

July 2015

NEXTGEN

Strategy to Task

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

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HOW

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?

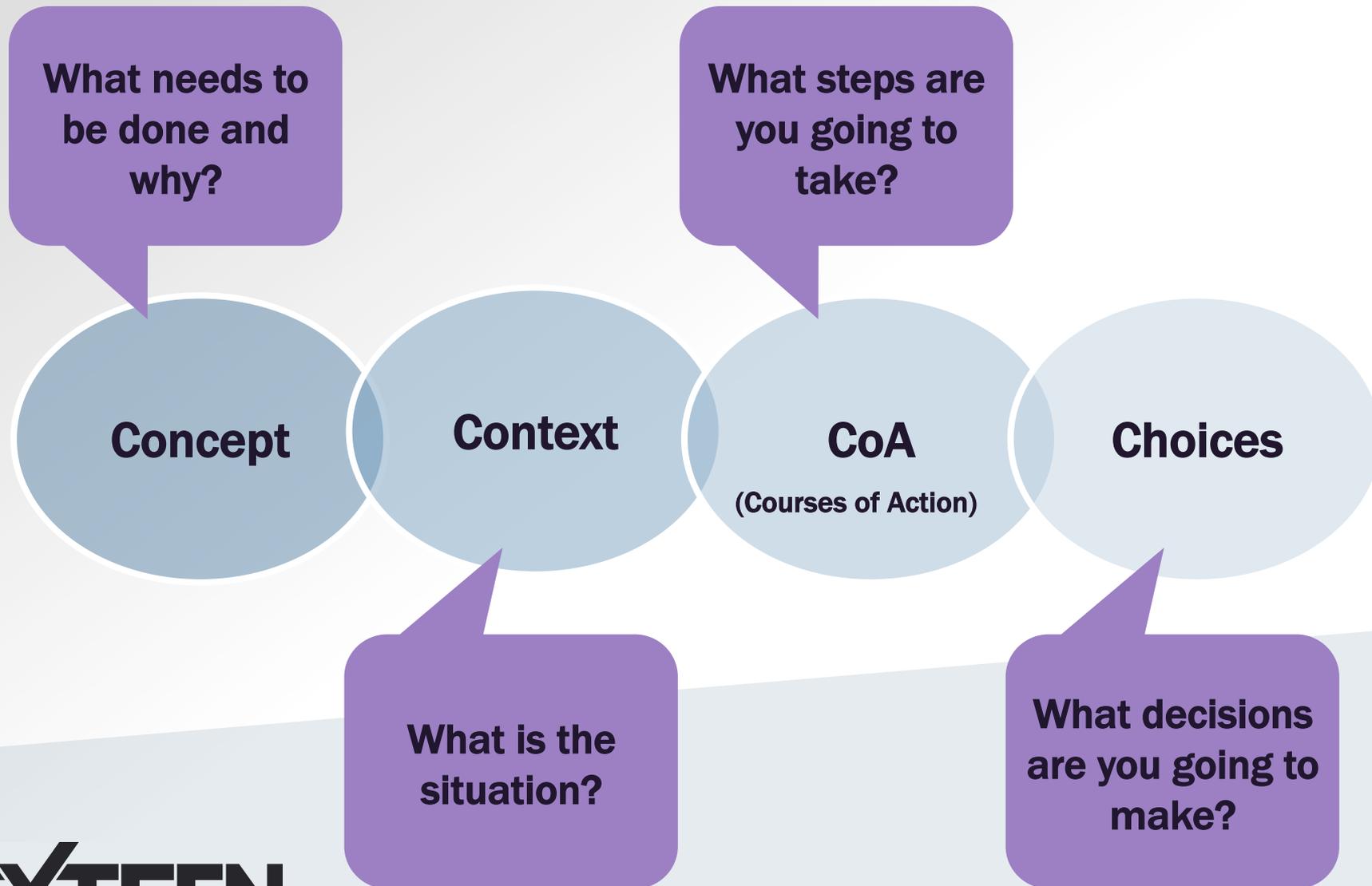
STRATEGY

What is strategy?

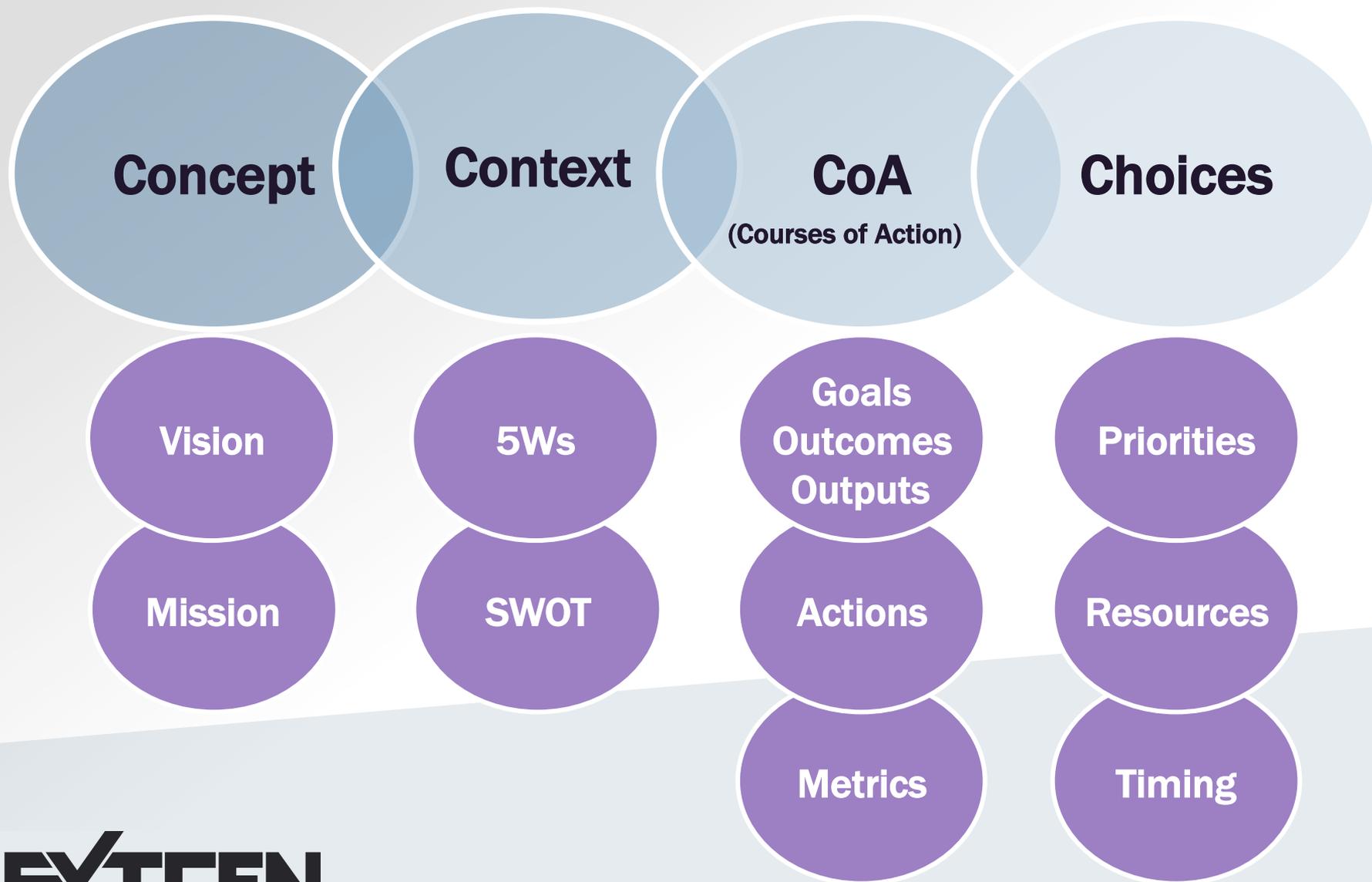
- Dozens of definitions
- What can we all agree a strategy is?
 - It is a pattern of decisions and actions intended to cause a change
 - It is not a to-do list
- The best approaches to modern strategy combine 10 elements in 4 categories

Don't worry, I'm going to email you the slides.

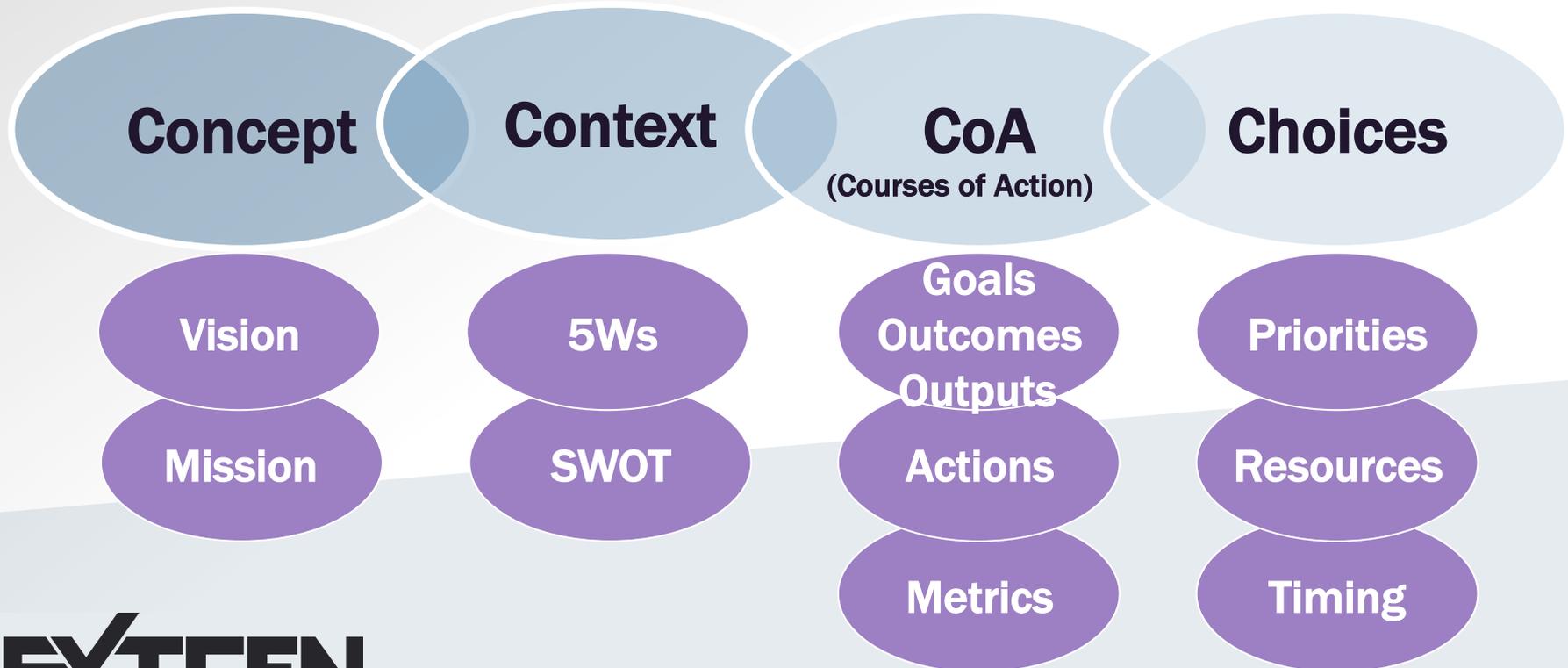
4 C's of a good strategy



10 components of the 4 C's of strategy



Strategy draws on multiples disciplines



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

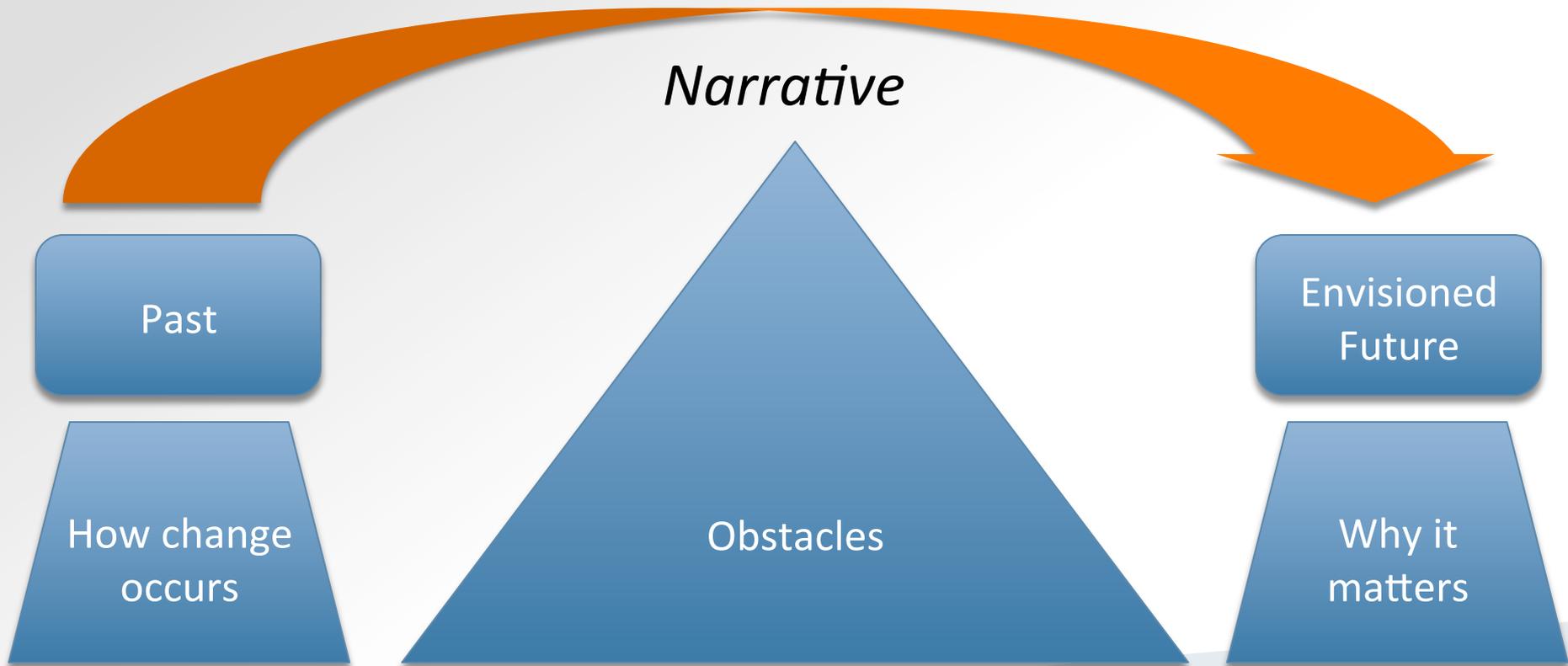
of the

change in the world you seek to create.

That is a

Theory of Change

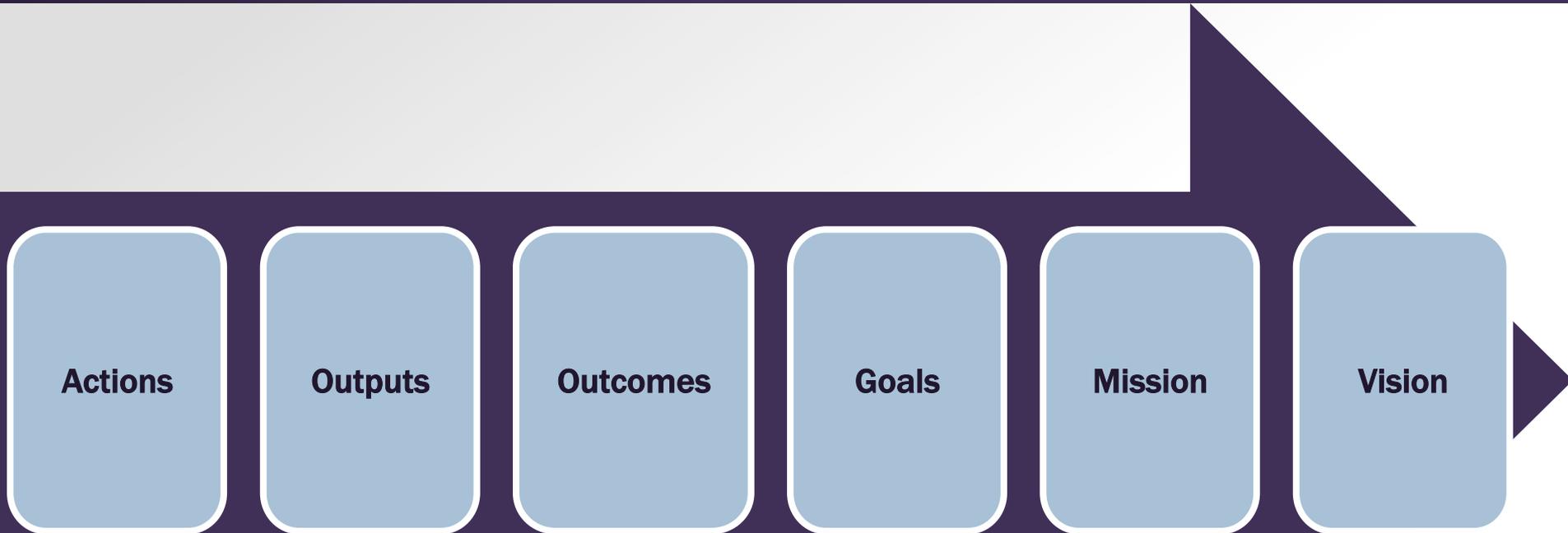
Theory of Change diagram



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*

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Concept

Vision

Mission

**Strategy begins with a
concept**

What is your vision?

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

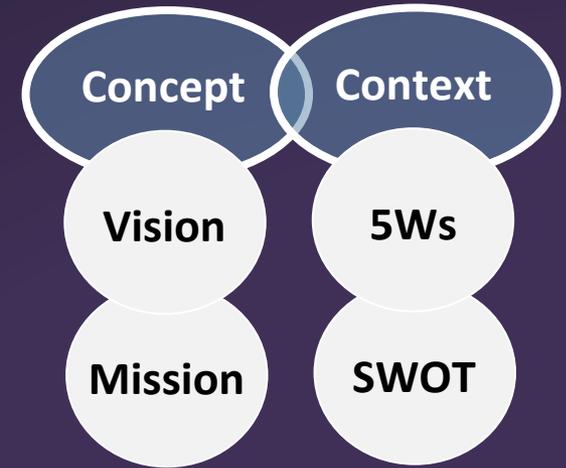
**What will your organization
*do to accomplish this vision?***

**What will your team *be or
become* to achieve this
impact?**

Discussion

- What makes a great mission statement?

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Assess the context

Establish the situation

Example

who
what
when
where
why

Supervisor	Member of Congress	Citizen
Concerned about increase in cost	Concerned about negative media attention	Concerned about quality of service
Driven by annual budget process	Driven by two-year election cycle	Driven by immediate needs
Focused on their "span of control"	Focused on their district and jurisdiction	Focused on their household
Worried about next promotion	Worried about losing next election	Worried about next mortgage payment

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?**

SWOT analysis

Example

S

Strengths

W

Weaknesses

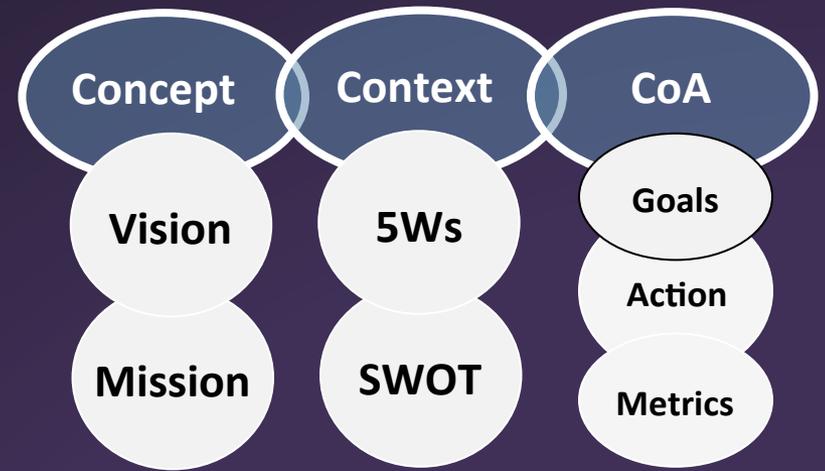
O

Opportunities

T

Threats

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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

Measurable

Attainable

Relevant

Time-bound

Strategic

Motivational

Accountable

Assignable

Achievable

Resourced

Realistic

Tangible

Goals are achieved through outcomes and outputs

Goal(s)

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

Out-comes

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.

qualitative

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.

quantitative

Plan actions based on desired outputs / outcomes

Goals

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?

Actions

Actions are what your does every day; where they spend their resources (time, attention, money...)

Deciding what to cut

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.

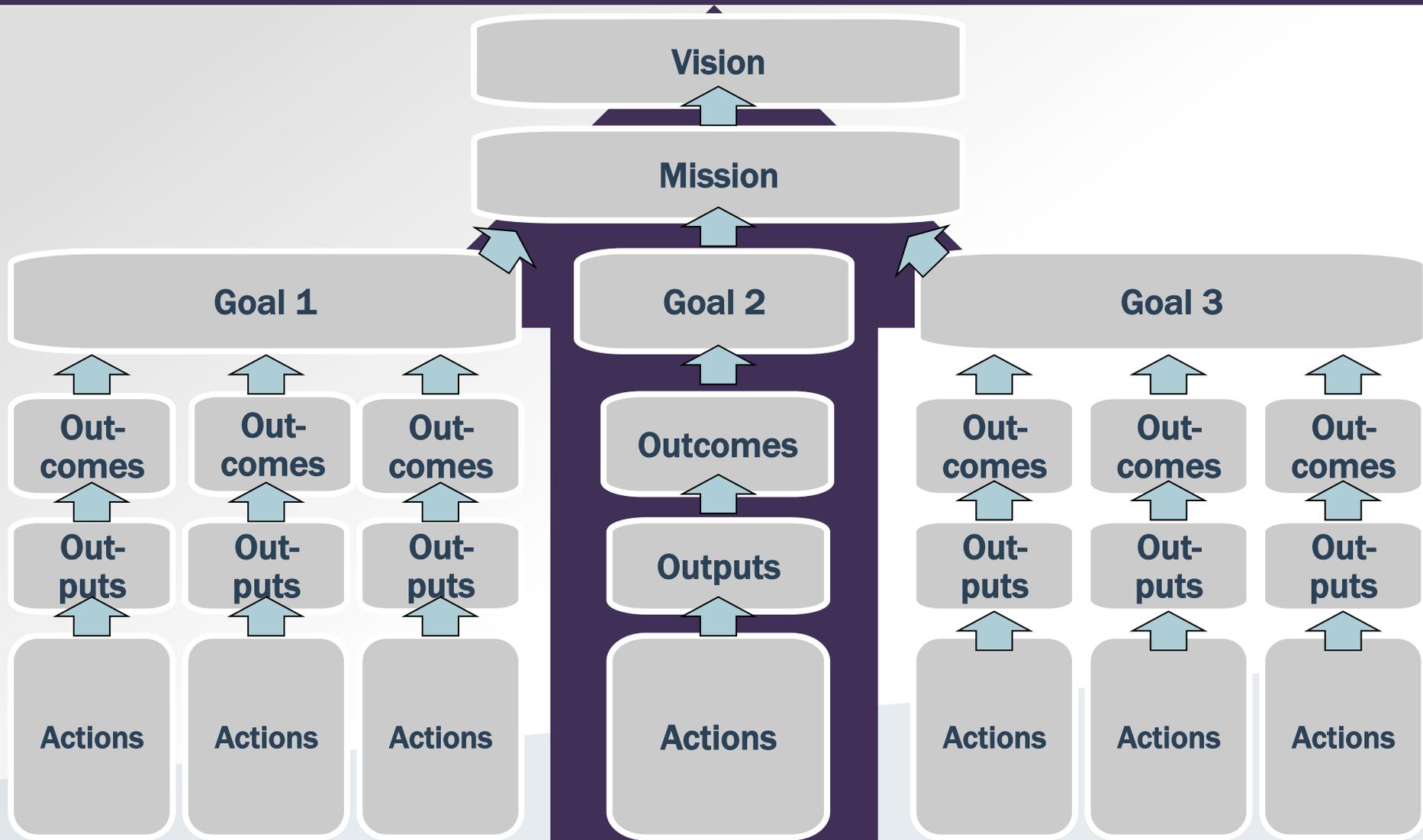
You manage only what you measure

- 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

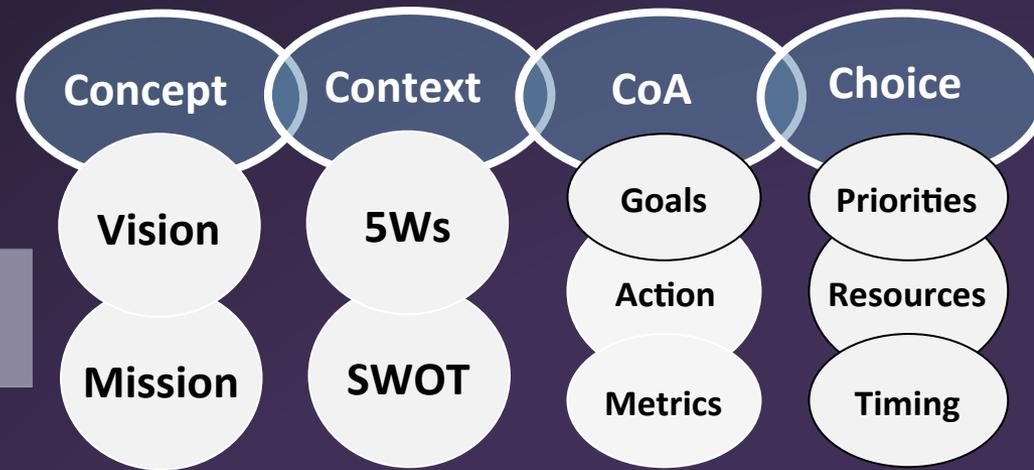
You manage only what you measure

- 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

Put it all together



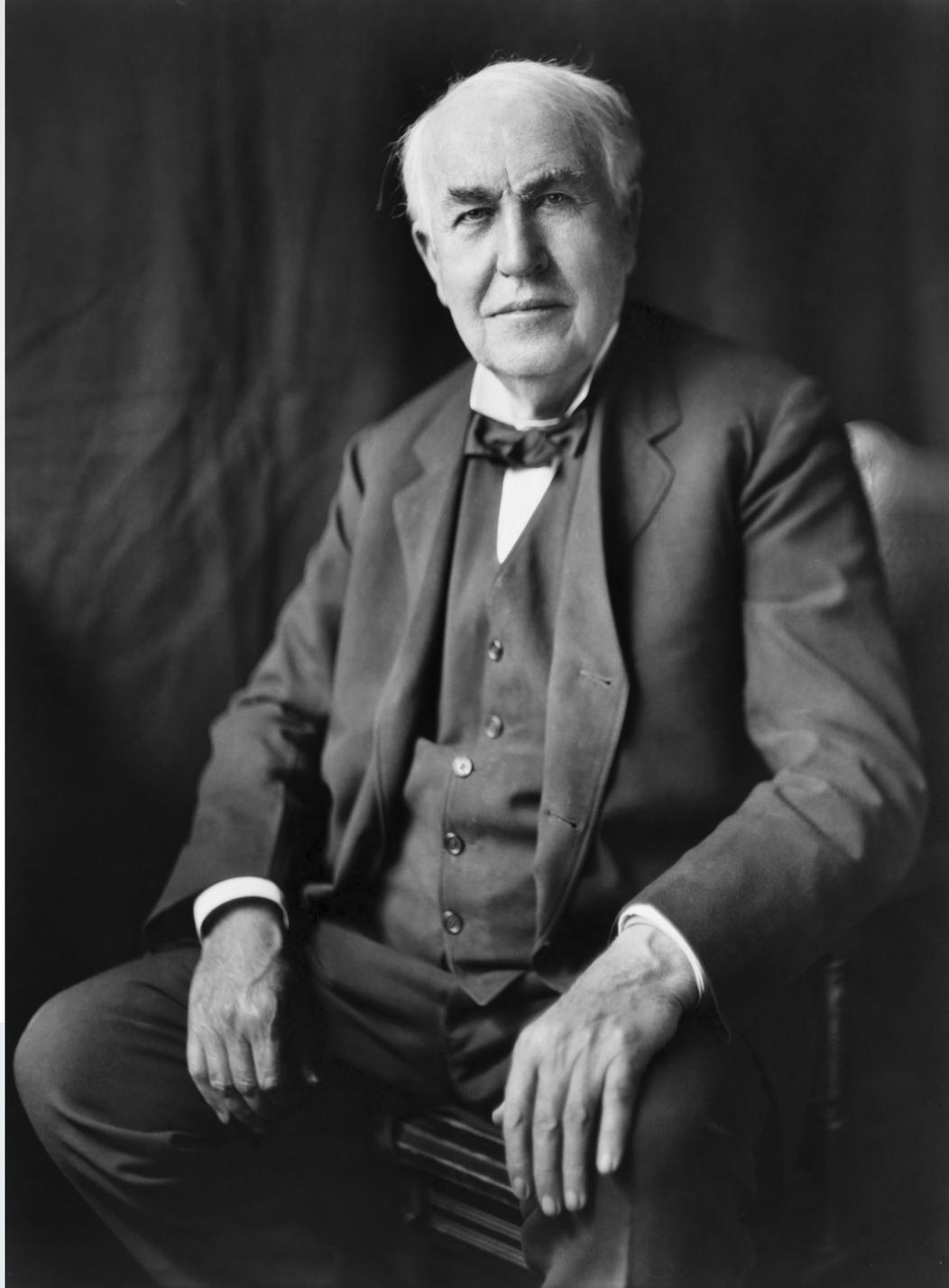
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Start executing

**"Vision without
execution is
hallucination."**

- Thomas Edison



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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*.

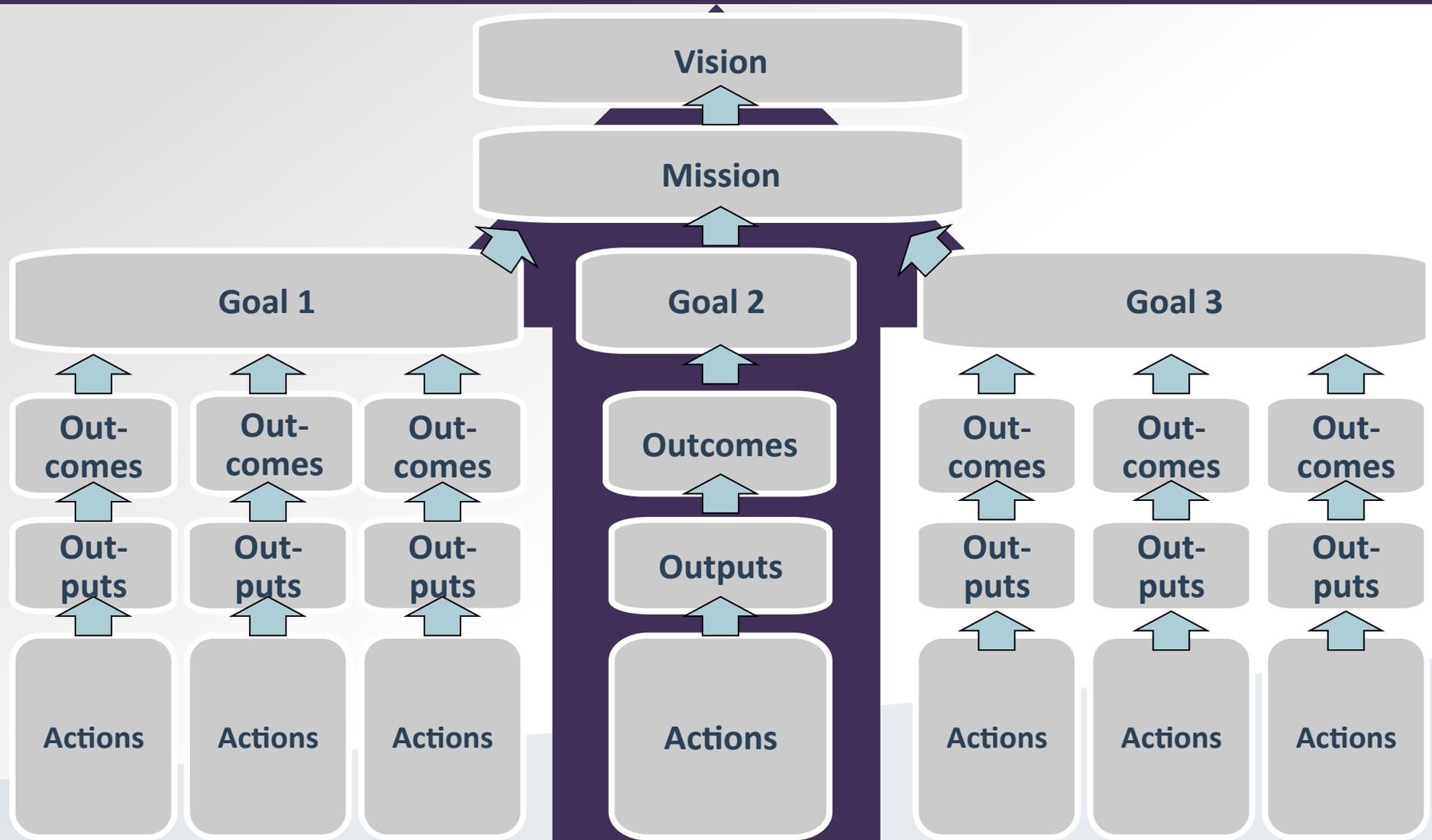
Execution is all about choices

- 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



Plan the work.

Work the plan.

All action in the strategy should follow RACI framework

R

Responsible

A

Accountable

C

Consulted

I

Informed

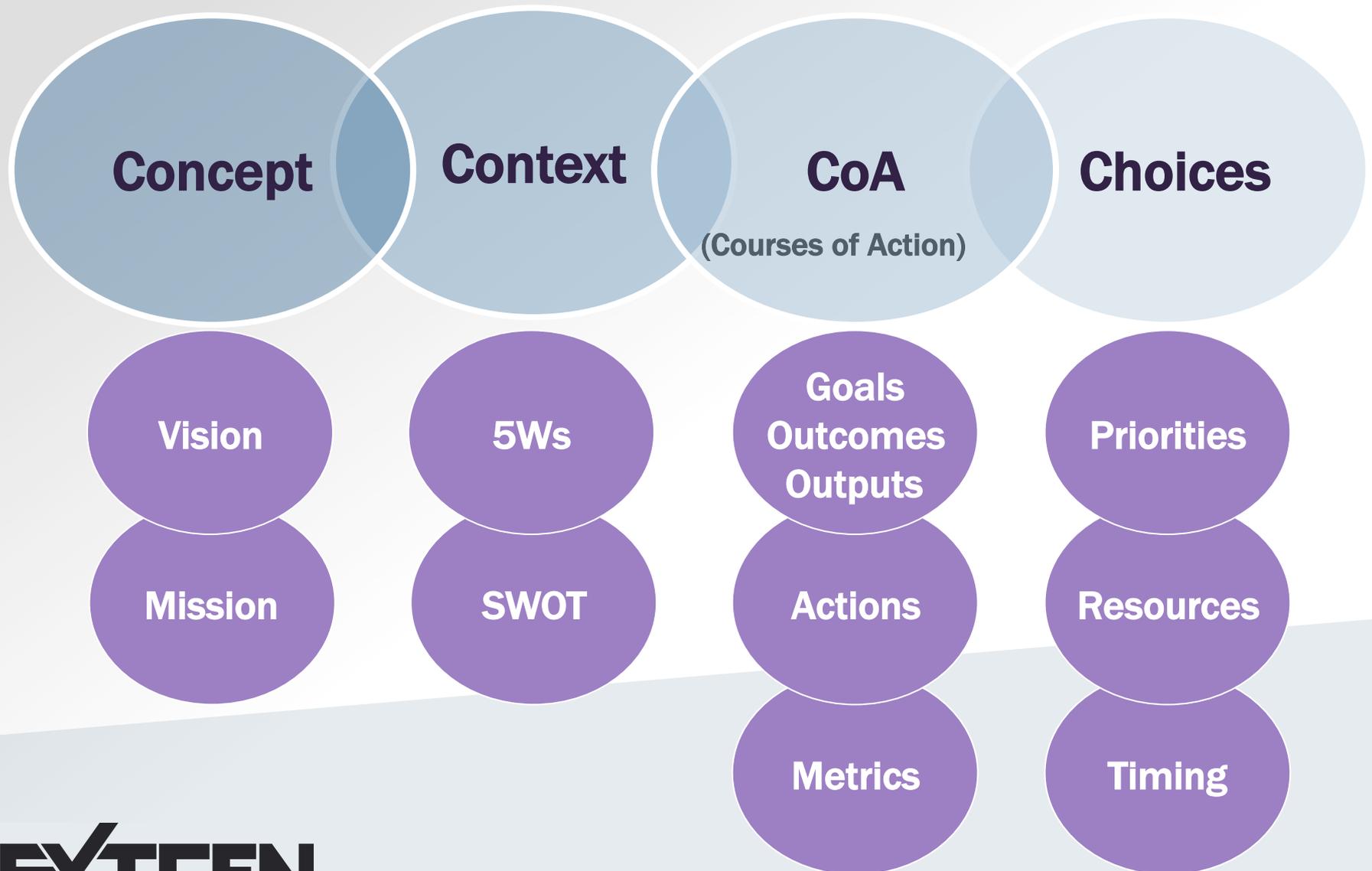
Top 7 RACI best practices

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

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Tying it all together

10 components of the 4 C's of strategy



What does a *Theory of Change* look like in action?

Actions

Outputs

Outcomes

Goals

Mission

Vision

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?

questions?

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Putting it into practice

Theory of Change Worksheet

Vision

Mission

Outcome

Outputs

Actions



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 fulfillment.

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.

*LEADERSHIP
DEVELOPMENT &
LEARNING*

*ORGANIZATIONAL
PERFORMANCE*

*POLICY
INNOVATION*

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 supports 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

