

WORKSHOP REPORT

Title of session: **SPECIAL LECTURE**
TRANSFORMING NATIONS FOR HIGH PERFORMANCE

Session presenters:

- **Professors W. Chan Kim and Renée Mauborgne**
Co-Directors of the INSEAD Blue Ocean Strategy Institute & Co-Author of Blue Ocean Strategy

Key takeaways:

Transforming Your Nation for High Performance by Renee Mauborgne

- National development strategy: high income and public happiness
- Overriding emphasis on economic growth and income
- Goal national development strategy about public happiness and wellbeing.
- Money doesn't not equal happiness
- Anchored in double objectives
- High income: economic growth and integrated development
- Public wellbeing: public security and social inclusion (belongings)
- Economic challenge and managed to be happy
- Goal of national strategy development
- How to simultaneously achieved both objectives
- Look at economic data and statistics. Positive correlation between economic output and creativity.
- Economist and people getting happier, drive income and happiness with self-fulfilment.
- What we find is many existing national development strategies are driven by competition. Does competition matter? Go beyond income and competitiveness. That we called as blue ocean shift. How can we start to transform based on competing to creating?
- Use metaphor of Red Ocean when everybody is competing. And on the other hand, blue ocean approach focused on creativity and innovation; win without taking down others.
- Achieved double ended objectives.
- What it means to national economy? Two fundamental namely capital and people economy.
- Capital: GDP growth & big business, large investments projects and financial markets; People economy, SMEs and jobs, cost of living, family well-being and social inclusion.

- Theory in traditional economy, when capital economy right then people economy will follow. The challenge nowadays, the theory is not working so well. Why and what happening?
- When we think about capital economy, it's about economic planning, infrastructures and creating trickle down effects. But the question is, are the citizens willing to wait for it? In an internet economy when real time information exists.
- Small and medium enterprises don't have capital and need to wait.
- Silos and bureaucracy and big economy doesn't create money into public pocket. People economy is not feeling it.
- Capital strategy: invest in projects, and people get money of it. But unhappy people economy.
- What we need it to have the best strategy, simultaneously create impacts boosting strong economic engines and making people happy.
- What can we learn from the best strategy? We learned that creativity and innovation for high income and happiness. To achieve that, we should go beyond competitiveness to creativity. And thirdly, we need to pursue both economy sync simultaneously.
- Can we summarise this key learning? How it implies to government leaders putting ideas into action?
- Make sense to satisfy both capital and people economy. We need to have creativity and innovation to drive high impact and low cost execution. The real challenge is can we do that with less (cost)?
- To do that we need to change how people works, sharing resources, collaborate. We able to achieve both objectives once we done that.
- Common methodology to bring into same direction.

Practical Solutions to the Government by W. Chan Kim

- BOS framework is an architecture for national planning and strategy to drive nation's development.
- How NBOS have been moved? How architecture work in action?
In 2009, the Malaysian government was facing persistently high crime rates and overcrowded prisons. Police struggling to control crime. When overcrowded prison mixing of petty and hard core criminals with high recidivism rate. More prison build and crimes grow up.
- Benchmarking of best practices with advanced nation. The reality on what actually happen such in United States. More prisoners than other countries in the world particularly California. Until recently, prisons were packed and found the existing system is unsustainable. Prisons crowding need to be solved. Building more prisons are not viable anymore.

- How to make it more efficient and effective? Improving each other rather than competing. Incremental improvement driven by competition. How Blue Ocean are different?
- There's discussion between silos. The silos between ministries and agencies made it difficult for the government to see a blue ocean solution.
- Prison dept.: building more prisons to reduce prison overcrowding
- Police: hiring more police to fight crime
- Military: Use more resources
- Community Rehabilitation Programme (CRP) eliminates spending billions of ringgit building new prisons and breaking silos between Ministries and agencies.
- Rehabilitation approach by taking creative approach to reduce crime.
- Government wins, huge cost saving, prisons don't come back to prison, society inclusiveness and harmony.
- Giving second chance to people, demonstrating humanity in action.
- Military involving in prisoners initially is an irrational idea. This is indeed Blue Ocean when it never been seen.
- Outcome: 0.44% recidivism (high impact) and US\$140 mil saved (low cost).
- Happiness going up when second chance is given to them. Quantify social benefits, give back to the society and create peaceful nation.
- Break silos and work collaboratively. Aggressive participation in Blue Ocean to achieve a wonderful result. Cost passion and it is not an overnight approach.
- Help growth to something bigger and helping society.
- Igniting a nationwide movement for creativity and innovation with blue ocean online training and NBOS competition.
- Need to understand and register intellectual understanding. From brain to heart and hand and feet.
- Seeing and touching through National Blue Ocean Strategy exhibition and site visits.