizes a government.

Yet many governments are faltering on these measures. According to the Center on Budget and Policy Priorities¹, 46 states have made “cuts that hurt families and reduce necessary services.” Service cuts such as these are only the beginning, as many governments no longer have the capacity to balance service needs with cost.

The reasons for this leak of capacity run long and deep. In short, they can be boiled down to the growth in jurisdictional boundaries, the crossing curves of economic trends and structural cost, and citizen entitlements and demands. It's a perfect storm that will fundamentally reshape government.

First, the United States (and many developed countries) enacted policy and programs in geographic layers: by state, county, parish, municipality, locality, and other geographic boundaries. Historically this was valuable; communities could allocate resources and accountability “within a day's horse ride.” Yet the growth of jurisdictions has led to unsustainable costs. Layers upon layers of government are creating policies without working across jurisdictions to align regulations and services. These layers of government are developing institutions and programs that overlap and don't cooperate, creating redundant infrastructures, processes, and systems, and delivering services that are not aligned and integrated for constituents. New Jersey, for example, has 567 municipalities, 611 school districts, and 486 local authorities—a recipe that has led to some of the highest taxes in the country, and some of the lowest reported constituent satisfaction with services.

Second, the long-term economic trends are bleak. According to the non-partisan United States General Accounting Office, there will be a fiscal imbalance for state and local governments for the next 50 years. Government debt as a percentage of the gross domestic product has ballooned to 90.4% — the worst since the 1950s. The GAO opens their report² with a sobering view:

“There is a need to engage in a fundamental review, reprioritization, and reengineering of the base of government. We are also failing to properly discharge one of our biggest stewardship responsibilities to our children, grandchildren, and generations of unborn Americans: fiscal responsibility. Continuing on this imprudent and unsustainable path will gradually erode, if not suddenly damage, our economy, our standard of living, and ultimately our domestic tranquility and national security.”

Third, compounding the structural and economic challenges are long-term citizen entitlements, and demand from constituents across the age spectrum mean a need for more, newer, and updated services. The direct pressure from entitlements stems from crisis in U.S. state and local government pension plans. Citizens are facing nearly \$3 trillion in unfunded state and local workers retirement liabilities, according to a study by Northwestern University³. Eventually this will lead to drastic service cuts as governments attempt to fund the liabilities. But demand for services is growing. Older citizens, for example, are consuming public services at an increasing rate. The swelling number of retirees will impact not only government's employee and tax base but also the level and scope of services government provides. Younger constituents are forcing major changes upon government services by expecting service levels comparable to consumer-focused private companies, and with features such as personalized and interactive services, convenient access, and 24/7 customer service. And all citizens are demanding higher levels of governmental transparency and accountability — and they want it delivered at less cost.

Public service organizations cannot look to economic growth for a band-aid either as most developed nations are just now entering this phase of protracted demand and retracted resources. Most economists agree that developed countries will experience long-term economic growth at a rate lower than at any time since World War II, and that increases in productivity have to offset these low growth rates. A recent study⁴ by Mckinsey & Company showed that raising productivity by 1.4 percent a year in the U.S. would enable government to sustain current levels of public services and social programs without additional taxes or borrowing, and that a five to 15 percent increase in productivity could save \$104 billion to \$312 billion annually.

The consequences of this productivity gap and capacity leak are many, and, most importantly, they chip away at the values upon which our nation's democratic institutions are founded.

WHAT'S AT STAKE IS — ULTIMATELY — THE LEGITIMACY OF GOVERNMENT.

Clearly, the old model doesn't work anymore. Yet there are elements of the old model that society needs to retain: People want local and customized services. They want accountability. They want equity. They want responsiveness. **So how should government leaders change the equation? How do we rebuild the capacity of government to deliver valued results? How should we act anew?**



A Formula for the Future. A New Way Forward.

The new way forward is with *cross-jurisdiction collaboration*: a model in which government and its partners work across traditional boundaries to increase overall capacity, efficiency, and effectiveness.

This formula enables the growth of capacity at both the organizational level and the system level. From an organizational view — a single agency — the primary levers a leader has in increasing the organization's operational capacity are in the internal value chain: the people and culture, management and operational processes, and capital and technology that enable it to perform. When an organization improves capacity and successfully achieves its mission and outcome goals, it solidifies legitimacy and support — that's what keeps the organization "in business."

From a system view — across jurisdictional and organizational boundaries — the primary levers to increase capacity are to align policies and goals "horizontally" across organizations, and improve the managerial and operational processes and divisions of labor "vertically" by leveraging capital (infrastructure, systems, tools, and technologies) and human resources. When leaders can balance and optimize these levers system-wide across agencies, the government will become not only more efficient and effective but also improve its ability to deliver new services and outcomes sought by communities, groups, and individuals.

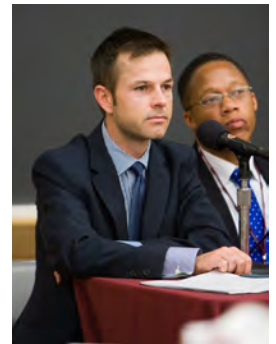
This paper serves to help leaders understand and move towards cross-jurisdiction collaboration by providing an understanding of the **Public Service Value Chain**:

- ✘ **Policy:** The principles and directives put into effect by an authorizing legislature or entity to achieve desired outcomes or conditions within a jurisdiction.
- ✘ **Program:** The service, product, or regulatory initiative designed to fulfill policy directives, goals, and outcomes within a jurisdiction.
- ✘ **Production:** The set of human resources, processes, systems, materials, and facilities that factor into the development and management of a program.
- ✘ **Provision:** The combination of human resources processes, systems, and transactions that ultimately deliver services to a customer or regulate an entity.



“Collaboration across agencies is pivotal for California’s journey to better government.”

—Adrian Farley, Chief Technology Officer, State of California



In addition, the paper will help leaders implement cross-jurisdiction collaboration by looking in depth at four strategic steps:

- ✘ **Creating a Vision:** The key leaders form and solidify a partnership among organizations with a mission to increase capacity of operations, create new value, and generate support for the collaboration.
- ✘ **Setting a Strategy:** The partnership defines the desired outcomes and identifies areas for collaboration by looking across the Public Service Value Chain with a cross-jurisdiction view.
- ✘ **Developing a Business Model:** The partnership develops a business model based on one or a mix of coordinating, merging, contracting, and creating a new entity.
- ✘ **Launching the Collaboration:** The partnership finalizes governance and business model, secures funding and support, establishes a workforce, and formally launches the collaboration.

In practice, the leadership of the collaboration is working on all four of these steps simultaneously. The leadership works and reworks the partnership and the mix of areas for collaboration, gaining political support and sponsorship and forming the right business model and launch plan. To move forward with this solution, leaders will have to take the long view — they must realize that government can collaborate while retaining established authority and accountability structures that democracy necessitates. Planning and implementing the business model and governance will take time, and will initially be met with resistance. It will take a sharp outcome focus from leaders. It will take the best mix and form of collaboration that will maximize public value. It will take a deft hand at negotiation and change management.

But the benefits to moving forward are tremendous. By reducing redundant infrastructure, technology, processes, and transactions, leaders will reduce cost region-wide while also improving and preserving local decision-making and service provision to citizens. The collaboration will also bring more agility to government, enabling partners to coordinate policy, programs, processes, and provision of services more closely and with a regional perspective. Additionally, transparency will become more substantial as citizens will be able to interact with government, and will help government identify and solve problems through one-stop and real-time access.

This new formula works. The future requires it. And governments that embrace it will be at the head of the class.

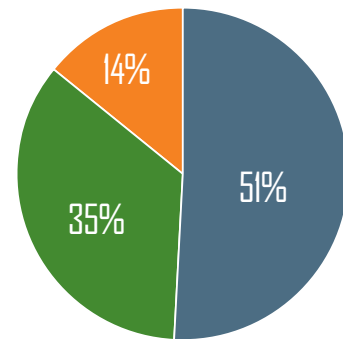


SURVEY: HOW ARE LEADERS RESPONDING?

Leadership for a Networked World conducted two surveys as part of the 2010 Shared Services in the Public Sector Summit. Results from the surveys show that public service leaders are looking to cross-jurisdiction collaboration as a solution for improved government performance.

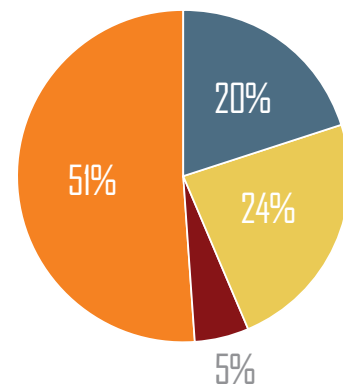
In your estimation, how valuable will cross-jurisdiction shared services be to the future of government ?

- Extremely Valuable: 51%
- Very Valuable: 35.09%
- Somewhat Valuable: 14.04%



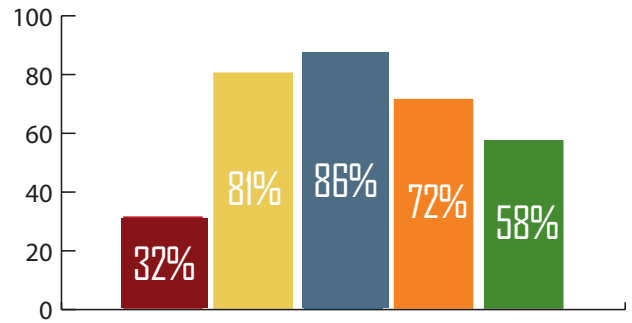
Collaboration on cross-jurisdiction shared services would require an initial person or group to seed the idea. Reflecting on your region, where ideally would you see a successful initiative starting :

- Top down: From a governor; legislature; or governing body as a directive: 20.18%
- Peer to Peer: Among agency; city; or county officials with a common view: 24%
- Bottom Up: From small agencies or localities looking to partner with larger organizations to get scale efficiencies: 5%
- Combination: From multiple stakeholders: 51%



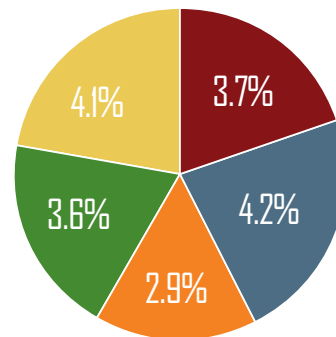
What are the most important reasons for adopting cross-jurisdiction collaboration ?

- Improving policy development across a jurisdiction = 32%
- Increasing efficiency and/or effectiveness through reducing duplication in programs = 81%
- Increase efficiency and/or effectiveness through sharing in production of services = 86%
- Increase efficiency and/or effectiveness through integrating the provision of services = 72%
- Increase ability to deliver new programs and services = 58%



What are the biggest Challenges to adopting cross-jurisdiction collaboration?
 (Not a barrier = 1 / A very significant barrier = 5)

- Change resistance among employees and unions = 3.70
- Lack of cooperation/consensus between jurisdictions = 4.26
- Difficulty in getting executive sponsorship = 2.92
- Lack of data and analytics to facilitate decision making = 3.63
- Insufficient funding to implement = 4.13



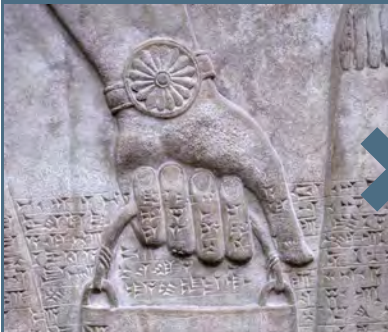
Collectively, the data show that cross-jurisdiction collaboration is poised to be a primary strategy in improving government performance. Yet critical steps still need to be taken to clearly define target areas, gain executive sponsorship, and overcome barriers.



The Evolution of Jurisdictions and Bureaucracies

From early times leaders have struggled with how best to structure their societies in order to ensure peace through fairness in the distribution of resources, and to ensure that the laws and their enforcement represent the will of the people. In response, leaders throughout time have developed ranges of authority for the application of rules, judicial oversight, law enforcement or other authority. They have also developed the territories over which that authority is exercised — what we now call jurisdictions. Leaders then created the organizations and institutions that enact the rules of the people — what we now call bureaucracies.

Some of the earliest forms of jurisdictional boundaries and bureaucratic bodies date back to the Sumerian civilization (ca. 6th Millennium BC – 2nd Millennium BC) and evolved as the cities of Sumer developed regions of governance and administration based on agricultural boundaries. In the Persian Empire (ca. 550–330 BC), a system of administrative provinces was put into place as government expanded and increased its functions. One of the most modern systems was put into place by Confucius, as he recognized the need for a stable system of administrators (*quán xiàn*) to govern China while the upper echelons of leaders were consumed with war during the “Warring States Period.” The following Han Dynasty (206 BC – 220 AD) then solidified the role of jurisdictional and bureaucratic positions that formed their hierarchical structures and rules. Many facets of this system were subsequently introduced to Europe by the Italian Jesuit Matteo Ricci, who translated the ideas and methodologies into Latin, and of which much persists today. (The etymology of “jurisdiction” derives from Latin *jurisdictio* – from *juris* meaning “of law,” and from *dicere* meaning “to say.” The word bureaucracy was made commonplace by the French in the mid 1700s, and its etymology is derived from the Greek suffix *kratia* or *kratos* meaning “power” or “rule,” and the French *bureau* meaning “office or desk”).



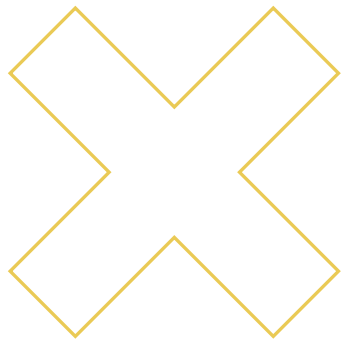


Since then, the role of jurisdictional governance, as well as the form of enacting bureaucracies, has largely remained the same except for incremental changes resulting from conceptual advances by theoreticians such as Machiavelli, Joseph Schumpeter, Thomas Jefferson, Max Weber, Karl Marx, John Maynard Keynes, and others, and by the overarching political, economic, and technological advances of the time. One of the most notable changes came from the industrial revolution, as bureaucracies in both industry and government adopted the principles and processes that enabled more efficient mass production and distribution. Yet even with these advances, jurisdictions continued to develop so that the principal seats of local government were “a day’s horse ride” apart. Even the advent of telegraph and telephone communication couldn’t change this formula. Once established, jurisdictions and their bureaucracies are hard to change; they’re generally free from the competitive pressures that would spur reform.

Despite the slow evolution of jurisdictions and bureaucracies, the central thread throughout time has been the need for leaders to provide these structures and institutions in a way that citizens deem efficient, effective, and equitable. This calculation, along with the transparency of the calculation, legitimizes a government and its institutions.

Society is now in the midst of another technological and organizational shift, brought by the networked-economy and social structure. The world has now “flattened,” as we’ve seen across diverse entities, from multi-national corporations to globally networked non-governmental organizations. These new capabilities enable jurisdictions and bureaucracies to coordinate and collaborate both vertically (through the value chain) and horizontally (across traditional jurisdictional boundaries), bringing new capacity in the design, development, and delivery of goods and services.

The extent to which people and their societies, jurisdictions, and bureaucracies embrace this next wave of change and potential will decide the level of competitiveness, efficiency, equity, and standard of living for all.



GETTING STARTED
Public Service Value Chain

Policy

Principles and Directives

Program

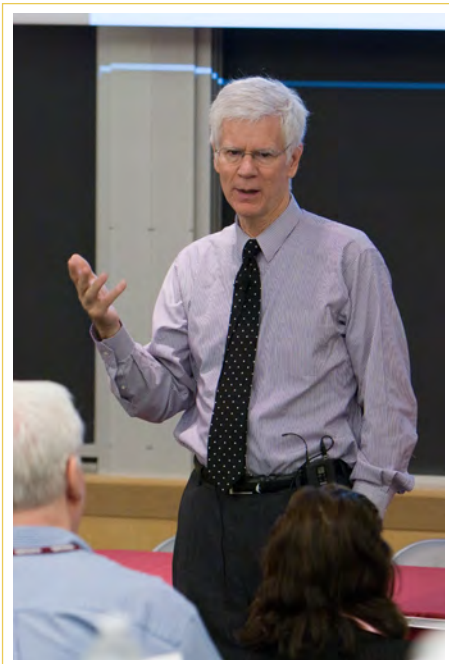
The Initiatives

Production

Combination of Resources

Provision

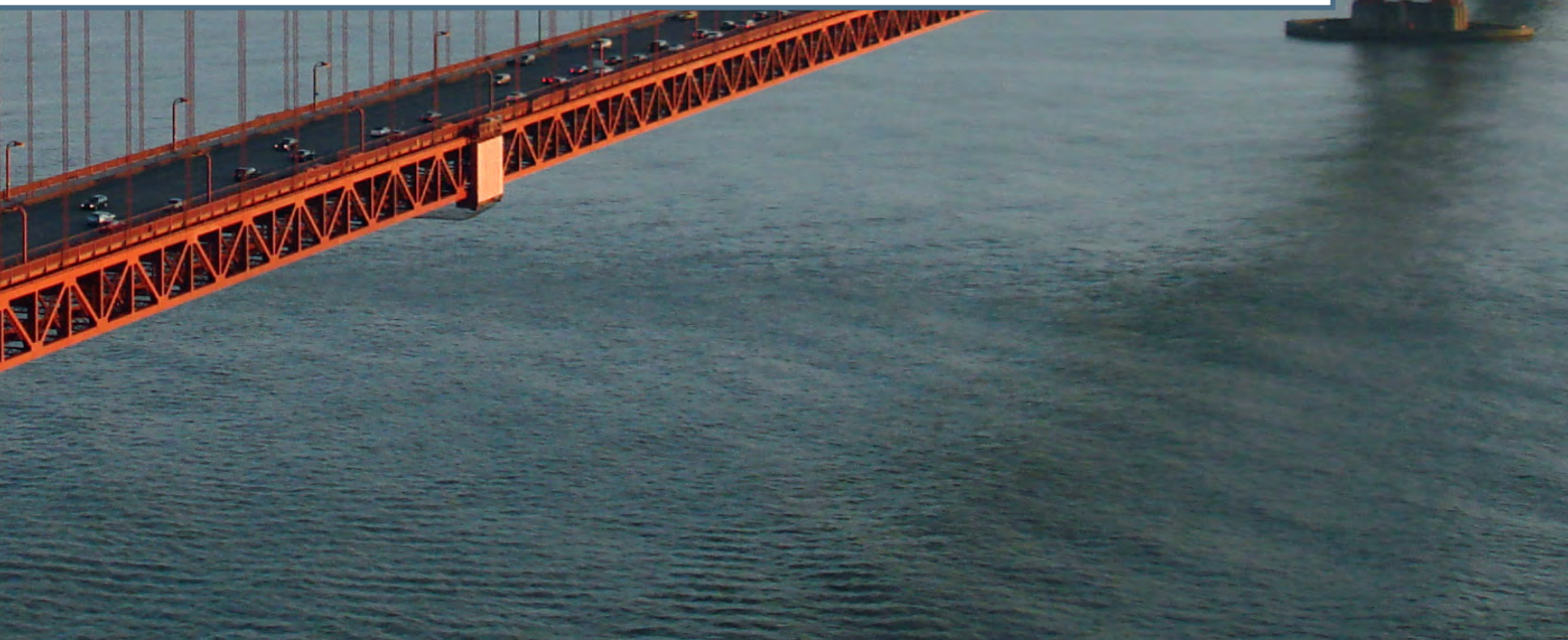
Service Delivery



“During the next phase of government reform, the unit of change is becoming larger, extending across policy domains and traditional jurisdictional boundaries.”

—Jerry Mechling

Founding Director, Leadership for a Networked World.
Lecturer in Public Policy, Harvard Kennedy School



POLICY



THE PRINCIPLES AND DIRECTIVES PUT INTO EFFECT BY AN AUTHORIZING LEGISLATURE OR ENTITY TO ACHIEVE DESIRED OUTCOMES OR CONDITIONS WITHIN A JURISDICTION.

Policy making has the goal of affecting outcomes within a region, jurisdiction, or community. The formal institutions that create laws and set policy are generally legislatures, but they may also include policy-making bodies such as city councils, county boards, state agencies, and public/private commissions. The policy initiatives these entities address are vast and include service, entitlement, and regulatory domains for everything from agriculture to education to health and human services to veteran's affairs to transportation and airports and everything in between. Policy-makers are charged with balancing the short- and long-term needs of collective society with the appropriate level of public investment.

United States citizens and the institutions they form have prolifically created jurisdictional boundaries and espoused localism. In New York State, for example, "there are some 4,720 local government entities, that is, independently managed organizations that can make decisions affecting local taxes either directly or indirectly.⁵" This is mirrored nationwide as historically citizens have wanted laws and policies tailored to their particular needs, as well as a direct connection with the officials implementing services.

Yet there are direct costs and opportunity costs associated with so many jurisdictional entities deliberating and enacting policies, and often the policies enacted have serious impacts on other nearby or related jurisdictions.

Collaboration across jurisdictions brings the potential to vastly improve policy creation and downstream programs and investment. And collaboration on policy has never been more feasible, as information technology and network-enabled business models have the potential to increase the number of groups involved in policy making, enable new ways to track effectiveness and efficiency, and drive the formulation of new policies. At a macro-level, benefits to collaboration **on policy** are two-fold:

-  *Increased effectiveness in reaching policy goals by aligning jurisdictional efforts and coordinating critical investments that maximize public value.*
 -  *Cost savings through the reduction of the fragmentation that leads to duplication of investment, infrastructure, overhead, and services.*
-

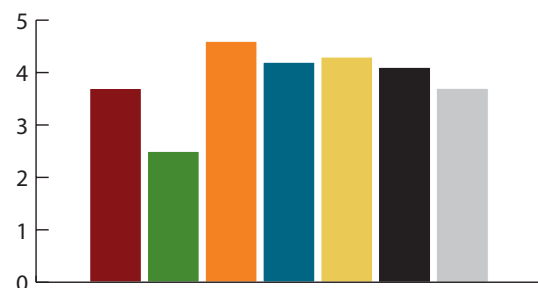
Progressive leaders have already started collaborating on policy. In the seven-county metropolitan area of Minneapolis and St. Paul, Minnesota, a regional planning agency called the Metropolitan Council creates policy and coordinates programs for areas that include transportation systems, water systems, parks, and housing. This helps maintain the region's envied economic and social engine, reduces competition among counties, encourages sharing of resources, and aligns the areas development goals — culminating in a 2030 Regional Development Framework⁶.

A strong example of cross-jurisdiction policy collaboration in a select domain can be found in Oregon's Joint Policy Advisory Committee on Transportation⁷. This organization serves as a formal mechanism for collaboration among all state, regional, and tribal transportation planning bodies, and has led to improved transportation policy and funding allocation decisions and integrated regional and statewide initiatives to leverage federal and state investment. It has also made the policy process more open and transparent.

Collaboration on policy is the broadest and, perhaps, most important strategy to achieving increased effectiveness and efficiency in government; it sets the overarching vision and “tone” that filters down to the local level. As such, governors and legislative leaders are especially wise to foster conditions for successful collaboration, and to communicate this: Collaborative policy strategy is not just a consolidation and cost-cutting effort, but also a smart regional economic response to increasing global competition, a method to reinvent public services, and a path to improve overall quality of life for citizens.

Policy: The principles and directives put into effect by an authorizing legislature or entity to achieve desired outcomes or conditions within a jurisdiction. Of the major policy domains, which are prime areas for cross-jurisdiction collaboration?
 [Not a prime area = 1 / A very prime area = 5]

- K-12 and Higher Education = 3.78
- Revenue and Tax Management = 2.55
- Health and Human Services = 4.66
- Environmental and Natural Resources = 4.20
- Homeland Security and Law Enforcement = 4.35
- Transportation and Infrastructure = 4.15
- Trade and Economic Development = 3.75



Data from a survey of public service leaders conducted by Leadership for a Networked World.

✕ PROGRAM

THE SERVICE, PRODUCT, OR REGULATORY INITIATIVE DESIGNED TO FULFILL POLICY DIRECTIVES, GOALS, AND OUTCOMES WITHIN A JURISDICTION.

Government programs are the implementation side of policy directives and serve to synchronize outcome goals with the appropriate level of public investment. The authorizing policy will, in some cases, also create an entity to implement a program. In other cases, the authorizing policy will direct an already established entity to manage the program. Generally, programs are administered by government agencies, but they can also be found in public/private institutions, regional authority organizations, and non-profit organizations. In most cases, a program will be designed to meet a discrete goal within a policy — for example: monitoring water quality for environmental regulation; enforcing child support collection for human services; inspecting farms for agricultural guidelines; and clearing snow from roads for transportation. It's the role of the chief executive in a jurisdiction to ensure programs meet policy goals and outcomes.

Yet gaining a solid understanding of the amount and complexity of government programs can be daunting. For example, the State of California has more than 500 programs distributed among agencies, councils, and boards just at the state level. The Commonwealth of Pennsylvania has more than 81 agencies, councils, and commissions administering more than 300 programs. And the State of New Hampshire has more than 129 governmental entities with programs. As with policy setting, designing, and deploying programs in “silos” has historically served the purpose of ensuring accountability “line-by-line.” Yet this has led to exorbitant and unsustainable increases in the cost of government, and, in many cases, has not generated good outcomes.

What's certain is that cross-jurisdiction collaboration **on programs** is a ripe area for gaining improvements in both efficiency and effectiveness, including:

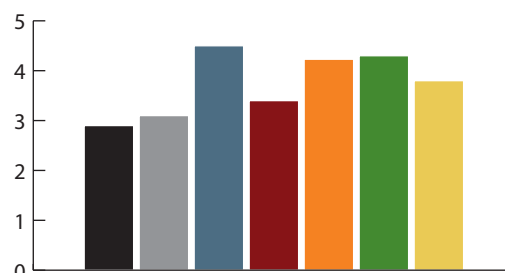
- ✕ *Increased effectiveness through designing programs across boundaries; placing programs in high-performing organizations; aligning program goals and efforts; and sharing data, insights, and best practices.*
 - ✕ *Increased efficiency by reducing redundant programs, integrating programs that share common outcome goals, eliminating under-performing programs, and ensuring investments reinforce overarching regional vision.*
-

A unique example of local governments collaborating on a program is the Metropolitan Water District of Southern California (MWD)⁸. The 19 million people who live and work in the Los Angeles, Orange, San Diego, Riverside, San Bernardino, and Ventura counties rely on the MWD to provide an adequate and reliable supply of 1.7 billion gallons of water per day on average. Historically, the supply, tracking, and billing of the water service was done in silos. This led to shortages, long billing cycles, and angry citizens. To improve the situation, a collaboration was formed between the 26 cities and water districts (referred to as Member Agencies) to improve operations and achieve a measure of transparency as to how water is used and billed in southern California. The collaboration put in a place a cross-jurisdiction business model and deployed a Water Information System (WINS) that collects information from multiple organizations, tracks water supply and usage, and automates the \$1.3 billion in annual water sales. The collaboration saves partners nearly \$1 million a year (a large sum for local government) and enables the public to view operational information about Southern California water usage, water rates, and water sales, all of which supports the long-term goal of public participation and support for water conservation.

From the view of a chief elected officer (governor, county commissioner, or mayor), programs can be managed much like a chief executive officer of a large company would manage a division of business. Programs are fungible and can be developed, combined, separated, and aligned (except for cases where federal laws and rules prohibit it) in whatever way ensures achievement of policy goals and maximizes taxpayer return on investment. This is especially salient for new programs as they can be designed from scratch and free from legacy constraints. In a time when citizens are seeking more services while demanding less cost, collaboration on programs is a core strategy that every CEO must employ.

Program: The service, product or regulatory initiative designed to fulfill policy directives, goals and outcomes within a jurisdiction. Of the major program areas, which are prime areas for cross-jurisdiction collaboration? [Not a prime area = 1 / A very prime area = 5]

- K-12 and Higher Education = 2.98
- Revenue and Tax Management = 3.10
- Health and Human Services = 4.50
- Environmental and Natural Resources = 3.45
- Homeland Security and Law Enforcement = 4.23
- Transportation and Infrastructure = 4.33
- Trade and Economic Development = 3.80



✕ PRODUCTION

THE SET OF HUMAN RESOURCES, PROCESSES, SYSTEMS, MATERIALS, AND FACILITIES THAT FACTOR INTO THE DEVELOPMENT AND MANAGEMENT OF A PROGRAM.

Once a program is put into effect, the implementing organization needs to produce and manage programmatic activity and results. As with any operation, production requires administrative and support functions such as finance and accounting, information technology, communication systems, procurement, and professional services such as legal, marketing, and human resources. And, depending on what is being produced (clean and clear roads versus a system for tracking juvenile offenders for example), inputs such as natural commodities, vehicles, and storage facilities may be needed. The objective for government managers is to find the optimal balance of efficiency and effectiveness in producing public services.

When viewed from an enterprise level—across a state or large region for instance—the numbers are staggering. Just look at the annual general fund spending of states⁹: \$16 billion in Connecticut, \$19 billion in Illinois, \$24 billion in Florida, \$26 billion in Ohio, \$42 billion in Texas. Of course most of these funds are spent on valuable and needed programs, but production reforms could save considerable amounts. In Ohio, the Net Present Value of savings via enterprise-wide shared services is projected to be \$1.2 billion according to the Ohio Office of Management and Budget. In Illinois, collaboration through shared services will bring \$229 million in savings over five years according to the state chief information officer. Clearly a vast amount of resources are needed to produce the citizen-facing programs and regulatory initiatives that policy enacts—and large savings can be generated through collaboration on production.

Collaboration on production is poised to drive massive gains in both efficiency and effectiveness in government. Within just the past few years, the combination of new organizational structures, network-enabled business models, and shared services platforms have created a new level of optimization – one in which overall capacity can be grown and extended across an enterprise. Managers can now get a deeper level of process redesign and optimization, and they can reconfigure the underlying production methods and processes of programs and services. Collaboration **on production** thus generates gains in two ways:

- ✕ *Increased effectiveness through improvement in management processes and resource allocation, enabling savings to be repurposed to citizen-facing service delivery.*
 - ✕ *Increased efficiency by standardizing and optimizing management and operational processes, yielding greater output from resources, and savings in administrative and technical costs.*
-

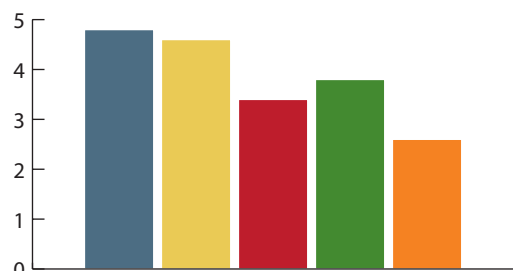
To grasp the potential of cross-jurisdiction collaboration, consider Ontario Shared Services¹⁰. Ontario Shared Services (OSS) works with government entities across the Province of Ontario to provide production support and innovative platforms that can be shared across jurisdictions. Today a staff of 1,200 delivers strategic advice and services in financial services, human resources and payroll, enterprise services, and supply-chain management. By consolidating costly production functions, OSS has been able to generate approximately \$225 million in cost savings, cost-structure flexibility, and net new revenues over a four year period for the government. As a testament to how well they've leveraged economies of scale to reduce costs, overall government direct expenditures increased roughly 25 percent from \$9.7 billion to \$12.1 billion between 2004 and 2009, while the OSS operating budget decreased by 9 percent, from \$184 million to \$168 million. On a comparative basis, the operating budget of OSS has gone from representing 1.9 percent of direct government expenditures to 1.3 percent of direct expenditures during the past five years. And because of its strong collaborative culture, OSS is helping governmental entities take on additional challenges and opportunities such as reducing Ontario's carbon footprint by managing the government's approximately 10,000 vehicles, and by environmentally friendly purchasing, print management strategies, and disposal of e-waste.

Cross-jurisdiction collaboration on production brings robust levers for value creation as it generates gains in efficiency, drives innovation enterprise-wide, enables departments and agencies to focus on their core business and customer needs, and frees up resources in order to improve citizen-facing service provision.

With such compelling lessons, senior-level government officials must take the enterprise view and ask: "Why would we produce our programs and services in silos?"

Production: The set of human resources, processes, systems, materials and facilities that factor into the development and management of a program. Of the major production functions, which are prime areas for cross-jurisdiction collaboration? [Not a prime area = 1 / A very prime area = 5]

- Information Technology Services = 4.80
- Financial Services = 4.68
- Human Resource Services = 3.46
- Procurement Services = 3.89
- General Services = 2.68



Data from a survey of public service leaders conducted by Leadership for a Networked World.

PROVISION

THE COMBINATION OF HUMAN RESOURCES PROCESSES, SYSTEMS, AND TRANSACTIONS THAT ULTIMATELY DELIVER SERVICES TO A CUSTOMER OR REGULATE AN ENTITY.

Government programs ultimately make their way to constituents through the actual receipt of a service. This service provision can take many forms. It includes direct benefits such as assistance to needy families, public schools, and roads. And it includes indirect benefits such as community police protection, wastewater treatment, and parks management. In all cases, there is a mix of assets — people, technologies, equipment, tools, and other assets that enable the final benefit to be consumed. A primary objective in public administration is to ensure we are using these assets in a way that best meets the needs of citizens and delivers the best desired outcomes.

Lack of collaboration on provision can lead to dire consequences both socially and financially. In 2008, U.S. Marshals found four children slain by their mother in a Washington D.C. apartment. A review of this case revealed that four different human services organizations had contact with the family in the preceding months. While warning signs of impending danger might have been seen from multiple viewpoints, no systems or structure were in place to provide the collaborative view — and a much more accurate view — across organizations. This all-too-preventable case is rare, yet it illuminates the severe social implications from lack of collaboration. As a financial example, the California Performance Review¹¹ identified more than 20 customer call centers operated by state agencies. When analysts looked at four of the largest call centers (unemployment insurance, disability insurance, motor vehicles, and consumer affairs) they noted that operating all four cost the state of California more than \$100 million per year.

With a collaborative model, government programs and services can move past delivery through established hierarchies and organizational silos and toward collaborative provision by leveraging information and communication technologies to connect and work virtually. Additionally, collaborating on provision facilitates the integration of services through “one-stop centers”, 311 systems, and various forms of coordinated citizen contact. New levels of value are created from collaboration **on provision** in two ways:

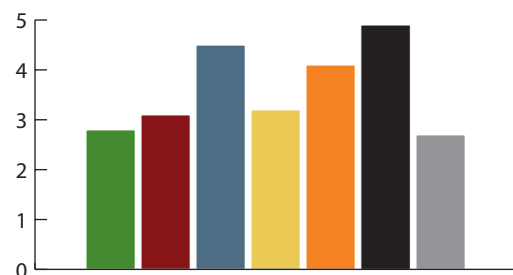
-  *Increased effectiveness by aligning program goals, by involving constituents in program delivery and feedback, by bringing opportunities for individual service focus, and by enhanced customization, quality, and service culture.*
 -  *Increased efficiency through the smarter and more strategic use of financial, technical, and human resources by reducing duplicative services and allowing for more targeted service bundles for citizens.*
-

As an example of collaboration on provision: There are more than two million children in California who are dependent on child support for their economic security. Yet for years the systems enabling services for these children fell short, leaving too many children and guardians without needed resources and letting too many claims go unenforced. In response, the California Department of Child Support Services and 58 county level jurisdictions put in place a collaboration to manage eligibility for Food Stamps, Medicaid, Temporary Aid to Needy Families, and other health and human services programs. The collaboration utilizes network-enabled business models and communication technologies to share information among caseworkers and administrators in real time and enables constituents to apply for benefits via a self-service portal. The collaboration has generated tangible success, delivering more than \$200 million in benefits per month to Californians in need while generating ongoing savings of \$109 million annually.

To realize the potential of collaborating on provision, government executives and business partners must vision the future with an eye on the customer: the citizens, families, and businesses that rely on services to be delivered seamlessly, correctly, and efficiently.

Provision: The combination of human resources processes, systems and transactions that ultimately deliver services to a customer or regulate an entity. Of the major areas of service provision to constituents, which are prime areas for cross-jurisdiction collaboration? [Not a prime area = 1 / A very prime area = 5]

- K-12 and Higher Education = 2.87
- Revenue and Tax Management = 3.10
- Health and Human Services = 4.58
- Environmental and Natural Resources = 3.25
- Homeland Security and Law Enforcement = 4.15
- Transportation and Infrastructure = 4.90
- Trade and Economic Development = 2.75



Data from a survey of public service leaders conducted by Leadership for a Networked World.



The Economics of Cross-Jurisdiction Collaboration: Bureaucracies, Bits, Bytes, and Budgets

As Tip O'Neill said, "All politics are local." Representative O'Neill was referring to mobilizing issues and voters, but this maxim has played out on the ledger side of government as well. Local needs and aspirations have driven much of the growth of regional bureaucracies, and as service provision has become more complex over time, tradeoffs have been made between efficiency and effectiveness in the production of services. Managers historically had two broad options for optimizing this "production function."¹² They could pull resources (capital and labor) in and focus on maximizing efficient production through standardization of processes and technologies and direct central control, but this limited flexibility and responsiveness at the local agency level. Alternately, they could push resources out and provide extensive customization and local control of production to agencies, but this ignored volume efficiencies, produced duplication, and raised overall costs to taxpayers. It was a lose-lose proposition.

Now, the formula has changed. Within the past few years, the combination of new organizational structures, network-enabled business models, and shared services platforms has created a new level of optimization in which overall capacity can grow and be extended across an enterprise. These innovations interrelate, and include:

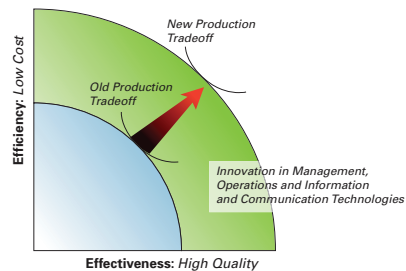
Organizational Structures: Advances in management theory — particularly around management and business process — have led to new ways in which an organization can enact policy. The series of activities that form how an organization designs, produces, markets, delivers, and supports its services have been subjected to collective knowledge (such as time and motion studies) and are now able to be done faster, leaner, and in "flatter" organizational structures.

Network-Enabled Business Models: Networks and information flows — in particular "Web 2.0" technologies and "cloud computing" — make cooperation and coordination possible in configurations where the transaction costs would have been prohibitively high in the past. The hardware, software, and networks that enable an organization to create, store, and use information in all its forms have advanced to a point where people can work "virtually" and processes can be streamlined, integrated, and synchronized over any distance. Networked government can now provide control, accountability, and predictability, while also accommodating flexibility and innovation.

Shared Expertise, Processes, and Technologies: Shared services — a method of ordering work so that business processes, and the people who do those processes, are brought together in new and more efficient and effective ways which allow workers to specialize in processing transactions quickly and effectively. This drives down cost and enables the organization to transfer costs from back office business processes to programs that really impact constituents and the individual citizen.

Underpinning the above innovations are continual advances that make collaboration and coordination more efficient (Metcalf's Law), and that make information processing more powerful (Moore's Law). Collectively, this enables more granular standards, so that standardized systems can support customizable solutions. Standards need no longer mean "one size fits all." Information infrastructure can now share the data and processing needed to customize agency and citizen services efficiently and effectively in real-time. This has fundamentally changed the equation and shifted the capacity curve up and to the right, as managers can gain both efficiency (low unit costs) and effectiveness (high quality) by moving to new and/or better production methods.

New Production Possibilities = Increased Capacity



Extending this increased capacity across traditional boundaries can amplify the effects of these laws. This amplification is based on increasing the return on labor (through specialization of management and operational processes) and increasing the return on capital (through higher utilization from the volume of production). The total potential for increased capacity depends on the number and size of organizations in the collaboration and the depth of integration in programs, production, and provision.

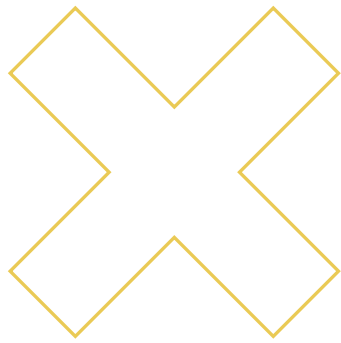
GOVERNMENTS THAT ADOPT THESE NEW MODELS OF DOING BUSINESS WILL BE BETTER ABLE TO MEET SOCIETAL DEMANDS FOR IMPROVED SERVICES AND LOWER COSTS THROUGH:

Greater Returns to Scale — government can produce more with a constant proportion of inputs, can do more with the same amount of resources. The consolidation and combination of certain functions can reduce fixed costs by removing duplicate departments or operations and lowering the cost of government, thus increasing taxpayer return on investment and public value.

Greater Economies of Scale — government can produce more when input proportions are variable, can double output with less than a doubling of cost. Instead of multiple agencies working at less than full capacity, a single shared-service center or smaller set of agencies can leverage processes and technologies, maximize existing capacity, and decrease overall costs.

Greater Economies of Scope — government outputs by a single entity are greater than outputs that could be achieved by two different agencies each producing on their own; expertise and processes can be shared to get more for less. In these cases, government can gain efficiencies associated with demand-side functions, such as increasing or decreasing citizen or customer contact in areas such as collections, research, and communications.

In sum, a whole new level of performance can be attained by designing leaner and more agile organizations, coordinating them with networks and communication tools and sharing business processes and transactions. When extended across jurisdictional lines, government can gain the "trifecta" of reduced costs, improved service delivery, and increased capacity for future services."



TAKING ACTION

Moving Forward in Today's World

Move One

Create a Vision

Move Two

Develop a Strategy

Move Three

Set a Business Model

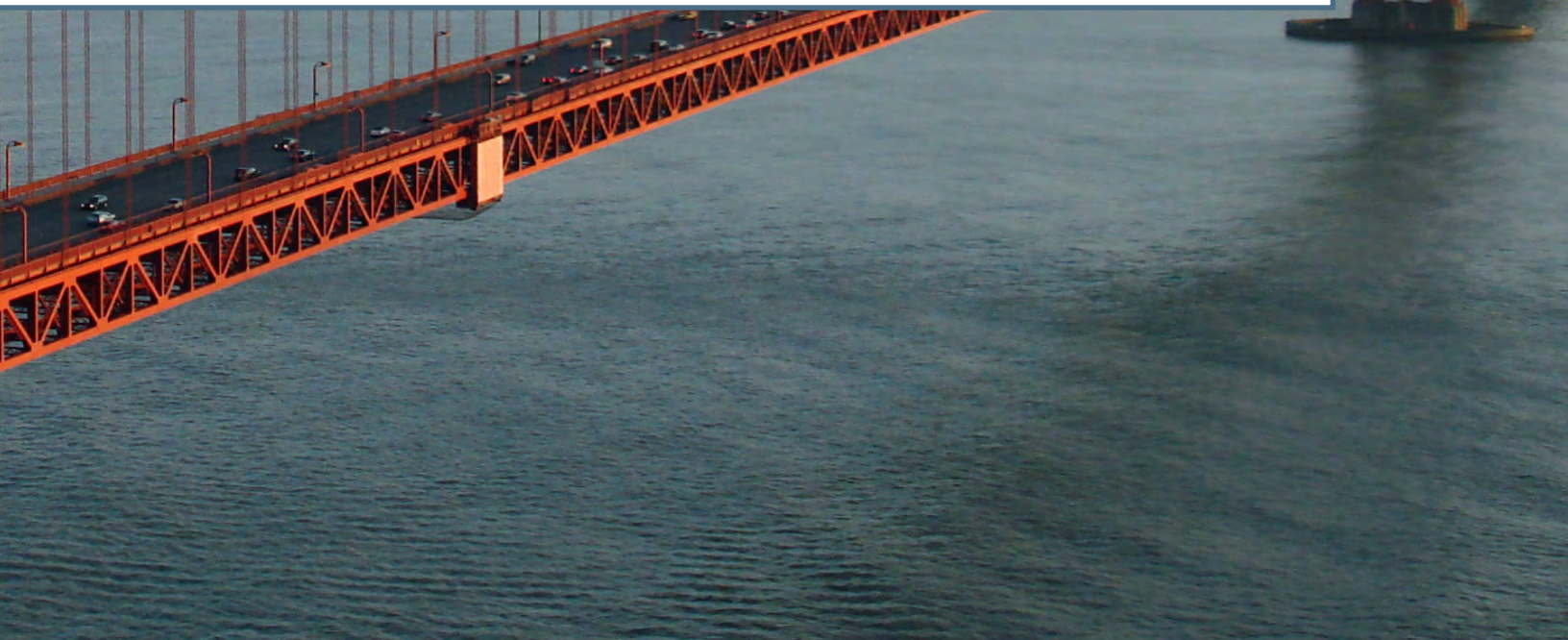
Move Four

Launch the Initiative



“Ultimately, your role as leader is to move your organization to ever higher levels of value.”

—Amy Edmondson
Novartis Professor of Leadership and Management,
Harvard Business School



✘ MOVE ONE Create a Vision

Like running for political office, planning for large-scale collaboration is essentially a persuasion campaign. Leaders of such initiatives must first make a case for transformation — and in doing so, convert people to a new vision for the future. As in any organizational turnaround, leaders must convince people that the organization(s) truly cannot sustain the current model of business — or, at the very least, that substantial changes are required to meet future demands. Persuasion must then be channeled into resolve and sponsorship from key senior executives who will be engaged in governing the initiative.

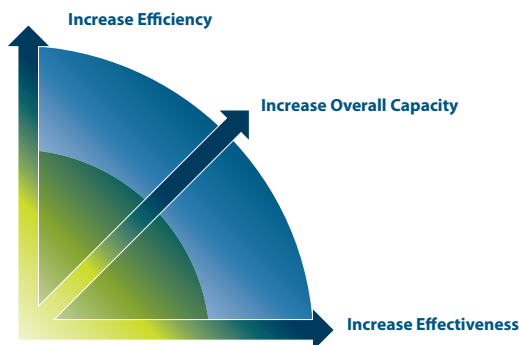
An initiative can be started from the “bottom up” — begun by smaller organizations looking for help in meeting demands. Or an initiative can be “top down” — from a governor looking to increase performance across a state or region. Regardless of where such change originates, you need core leaders to sponsor the idea.

Finding the initial mix of organizations is also important. In real terms, a cross-jurisdiction collaboration can be any mix of state, county, local, school district and/or other units of government working together. Practically, the commonality would be some overlap in funding, service provision, and customer base. For example: a collaboration could be formed among Michigan’s state agencies and school districts, or between the cities of Minneapolis and St. Paul, or among the City of Los Angeles, Los Angeles County, and small localities surrounding the Los Angeles metro area.

There are three primary ways of generating public value:

Increasing effectiveness, increasing efficiency, and creating new capacity.

Maximizing feasibility ensures goals are achieved.



The primary step in creating the overall vision and gaining support is bringing together people around goals for generating public value. This captures the intended purpose and mission of the organization and is similar to the force that capital markets impose on private organizations, as society needs government to create value (outcomes) that is higher than its marginal cost to society and its opportunity cost of capital. In essence, leaders must ask: “What is the goal of the cross-jurisdiction collaboration? Why is this goal valuable? And how do we get people behind it?”

Broadly, this is accomplished by focusing on three levers: Creating capacity, improving effectiveness, and improving efficiency.

- ✘ ***Creating Capacity:*** This lever signifies the ability to meet new constituent needs and demand for future services. The central question here is: How does collaboration improve our capacity to innovate and respond to future demands, and how do we estimate the value?
- ✘ ***Improving Effectiveness:*** This lever signifies increased ability to achieve policy and outcome goals. The central question and line of communication here is: How will collaboration bolster our ability to achieve outcomes, and how do we measure the impact on public value?
- ✘ ***Improving Efficiency:*** This lever signifies the potential decrease in cost to taxpayers. The central question and measures here are: What infrastructure, systems, processes, and resources can we rationalize, and what is the monetary value of the savings?

Working through and crystallizing the goals of the collaboration should directly translate to communication around public value. Such communication should closely tie together the larger visions of the governor or mayor, cabinet-level agencies, and partners.

The communication of the vision for cross-jurisdiction collaboration should help stakeholders see how it can enable more effectiveness on the “front lines” impacting citizens. Connecting the vision to the direct benefits to citizens helps drive home the fact that collaboration is about capacity development and not just cost savings. It makes it easier to gain the necessary legitimacy and support.

✘ MOVE TWO Set a Strategy

From a leadership perspective, if the stump speech is how cross-jurisdiction collaboration can enable newfound capacity and improve public value, the notes to back it up are a well-developed strategic plan. Broadly, the strategy is the goals and objectives of the collaboration quantified with strong understanding and agreement on what the partnership will collaborate on. The strategy moves the partnering organizations beyond speculation and into real valuation.

The overriding work item in developing a strategy for the shared services initiative is working with stakeholders to firm up and choose the portfolio that will be presented as part of the plan. It's imperative at this stage to have the highest level of agreement possible as the portfolio decision sets the wheels in motion for designing and financing the operation. It also determines the downstream business model. Strategy is created when all the partners look across functional areas and probe for intersections of value. Using the Public Service Value Chain, questions such as the following can be asked:

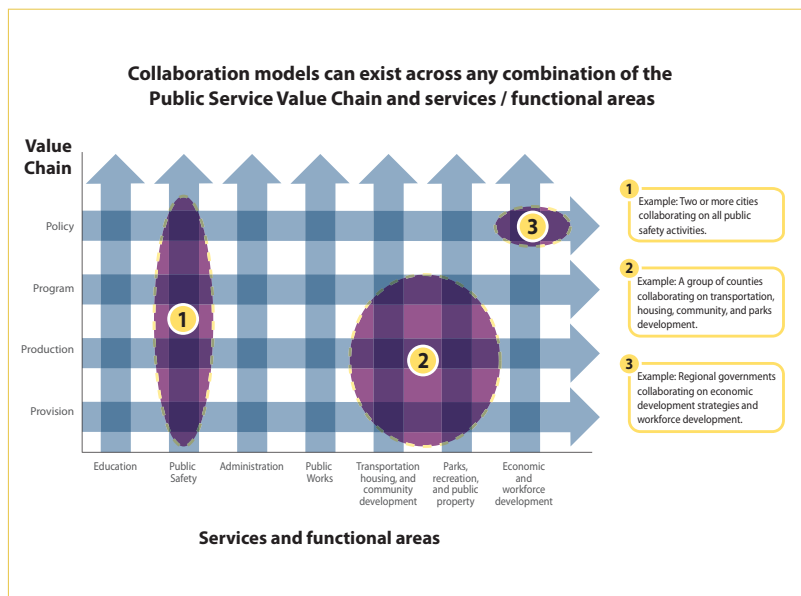
- ✘ **Policy:** Where are our regional policy goals intersecting? What policy functions can we collaborate on? What is the potential for improved outcomes?
- ✘ **Program:** Where are there natural intersections among programs? What can we do at those intersections to improve public value?
- ✘ **Production:** Where are we duplicating or underutilizing human resources, processes, systems, infrastructure, equipment, or other resources? What makes sense to consolidate or share?
- ✘ **Provision:** Where are our interactions with constituents overlapping, or working against each other? In what ways can we integrate them to achieve higher levels of effectiveness and efficiency?

As the partnering organizations go through this exercise, there will be a natural and productive churn in those looking to collaborate. Some organizations will see immediate value, some may take a “wait-and-see” approach. Additionally, particular points of value will percolate to the top. These points of collaboration will form the portfolio of cross-jurisdiction initiatives that the partnership will work on. In effect, the process will “cluster” collaboration areas to assess how much value could be generated by collaboration.

Assessing value requires finding performance baselines across key categories of business processes, and benchmarking those baselines against best practices in other governments and across sectors. In all likelihood, there will be more than one cluster and a large scope of services ripe for collaboration. Segmenting by service type and clusters, and choosing the right splice, is critical for both buy-in and start-up success.

To obtain a deep level of valuation, analysis must be done on cost and performance. This is a technical process, but broadly includes understanding the end-to-end cost of a select program or service. Once this data is known, it can be factored into the “true and total” cost of delivering the program, and can form a baseline. Comparisons can now be run against best practices in other state governments or sectors to answer the question of how much improvement is on the table.

Once there’s an understanding of what the collaboration portfolio looks like, analysis can be conducted along two primary arbitrage levers — the portfolio of services offered (efficiencies derived from scope and scale), and the resources needed (efficiencies derived from performance and location of workforce) — to deliver the portfolio in a high-performance manner. By running scenarios, and creating models of various levels of service, a forecast of investment/return can be calculated. The resulting financial projections and pro-forma statements can then be utilized to develop a business plan.



Leaders must choose a portfolio of services wisely. They should take great care in performing an assessment of the current state, focusing on selecting the services that have the clearest value and feasible path to implementation.

Once this process is completed, all parties can move forward with one voice and with greater resolve than ever. This resolve can then be translated into a framework for governance, and, in particular, the alignment of strategy and the business model.

Once this process is completed, all parties can move forward with one voice and with greater resolve than ever. This resolve can then be translated into a framework for governance, and, in particular, the alignment of strategy and the business model.

✘ MOVE THREE Develop a Business Model

This is where the rubber meets the road. The business model chosen contains the tactical elements necessary to meet strategic goals and generate desired outcomes. Leaders must make a clear link and leap from the strategic ideal language of creating value to the pragmatic language of step-by-step process. A business model will achieve this.

Generally, there are four business models¹³ the collaborative partnership can utilize:

Coordinating: The entities reduce duplication by aligning program objectives, coordinating production, and integrating provision.

Merging: The entities merge select programs, production, and provision into a single entity responsible for providing services to all entities.

Contracting: The entities consolidate programs, production, and/or provision and place it with an existing local government entity or a third party provider.

New entity: A new entity is created to facilitate and provide certain policy-making, programs, production, or provision on a regional level.

In choosing a business model, it's important to synchronize the attributes and capabilities needed for successful collaboration with the characteristics, limitations and risks, and governance style of the enabling business model. The table below broadly shows the profile of each business model.

	1. COORDINATING	2. MERGING	3. CONTRACTING	4. NEW ENTITY
	Consolidation and/or sharing of specific function(s) by entities	Combining specific function(s) and/or political entities into a single entity	Transferring mgmt. and execution of function(s) to an external service provider	Transferring mgmt. and execution of function(s) to a separate entity created to provide function
Typical reasons to implement	<ul style="list-style-type: none"> • Reduce redundancy • Reduce costs by realizing economies of scale • Standardize processes • Improve existing/add higher level of service 	<ul style="list-style-type: none"> • Reduce redundancy • Reduce costs by realizing economies of scale • Share/lower future investments • Provide new service 	<ul style="list-style-type: none"> • Variablize fixed costs • Eliminate future/ongoing investments • Flexible capacity • Provide new service 	<ul style="list-style-type: none"> • Share risk/benefit • Address regional needs • Provide new service • Make resources more affordable
Limitations/risks	<ul style="list-style-type: none"> • Need for incremental investments with technology/ industry changes to realize continued benefits 	<ul style="list-style-type: none"> • Lower benefits with larger number of merging entities/functions • Wages at highest of pre-merged levels • Potential loss of individual entities' identities 	<ul style="list-style-type: none"> • Smaller scopes of work yield little financial benefit • Lower control of day-to-day service delivery 	<ul style="list-style-type: none"> • Lower control of day-to-day service delivery • Lower responsiveness to local change requirements • Loss of individual entities' identities
Responsible party	Shared (not always equally) across participating entities under separate entity authorities	Single merged entity under the authority of its single governing body	External service provider according to agreed upon SLAs and duration	Separately created entity under the authority of its governing body

The optimal implementation method varies based on several factors, including the goals of the collaboration, the organizations involved in the collaboration, and relevant financial, political, and future considerations pertaining to these entities.

The executive sponsors and leaders of the collaboration should also validate a business model through the lens of the authorizing environment. It's just as important to synchronize the business model with political realities as it is to synchronize with business factors. A nuanced way to do this is to look at each collaboration cluster and its value/risk profile and answer questions related to the enabling business model:

- ✘ ***Political Economy.*** What are the key stakeholder groups, and how would they view the business model? Does the increase in effectiveness and/or efficiency supersede the potential perceived losses in authority, governance, and accountability?
- ✘ ***Organizational Impact.*** What level of change will organizations have to work through? Can the scale and scope of the business model meet this purpose? Will we enhance or tarnish our value proposition and connection with certain constituents and stakeholders?
- ✘ ***Expected Value.*** Are we sure the business model will maximize our ability to succeed? How much political value is at stake? How much fiscal value and risk (measured by financial tools such as payback, internal rate of return, net present value, etc.) is at stake? Can we afford not to use this business model?
- ✘ ***Perceived Risk and Liabilities:*** What is the probability of failure, and how would that be measured? Is the business model enabling the collaboration to be capable of absorbing this amount of change? Do we have the technical capability to implement the model? What (if any) legal barriers are there to moving forward?

As the partnership evaluates business models, it is vital to deeply engage stakeholders and customers in designing the overall structure, form of governance, service delivery, and measurement. Early success is critical for major transformation efforts such as cross-jurisdiction collaboration, and developing and adopting the optimum business model will ensure the collaboration starts strong.

✘ MOVE FOUR Launch the Collaboration

Now it's time to turn on the lights. Once the partnership has a clear value proposition, a strategy for moving forward, and an enabling business model, the collaboration can move to launch.



Every cross-jurisdiction collaboration will function differently depending on the scope of services and the enabling business model. Some collaborations—especially those where minimal outsourcing or low levels of provision integration are taking place — will be relatively less intensive to launch. Others — such those that establish a new entity or merge multiple programs into a new organization — will require a robust launch plan, as they are essentially start-up businesses.

From the technical steps (developing operations, budgeting, hiring, systems, rollout, and other steps) to developing an executable plan, there are many important considerations when launching a cross-jurisdiction collaboration. (For a contemporary and in-depth set of resources on producing a business plan, please see [Accenture.com/shared services](https://www.accenture.com/shared-services).) While detailing all these

steps is beyond the scope of this paper, there are a set of issues that every leader should think about when approaching launch and the day to day operations of the collaboration:

- ✘ **Governance:** Governance is the formal structure and methods that bring the partners together in order to secure resources, make resource allocation decisions, and make operational the business model. In the early stages of the partnership governance should be “light” — just enough to have a framework for decision making, but flexible enough to facilitate creativity and goodwill. As the collaboration matures and launches, governance should grow and adapt with the business model chosen and provide fair representation among the organizations regardless of size.
 - ✘ **Funding:** There are four general ways of securing financing for launch. The first is through the legislative branch of government via general fund appropriation or a bonding bill. The second method is to pool resources across agencies and partners to form an investment fund. A third way is to combine both legislative and executive branch funding mechanisms — often by attaching the collaboration to a larger and/or related initiative. Fourth, a collaboration can sometimes generate enough near-term cost reductions for the partners that the savings can not only cover the initial investment in people, infrastructure and systems, but also contribute to agency return on investment and partnership growth.
-

-
- ✘ **People:** Central to the performance of the collaboration are the people who will be working there and how they will be managed. In a customer-centric organization such as a collaborative enterprise, the governance should clearly lay out the roles and goals of the employee base. In turn, employees should be provided appropriate span of control and action to proactively decide and act on customer issues. Additionally, when designing the workforce, considerations should include the location of the center, the distribution of employees across partner agencies, the ratio of government employees and contractors, and the decision rights at each level.
 - ✘ **Processes:** The collaboration has to excel at delivering process-oriented services to customers and it has to excel at its own internal management and operational processes. The key here is to link the processes and technology to a robust Service Management Framework (SMF) and to the Service Level Agreements (SLA) that provide the tactical underpinning. The SMF sets expectations for all parties based on a clear definition of services and defines the roles, responsibilities, and metrics for the collaboration and customers. Make sure to understand every process from start to finish and what's working well. By watching key metrics, you will be able to ascertain whether a process is working as planned and develop improvements on with the customers.
 - ✘ **Technology:** The primary reason the collaboration was launched was to bring new levels of capability and efficiency, so make sure all technology investment enables the future state envisioned and supports the people and processes. The technology should be light and agile, making wide use of automated processes, self-services systems, and leveraging low-cost solutions such as modular applications and cloud storage. Overall, the technology and applications should be driven by the services and should enable the requirements as guided by the Service Management Framework. In addition, the technology should reduce duplication across the collaboration.
 - ✘ **Measuring and Communicating Results:** Put in place a tool to measure work outcomes from day one. The measures should flow directly from the benefits the collaboration is attempting to achieve and from the metrics put forth for the governance of the collaboration. Communicate the results broadly and continually, and make the connection between the collaboration and citizen-facing programmatic success. Additionally, be sure to celebrate the early wins as they help maintain momentum. What's important here is to make the ongoing argument for transformation — and that collaboration is an enabler of increased public value.

The direction taken on governance, funding, people, process, technology, and measures mold the structure and culture of the collaboration as it sets and informs the shared values, ideals, attitudes, goals, and practices that characterize the environment and guide collective action. Thus, it is vitally important to plan well and synchronize the organizational attributes with the enabling business model and, ultimately, with the services being offered.



Case in Point: Cross-Jurisdiction Collaboration in Michigan

There was a saying about the city of Detroit, how it reflected the condition of the rest of the nation: When Detroit sneezes, the rest of the nation catches a cold. In today's economy, you could say that when the nation catches a cold, Michigan gets the flu.

The economy has hit Michigan especially hard. More than 300,000 jobs have been lost since the year 2000, the vast majority — 170,000 of them — in manufacturing. And, like most states, Michigan faces falling revenues combined with an inability to raise taxes at the state and local level. Changing demographics and an aging workforce are putting higher demands on services.

As a result, budgets are down an average of 25 percent from eight years ago.

As part of the **2010 Harvard Shared Services in the Public Sector Summit**, a panel of Michigan's leaders from across government, technology, and education discussed the value and feasibility of cross-jurisdiction collaboration, and how they would use it to move forward in these particularly challenging times.

What became clear is that collaboration is not just an option — it's an imperative.



Left to right: **Rowan Miranda**, Associate Vice President for Finance, University of Michigan; **David Wilson**, Managing Director, Accenture; **Clark Volz**, Superintendent, Midland County Education; **Dan Rainey**, Chief Information Officer, City of Ann Arbor; **Ken Theis**, Chief Information Officer, State of Michigan; **Antonio Otfelie**, Executive Director, Leadership for a Networked World.

"Government has its core mission of serving citizens, and we need to be able to focus on that core mission, supporting those ten million Michigan citizens and all of those businesses and figuring out a more efficient and effective way to rewire the core government services. There's got to be a more efficient and effective way."

—Ken Theis, CIO, State of Michigan



Moving forward on cross-jurisdiction collaboration is a key strategy in Michigan. The following excerpts from the panel conversation show how it takes vision, leadership, and resolve.

“We all have the same budget drivers,” said **Clark Volz**, Superintendent of Midland County Education. “And as far as enablers go, this economic crisis is too good to waste. We’re really having a great dialogue about what can be done, and the cross-jurisdictional piece is very appealing.” **Ken Theis**, CIO for the State of Michigan, echoed the sentiment: “I think we have a wonderful opportunity to reshape what I call the “core” or “back-office” services of government and rewire them. The key is to get efficiencies, yet not reduce the level of innovation.”

The panel agreed that cross-jurisdiction collaboration is a way to bring new public value without the wrenching difficulties that come with merging organizations or jurisdictions — a strategy that’s being hotly debated across the country. “It could be a third way instead of what we’re seeing in some regions — actual political merger and consolidation,” said **David Wilson**, Managing Director for Accenture. “There are tremendous political challenges with mergers, and with cross-jurisdiction strategies, jurisdictions don’t have to struggle on their own and keep cutting capability and capacity, nor do they have to make themselves vulnerable to political merger where they no longer exist.”

Still, getting started, and making a strong case for cross-jurisdiction collaboration, are key challenges and opportunities. Knowing the “starting point” by benchmarking and comparative analysis helps originate dialogue. The University of Michigan measured internal functions and found potential savings, which helped gain buy-in for IT rationalization. “I’m an absolute believer that the fact base is the first place to start in trying to motivate changes,” said **Rowan Miranda**, Associate Vice President for Finance for the University of Michigan. “When we showed the deans the data, the resistance began to melt and they started seeing, hypothetically, that we could save \$30 million. This is money that could go straight to students.”

Yet what remains difficult for many organizations — especially small localities — is access to the methodologies and comparative data. “We talk about building a business case and sharing metrics to convince people that this makes sense, but has anybody tried to benchmark a local IT department against a peer?” asked **Dan Rainey**, CIO for the City of Ann Arbor. “We don’t even measure the same things. We’ve talked about modeling [departments] like an internal service fund just on paper to see where our costs line up so we could start making more objective decisions, but it’s a lot of work.”

To move past the benchmarking challenges and jumpstart collaboration, the panel agreed that a great place to start is with new services and/or smaller initiatives, especially in areas where you can percolate an initiative from smaller localities up to larger partnerships. Miranda of the University of Michigan framed this well: “I do think there are opportunities when there isn’t an existing service. For example, we’re



trying to consolidate data centers at the University of Michigan. Offering that capability to the city of Ann Arbor and Washtenaw County in terms of disaster recovery or storage or virtualization — these are possibilities. When there's a new service there aren't existing people attached to it and I think our ability to do cross-jurisdictional service is much greater." State CIO Theis added: "I think the state has a critical role: To help facilitate the process. But I also think shared services across jurisdictions will originate more in a peer-to-peer way than at a higher level. You have to do this in a way that you're biting off pieces because at the end of the day it is about changing the way we operate and taking on very big issues. The enabling big pieces right now are the technology piece and the financial pressures, but the real hard work is going after the people side and building trust, gaining credibility, and slowly building something together that can grow over time."

What became clear at all points of the conversation is that moving a cross-jurisdiction collaboration forward is a political art form, and building trust is a key component to ensuring the collaboration helps all partners achieve their mission.

"We have to be cognizant that in small communities, the school district is the economic center," said Midland County Education's Volz. "The reason a small community has a local restaurant, a local grocery store, a garage that repairs cars, is because kids go to school there. We're looking at how do you keep Friday night football and not pay for a superintendent, or business office services, or cleaning services. How can we maintain the core of a community — namely the schools — and minimize their expense." State CIO Theis added, "I think it's tough for a lot of reasons. One is we're all part of different organizations, different sponsorship, different issues. The other is the issue of trust. You've got to be able to walk the talk and build credibility slowly and go after those things that provide tangible results. But I do think there's a lot of opportunity."

"I think there would have to be entrepreneurs in both jurisdictions," said University of Michigan's Miranda. "To me, that entrepreneur is the first step, somebody on both sides willing to take the risk, willing to form the vision."

In the end, it all goes back to mission, and serving citizens efficiently and effectively. Said Miranda, "For the U of M, it's really about channeling resources into the academic mission, and I think that plays very well. Even in the IT rationalization project, we strategize on how much of the cost savings potential goes into reduced rates for campus versus how much we reinvest in areas where we feel we're behind our competing universities. That's the pitch."

Ann Arbor CIO Rainey summed it up well: "Our commitment to our mission is imperative — that we access this opportunity to help us redirect our resources to deliver better services for less money."



“There are more than 400 school districts in Michigan and most of them are dealing with budget cuts. There’s an added leverage to the tough decisions when a child’s future hangs in the balance.

When you no longer can afford to provide services alone, you seek a more noble approach and are driven past some of the territorial limitations. Who cares where the paycheck comes from? Who cares who purchases the paper? Who cares who coordinates the bus routes? When you get down to classrooms where there’s a teacher and a child, that’s a pretty sacred relationship.

As a society and nation, we better show up in that area.”

— Clark Volz
Superintendent, Midland County Education



THE VIEW FROM THE HILL

A tough speech for a public official to give is one that lays out a fundamentally new direction for a large set of stakeholders. Reflecting on this, German sociologist and political economist Max Weber noted, *“One can say that three pre-eminent qualities are decisive for the politician: passion, a feeling of responsibility, and a sense of proportion.”* These attributes are certainly important for leaders making the case for collaboration across jurisdictions. Yet officials interested in generating widespread support for this effort must also hold a fourth trait: **Vision**.

As a governor, mayor, or key policy maker articulates the vision for cross-jurisdiction collaboration, their main argument will be the fiscal benefits it can bring. But beyond cost savings are significant benefits and advantages that visionary leaders should also highlight. A few more points to add to the stump speech:

GENERATING REGION-WIDE ECONOMIC DEVELOPMENT

Cross-jurisdiction collaboration has the potential to spur economic development in two ways. Strategically, it aligns local policy and program goals and positions the region better competitively. This is especially true when looking at the infrastructure, education, and revitalization challenges facing many US regions as they deal with global competition. Organizationally, the versatility of modern network-enabled business models and communications technologies allow a collaboration (especially on production) to be sourced almost anywhere.

The Commonwealth of Virginia, for example, factored economic development into its planning and built a data center in southwest Virginia — providing vitally needed jobs in a rural area while also gaining a secure and low-cost center for critical infrastructure and applications. Virtually every government has a region that could benefit from the influx of professional jobs that collaboration and shared services entails. In northern Minnesota, the “Iron Range” was once dominated by mining and foresting industries. But as the economy changed, the jobs did as well — leaving behind a swath of underemployed people. As Minnesota envisions its cross-jurisdiction options, state leaders could consider locating a collaboration support center in the Iron Range.

PURSUING A REGIONAL “GREEN” INITIATIVE

Leaders around the world are looking to pursue environmentally conscious policies and programs. But a central challenge has been herding disparate organizations together to affect a measurable result. When a region is aligned through collaboration, analysis can be conducted and decisions made regionally, providing a much larger impact on environmental initiatives. For example, many regions are tracking the carbon footprint of government fleet vehicles, buildings, and equipment, and setting reduction goals across jurisdictions.



ENSURING EQUITY IN THE PROVISION OF SERVICES

Equity, or fairness in applying policy and distributing services to individuals and constituent groups (in the distribution of taxpayer supported programs, access to services, and educational opportunities, to name just a few areas) is important in building and sustaining strong communities and regions. Cross-jurisdiction collaboration and network-enabled services will be key for a more equitable future. For example, a locality that can't fund its own broadband network may be able to partner with adjacent jurisdictions, gaining scale efficiencies that enable all partnering localities to provide broadband access to their schools, community centers, and libraries.

FOSTERING TRANSPARENCY AND CITIZEN ENGAGEMENT

If the world has learned anything from recent high-level elections around the globe, it's that citizens are demanding more open, transparent, and equitable governance structures. This means that public service organizations need to be in a position to collect, store, and harness information in ways that permeate the entire value chain of government. A network-enabled collaboration provides a platform to aggregate and present information in ways that facilitates open and transparent dialogue on government services.

Offering new levels of economic development, sustainability, equity, and transparency is the key to trust and legitimacy. Going forward, cross-jurisdiction collaboration will be a key enabler of that potential.

SUMMARY

Times are tough for public service leaders. Citizens are demanding government deliver more and new services, but with dramatically fewer resources. As leaders look for solutions, they're finding that cutting their way out — by scaling back programs and services, merging agencies, school systems, or counties — it's tactically difficult and politically challenging. They're also finding that raising resources — by increasing taxes, fees, and borrowing — is economically unsustainable and politically unpalatable. Growing their way out isn't a viable option either — most projections show tax receipt and cost curves that just don't line up.

NOW THERE IS A NEW WAY FORWARD.

The solution for the future is based on Cross-Jurisdiction Collaboration: a model in which government and its partners work across the boundaries that have historically separated policy-making, program management, production and provision of citizen services in order to increase public value. This future, enabled by the combination of network-enabled business models, has the potential to not only dramatically reduce the cost of government, but also preserve and improve local decision-making and service provision to citizens.

The benefits of this new formula are impressive. Costs can be reduced while local decision-making and service provision to citizens are improved and preserved. And there are more than financial benefits. Through collaboration, participating agencies will be able to focus their resources on outcomes, provide more equity and transparency in services, and enhance citizen-engagement. The collaboration will also bring more agility to meet future demands and enable progress from a regional perspective.

With this new formula, public service leaders won't have to choose among options that only solve part of the problem — they can move forward in a sustainable way.



“This is a third way. With cross-jurisdiction collaboration, regional governments can add capacity and lower costs without the political pain of mergers.”

— David Wilson
Accenture

Acknowledgements & Credits

Harvard University, Leadership for a Networked World, and Accenture would like to thank the speakers, panelists, and participants in the **2010 Shared Services in the Public Sector Summit: Moving Forward in Today's World**. Their participation created the foundation for a robust and successful learning environment.

SUMMIT PARTICIPANTS INCLUDED:

Steve Adler, New York University
Bernardo Angulo Latapi, Michoacan State Government
David Anthony, Hoboken Dual Language Charter School
David Atwood, Government of Bermuda
Paul S. Bartley, US Department of Health and Human Services
Sandra E. Borders, Commonwealth of Massachusetts
Mary Ann Bradley, Harvard University
Amy Branger, Commonwealth of Massachusetts
William Brindley, NetHope
Dr. George Michael Brophy, University of Hartford
Major General Sean J. Byrne, US Army
Catherine Casey, New York University
Michael Ross Cassidy, Town of Holliston
Rafael Cepeda-Morales, Metrics Gestion y Consultoria, S.C.
Louisa Chafee, New York City
Todd Childers, State of West Virginia
John Robert Clarkson, Province of Manitoba
Anne L. Collins, Commonwealth of Massachusetts
John B. Cooney, University of Colorado
Ann Crossey, City of Colorado Springs
Sebastian L. DeSimone, New York City
Don Dickie, Canada Post Corporation
Paul Dietl, Commonwealth of Massachusetts
Thomas Dugan, Commonwealth of Massachusetts
Ann Wilkins Duncan, Florida Board of Governors (BOG)
James R. Earp, City of Kyle
Adrian Farley, State of California
Robert W. Ferguson, State of West Virginia
Lynn Fitch, State of Mississippi
J. Stephen Fletcher, State of Utah
Renaud R. Fournier, New York University
Steve L. Funck, State of Oklahoma
Glen Gainer, State of West Virginia
David A. Gingerella, Yale University
Tanuja Gopal, Commonwealth of Massachusetts
Erin S. Gore, University of California, Berkeley
Geoffrey Gorsuch, US Army
Julie R. Grant, Yale University
Greg Griffin, State of Georgia
Jerrold Grochow, MIT Energy Initiative
Nancy G. Groenwegen, State of New York
Kimberly K. Hood, State of Utah
Marco Antonio Horta Pereira, State of Rio de Janeiro
Gopal Khanna, State of Minnesota
Ronn L. Kolbash, State of Ohio
John Kost, Gartner Research
John Langan, Commonwealth of Massachusetts
Donna Leete, Commonwealth of Massachusetts
Ryan Erwin Ah Kim Leung, Singapore Ministry of Defense
Lawrence Levine, University of Colorado at Boulder
Dr. Thomas Lee Maier, Georgia Institute of Technology
Shawn P. McCarthy, IDC Government Insights
Sally McNeely, Commonwealth of Massachusetts
Erik Mickelson, State of Wisconsin
Rowan Miranda, University of Michigan
Ed Morrison, Purdue Center for Regional Development
Deanne M. Mosely, State of Mississippi
Patrick Mungovan, Oracle
Barbara Nobles Crawford, Commonwealth of Massachusetts
Valian Norris, Commonwealth of Massachusetts
Alexis Offen, New York City
Dale Ott, Vitil Solutions
Terry Pankrantz, University of North Texas System
Mary-Joe Perry, Commonwealth of Massachusetts
Salvador Petilos, State of Utah
Silvio Michael Petraglia, MassDOT, Fiscal Division
Alex Z. Pettit, State of Oklahoma
Albert Phipps, Province of British Columbia
Earl G. Pinto, U.S. Department of Health and Human Services
E. Jill Pollock, University of Colorado
Rajkumar Prasad, India Commonwealth Centre for E-Governance
Bryan Preston, The Back Office Cooperative
Daniel Anthony Rainey, City of Ann Arbor
Jeannine Raymond, University of California, Berkeley
Brian J. Rebesch, Yale University
Matthew Robinson, City of Peachtree
Barbara Robinson, Commonwealth of Massachusetts
Pari Sabety, State of Ohio
Jim Salb, State of Delaware
Kyle Schafer, State of West Virginia
Verline A. Shepherd, US Internal Revenue Service
Kathy M. Sheppard, Commonwealth of Massachusetts
Monique M. Simmons, State of Georgia
Peter Y. Soh, Accenture Health and Public Service
Jeffrey D. Stamper, Auraria Higher Education Center
Deirdre Stowe, Yale University
Ross Taylor, State of West Virginia
Frank Michael Teller, Washington D.C.
Kenneth D. Theis, State of Michigan
Deidre Travis-Brown, Commonwealth of Massachusetts
Kimberly Underhill, Commonwealth of Massachusetts
Karthik Viswanathan, City of Somerville
Clark Volz, Midland County Educational Service Agency
Kenneth Weber, Commonwealth of Massachusetts
Elizabeth Weinstein, New York City
Barbara Weiske, Auraria Higher Education Center
David White, State of New York
Matthew S. Williams, Government Technology Magazine
David G. Wilson, City of Philadelphia
David Wilson, Accenture
Barbara Wooten, Commonwealth of Massachusetts
Ronnie Worthy, United State Postal Service
Lyle Dwight Wray, Capitol Region Council of Governments
Mostafa Zommo, Canada Federal Government

Additionally, credits and thanks are due to Stephanie Wilbur Ash for creative direction and editing, Holland Wood for graphic design, and Russ Campbell for Summit Photography.

About LNW and Accenture

ABOUT THE AUTHOR

Antonio Oftelie is the Executive Director of the Leadership for a Networked World Program (LNW) where he guides overall program development, produces research on innovation in policy and technology, and teaches cases on leadership and strategic management. In addition, Mr. Oftelie advises senior government and business executives on organizational transformation by helping them to evolve their mission and strategy, ideate new business and service models, build adaptive capacity, and create performance and value measures.

Mr. Oftelie is a recognized expert in technology-enabled innovation and organizational adaptation and has directly advised and written for four governors, federal agencies, states, and numerous private and public companies on topics ranging from homeland security and pandemic response to economic development to product and service design to organizational collaboration, government relations, and public-private partnership strategies.

Mr. Oftelie holds a BS in Management and Ethics from Crown College and an MPA with a Business and Government Policy concentration from Harvard University where he focused his studies on leadership, finance, and public policy at the Harvard Kennedy School, and on strategic management, technology, and innovation at the Harvard Business School. He can be reached at antonio.oftelie@post.harvard.edu.

ABOUT LEADERSHIP FOR A NETWORKED WORLD

Leadership for a Networked World (LNW) helps those exercising leadership to better understand and respond to the challenges and opportunities created by information and communication technologies and network-enabled business models. Founded in 1987 at Harvard Kennedy School by Dr. Jerry Mechling, LNW now works globally and across the Harvard community to provide uniquely powerful executive education, research, and advisory services.

Current efforts of the LNW are focused on the cross-boundary challenges of innovation and change moving across traditional organizational boundaries: departments, jurisdictions, branches of government, and sectors of society. These cross-boundary reforms represent the next wave of the many opportunities and challenges opened by information and communication technologies and network-enabled organizational models.

Leading successfully in this networked world requires elected officials, general managers, and technology managers to collectively make difficult decisions and choices about the level and pace of reform and change. By bringing together leading practitioners, academics, and executives to share ideas and learn about governance, LNW strives to deliver creative solutions to real-world problems and lasting public value for pressing challenges. Find more information at lnwprogram.org.

ABOUT ACCENTURE

Accenture is a global management consulting, technology services, and outsourcing company. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful organizations, Accenture collaborates with clients to help them become high-performance businesses and governments.

As a premier thought leader in cross-jurisdiction collaboration, shared services concepts, and industry leading practices, Accenture has been at the forefront working with government organizations and educational institutions on innovations to improve public-sector value and transform citizen service delivery. Accenture works with organizations to help navigate the unique requirements of a public sector environment, including transformation of business processes, policies, organizational structure, personnel management and technology.

The **2010 Shared Services in the Public Sector Summit: Moving Forward in Today's World**, held at Harvard University, was developed in collaboration with Accenture. Find more information on Accenture's shared services capabilities and thought leadership at accenture.com/sharedservices.



References & Notes

- 1 <http://www.cbpp.org/files/3-13-08sfp.pdf>
- 2 <http://www.gao.gov/new.items/d07362sp.pdf>
- 3 <http://www.kellogg.northwestern.edu/faculty/rauh/research/NMRLocal20101011.pdf>
- 4 Boosting Government Productivity, The McKinsey Quarterly, November 2004.
- 5 http://www.nyslocalgov.org/pdf/Executive_Summary.pdf
- 6 <http://www.metrocouncil.org/planning/framework/overview.htm>
- 7 <http://www.metro-region.org/index.cfm/go/by.web/id=305>
- 8 <http://www.mwdh2o.com/>
- 9 Rounded Figures based on the National Association of State Budget Officers' annual State Expenditure Report. <http://www.nasbo.org/Publications/StateExpenditureReport/tabid/79/Default.aspx>
- 10 Find the "Shared Services Horizons of Value Paper at: http://www.lnwprogram.org/file-storage/view/Shared_Services_Horizons_of_Value.pdf
- 11 <http://cpr.ca.gov/>
- 12 For an overview of Production Curves, see Applied Microeconomics for Policy Makers. Prajapati Trivedi. International Management Publishers. 1991

This document was developed by Antonio M. Oflie to disseminate lessons learned from the 2010 Harvard Shared Services Summit and is intended solely as a research and learning document. The content and cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management. Copyright © 2010 by Leadership for a Networked World and Harvard University



And it ought to be remembered that there is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things.

Because the innovator has for enemies all those who have done well under the old conditions, and lukewarm defenders in those who may do well under the new. This coolness arises partly from fear of the opponents, who have the laws on their side, and partly from the incredulity of men, who do not readily believe in new things until they have had a long experience of them.

—Niccolò Machiavelli in *“The Prince”*, Chapter 6. 1537.

CONTACT INFORMATION

Leadership for a Networked World

616 William James Hall,
33 Kirkland Street,
Cambridge, MA 02138

www.lnwprogram.org