



PARTICIPANT WORKBOOK

Systems Thinking Framework for Decision Making

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Introduction



Introduction by Harold Hillman

Just a short generation ago, change management was discussed as some obtuse and intangible capability that organisations might, or might not choose to get serious about. After all, cycles of change then tended to run their course on the average of every seven years.

Today, the cycles of change in business have compressed significantly and the capability to lead, rather than manage change is essential. The capability to lead change was once 'needed to win' in business. Today it is 'needed to play' which means teams have no choice but to learn how to master change.

The old paradigms that once underpinned business success have grown increasingly obsolete as our business environments adapt quickly to competitive threats, as well as market and consumer demands. For public services and private organisations, the future holds even more seismic changes in their business environments. Financial constraints, workforce demographics, labour mobility, competitor agility, and the changing demands of customer preferences are only a few of the disruptions businesses are facing today.

In addition to local and national market changes, we are now starting to feel the effects of globalisation, and the impact it has on our business operations. These global influences can include cheaper manufacturing and production costs in other countries, as well as exchange rate fluctuations influencing both our exports and imports. At an increasing rate, countries are devaluing their currencies in an attempt to build competitive advantages over their trading partners. This not only has an impact on the import/export sectors of particular nations, but also has an impact on the purchasing power of customers – the people you rely on to purchase your goods and services. Just this depiction alone gives you a sense for how different variables can interact and have direct impact on your business' performance.

This workbook will help you and your teams identify the key variables critical to make better strategic decisions. All too often we get caught up with the 'short-term fixes,' but unfortunately, tend to neglect the longer-term and unintended consequences of our decisions. The 'changing world' is not a new phenomenon and neither is the concept of Systems Thinking. As we leverage the theory and some of the tools outlined in the Fifth Discipline Fieldbook (1994), the Systems for Decisions guide provides an updated and fresh approach to resolving the issues we face today.

These changes present three pertinent questions.

1. What changes are we likely to encounter or provoke in the future?
2. How are we going to plan for and adapt to those changes?
3. What are the longer-term and unintended consequences of our decisions?

Why take a Systems Thinking approach to making decisions?

1. To learn more about a problem. Is it a problem at all, or is it best framed as a challenge or an opportunity?
2. To determine if the problem is isolated or recurrent. If recurrent, have we any sense of the forces that are driving it?
3. To stay with a problem much longer than we are used to. The quickest way out of a problem is often the shortest way back in. We want to break any recurrent cycle that sits under a problem.
4. To identify the forces at play that sit under a problem and then break the link(s) that will interrupt a vicious cycle.
5. To move away from quick fix solutions and move toward solutions that are transformative across a longer period.
6. To reposition the business to lead change proactively with creative choices, rather than having to scramble and strain resources from a reactive position.

