Abstract

I have been a student and teacher of systems thinking for a number of decades. A few years back I felt I could no longer research or lecture on fifty year old methodologies and models - like Soft Systems Methodology (SSM) and the Viable Systems Model (VSM) - without revisiting their practical worth in the workplace. It seemed to me that the simplicity of the core ideas had been lost in academic studies so I became an independent business advisor. If I couldn’t communicate or apply systems ideas in this context I wouldn’t earn money. What resulted was the a major learning experience. This talk summarises my application of some very simple systems tools and concepts to bring about light bulb moments and significant changes in the operation of new ventures in the UK.
Systems thinking?

**Essence of the advantages of systems thinking for me**

- Holistic approach
- Seeking understanding and not being solution led
- Creative techniques – mapping, idea generation, creativity
- Models that show connection and feedback e.g. Viable Systems Model (VSM), Formal Systems Model (FSM)
- Methodologies that encourage convergence and divergence e.g. Soft Systems Methodology (SSM) and Total Systems Intervention (TSI)

**Disadvantages in new venture situations**

- The models and methodologies traditionally don’t lead to definite action – because everything is open ended
- Requires ability to conceptualise rather than be functional
- Theories roots are large organisation and problem centred
New Ventures

• In the early stages of a venture there is scope to develop and change quickly
• Often a need to test scenarios
• Need to structure analysis in some way
• Way of capturing enthusiasm and energy
• Could be single modelling technique or whole methodology
• Clarifying ideas so that it can become a focussed business plan, presentation or elevator pitch, review document, action plan

Common problems in new ventures

• Business Plan too long and wordy, and failing to get to the point
• Failing to demonstrate a special or unique opportunity
• Underestimating the importance of getting the management and people right
• Failing to convey:
  • Commitment to the venture
  • Motivations
• Using new business for getting out of dysfunctional workplaces
• Thinking short term – failing to think about developing an organisational culture
• Getting to wrapped up in the detail (especially technology) and ignoring the customer benefits
• Making assumptions about customer buying patterns
• Making assumptions about business partners
• Failing to get all the ducks in a row
• Not keeping abreast of market trends
SSM mode 1

List Relevant purposeful activity systems existing in parallel

Identify key problems & issues present in situation

Draw a Rich Picture

ACTION by problem owners

Present key findings (questions, further research areas, possible solutions, range of options)

Compare the difference between conceptual models and real world to produce Agenda for Debate

Build Conceptual Model for each Root Definition i.e.... models of ideal systems

Test with CATWOE

Real World

Systems Thinking about Real World

Rich Picture of new GP practice

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Outcome of SSM

Identification of previously unconsidered issues

- Need for market research
- Financial management
- A range of different business models

Identification of key systems

A setting of personal priorities

- Balancing demands on finance – help with long term financial management
- Knowing the market
- Advertising
- Practice business model – GP only, GP & alternative, Alternative only, other
- Practice location – home based surgery, shared premises, independently located surgery, other

Business plan based on work

More mature business

Business context

- Change has crept up on them
- Market has changed or become obsolete
- Customers tastes are changing
- Business no longer making sufficient profit

Management

- Working too long hours
- Business no longer exciting
- Challenged by unplanned growth
- Original culture inappropriate on a larger scale
- Growth has been too rapid
- People have taken second place to product/service

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Causal loop diagram of Martins mature business dilemma

- Martin gets brief
- Repeat business
- Clients happy & unaware
- Delivers but tight to deadline
- Works late into night

Wants to be successful
- Sets 'perfection' level goals
- Worries it won't be perfect
- Works late into night

Experiences & life script
- Family, house & dog are necessary to be successful
- Success & money necessary to be loved
- Blames family as being a constraint

Perceives risk taking as dangerous
- Doesn't want to fail

Easier to excel at what is known

- Procrastinates
- Spends time with family, rather than work
- Works late into night

- Achieves but tight to deadline
- Works late into night
- Feels stress
- Friction @ home
- Discontent
- Desire for challenge
- Sticks to same type of work
- Belief that capable of much more

Systems of interest to entrepreneurs

**Delivery**
- System to get start-up finance
- System to put together business plan
- System to manage risk
- System to manage finances
- System to get staff
- System to produce service or product
- System to deliver service or product
- System to keep customers happy
- System to monitor sales
- System to coordinate with other businesses
- System to monitor environment/market

**Motivation**
- System to make money
- System to enhance self-esteem
- System to maximise potential
- System to work flexible hours
- System to control own life
- System to deal with doubts and worries
- System to prove oneself right
Conclusion - Reflection on practice
Dogwhistle as a Learning Organisation

Single-loop learning
• Manage risks don’t avoid them
• Simplify and stick to basics
• Provide a clear outcome

Double-loop learning
• New ventures operate at a speed commensurate with web 2.0
• Systems thinking compliments the new business focus of sustainability
• Most people are solution driven and reverse engineer
• Theory is rarely part of new ventures – emotions are
• Pictures, graphs, shorthand summaries are welcomed in a busy world