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The Sandwich Shop
Breaking Through Bureaucracy in Amsterdam

Learning Objectives

- Understand the **dimensions of public value** at stake in social problem-solving.

- Understand the underlying causes of **government fragmentation, inertia,** and excessive **red tape**.

- Explore **analytic frameworks** and **leadership strategies** that can help overcome these obstacles and create public value for residents.

The Case of the Sandwich Shop

Click below to play clip about the sandwich shop situation in Amsterdam.

▶

Key Questions

1. Should the city **care** about the sandwich shop situation? Why?

2. If you think there was a **problem**, how would you define it?

3. Why do you think it was challenging for the city manager to get officials from different departments and other organizations to address the problem **collaboratively**?

4. If all involved organizations worked together and successfully addressed the problem(s), what **public value** would be created and for whom?

5. **What would you do** to address the situation going forward if you were City Manager Gerritsen?

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Exploration

Was there a problem? If so, what was it?

Source: Chait Goli via Pexels.com, "Boats On A River," September 7, 2018, https://www.pexels.com/photo/boats-on-a-river-1796705/.

Who was benefiting from this situation? Who was losing?

Source: Max Avans via Pexels.com, "People Riding Bicycles on the Road," August 9, 2020, https://www.pexels.com/photo/people-riding-bicycles-on-the-road-5065802/.
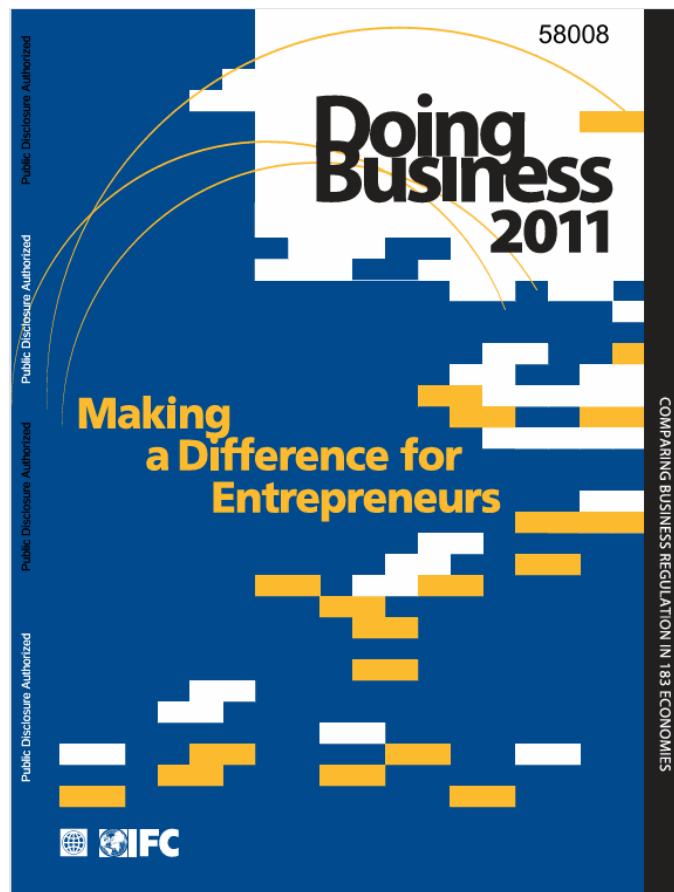
What *is* bureaucracy?

Max Weber 1864-1920
Source: "Max Weber," February 2, 2017, https://commons.wikimedia.org/wiki/File:MaxWeber.jpg

- Regulated continuity

- Expert officialdom

- Standardization

- Formalization

- Specialization

Source: Jorrit de Jong, *Dealing with Dysfunction: Innovative Problem Solving in the Public Sector* (Washington, DC: Brookings Institution Press, 2016), drawing on ideas in Max Weber, *Economy and Society: An Outline of Interpretive Sociology*, ed. Guenther Roth and Claus Wittich, trans. Ephraim Fischoff et al. (Berkeley: University of California Press, 1978).

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Sources: Jeff Bailey Designs via Pexels.com, "Close-Up Shot of a Black Scissor," December 5, 2020, https://www.pexels.com/photo/close-up-shot-of-a-black-scissor-6081232/; International Finance Corporation, "Doing Business 2011: Making a Difference for Entrepreneurs," (World Bank, 2010), http://documents.worldbank.org/curated/en/536171468161113076; OECD, "Why Is Administrative Simplification So Complicated?: Looking Beyond 2010," *Cutting Red Tape* (Paris: OECD Publishing, 2010), https://doi.org/10.1787/9789264089754-en.

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Diagnosis

Dimensions of Public Value

	Welfare	Justice
Individual	• Material benefits • Economic opportunity • Living conditions	
Collective		

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Dimensions of Public Value cont.

	Welfare	Justice
Individual	• Material benefits • Economic opportunity • Living conditions	• Non-discrimination • Equitable treatment • Fair process
Collective		

Dimensions of Public Value cont.

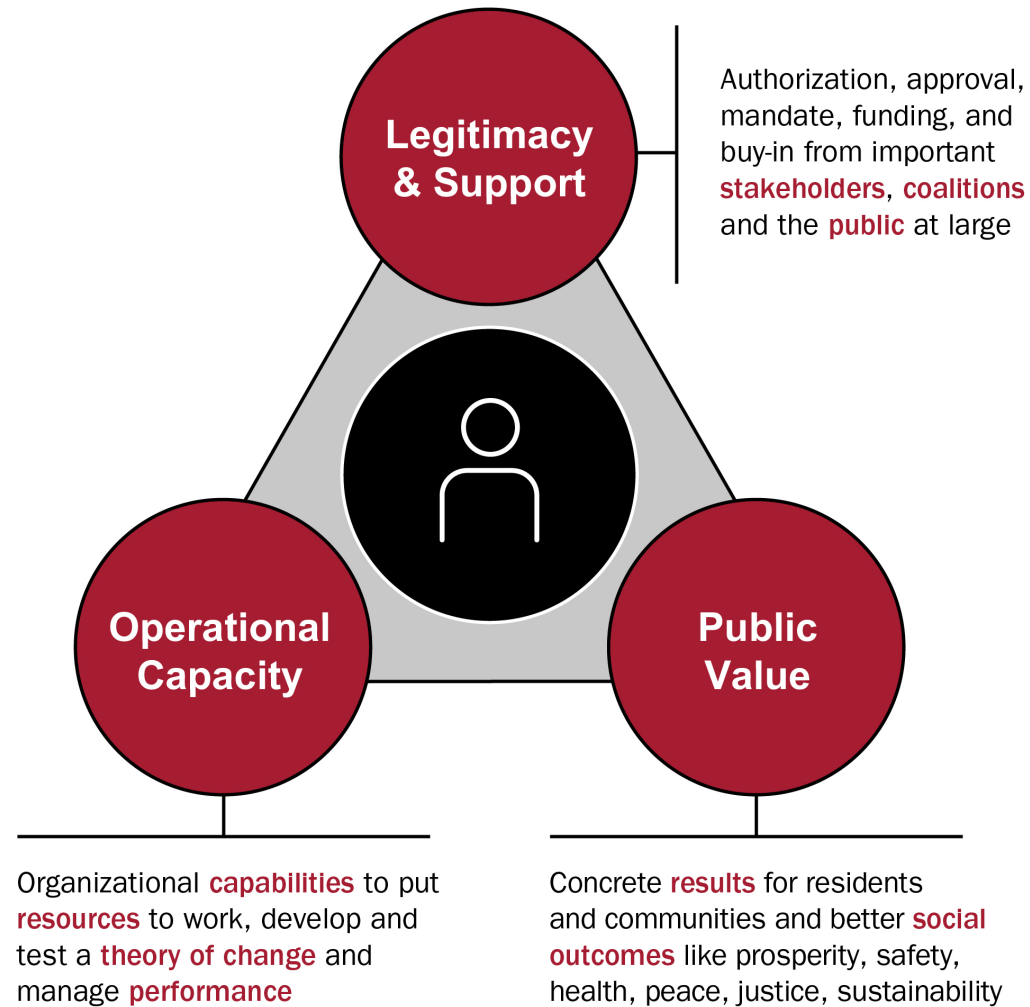|	Welfare	Justice
Individual	• Material benefits • Economic opportunity • Living conditions	• Non-discrimination • Equitable treatment • Fair process
Collective	• Public goods • Prosperous economy • Peaceful society	

Source: Mark H. Moore, *Recognizing Public Value (*Harvard University Press, 2013).

Dimensions of Public Value cont.

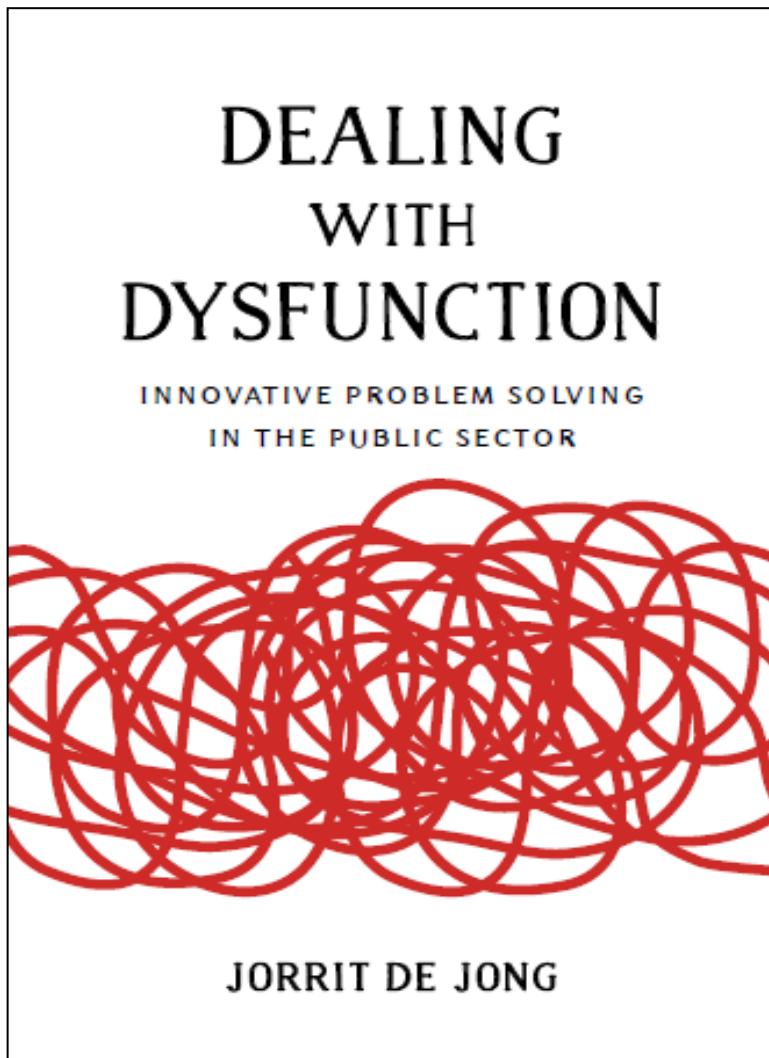|	Welfare	Justice
Individual	• Material benefits • Economic opportunity • Living conditions	• Non-discrimination • Equitable treatment • Fair process
Collective	• Public goods • Prosperous economy • Peaceful society	• Equal rights • Rule of law • Democratic governance

Source: Mark H. Moore, *Recognizing Public Value (*Harvard University Press, 2013).

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The Strategic Triangle

Legitimacy & Support

Authorization, approval, mandate, funding, and buy-in from important **stakeholders**, **coalitions** and the **public** at large

Operational Capacity

Organizational **capabilities** to put **resources** to work, develop and test a **theory of change** and manage **performance**

Public Value

Concrete **results** for residents and communities and better **social outcomes** like prosperity, safety, health, peace, justice, sustainability

Source: Mark H. Moore, *Creating Public Value: Strategic Management in Government* (Cambridge, MA: Harvard University Press, 1997).

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If you were Gerritsen, what would you have done?

The "*Anna Karenina* Principle"

All functional bureaucracies are alike.
Each dysfunctional bureaucracy is dysfunctional in its own way.

DEALING WITH DYSFUNCTION

INNOVATIVE PROBLEM SOLVING IN THE PUBLIC SECTOR

JORRIT DE JONG

(Brookings Institution Press 2016)

Source: Adapted from Leo Tolstoy, *Anna Karenina*, trans. Richard Pevear and Larissa Volokhonsky (New York: Viking Penguin, 2001; original work published 1875-1877), 1.

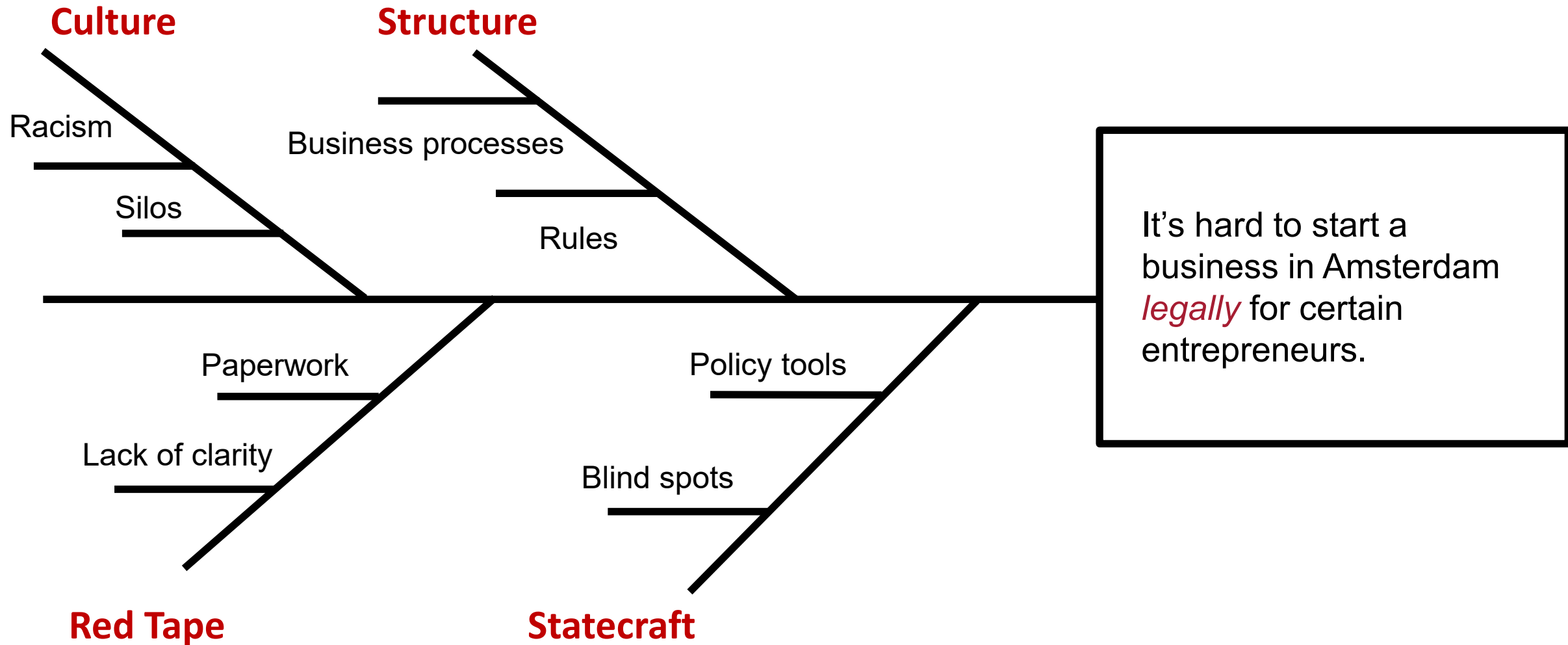**Red Tape**

Culture

Structure

Statecraft

Sources: RomoloTavani, "Iceberg Floating in Arctic Sea," June 6, 2017, https://www.istockphoto.com/photo/iceberg-floating-in-arctic-sea-gm693474546-128066809; Jorrit de Jong, *Dealing with Dysfunction: Innovative Problem Solving in the Public Sector* (Washington, DC: Brookings Institution Press, 2016).

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It's hard to start a business in Amsterdam *legally* for certain entrepreneurs.

If the problem lies here…	Solutions might be found here…
"Red Tape"	User-centered design, mystery shopping, client focus groups, etc. E-government, single request for information, real one-stop shops, etc.
"Culture"	Strategic HRM, staff engagement, training, etc. Value-driven leadership, culture change, etc.
"Structure"	Business process redesign, regulatory reform, etc. Reshape performance management and accountability structures, etc.
"Statecraft"	Revisit policy goals and rethink choice of policy tools; New mix of (self-) regulation, tax structure, service delivery, choice architecture, etc.

Source: Adapted from Jorrit de Jong, *Dealing with Dysfunction: Innovative Problem Solving in the Public Sector* (Washington, DC: Brookings Institution Press, 2016).

Think About Your Key Priority…

. . . and ask yourself three
"very difficult, simple questions":

Three "very difficult, simple questions"

1. What is the (real) problem?

2. What are you currently doing about it and why?

3. How do you know you are doing it well?

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Epilogue

What happened in Amsterdam?

- Gerritsen monitored the case closely and took **measures to simplify licensing** for all entrepreneurs in the sector.

- **Akgün quickly obtained nearly all necessary documents.** Still, Gerritsen had to call an additional meeting so the housing corporation would **make an exception** and issue a lease contract, which the bank required to grant the loan.

- With depleted capital (and energy), Akgün **started selling sandwiches.**

What happened in Amsterdam? (cont.)

- Gerritsen learned Akgün's situation was indicative of a **larger problem.**

- A **new and improved "one-stop shop"** was opened—with staff trained to offer guidance on all forty permits/licenses and a single form to apply for seven licenses.

- Creating an online licensing portal offered an overview of the process, exposed contradictions, and led to **better training for civil servants.**

- **Results:** Lower costs of processing restaurant applications; citywide program to improve access to services by simplifying rules and regulations; "one-stop shop" method extended to four other sectors.

Takeaways

- **Diagnose problems before embracing solutions.**
  - Use the Strategic Triangle as a leadership compass or diagnostic/conversation tool.

- **Frame the challenge in terms of the public value you seek to create.**
  - *What is at stake? Have we defined the situation in a sufficiently compelling way?*
  - *Have we paid sufficient attention to what the different stakeholders care about?*
  - *What will it take to align value, capacity, and support? What leadership interventions might help with this process of alignment?*

Takeaways (cont.)

- **Use the three "very difficult, simple questions" as a starting point:**
    - *What is the **real** problem? What assumptions underlie the way the system currently works?*
    - *What are you currently doing about it, and why?*
    - *How do you know you're doing it well?*

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