Strategy to Task

The “Theory of Change” Concept for Setting Organizational Goals and Achieving Them

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do I translate a vision into concrete tasks?

do I know where to focus?

do I allocate resources – time and money?

do I measure progress?

do I motivate people?
STRATEGY
What is strategy?

- Dozens of definitions
- What can we all agree a strategy is?
  - It is a pattern of decisions and actions intended to cause a change
  - It is *not* a to-do list
- The best approaches to modern strategy combine 10 elements in 4 categories

Don’t worry, I’m going to email you the slides.
4 C’s of a good strategy

- **Concept**: What needs to be done and why?
- **Context**: What is the situation?
- **CoA (Courses of Action)**: What steps are you going to take?
- **Choices**: What decisions are you going to make?
10 components of the 4 C’s of strategy

Concept
- Vision
- Mission

Context
- 5Ws
- SWOT

CoA (Courses of Action)
- Goals
- Outcomes
- Outputs

Choices
- Actions
- Metrics
- Timing
- Priorities
- Resources
- Timing
Strategy draws on multiple disciplines

- Leadership
- Stakeholder Engagement
- Operational Planning
- Project Management
- Innovation & Design Thinking
- Research & Analysis
- Measurement & Evaluation
- Finance & Accounting

Concept:
- Vision
- Mission

Context:
- 5Ws
- SWOT

CoA (Courses of Action):
- Goals
- Outcomes
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Strategy is *not* a to-do list

*your* Theory of Change

Your theory of how and *why* change happens
Your worldview is the synthesis that connects your interpretation of the past with your vision of the future to create a compelling narrative of the change in the world you seek to create. That is a Theory of Change.
Theory of Change diagram

- **Past**
- **How change occurs**
- **Obstacles**
- **Envisioned Future**
- **Why it matters**

*Narrative*
Discussion

- What is your organization’s worldview?

- Does your organization have a theory of change?

- What is the theory of change for the NexGen summit?
What does a *Theory of Change* look like in action?

Essentially, it is a system of *alignment*
Strategy begins with a concept
What is your vision?

What is the impact you want to have?

What is your vision of the world (or your organization, office, team, etc.) AFTER you have achieved the change you seek?
What is your mission?

Vision

What is the impact you want to have?

Mission

What will your organization do to accomplish this vision?

What will your team be or become to achieve this impact?
What makes a great mission statement?
Assess the context
Establish the situation

<table>
<thead>
<tr>
<th>who</th>
<th>when</th>
<th>why</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supervisor</strong></td>
<td><strong>Member of Congress</strong></td>
<td><strong>Citizen</strong></td>
</tr>
<tr>
<td>Concerned about increase in cost</td>
<td>Concerned about negative media attention</td>
<td>Concerned about quality of service</td>
</tr>
<tr>
<td>Driven by annual budget process</td>
<td>Driven by two-year election cycle</td>
<td>Driven by immediate needs</td>
</tr>
<tr>
<td>Focused on their “span of control”</td>
<td>Focused on their district and jurisdiction</td>
<td>Focused on their household</td>
</tr>
<tr>
<td>Worried about next promotion</td>
<td>Worried about losing next election</td>
<td>Worried about next mortgage payment</td>
</tr>
</tbody>
</table>
Some helpful questions

- Who has formal authority? What about informal authority?
- What resources will I need? Who controls them?
- Who are the stakeholders? What are their preferences?
- Who are your supporters? Who are your skeptics?
- How much time do I need? How much time do I have?
- What are the risks if I proceed? What are the risks if I don’t?
- What is the history? Who has a different story?
Start the planning
How do we translate a Vision/Mission into goals?

**Vision**

A world without $x$.

**Mission**

Our organization’s mission is eliminate $x$.

**Goals**

For your organization to accomplish $x$, what must it do?
SMART framework

Goals should be...

Specific  Strategic
Measurable  Motivational
Attainable  Accountable
Relevant  Assignable
Time-bound  Achievable

Resourced  Achievable
Realistic
Tangible
Goals are achieved through outcomes and outputs

- **Goal(s)**
  - For your organization to accomplish x, what must it do?

- **Outcomes**
  - For each goal to be accomplished, what conditions need to be present?
  - What needs to be created, removed, or changed?

- **Outputs**
  - For each outcome to occur, what are the concrete, measurable results of the actions your organization performs?
**Outcome** vs. **Output**

**Outcomes** are the impacts (or changes in the world) that are required to fulfill your mission.

Often inspiring and aspirational, they serve as critical touch-points to your goals.

Ask, "What conditions need to be present for me to be successful in my mission?" The answer points you to the outcomes you need to achieve.

They do not need to be measurable.

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**Outputs** are the tangible, concrete results of your actions. This is what your organization delivers.

The production of output requires the consumption of resources. Strategies often fail because output and outcome aren’t linked.

Look for hidden “outputs” that are not linked to strategy (overhead) or low-return, sucking up time and resources.

Outputs must be measurable and well-defined.

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**Qualitative**

**Quantitative**
<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goals</td>
<td>For your organization to accomplish ( x ), what must it do?</td>
</tr>
<tr>
<td>Outcomes</td>
<td>For each goal to be accomplished, what conditions need to be present? What needs to be created, removed, or changed?</td>
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<tr>
<td>Outputs</td>
<td>For each outcome to occur, what are the concrete, measurable results of the actions your organization performs?</td>
</tr>
<tr>
<td>Actions</td>
<td>Actions are what your does every day; where they spend their resources (time, attention, money...)</td>
</tr>
</tbody>
</table>
Any activity that does not deliver an output aligned to an outcome that is aligned to the mission, is not part of the strategy.

It may still be necessary, but it’s overhead.
You manage only what you measure

- Develop metrics for counting and tracking outputs, the proximate results of your actions.
- Consider “input metrics” such as hours or dollars invested.
- Consider “output metrics” such as products shipped, problems resolved, tasks accomplished.
- Automate metrics where you can.
- Make time to analyze them.
- Know how you plan to use the insights.
You manage only what you measure

- Develop separate metrics for tracking **outcomes**
- These are more complex because you are looking for **indicators**, evidence of the consequences of your actions, not the actions themselves
- Based on a series of hypotheses, you are looking for confirming or disconfirming data
- Use proxy indicators or third party data to ascertain the impact of your actions
- Correlation does not equal causation
Vision

Mission

Goal 1
- Outcomes
- Outputs
- Actions

Goal 2
- Outcomes
- Outputs
- Actions

Goal 3
- Outcomes
- Outputs
- Actions

Put it all together
Start executing
"Vision without execution is hallucination."

- Thomas Edison
What separates high performing organizations from the rest is rarely strategy.

It is execution.

Your *Theory of Change* depends on your ability to translate *actions* to *outcomes*.
Execution is all about choices

- No organization has infinite resources to implement a strategy, so ultimately, execution is about making investment choices
  - Priorities
  - Resources
  - Time

- Allocate risk as carefully as you invest resources

For Leaders: your most precious asset is your attention
Theory of Change model informs choices about priorities

- **Vision**
  - Mission
    - Goal 1
      - Outcomes
        - Outputs
          - Actions
    - Goal 2
      - Outcomes
        - Outputs
          - Actions
    - Goal 3
      - Outcomes
        - Outputs
          - Actions
Plan the work.

Work the plan.
All action in the strategy should follow RACI framework

- Responsible
- Accountable
- Consulted
- Informed
Top 7 RACI best practices

1. For the R: at least one person, often more than one. If more than one, ensure you track individual responsibilities in another place.

2. For the A: should be one person only. With whom does the buck ultimately stop? Who’s on the line?

3. Create RACIs at the start of a project and review/revise in IPRs. It is not uncommon for the R, C, and I to change during a long or complex project.

4. Use RACIs to track the execution of a strategy, but also to track tasks that are sub-elements of a larger project.

5. Incorporate RACIs into broader project planners, in which you track RACI against specific project tasks and subtasks.

6. Know the RACI’s limits (e.g., it does not track timelines) and use it in combination with other project management tools (e.g., work breakdown structure, Gantt chart).

7. One person can be R and A – but be careful doing this, especially for complex or complicated projects/tasks.
Tying it all together
10 components of the 4 C’s of strategy

**Concept**
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**Context**
- SWOT
- 5Ws

**CoA (Courses of Action)**
- Goals
- Outcomes
- Actions
- Outputs
- Metrics

**Choices**
- Priorities
- Resources
- Timing
What does a *Theory of Change* look like in action?

In essence, it is a system of *alignment*
Watch out for these warnings signs

**Concept**
- Visions, Mission, Goals are vague, unrealistic, or demotivating
- Lack of a mandate or buy-in from vital stakeholders
- Don’t have the right people participating

**Context**
- Unrealistic assessment of the situation / environment
- Self-delusion: Under / over estimating external challenges, internal capabilities

**CoA**
- Outcomes are not formulated as conditions
- Outcomes and Outputs are not aligned
- Actions are not aligned to goals
- Myopic focus on outputs; feels safe, achieves little
- Measuring the wrong things

**Choices**
- Not enough time and follow-through given to the process
- Insufficient time, people, resources allocated to strategy
- Failure to prioritize, lack of discipline
- Distractions!
A Theory of Change delivers 5 benefits

- Aligns strategy to task, drives execution in pursuit of vision
- Enables an organization to rally around a common purpose and trace *line-of-sight* for every activity and person
- Helps an organization to communicate its goals and approach in clear and compelling narrative
- Provides a framework to measure progress towards achieving vision, mission, and goals
- Informs strategic decisions on priorities, time, and resources
Answers the most important question for any team:

Why are we here?
Joshua Marcuse

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Putting it into practice
example
Office of Leadership & Organizational Development (LOD) exists to make Policy a world-class organization

VISION
Policy is an organization that fulfills its mission to deliver the best possible defense policy advice to senior leaders, seeks constant improvement and innovation, develops and supports the best leaders in government, and provides every employee with a pathway for growth and professional fulfilment.

MISSION
The LOD team designs and implements policies and programs that develop excellent leaders at every level, enhance organizational performance, and foster a culture of innovation and learning across Policy.

PRINCIPLES
5 principles guide how LOD works:

Innovative | Pragmatic | Adaptive | Evidence-Based | Customer-Focused
We have three focus areas

**LEADERSHIP DEVELOPMENT & LEARNING**

*Develop leaders at every level*

**ORGANIZATIONAL PERFORMANCE**

*Develop the organization to enhance mission impact, agility, and efficiency*

**POLICY INNOVATION**

*Foster a culture of innovation and learning*
Let’s look at the mission statement again...

The LOD team designs and implements policies and programs that develop excellent leaders at every level, enhance organizational performance, and foster a culture of innovation and learning across Policy.
LOD develops leaders at every level through Policy University, working on career paths, and coaching individuals and teams

**LEADERSHIP**
- Develop leaders at every level

**ORGANIZATIONAL PERFORMANCE**
- Develop the organization to enhance mission impact, agility, and efficiency

**INNOVATION**
- Foster a culture of innovation and learning

- Optimize and run Policy University to provide world-class learning and professional development opportunities that meet Policy’s collective needs and support each individual’s career progression and intellectual growth

- Implement the just-approved Policy Leadership Cadre to identify, prepare, incentivize, and reward excellence in management; make great supervisors the “center of gravity” of Policy’s people leadership strategy

- Leverage StrengthsFinder and other tools and methods to maximize individual contribution and team performance in support of the Policy mission

- Develop options for implementing career paths (e.g., the “Specialist” concept) that harness the talents of our workforce and offer our people meaningful long-term career choices that enable and reward different types of leadership
LOD develops the organization by running the Pulse Survey, facilitating workshops for leaders and teams, and providing change management expertise.

**LEADERSHIP**

*Develop leaders at every level*

**ORGANIZATIONAL PERFORMANCE**

*Develop the organization to enhance mission impact, agility, and efficiency*

**INNOVATION**

*Foster a culture of innovation and learning*

- Measure organizational health by conducting, analyzing, and reporting on Pulse Survey and provide expertise for focus groups and surveys.

- Organize and facilitate **strategic planning workshops** for leaders, components, DASDships, and teams to help them analyze issues related to strategy, prioritization, leadership, and management.

- Help the workforce navigate periods of organizational change and Develop recommendations and programs to increase the impact of Policy’s workforce.

- Serve as a conduit to access **world-leading expertise** on management, leadership, and organizational health (e.g. FranklinCovey, Gallup, Table Group, Drive Inc.) through events, courses, and online learning.
LOD fosters a culture of innovation and learning by managing the Design Practice, running NSRP, and organizing unique learning opportunities

**LEADERSHIP**

*Develop leaders at every level*

**ORGANIZATIONAL PERFORMANCE**

*Develop the organization to enhance mission impact, agility, and efficiency*

**INNOVATION**

*Foster a culture of innovation and learning*

- Teach practical methods for enhancing creativity and innovation, critical thinking, and collaboration, while managing the **OSD Policy Design & Innovation Practice**

- Offer developmental assignments outside of Policy for 10% of the Policy civilian workforce through the **National Security Rotation Program**

- Design and implement programs such as **New Ideas @ OSD** and **Future of [X]** that invite outside perspectives, encourage creativity, and create opportunities to think broadly and deeply about how Policy approaches its mission
Theory of Change: Leadership & Organizational Development

### Vision
Policy is an organization that fulfills its mission to deliver the best possible defense policy advice to senior leaders, seeks constant improvement and innovation, develops and supports the best leaders in government, and provides every employee with a pathway for growth and professional fulfilment.

### Mission
The LOD team designs and implements policies and programs that develop excellent leaders at every level, enhance organizational performance, and foster a culture of innovation and learning across Policy.

### Outcome
OSD Policy personnel lead at every level

### Sample Outputs
- Policy University established (# of classes, students, survey scores)
- Leadership Cadre established (# of members of the cadre)
- # of StrengthsFinder assessments

### Actions
- Optimize and run Policy University to provide world-class learning and professional development opportunities that meet Policy’s collective needs and support each individual’s career progression and intellectual growth
- Implement the just-approved Policy Leadership Cadre to identify, prepare, incentivize, and reward excellence in management; make great supervisors the “center of gravity” of Policy’s people leadership strategy
- Leverage StrengthsFinder and other tools and methods to maximize individual contribution and team performance in support of the Policy mission
- Develop options for implementing career paths (e.g., the “Specialist” concept) that harness the talents of our workforce and offer our people meaningful long-term career choices that enable and reward different types of leadership

### OSD Policy continually adapts to enhance mission impact, agility, and efficiency
- Pulse Surveys administered and effectively leveraged
- # Strategic Planning Workshops held and ideas implemented
- # of events / programs involving high-level experts on org. issues

### OSD Policy embraces a culture of innovation and learning
- # of people in the Design & Innovation Practice and # of examples of methods being applied
- # of people in NSRP
- # of New Ideas or Future of [X] events

- Measure organizational health by conducting, analyzing, and reporting on Pulse Survey and provide expertise for focus groups and surveys
- Organize and facilitate strategic planning workshops for leaders, components, DASDships, and teams to help them analyze issues related to strategy, prioritization, leadership, and management
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