

Launching a Public-Private Partnership

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Context

The British authorities, which oversee one of the largest segments of the global financial system, have made close co-operation with market participants a central element of their financial sector development strategy. Through a highly-structured process of information-sharing, consultations, step-by-step regulatory development with market participants associations, authorities are able to design better performing regulations as well as promote responsible market behavior. This open process has given incentives to trade associations and market participants to build over time significant in-house policy analysis capabilities. As a result, responsibility for financial sector development and stability is now carried on the shoulders of a larger community.

Our Mandate

Convergence has been set up to help Western Balkans authorities develop this co-operative model. A well-structured and close relationship with market participants will yield benefits in terms of financial sector efficiency and policy effectiveness. This is all the more important as in these countries the financial sector development agenda is still very broad and financial institutions are not yet well organized to carry on their share of the policy dialogue.

The Proposed [Country] Bank Program

Our proposal to start *Convergence*'s assistance is to help the central bank stage a one-day summit with the banking community. The process of preparing for the event is more important than the event itself.

The preparation for the event will aim at forming a detailed comprehensive assessment of the status of the relationship between banking authorities and market participants; and at evidencing situations and issues that parties would want to address, as well as potential remedies. This will be achieved through structured and confidential face-to-face discussions with Chairmen and CEOs of banks as well as with the management and senior officials of the central bank and any relevant ministries. The material collected will inform the agenda of the one-day summit where "organizational" and financial sector policy issues will be debated in the open.

The outcome of this event will be a list of commitments to be taken by the banking community on one hand and the authorities on the other hand. These will include specific actions to improve collaboration, including a decision to launch "bi-partisan" analytical work to design specific improvements to the financial system infrastructure.

Implementation Modalities

To execute this first assignment, I would envisage retaining a specialized organizational development expert. For your reference, I enclose the profile of a former World Bank colleague that has expressed interest in being considered. *Convergence* will also be available to assist you in retaining suitable experts that will help you and the banking community in respect of the analytical assignment resulting from the one-day summit.

Attachment

WORKOUT: Accelerating Change and Business Results – Together

WORKOUT is a powerful problem solving methodology for helping large cross-functional and/or cross-organizational teams tackle complex business problems.

It has been applied in many different countries of the world, in extremely different situations, ranging from open conflicts to agreed transformations, always in need of a rapid implementation.

WORKOUT is based on the premise that if you bring together *the right people* and provide them with *the right information*, they will produce *the right solution* that best addresses *urgent business issues* that, if solved, will yield a significant return on investment.

A WORKOUT engagement is comprised of three phases:

Phase 1, *the Scoping Phase*, is where the preparation begins and where the foundation for success is built. During this stage the executive sponsor, the WORKOUT lead consultant, and some key stakeholders come together to form a planning team. The planning team spends time thoroughly examining the problem in order to crisply define:

- What is the business challenge and what are its major components?
- What's at stake? How much can be gained if the issue is resolved?
- What are the implications if the issue isn't resolved?
- What executive support will be required to implement recommendations aimed at resolving the issue?
- Which executive(s) cares enough about resolving the issue to invest personal time as well as people and funding?
- Have we tried to resolve the issue before? If so, why did we fail?

Phase 2, *the WORKOUT Business Meeting Phase*, is an extended session where anywhere from [30 to 100] participants typically divided into 3-5 sub teams work on parallel paths to resolve the major components of the overall business issue. At the end of the session, each team presents their top recommendations (i.e., the ones with the greatest impact that are 'do-able' within 90 days) to a panel of decision makers who make "on-the-spot decisions" to either support or reject the team's recommendations. The decision panel is typically made up of the executive sponsor and any key stakeholder (directors/managers) whose support and influence is anticipated to be critical to implementing changes aimed at the specific business issue. The approved recommendations are then carried forward and executed by the teams as part of the third phase of the WORKOUT engagement.

This is the phase where the urgency for action is gently taken out of the cage of prejudice where it normally survive and liberated into the real world.

Phase 3, *the Implementation Phase*, is where the approved recommendations get combined into a single project plan and execution is tracked through a series of formal 30 day checkpoint reviews with the executive sponsor, the WORKOUT Lead Consultant and key business meeting participants (Team Champions, Decision makers, team experts, etc.).

Methodology Background

This method is based on advanced research background on:

- discovering and documenting how groups, institutions and even nations , “think” about a specific issue
- making the un-discussible discussible in an open , non contentious way , where everybody can contribute to the solution
- offering to all the people involved the opportunity to co-evolve in their way of facing the issue
- bringing all people involved to a high level of participation and support.

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