

'Value Scotland'

A Maturity Institute (MI) Project

"The paradox is that by not pursuing profitability to the exclusion of all else, the Great Engine companies in their Golden Age would achieve enormous increases in value...whereas, by single-mindedly pursuing profit...these same companies and their successors actually created less genuine, lasting wealth; indeed, they would often destroy it."

'The Puritan Gift', Kenneth Hopper & William Hopper

Do Scottish people value Scotland?

The Hopper brothers originally hail from Scotland and their book – The Puritan Gift – is probably the best overview of management thinking ever written. Their insights, when applied to all sectors within Scotland (finance, industry, commerce, public sector, academia, education, health) could become part of a second, Scottish Enlightenment¹. The essence of enlightenment comes from seeking the truth and the truth of organizations and economies is their value. Value, not only in economic and financial terms but socially and environmentally as well. This is the challenge that every country in the world is currently facing but this project brings a practical way to make it happen. Scotland could be a world leader in managing to reconcile its economic needs with the best interests of its people. Mature management is about getting the best value out of all people for the greatest benefit to all. That would be a world reputation that all Scots should be very proud of.

This is the premise on which 'Value Scotland' is being proposed.

Introducing the Maturity Institute

The Maturity Institute (MI) is a not-for-profit, professional development body established in 2012 to bring whole system thinking to leadership and management for an economic system based on maximising societal value - what we now measure as Total Stakeholder Value.

MI has a professional membership, all of whom have undertaken formal training, and operate under the quality assurance of MI, agreeing to adhere to, and abide by, our professional standards.

MI operates a community interest, operating company called HR Maturity Limited (HRML) which handles all our finances. Any funding for 'Value Scotland' will be managed by HRML under the governance of the MI Council.

The case for a National Policy of Developing a Mature Economy

Since the global financial crisis of 2008, the very foundations on which economies are run have been questioned as never before. MI offers a practical alternative based on a simple, virtuous cycle; get the best out a nation's people, produce a higher value economy, ensure the benefits reward the people who create the value. For every employee, working in a mature organization offers them the best chance of

¹ https://en.wikipedia.org/wiki/Scottish_Enlightenment

achieving their potential. For every citizen, mature organizations will create the best value for all. These ideas do not come from theory but from exemplar organizations, such as Toyota (manufacturing), Handelsbanken (banking) and Buurtzorg (not-for-profit community healthcare) who have already been working to these principles for many years. The methods and management practices they employ can be taught and act as the basis for a conscious and explicit policy for developing a mature, national economy.

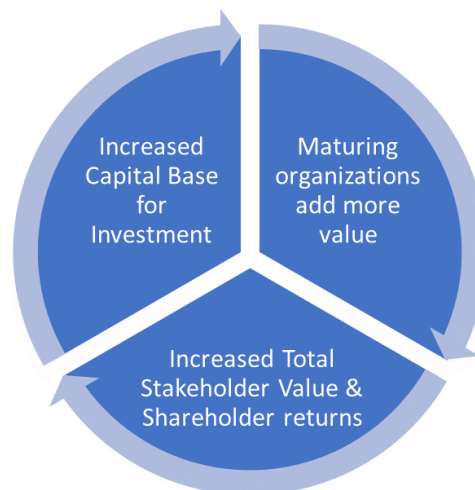
Scotland's greatest opportunity?

"Total Stakeholder Value is a valuable measure of the criteria that are most likely to deliver sustainable wealth creation. Ultimately, this wealth creation is what drives good outcomes for the providers of capital and for the economy and society."

Daniel Godfrey, former Chief Executive, Investment Association

It is now globally recognised that short-termism is undermining societies but moving towards an economic system focused on the longer-term is proving to be a particularly complex challenge. Change can be difficult but beneficial and enduring change can be built on new foundations. These include: -

1. Open recognition that this is a whole system problem; requiring a whole system solution, *at a national level.*
2. The changing system has to appeal to all stakeholders, who all come with their own multiple perspectives; as citizens, employees, entrepreneurs, business managers and investors
3. A vision of a workable, whole system that is well-defined (especially the interaction between the public and private sectors), clearly articulated and within an agreed framework of principles and the highest standards.



The Virtuous Cycle of Maturity

While the rest of the world waits for an answer to emerge, the problems are real and immediate, at both national and organizational levels: decisions have to be made now about the best way forward. Individual organizations can respond best when they are given a common framework, and a coordinated and concerted effort at national level. This will make a significant difference; increasing the likelihood of success and producing greater improvements in value and wealth for them and the rest of society. This proposition presents Scotland; a relatively small, yet determined and independently-minded country, with a rare opportunity to become a pioneer again, to create for itself a unique place to lead change in the world economy.

This is the primary motivation behind proposing a ‘Value Scotland’ project which would be characterised by:

- Developing a national road map for development that addresses the broader questions around legitimate business practices (e.g. more effective corporate governance, improved organizational cultures, greater opportunities for individuals to realise their potential) and their role as part of a more inclusive society
- Building on Scotland’s unique identity and collection of capabilities to increase value and wealth for the Scottish economy, its citizens and global customers
- Raising Scotland’s international profile as a good place to do business and where people and their organisations are more likely to be able to fulfil their potential by serving the economy and society.

Outline Programme

1. **Phase 1** - The first step is to test initial interest, identify potential sponsors and active partners to form the start-up Project Group, which could include a formal grouping of leading Scottish businesses, educational institutions and cross-party support.
2. **Phase 2** - MI will appoint an organizing committee with its appointed development team, who will promote the project with a clear objective of building a coalition of interested parties. This may significantly influence the ambition, scale and resource/funding requirements of the project.
3. Once agreement, in principle, has been reached with a key sponsor, and the project is ‘live’, MI will fix a date for a launch and communication event.
4. **Phase 3** - Once the coalition is in place, Scottish organizations will be invited to become active participants in the Baseline Group (see below) where organizations will start to reflect on their own level of maturity and how that can be improved to add more value. As this is in the companies’ own interests, they would be expected to fund their own participation.
5. A special invitation will be sent out to Scotland’s financial services community to examine the utilisation of organizational maturity ratings (OMRs), and measures of societal benefit, as a basis for business decision making, investment and corporate engagement.

6. The launch event can then be planned and preparations made. We would plan to hold the event in the Autumn of 2018.

‘Value Scotland’ objectives

1. Introduce Scotland, across as broad a front as possible, to the work of the Maturity Institute (MI) and demonstrate how its framework, standards and methodology of mature organizational development can become a foundation for higher value, economic development and societal value, measured as Total Stakeholder Value.
2. Lead the Baseline Group, a mixed group of private and public sector, through their own Organizational Maturity Ratings (OMRs) and develop their maturity levels over a six-month period to achieve measured, value outcomes.
3. Engage with Scotland’s Financial Services sector to build understanding and encourage adoption of TSV as integral to responsible investing, setting pioneering standards for investment and pension fund management.
4. Use the launch event as a catalyst to open up a national debate about Scotland’s place in the world and its ambition and appetite for becoming the first country to develop a national, Mature Economy Plan.

Outcomes

1. Measurably increase the OMINDEX ratings and TSV of the Baseline Group through a set of baseline performance and value measures.
2. Train the Baseline Group in improving their OMR ratings by taking them through the OM30 analysis, assessment and diagnostic process.
3. Achieve widespread acceptance, recognition and utilisation of MI’s global standards, currently OMINDEX and TSV, as critical diagnostics and leading indicators of long term organisational health with:
 - Investors
 - Boards
 - Regulators
 - The public sector
 - The Education sector and Academia
4. Establish a ‘Value Scotland Board’ to oversee and continue the ‘Value Scotland’ project on a continuous, long-term basis to further develop Scotland’s capabilities in mature leadership and management.

Baseline Group

MI uses a unique question set focusing on all of the crucial factors that, together, produce a picture of overall organisational maturity. Our 'OM30' is the primary diagnostic instrument to provide comparative assessments of organisational health, encapsulating important insights into governance, corporate culture and the management of human capital systems. Each OM30 question is designed to show causal links to improvement in TSV. OM30 is future-focused and brings a predictive perspective to the probability of organizational behaviours being repeated or changed for the better.

Maturity analysis, assessments and ratings can be undertaken using external, publicly available information although the OM30 is designed to be utilised by corporations to measure their own baseline and monitor their progress in mature, organizational development. Since 2015 OM30 ratings have been increasingly used by the investment community and regulatory bodies for investment, board level engagement and risk analysis. OM30 is also used as a strategic route map by corporations to achieve material value improvement and develop better risk management to drive improvements in TSV.

Costs & Funding

1. The Maturity Institute already has a seed funder lined up for the launch event.
2. The Baseline Group is designed to be funded, partially and/or directly, by the participating organizations themselves, as they will be the prime beneficiaries; gaining sufficient added value to generate returns on their investment. The specific business/financial case will be developed individually with each organization and the expected returns identified.
3. The development and ongoing costs of the overall 'Value Scotland' Project are to be agreed, depending on the scale of ambition.

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