

**Federal Reserve Bank of Chicago**  
**Third Summit on Regional Competitiveness**  
**October 23, 2015**

**Lunch and Strategic Doing Exercise**

DEBORAH L. FORD: Hello again. If I can have everybody's attention. So every time I have an opportunity to be up here I'm going to have another commercial announcement. So for those of you who are active in social media we just want to remind you that you can join the Alliance on LinkedIn. You can Tweet about today's Summit. And so we invite you to do that and we also invite you to share the #togetherisbetter. So please do that.

So to maximize our day today we need to have a working lunch. And I think sometimes in much of the work that we do across our region there are no free lunches. So the good news is, is that this work is going to be fun. And for those of you who have not participated in Strategic Doing I know you're going to learn something new.

So this exercise has been completed at previous Summits and we believe it's a great way to facilitate networking. And the Alliance uses your feedback as it sets the agenda for its next meetings. So let me introduce our awesome speaker.

For over 20 years Ed Morrison has conducted strategy projects with economic and workforce developers in the United States and around the world. He developed the Strategic Doing discipline which emphasizes the strategic value of focused regional collaborations and network-based models in today's global economy.

I can personally attest to the impact of Strategic Doing and welcome Ed Morrison, Regional Economic Development Advisor at Purdue University. And I know he's going to help us think about some of the things our panelists said earlier. We have to move from planning to implementation. So join me in welcoming Ed Morrison.

EDWARD F. MORRISON: All right, thank you. I see a lot of good friends out in the audience and this is great. I want to give you a status report on where we are with Agile Strategy and Strategic Doing because the Alliance has been one of our incubators. One of our places where we've actually done stuff in this region. I also want to give you an overview for those of you who are in the audience of what is Strategic Doing. We're going to cover that very quickly.

But we're going to move, after about ten minutes, we're going to move to those tabletop conversations. And we want to start talking about the conditions of

collaboration in the region. And I'm going to ask you to fill out a questionnaire which we've got up on the web. And hopefully it creates a little bit of a baseline because when we come back here in a year we're going to hopefully see some improvements in our ability and capacity to collaborate.

But before I do that I wanted to make a couple of shout-outs. First of all this wouldn't be possible if we didn't have leadership at the EDA that really understood this. So Jay Williams, Tom Guevara, Jeanette, fantastic investment by the federal government in this kind of collaboration. It's really, really important. The MPOs and the workforce folks in this region have really seized the opportunity here.

So part of what you're going to see is that collaboration is actually already happening. It's happening. The question is can we scale it? Can we move it faster? Can we grow it? And I think the answer to that is yes, and we're going to talk a little bit about why and how that can happen.

I want to also mention a couple of the speakers today. MarySue just talked about assets and the importance of the action, as well as Ken Yunker talking about action. But you know my prize goes to Mayor Dickert who basically just

said, "Hey look, this is really important." He told you in a nutshell what strategic doing is all about. It's about having an outcome in mind and moving toward it quickly. And he also had the right conversation around what's at stake here. And it's a generational obligation that we have. It's a generational obligation. It transcends.

So MarySue asked, "What do we talk to our elected leaders about?" I would talk to them about what I call the Shanghai perspective, the Shanghai perspective. The Shanghai perspective, where did I get that? In the 1990s I did a lot of work in China, joint venture negotiations. And if you go to China and you go into a government office you'll see a map of the world on the wall. The map of the world is kind of odd because why? They have the Middle Kingdom right in the middle. You don't see North America in the middle. That's the Shanghai perspective.

Our competition is global. They don't care where the lines are. They don't care where the county lines are. They don't care where the state lines are. They don't care. The only people that care are the people who are looking in the rearview mirror in our region thinking about what could they lose instead of looking out the front and saying, "Where are we going and how are we going to get there?"

So it's all about changing the conversation. We're going to talk to you a little bit about that. Strategic Doing, as some of you know, is an Agile Strategy discipline that teaches people how to collaborate quickly. How to move toward measurable outcomes and how to make adjustments along the way.

We've had two really good experiments underway here. One, you've already heard about which is the collaboration among our MPOs to create a GIS platform that integrates data. A second is our workforce initiatives across the region. This stuff works. So demonstrate, how do we know it works?

Next week we'll be in Washington. NIST has asked us to help on the challenge of building innovation ecosystems around our universities. How do we speed up the collaboration around our universities to make more of federal investments in R&D? We have 35 states now that are working with Purdue on Strategic Doing. We are overwhelmed. We need more partners. We need partners like UW-Parkside who are willing to teach this discipline. We'll share with you. We'll show you how to teach the discipline.

This stuff is exploding. We're in four foreign countries now. Why is that? Because people understand the

old way of doing things just doesn't work. And so they're trying out and experimenting with new things. And Strategic Doing is one of the things they're experimenting with.

We're also working in a DOD-funded project with NJIT, New Jersey Institute of Technology, with their new Innovation Institute. And this new Innovation Institute is doing what? They're taking the best ideas of innovation for small and mid-sized companies out of Fraunhofer, which is an applied research institute -- 66 research institutes in Germany, global leader in innovation, and they're applying this with Strategic Doing in New Jersey with their defense suppliers. So this stuff is happening all over.

One of our really exciting aspects is transforming engineering education. We are now working with 51 universities, with a Stanford and Pathways project with VentureWell, on redesigning undergraduate engineering curriculum. And one of the people that we work with is at UW-Milwaukee. And he's tried Strategic Doing and he sees that it works. It's a process that is of simple rules that you learn and you teach to others. So now we've got to scale. Now we need more people that are willing to dig in on this stuff.

So let's just go and let's talk a little bit about

what Strategic Doing is. This is seminal article out of a *Harvard Business Review* written by a Stanford engineering professor. She's just written a book with her co-author. It's about the idea that in complex environments, and you've been hearing all about the complexity that we got to deal with, in complex environments strategy is a matter of following simple rules. So what we've done with Strategic Doing and Agile Strategy is give the simple rules.

What are those simple rules? Well, let's talk about them. First of all, it's not strategic planning. We develop strategic action plans with Strategic Doing. In other words, we act. We move. We do things. We learn by doing. So it's a new strategy discipline that's really designed for open, loosely connected networks like this network, like the Water Council, like a new clean energy cluster that we set up after the NASA shuttle shut down.

Why do we need new approaches to strategy? Because the old approaches to strategy were designed for hierarchical corporations, hierarchical organizations after World War II. And they got us through World War II and they did pretty well up until the 1970s. And then in the 1970s, what started happening? Globalization. The Trade Act of 1974 lowered the trade barriers. Now we start seeing globalization. We have containerization of freight.

All this stuff starts connecting. Networks start becoming more important. Now we have to think about networks. And if you apply strategic planning, the old linear costly, slow process, you're not going to be successful.

So Strategic Doing is all about fast, agile, learning by doing. So what is strategy? Mayor Dickert told you what strategy was. He said you got to have a vision of where you're going and then you got to get there. You got to tell people how you're going to get there.

So strategy in this world it answers these two simple questions: Where are we going and how will we get there? The challenge of course is that those easy -- these simple questions are not easy to answer. You've got to answer -- ask those questions and answer the questions continuously as you learn about what's working. But the job of leadership now is to move people toward action, toward doing. And when we do that we build trust. And when we built trust we accelerate.

So part of the challenge for our region is to move away from the old ways of thinking and move forward to some new habits, collective habits. So this is a great opportunity to start building this kind of collaboration. So let me go into this in a little bit more detail. How



actually we did this.

So remember, strategy is where are we going? We need outcomes. We don't talk about vision in Strategic Doing. Vision is a little too vague. We talk about outcomes. Tell me how things are going to be when we are successful? What are we going to see, feel and do that's going to be different? People move on emotion. They don't move on analytics. They don't move on data. They move on emotion. You got to be able to communicate.

What is the Water Council going to do? How is this going to be transformative of Milwaukee? And that's what the Water Council did starting in about 2009 with Sam's work. They transformed the way people thought about Milwaukee and water. So you can do this, outcomes.

And then we need pathways. What we call pathfinder projects. We need to start doing things, working together, collaborating. Those are the challenges. Now we're doing this at scale. The Department of Employment Services in D.C. just asked us, how do we train 700 of our people doing this? So how are we going to do that?

Well, Purdue's not going to do that. We're going to collaborate with Howard University to do that. So the universities can become anchor of this new discipline. This is exactly UW-Parkside has become in this region is an

anchor for this new discipline. So, I'm going to talk to you about how you might engage with UW-Parkside in a little bit.

But let's go a little bit in more depth here. Strategic Doing is about guiding conversation. It's about guiding deep conversation about where we're going and how we're going to get there. So it's no longer, and I don't mean to disparage the idea of summits, but summits won't cut it. Summits won't be enough. We have to come together on a regular basis to start thinking about how we can actually do this.

The MPOs came together on a regular basis to figure out how do we integrate our data across our platform, this one platform? So it's not -- these are complex problems. We've got to come together on a regular basis, quarterly perhaps. But we've got to ask these four questions: The first is, what could we do? What are the assets we have in our network? So MarySue's kickoff talking about the assets is exactly right. Asset-based strategy works. Asset-based strategy works.

Where did asset-based strategy -- where was it born? It was born at Northwestern. It was born at Northwestern twenty years ago. It works. Asset-based strategy works. What are the assets within our network? These assets are

hidden. Then we have to ask ourselves, once we start connecting these assets in new and different ways we create new opportunities.

But we've got to figure out what's the opportunity that's the what? Low hanging fruit? You advise your kids, start with what's easy. So we talk about finding the big easy. Greg, find the big easy in the projects you've got. Find the big easy and move on that.

The third question is, what will we do? What will we do? What will we do? Not what will somebody else do, but what will we do? Because we're past the time where a bunch of people at the top of an organization can come up with great ideas and tell people, "Do that." It won't work. It doesn't work.

When we designed Oklahoma City's comeback it was all about what are we going to do? What are we going to do collectively? So it's challenging people. If you've got a great idea, fantastic. What are you going to do about it and how can I help you? How can I help you? Breaking the habit of telling other people what to do, not smart.

Last question is, what's our 30/30? When are we going to come back together again and decide what did we do the last 30 days and what are we doing the next 30 days? So Strategic Doing puts things into time buckets. It's like

Agile Strategy or Lean Launchpad, same ideas applied to networks. So it essentially says, look you're only risking 30 days folks. If it doesn't work, move on to something else. But just stop talking and start doing because you learn by doing. You build trust by doing. You build relationships by doing. You don't do it by talking.

So these first two questions give us our outcome. These second two questions give us our pathway. It's that simple. The challenge of course is it's not easy. It's a discipline. It takes a lot of practice to be good at it. But, good news, we've got a lot of people practiced in doing this. We've become kind of the heart of Strategic Doing, of Agile Strategy, in the country right now. I would argue in the world because people from the world are calling us up.

So what? The Great Lakes Nation again innovates. We are innovators. We innovate. So let's seize the mantle and start innovating.

So, what does all this mean? It means that we have to have agile process. Agile process, a lot of meetings, yes. Discipline, yes. Short, yes. Focused, yes. 30/30-type meetings, 90/90-type meetings. No longer than 180s because people lose track after six months. But we've got 20 to 30 different groups all over the country. Now all over the

world doing this kind of discipline.

And what are they doing? They're building their networks. They're intentionally building their networks. They're moving them toward measurable outcomes and they're creating new pathways. They're learning by doing. And you can teach this. And we'll share all the materials with you. So teach it. Let's teach it.

So, what's the current state of collaboration in our region right now? That's the question. So I want you, and this is what I want you to turn to in your table. I want you to pull out a smartphone. Somebody at the table pull out a smartphone. If you all have smartphones, pull it all out. Go to this URL, which is [bit.ly/src15a](http://bit.ly/src15a).

And this is ten questions -- ten questions. Ten questions that I want you to start discussing at your table. And I'll go through them quickly because I think these are good baseline questions that we can start to build off of. Because one of the challenges that EDA challenged us with, which I think was totally appropriate, what are we doing? How are we measuring our progress? How are we measuring our progress?

And I would argue that we did pretty good on measuring progress in the little increments of our -- not so little, but in the initiatives we measured our progress. But we

didn't really *measure* our progress. We didn't have a baseline. So this was a very rough way to come up with a baseline. So, I want you, each one of you, to answer these questions.

So what are these questions? Do you agree or disagree? I want you to agree or disagree. Our region has a history of working together. Now I'm talking about the region, the OECD region. The political -- when I talk about the region I'm talking about the OECD region. I'm talking about all the way -- it's the big region. It's not the small region of Chicago. It's the big region, going from Milwaukee through Gary, northwest Indiana.

The political and social climate in our region is good for new collaborations. Do you agree or don't? More people are interested in regional collaboration than a year ago. Do you agree or not? Our civic leaders have the skills to collaborate regionally. Do you agree or not? We have the habit of sharing information across organizational and political boundaries. Do you agree or not? We have a willingness to listen to different points of view, critically important. Diversity matters. With diverse networks you'll learn faster.

We commonly consider issues from a regional point of view. We trust each other across organizational and

political boundaries. We're willing to experiment with new collaborations. I'm confident we're on the path to greater collaboration. And then add some thoughts, if you will, based on what you have at your table. So I'm going to let you go for another fifteen minutes and start talking about these issues.

Because I'll tell you what, I'm working right now very closely with Mary Walshok. Now some of you may not know Mary Walshok. Mary Walshok is the designer of San Diego CONNECT. San Diego CONNECT is the infrastructure underneath the innovation economy of San Diego. She's an icon in our field. She and I are working on a book together. And what are we finding? We're finding that the regions that can answer positively to these kinds of questions, they're the regions that are going to be competitive. That's where people are going to go. That's where the capital is going to go. That's where everybody is going to go.

So the soft stuff becomes the hard stuff. How do we do this? And it's our job to make the example, to illustrate, to walk away from the old conversations and start some new ones. To start working together.

So we're announcing tonight, or today, that we're going to do a Strategic Doing game for the Alliance. We

teach Strategic Doing using a game. So we're going to design one for the Alliance. The last Friday in January, put it on your calendar because we're going to run the game here in Chicago and we're going to teach you about Strategic Doing.

Now in the interim if you want to know about Strategic Doing, talk to Debbie Ford. Debbie's got a whole campus that's starting to move in this direction thanks to Carmel. So we've got resources in the region to start working together. We're working with IU. We're hoping that IU-Northwest and Purdue-Calumet become all. Why? Because we need to teach this to dozens, and dozens, and dozens of people.

So have a frank conversation at your table, lean into the sharp points, make a clear assessment, clear-eyed assessment of how well we're doing. Because we're going to ask you to do this in a year's time and we'd better make some progress. I think we will because I've seen the progress already. I think we're going to make some progress on all of these dimensions of collaboration.

So I'm going to reconvene you in about ten minutes to wrap up and get ourselves going. Okay, so have a conversation at your table about the collaboration and what you think.



(Table discussions)

MR. MORRISON: Okay. So wrap up the conversations. Start wrapping up your conversations. This is actually very important that you do this. I want you to consider that this is holding up -- this is holding up a mirror to ourselves. It's holding up a mirror to ourselves and we're going to use this moving forward.

(Table discussions)

MR. MORRISON: So the panelists for the next panel, which are all kind of our federal panelists, please go to the Wisconsin Room. The panelists for the next panel is going to get set up because that's coming right in ten minutes.

So a critique. How was the conversation at your table? Greg, how was the conversation at your table? Greg, how was your conversation at your table? Greg, how was the conversation at your table?

GREG: Well, you didn't give us enough time.

MR. MORRISON: Not enough time. That's not -- that's Kelly's problem.

GREG: We've had a conversation around (inaudible 0:23:23.1) Union Station redevelopment being regional.

MR. MORRISON: Okay.

GREG: It's national in scope. It touches transit.

It also has the ability to use mixed-use development. People at our table are involved with it and they focus on the Transbay project in San Francisco where zoning was upped and they went from 500 feet in terms of what you could build up to 1,000 feet. The tallest of those buildings, Salesforce Tower, just sold its penthouse for \$1.3 billion. It's value capture that's going to be wheeled back into infrastructure. I think it's a great opportunity for the region.

MR. MORRISON: Okay. So I'm going to point arbitrarily to Sam White back there. And Sam, what was the gist of the conversation at your table?

SAM: We were fairly negative about the --

MR. MORRISON: Fairly negative, okay. Fairly negative, that's fine. Let me ask you the last question, are people optimistic that we're on a path or no, are we stuck?

SAM: We're not -- well we assume from where we're starting, we couldn't be much worse in terms of the competition at this point. So it's got to be upward.

MR. MORRISON: Well, you know what? In region after region that I've worked in before I came to Purdue, one of the stark realization is that enough people come to the realization that you can't fall off the floor. You got to

start doing something differently. You got to start doing something differently.

And I hope that this group starts to change the conversation in the region. And adopt a little bit of the passion that the Mayor had about the fact that these regions take time to evolve. In Charleston we built a Charleston Digital Corridor in about seven years. It's a dynamic cluster. You look at the Water Council, right? That started in the 2008/2009 timeframe, right? That's about six/seven years ago.

We need that kind of innovation happening all over the region and it doesn't happen overnight. It transcends an election cycle. It transcends an election cycle. So one of the big realities that you come to when you start working in regions like this is that actually political leaders, unless they're pretty unusual, aren't really leaders. They're followers. They're followers. They find where the energy is and they get in front of that.

And part of the challenge is that we don't have enough new energy around new ideas. Now it's all a generational shift that's happened. The Millennials won't put up with this. The Millennials will be moving. The question is, how low do we go before we hit the bottom? Or have we hit the bottom? Maybe we have. Maybe we're moving back up. I

would hope so. I think we could. I think we can.

But it's these kinds of questions that you have to answer and ask yourself about collaboration, and the different dimensions of collaboration which are things like, do we share information with one another? Do we trust one another? If we don't trust one another how are we going to do any complex work together? If we don't have a place where we can actually come together and have differences of opinion, how do we do the complex thinking?

If we can't adhere to rules of civility, how do we do the complex thinking? May, 1787 the first thing our founders did was pass rules of civility. In Philadelphia they passed rules of civility. Why? Because they were doing complex work. That was probably the biggest burst of four months of complex thinking that mankind has ever seen. And they did it not because they didn't have arguments, but they drew limits and they focused on outcomes. And they were experimental. And they didn't try to get everything perfect before they moved. They couldn't afford it.

So part of this is we've got to embed this notion of experimentation, thinking outside the box, building new collaborations, sharing information. Now the good news is, we spent twenty years trying to figure out how to do this. And we figured it out. So now we can teach this. And

we're willing to share it with any university, any community college that comes to us. Why? Because our leadership needs to understand this. Our students need to understand this. Our faculty needs to understand this, our political leaders.

If you think for a moment that we have the fiscal resources to support the current structure of government in the Great Lakes Nation, you are dreaming. You're just dreaming. It's not going to happen, can't happen. So we need government 2.0 desperately. We need figuring out, how do we do things faster because we can't afford it.

Now, our choice is simply this, and Mayor Dickert put it out there. Our choice is simply this. Do we start down this path of designing what's next or do we do exactly what the last generational leadership did, which was kick the can down the road and hand us the mess? Because I tell you, the mess we're going to hand to our kids is going to be a lot bigger than the mess we got. So Mayor Dickert, I think, was exactly right. This is a generational responsibility.

The good news is that the innovation is happening in the Great Lakes Nation. It's starting to emerge. The Water Council is my poster child for how a group of people can come together around a university that basically saw an

opportunity that nobody else ever saw. It started with Sam White's white paper. That's how it started. So it's a perfect example of how we can leverage our universities, bring them together; start moving, get a private sector collaboration started. When you have people like Paul Jones leading the Water Council you get things done.

So we know how to do this. We just need to continue to spread the word.

All right with that, thank you very much for your time. I hope you finish your questions.

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