

Missing: A balanced execution agenda

What is needed is coordinated execution by ministries, departments and bureaucrats. Else pet projects will remain a dream



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Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat." The current demonetisation imbroglio reminds us of the above words from *The Art of War*. While the jury is still out on the (de)merits of the DeMo move of NaMo, it is unanimous on the execution being a big failure. India's bane has always been execution, and for long, policymakers found solace in our complexity and diversity.

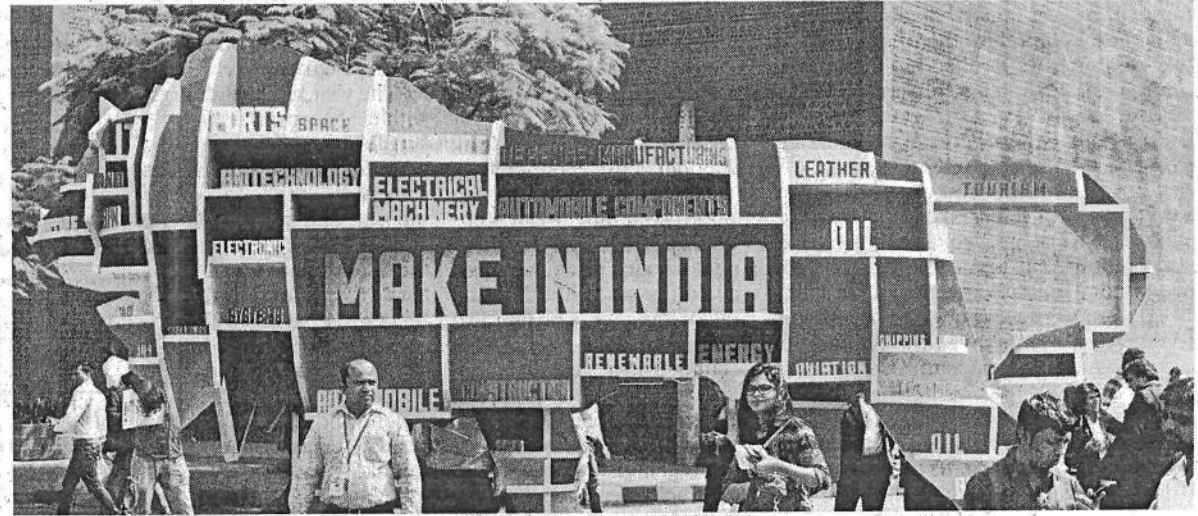
The execution conundrum is a problem everywhere, not just here. Just as nine out of 10 companies fail to execute their strategy, our research in India shows that not a single elected government has so far executed in entirety its "well-crafted" manifesto. Given that our PM has a vision to make India a superpower, it is only the question of execution that comes in between. What we need is aligned and balanced execution by various ministries, departments and bureaucrats. For instance, Make in India, Skill India and Startup India are all great agenda for the government, but how many see them as interwoven for real growth? Different ministries handle each of these. Are there any linkage measures between these and who is responsible? From a management perspective, it is part of a value chain that can trigger bigger growth for the nation. Without a balanced system of strategic agenda, measures, targets, linked initiatives and line of sight, the top 16 pet projects of the PM will remain a dream only.

If a PM is misled on a crucial initia-

tive such as demonetisation either due to lack of understanding or due to a *jugaad* (workaround) attitude, what is the guarantee that his change agenda will get executed? For instance, the government is spending crores on Skill India with private partners without even making an assessment of how many jobs the public sector undertakings under each ministry can create and with what skill requirements. With skilling firms clocking as high as 50 per cent margins on government funds, this is the next big scam-in-waiting.

At a recent presentation made to the NITI Aayog chief executive officer on how the government can implement a balanced execution system to drive alignment and governance, as part of our non-profit mission of building mission-focused governments, he was all ears and keen to embrace it. That an NGO is driving such work that has been the prerogative of McKinsey and the like, in itself must have been an "ear-catcher". The process we proposed is proven to be the most effective for driving execution across private, public and non-profit sectors. For delivering the PM's vision, this is not only necessary but also imperative. After all, our experience in execution over the last 20 years indicates that a strong leader like Modi is necessary and sufficient.

The role of any government is to create value, both economic and social. This value gets created with intangible assets such as leadership, people and skills, innovative processes, information capital and culture. Countries that have huge natural resources of oil or minerals created much lower per capita gross domestic product (GDP) growth as well as social value for their citizens than countries that lacked such natural resources. Saudi Arabia, Venezuela and Nigeria are examples of poor value creators. In contrast, countries that lacked tangible assets created tremendous value for their citizens and big growth in



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per capita GDP, for example, South Korea, Singapore, Israel and Hong Kong. This follows the same pattern as corporations where, as much as 80 per cent of market capitalisation comes from intangible assets of brand, processes, people, and not land and machinery!

There have been wonderful examples of exemplary execution by governments across the world in recent times. While the USA leads with even the White House and the Federal Bureau of Investigation following a balanced execution agenda, countries such as the Philippines and Singapore are also keeping pace. Many cities including Barcelona, Abu Dhabi and Brisbane have embraced it well; not yet in India for want of strong leadership.

Execution requires several levels of understanding by policymakers. Normally, any policy balances contradictory forces. Investing in Skill India usually conflicts with cutting costs from welfare schemes such as subsidies. Governments should commit for the

long term, but at the same time they need to deliver in the short term for political reasons. Balanced execution requires a balance of short and long term, tangible and intangible, growth and inclusion and so on.

Second, value is created through unique processes. In order to deliver what the government has promised, it needs to develop the right set of processes. Third, strategic agenda consists of simultaneous complementary themes. Each cluster of processes delivers benefits at different points of time: Removing subsidies will result in immediate cost savings; providing food security may offset that gain. Reducing crime and creating jobs will require processes that deliver results in the medium term. Innovative processes like Startup India may see results in the long term. All these have to be executed simultaneously and not one after the other. And many of these goals are interlinked and should be monitored for desired outcome.

Fourth, policy alignment determines the value of intangible assets, Employee

skills, talent and knowledge, technology and network infrastructure along with leadership and will drive the real value creation. Investing too much in government employee skills without providing them with the right information technology will result in poor efficiency. A highly skilled income tax officer without the right data-mining technology cannot function effectively, for instance.

Governments will face hurdles in implementing a balanced execution agenda. They must respond to increasing demands for accountability and privatisation to develop a clear mission, strategic agenda and a set of performance metrics. Success will come about by managing integrated themes across diverse ministries and jurisdictions, balancing multiple constituencies, managing all stakeholders and motivating employees for stretch performance even without explicit financial incentives.

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