



USAID
FROM THE AMERICAN PEOPLE

Program Cycle Revision Overview

*Adaptive Management: Thoughts about USAID's
Evolving Program Cycle*

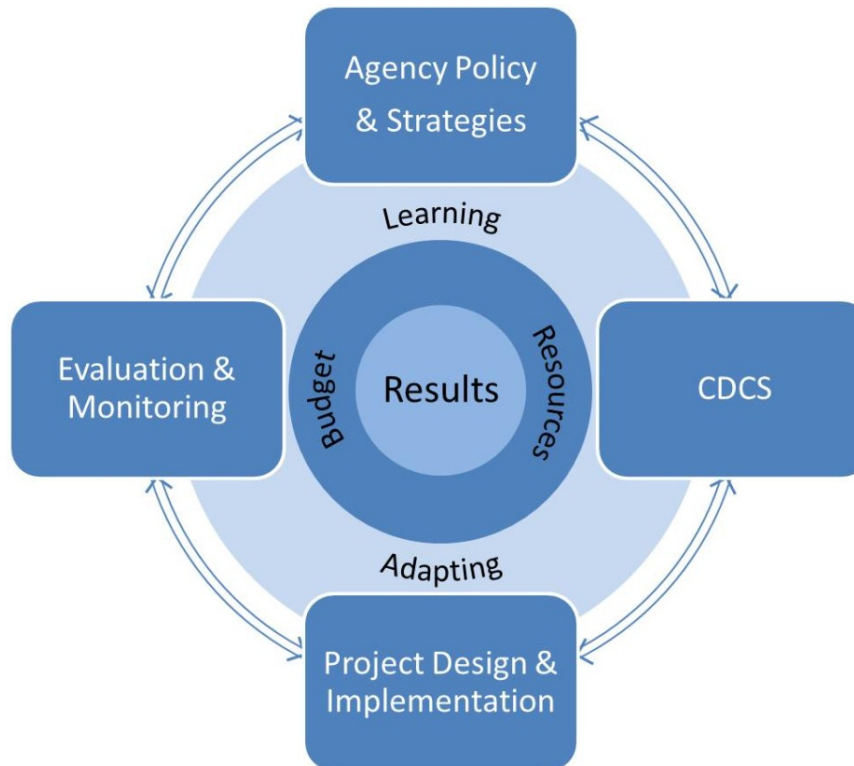
July 22, 2015



USAID
FROM THE AMERICAN PEOPLE

The Program Cycle

Vision Statement: To achieve and sustain development results, USAID, in collaboration with its partners, implements an iterative and adaptive Program Cycle to diagnose and respond to development problems and opportunities based on the best available information.





USAID
FROM THE AMERICAN PEOPLE

Program Cycle Review: **Why now?**

- **Timing:** Original Country Development Cooperation Strategies (CDCSs) are ending
- **Wider variety of country contexts**
- **Evolving better practices, methodologies and approaches**
- **Need for efficiencies**





USAID
FROM THE AMERICAN PEOPLE

Lessons Learned

- **Flexibility** is important
- **Time** demands should be reduced
- Building **learning** into planning and implementation is important
- **Project design** doesn't always facilitate learning and adaptive management
- **Quality of evaluations** is better but still has room to improve
- **Findings** from evaluations and monitoring not always used





USAID
FROM THE AMERICAN PEOPLE

Five Principles - Overview

1. Increase **flexibility** of Program Cycle processes.
2. Promote **iterative and adaptive planning and implementation**.
3. Improve **coherence** of Agency and local priorities.
4. Support achievement of **sustainable results**.
5. Achieve **efficiency** of operations.





USAID
FROM THE AMERICAN PEOPLE

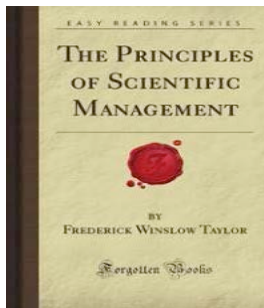
Reflections on Adaptive Management for Development

Ben Ramalingam

What is Adaptive Management?

Traditional Management

- Standardization and control
- Change efforts driven top-down
- Relies on management planning and execution of repeatable tasks



Adaptive Management

- Interaction and change
- Change is emergent and contextual
- Relies on organization having appropriate capacities and processes to generate novelty in day-to-day performance



Why does Development need Adaptive Management?

1. Development is a complex adaptive process
2. Traditional management is inadequate for operating in these contexts
 - It generates an “ordered” response that does not meet the needs of working with complexity
 - It trusts the insight, innovation and leadership of those working ‘far from problems’
3. Organisations, leaders and managers who respond effectively in complex environments do so by
 - Enabling “adaptive” responses
 - Creating climates and conditions to foster innovation and leadership
 - Trust those working ‘close to problems’

How are development organizations dealing with the need for adaptive management?

- In complex environments—characterized by high variety and pressures for adaptability—organizations need adaptive responses, i.e., enabling dynamic interaction and emergence.
- This goes against natural instincts and training of many organizations, managers and employees who respond to complexity with directives and systems, to reinforce feelings of order and control

Many development organizations follow and reinforce a traditional management model

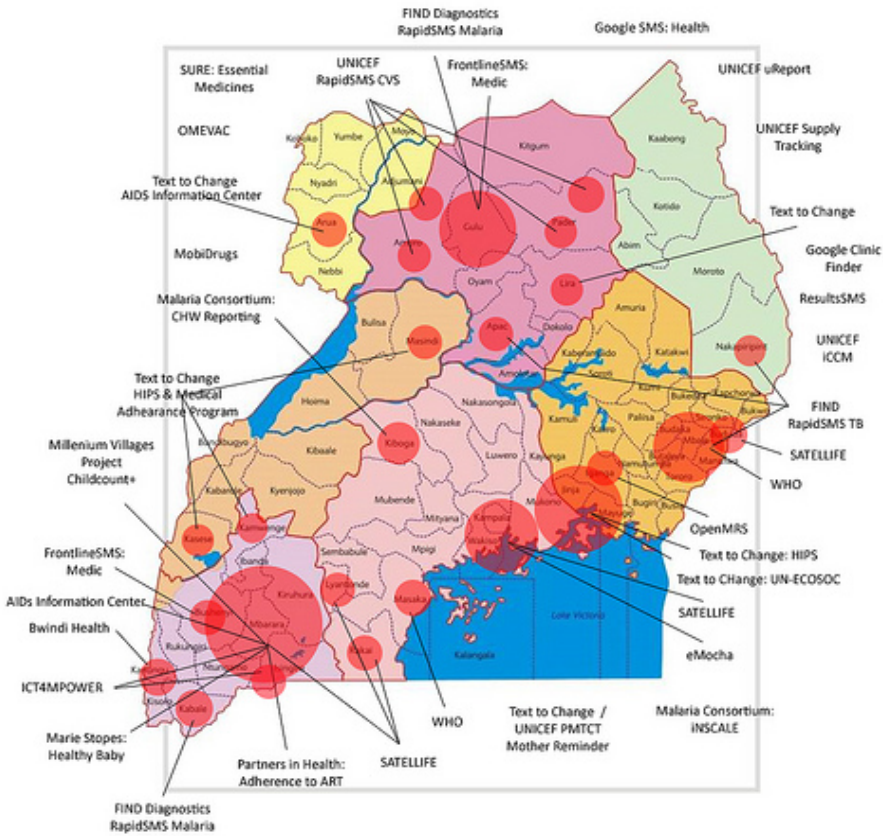
- Produce large volumes efficiently, achieve economies of scale through replication
- Provide services to end-users whose needs can be assumed, predicted, and influenced
- Schedule activities/processes to produce predetermined offerings of products or services
- Work in highly contractual ways with wider stakeholders
- Create systems where parts and people are assumed to be replaceable

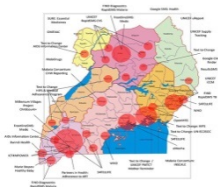
What might aid organizations that embrace adaptive management look like?

- Operate from the “end-user-back”, and not from the “organization-forward”
- Develop capabilities to anticipate and interpret emerging needs, and to respond to uncertainty and change
- Empower dynamic teams to make decentralized decisions based on a shared understanding of organizational purpose and values
- Foster new kinds of networks and partnerships to achieve goals in a highly collaborative fashion
- Adopt a range of possible business models as necessary to ensure relevance in a highly fluid world

<u>Issue</u>	<u>Industrial Aid</u>	<u>Adaptive Aid</u>
Mind-set	Organization is efficient mechanism for delivering goods and services to meet predictable needs	Organization is an adaptive system for responding to unanticipated needs in unpredictable environments
Know-How	Expertise is embedded in goods and services	Expertise is embedded in people and processes
Process	Mass production	Mass customization
Organization	Invest in efficiency and predictability, emphasizing repeatable procedures and standardisation	Invest in system and competencies for rapid deployment of appropriate.
Focus	Budgets, targets, economies of scale	Return on investment, economies of scope
Operational Concept & Governance	Functional and sequential activity; central planning; downward “cascade” of decisions	Networked and parallel activity; dynamically forming teams; decentralized decisions
Information and reporting	Emulates the top-down command and control management system	Supports decentralized decision-making and networks
Strategy	Strategy as plan	Strategy as adaptive design

A tale of two approaches





Abstract

Expert-driven

Top-down blueprint

Highly engineered

Supply-based

Technology push

Reinforcing

Limiting

Contextual

User-led

Appropriate design

Highly iterative

Needs-based

Technology pull

Reshaping

Empowering



Where do we want to be?

Beyond either / or: the ambidextrous aid organization



- Clear and compelling visions
- Leadership and managerial efforts that were highly focused on balancing the tension
- Cross-fertilization among business units
- Established units that shielded from the distractions of adaptation, as well as vice versa
- Theories of finance that align with theories of change
- High tolerance of ambiguity
- Mutual respect

Starting point: Find the positive deviants through networks, evidence and leadership

- A better balance between control and adaptation is already present in development organizations
- It looks like new ideas, innovations, workarounds, pushback, rule-breaking, new voices, informal networks: new ways of intelligently resolving the tensions between the machine and the entrepreneur
- Need rich social networks to encourage new ideas and good evidence to help promote them more in the organizational system
- Need new kinds of leadership that contributes to emergence of productive novelty in development organizations and in the wider contexts in which they operate, and finds systems that can support these in predictable and repeatable fashion
- Find ways to ensure the tension is tapped as source of productivity, value and impact

Thank you!



USAID
FROM THE AMERICAN PEOPLE

Thoughts on Ben Ramalingam's presentation

- Harder to do than it sounds;
- Smart adaptation is sensible but with too many masters, innovation and adaptation CAN seem incoherent