SITRA

Country development, strategy, long-term thinking, good governance – the lessons from Finland through Sitra model

CEU (Central European University) in Budapest
21th of May, 2012, Mikko Kosonen

Suomen itsenäisyyden juhlarahasto Sitra
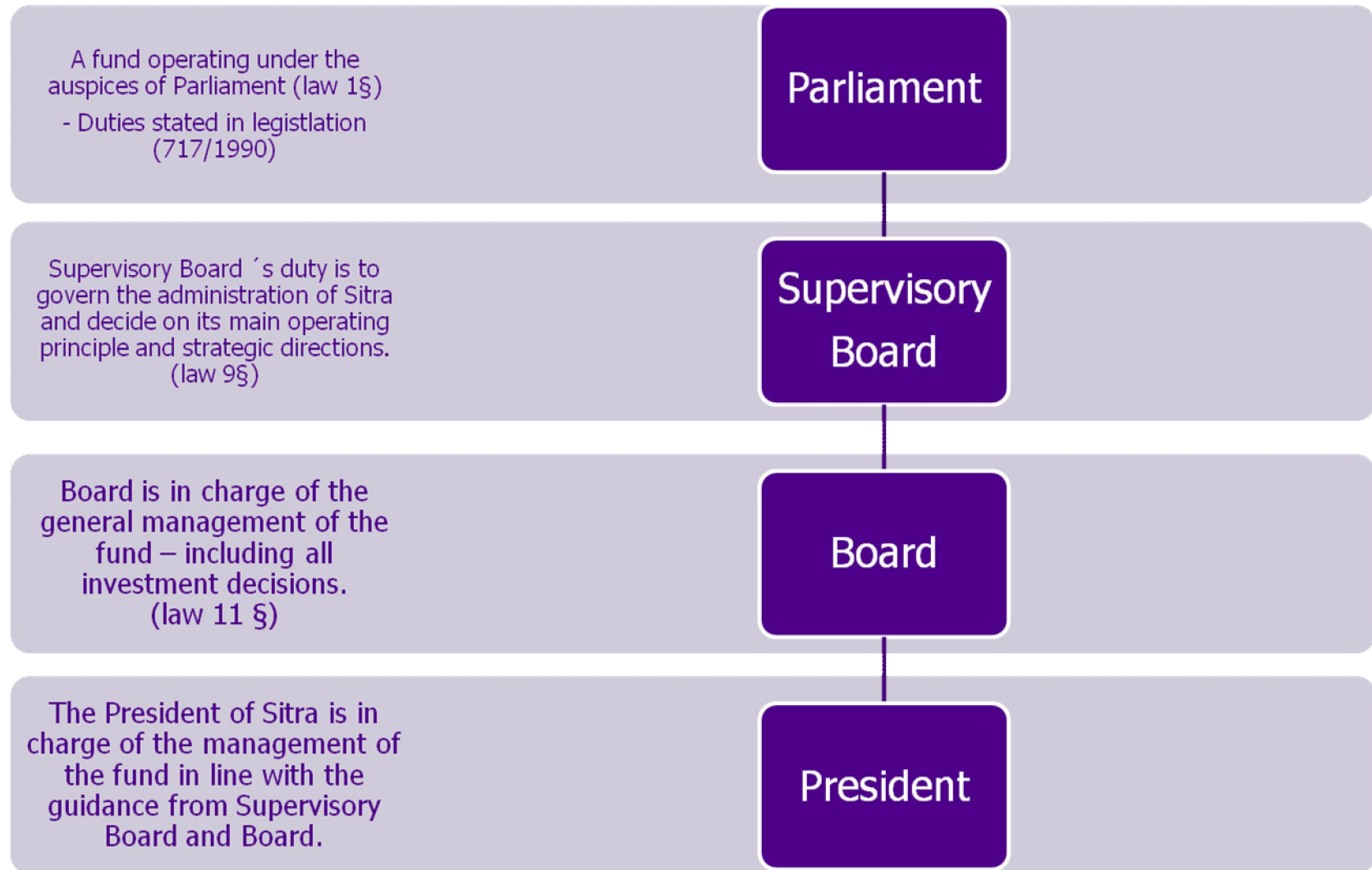
Sitra in a nutshell

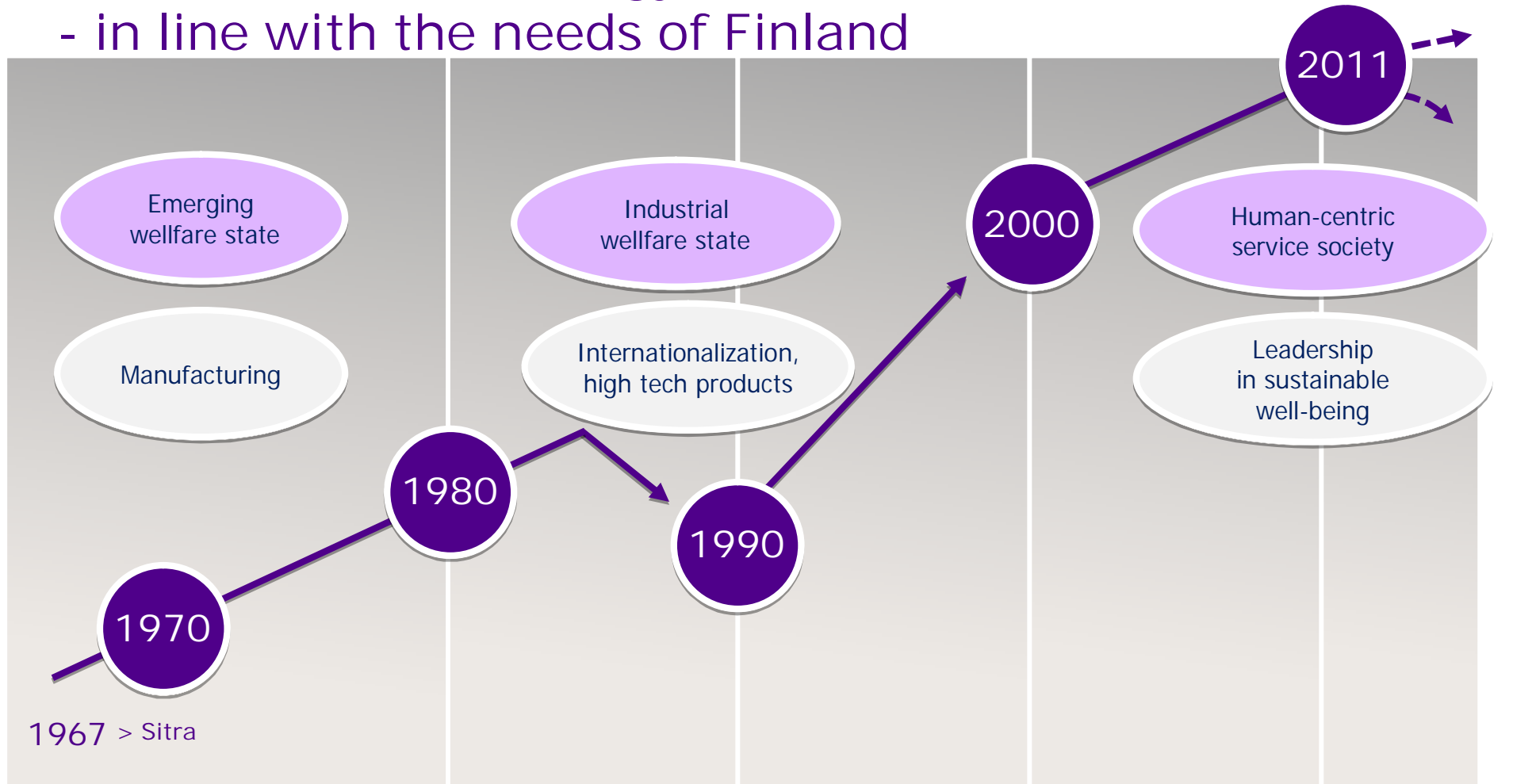An independent public fund under the supervision of the Finnish Parliament; responsibilities stipulated in law

Sitra promotes:
- Stable and balanced development
- Qualitative and quantitative economic growth
- International competitiveness and co-operation

- Established in 1967
- Endowment capital appr. 650 Meuro
- Annual budget approximately 40 Meuro
- Approximately 115 employees

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Governance Principle & Bodies

A fund operating under the auspices of Parliament (law 1§)
- Duties stated in legistlation (717/1990)

Parliament

Supervisory Board´s duty is to govern the administration of Sitra and decide on its main operating principle and strategic directions. (law 9§)

Supervisory Board

Board is in charge of the general management of the fund – including all investment decisions. (law 11 §)

Board

The President of Sitra is in charge of the management of the fund in line with the guidance from Supervisory Board and Board.

President

Sitra´s role and strategy has evolved over the times - in line with the needs of Finland

Emerging wellfare state

Manufacturing

Industrial wellfare state

Internationalization, high tech products

Human-centric service society

Leadership in sustainable well-being

2011

2000

1990

1980

1970

1967 > Sitra

TECHNOLOGY DEVELOPER

VENTURE CAPITALIST
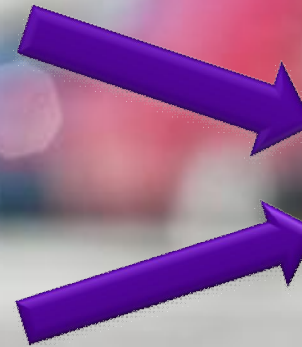
SOCIETAL CHANGE AGENT

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Up until now, Finland has been one of the major winners from globalisation

Progressive industrial and innovation policies

+

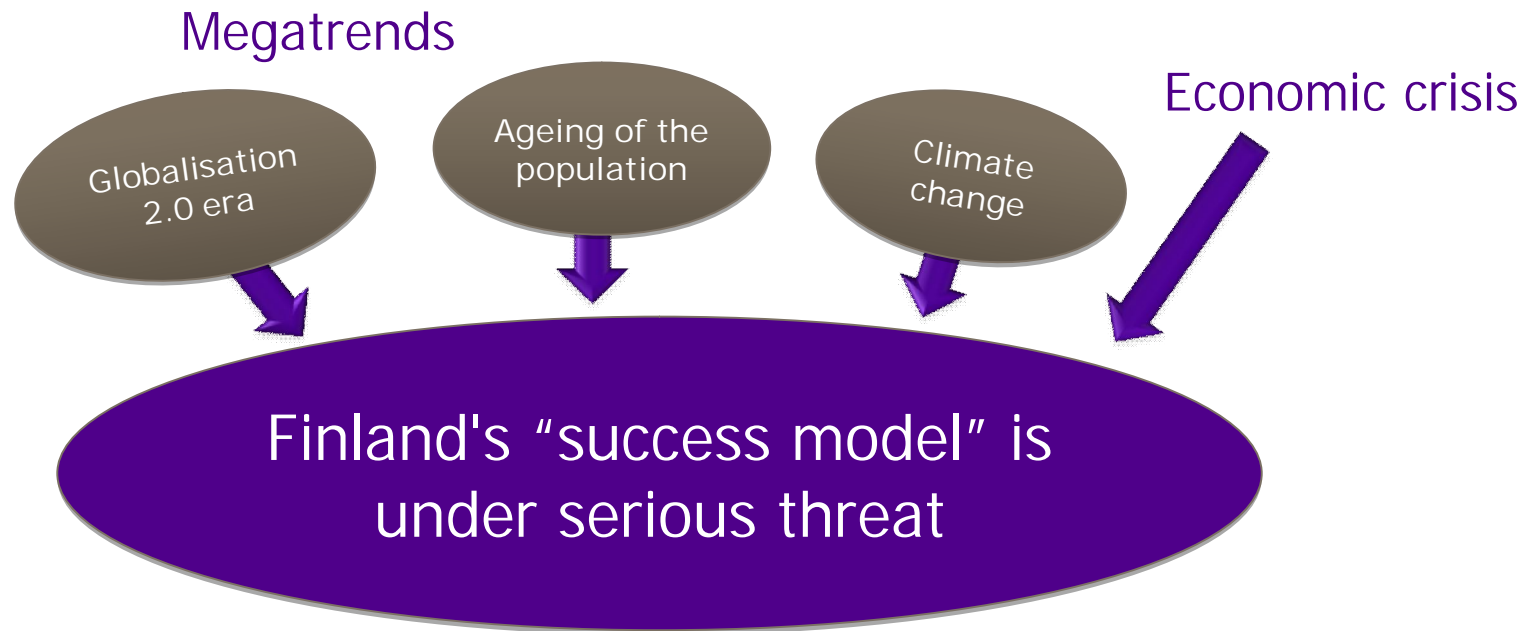Progressive social and education policies

Balanced development
of Economic growth
and
Social justice

= FINLAND'S
SUCCESS MODEL

But the world is changing rapidly...

Megatrends

Economic crisis

Globalisation 2.0 era

Ageing of the population

Climate change

Finland's "success model" is under serious threat
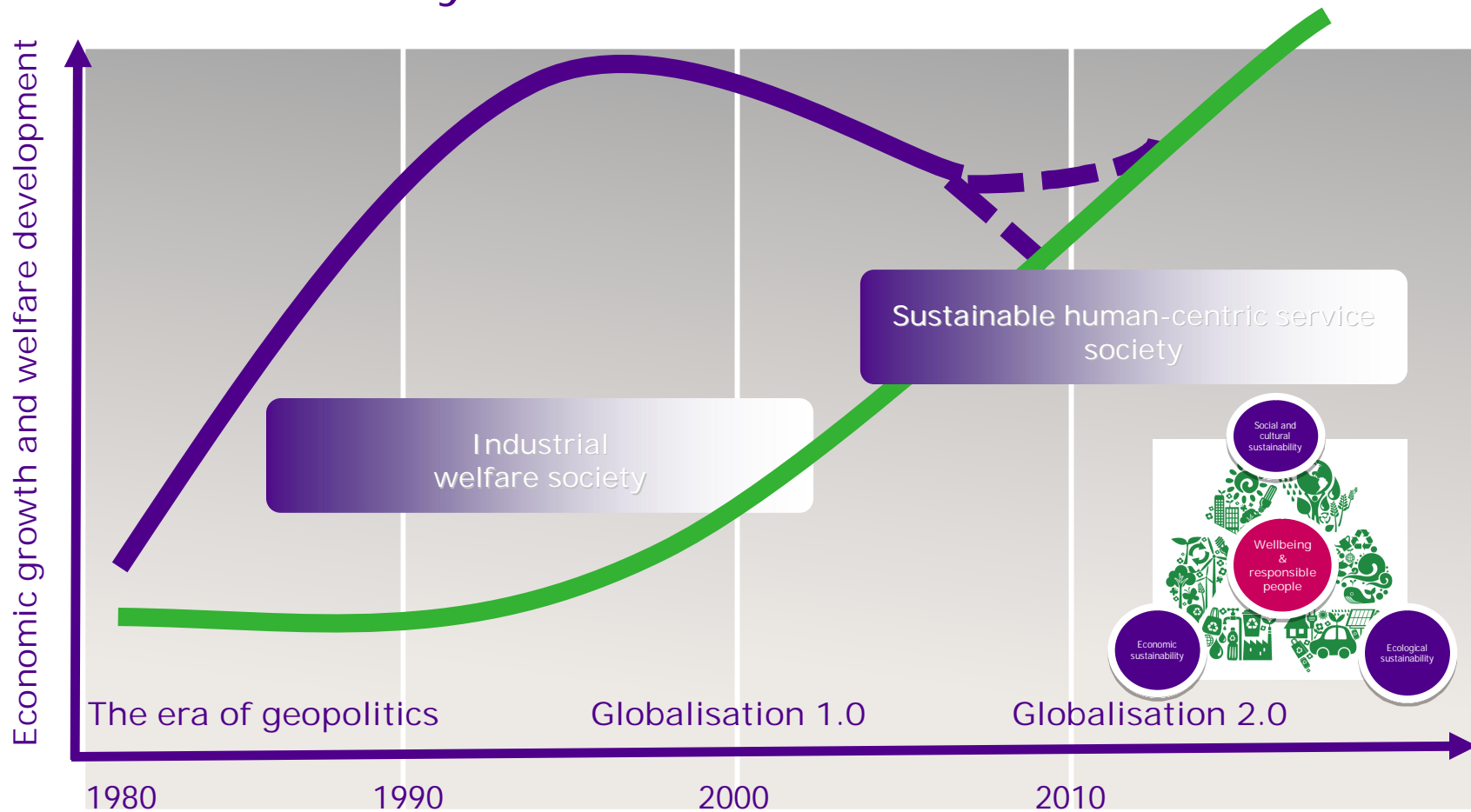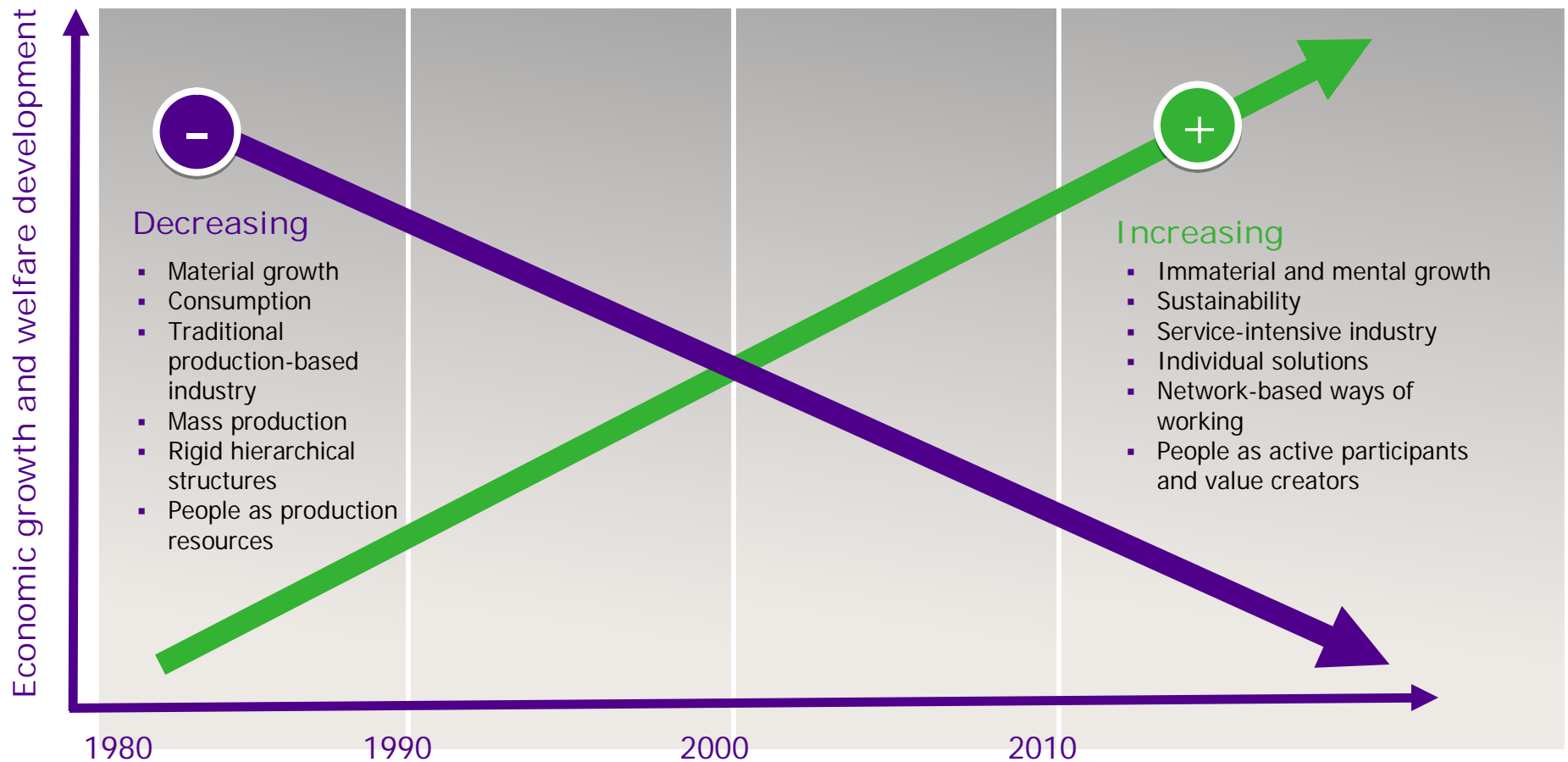
- Finland's traditional industrial structure is rapidly weakening
- Our dependency ratio is becoming rapidly distorted

➢ Major need and opportunity for structural changes

Current challenge: transition from an industrial wellfare society to sustainable, human centric service society

Economic growth and welfare development

Industrial welfare society

Sustainable human-centric service society

Social and cultural sustainability

Wellbeing & responsible people

Economic sustainability

Ecological sustainability

The era of geopolitics   Globalisation 1.0   Globalisation 2.0

1980   1990   2000   2010

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Towards a human-centric service economy

Economic growth and welfare development

Decreasing

- Material growth
- Consumption
- Traditional production-based industry
- Mass production
- Rigid hierarchical structures
- People as production resources

Increasing

- Immaterial and mental growth
- Sustainability
- Service-intensive industry
- Individual solutions
- Network-based ways of working
- People as active participants and value creators

1980   1990   2000   2010

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A paradigm shift in value creation and leadership

Has Finland become prisoner of our own success?

Growth/
wellbeing

Tunnel vision: Can we see our new opportunities with open eyes?

Imprisoned resources: Can we re-target our resources?

Organizational politics: Can we make the necessary "painful" decisions?

1960   1990   2010   Time
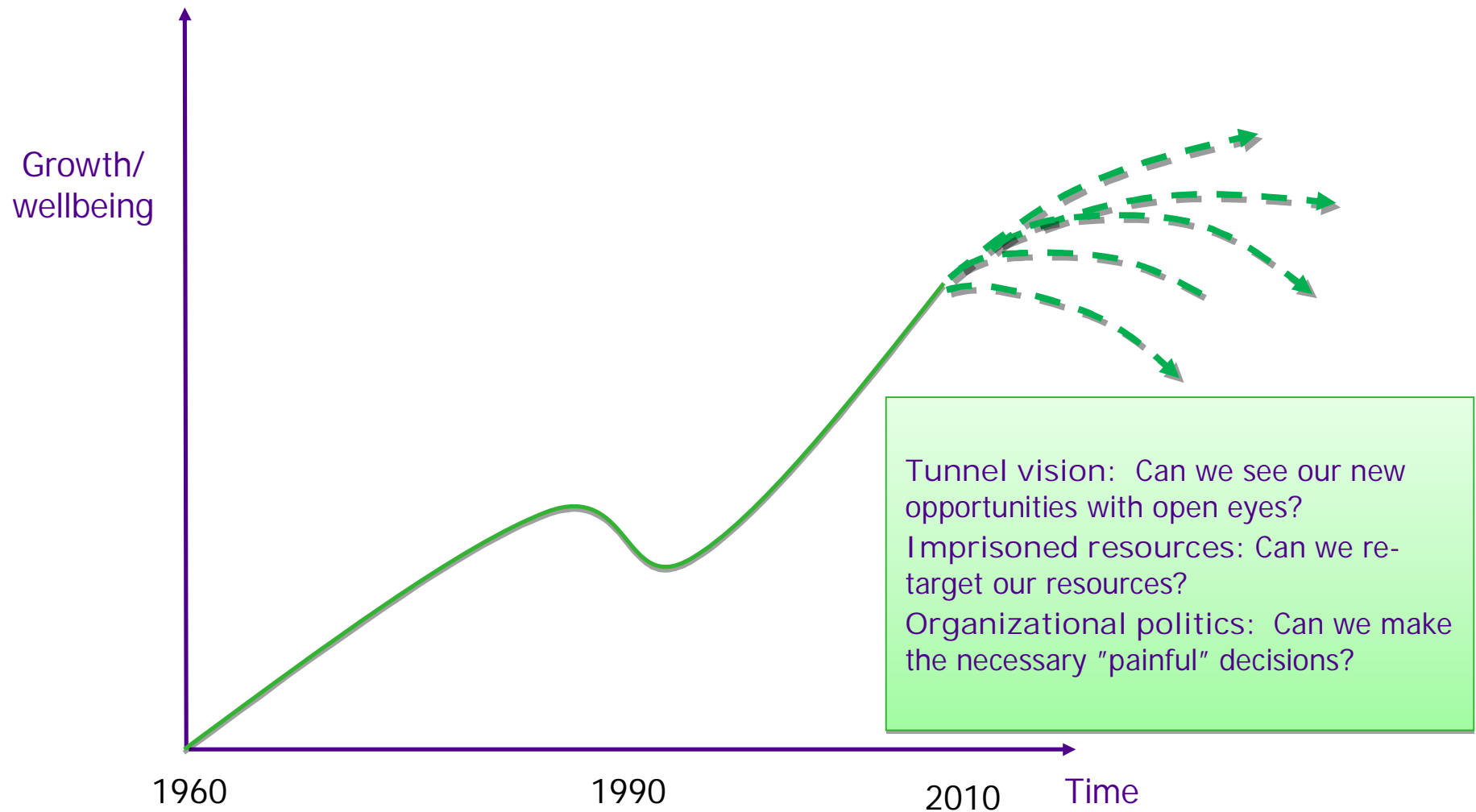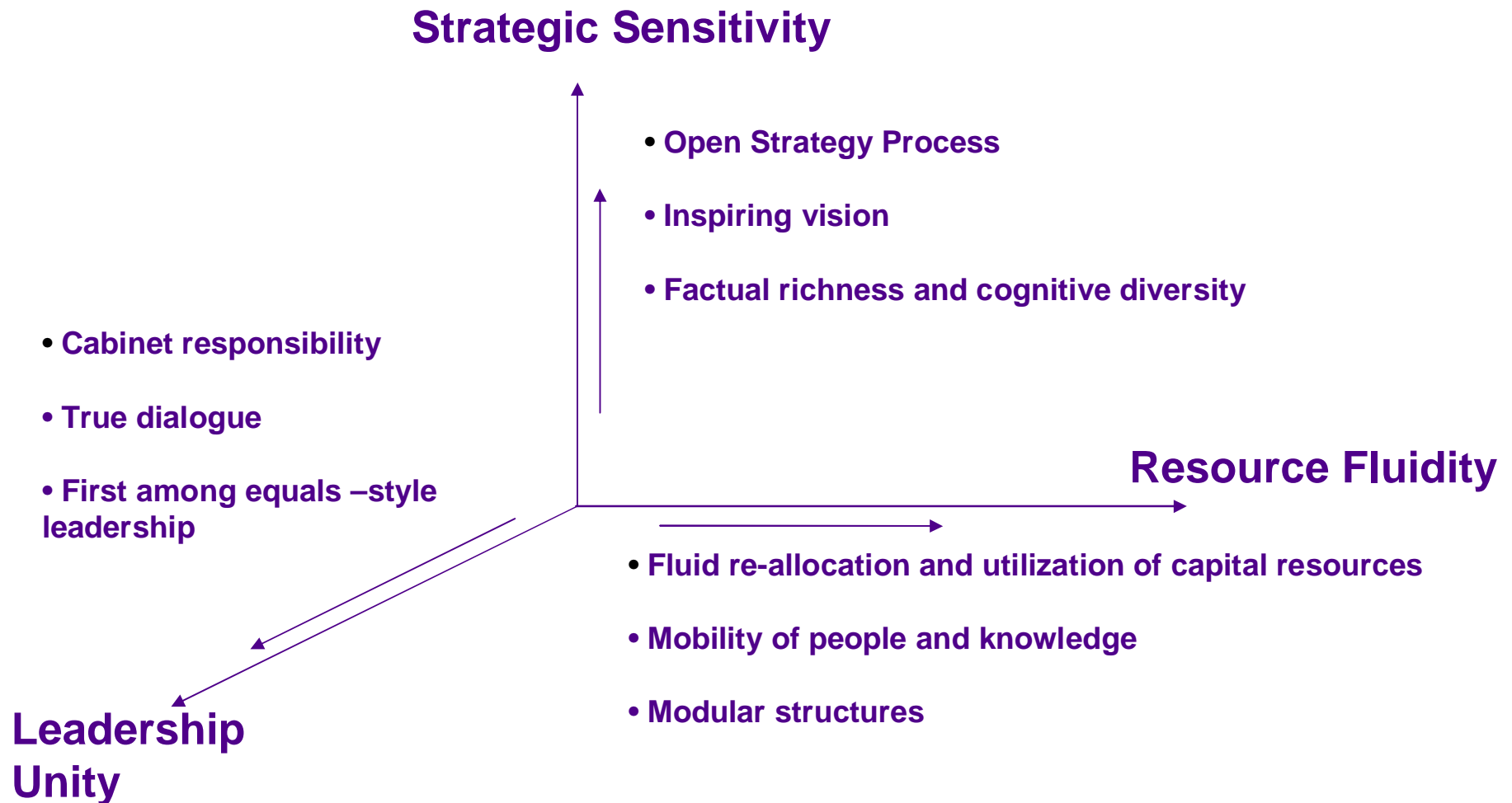
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Strategic Agility imperative

Most organizations (and countries) die not because they do

the wrong things, but because they keep doing what used to b

the right things for too long…

Why Strategic Agility Now?
Why so hard ?

Fast

Speed
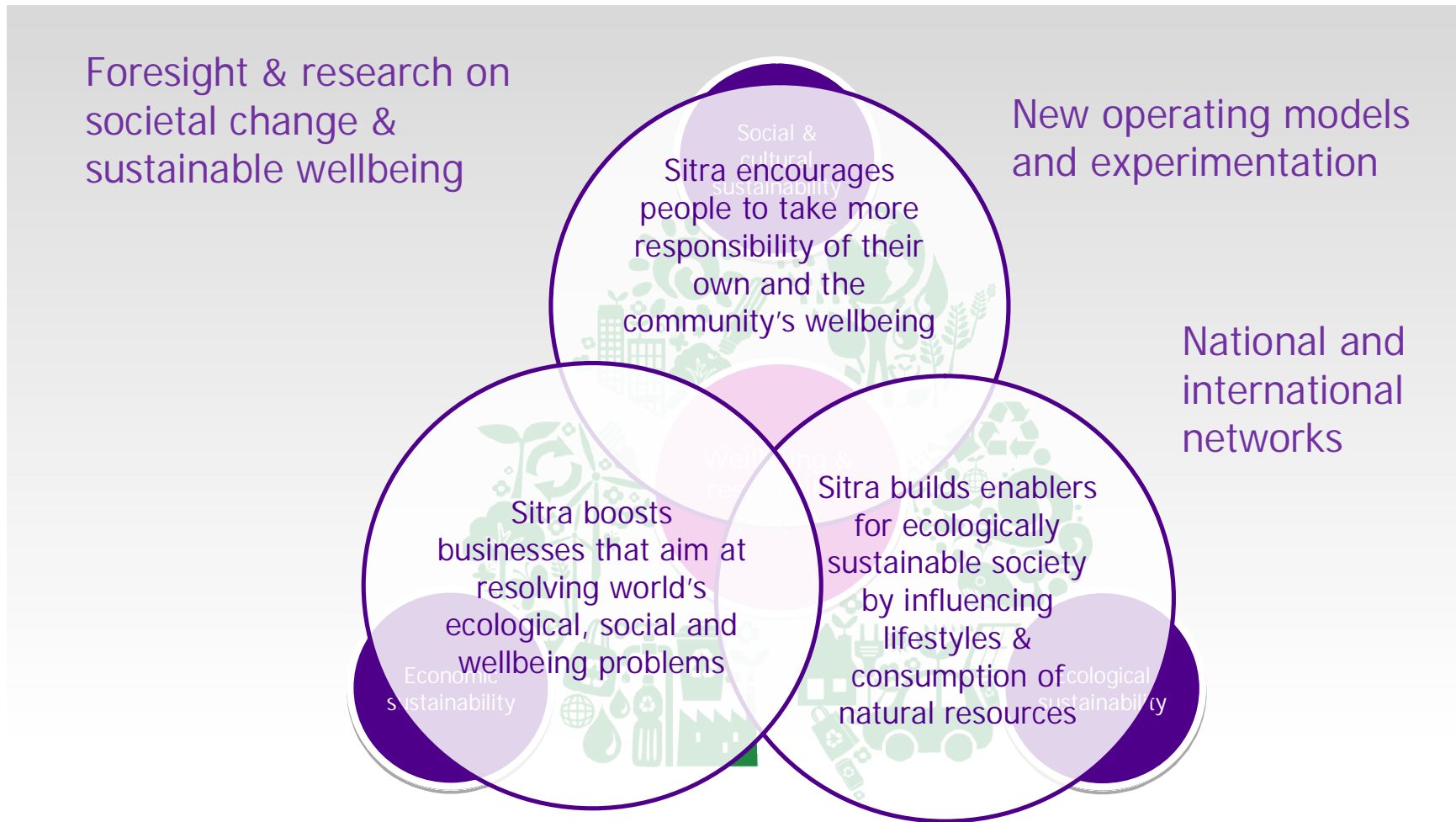of Change

Slow

Corporate
Entrepreneurship/
Decentralization

Strategic
Agility

Bad management

Performance pressures

Focus on
Operational
Excellence

Strategic
Planning/
Integration

Simple/
Linear

Nature
of Change

Complex/
Systemic
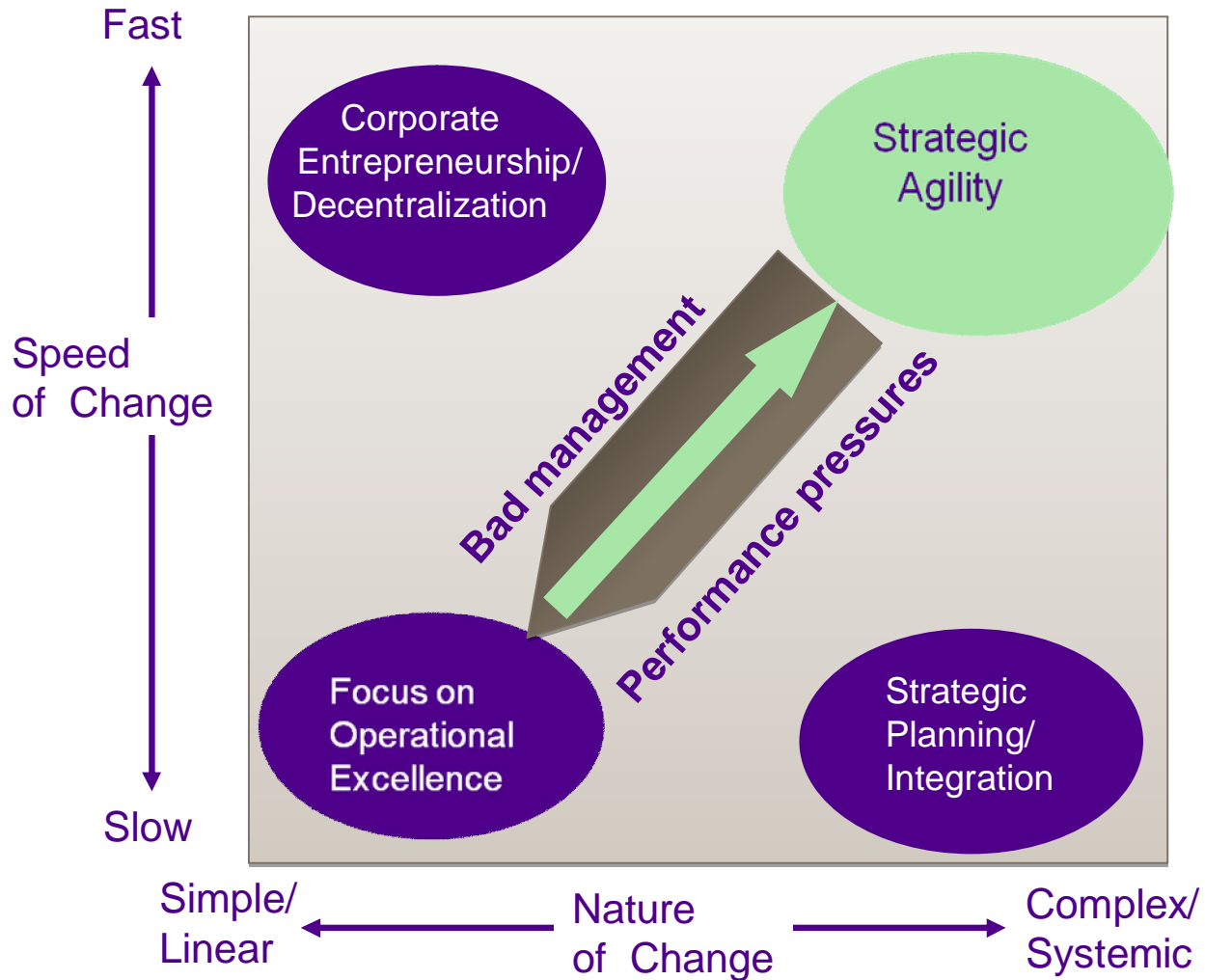
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Sitra helps Finland to be more strategically agile

Strategic Sensitivity

- Open Strategy Process

- Inspiring vision

- Factual richness and cognitive diversity

- Cabinet responsibility

- True dialogue

- First among equals –style leadership

Resource Fluidity

- Fluid re-allocation and utilization of capital resources

- Mobility of people and knowledge

- Modular structures

Leadership Unity

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Sitra's Vision: Finland succeeds as a global pioneer in sustainable well-being

Social and cultural sustainability

Wellbeing & Responsible people

Economic sustainability

Ecological sustainability

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Sitra's goals (what and how?)

Foresight & research on societal change & sustainable wellbeing

New operating models and experimentation

National and international networks

Social & cultural sustainability

Sitra encourages people to take more responsibility of their own and the community's wellbeing

Sitra boosts businesses that aim at resolving world's ecological, social and wellbeing problems

Sitra builds enablers for ecologically sustainable society by influencing lifestyles & consumption of natural resources

Economic sustainability

Ecological sustainability

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Sitra's key projects

Social & cultural sustainability

Economic sustainability

Ecological sustainability

Taltioni

Business opportunities based on open data

Usage-based economic models

Resource-efficient economic regions

New governance Models for SA

Sustainablility thru closed material cycles

The social education
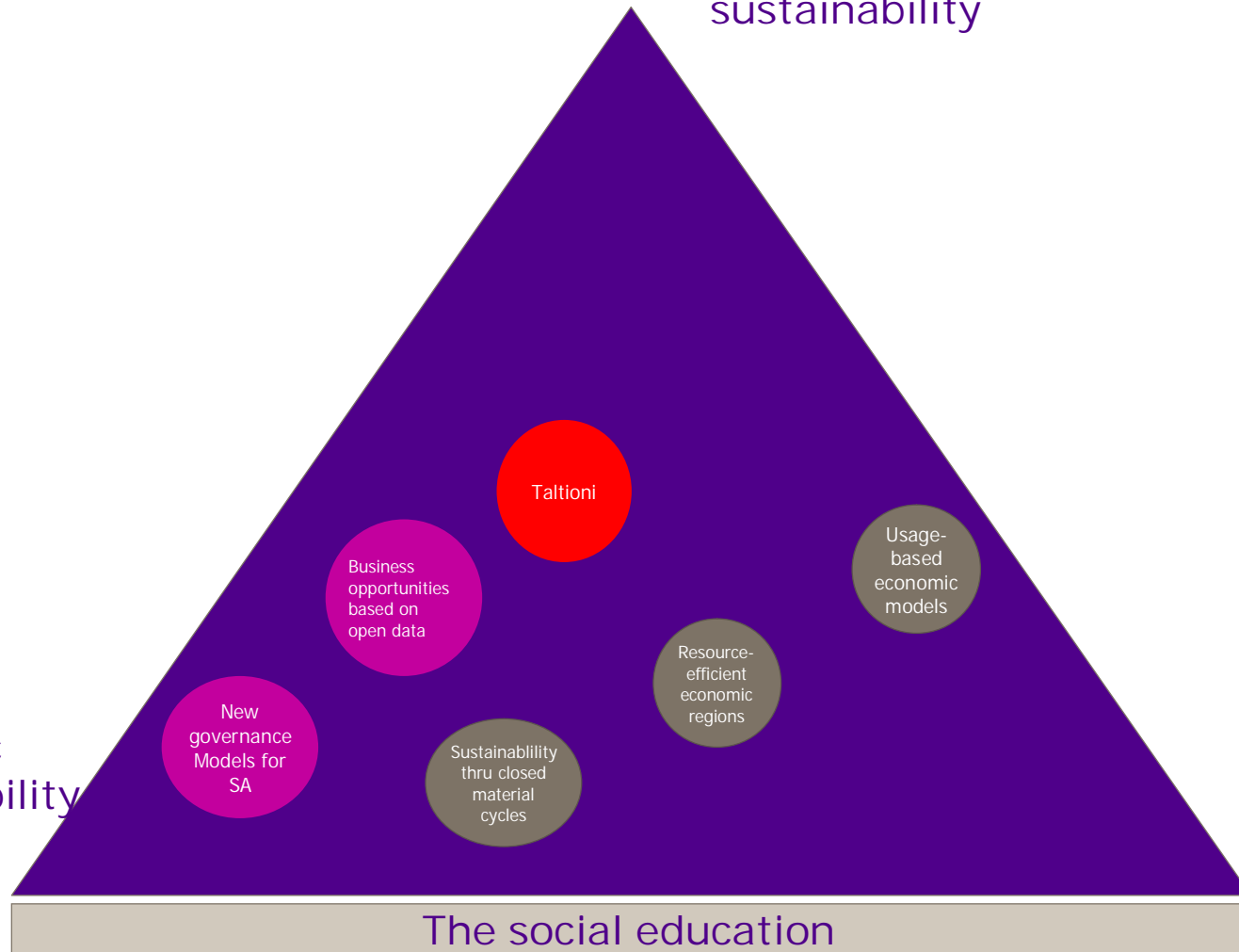
Empowering Citizens
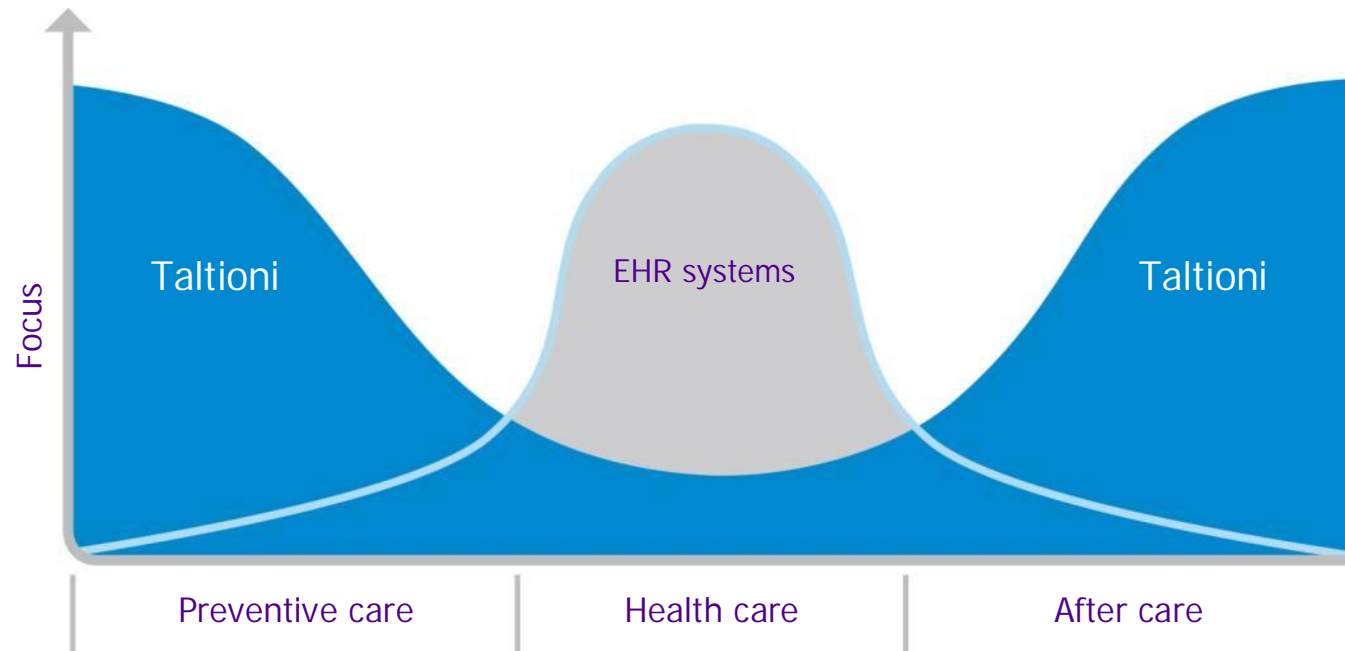
Using advanced eHealth services citizens can take control of their well-being before poor health can cast its shadow.
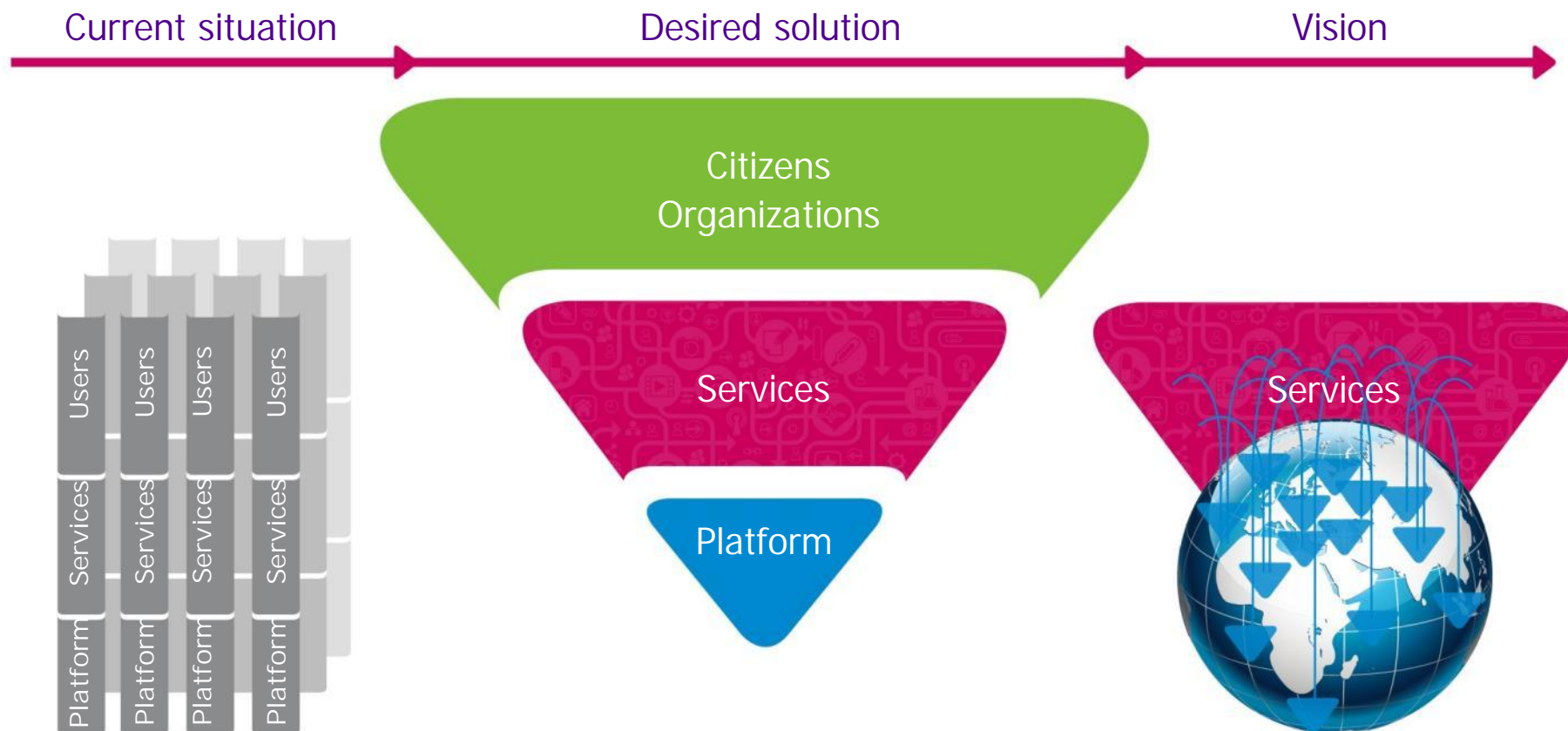
The variety of eHealth services enables citizens to take a holistic view of their own health.

Healthcare professionals can use the wealth of background data stored in Taltioni.

Taltioni enables a smooth information flow between professionals and systems.

Advanced eHealth services enable efficient and effective after treatment. Quick responses to changes in healing processes and personal treatment facilitate faster recovery.

From silos to ecosystem

Current situation | Desired solution | Vision

Citizens Organizations

Services

Platform

Services

Users — Services — Platform (repeated across silos)

From municipal, company, hospital district based silos...

...toward national solution, where rich database and growing eHealt ecosystem enables better services for citizens and organizations...

... and creates global opportunities for Finland and Finish companies.

23.5.2012

Sitra's Vision: Finland succeeds as a global pioneer in sustainable well-being

Thank you!

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Wharton School Publishing

HOW STRATEGIC
AGILITY WILL HELP
YOU STAY AHEAD
OF THE GAME

FAST STRATEGY

YVES DOZ & MIKKO KOSONEN

For more information

please contact:

E-mail: strategicagility@insead.edu

Taltioni Cooperative

Third sector

Public sector

Private sector

Taltioni Cooperative

The cooperative brings the service providers together. Taltion enables smooth information flow between the public, private and third sectors. Taltioni lays down the basic rules for the ecosystem.

Service providers can be competitors, but they share a common interest in promoting the Taltioni ecosystem. The breadth and depth of the information in the database will enhance the services of all.

TALTIONI

When is Strategic Agility most needed?

Growth (vertical axis)

Time (horizontal axis)

Strategic Agility

Strategic Rigidity

Operational Excellence

Entrepreneurial Insight and Flexibility
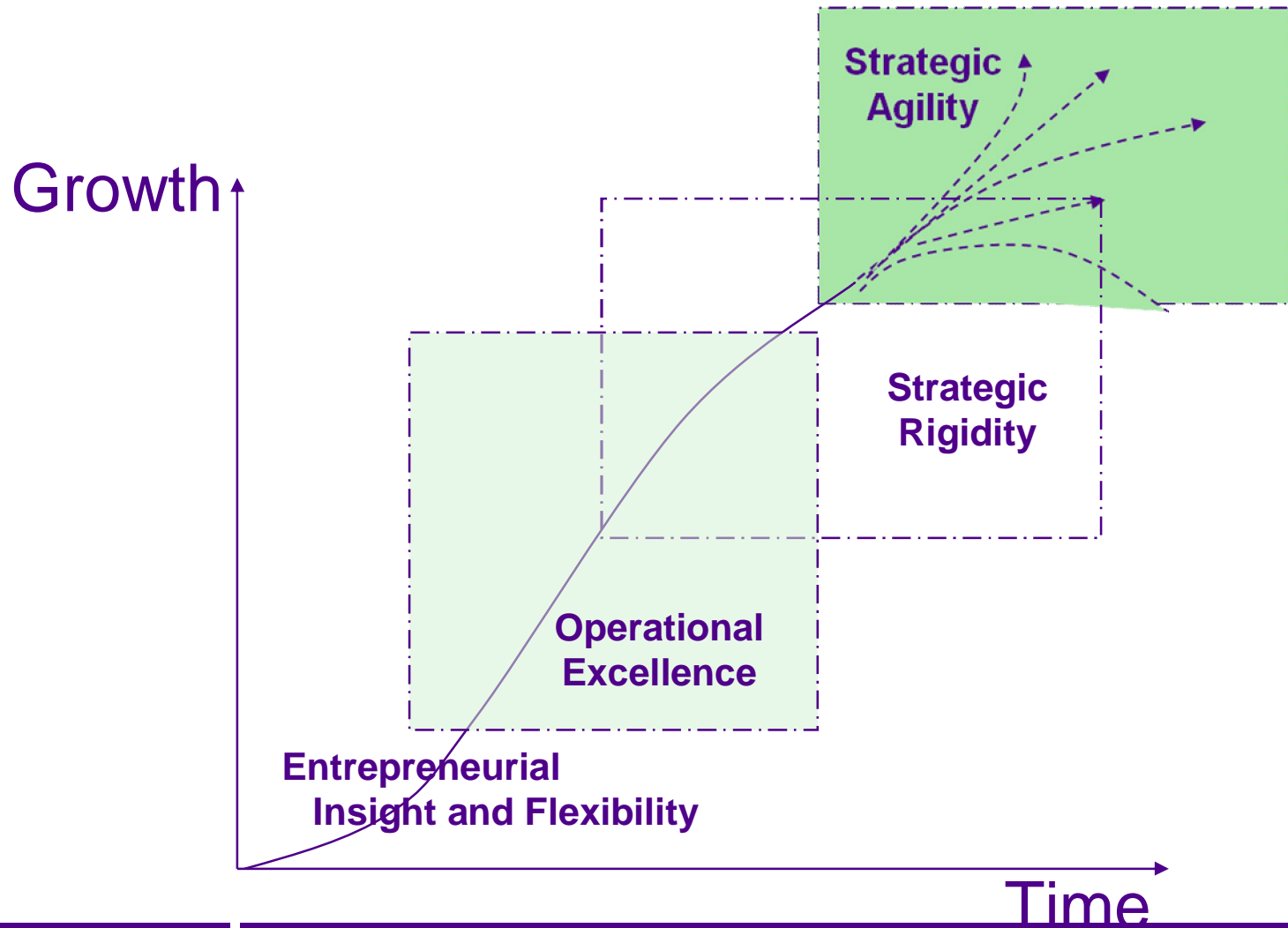
Drivers of Strategic Sensitivity

Co-strategizing with multiple stakeholders

Experimentation

→ **Strategy**

Stretched and Contradictory goals

Open business definition

→ **Heightened Strategic Alertness**

Factual and conceptual richness

Cognitive diversity

→ **High Quality Internal Dialogue**

→ **STRATEGIC SENSITIVITY**

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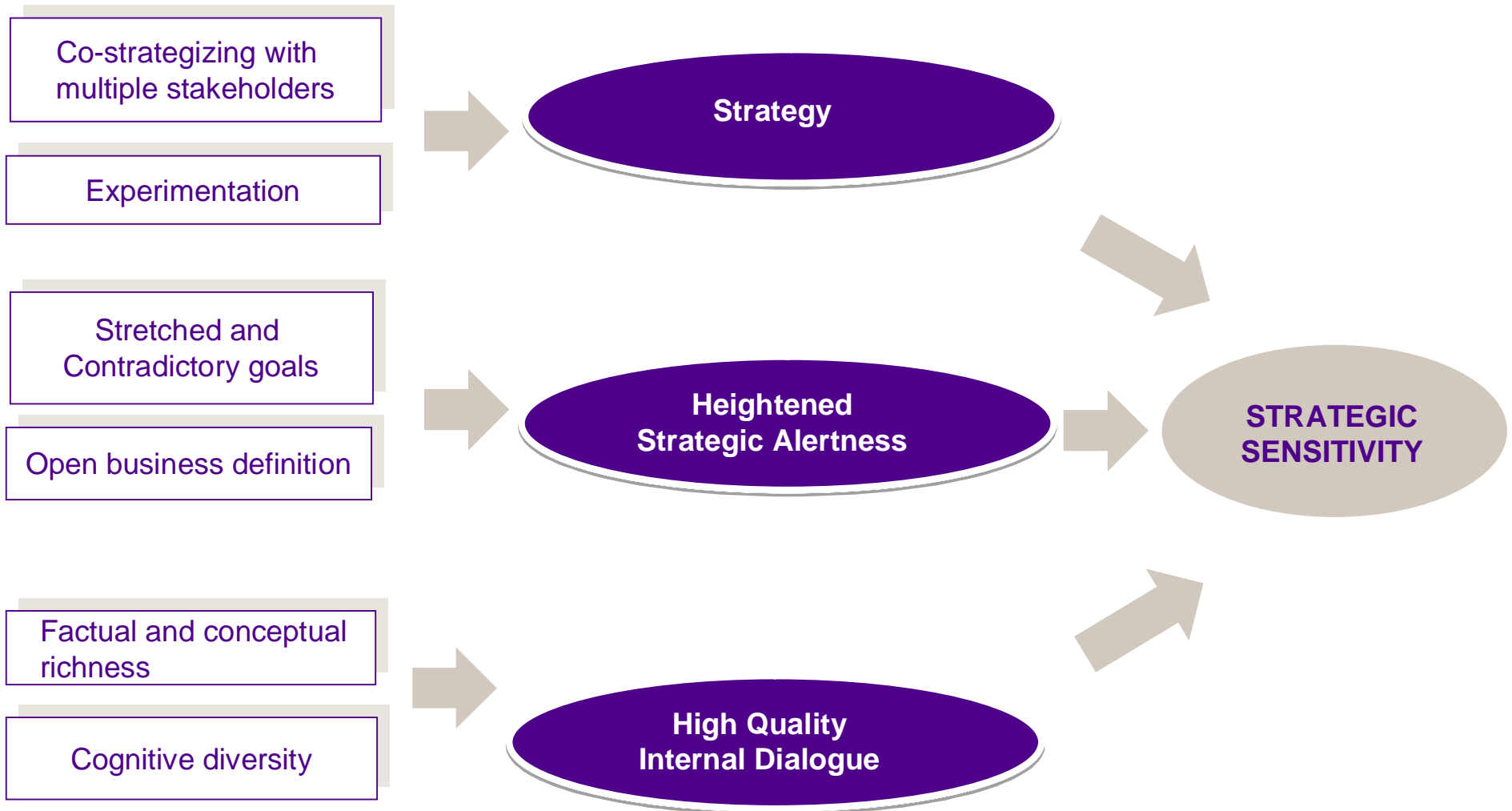
Drivers of Leadership Unity

Shared agenda & incentives

Mutual dependency

Cabinet responsibility

Embracing conflict + dialogue

Institutionalized top team renewal

Top team collaboration

LEADERSHIP UNITY

CEO First among peers

Capability to play multiple roles

Leadership style and capabilities of the CEO

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© Sitra 2009
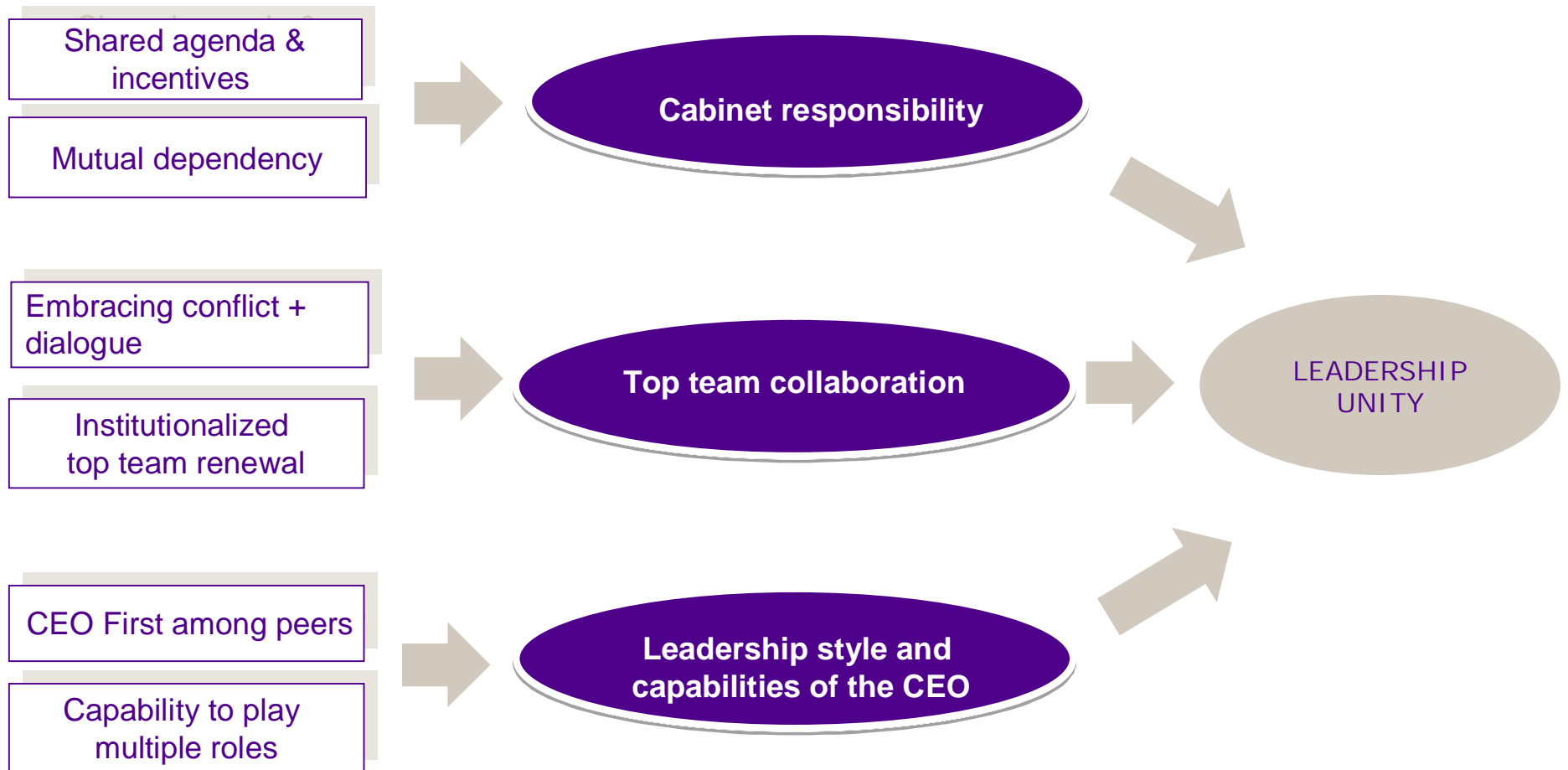
Drivers of Resource Fluidity

Dissociating results from resource ownership

Assumption based planning/resource allocation process

→ **Fluid Re-allocation and Utilization of Capital Resources**

Institutionalized job rotation

Values and management system emphasizing knowledge sharing

→ **Mobility of People and Knowledge Sharing**

'Plug and Play' modular structures

→ **Modular structures**

→ **RESOURCE FLUIDITY**

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Key Capabilities enabling Strategic Agility

Strategic Sensitivity

- **Open Strategy Process**

- **Heightened Strategic Alertness**

- **High Quality Internal Dialogue**

- **Cabinet responsibility**

- **Top team collaboration**

- **Leadership style and capabilities of the CEO**

Resource Fluidity

- **Fluid re-allocation and utilization of capital resources**

- **Mobility of people and knowledge**

- **Modular structures**

Leadership Unity

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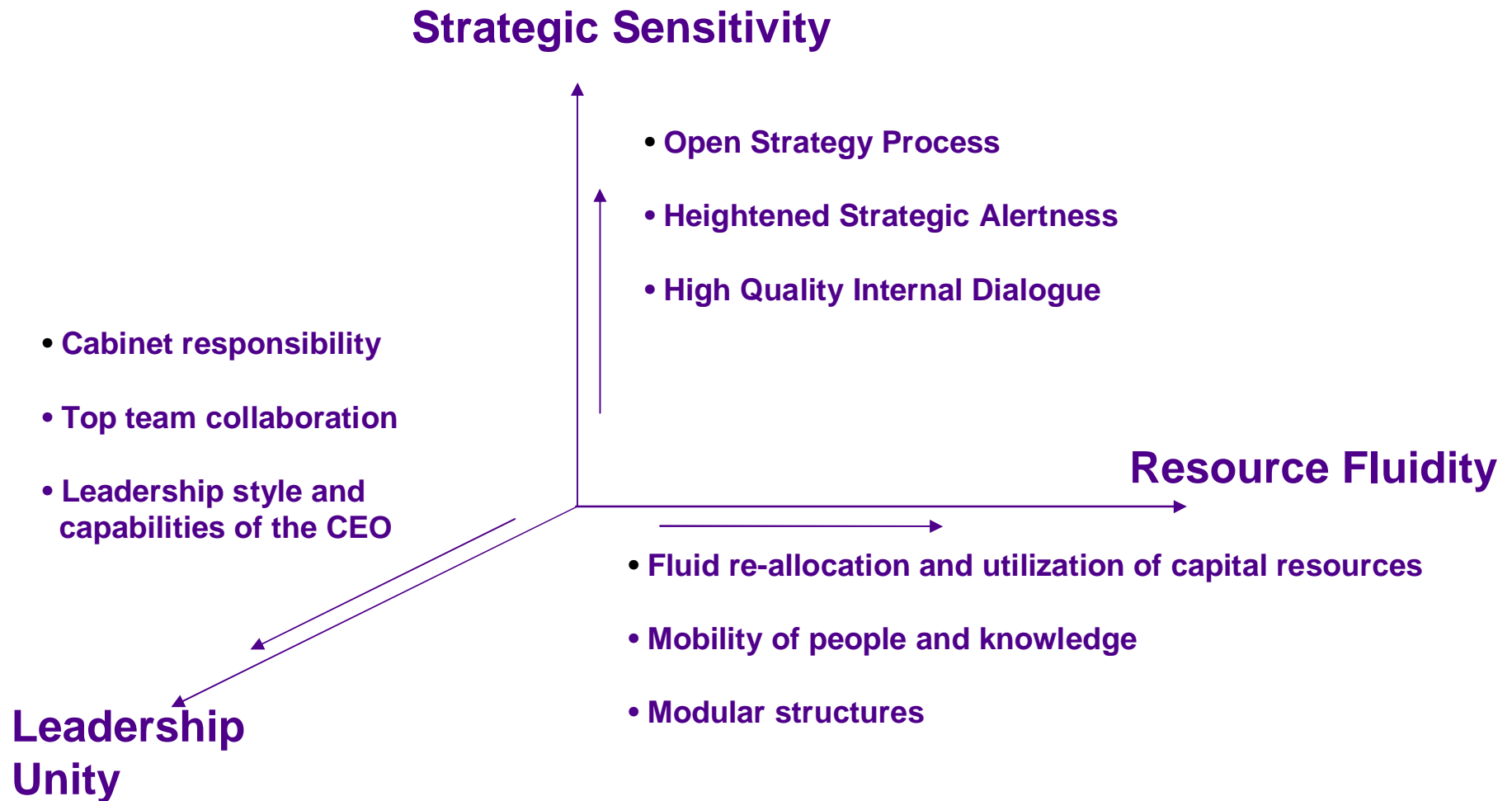
The Risks of 'Dead Ends' in developing Strategic Agility

Strategic Sensitivity
Resource Fluidity
"The Perils of Resource Fluidity"
Leadership Unity

Strategic Sensitivity
Resource Fluidity
"The Risk of Being too Smart"
Leadership Unity

Strategic Sensitivity
Resource Fluidity
"The Risk of Being too Fast"
Leadership Unity

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Taltioni – the Finnish PHR Ecosystem

Anatomy of the Taltioni Ecosystem

Citizens see Taltioni as a range of services that they can use at the same time and which are all compatible. These services can utilize information stored by any Taltioni service.

Taltioni means that citizens are in charge of the data stored in the database - they own their own data. They can decide who or what service can access the data. Professionals can access the data using specific services designed for the purpose.

Services can be used via mobile, the web or any other UI. There might even be services with no UI. Taltioni does not restrict the way a service functions. Taltioni controls what data can be used and the datamodel/interface needed when accessing and storing data.
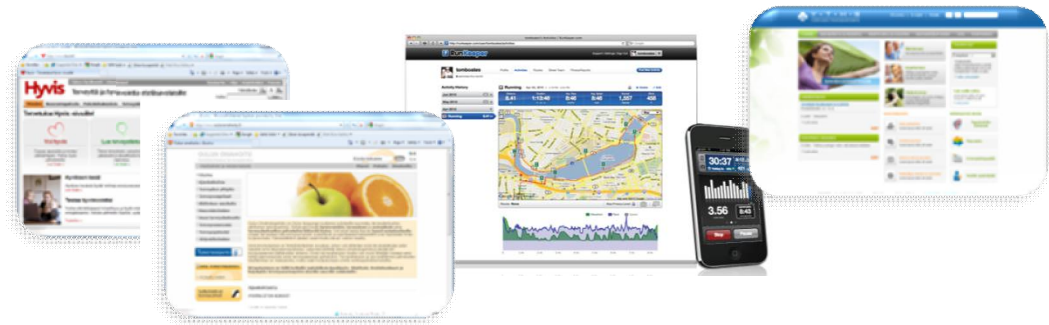
From a technical perspective Taltioni is a secure database for all Taltioni services. It also provides some common services for the services (for example, authentication). A service can store all or part of its data on Taltioni.

Accumulating data for well-being
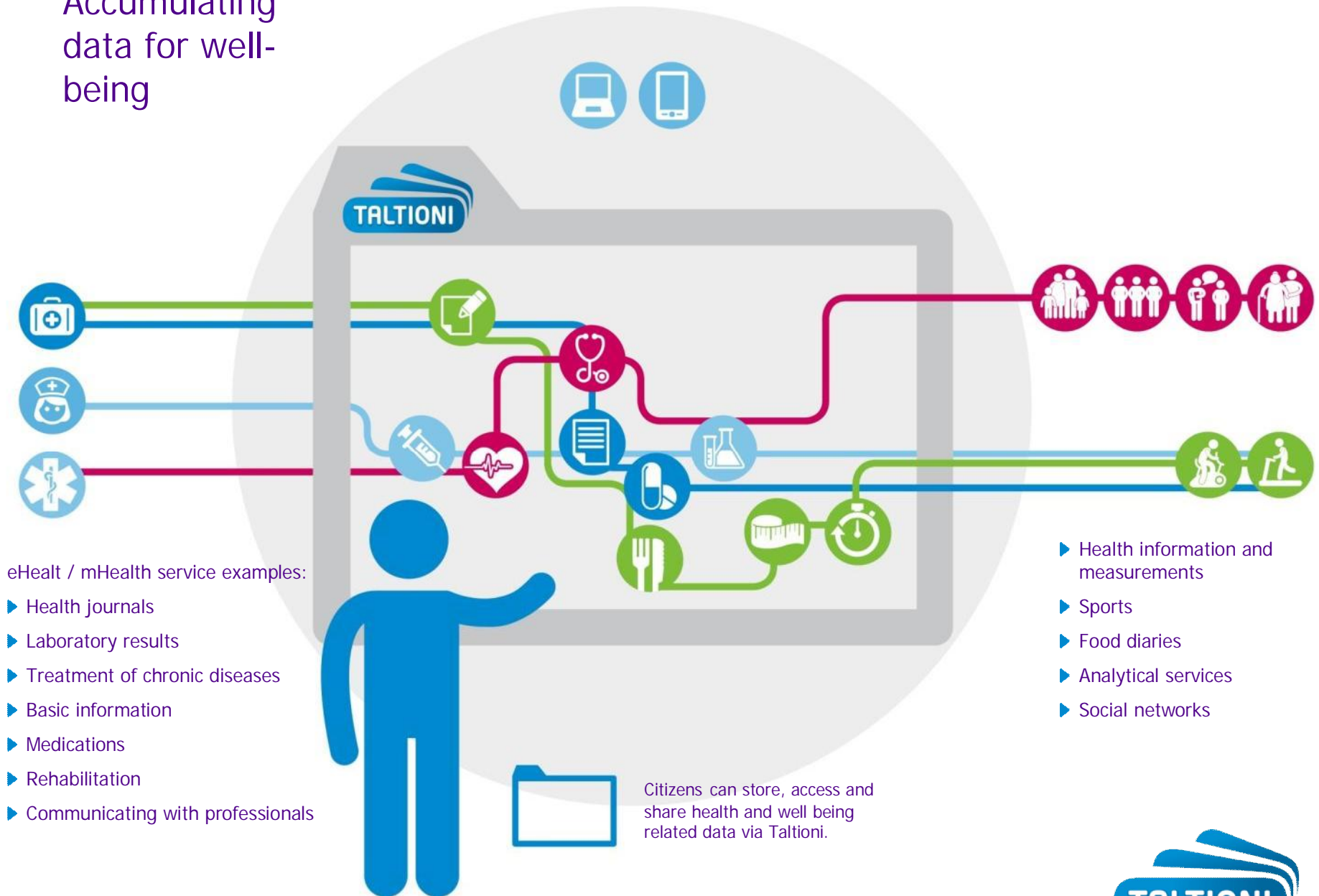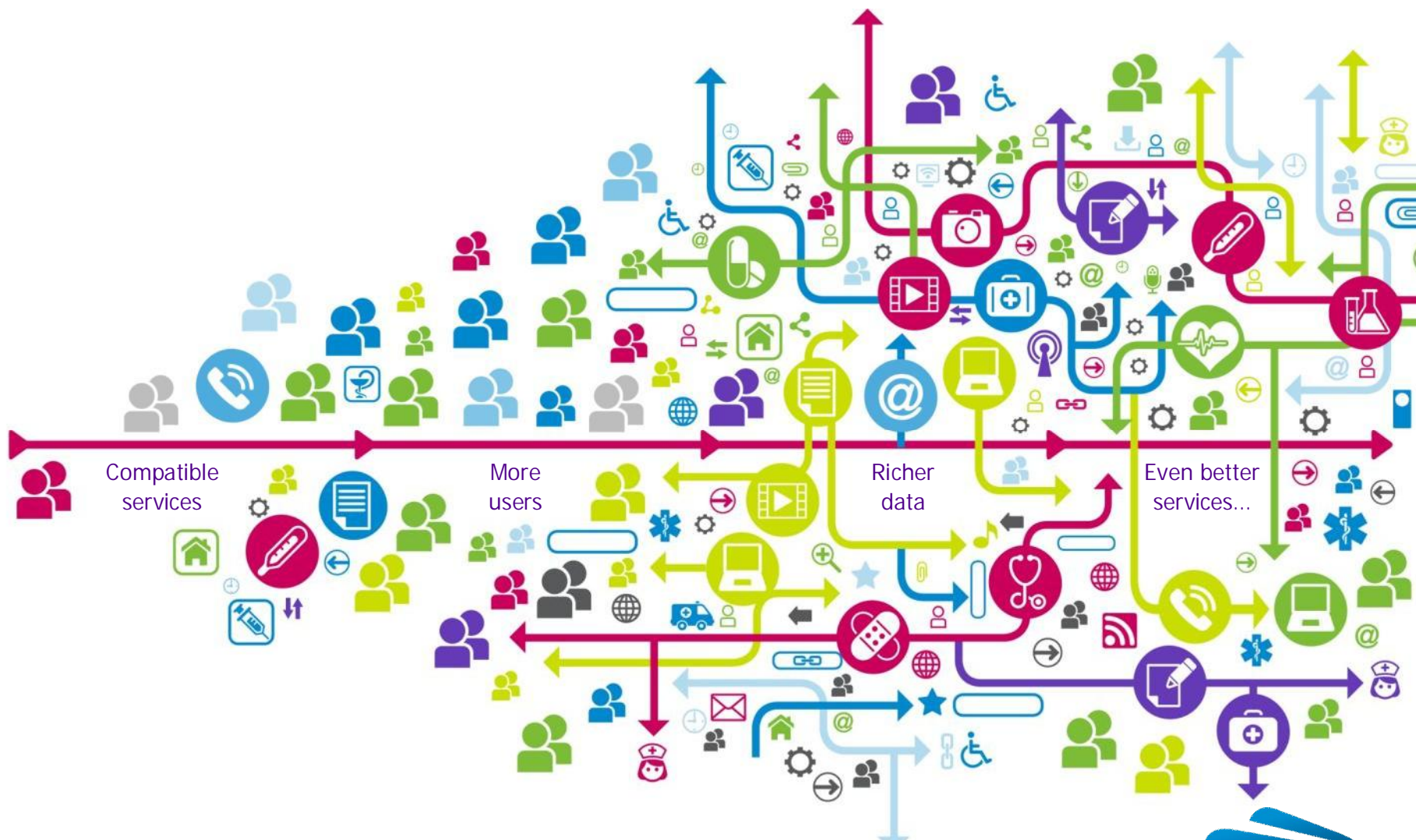

eHealt / mHealth service examples:

- Health journals
- Laboratory results
- Treatment of chronic diseases
- Basic information
- Medications
- Rehabilitation
- Communicating with professionals

- Health information and measurements
- Sports
- Food diaries
- Analytical services
- Social networks

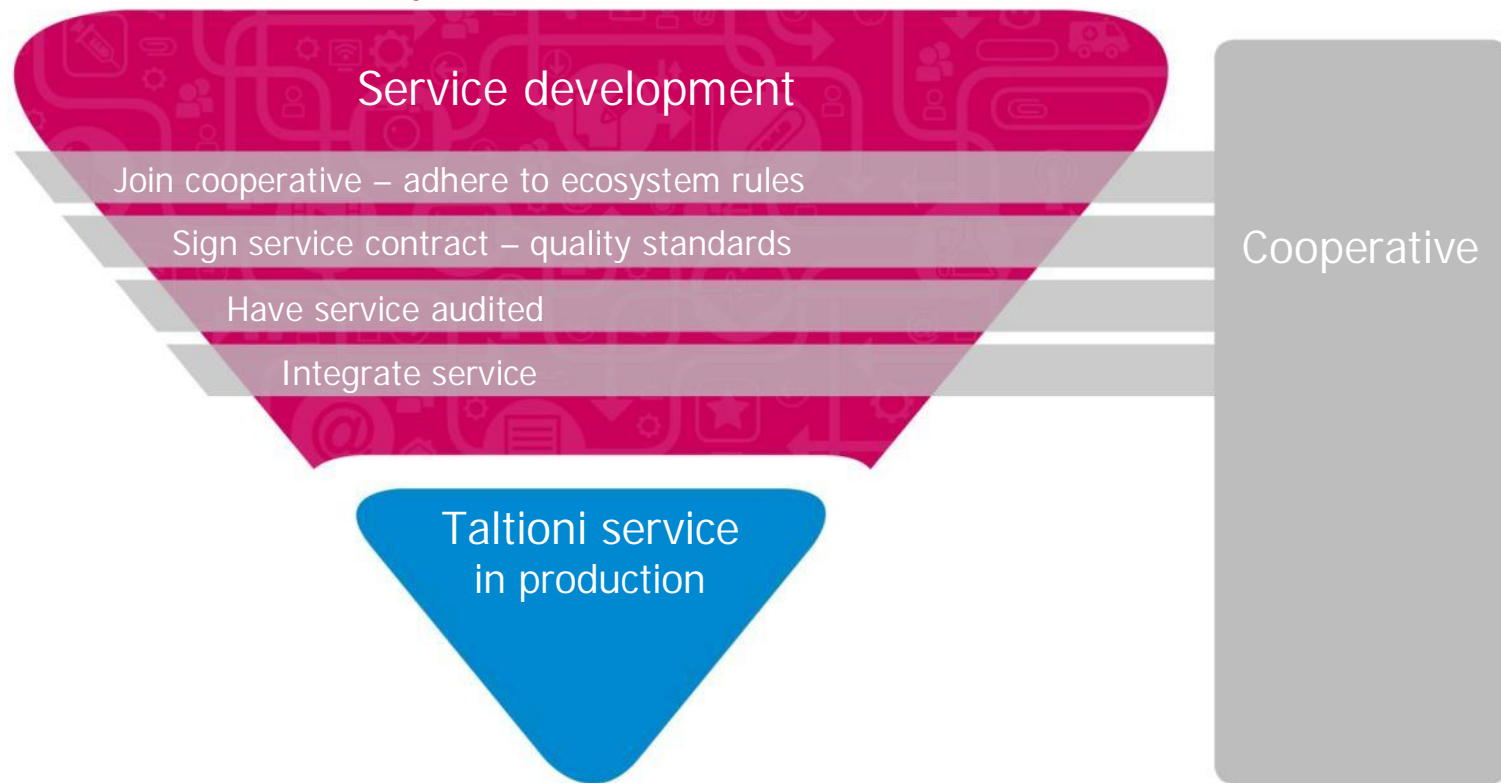Citizens can store, access and share health and well being related data via Taltioni.

TALTIONI

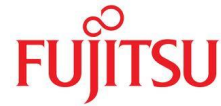5/23/2012

Snowball Effect

Compatible services

More users

Richer data

Even better services…

From paper to Taltioni

A concept or existing service not compatible with Taltioni

Service development

Join cooperative – adhere to ecosystem rules

Sign service contract – quality standards

Have service audited

Integrate service

Taltioni service in production

Cooperative

Taltioni Cooperative Members

active life VILLAGE OY

BCB medical

SPORTTI PASSI

FUJITSU

GREYCRUNCH

tiera

DUODECIM

Lääketietokeskus Pharmaceutical Information Centre

Mawell

MEDICONSULT

Medi-IT Hyvinvoinnin ratkaisut

medippon

MEDIWARE

MEDIXINE

MEHILÄINEN

MYLAB LABORATORY INFORMATION SERVICES

NOKIA

TINNOFF

Pohjola

ProWellness

sensorfit

STOMPWELL

Kuntaliitto Kommunförbundet

Terveystalo

VTT

eKlinikka

Kansallinen Lääkeinformaatio-

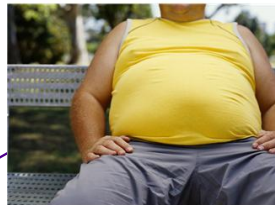Y·T·H·S YLIOPPILAIDEN TERVEYDENHOITOSÄÄTIÖ

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23.5.2012

Taltioni Cooperative Responsibilities

- Platform maintenance and development
- Taltioni brand management
- Technical and content-related quality management
- Set up rules for ecosystem
- Blank agreements with different parties

Business model, example

Visits occupational healthcare and shows to doctor old lab result from different healthcare unit. Doctor recommends new lab test and more exercise. All data connects to Taltioni. Employer pays healthcare and use of ehealth service

Visits municipal healthcare center to treat chronic disease. Doctor see all history data and home monitoring results from Taltioni.

Buys gym card which includes electronic sport diary

Buys blood pressure monitoring device. Device includes service that sends values direct to Taltioni

Occupational healthcare eHealt service	Public healthcare eHealth service	Gym's web based sport diary	Blood pressure home monitoring service
5€/year	5€/year	5€/year	5€/year

Taltioni cooperative

Taltioni platform

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Thank You!