



CADWES

*Capacity Development in Water and Environmental Services
Research Team at TUT, IEEB*

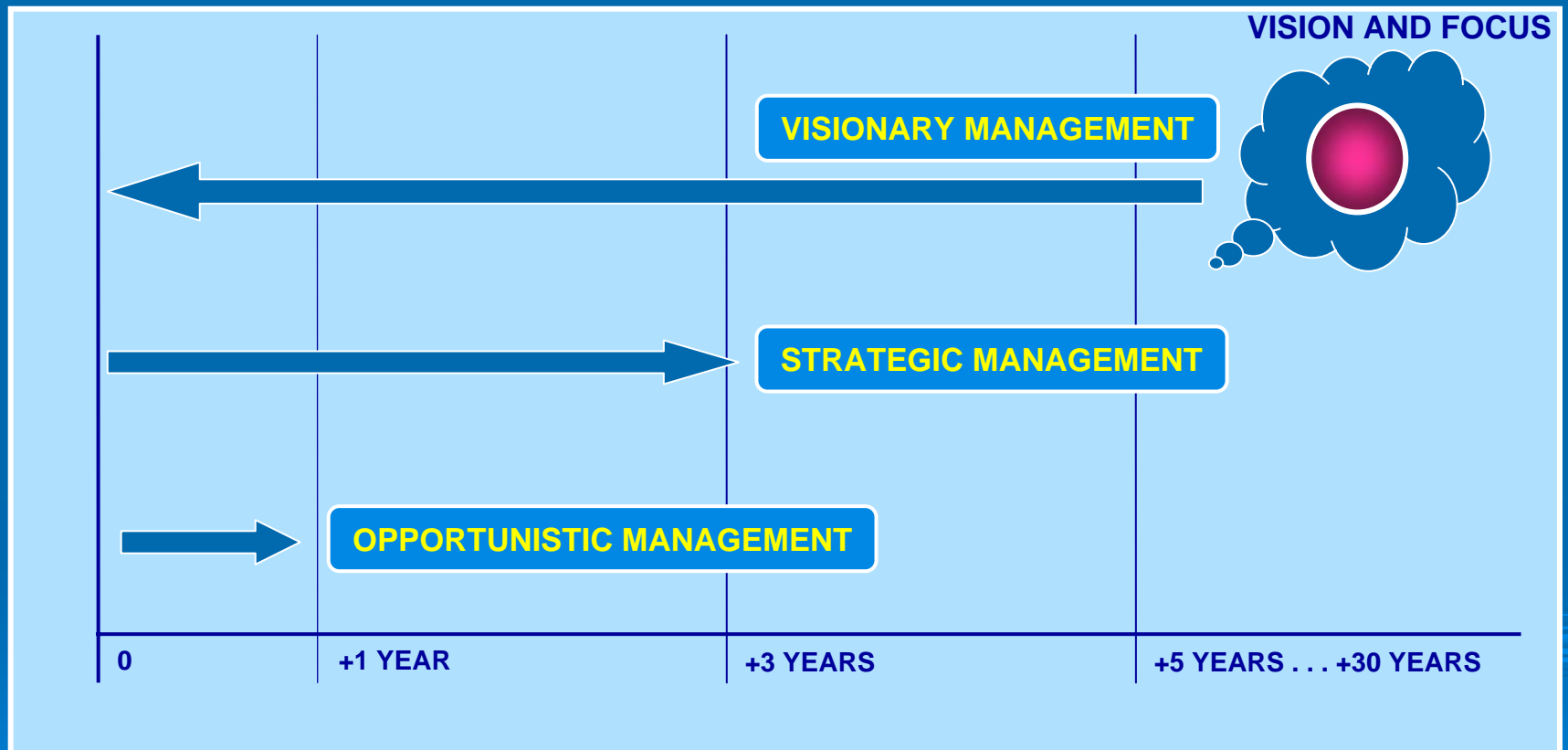
Workshop "Sustainable and Participative Decision-making in Good Governance of Water Services"

**TOWARDS STRATEGIC AND VISIONARY
MANAGEMENT IN WATER UTILITIES**

OSMO SEPPÄLÄ

16.4.2004

RELATIONSHIP BETWEEN OPPORTUNISTIC, STRATEGIC AND VISIONARY MANAGEMENT



(Malaska and Holstius, 1999)



"ORGANISATIONS ARE LED AND MANAGED WITH OVERSPEED"

(Article in Talouselämä 2 April 2004 by MBA Timo Pehrman)

"The treadmill of increasing demand for productivity explains the emphasis on business operations in management."

"Management behaviour is characterised by continuous hurry and lack of rational thinking. Pursuit of economic efficiency has dazzled the entire society. Rationality and humanity are vanishing. This problem can be called "management overspeeding"."

NEED FOR LONG-TERM CONSIDERATIONS IN WATER UTILITIES

- Safeguarding availability of water resources
- Long-term investments (long life-time of assets)
- Need to consider regional co-operation
- Customer service demands
- Irreversible and path dependent nature of decisions



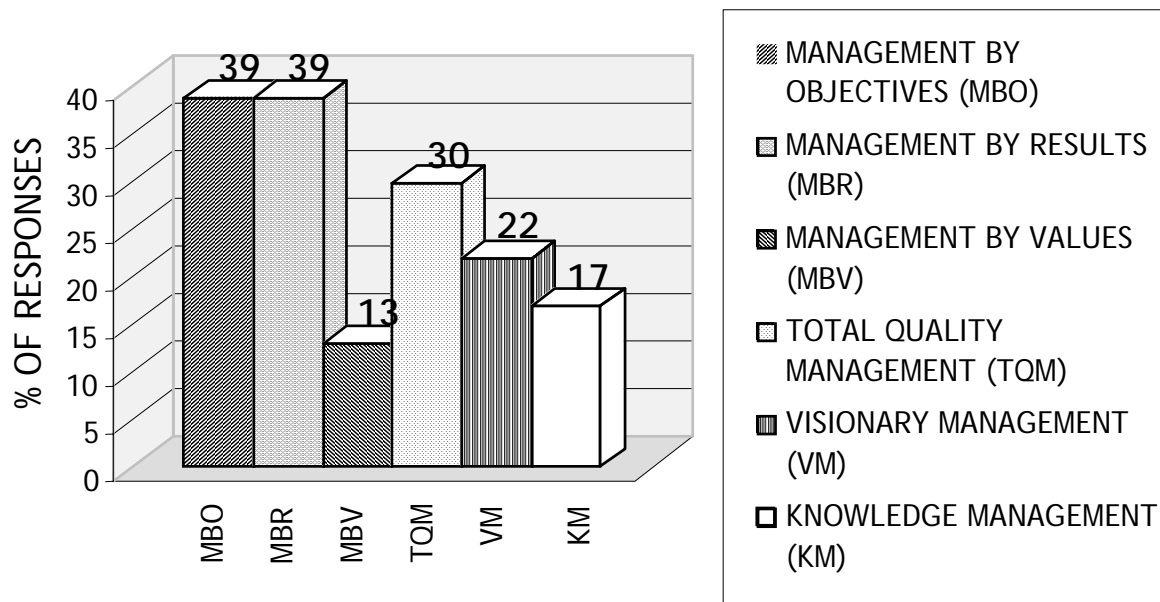
WATER UTILITIES INCLUDED IN SURVEY ON MANAGEMENT PRACTICES

Country / Area	No. of utilities / experts	Name and size of utility (population / connections); (Number of responding experts in other countries)
FINLAND (Delphi + interviews)	7	Turku, Vaasa, Porvoo, Tuusula (TSV)
KENYA (Interviews)	5	Nyeri, Eldoret, Kitale, Malindi, Tala, Kabuku, NWCPC
KOSOVO (Interviews)	5 utilities 10 experts	Batllava (>600,000), Prizren (~100,000), Peja (~100,000), Radonic (~100,000), Gjilan (~60,000)
OTHER COUNTRIES (Delphi + interviews)	15 experts	Sweden (2), Norway (1), Estonia (2), Netherlands (3), UK (1), Switzerland (1), USA (2), Australia (1)



CURRENT MANAGEMENT PRACTICES OF WATER UTILITIES INCLUDED IN THE SURVEY (n=23)

CURRENT MANAGEMENT PRACTICES



MBO (9/23 = 39 %)

MBR (9/23 = 39 %)

MBV (3/23 = 13 %)

TQM (7/23 = 30 %)

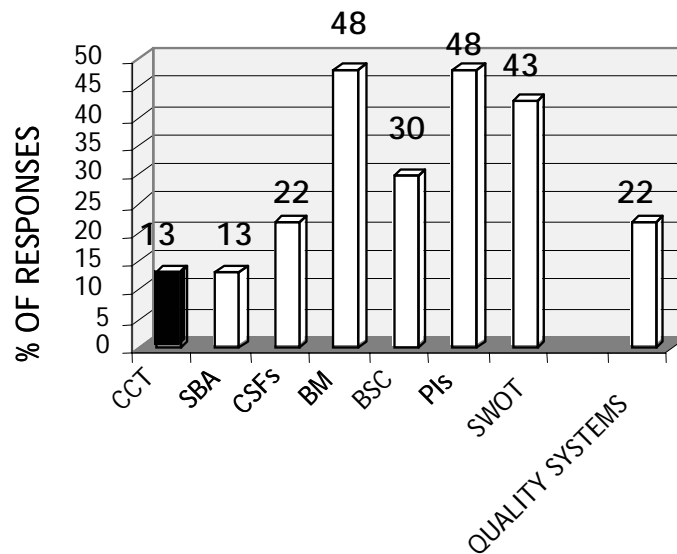
VM (5/23 = 22 %)

KM (4/23 = 17 %)



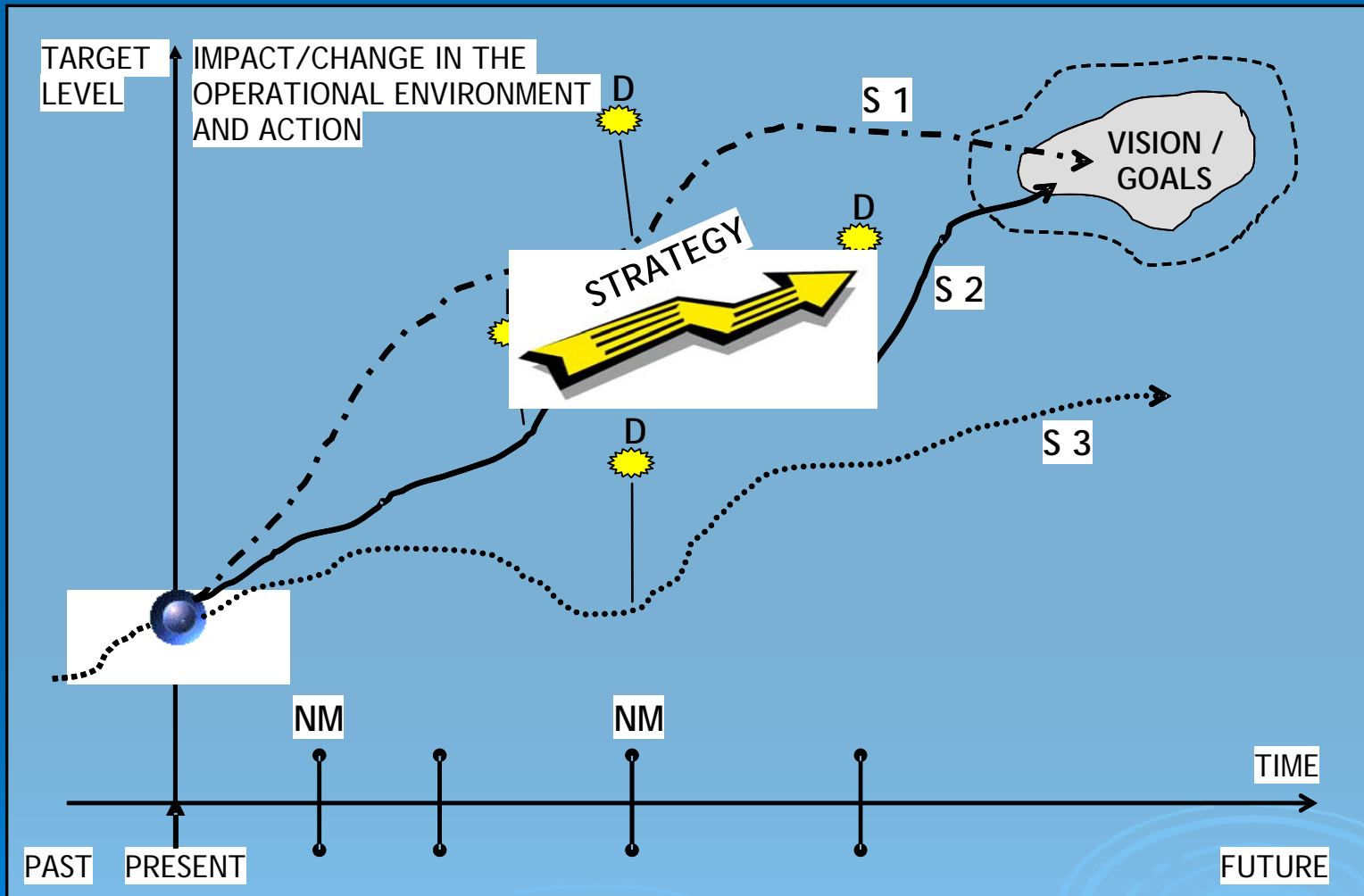
USE OF STRATEGIC MANAGEMENT TOOLS IN WATER UTILITIES INCLUDED IN THE SURVEY (n=23)

OTHER SM TOOLS AND CONCEPTS



- CORE COMPETENCE TREE (CCT)
(3/23 = 13 %)
- STRATEGIC BUSINESS AREA (SBA)
(3/23 = 13 %)
- CRITICAL SUCCESS FACTORS (CSF)
(5/23 = 22 %)
- BENCHMARKING (BM)
(11/23 = 48 %)
- BALANCED SCORECARD (BSC)
(7/23 = 30 %)
- PERFORMANCE INDICATORS (PIs)
(11/23 = 48 %)
- SWOT ANALYSIS (10/23 = 43 %)
- QUALITY SYSTEMS, STANDARDS,
ETC. (5/23 = 22 %)

INTEGRATED APPROACH IN USING SCENARIOS AS A STRATEGIC MANAGEMENT TOOL



NM = NAVIGATION MARKS, CHECKPOINTS, INTERMEDIATE OBJECTIVES
 D = "DIAMONDS" - INNOVATIONS, PRACTICES, NEW R&D IDEAS AND ACTIVITIES
 S = SCENARIOS (1-3); S 1 = IDEAL SCENARIO, S 3 = WORST CASE SCENARIO



FROM KNOWLEDGE MANAGEMENT TO VISIONARY MANAGEMENT

(Interview of professor Markku Wilenius)

"It is important to make a distinction between strategic management and visionary management. Strategic management is mainly based on existing resources and their development.

The starting point is very different than in visionary management, in which the goals are set far in the future - no matter what the present position of the organisation is.

The aim is to untie the vision from the present situation in order to achieve genuine target setting. Traditional strategic management should be part of visionary management, but really just part of it, and formulating the vision should be the starting point."

"Knowledge management is a kind of a preliminary step to visionary management. KM is in a way a process to compile both explicit and implicit tacit knowledge. The visionary process means that the knowledge related to future decisions is being dug out in the organisation. Thus, VM is a form of KM and a means of producing it into the organisation and to manage and optimise knowledge within the organisation."

LINKAGE BETWEEN KNOWLEDGE MANAGEMENT AND VISIONARY MANAGEMENT

