

A Population Health Learning Collaborative Webinar

*System Thinking +
Strategy Management =
Sustainable Success*



INSIGHT *FORMATION* INC.

Bill Barberg, President & Founder



PopHLC

Population Health
Learning Collaborative

www.ImprovePopHealth.org



Virtual Summit this Summer



www.ImprovePopHealth.org



INNOVATIONS IN AFFORDABLE HOUSING VIRTUAL SUMMIT 2020

August 11 - 12

26 Sessions on practical topics for communities

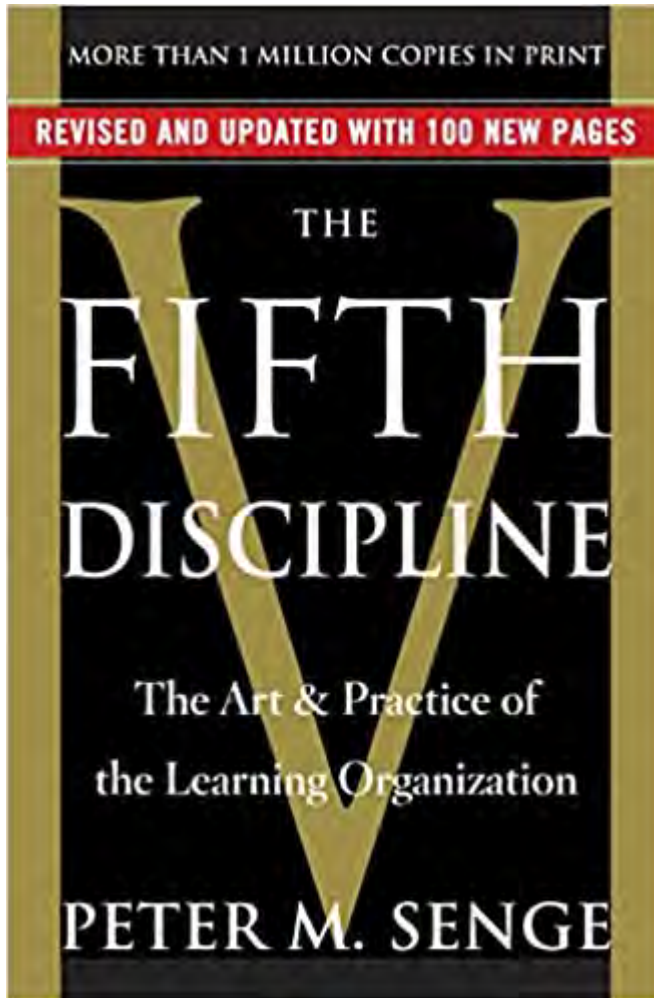
- Zoning, Codes, Permits & Policies
- Accessory Dwelling Units (ADUs) & Tiny Houses
- Innovative Financing Options
- Innovative Ownership Models
- Innovations in manufactured housing
- Keys to Successful Home-sharing
- Support for individual success pathways
- Housing the homeless
- and more!

2 Plus 2 Panel Discussions

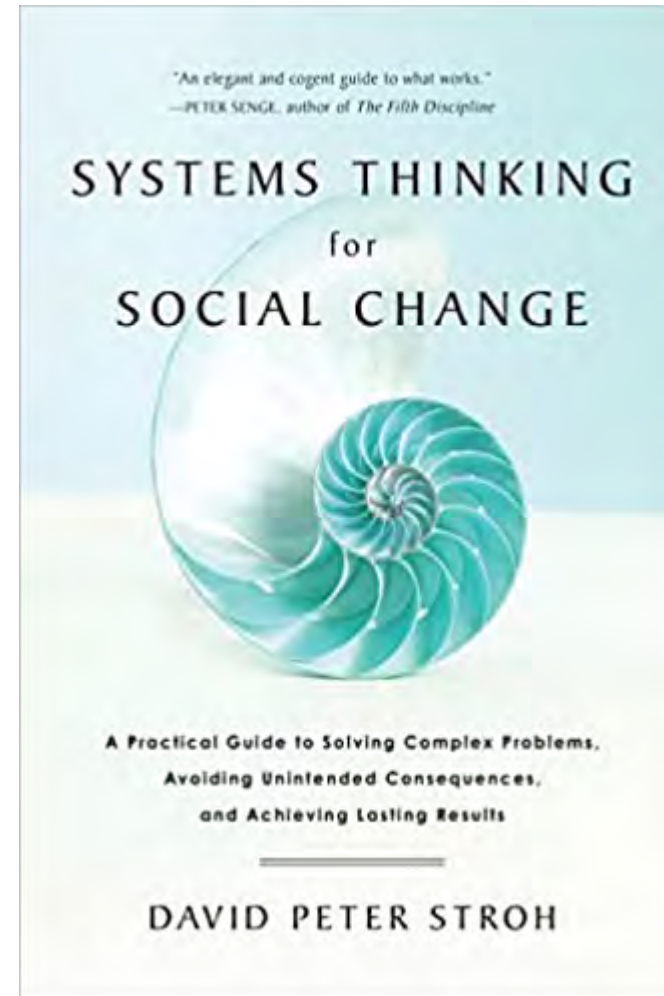
Agenda

- Introducing the concept of “System Thinking”
- Historical Case Study – The Tupelo Miracle
- Key Insights on System Thinking in Tupelo
- Key Principles of Strategy Management
- Emerging Case Study on Housing and Local Economic Development

System Thinking



1990



2015

The Need for System Leadership

Stanford **SOCIAL
INNOVATION** Review
Informing and inspiring leaders of social change

SOCIAL ISSUES SECTORS SOLUTIONS MAGAZINE MORE

Essentials of Social Innovation

The Dawn of System Leadership

The deep changes necessary to accelerate progress against society's most intractable problems require someone who catalyzes collective leadership.

Peter Senge, Hal Hamilton and John Kania

“Sensing this need, countless collaborative initiatives have arisen in the past decade—locally, regionally, and even globally. Yet more often than not they have floundered—in part because they failed to foster collective leadership within and across the collaborating organizations.”

“For undoubtedly, we are at the beginning of the beginning in learning how to catalyze and guide systemic change at a scale commensurate with the scale of problems we face, and all of us see but dimly.”

Developing Strategic Skills

Building Skills for a More Strategic Public Health Workforce: A Call to Action

National Consortium for Public Health
Workforce Development



Elevate strategic skills to equal status with specialized skills.
Build systems, not silos.

FIGURE 2.

The Public Health T—Complementing Specialized with Strategic Skills



← **Systems Thinking**

Ask for details on
System Thinking
when you fill out the
Post-Webinar Survey

The Power of System Thinking

The Tupelo Miracle

Lee County,
Mississippi
1938 to 2003

THE TUPELO MIRACLE— ECONOMIC REVITALIZATION AND COMMUNITY TRANSFORMATION

By Bill Barberg and Shayna Gleason, Insightformation, Inc. 2017

INSIGHTFORMATION INC.

Lee County in 1940

- One of the poorest counties in the poorest state in the U.S.
- Average annual income of \$750 (1/4 of the national average)
- 80% of the population were in agriculture (40-year decline in cotton)
- Poor quality farmland
- No navigable rivers; few railroads
- Hours from the nearest cities
- Deep political divides



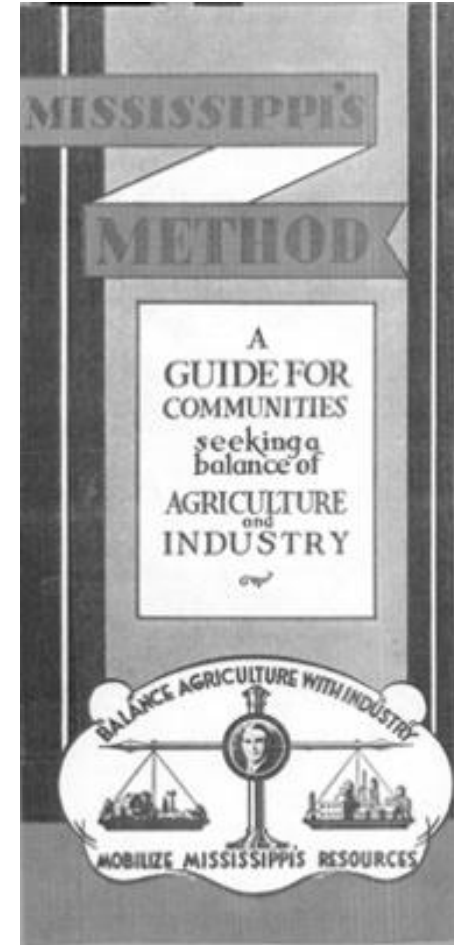
Lee County in 1940

- Major F5 tornado in 1936
- The county's main employer, a garment factory, closed in 1937 after a bitter labor strike
- Major business/labor problems
- High rates of functional illiteracy (bottom quartile in literacy)
- Serious racial problems
- Local businesses struggled to survive

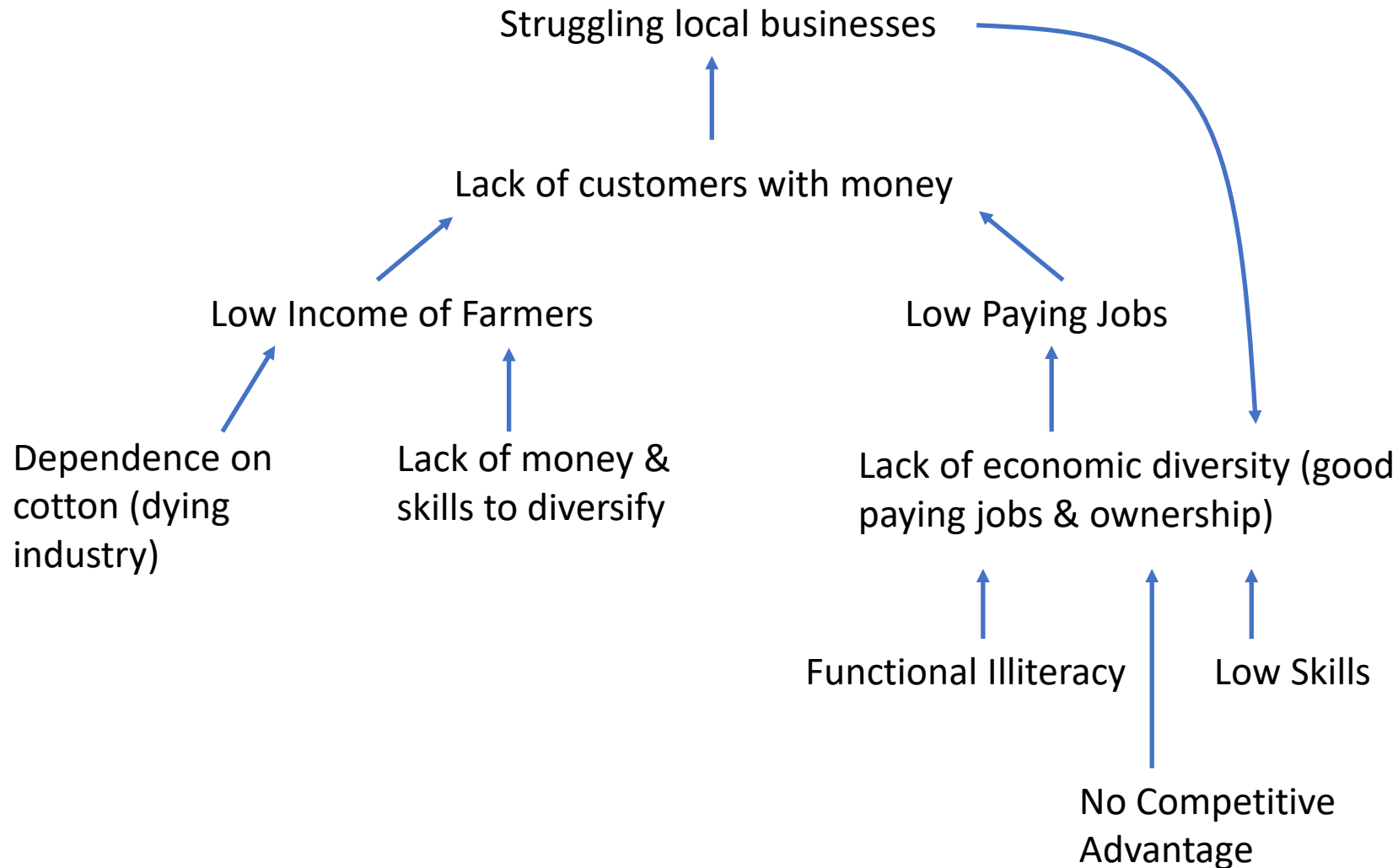


The Popular Economic Development Strategy

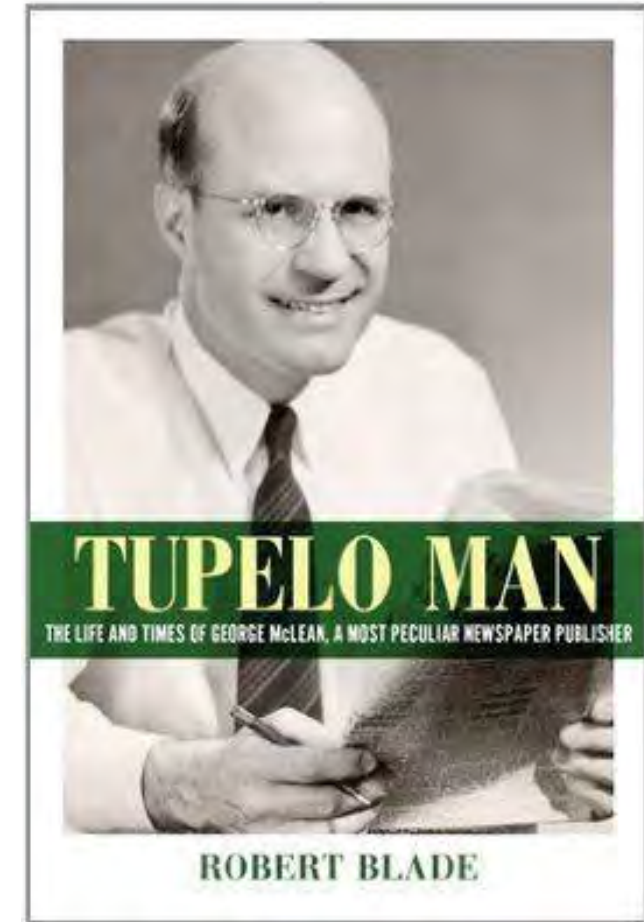
- Balance Agriculture with Industry (BAWI)
 - Promoted by Mississippi's Governor, Hugh White
 - Attract employers with tax exemptions and subsidies
 - Lure corporations with the promise of cheap labor
 - Measured success the number of new jobs created
- Created low-wage jobs
- Didn't deal with the complex set of root causes to the economic problems
- Created value for out-of-county investors (extractive)
- Little focus on developing the quality of the workforce



Understanding the “System” Nature of the Problem



George McLean



Not Dependent on Government Funding

“There is no Santa Claus in Washington, in the state capital, or in the county seat”

“If you want a better community, you will have to do the work yourself....”

George McLean’s frequent statement to community members

A Few of the Guiding Principles of the Tupelo Model

- Each person should be treated as a resource.
- The goal of community development is to help people help themselves.
- Meet the needs of the whole community by starting with its poorest members, not just as targets for top-down efforts but as full partners in helping design those efforts.
- Expenditures for community development are an investment—not a subsidy—and will return gains to the investors.
- Community development must be done both locally and regionally if the full benefits are to be achieved.
- Build teams and use a team approach.

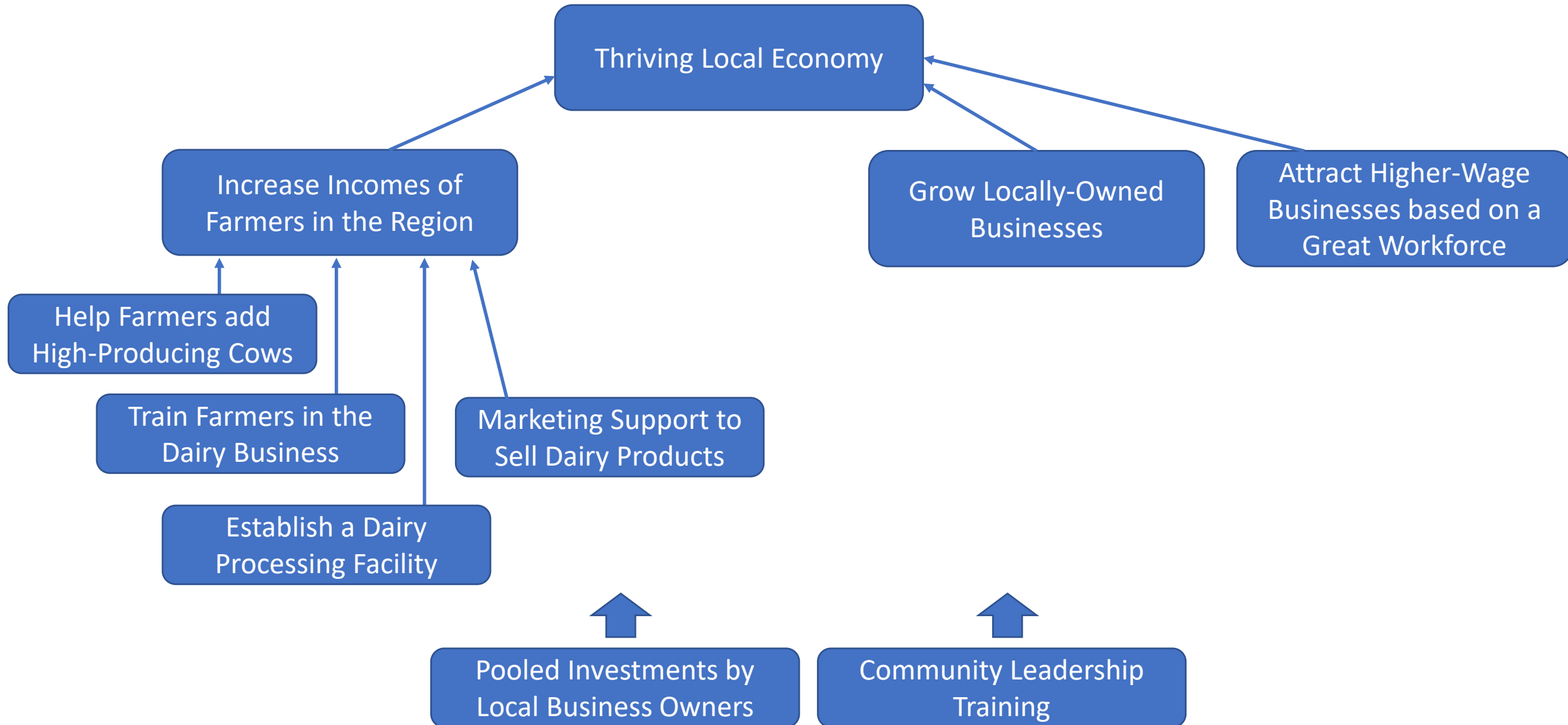
Well-Developed Strategic Plans

Rural Community Development Councils

(RCDCs) provided a structure to mobilize farmers and help the people help themselves.

“You also knew that they [Lee County’s RCDC] had a well-thought-through plan of action.”

Key Parts of their "System" Strategy



Systematic, Region-wide Strategy Management

“We organized the farmers by communities and offered community, not individual, prizes for such things as improved farm practices, new crops, increased efficiency in dairying, chicken raising and such.”

George McLean

February 17, 1951 issues of The Saturday Evening Post

The Success of the Dairy Strategy

- Over 1,000 cows sired by the prize bull in the 2nd year
- Cows sired by the prize bull produce \$2 million in milk the first 2 years
- By the 1950s, Lee County surpassed many Wisconsin counties in dairy production (Merchants recouped their investment many times over)



The Success of the Manufacturing Strategy

- In 1967 and 1969, Lee County produced more jobs than the other 81 counties in Mississippi combined
- Grew 200 manufacturing companies (many as locally-owned businesses, with an initial emphasis on furniture)
- Only 2 of the 50 companies they attracted came based on the BAWI model
- Consistently generated over 1,000 new industrial jobs and over 2,000 new service jobs each year in the 1990s.

The Tupelo Furniture Market began in 1987



By the 1990s, Lee County...

- Approached the 90th percentile in literacy rates
- Was home of the North Mississippi Medical Center
- Had 18 Fortune 500 companies and 45 international corporations
- Was in the top 2% of U.S. counties in charitable giving in the 1990s.
- Was the 2nd most prosperous county in Mississippi
- Tupelo was twice named one of 10 All-American Cities by the National Civic League

Learn More Details

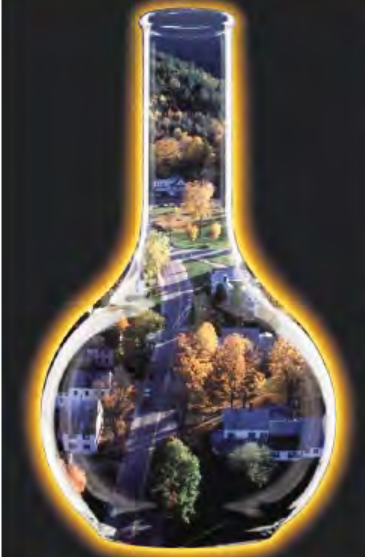
THE TUPELO MIRACLE— ECONOMIC REVITALIZATION AND COMMUNITY TRANSFORMATION

By Bill Barberg and Shayna Gleason, Insightformation, Inc. 2017

INSIGHTFORMATION INC.

Request access in the Post-Webinar Survey.

BY VAUGHN GRISHAM & ROB GURWITT



A CASE STUDY

HAND IN HAND

Community and
Economic Development in Tupelo



Details of the “System Thinking” Approach

Increase Incomes of
Farmers in the Region

Help Farmers add
High-Producing Cows

Train Farmers in the
Dairy Business

Marketing Support to
Sell Dairy Products

Hired a dairy industry expert

Purchased a prize bull from the Isle of Jersey (off the coast of France)

Early adopters of new advances in breeding and artificial insemination

Outreach to farmers as key producers of value

Regional Approach (33-mile radius from Tupelo)

Skin-in-the-game: \$5 per cow to be impregnated by the prize bull

Many obstacles to overcome (low functional literacy, distance, trauma)

Lots of uncharted territory without a proven model to follow

Far from cities or highways or railroad tracks

They did together what couldn't be done as individuals

Key Parts of their “System” Strategy

Intentional alignment of a system
of Objectives was essential

Increase Incomes of
Farmers in the Region

Establish a Dairy
Processing Facility

Requires a critical mass of dairy farmers
Significant way to build wealth in the region

Pooled Investments by
Local Business Owners

Community Leadership
Training

Asset & Capacity Building Objectives

Invest in overcome the obstacles and
build the necessary community capacity.

Imagine if they DIDN'T follow the community strategy

- Without enough of the other supporting elements, nearly every positive part of the strategy would fail.
- Imagine if an investor in 1945 purchased the dairy cows and set up a more efficient and profitable dairy operation rather than being spread among all the struggling farmers.
- What if they had focused on getting grants for non-profit organizations to provide services to the poorest people in the community?
- Imagine if the plan was to just send a stimulus check to each farmer.

Was it worth it to tackle the complexity of the challenge and use “system thinking” to develop the strategy?

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Strategy Maps: The Key to Strategy Execution

Measurement &
Reporting

Strategic
Communication

Strategic
Management

Organizational
Alignment

Execution

1992

1996

2000

2003

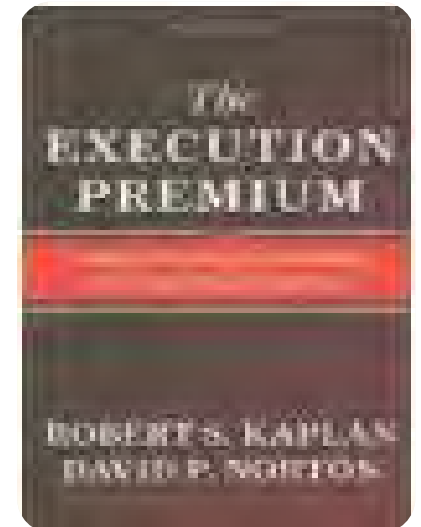
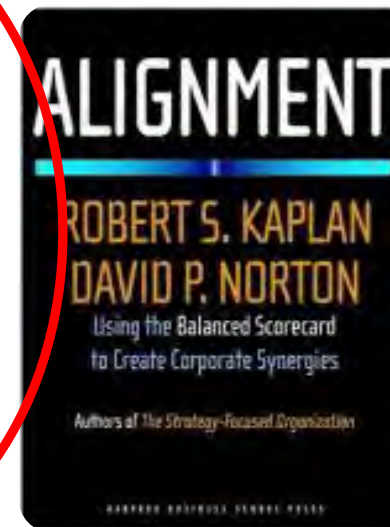
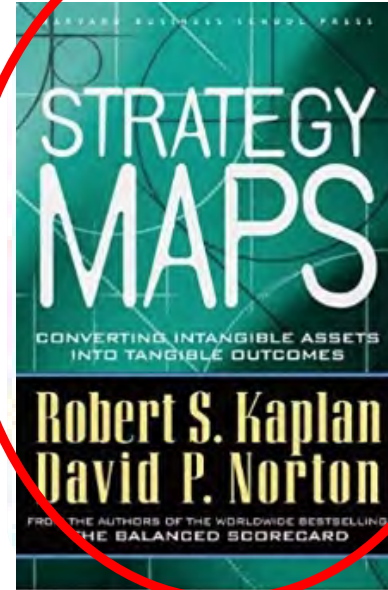
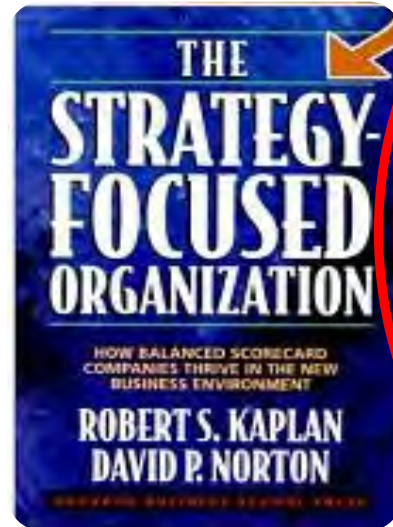
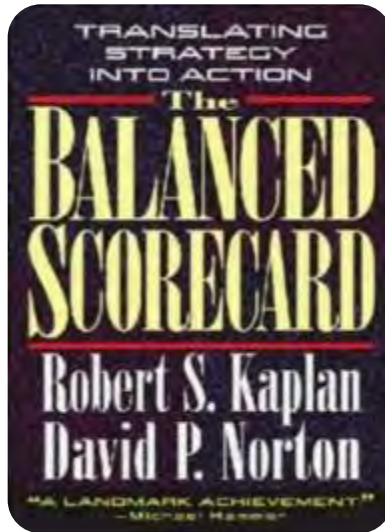
2006

2008

Harvard Business Review Articles

“The Balanced
Scorecard—Measures
that Drive Performance”
Jan-Feb 1992

“Putting the Balanced
Scorecard to Work”
Sept-Oct 1993



Core Books of the Strategy Management Field

A Rich History of Research Supporting these Techniques

Key Elements of Strategy Management

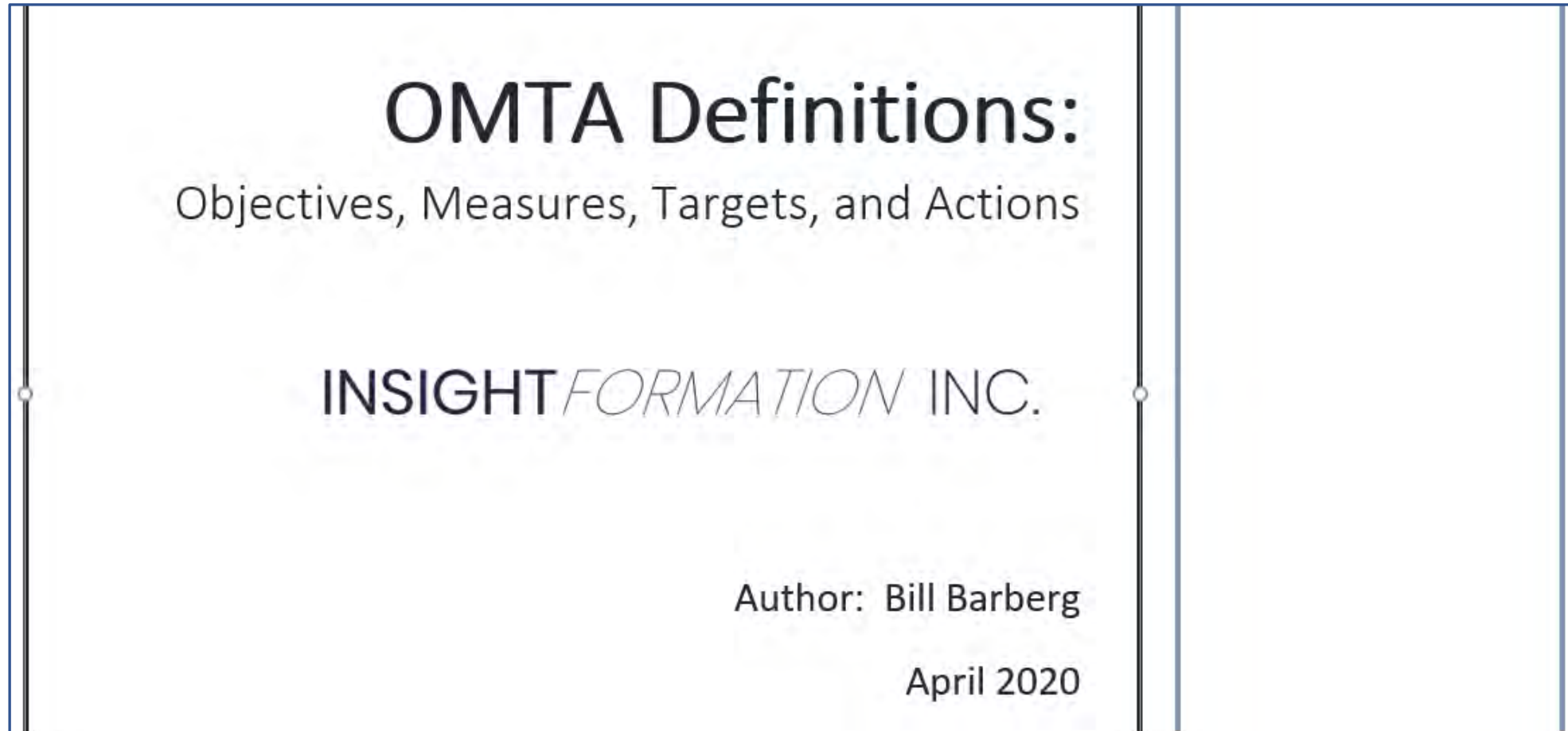
- One of the Guiding Principles for Tupelo:
Start with a few tangible goals, and measure your progress in meeting them.

An early success story of

O M T A

Objectives, Measures, Targets and Actions

Detailed Definitions of the Terms of OMTA



PDF available as a shared resource or find on
www.insightformation.com/CIC2020

They Actively Managed Strategy Implementation

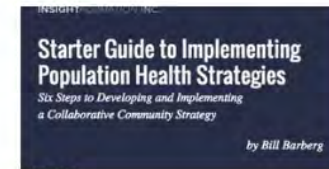
The Strategic Plan didn't just “sit on the shelf”

Strong leadership engaged many different stakeholders.

They established the processes to develop and manage the “emergent” strategy details.

They created many different teams that worked in parallel on different parts of the strategy.

GET OUR FREE STARTER GUIDE



Pioneers in Innovative Measurement

They used a point system for community competition

Each family had a scorecard on which it could catalog points earned (like children's perfect attendance in school, the use of innovative farming techniques, or vaccination).

The community earning the most points received an award.



Data Collection for Community Scorecards

“Because George McLean insisted that individual townspeople and farmers keep meticulous records—how much milk, eggs or butter they were producing, how many days their children went to school, how often they painted their houses, whether they installed indoor plumbing—they were able to chart their progress over the years.”

Hand in Hand: Community and Economic Development in Tupelo

Vaughn Grisham & Rob Gurwitt

Creating Value through Teamwork

“By learning to work together, communities multiply their resources and gain what is popularly called **synergy**, the added benefits that come from combined action.”

Hand in Hand: Community and Economic Development in Tupelo

Vaughn Grisham & Rob Gurwitt

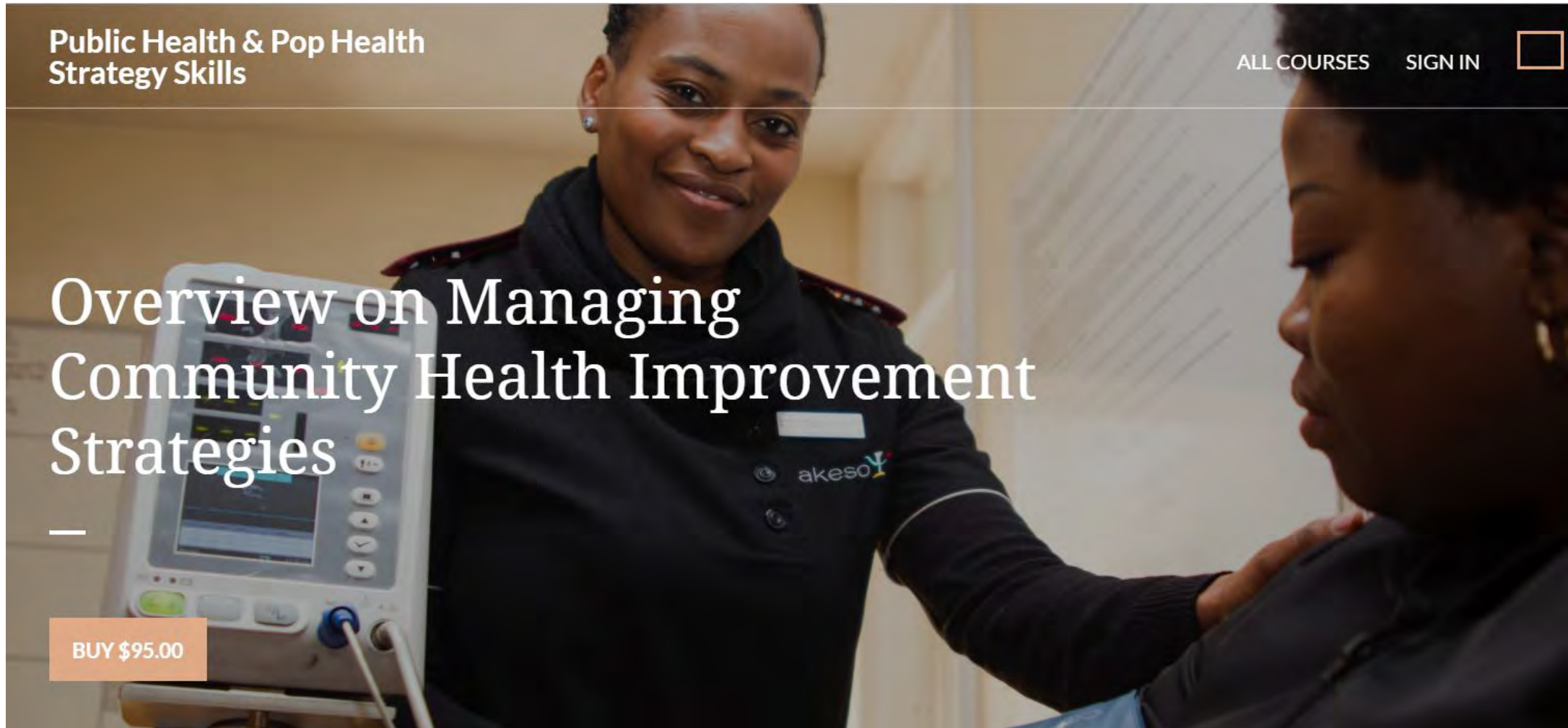
A Dense Network of Action Teams

“Over time, Lee County has evolved a dense and overlapping network of what can only be called teams, which both focus on common goals and use their own networks to generate whatever resources are needed to bring projects to fruition.”

Hand in Hand: Community and Economic Development in Tupelo

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Public Health & Pop Health
Strategy Skills

ALL COURSES SIGN IN

Overview on Managing Community Health Improvement Strategies

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50% discount code for people who attend this Webinar

Think about the VALUE of their Initial Investments

What kind of ROI did that community get on investing in the **dairy industry expert** to help craft the “system strategy” for their region?

How valuable was the guidance and leadership on developing the **broader system strategy** that created so much value?

What kind of return did they get from learning and practicing the **disciplines of strategy management**?

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**A System Thinking Strategy for
Rural Regions
based on
Natural Assets, Arts, Music,
Culture and Housing**

The Future of Rural Communities

Poverty or Prosperity?



Your community and region CAN implement a strategy for success.

The Chinese Symbols for **CRISIS**



Danger + Opportunity

Important Elements of the Crisis

Unemployment went from records lows to depression-era highs in three months

- Many people in their 50s and 60s in expensive urban areas are being forced into early “retirement”
- They need to live on a dramatically reduced income and stretch their less-than-ideal retirement savings for a long time.
- Many of these people may be looking to move to places with a low cost of living and decent quality of life.
- Housing is one of the biggest concerns
 - Economical
 - Small, appropriate
 - Energy efficient and easy to maintain

Concerns about Coronavirus or other infectious diseases prompting urban flight

- Risks associated with large groups, big buildings, elevators, crowds and close living is real
- Many attractions of bigger cities now are high risk (concerts, shopping, sporting events, etc.)

Anticipated Migration to Small Towns & Rural Areas



MONEY

Get me out of here! Americans flee crowded cities amid COVID-19, consider permanent moves

Jessica Menton USA TODAY

Published 3:00 a.m. ET May 1, 2020 | Updated 3:48 p.m. ET May 1, 2020

- Ability to telecommute
- High student debt and low income
- Forced early retirement – need affordable living
- Ability to get culture and entertainment via the Internet
- Shift to outdoor recreation rather than crowded venues

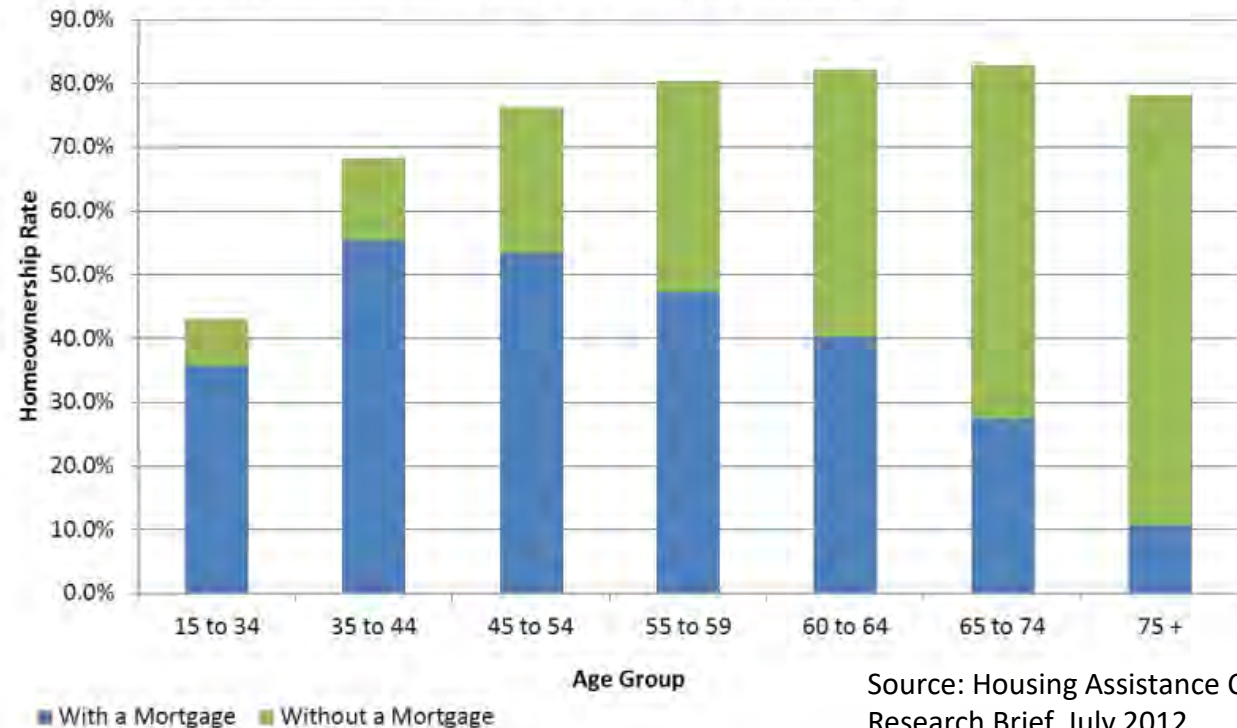
COVID-19 Crisis for Rural Homeowners

Rural and small-town homeowners at risk of losing their homes

- Loss of jobs and income results in inability to make mortgage payments (after forbearance)
- Poor income prospects makes refinancing difficult
- Forced sales and foreclosures are likely to increase in rural areas



Rural & Small Town Homeownership by Age and Mortgage Status, 2010



Source: Housing Assistance Council
Research Brief, July 2012

A Growing Problem: Remote Investor Ownership

Highest Out-of-State Purchases of Bank-Owned Properties in 2019 on Auction.com

West Virginia	37%
New Mexico	31%
Mississippi	31%
South Carolina	30%
Arkansas	30%

49% of buyers using the Auction.com platform planned to buy 5 or more properties in 2019

22% -- 10 or more.



Source:
Housingwire.com

A Problem: Remote Investor Ownership

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REAL ESTATE

Build-to-rent housing market explodes as investors rush in

PUBLISHED WED, JUN 26 2019 1:16 PM EDT | UPDATED WED, JUN 26 2019 1:41 PM EDT



Diana Olick

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SHARE



KEY POINTS

- During the foreclosure crisis nearly a decade ago, investors plowed into the housing market, buying millions of distressed homes and turning some of them into lucrative rentals. Now they have a new strategy: Buy new.

TRENDING NOW



Moderna reports positive data on early-stage coronavirus vaccine trial, shares surge

Details of the Danger Scenario

Investor ownership of single-family homes hurts communities

- They add the maximum “profit slice” to rental rates to increase the cost of housing
- Holding on to empty houses drives up the cost of housing and reduces neighborhood value
- Any appreciation in value goes to investors (often out of the county)

Seriously harms the “local economic multiplier”

- Higher housing costs squeezes out other spending
- Dollars spent on housing leave the community (or even the country)

Lack of commitment to home improvements or neighborhood relationships

- Investors minimize investments
- Renters lack motivation to improve the properties
- Barriers to building thriving, connected neighborhoods (quality of life)

The Opportunity: Helping Rural Regions Thrive



Housing: An Essential Element of a Community Strategy



HOUSING



- Typically the biggest expenditure of people
- An economic engine for individuals and communities
- Key to attracting people to move to a community
- Important to health
- Affordable housing and/or ownership = more money to spend at local stores and businesses

Key Actors of the System Strategy

- **People moving from larger cities seeking nice, but affordable housing**
 - Early retirement
 - Budget-minded young professionals planning to telecommute
 - Unemployed people (urban renters or unemployed homeowners forced to sell)
 - Artists needing a low-cost of living and a supportive community
- **Small town residents**
 - Homeowners with neglected homes
 - Newly unemployed homeowners with equity but little income
 - Unemployed (or underemployed) people needing jobs
- **Visitors seeking economical vacations and recreation**
 - Looking for fun places within driving distance
 - Seeking outdoor and cultural experiences, local flavor
 - Worried about COVID or other risks of larger groups of people

Helping Small Towns & Cities Thrive



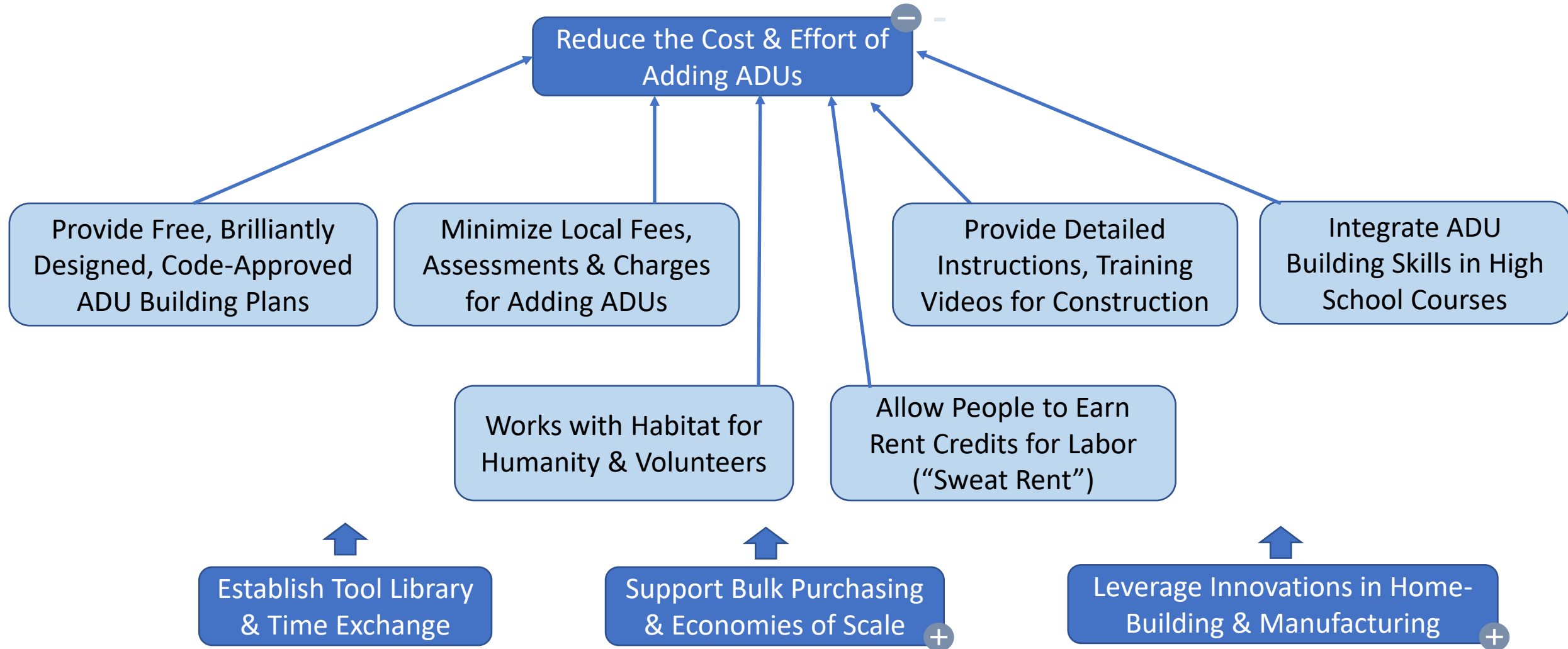
The Housing Part of a “System” Strategy



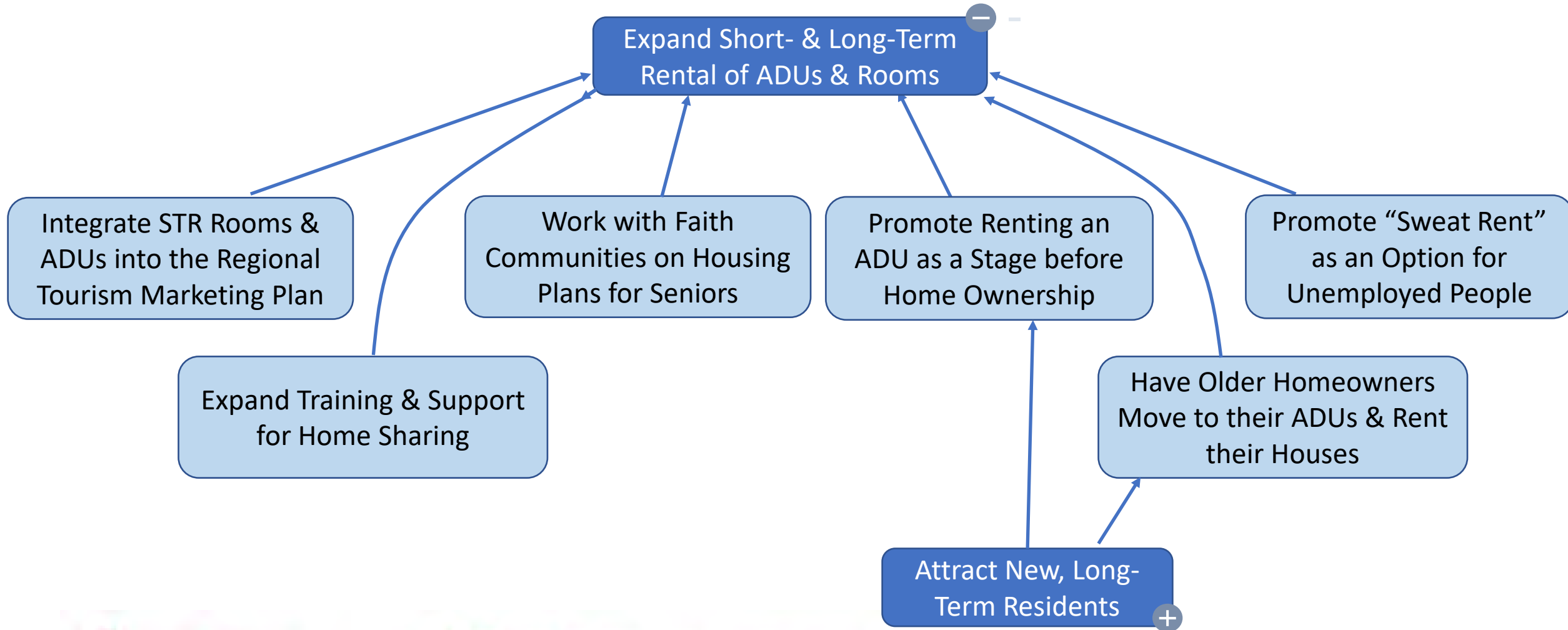
The Housing Part of a “System” Strategy



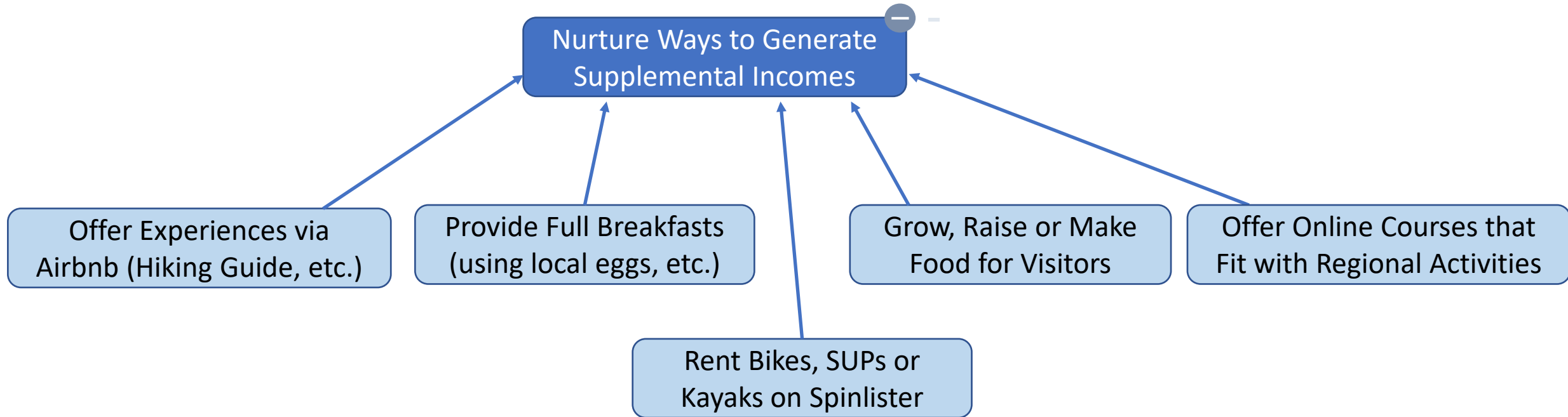
Reduce the Cost & Effort of Adding ADUs



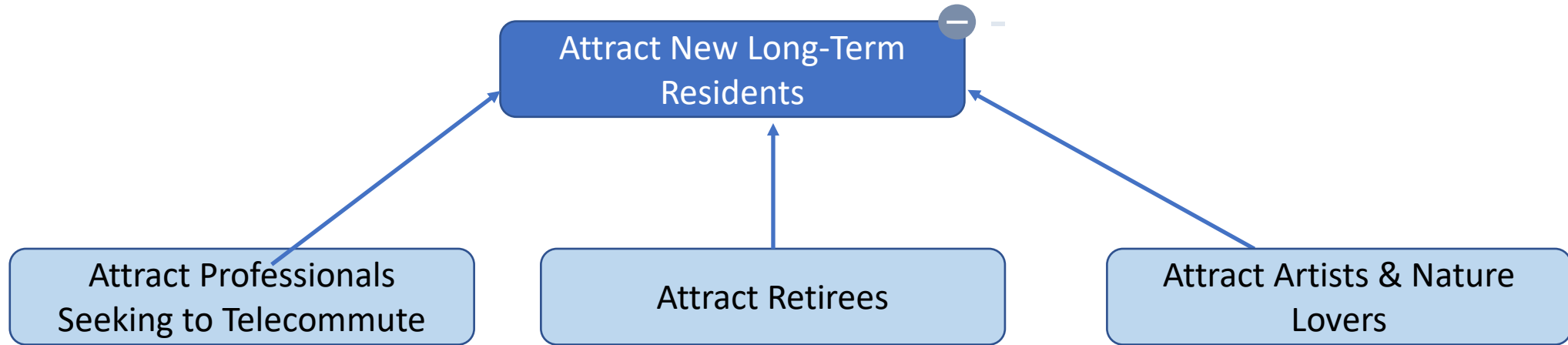
Expand Short- & Long-Term Rental of ADUs & Rooms



Nurture Ways to Generate Supplemental Incomes



Attract New Long-Term Residents



Mobilizing Collaborative Strategies in Communities



www.ImprovePopHealth.org



How small towns and cities can harness housing as an economic engine for local prosperity.



A Strategy Map Template to Increase Affordable Housing

A talk by Bill Barberg and John Bryson

InsightFormation Inc and Humphrey School of Public Affairs,
University of Minnesota

Full 50-minute session on the Strategy Map
Available next week with All-Access Pass

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For More Information...

INSIGHT *FORMATION* INC.

Bill Barberg: bill.barberg@insightformation.com

Search for me on LinkedIn and invite me to link!

- Or Contact: Liz Gallagher
- Email: Liz.Gallagher@Insightformation.com
- Phone: 763-331-8291
- Web: www.Insightformation.com