

CASE 6

Cities and Local Communities

Municipalities represent the level of government that is closest to its citizens. They are currently experiencing a general increase in customer expectations in terms of service quality, while human and financial resources continue to tighten. Furthermore, there is a growing complexity of the regulatory context. Agility can be helpful to improve service and cut frustration.

by Christina Duller and Veronika Meszarits

In the private sector, future-fitness is currently often associated with agility, which means using agile tools and working methods and aiming for an agile mindset. A high degree of adaptability and a strong focus on the customers' needs are at the core of every agile concept. Needs and wishes are anticipated and solved before future consumers are actually aware of them. Technological solutions have become an integral part of our daily lives, so why not apply agility in this context to improve the efficiency and customer orientation of municipalities? The good news is that agility is starting to play a vital role at the local government level with very interesting frontrunners. The most cited example is Ängelholm, a Swedish town with 41,000 inhabitants calling itself »Sweden's first agile municipality.« Its city administration was literally turned upside down in a radical adjustment to the needs of its citizens.

Working in arenas

Starting with the organizational changes in 2013, the city defined three main goals:

- 1 Clear citizen focus and reaching a high level of service quality.

- 2 Better collaboration and mutual respect by valuing diverse skills and fostering cooperation.
- 3 A high degree of employee participation in the process design.

One specific outcome was the reorganization of the administration by establishing only three core processes (»education and family,« »health« and »society and development«) and adding a few support processes like »finance« and »personnel.« What is strikingly different is the systematic involvement of externals, such as residents, businesses, other civil servant agencies or other forms of associations in many tasks and the so-called arenas, the »heart« of the new agile approach. An arena is a multidisciplinary taskforce with limited time resources, where all required competences for solving a complex issue are compiled in the team. In addition to incorporating all necessary skills, arenas are also very attractive because they are authorized to decide on possible solutions. Arenas can only be constituted on the demand of an employee and there are clear conditions that have to be fulfilled. Arenas only serve citizens' needs and cannot be applied to internal organizational issues. They must require a high degree

of cooperation and issues have to be solvable within three to five months, which is a great way of overcoming the well-known silos within the administration and also beneficial for externals. This new approach has led to a completely new, more citizen-focused and agile mindset.

Agile initiatives in different cities

In 2017, the city council of Karlsruhe decided to introduce a new, innovative, cross-functional structure for important issues of the city and administration development. This decision also included a change of their working style into what they call the »IQ« way of work, where »IQ« stands for »innovative« and »cross-functional,« involving not only employees of governmental bodies working at all levels, but also citizens. This new way of working aims at improving the decision-making process. Complex projects are set up to connect different departments at the earliest possible stage and foster communication. As a result, all these measures should lead to innovative, customized and transparent solutions, telling success stories that are visible to both the residents and the administration. Furthermore, there are many other initiatives where agile principles are at least partly applied. One example is Vienna's Smart City initiative, where the city reaches out to its inhabitants in order to co-create different innovative solutions. Its main goal for 2050 is to provide the best quality of life for all citizens of Vienna, while at the same time minimizing the consumption of resources.

An important project has to start

Agility is never a goal, per se. It can provide the right tools for certain means but may not help in every case. One decisive criterion as to when to apply the concept of agility is uncertainty. Under the traditional framework conditions, we assume (or at least pretend to) that the principal knows what she/he wants, the agent knows how to solve the issue, and framework conditions will remain stable over the course of the project.

The higher the degree of uncertainty, the more likely classic project management methods are going to fail. On the contrary, many agile methods such as SCRUM, Design Thinking, Lean Start-Up and Rapid Prototyping stem from software development and are based on an iterative and incremental approach. A project managed by means of a classic approach is often involved in the following sequence of project phases:

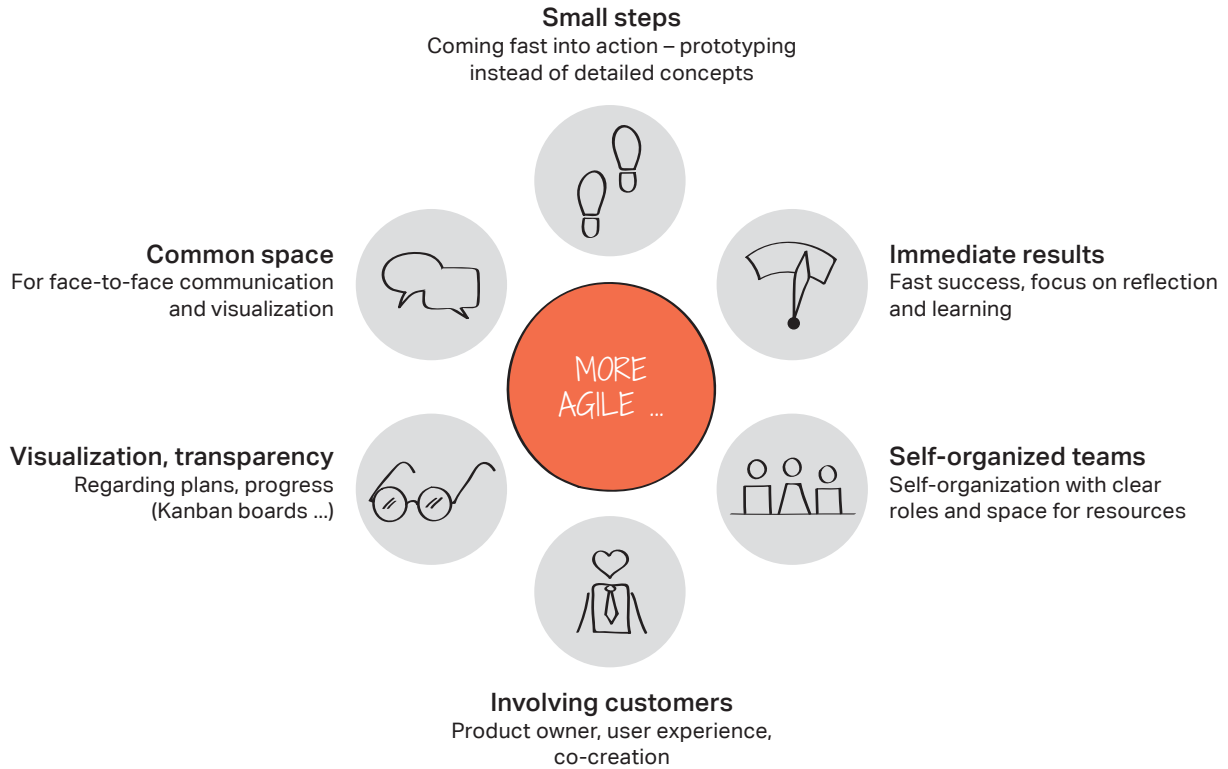
- 1 Requirement gathering and analysis
- 2 Design
- 3 Implementation
- 4 Piloting/testing
- 5 Go live in a big bang
- 6 Maintenance

The quick way to success

In a complex and/or large-scale project, the »go live« can take years. At the same time, the risk of a big bang failure is quite high. One such example is public transport. Customers usually need to have adequate back- ▶



Common principles of agile methods to solve complex problems



ground information in order to buy the right ticket and find the best connection, particularly when combining local, regional, national and international services. In order to develop an »anywhere, anytime and any device« service, a classic project approach would be far too slow. Instead, agile methods and tools are more appropriate, since they are based on different principles.

Common principles of agile methods

The term »small steps« means that the testing phase starts immediately, even with unfinished ideas and partial solutions. Therefore, »immediate results« can be taken into account for further improvement. Testing and improvement are accomplished in several self-organized teams. The feedback itself comes from actual customers/citizens; negative feedback is considered a valuable gift that provides a source for further ideas. Visualization helps in understanding others' ideas and is also necessary for the (self-)coor-

dination between and in the teams (see illustration). Agility helps where, due to the high degree of complexity, rigid, hierarchical structures with a strong silo mentality reach their limits. It also helps municipalities understand their citizens' needs much better and effectively exploit new potentials for participation. ●

»Introducing agility at the community level helps find the right means for serving customers.«