Driving Change in São Paulo

Educator Guide

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Overview

This Educator Guide is designed to assist instructors in teaching this case to students and practitioners. It is based on case pedagogy, which invites participants to put themselves in the shoes of the protagonist(s) of the case and imagine how they would respond to the circumstances. Participants should read the teaching case in advance and identify key issues as a preliminary step toward meeting the learning objectives. Instructors may then use the time in the classroom to guide participants in exploring the issues and examining the challenges in the case; to introduce key concepts, tools, and frameworks; and to assist participants in applying their learning to their own environments and challenges.

This guide includes learning objectives, a synopsis, key questions, a roadmap for discussion, and appendices with additional pedagogical information and theoretical applications. The roadmap and appendices are offered to initiate meaningful conversation but are by no means the only way to teach the case. Each educator or facilitator should feel free to design their own teaching plans; both the structure and the time allotted for each component are suggestions.

Learning Objectives

The case, "Driving Change in São Paulo," will help students and city leaders identify and navigate the strategic challenges of implementing change, particularly when introducing innovations that disrupt the status quo. These challenges include:

- o Naming and examining stakeholder interest and position to assess potential support or resistance
- o Determining the appropriate pace of implementation
- o Learning by doing; simultaneously designing *and* managing a process of adaptation
- o Reflecting on how to prepare for sustainable success and creating the conditions for consolidation and institutionalization

Case Synopsis

In 2016, after many months of negotiation, the city of São Paulo approved a new ordinance regulating Transportation Network Companies (TNC). The new regulation allowed citizens to take advantage of innovative services and it enabled city leaders to manage the fleet with significant savings as well as unprecedented transparency and data. São Paulo, the first Brazilian city to adopt this model, faced internal responses ranging from vehement opposition to overwhelming support.

The case chronicles the road to implementation, including lessons learned from the TNC ordinance process and the previous pilots. It examines the efforts of key players—including Administration Secretary Paulo Spencer Uebel—to fulfill Mayor João Doria's public commitment to fix the transportation model, consider public opinion, and minimize disruption during Doria's first year in office. The case also explores strategies for implementing innovative practices in government as well as dealing with resistance to change in organizations, especially in the public sector.

Key Questions

1. If you were Uebel at the time of this study, would you have identified that same moment as one poised for change? If so, at what rate would you implement the changes?
2. How would you characterize Uebel's implementation strategy? What would you have done similarly or differently?
3. How did the team adapt during the implementation process? What could they have done better? Would you have had any concerns about the sustainability of the new system going forward?

Roadmap for Discussion (See Appendix 1.)

> **Introduction** (3-10 minutes): Briefly state the goal of the session in reference to the case, cite specific major conflicts facing the protagonist, and foreshadow broader learning objectives.
>
> **Exploration** (45-60 minutes): Use class discussion, "buzz groups," and board work to examine the issues and options confronting the protagonist.
>
> **Diagnosis** (15-30 minutes): Introduce key concepts, frameworks, and tools to help participants pinpoint possible solutions to major conflicts in the case.
>
> **Application** (15 minutes, optional): Ask participants to relate the concepts and frameworks to their own organizations' challenges.
>
> **Wrap-Up and Takeaways** (15 minutes): Review the learning objectives and discuss insights most relevant to participants' organizations' challenges.

Introduction (3-10 minutes)
Briefly review the case and frame the primary subject of the session: identifying and navigating the strategic challenges of implementing change, particularly when introducing innovations that disrupt the status quo.

Exploration (45-60 minutes)
Use the board and appendices to explore questions with the class.

- *When Mayor Doria took office, what options were available to the team responsible for implementing the new model? What was lacking?*
     (See Appendix 2, Board plan 1.)

- *What strategy options were available in that context?*
  List options and divide them into three variables: speed, extension, and participation.
     (See Appendix 2, Board plan 2.)

- *What were the main stakeholders' perspectives on gain, loss, and source of power?*
  List the main stakeholders and evaluate their perspectives on these terms.
     (See Appendix 2, Board plan 3.)

Diagnosis (15-30 minutes)
- *What strategy was chosen and how did it impact the initiative's implementation?*
  List actions within the adopted strategy and relate these actions to concepts in the readings.
  (See Appendix 2, Board plan 4.)

- *What were the challenges for sustaining the changes?*
  Go back to Board plan 3 and consider the role of each stakeholder in sustaining or undermining the proposed change. Concepts such as "guiding coalition," "nurturing vision," "short-term wins," and "embedding change in corporate culture" should be considered in a medium- to long-term process.

  Other considerations:
- *What considerations would be necessary when a new mayor takes office?*
- *What if other key actors (Uebel or Batista) leave their positions?*
- *How does data on savings and efficiency impact decision-making?*
- *What was the impact of a change in legislation? (Blocking renewal of cars)*
- *What were the costs of switching vendors?*
- *What if the provider had gone bankrupt?*

Application (15 minutes, optional)
Have students work together in groups or in plenary to apply the concepts and frameworks to their own change challenges. Questions to consider:
- *What changes are you promoting? How can you improve your strategy?*

Wrap-Up and Takeaways (15 minutes)
Summarize the process and learning objectives. Based on your discussion, consider exploring the responsibilities (intellectual, political, and moral) of enacting change. Discuss insights most relevant to participants' organizations' challenges.

Suggested Reading

Sanderijn Cels, Jorrit de Jong, and Frans Nauta, *Agents of Change* (Washington, DC: Brookings Institution Press, 2012).

J. Kotter, "Leading Change: Why Transformation Efforts Fail," *Harvard Business Review*, (1995) 73(2), 59-67.
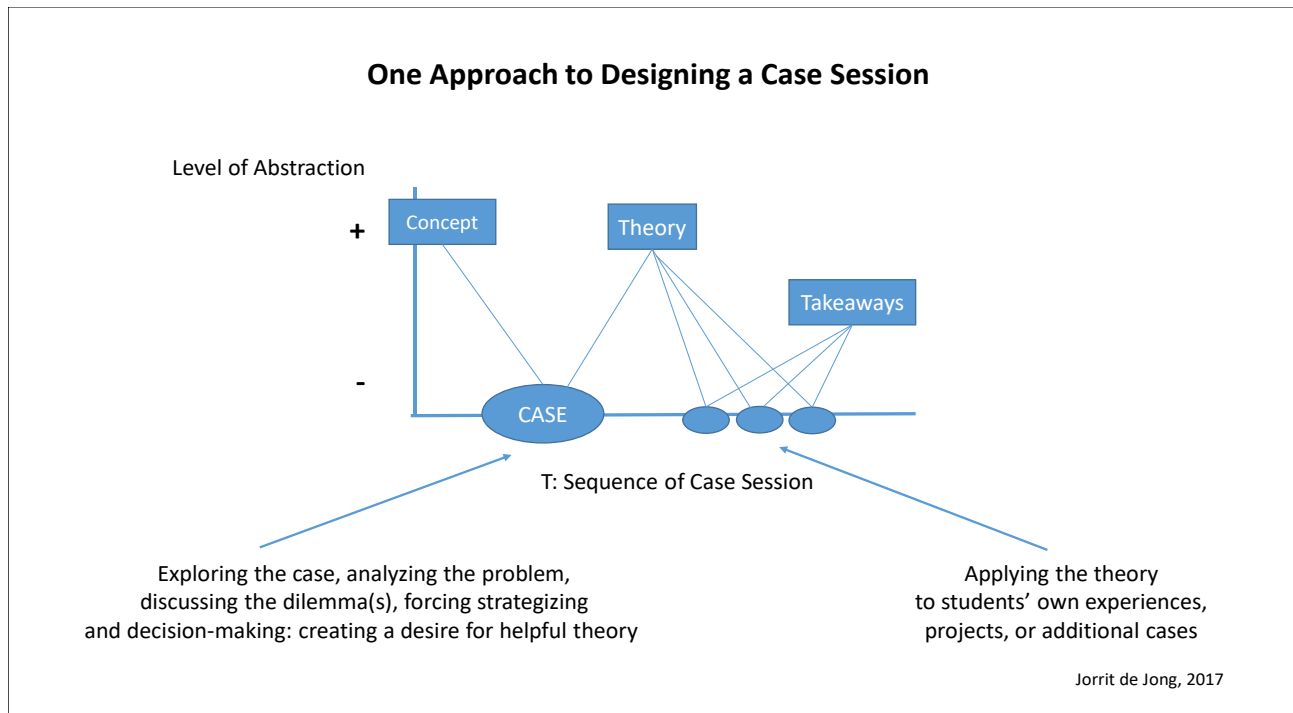
Robert Lahey Kegan and Lisa Laskow, "The real reason people won't change. (A psychological dynamic called a 'competing commitment')," *Harvard Business Review,* (2001) 79(10), 84-92.

Julie Battilana, "Should You Agitate, Innovate, or Orchestrate?" *Stanford Social Innovation Review*, (2017) (A good example of different styles/roles of change promoters: agitator, innovator, orchestrator, etc.)

Ronald A. Heifetz, Marty Linsky, and Alexander Grashow, "Diagnose the adaptive challenge–understanding the human dimension of change," in *The Practice of Adaptive Leadership: Tools and Tactics for Changing Your Organization and the World* (Boston, MA: Harvard Business Press, 2009).

Appendices

Appendix 1   Designing a Case Session

One Approach to Designing a Case Session

Level of Abstraction

Exploring the case, analyzing the problem, discussing the dilemma(s), forcing strategizing and decision-making: creating a desire for helpful theory

Applying the theory to students' own experiences, projects, or additional cases

T: Sequence of Case Session

Jorrit de Jong, 2017

Appendix 2   Board Plans

Board Plan 1: Context as Doria Takes Office

For	Against
o TNC regulation in place o Report grounded in a fair amount of data, showing significant savings o One successful small-department pilot o Public commitment from the mayor o Key cabinet member committed to the change	o Entrenched culture regarding the employee transportation model o Two unsuccessful big-department pilots o Not attempted by major city or state; legal resistance o Lack of information on car usage and each department's needs o Misuse from lack of transparency

Board Plan 2: Strategy Alternatives

SPEED	EXTENT	PARTICIPATION
o Implement additional pilots with strong political support. OR o Roll out the program in parts, choosing which departments would take part in phase one. OR o Roll out to all departments.	o Demand full switch whenever possible. OR o Have a partial goal; decide how bold you want to be.	o Decide with all involved. OR o Use top-down approach. o Promote interchange among departments. o Expose savings among departments.

Board Plan 3: Stakeholder Chart

STAKEHOLDER	GAIN	LOSS	SOURCE of POWER
Mayor João Doria			
Secretary Paulo Uebel			
Cabinet member			
Civil servant – public policy			
Civil servant – back office			
Civil servant – frontline			
Contract manager			
Old vendors			
Potential new vendor			
City councilor			
Audit court			

Board Plan 4: Strategy and Themes

ACTION	THEME
Create report comparing leasing cars, taxi, and TNCs (before Doria).	Leverage evidence of initial success.
Support a top-down strategy.	Authorize environment/guiding coalition.
Create alliance of administration secretary and finance secretary and a push for the changes.	
Transfer employee transportation "jurisdiction" from the transportation dept to the administration department.	
Encourage informal communication among management-level employees.	Build alliances.
Create savings target.	Create a sense of urgency.
Send email from Uebel and Doria.	
Schedule weekly cabinet meetings.	
Mirror the pilot run at the São Paulo Business Agency.	Avoid blockage.
Set a six-month goal for change.	
Allow some leased cars (black sedans) to remain at senior level.	Avoid blockage; cautiously select what to credit or discredit and whom to affect.
Allow ride home by senior level staff.	
Allow departments to ask for exemptions.	Assure correct use and minimize error; adjust level of change; avoid blockage.
There is at least a 50% change, but remaining cars must formalize an exempt request.	Communicate; assure correct use and minimize error.
Team training occurs (from Yuri Batista and 99).	
Legislation changes, blocking renewal of leased cars in all departments.	Change corporate culture.