



Bridging the gap between public and private sectors

Kiah Consulting's innovative approach unlocks project value through focus on critical thinking and negotiation.

Linking critical thinking and negotiation boosts contributions from project stakeholders, reduces conflict, and creates significant long-term value for stakeholders.

That is the view of John Glenn, Managing Director of Kiah Consulting, and one of Australia's leading experts on public-private sector negotiation and project strategy.

'You can't move forward on a project unless you can look at the world and yourself insightfully,' says Glenn. 'Almost every project move requires you to negotiate and influence.'

As founder of Kiah, an in-demand strategy consulting firm that works at the intersection of the public and private sectors, Glenn has advised on hundreds of negotiations from concept to contract, and has helped many troubled projects to get back on track.

'It takes courage for leaders to invite and listen to objections that might be valuable,' says Glenn. 'They probe, critically appraise viewpoints and look for supporting data.'

Traditional approaches do the opposite. For example, a department manager develops a business case for a project and distributes it internally for comment. The paper defends the manager and their position, who then fights to reject arguments against it.

'This approach is a demand for conflict, not contribution,' says Glenn. 'Inevitably, this flows into the tender process and project negotiation.'

The department and supplier each try to defend their position, and the negotiation is about who loses the least.

'If you have a project that's not working well, you have to appraise performance critically. That requires honest and insightful self-reflection. The people who dug the holes are unlikely to help fill them in, without help. If they made a choice that caused a problem, the tendency is to defend that choice rather than to review it. It is the foundation for dispute,' adds Glenn.

Simplistic management reporting and a 'good news bias' obstruct critical thinking. Glenn says management dashboards and 'traffic lights' can hide trends, mask issues and encourage excessive positivity. 'Projects are littered with examples of having "green dashboards" right until the point of collapse. There wasn't encouraging constructive debate, critical thinking and reflection early in project planning.'

A better way

Kiah encourages clients to use hypothesis-based thinking – an approach Glenn believes is more inclusive, faster and more effective. It begins with framing proposals as a hypothesis to be tested and strengthened through rapid iteration.

For example, a government organisation might hypothesise that it can run its vehicles on biodiesel by 2025. The project leader encourages their team to support or object to aspects of the hypothesis. 'Good leaders embrace the objections because delving into those issues gives insight into factors to address,' says Glenn.

The key is encouraging evidence to support objections. 'A team member might argue that running all vehicles on biodiesel by 2025 is too



costly. So, the leader asks for data to support that view. An older member might say their gut feeling is that 2025 is too soon. Intuition can be important in decisions, so the leader weighs up the member's experience and perhaps gives that view a high weighting. This is despite not being supported by data.'

Glenn says that this approach aids critical thinking in three ways. First, it encourages team input earlier in the process and provides a safe space for dissenting views. Second, it tests project elements through evidence. Third, it makes it easier for leaders to be open to feedback and use it to strengthen projects.

'Kiah's model gets to the heart of critical thinking in projects,' says Glenn. 'From the start, it encourages information to be unpacked, probed and reconfigured. It encourages constructive debate, and greater project transparency and collaboration. Most of all, it leads to more effective project design to take into negotiations.'

Kiah considers negotiations a multidimensional activity across the following.

- **Strategy:** Who and how to bring the right people to the table, and how the parties might react as circumstances unfold.
- **Alignment:** Understand the other party's interests and our own, and how to align them.
- **Engaging:** Mostly at the negotiating table, the organisation seeks to understand and resolve the other party's objections to satisfy project objectives.

Public-private sector negotiations are often the opposite, says Glenn. 'Most negotiation training focuses only on "tactics at the table". It's about defending inflexible positions, going back and forth, and creating a winner and loser.'

Kiah's gains for clients

In one example, a government department strongly favoured a vendor, but its cost was too high. The department refused to budge on project specifications, and the supplier would not change its price. Led by Kiah, the parties negotiated a solution. Closer inspection of the tender revealed excessive legal requirements that did not communicate project needs. When legal terms were revised, the vendor reduced the cost by \$15 million, meeting the department's requirement.

In another example, Kiah helped a Defence client save millions in energy costs by changing suppliers. Senior leadership argued for the status quo to remain, so Kiah encouraged a hypothesis to be tested. As arguments were assessed, there was a lack of evidence to support the status quo.

These examples highlight the benefit of Kiah's approach and the reason for its success. Since its 2003 launch, the Canberra-based firm has grown to more than 40 employees, established teams in Sydney and Melbourne, and has opened a larger head office with purpose-built training and negotiation facilities.

More than 90 per cent of Kiah's engagements are repeat work and, unusually, it holds multiple Defence commendations for its work – honours normally reserved for internal staff.

Glenn says Kiah's ability to create a 'shared language' is its core strength. 'The public and private sectors approach projects through different lenses. Kiah consistently finds common ground between the sectors, as well as significant unlocked value in projects that benefit government, industry and the community over many years.'

John Glenn,
Founder and
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To learn more about Kiah Consulting, visit www.kiah.com.

