Unintended Consequences – Ignore the System at your Peril

There is an alarming increase in the number of well intentioned strategies and plans going “pear shaped”. The harsh reality is that, as managers, the world which we now have to contend with is filled with complexity, contradiction and confusion. It is what we at Da Vinci now refer to the Iceland Phenomena – where out of the blue new, more demanding, challenges are confronting us. Most of the challenges have a profound impact on our operations and they pose serious questions as to our preparedness to solve these so called “Wicked Problems”.

The question that we need to pose is whether there are tools and processes at our disposal to firstly minimise the occurrence of these “surprises” and secondly once confronted with a Wicked Problem how best can we minimise the fallout?

There is now enough evidence that these frequently occurring “surprises” are largely due to our own making. The fault lies in our attempt to solve these complex problems using linear analytical problem solving techniques. Such practices are simply inadequate when dealing with complexity of the magnitude that we are now experiencing.

In fact we go one stage further by making the observation that we cannot solve a complex problem and at best we can dissolve such problems and in order to achieve this we have to look at re-designing our system.

The heart of the challenge therefore lies in our ability to think systemically and to realise that the system we are talking about is a social system. This approach is far removed from the concept of breaking the problem into discrete parts, finding a solution for each part and then re-assembling the constituent parts. As the late Russ Ackoff aptly states “The essential properties of a system taken as a whole derive from the interactions of its parts, not their actions taken separately.

Therefore, when a system is taken apart it loses its essential properties. Because of this and this is the critical point, a system is a whole that cannot be understood by analysis”.

The approach to meeting these challenges head on therefore moves away from the “analysis” to “synthesis” - forming a whole of the parts. It is all about “designing” the most appropriate system to meet the core objectives for the organisation. We adopt a philosophy which embodies “design thinking” as the process which will leverage the organisation to outperform its competitors. This is achieved by embodying a strategic planning process which eliminates the need for forecasting. It seeks to identify assumptions in the strategy and to frame them as possibilities and areas for contingency planning.

Further within this notion of “design thinking” we suggest that the design must meet certain non-negotiable criteria which include: that it must be technologically feasible and operationally viable that is, it must be capable of learning and adaptation and because it is capable of being improved, it is not perfect.

Fundamental to the process is a recognition that developing the strategic intent of the organisation does not solely lie in the domain of the executive and that in most cases the people who have the real understanding of the challenges are those in the frontline interacting with customers and suppliers.

The “design thinking” process is a bottom-up approach that is as efficient as it is effective. Stakeholders (which include shareholders, management, operational and service staff and most importantly the customer themselves) are engaged in the creation of a shared vision of the future of the organisation. In achieving this, they will come to believe that their idealised vision of the future can be created and is dependent upon what they do between now and then.

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