

# LIFT Utility Working Group Meeting: Learning and Innovating from Crises

August 18, 2020



The water industry is facing many challenges – some acute, some long-term, and some with unknown duration. This LIFT Utility Working Group webcast focused on lessons learned and potential strategies to make the water workforce and industry more resilient and prepared for the future. Our panel of experts discussed what innovations can increase resilience, flexibility, and adaptability; how innovation and innovative processes help us better prepare for future crises; and how to use the current COVID-19 crisis to create a better future.

## Guiding Premises: How to Proactively Prepare for the Future\*

- Resolve – Common sense of purpose.
- Resilience – Adapting to new conditions.
- Return – Developing strategy to move forward.
- Reimagination – The opportunity to reinvent ways of doing things.
- Reform – Preparing, planning and creating the future.

\*Liz Weinstein – Business & Finance>Strategy

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## Webcast Agenda

- Welcome and Introductions – Christobel Ferguson
- Learning and Innovating Through Crises – Jim McQuarrie
- Houston Faces Challenges Due to CDC Restrictions vs FEMA & CD Responsibilities – Jack Canfield
- El Paso Response to Water Security – Gilbert Trejo
- Leadership in An Uncertain World – VUCA – David Ross
- Panel Session – Q & A – Chaired by Jim McQuarrie & Erika Bailey

## Webcast Q&A Summary

### Q: What is your top tip for creating space to think and reimagine?

#### A: David Ross, Founder and Managing Director, Phoenix Strategic Management, Australia

- As I noted in my presentation, each of us as leaders can be limited by the quality of the information we call on to make the strategic decisions and to reimagine. We are even limited by our own blind spots! We need to understand our context and ourselves.
  - To understand our context, we need to gain a breadth and depth to our information, as well as explore what the future(s) may look like in order to appreciate what ramifications that has for us.
  - Breadth of knowledge can come from obtaining feedback on an issue from very different perspectives from your own. My clients always roll their eyes when I say to them, "Who do you dislike talking to the most? Because they will be the one that gives you the greatest insights." Breadth reduces the risk for group think.
  - Depth of knowledge comes from understanding the root causes of an issue. Great tools to use are the five whys, and arguably, my most important tool is the causal layered analysis. I am only too happy to share more on that with anyone who wants to get innovative.
  - Exploring the future does not require a crystal ball and someone with an interesting hat and clothing. Scenario planning is a really important – and engaging tool – to use to anticipate what future(s) may lie ahead of an organization. It is such an important tool to use to gain insights and lessons. Key to the scenarios that I get my clients to develop is consideration of the question "What would we have had to do as a team/organization to facilitate a visionary/business as usual/or worst case future scenario occurring?"
  - And as individuals, look for ways to reduce the "white noise". Go for walks/paint/meditate/jog/kick a ball/watch birds. But, it is important to get "in the moment" with something other than your work.
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## **Q: With so much change resulting from the pandemic – how do we create an environment that supports innovation – which will include more change?**

**A: David Ross, Founder and Managing Director, Phoenix Strategic Management, Australia**

- Communicate/communicate/communicate (two-way).
- Organizations have a number of levers that they can call on to create innovative change; namely: culture, leadership, people, systems and processes, structure, and resources. Pulling any of these levers can have a beneficial impact on the others.
- Leadership and people – build the capability of your people to innovate and collaborate (through training). Leaders need to actively and frequently communicate how innovation will help achieve the organization's vision. Bring people into influential roles that come from different perspectives, but have a background in innovation (and actively support them).
- Empower your people.
- Resources – walk the talk and support people with the necessary resources.
- Tap into systems and processes to signal the importance of innovation to the company – remember that systems/processes can include performance agreements, position descriptions, KPIs (perhaps a good one is number of times that we have failed – more on that in a second), key policies or plans.
- Possibly the key point for utilities is that there is a good chance that their culture will be a hierarchical and risk-averse culture. Culture can eat innovation for breakfast. Therefore, call on the above levers to change the culture. There is an excellent article in (I think) from the Harvard Business Review from some years ago about the "ambidextrous organization". Think of it this way: if you have an innovation unit in a utility's culture, they will get crushed. So the ambidextrous organization sets the innovation unit up answering to the CEO, but for all other purposes, does not have to operate according to the rest of the culture. Challenge here will be ensuring that any innovations involve key decision makers throughout the organization.

## **Q: How hard is it to regroup and re-imagine when in the midst of a disruptive event?**

**A: Jack Canfield, Deputy Director, City of Houston**

In my opinion, that is when the real magic happens. In the midst of a disruptive event, we are forced to think outside of the box in order to resolve issues in a timely fashion. For instance, COVID-19 classifies as a disruptive event and out of that we have been forced to think of ways to keep this massive machine running. Using software options such as Microsoft Teams and Zoom for meeting purposes and developing applications for telecommuters to track assigned tasks is something that we would not have thought of, had this event not taken place. In conclusion, stressful events are certainly not wanted, but one can't help to think that they might be one of the main drivers for innovation.

## **Q: How can we get support for innovation within the water sector? And within individual businesses – particularly when resources are scarce?**

**A: Jack Canfield, Deputy Director, City of Houston**

My suggestion regarding this question is, always take cost into account when pitching an innovative idea. If there is one thing that I have learned from government-related work is, he or she who has the best idea, product, or service for the lowest cost wins. In today's economy, it is easy to understand the value of a dollar, but that mentality has always been there for government agencies. There are only so many funding sources that can be tapped into for innovations, so you can imagine how much scrutiny is placed on them. Another tip: never give up when you know your product or service would be a positive addition for water resources. In addition, pilot studies are generally a quick way to get your foot in the door, if you are willing to stand behind your idea, product, or service, it goes a long way.

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**Q: Do you think anyone in the water sector had an incident response plan that dealt with an “event” that lasted longer than two months? Water security is an ongoing challenge – did this type of thinking help El Paso water be better prepared for a global pandemic?**

**A: Gilbert Trejo, Chief Technical Officer at El Paso Water and President, WateReuse Association**

I would think that water providers in communities prone to natural disasters would have plans to respond to incidents that last longer than two months: California with earthquakes and coastal areas with hurricanes. In El Paso, as I mentioned, our natural disaster if you will is drought. But unlike a hurricane or earthquake, its effects are not instantaneous. It's long and drawn out, perhaps even more than a pandemic, so the reaction to it is different, and time is on our side to react: conservation programs, build new facilities, etc. – even in this pandemic, the results of it were instantaneous. We suddenly lost ability to communicate the way we were used to. We lost the ability to group and cluster to plan and strategize. We even lost the ability to operate facilities the way we were used to. Operationally, we're not prepared to react to these exact effects, but I'd say our organization was administratively prepared and set up in a way to respond and our company culture is such to take action as quickly as possible to begin to react. As a result, I do feel we are better prepared for the next global pandemic

**Q: Is this the perfect time to innovate?**

**A: Gilbert Trejo, Chief Technical Officer at El Paso Water and President, WateReuse Association**

Without a doubt. As the saying goes, don't let a good crisis go to waste. Now, while everyone is already out of their comfort zone, is the time to explore new ideas, concepts, and solutions that use to never be considered for culture reasons, aka “this is how we've always done things, and it works, so why change” type attitude. Right now, mostly nothing works the way it used to. So take advantage of it, and change, innovate, and solve problems differently. Company cultures are changing, so what was once a huge obstacle in innovation, is suddenly gone or minimized. This pandemic could have given birth to a new age of innovation.

**Q: Can we afford not to innovate?**

**A: David Ross, Founder and Managing Director, Phoenix Strategic Management, Australia**

- The pandemic is just one example of where we are seeing that organizations are facing momentous and volatile change. But old-style organizations, based on old style leadership and thinking, have been seen to be brittle in the face of such change. They are just not set up for current and future conditions.
- If you want to thrive, rather than hope to survive, then innovation needs to gain significant focus.

**A: Gilbert Trejo, Chief Technical Officer at El Paso Water and President, WateReuse Association**

No, especially public water utilities. As it is, our (public entities) business processes when compared to the private sector are behind the times. The private sector surely will use this pandemic to gain efficiencies to increase productivity and margins. Public entities cannot fall behind even more. We are partners with the private sector and we need to keep up to ensure efficiencies and productivity gains are shared. From a technological standpoint, I think of operations of facilities. Automation of facility operations has never been more important and critical. In El Paso, we struggle with operators “letting go of the wheel” they want to operate the plant in pseudo manual/auto mode, and again going back to the culture, automation is not viewed upon as a plus. With this pandemic, the use of innovative technology to operate facilities remotely is now a must. I envision, in the next pandemic, assuming its effects are more devastating to the physical workforce, and to business processes and systems, facilities should be able to be fully operated remotely from any PC, laptop, tablet, or phone.



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