



**STEPHEN M.R. COVEY**  
Commitment to trust p.6



**RON MCKERLIE**  
Winning the talent war p.16

# Canadian Government EXECUTIVE

JANUARY 2009  
VOLUME 15  
NUMBER 1  
[www.netgov.ca](http://www.netgov.ca)

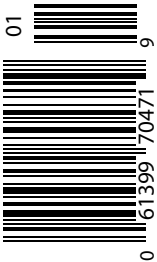
THE MAGAZINE FOR PUBLIC SECTOR DECISION MAKERS

## SPEAKING TRUTH TO POWER

TRUST,  
COURAGE,  
IMAGINATION



\$5.00



Display until February 10

Publication Mail Registration Number: 41132537

# Closing the Gap

between policy design and execution

It's time for governments to take a new approach

by Paul Macmillan and Todd Cain



Paul Macmillan is Deloitte's Canadian Public Sector Industry Leader (416-874-4203 or pmacmillan@deloitte.ca).

Todd Cain previously served as policy director to the President of the Treasury Board of Canada where he advised on expenditure reviews, improvements to budget, accountability and performance management processes, and major reforms to the governance of crown corporations (613-786-7521 or tcain@deloitte.ca).

Government policy agendas have long been fraught with complexity. No one would dispute the efforts that went into creating the Charter of Rights and Freedoms or building the Confederation Bridge. Yet, today's world brings with it a whole new level of complexity.

Policy agendas now span multiple

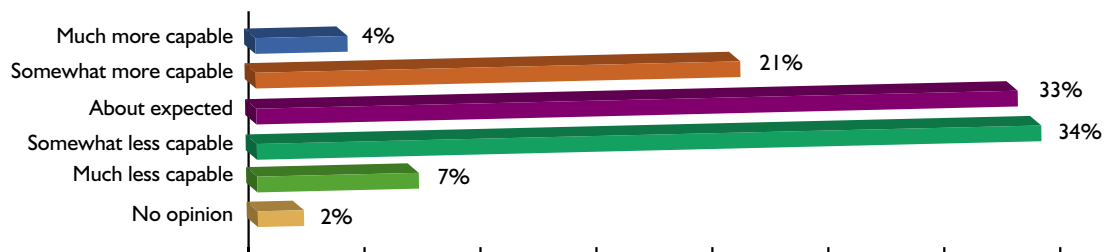
levels of government, and countless stakeholders, as officials work to address issues such as the global financial crisis, climate change, terrorism, immigration and an overburdened health care system. At the same time, intense media coverage and high profile program reviews hold public servants to higher levels of accountability and scrutiny than ever before.

Add in the rising cost of program failures, and you get a recipe for alarm. In a survey of public sector leaders in Canada and the U.S., Deloitte Research found that 65 percent of Canadian respondents feel the government's image has deteriorated over the past three decades.

Notably, the biggest disconnect seems to be between those who

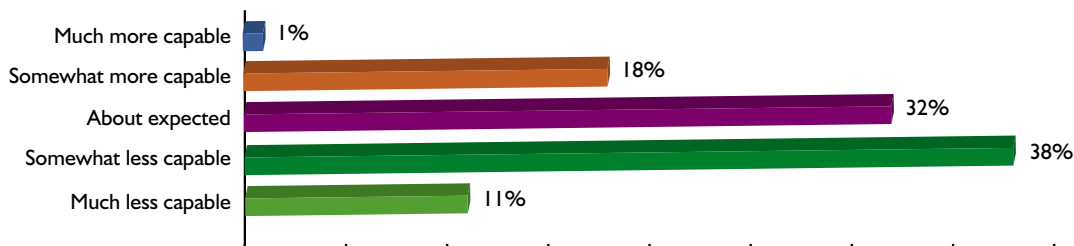
## Public leaders believe governments are less capable of executing policy than in the past

41% deem government to be less capable of successfully executing large projects than 10 years ago



Source: Deloitte Policy Execution Survey, September 2008

In the U.S. the number grows to 49%



Source: Deloitte Research, 2008

design policy and those who execute it. According to 61 percent of Canadian respondents, policies are often designed with little or no input from the people expected to implement them. As this gap widens, program failures may rise, putting even greater pressure on all levels of government.

If the current state of affairs teaches anything it's that the old way of doing things appears to be broken. To break free of this vicious cycle, government officials have begun to look for ways to replace their traditional tactics with a new approach.

### Agility to execute

To close the gap between design and execution, public sector leaders must foster greater

agility to execute. Although there are no hard and fast rules to achieve this feat, four strategies point the way to potential success: taking managed risks, embracing open source methodologies, focusing more on results than projects and cultivating leadership.

### Taking managed risks

As the public sector works to embrace horizontal government, it is becoming clear that its approach to change may be outdated. Traditionally, governments engage in large-scale planning processes characterized by rigid program mandates and an inability to change course in the face of project failures.

This "can't afford to fail" environment, however, may be

hampering governments' ability to achieve their objectives. Encouraging innovation requires a culture where it is safe to take smart risks – even when they don't work out. Today, the hallmarks of successful execution are innovation and experimentation. This approach is characterized by a willingness to build small prototypes and pilots, conduct staged rollouts and build smaller failures into the process in an attempt to avert larger failures at a later stage. By allowing their people to fail small and fail early, innovators can frequently detect and correct errors before they spiral out of control.

Governments can take similar managed risks by testing potential program structures before rolling out to their en-

tire community. By targeting a sub-set of early adopters, they can receive feedback that will allow them to improve their programs in advance of wider adoption. This will do more than help to close the gap between policy design and execution. It will also allow public sector leaders to engage in continuous performance improvement.

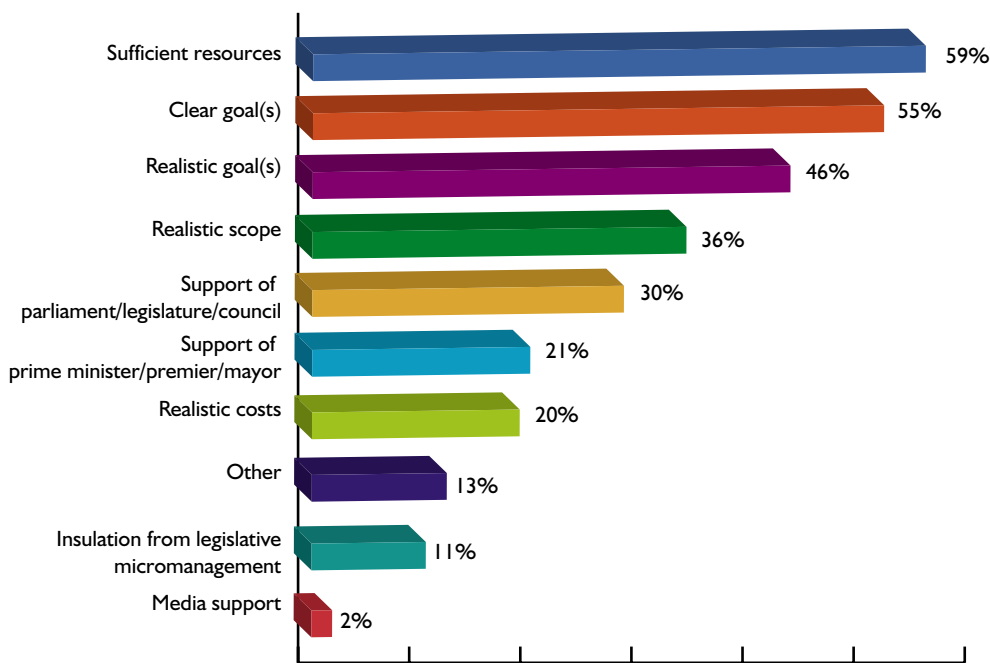
### Embracing open source methodologies

To foster the agility to execute, governments must also seek input from numerous stakeholders at the policy design stage, including staff, external experts, not-for-profit organizations, private companies, students, citizens and other governments. This open source approach to design helps to both uncover new ideas and foster greater stakeholder engagement.

One example of this in practice can be found at the U.S. Transportation Security Administration (TSA). Using secure online blogs and wikis, the TSA collects employee suggestions for program improvement. It has already used those suggestions to streamline airport security lines and improve employee job sharing. Similarly, the U.S. Patent and Trademark Office relies on a community peer review of patents to accelerate patent approvals and reduce internal administrative backlogs.

The potential applications of open source thinking extend beyond policy design to execution as well. Organizations as diverse as the Toronto Transit Commission and the Obama campaign are finding ways to use the power of online communities to deliver on policy objectives.

## Characteristics of Successful Policy Design



Source: Deloitte Policy Execution Survey, September 2008

# Leadership

## Focusing on results

A third area that governments should examine in their attempts to close the gap between policy execution and design is their use of Project Management Offices (PMOs). While PMOs support 97 percent of major policy implementations, less than half of the respondents to Deloitte's survey felt that PMOs were successful.

The reasons for PMO weakness include a focus on process rather than performance, a tendency to ignore people and change management issues, the setting of unrealistic timelines and taking a reactive approach to issue resolution.


To improve their executional ability, however, public sector leaders may want to look at replacing their PMOs with RMOs – Results Management Offices. By reducing the focus on process, giving implementation teams more latitude to respond to feedback and encouraging a shared understanding of expected results, RMOs can play a key role in helping governments improve policy implementation.



ment. As governments look to resolve their execution challenges, they will increasingly need to attract and groom leaders who possess these qualities. This involves not only hiring leaders, but also identifying them from among existing ranks.

## Overcoming the change paradox

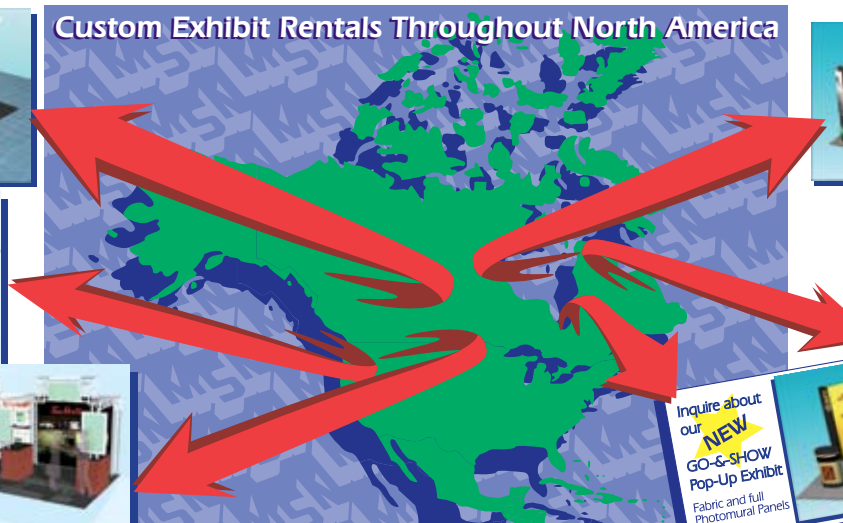
Governments across Canada are no strangers to the “big bang” approach to governing. However, this has involved managing innovation as a one-off change rather than implementing policies as a series of small projects. As experience shows, it also tends to generate a growing gap between policy designers and implementers, dooming new programs to failure.


To avoid this outcome, governments will need to encourage innovation, invite input from a wide community of stakeholders, focus more carefully on results and cultivate a new breed of leaders. While this may require governments to step outside their traditional boundaries, it is an effort that can only help to improve both policy execution and government's image. 


## Cultivating leadership


A final action step governments must adopt is a commitment to cultivating visionary leadership. Deloitte's survey shows that successful leaders are particularly adept at soft skills such as communication, consensus building and change manage-


### Custom Exhibit Rentals Throughout North America

















**THE MARKETING SERVICES NETWORK**

**RADE HOW SERVICES ROUP**

Call Toll Free 1-866-462-8028 Ext.22  
Toll Free Fax 1-866-462-8029  
225 Riviera Drive, Markham Ontario L3R 5J6


[dlo@marketingservicesnetwork.ca](mailto:dlo@marketingservicesnetwork.ca) [www.msn-tssg.com](http://www.msn-tssg.com)

Benefits of RENTING an exhibit from The Marketing Services Network

- > No Capital Outlay!
- > Lower Transportation Costs!
- > Save Money on Drayage!
- > Total Flexibility for Different Space Sizes!
- > No Storage Costs!
- > Lower Installation & Dismantling Costs!
- > No Refurbishment Costs!

Inquire about our **NEW** GO-&-SHOW Pop-Up Exhibit!

Fabric and full Photomural Panels



**Member of the ITEX Cashless Marketplace**

416.898.5604  
[www.itex.com](http://www.itex.com)