IEX INCOSE North Star

Thinking Systemically or Systems Thinking?

Including Introduction to Cynefin Sense-Making Framework

Mike Stoecklein, Partner,
Institute for Enterprise Excellence

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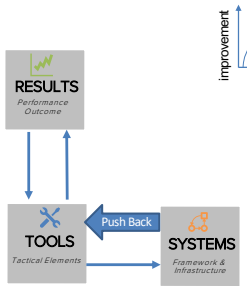

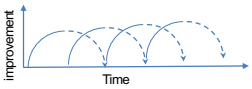

Flavor of the month

Hope for instant pudding

Comfort of the comfort zone

"Where tools lead, fools follow"

"The latest, new, wonderful thing we should all follow"

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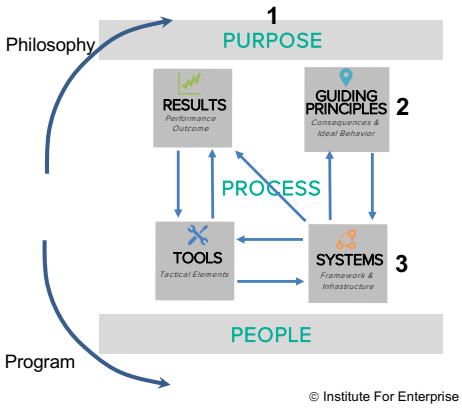
IEX Sustainability Model



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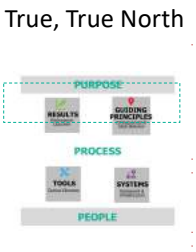
True, True North



- Our **Vision**
- Clarity of **Purpose**
- The Organizational **Framework**

- …to achieve the best **results**.
- In delivering **value** to the customer

- **Ideal behavior** in how we execute the work throughout the organization
- The **systems** we establish to enforce this behavior

bit.ly/truetruenorth6

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Highest Performing Global Medical Solution Provider

SEE

KPI (What we **GET**)

Scorecard (org. & dept.) key result categories: Q,C,D,M,S,Sat,E

Ideal Behaviors

Leaders
Managers
Supervisors
Product Builders

KBI (What we **DO**)

Key behaviors, how we achieve results in the most optimal way (anchor to GP)

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HOW UNITED TURNED THE FRIENDLY SKIES INTO A FLYING HELLSCAPE

bit.ly/unfriendly_skies

UNITED AND OTHER AIRLINES OVERBOOK FLIGHTS BECAUSE IT (USUALLY) PAYS OFF

$140 M settlement

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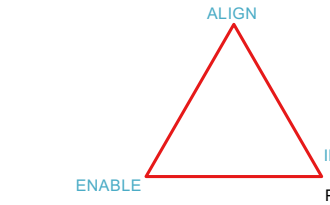
Create constancy of purpose
Provide value for the customer
Think systemically



Respect every individual
Lead with humility
Learn continuously

Focus on process
Provide quality at the source
Flow and pull value
Understand and manage variation
Embrace scientific thinking
Seek perfection

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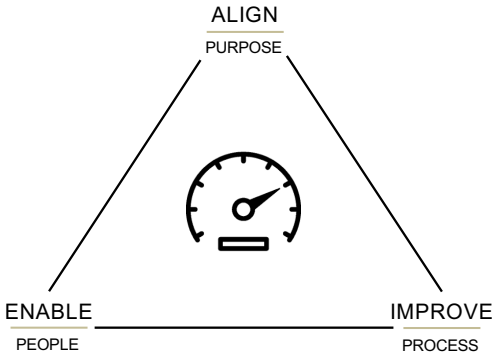
IEX Velocity Model



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Guiding Principles

Create value for the customer
Constancy of purpose
Think systemically

Examples of systems:

* Strategy deployment
* Strategy alignment
* Communication
* Visual management
* Recognition
* Leader rounding, Gemba

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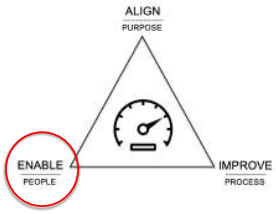

Guiding Principles

Lead with humility
Respect every individual
Learn continuously

Examples of systems:

* People development
* Coaching
* Close loop feedback
* Training & education
* Recognition
* Communication

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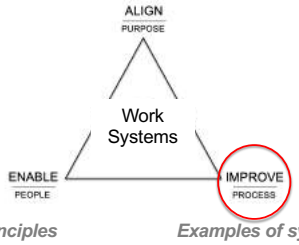

Guiding Principles

Focus on process
Assure quality at the source
Flow & pull value
Understand & manage variation
Embrace scientific thinking
Seek perfection

Examples of systems:

* Visual management
* Idea generation/sharing
* Routine problem-solving
* Standardizing work
* Value stream analysis

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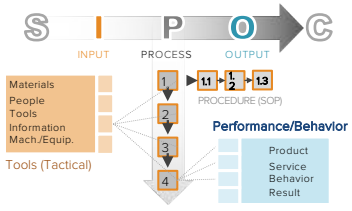
One way to look at systems



A system has **STRUCTURE**
– it contains parts that are directly or indirectly related to each other.

A system has a **GOAL/OBJECTIVE**
– it exhibits processes that fulfill its function or purpose.

A system has **INTERCONNECTIVITY**
– the parts and processes are connected by structure and a behavioral relationship.

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Another way to look at systems (and a vocabulary to match)

- A system is a network governed by constraints that create coherence.
- An agent is anything which acts within the system (individual, group, idea, etc.)
- Three types of systems:
  - **Ordered:** fully constrained behavior, predictable and repeatable.
  - **Chaotic:** random, unconstrained, difficult to create or sustain.
  - **Complex:** system partially constrains behavior, but behavior modifies constraints.

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Attributes of these system types

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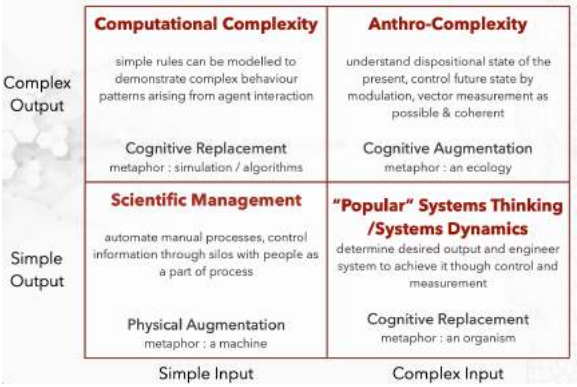
Landscape of Management



bit.ly/SnowdenLandscape

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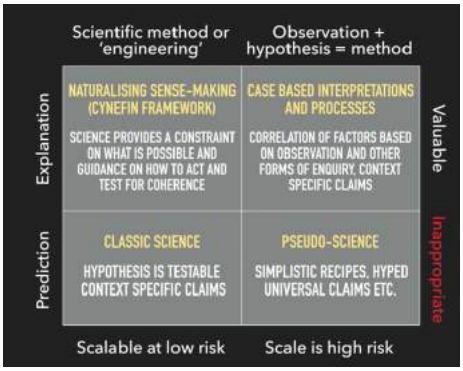
How can we avoid the hype and false promises?



http://bit.ly/DSnowdenDMZ16

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About the Cynefin framework

Dave Snowden

Ka-NEV-in

http://cognitive-edge.com

COGNITIVE EDGE

http://bit.ly/Cynefin-Framework

HBR November 2007

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Cynefin "key rules" to consider – Overview of Cynefin Framework

bit.ly/Snowden_Childrens_Party

Complex (adaptive)

Examples: "people" systems, politics

Cause & effect is only evident in hindsight

Complicated, requires expertise

Examples: Medicine, Law, Engineering, many moving parts "moon shot"

There is a relationship between cause & effect, but it is not self-evident

Un-predictable

Un-Ordered

Ordered

predictable

Cause & effect non-existent

Relationship between cause & effect is clear (when we do "this", we'll get "that")

Examples: work-arounds that lead to failure

Examples: Recipes, checklists, procedures, "standard work"

Chaotic

Obvious, everyone can agree

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Complex (adaptive)

Decision model:
PROBE - SENSE - RESPOND

Complicated, requires expertise

Decision model:
SENSE - ANALYZE - RESPOND

Rule #2 – Correct action changes based on the situation (context)

"emergent practice"

Enabling constraints

"good practice"

Governing constraints

The problem is that we tend to act based on our comfort zone.

Entered accidentally, **stabilize** first

Entered deliberately can lead to innovation

No effective constraints

"novel practice"

Decision model: **ACT - SENSE - RESPOND**

Chaotic

Fixed constraints

"best practice"

Decision model: **SENSE - CATEGORIZE - RESPOND**

Obvious, everyone can agree

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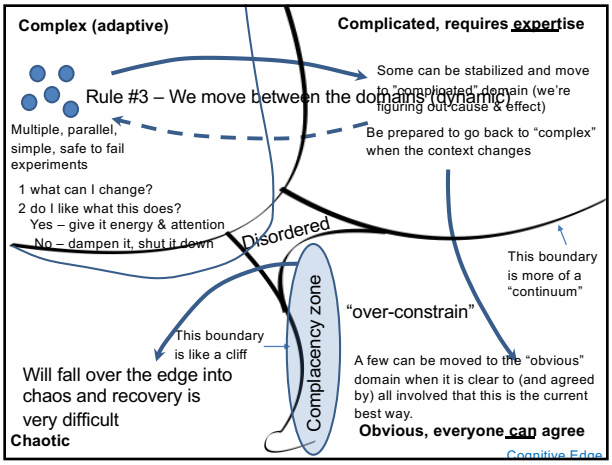

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Context matters, different problems require different knowledge

Skills alone will not suffice

Copy at your own risk

You cannot scale (copy) one person's (group's) solution to a complex problem

Eliminating the "tool-based trap" may not be possible ... but perhaps we can recognize we are in it sooner, and adjust accordingly

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Table Exercise:

1. Form groups of about 5-7 people.
2. Each person - recall several experiences you have had, or have heard about, with healthcare that concerned you, or gave you confidence in the quality of care care being delivered. Each person makes a list of these examples. Don't share yet.
3. Each person – using two colors of post-it notes & sharpie pen:
   a. For each healthcare experience, write out the DECISIONS MADE BY PATIENT OR FAMILY on one color of post-it note.
   b. Using the other post-it note color, repeat the above for DECISIONS MADE BY HEALTHCARE PRACTITIONER (doctor, nurse, medical staff, for each experience).
4. Place all of the post-it notes in the center of the flip chart sheet.

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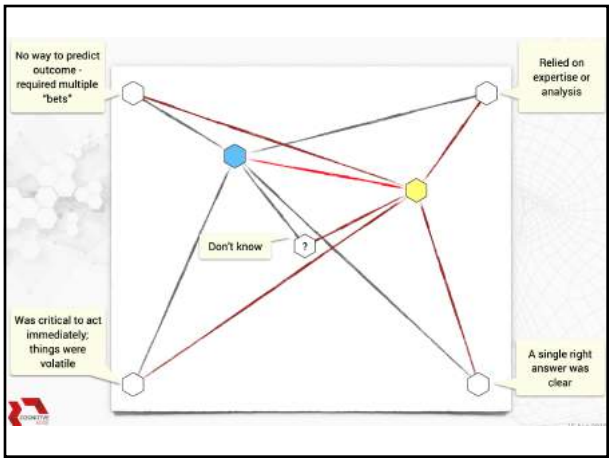

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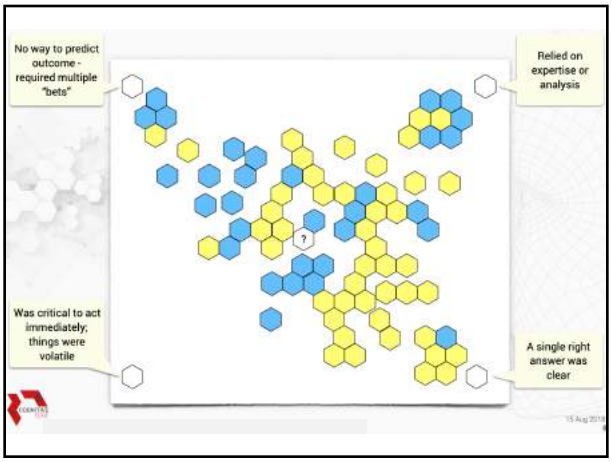

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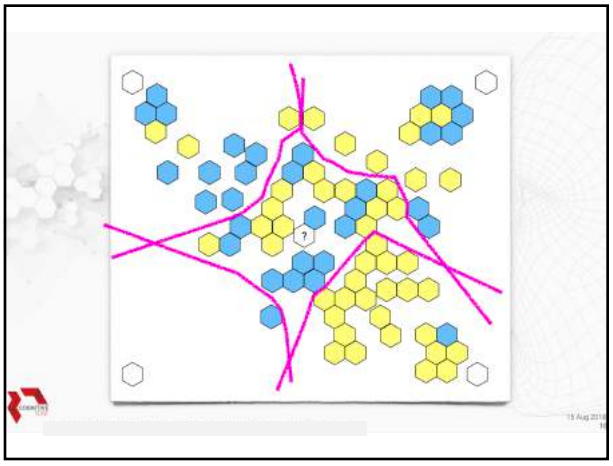

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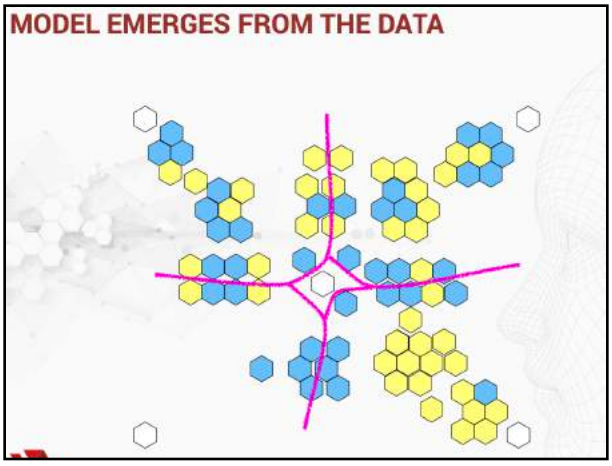

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References

http://instituteforexcellence.org

http://cognitive-edge.com

http://bit.ly/Cynefin-Framework

Multiple videos available on YouTube

We host a series of webinars on this topic.
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