



Why a Learning Organization?

or

*Is What's Good for General Motors
Good for the Corps CW's Program?*

Vision Changes Organizations

- In the mid 1960s, 60% of the cars sold in America were sold by GM
- GM cars were technological and styling leaders



1966 Olds Toronado



1966 Mercedes 190

Same price (\$6,000)



GM was World Class

- GM was the Microsoft of cars (except its products were good!)
- The Justice Department thought GM had achieved a monopoly, threatened them with breakup.
- 1965 - Ralph Nader's book, "Unsafe at Any Speed", was critical of GM and the Corvair

GM sweats the details!

GM's Famous Slogan

"What's good for GM is good for the country."

- GM responded by attacking Nader personally
- In the early 1970s, gas shortages and the declining quality of American cars drove some people – reluctantly – to buy Japanese cars
- GM responded with more slogans !



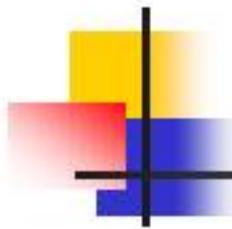
and bad cars





Were GM's Leaders Wrong?

- Executives were responsible to Board and stockholders, who wanted profits
- Research and redesign of plants and products were expensive
- The best thing for next year's bottom line was to sell "new" versions of old model designs



A Legacy Squandered? - A partial list of once desirable brand names

- Impala
- Coupe de Ville
- El Dorado
- Skylark
- 442
- Fleetwood
- Seville
- GTO
- Electra 225
- Catalina
- Grand Prix
- Riviera
- Bonneville
- Cutlass
- Monte Carlo

GM was spending the legacy from investments made in the 40s, 50s and 60s in research, product design, dealers and brand loyalty



Did GM's Strategy Work?

- GM now sells < 30% of American market (recent upturn!)
- Mostly trucks
- Most car sales are to fleets, not people
- No more full-size Chevy sedans
- Average age of GM customer is very high, implying a grim and obvious forecast for future sales



A Learning Organization: Vision Matters

- **GM's** vision extended only ten years into the future.
 - GM leaders were *money* oriented, their goal was near term profit. Their vision was consistent with this short term goal
- **Honda** and **BMW** had to make profits in the short term, but their vision also addressed long term viability
 - There was a Mr. Honda and one family owns a majority of BMW.
 - They were *product* oriented. Their long term strategy was to build the best vehicles, and they managed to do that while staying profitable in the short term.
- Building reliable & desirable cars has put them in a better profit position in the long term.



An Outsider's AAR

- Compare **GM's** strategy to **Honda's** or **BMW's**
- They are world class learning organizations, GM is not
- Change is inevitable - even high-performing organizations must continuously adapt to survive & thrive
- But, Nader didn't have it all right, and neither do our CW's critics
- If so, should Corps look to "reform" CW's based on our own long term vision to be a world class public engineering organization!



Short Term Profitability Alternative for Civil Works Program (i.e., stay the “old” course)

- Rebut criticisms, rely on Congressional allies and other friends to kill meaningful change or reform
- Concentrate mainly on fixing message
- Bolt QA/QC, “improved” review mechanisms to the end of production line
- Focus on projects through stovepipes and continue to miss opportunities for more effective “system” solutions
- Build green pork rather than truly integrating the environment into everything we do
- Take measures (most good) to improve the quality of existing Corps workforce



Stay the "Old " Course – One View of What Will Happen?

- Long term trends in governance will likely wear away at "20th Century" oriented Government programs:
 - CW's program is moderately vulnerable to budget deficits
 - Current Hill proponents will continue to depart - and younger Americans (and the future Congress) will tend to be more & more attuned to environmental perspectives
 - Having Corps contractors build locally preferred projects can be seen as an inefficient grant program. **Danger – our customers conclude that pork would smell better without the Corps**
 - Overall trend is to provide Federal money as a grant, with locals interests owning what they buy with it



Stay the “Old” Course – One View of What Will Happen?

- Ineffective, “black-box” QA/QC leaves CW’s without credibility and vulnerable to criticism
- Absent a full commitment to achieve sustainability will result in CW’s program continually playing “catch-up” with regards to environmental outcomes
- Other agencies begin to nibble at our flesh
- **At best**, incremental reforms eventually reshape CW program; **at worst**, major reforms dismantle CW’s
- If major legislative changes are inevitable, should Corps get out ahead and lead reform?



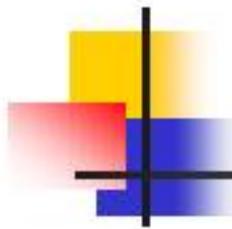
A Learning Organization: Towards the Long-Term Vision

- The 2030 Corps – the world's premier water resources development and management agency
 - Transparent and inclusive planning analysis & QA/QC processes
 - Concept of environmental sustainability applied throughout project life-cycle
 - Institutional use of a holistic, collaborative watershed planning paradigm
 - Integrated authorization & appropriations process, focusing on programs, not projects
- Can we manage to do these things while maintaining our customers, staff & budget?



A Learning Organization: Becoming the 2030 Corps

- **Many other related challenges**
 - Corps Reform; Administration, DoD & Army Initiatives
 - Legacy projects & restoring the Corps image
 - Recruiting & retaining the best & brightest talent
 - Watershed planning cost-sharing
- **Good News - Glimpses of the future all around us**
 - CERP; Coastal Louisiana; Hudson-Raritan Estuary; Regional Sediment Management Demos
- **Be, Know, Do, Learn - Talk to and learn from others in Corps working on similar projects**



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Discussion