



Leaders at the Core of Better Communities



## The New Normal and the Future of the Profession

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# Forces of Creative Destruction

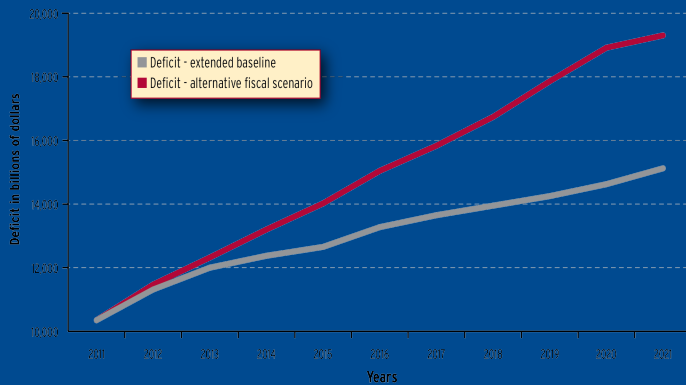
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# Fiscal Stress

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## US Government Deficit Projections

10 Year Deficit Projections under Extended Baseline and Alternative Fiscal Scenarios (in billions of dollars)



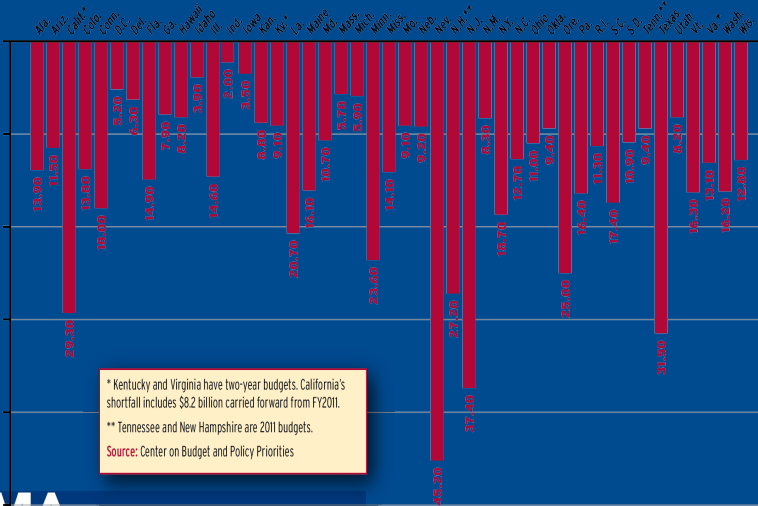
Sources: Congressional Budget Office (CBO) and the Congressional Budget Office (CBO).

Note: The extended baseline scenario assumes a budget surplus of \$400 billion in 2012, followed by a deficit of \$1.2 trillion in 2013, and then spending increases to \$1.5 trillion in 2014. The alternative fiscal scenario assumes a budget surplus of \$400 billion in 2012, followed by a deficit of \$1.2 trillion in 2013, and then spending increases to \$1.5 trillion in 2014. The alternative fiscal scenario also includes a \$100 billion increase in revenue starting in 2015.

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# GOING BROKE

Projected deficits as a percentage of budget for fiscal 2012



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## National League of Cities Survey

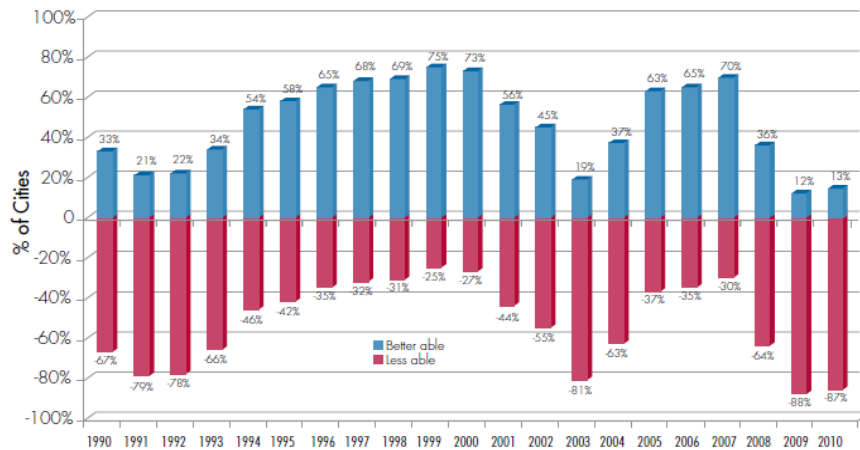


Figure 1: Percent of Cities "Better Able/Less Able" to Meet Financial Needs in FY 2010

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## Forces - Period of Creative Destruction

- ✓ Demographics
- ✓ Political Gridlock
- ✓ Infrastructure Deficit
- ✓ Have and Have Not's
- ✓ Shifting Global Economics
- ✓ Sustainability

## Forces - Period of Creative Destruction (cont.)

- ✓ Performance
- ✓ Viral Movements
- ✓ Engagement, Civility & Transparency
- ✓ Boundaries Become Meaningless

## Leadership in Times of Turbulence: Opportunity in Crisis

- ✓ The Greatest Opportunity
- ✓ The New Normal

Note: from “The Upside of  
the Downturn” - Geoff Colvin

## Rapid Change & Complexity Requires Resilience

## Adaptive Systems

Traditional Management	Adaptive Management
Rational Analysis	Strong Values
Control	Experiment and Take Risks
Give Orders	Ask Questions
Punish Failure	Learn from Failure
Be the Boss	Open, Confident, Humble
Maintain Order and Obedience	Engender Trust and Respect

*Dr. Janet Denhardt  
Arizona State University  
Alliance for Innovation Webinar  
11/10/11*

## Six Characteristics of Successful Government Organizations

- ✓ Establish early-warning system to discern environmental trends and factors that will have impacts on strategy and timing.
- ✓ React quickly to those trends and factors.
- ✓ Having “migration’ ” strategies in place early to weather the storms of changing environments.

## Six Characteristics of Successful Government Organizations (cont.)

- ✓ Understanding community values and making choices based on priorities.
- ✓ Applying the rigor required to determine whether programs are working.
- ✓ Never being satisfied with the current level of performance.

## What We Know About Leadership of Organizations in Turbulent Times

- ✓ Leadership Matters
- ✓ We are not talking about the few people at the top
- ✓ Great organizations focus on anchoring around values and attracting the right people

## What Distinguishes the Most Creative Executives?

- ✓ Always searching
- ✓ Connecting seemingly unrelated ideas
- ✓ Always probing
- ✓ External view
- ✓ Trying new ideas
- ✓ Networking

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## Leadership Challenges for Top Performers

They want:

- ✓ To be assigned to your biggest challenge
- ✓ You to invest in them
- ✓ Recognition

High performers don't think they have a job – they have a passion to the mission

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## What Do Professionals Bring to This Environment?

- ✓ Professionals help build community and support democratic and community values.
- ✓ Professionals promote equitable, fair outcomes and processes.
- ✓ Professionals develop and sustain organizational excellence and promote innovation.

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## What Do Professionals Bring to This Environment? (cont.)

- ✓ Professionals add value to the quality of public policy and produce results that matter to their communities.
- ✓ Professionals take a long-term and community-wide perspective.
- ✓ Professionals commit themselves to ethical practices in the service of public values.

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# **Communities and Regions Are On Our Own**

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# **Success of Local Initiatives 2010-2012**

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## Attributes of Successful Initiatives

- ✓ Specific use for the money
- ✓ Comprehensive public information & engagement strategy
- ✓ Trusted agent

## The Next Decade: Conditions for Success

- ✓ An effective and efficient local government
- ✓ A neutral place for regional conversation and a platform for regional cooperation

## The Next Decade: Conditions for Success (cont.)

- ✓ An engaged and enlightened business community
- ✓ A refocused and right sized non-profit community
- ✓ A 21<sup>st</sup> century community engagement strategy that is both high tech and high touch

## The Future

- ✓ Local Government and regions will be on their own
- ✓ Cross sector strategies will be the norm
- ✓ Performance matters
- ✓ Maintain identity but match issues to geography
- ✓ Political identity versus economies of scale



**What We Know About  
Leadership of Organizations in  
Turbulent Times**

**Leadership Matters!**