

THE BRIEFLY NOTED ARCHIVE

RANDOM IDEAS WORTH CONSIDERING FROM

ANDREW GRAHAM WITH LOTS OF HELP FROM OTHERS

April, 2014: Andrew Graham

The Failure Model: the Nortel Story

Jean Monty, former CEO of Nortel and currently Vice-Chair of Alcatel, has done us all a favour by asking the Telfer School of Business at the University of Ottawa to research a major Canadian corporate failure and what we can learn from it. A lot. A lot that is relevant to any organization and certainly to public administration. In fact, it provides for a model for failure, with many signs along the way. Key to the failure model the research team describes are things that all public organizations need to be aware of: **comfort** with the current business model that ignores shifts in the environment and the growth of arrogance, the growth of a **black cloud** over the organization created by the slow withdrawal of confidence by key stakeholders and customers (and we have plenty of them in the public sector) leading eventually to a caution to continue the relationship, buy the product or support the organization, **decline in resilience** by an unwillingness to take on new ideas, a tendency to ignore bad or uncomfortable news, even attacking the source, offering the current business model as solutions to emerging challenges and a resistance to new learning. This last factor is a real worry in today's public administration. But the issue is complex. While I see federal departments closing down so many of their knowledge building units, I see hospitals finally moving toward a patient-centric focus that gives hope.

For more in this excellent report, especially the lessons learned, you can access the report at www.tefler.uottawa.ca/en