Wicked Global Leadership
Blocks 6 & 7

Milton de Sousa

Key themes

Content
Block 1
Complexity, Complex Adaptive Systems, System Change Theories, and Wicked Problems = the new reality of global leadership
Block 2
Simulation
Block 3
System Dynamics, McClelland Motives, System Archetypes, and System Mapping (causal loop diagrams and connection circles)
Block 4
Collaborative and Systems Leadership, Dilemmas and Paradoxes, Effective Dialogue. Introduction to the challenge to work on (SCQ framework) and stakeholder allocation.
Block 5
Work on challenge (problem definition, position statement, stakeholder map) = stakeholder teams
Block 6
Work on challenge (system map, develop a social innovation concept, stakeholder value) = mixed teams
Block 7
Work on challenge (prepare final presentation, make landing page) = mixed teams
Block 8
Final Presentations Discussion, Personal Change, Servant leadership (Case Study), Final leadership reflection

MSP Initiative

- Your goal is to launch an initiative through a multi-stakeholder partnership to tackle your chosen challenge.

Steps:

- Part 1 (Context): Choose a sector. Define the SCQ. Select Challenge and stakeholders (Voting).
- Part 2 (Stakeholders): Attribute Stakeholders. Position Statement. Study partnering stakeholders.

  Part 3 (MSP Design): Multi-stakeholder teams. System Map. Devise logic model and fill in MSP CANVAS. Map the value of your MSP.

- Part 4 (Presentation): Prepare your storyline and pitch. Make a landing page. Record presentation.

BUILDING POSITIVE RELATIONSHIPS AND BETTER ORGANIZATIONS
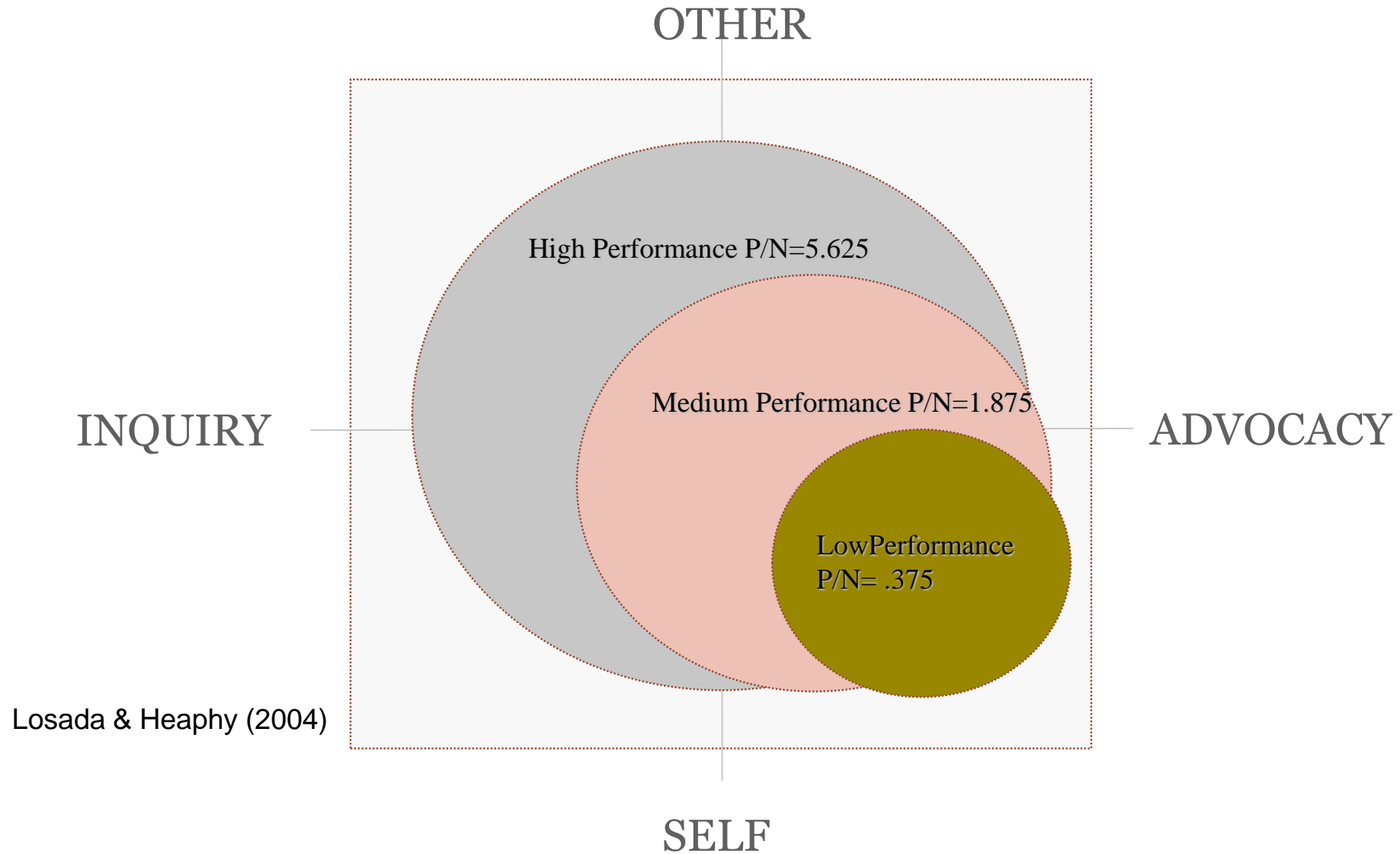
EDGAR H. SCHEIN

HUMBLE INQUIRY

THE GENTLE ART OF ASKING INSTEAD OF TELLING

The fine art of drawing someone out, of asking questions to which you do not know the answer, of building a relationship based on curiosity and interest in the other person

Dialogue and team performance

OTHER

High Performance P/N=5.625

Medium Performance P/N=1.875

INQUIRY — ADVOCACY

LowPerformance
P/N= .375

Losada & Heaphy (2004)

SELF

Humility?

- **Basic Humility:** based on birth, status and social position. Not a choice but a condition. Deference.

- **Optional Humility**: based on accomplishments, admiration or envy.

- **Here and now Humility**: recognition of my dependence on others.

Back to our example... what type of humility?

- **Interviewer** = here and now humility

- **Job candidate** = basic humility

Inquiry... what would be the best option?

1. "Can you explain why you are going down on your chair? Do you feel well?"

2. "Listen... why in the h$%& are you going down on your chair?"

3. "I noticed you went down on your chair. What is happening in this moment?"

4. "I noticed you went down on your chair a few times. That made me curious... can you help me understand?"

Forms of inquiry

- **Diagnostic**: getting to the root cause (why)

- **Confrontational**: telling by asking rhetorical questions

- **Process**: asking about the conversation itself

- **Humble**: to understand from a place of genuine curiosity.

Active listening

The Power of Paraphrasing

1. Knowing that you have to paraphrase forces you to listen more attentively

2. Paraphrasing allows you to share understanding (assumptions and biases become clearer)

3. Paraphrasing sends a message that you are listening and value the other's opinion, creating a more positive emotional tone.

4. It allows the other to reflect better upon his/her thinking.

The importance of silence

"One must not be afraid of a little silence. Some find silence awkward or oppressive. But a relaxed approach to dialogue will include the welcoming of some silence. It is often a devastating question to ask oneself, but it is sometimes important to ask it - **'In saying what I have in mind will I really improve on the silence?"**

Greenleaf (1977)

What is a Business Model?

- Business models are **stories** that explain how organizations work.

- Like a good story, a robust business model contains precisely delineated **characters**, plausible **motivations**, and a **plot** that turns on an insight about value.

- It answers certain **questions**: Who is the customer? How do we make money? What underlying economic logic explains how we can deliver value to customers at an appropriate cost? What do we need to deliver that value? Who do we partner with?

Margretta (2002)

Introducing systemic business models – impact bonds as example
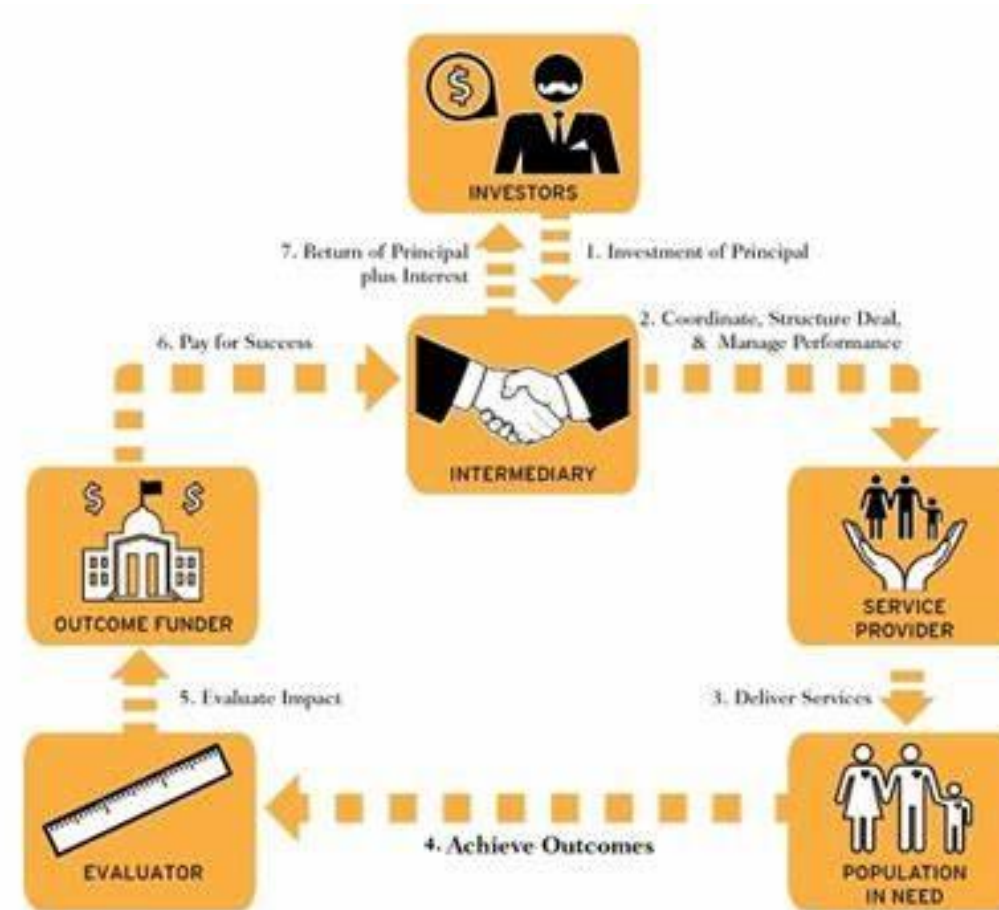
Example of a (new) systemic business model on plastic packaging

https://reposit.world/about

Example of a (new) systemic business model on plastic packaging

A **universal**, **professionally-refillable**, **reusable** packaging platform.

Packaging → Entry points → Use → Return & Reward → Reversed Logistics → Cleaning → Refill

ALCOHOLIC BEVERAGES   NON-ALCOHOLIC BEVERAGES   BEAUTY/HOME/HYGIENE   FOOD

https://reposit.world/about

Example of a (new) systemic business model on plastic packaging

Collaborators

https://reposit.world/about

Key steps in BMI

1. Clarify the value proposition (partially done before)

2. **Develop a logic model**

3. **Design the Business Model**

4. Assess the impact of the Business Model

Adapted from Santos (2009)

Design a logic model

1. Inputs – resources needed to operate your program or business

2. Activities – what your organization or business does or makes

3. Outputs – the (number of) products or services your organization or business makes, sells, or offers

4. Outcomes – the immediate benefit to recipients of your products and services to beneficiaries, customers, employees, stakeholders

5. Impact – the long-term benefit to recipients, communities

Example TOMS? Version 1

1. Inputs – materials, shoe factories, distribution channels, shoe designers

2. Activities – manufacture shoes / buy one, give one model / distribute

3. Outputs – millions of poor children and adults get free shoes

4. Outcomes – happy children and adults.

GREAT BUT….

5. Impact – disrupts local economy, creates dependence

Example TOMS revised

1. Inputs – materials, show factories, distribution channels, shoe designers

2. Activities – manufacture shoes / buy one, give one model / distribute
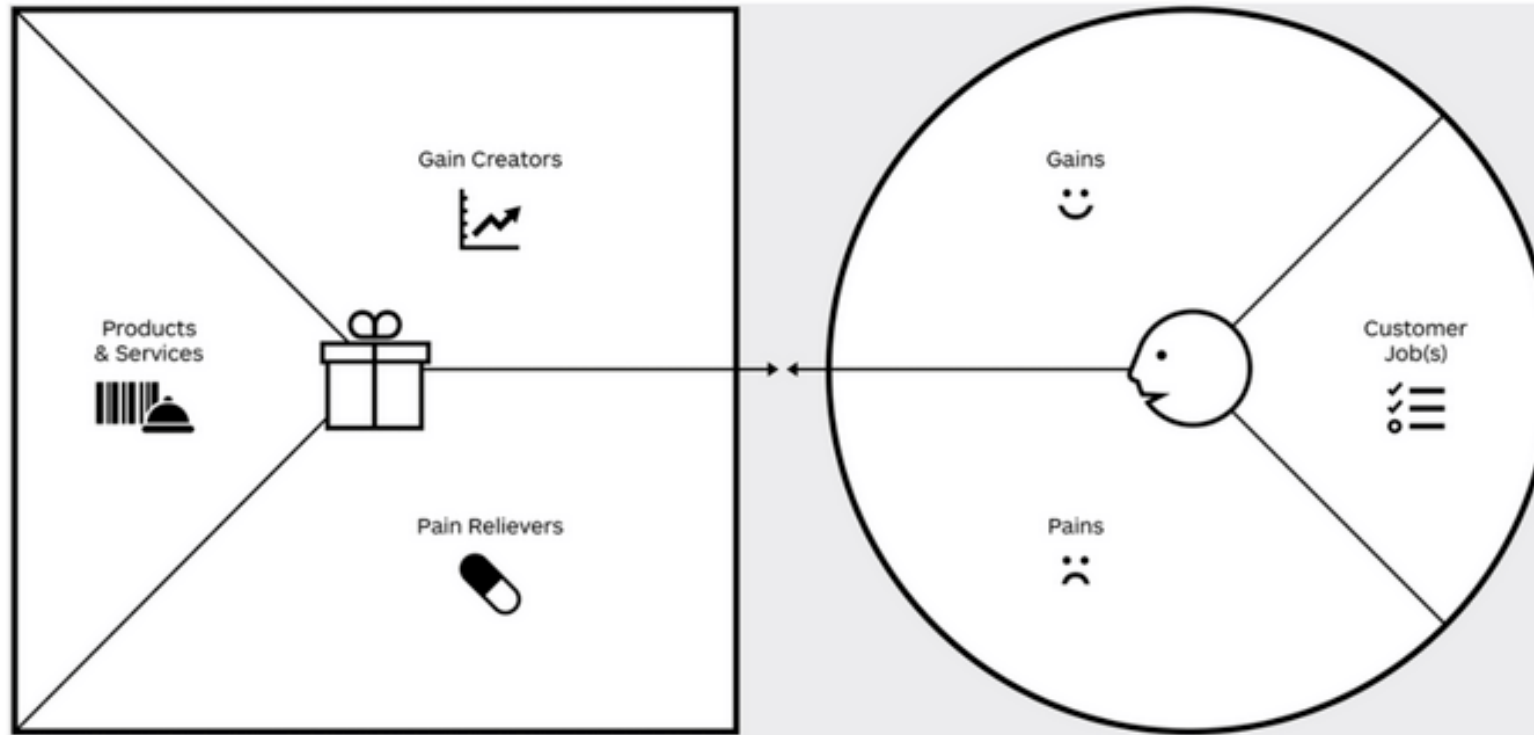
   Shoes manufactured in India, Ethiopia, Kenya, and Haiti

3. Outputs – millions of poor children and adults get free shoes

   But only in very poor, rural communities, AND jobs created

4. Outcomes – happy children and adults, AND jobs

5. Impact – supports local economy

A tool to help clarify the value proposition

Stakeholder value from your MSP

Stakeholder	Value added	Perceived risks	Role

Preble (2005), Dill (1975), Freeman (1984)

The PPPCanvas

Business Ecosystem

| Key Partners | Key Activities | Value Proposition | Customer Relationships | Customers | Extended Beneficiaries |

Governance | **Key Resources** | | **Channels** |

How do you work together as a partnership?

Which stakeholders could be seen as customers?

| Cost Structures | Impact | Revenue Streams |

Link to SDGs!

How can you monetize stakeholder value added?

The PPPCanvas

Business Ecosystem

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customers	Extended Beneficiaries

Governance	Key Resources		Channels		

Cost Structures		Impact	Revenue Streams		

The PPPCanvas

Important questions

NOVA
NOVA SCHOOL OF
BUSINESS & ECONOMICS

Business Ecosystem

- What are the potential barriers to the PPP in the business ecosystem?
- What are the potential opportunities in the business ecosystem that the PPP can benefit from?
- What strategies can be used to influence the ecosystem?
- What are the PPP's main competitors?

Key Partners

- What types of partner are needed for the partnership to deliver the value proposition? • Which partners are crucial for the partnership? And for what part? • Do you have agreements, contracts, or MoUs in place that confirm the partnership with clear demarcations of role, responsibility, risk (taking), and position in the governance structure? • What is the main motivation for choosing partners • Which key functions do the partners play for the partnership?
- Which Key Activities do they perform?
- Which Key Resources do they bring?

Key Activities

- What key activities are needed to:
- produce or provide the value proposition?
- operate the distribution channels?
- maintain customer relationships?
- manage revenue streams?
- What activities are outsourced to whom?
- How are these activities governed and monitored?

Value Proposition

- What value is delivered to customers?
- What is the functional and emotional benefit for the targeted customers and for the extended beneficiaries? What's in it for them?
- What problem of the customers' are you solving?
- Do you have proven track record or convincing arguments to gain the trust and confidence of the customer?
- How do you distinguish yourself with your value proposition, compared to your (potential) competitors? What makes you unique?
- What do you want the customer to remember (if possible in a quote, tagline, slogan)?

Customer Relationships

- What type of relationship has already been established with your Customer Segments?
- How effective are these?
- What type of relationships do your Customer Segments expect you to establish and maintain with them?

Customers

- For whom is value created (directly and indirectly)?
- Who are your paying customers, the direct market segment you focus on?
- What are the specific characteristics of your customers (in terms of demographic, lifestyle, behavioral aspects, and so on)?

Extended Beneficiaries

- For whom is the value created (directly and indirectly)?
- Who else benefits from the product or service delivered? (Be as precise as possible).
- Who else beyond your customer base do you want to reach?
- How inclusive is the value proposition? How does the intervention reach out to (the most) vulnerable target groups?

Governance

- How is the partnership structured? Who is the main/lead partner? What are roles contributions of each partner? How to deal with power (im)balance? What kind of partnership agreement is signed? • How will decision-making take place? What are grievances mechanisms? What are the consequences if a partner fails to deliver? • How will the PPP communicate both internally and externally? • How are the risks allocated within the partnership? How do partners deal with unforeseen circumstances? • Is there a process for monitoring the quality of the processes followed?

Key Resources

What key resources are required to:
- produce or provide the value proposition?
- operate distribution channels?
- maintain customer relationships?
- manage revenue streams?

Channels

- Through what channel are customers reached at present?
- Which of these channels works best?
- How are these channels integrated with customers' routines?
- Are there different channels through which customers would like to be reached?

Cost Structures

- What are the key cost components of the PPP (capital expenditure, operational expenditures, maintenance costs, taxes, levies, …)?
- How much are these costs (in absolute figures and proportionately)?
- For which Key Resources are most costs incurred?
- For which Key Activities are most costs incurred?
- Are the costs forecasts in line with the budget estimations?

Impact

- What positive (social, public and/or environmental) impact is generated beyond customer value?
- How do you mitigate potential negative outcomes, consequences, and risks?
- What is the long-term impact beyond the PPP? What is the desired change the PPP is aiming for?
- How is the intended impact valued in the outer (investors') world? How can you frame the PPP in that broader context?

Revenue Streams

- What are the different revenue streams?
- How much does each revenue stream contribute to the overall revenues?
- What are the pricing mechanisms for the products and services (e.g., fixed, market dependent, volume dependent)?
- If there is a deficit in revenues, what option do you have to cover these costs? For how long? Was this foreseen in the financing strategy?
- How good (or bad) is your revenue pipeline portfolio?

The PPPCanvas

Example PPP: Converting organic waste into electricity and bio-fertilizer

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Business Ecosystem

Feed-in tariff system within new policy of the Renewable Energy Bill is favourable on paper, but is still complicated in practice.

Demand and prices for bio-fertilizer are low; chemical fertilizers more popular.

Waste management contracts/ concessions are not very transparent and although officially delegated to the Municipalities, central government is highly involved.

Tipping fees for dumping of waste not commonly accepted or too low for covering cost of processing the waste. Little efforts to stop illegal dumping of waste.

Key Partners

Waste processing company

Municipality

Engineering Firm

Agric NGO

Key Activities

Design and construction of waste treatment plant (conversion of faecal sludge and organic waste into electricity and bio-fertilizer)

Installation of waste separation and collection points and a waste management system for solid waste

Collection of solid and liquid waste

Marketing of bio-fertilizer

Value Proposition

For Municipality:
Clean/ hygienic urban environment: access to clean (public) toilets and solid waste collection are improved and (public) toilets emptied hygienic and timely

For Electricity Company:
Renewable energy: power shortages are diminished in a sustainable way

For Agro-Input Companies/ Farmers:
Production of bio-fertilizer: a good quality, affordable bio-fertilizer will be available to farmers

Customer Relationships

Personal contacts with relevant units of municipality and electricity company. With both also formal, contractual relations exists. Relationships maintained through regular face-to-face meetings.

Promotion of bio-fertilizer product among farmers/ cooperatives/ retailers through mass media (news paper, tv & radio advertisements) and occasionally face-to-face (on fairs)

Customers

Municipality (as mandated authority to keep the city clean)

Electricity Company (who needs additional energy preferably from renewable sources)

Farmers Cooperatives/ Agricultural Inputs dealers

Extended Beneficiaries

General citizens in the municipality (who get a clean, healthier direct environment)

People/ institutions that are less affected by flooding thanks to cleaner drains

Farmers of nearby fields whose irrigation water is less polluted

Farmers and their families that benefit from good quality, affordable fertilizer.

Governance

Waste processing company is leading the partnership

Management team with representatives of all four parties

For each activity one partners is assigned final responsibility; risk for non-achievement also lies with that partner.

Key Resources

Expertise on waste management, waste treatment & bio-fertilizers

Human resources

Land for treatment plant

Treatment plant including specialised equipment

Waste collection trucks and sorting machines

Channels

Municipality: Meetings & joint site visits with municipal team

Electricity Company: Meetings, direct contact and negotiations

Farmer Cooperatives: through Agriculture Extension Services, advertisements, trade fairs, mailings, agro-input companies

Cost Structures

Capital costs:
- Construction of plant (civil works) ($ 3 M; 60% of capex)
- Installation of machinery & equipment ($ 1.5 M; 30% of capex)
- Procurement of waste collection trucks ($ 0.5 M; 10% of capex)

Operation & Maintenance costst:
- Staff costs ($ .../year; 40% of Opex)
- Inputs (fertiliser enrichment, fertiliser packaging) ($ .../year; 20% of Opex)
- Supplies/ spare parts for maintenance plant ($ .../ year; 15%)
- Running costs and maintenance of trucks ($ .../ year; 13%)
- Office & marketing (for fertilizer) costs ($ .../ year; 10%)
- Financing costs ($ ...; 2%)

Impact

- Improved hygiene, health and quality of life for urban slum communities through improved sanitation services and waste management and less flooding
- Improved environmental sanitation, food security and access to clean energy
- Less pollution of surface water sources
- Macro-economic gains due to less degrading of environmental resources, a.o. positive impact of cleaner environment on tourism
- Change of mindset and proof of con- cept facilitates scaling up/replication

Revenue Streams

For capital costs:
- Grants from donors and development bank ($ 3.5 M; 70% of Capital costs)
- Soft Loan ($2 M)

From products/ services delivered:
- Sales of electricity ($ .../ year)
- Sales of bio-fertilizer ($ .../ year)
- Tipping/ dump fees by waste companies ($ .../ year)
- Waste collection / toilet emptying fees ($ .../ year)
- Management fee paid by Municipality ($ .../ year)

Your CANVAS is just your <u>first</u> prototype!

Presenting your solution
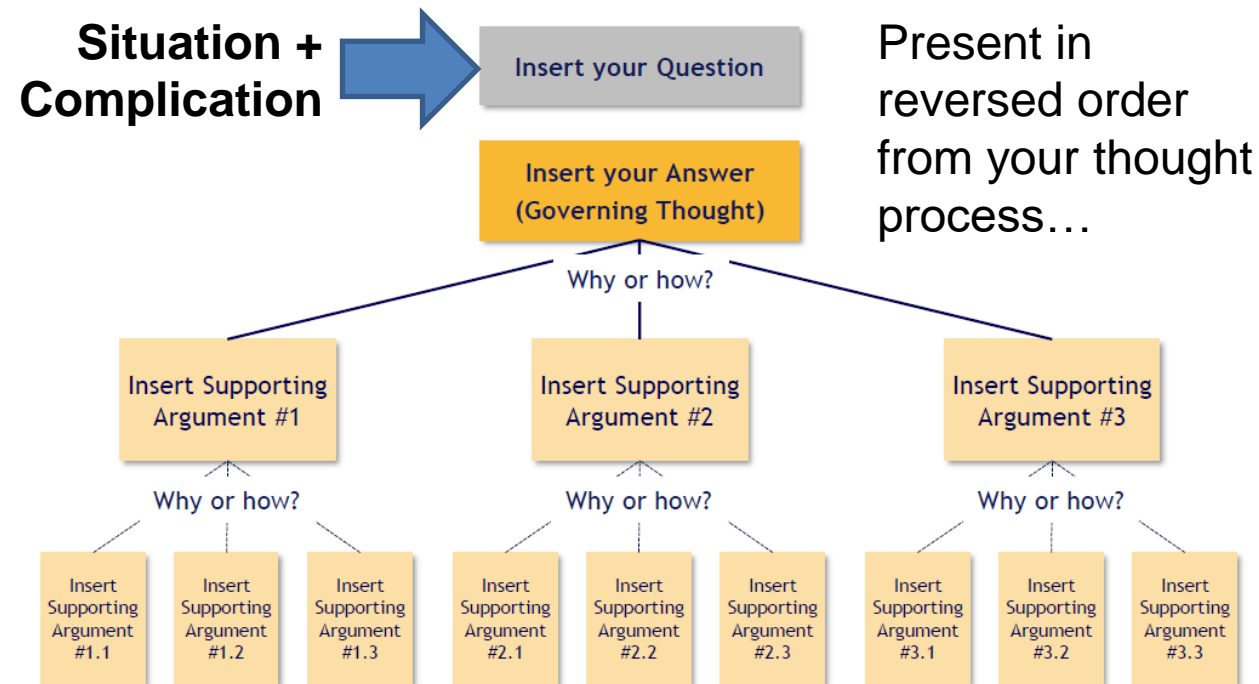
Reminding the Assessment

This course is designed as a leadership development program. As such, **you need to own the learning process**. The assessment includes the following components:

- **Final team presentation (50%):** This will be constituted of two parts, first a pitch of the solution devised in your mixed teams. Second, summarize your key learnings from the entire problem-solving process, including how you integrated the input from the stakeholder teams. Each presentation will last 12 minutes, followed by 10 minutes of Q&A. Other groups will evaluate and vote on the best presentations.

- **Individual reflection (50% of total):** You will prepare a final individual reflection on your key personal learnings from classes (max 1500 words). Rather than just referring to concepts and theories, you should focus on reflective and critical thinking concerning your values, beliefs, skills, behaviours, and future goals. The exercise should be grounded in concrete examples and moments of the class.

One example

Presenting – Minto Pyramid

Situation + Complication → **Insert your Question**

Present in reversed order from your thought process…

Insert your Answer (Governing Thought)

Why or how?

Insert Supporting Argument #1

Insert Supporting Argument #2

Insert Supporting Argument #3

Why or how?

Why or how?

Why or how?

Insert Supporting Argument #1.1

Insert Supporting Argument #1.2

Insert Supporting Argument #1.3

Insert Supporting Argument #2.1

Insert Supporting Argument #2.2

Insert Supporting Argument #2.3

Insert Supporting Argument #3.1

Insert Supporting Argument #3.2

Insert Supporting Argument #3.3

Source: The Minto Pyramid Principle, Logic in Writing, Thinking, & Problem Solving (Barbara Minto)

Presenting – Minto Pyramid
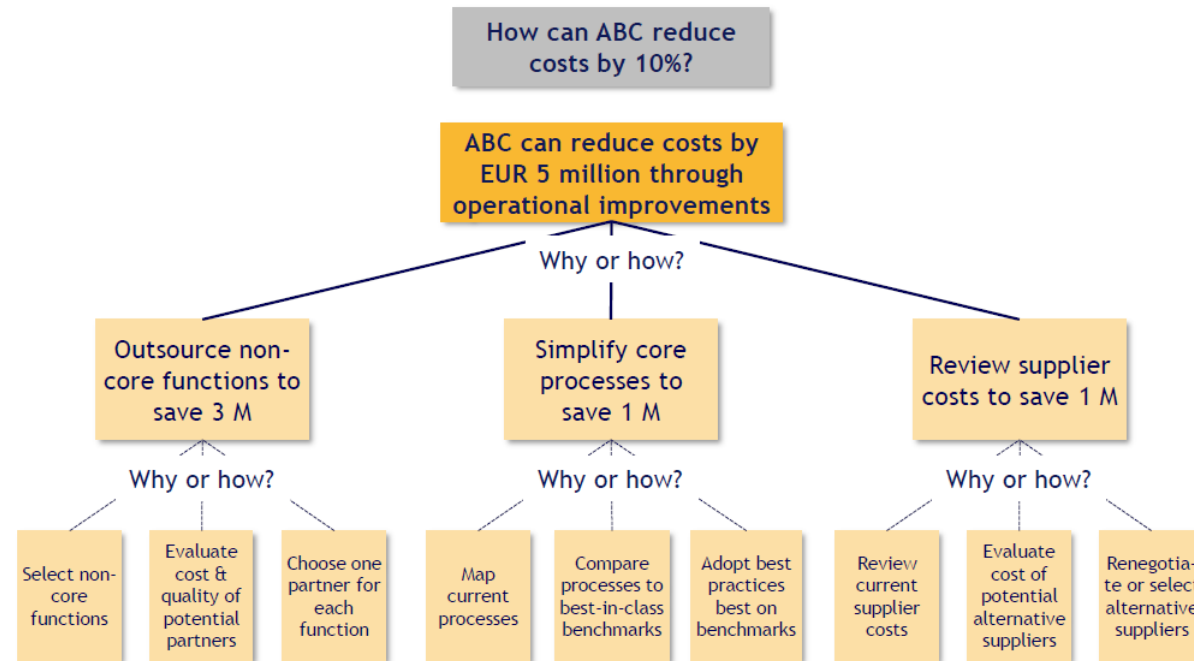
Source: The Minto Pyramid Principle, Logic in Writing, Thinking, & Problem Solving (Barbara Minto)

Possible structure of the presentation

- Introduction/summary (maybe a story about the challenge)

- Situation, complication, question (not with these headings!)

- Governing thought of the solution

- Detailed description of your solution

- Governance of the partnership and value for different stakeholders

- Supporting arguments, examples, personas and journey, results (if existing)

- Concluding summary and punchline

- Reflections on the process

- Appendix: System Map, Canvas, Stakeholder Value table.

Template for a storyboard

N. Constantinesco
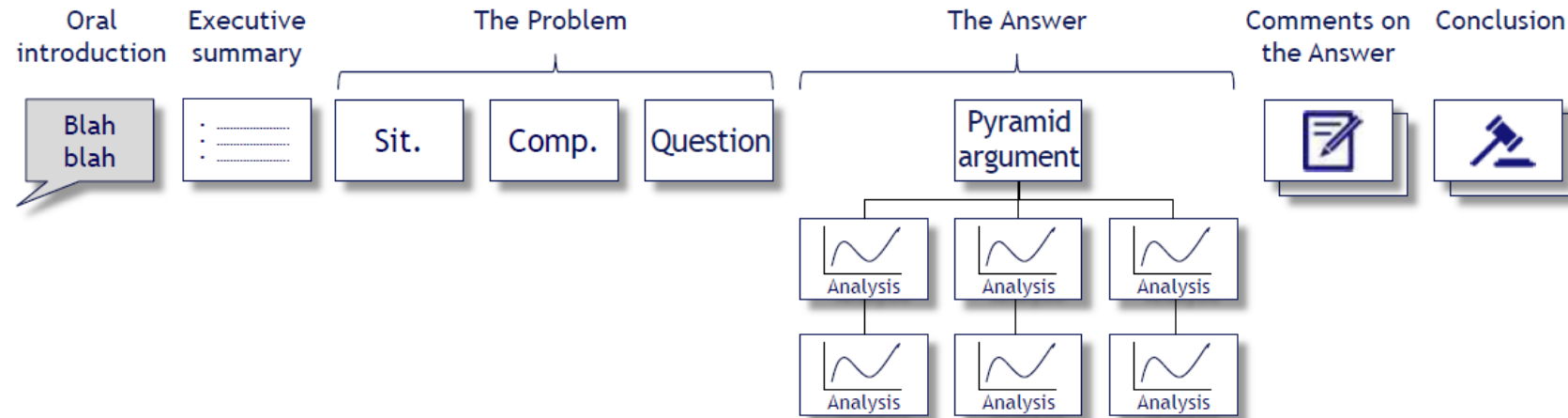
Presenting – Tip 1 (complication)

The complication should create an **"Oh really? Tell me more"** effect.

OH REALLY?
quickmeme.com

Presenting – Tip 2 (customer journey)

- Illustrate how your offer works through concrete examples
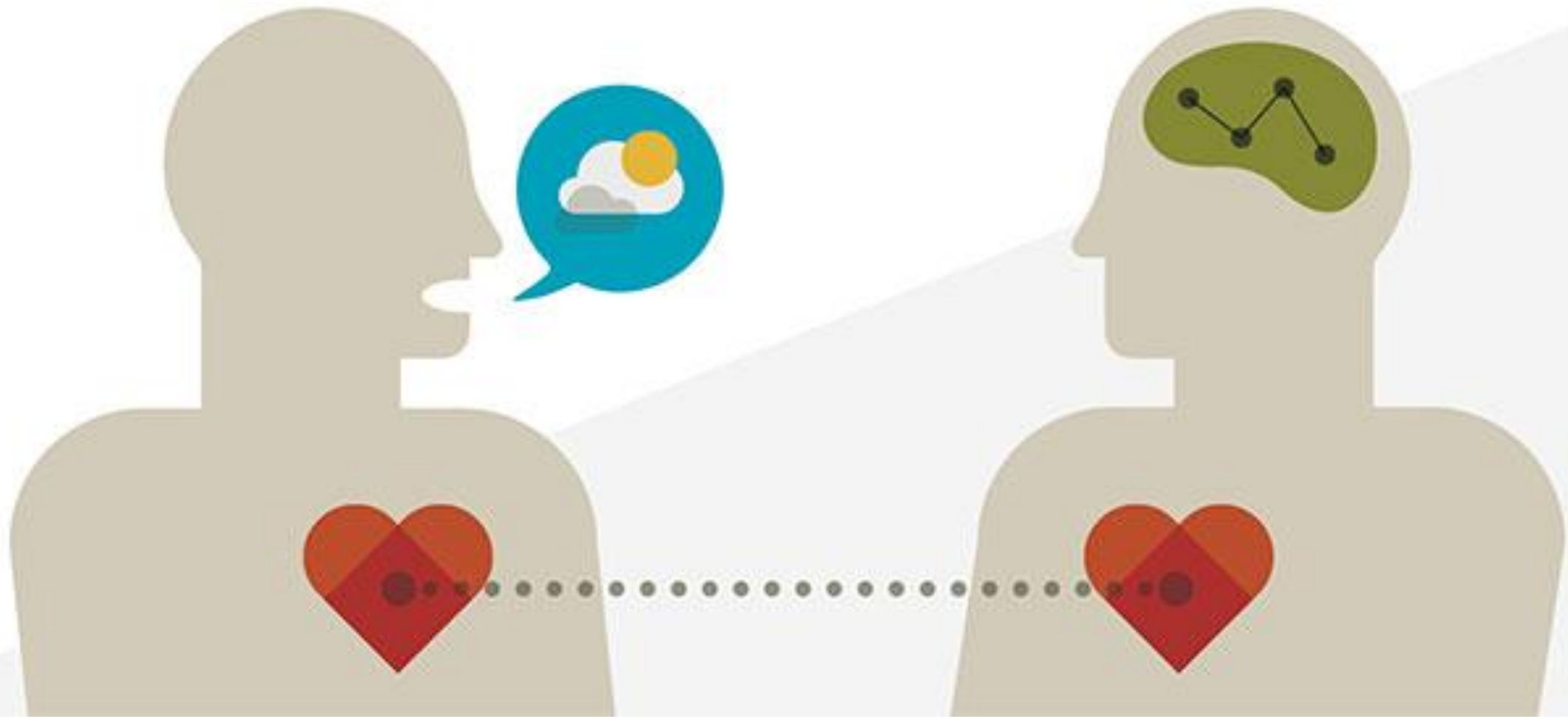- Make use of (simple) personas and customer journeys
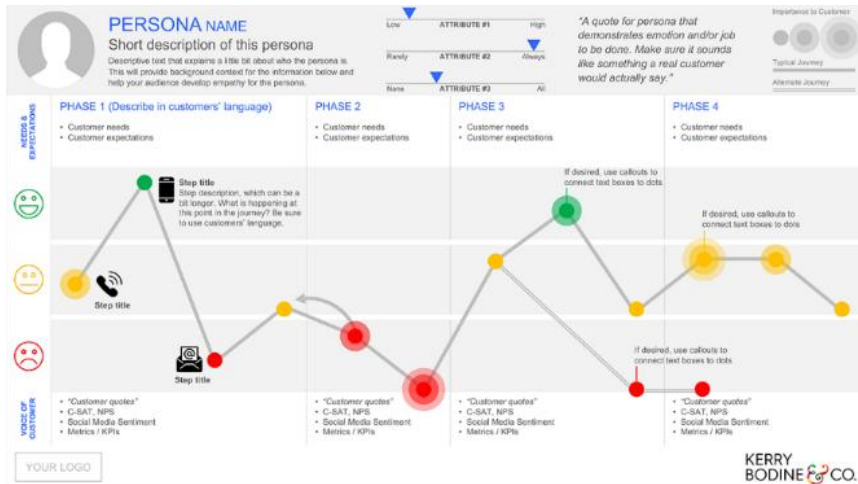
Presenting – Tip 3 (use metaphors, allegories)

Complex concepts can be more easily grasped through metaphors and allegories
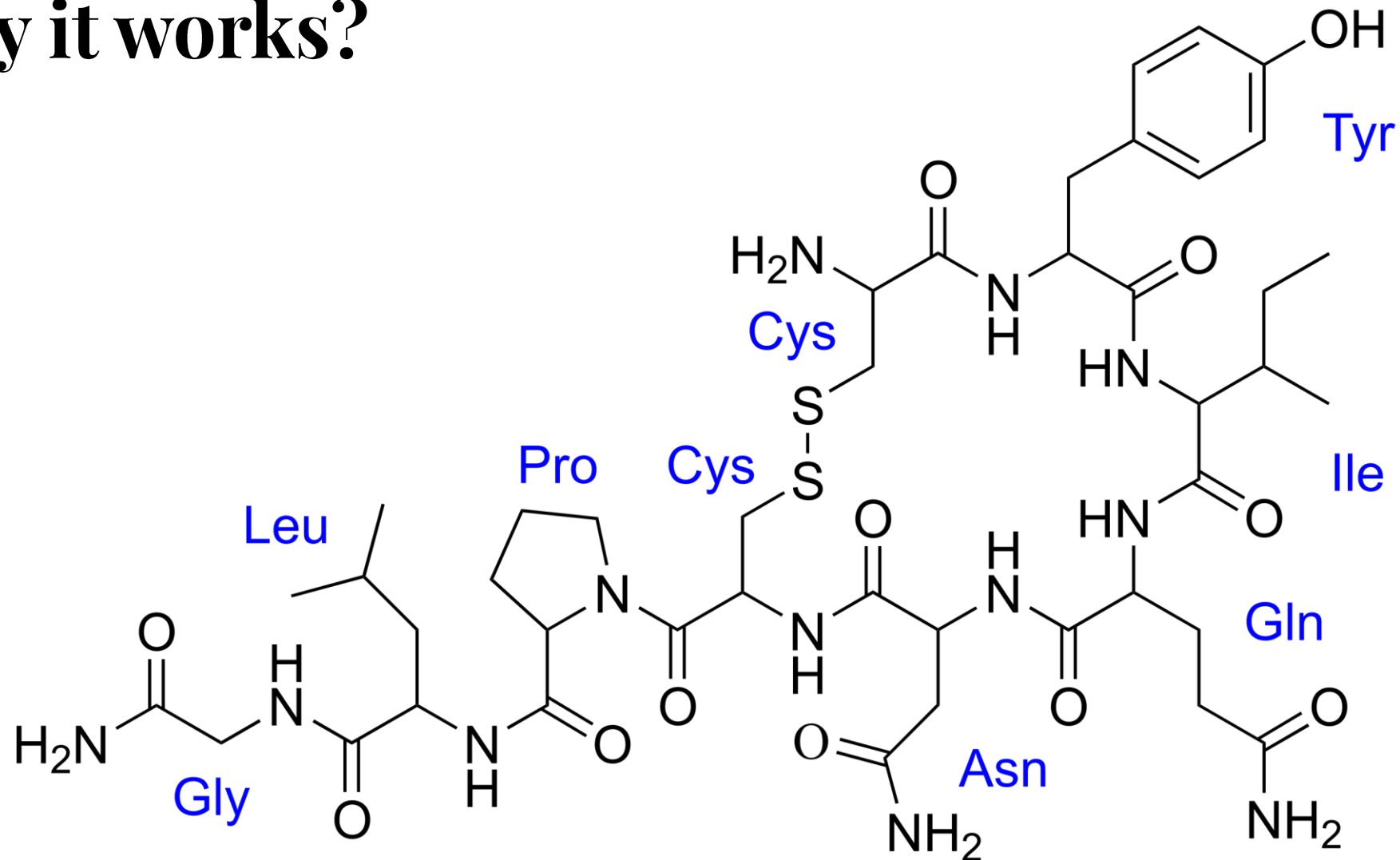
Presenting – Tip 4 (storytelling)

Why Storytelling for leaders?

- Motivates people to act

- Tool for strategy development and clarification (3M)

- Framework for decision-making

- Reinforces culture

- Creates trust in the leader

- Platform for change

- Improves learning and memorization

- Supports empathy and innovation (design thinking)

Why it works?

Joan Tronto Ethics of Care

- Attentiveness

- Responsibility

- Competence

- Responsiveness

Climax

The most suspenseful part of the plot. The turning point for the protagonist.

Falling Action

Events the unravel the conflict between the protagonist and antagonist that lead to the resolution.

Rising Action

Three major events that add suspense or tension to the plot that lead to the climax.

Resolution

The conflict is resolved and we discover whether the protagonist achieves there goal or not.

Denouement

The "tying up of loose ends".

Exposition

Background information of the plot that includes characters and setting.

Initial Incident

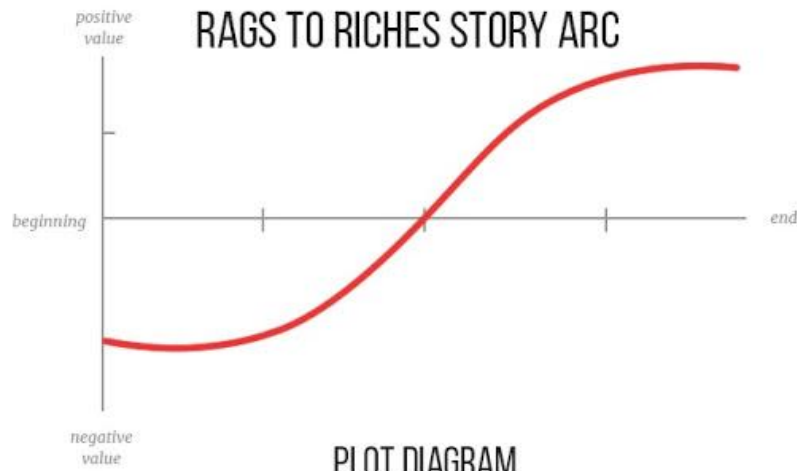The very first conflict that occurs in the plot.
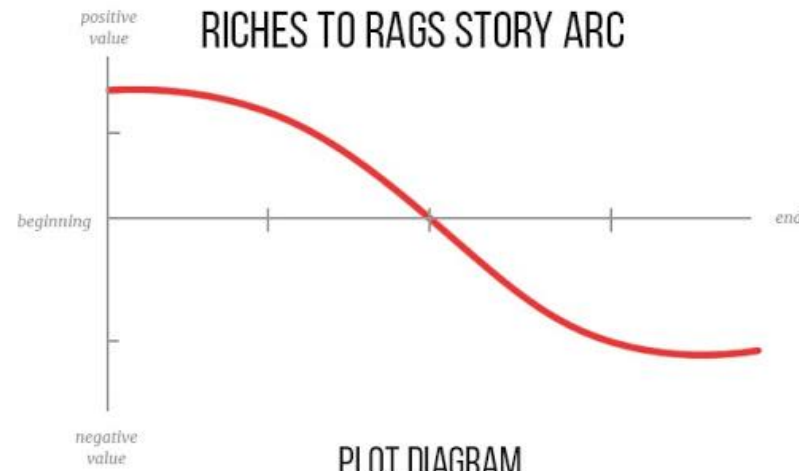
Story archetypes

- Overcoming the Monster.

- Rags to Riches.

- The Quest.

- Voyage and Return.

- Comedy.

- Tragedy.

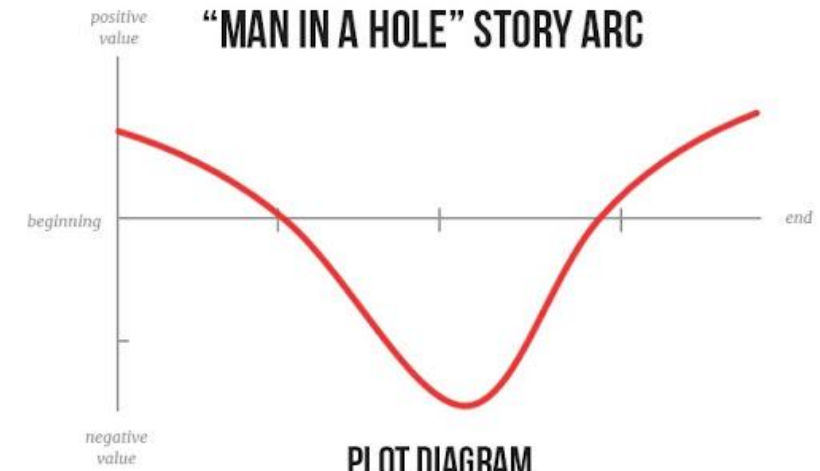- Rebirth.

RAGS TO RICHES STORY ARC — PLOT DIAGRAM
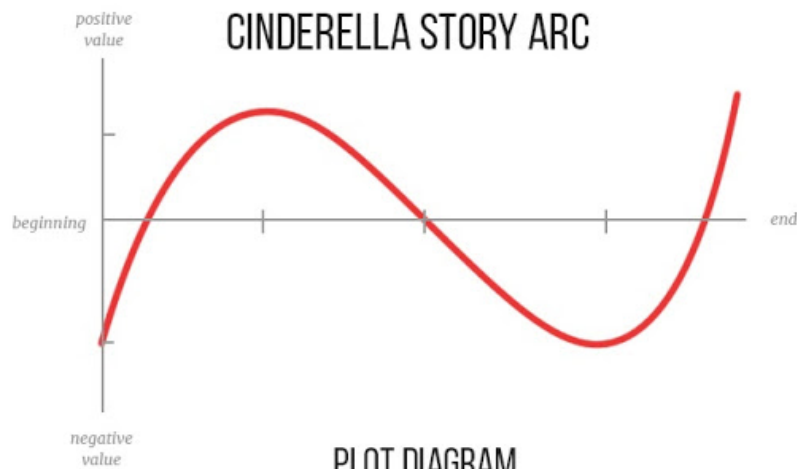
RICHES TO RAGS STORY ARC — PLOT DIAGRAM
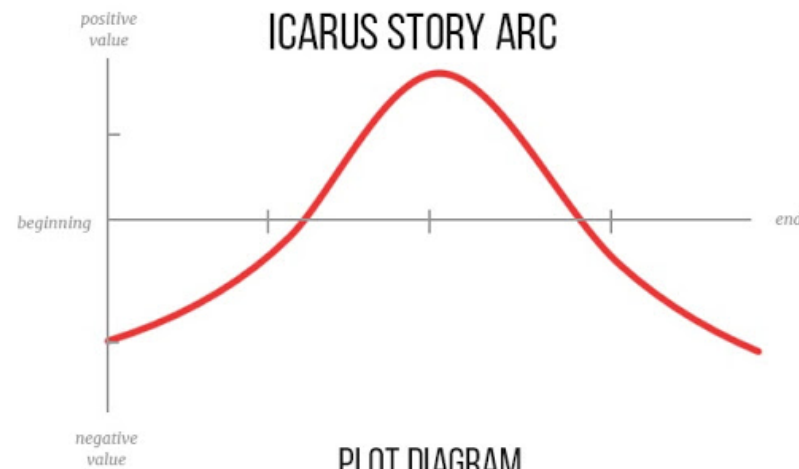
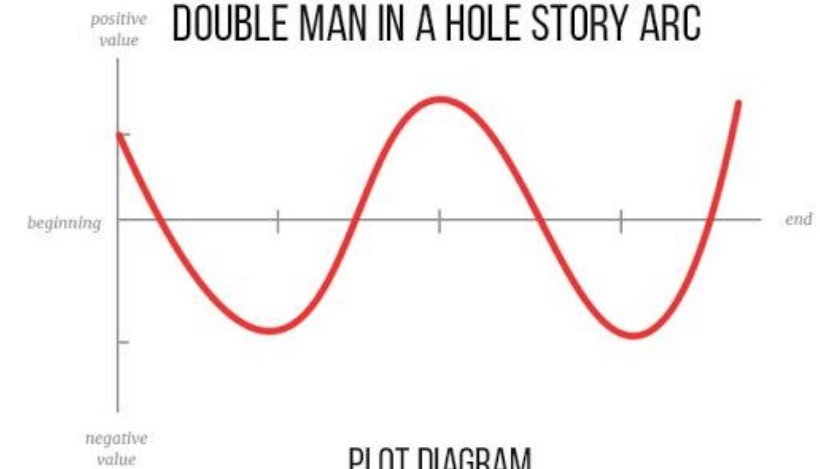"MAN IN A HOLE" STORY ARC — PLOT DIAGRAM

CINDERELLA STORY ARC — PLOT DIAGRAM

ICARUS STORY ARC — PLOT DIAGRAM
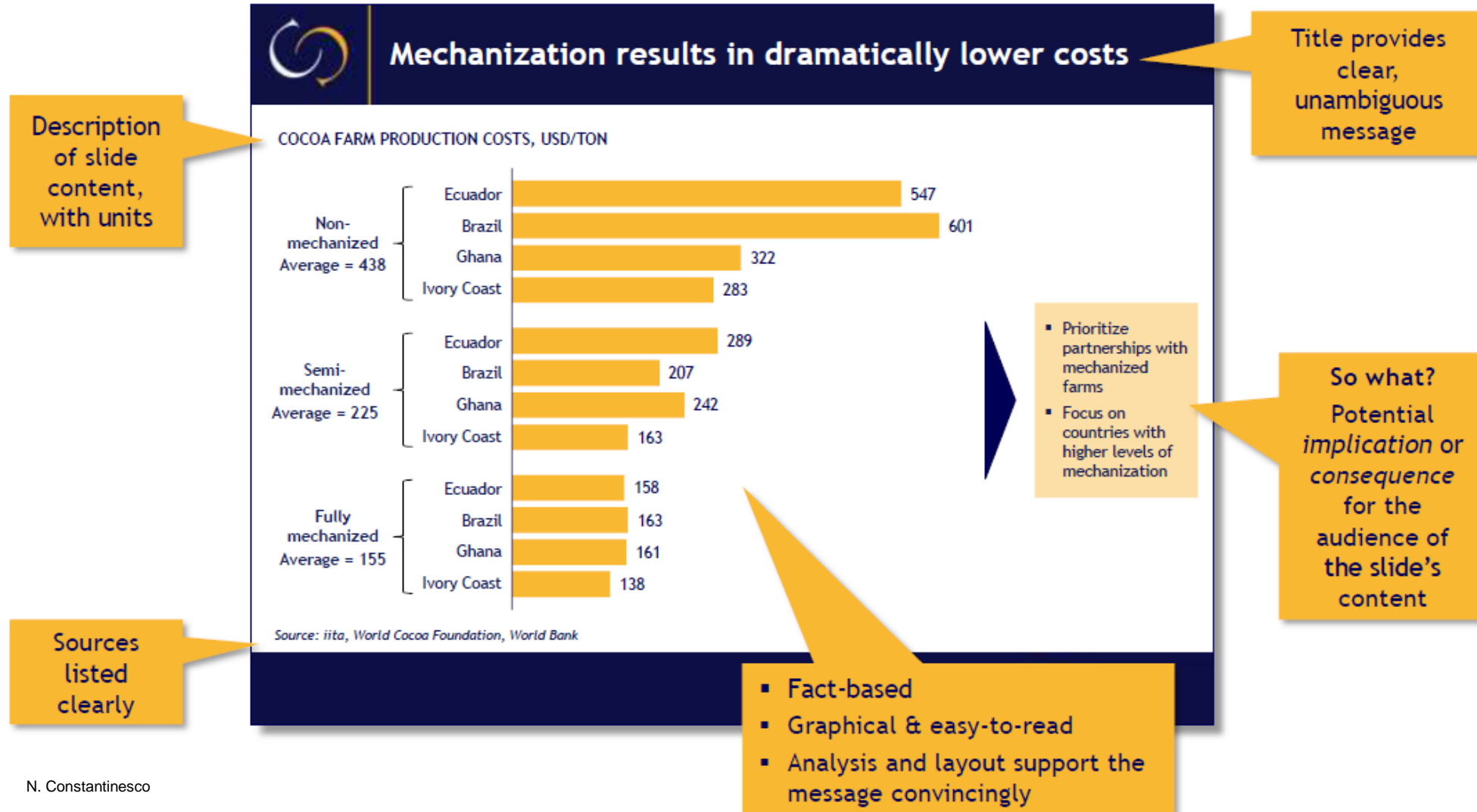
DOUBLE MAN IN A HOLE STORY ARC — PLOT DIAGRAM

Presenting – Tip 5 (end with a punchline)

Presenting – Tip 6 (slide design)

Mechanization results in dramatically lower costs

COCOA FARM PRODUCTION COSTS, USD/TON

Non-mechanized Average = 438
- Ecuador: 547
- Brazil: 601
- Ghana: 322
- Ivory Coast: 283

Semi-mechanized Average = 225
- Ecuador: 289
- Brazil: 207
- Ghana: 242
- Ivory Coast: 163

Fully mechanized Average = 155
- Ecuador: 158
- Brazil: 163
- Ghana: 161
- Ivory Coast: 138

Source: iita, World Cocoa Foundation, World Bank

- Prioritize partnerships with mechanized farms
- Focus on countries with higher levels of mechanization

Annotations:

- Title provides clear, unambiguous message
- Description of slide content, with units
- So what? Potential *implication* or *consequence* for the audience of the slide's content
- Sources listed clearly
- Fact-based
- Graphical & easy-to-read
- Analysis and layout support the message convincingly

N. Constantinesco

Challenge assignment / Presentation

- Prepare final presentation = 90 mins
- Share with peers and revise = 90 mins