

Reflections

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The Lean Leap: Lean as a Learning Accelerator

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Reconnecting with Customers: The Detroit Recovery Project

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The Lean Leap: Lean as a Learning Accelerator

*By Michael Ballé, Jacques Chaize, Frédéric Fiancette,
and Eric Prévot*

When Danfoss Socla, a French valve manufacturer, first implemented lean practices, the initiative failed to produce the desired large-scale transformation. Only when the company integrated lean with the disciplines of organizational learning – and built learning into everyone's jobs, every day – did they achieve dramatic process and performance improvement. In this article, Jacques Chaize, Frédéric Fiancette, and Eric Prévot from the Danfoss Socla executive team, along with consultant Michael Ballé, describe how learning organization theory has much to contribute to the lean field by clarifying the purpose of the lean tools and spelling out for managers what the tools are supposed to achieve: making people before making products.

Reconnecting with Customers: The Detroit Recovery Project

By Mike Homan and Jason Schulist, with Susan McCoy

In a tough economy, how does a company maintain profitability while providing services to people who may not have the resources to pay for them? In this article, Mike Homan, manager of DTE Energy's innovative Detroit Recovery Project, and Jason Schulist, director of continuous improvement for DTE Energy, tell how the company has employed improvement methodologies to meet this challenge. By applying learning tools not only within the company but to the larger community, DTE Energy has made strides toward reestablishing the social compact with its lower-income customers and addressing the root cause of deep, systemic problems in the areas it serves.

The End of Economic Expansion Requires Compression Thinking

By Robert W. "Doc" Hall

Global crises are squeezing us from all directions, and with or without our participation, change will occur. To implement the sort of changes that will allow civilization to prevail rather than merely endure requires a resourcefulness and ingenuity beyond any the world has ever employed. In this article, Doc Hall introduces the concept of "Compression" as an invitation to learn more effectively both as individuals and organizations, rethink our perpetual devotion to old ideals, and welcome the shift in thinking that must be our first and immediate step.

Divergent Views, Shared Vision: The Scenario Game Board as a Tool for Building Robust Strategy

By Michael Sales and Anika Savage

How can people with strongly held, polarized positions on a complex issue develop a robust strategy for the future without necessarily resolving their differences? In this article, Michael Sales and Anika Savage outline an activity that uses a simple "Scenario Game Board" to prompt team members to listen to each other, explore possibilities, and arrive at decisions together – even if they don't share the same views or values. By "residing in" a scenario that contradicts their inclinations, participants broaden their perceptions and learn to see a range of possible future conditions. Because this process embraces multiple perspectives rather than imposing one view of the future, it fosters mutual respect and leads to better decisions.

FEATURE 10.3

Divergent Views, Shared Vision: The Scenario Game Board as a Tool for Building Robust Strategy

MICHAEL SALES AND ANIKA SAVAGE

How can people with strongly held, polarized positions on a complex issue develop a robust strategy for the future without necessarily resolving their differences? In this article, Michael Sales and Anika Savage outline an activity that uses a simple “Scenario Game Board” to prompt team members to listen to each other, explore possibilities, and arrive at decisions together – even if they don’t share the same views or values. By “residing in” a scenario that contradicts their inclinations, participants broaden their perceptions and learn to see a range of possible future conditions. Because this process embraces multiple perspectives rather than imposing one view of the future, it fosters mutual respect and leads to better decisions.



Michael Sales



Anika Savage

On Monday morning, as ABCChem’s executive team gathered for its weekly meeting, Robert Townsend, SVP of Finance, expressed his annoyance that his daughter’s high school was requiring students to watch *An Inconvenient Truth*. “Why should she be subjected to political propaganda in school?” he asked. Perturbed by the comment, Paula Lyons, VP of Human Resources, asserted, “Environmentalism isn’t up for debate by most of our employees, particularly the younger ones. If they heard you describing climate change as political propaganda, they’d be appalled.” Soon, all seven executives were weighing in on the matter. The fractious, impromptu conversation upset everyone.

Climate change is one of many “big-picture” issues around which intelligent, well-informed people polarize. Whether these topics are hotly debated or swept under the carpet, antagonisms are likely to grow. People cling to their own well-established positions, seldom allowing themselves to consider other points of view. Organizational learning suffers.

Shared vision, as described in *The Fifth Discipline Fieldbook*, is grounded in the idea that an organization has its own unique purpose and destiny. A vision statement articulates that purpose and provides a beacon of clarity for strategic action. However, a shared vision is frequently built on top of unexplored, unarticulated assumptions about the present and the future. If members of an organization can’t agree on current reality, how can they move toward a desired future?

Structural Dynamics and Organizational Resilience

When discussions of highly critical, highly uncertain issues such as climate change take place among people who agree with each other, their view of the future tends to be myopic. In one company we've worked with, the staff easily came to consensus on a vision of a bright new world just around the corner – one that, in reality, keeps receding into the distance. When based on a single image of the future, organizational strategy is vulnerable to unanticipated occurrences. The vision may be compelling, but it doesn't mean much if the reality turns out to be a complete surprise.

A shared vision that comes from an exploration of multiple, divergent views of the future is much more robust than one based on little thought, a discomfort with ambiguity, and/or a desire to reach closure. The organization that anticipates a range of possibilities can move forward with confidence while its competitors are confused and anxious when events seem to come out of nowhere. To develop a truly strategic shared vision, people need to listen to each other, explore possibilities, and arrive at decisions together – even if (or maybe *especially* if) they don't share the same views or values. We use a method with organizations that we call "Structural Dynamics," in which members explore big, thorny issues by sharing their thoughts, feelings, and impressions in a structured discussion around four archetypal scenarios. By legitimating a range of possibilities, this approach encourages vigorous conversations and deep listening regarding the facts and causal connections associated with the matter. Because the process embraces multiple perspectives rather than imposing any one view of the future, it fosters insight and mutual respect, and leads to better, more resilient decisions.

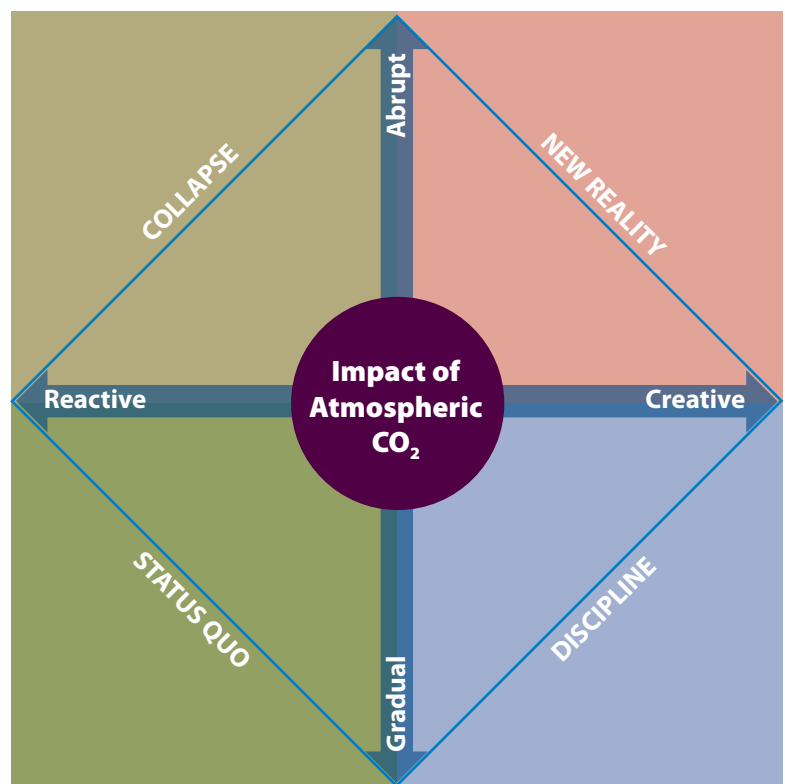
What follows is a description of a tool called the "Scenario Game Board" as it is used in a workshop setting. We then provide a high-level description of our approach to strategy development and implementation. The Scenario Game Board is the heart of the Structural Dynamics process.

The Scenario Game Board

To focus the discussion regarding a complex issue, we start by looking at the most critical and the most uncertain variables. In the case of climate change, the impact of rising levels of atmospheric carbon dioxide is a "critical uncertainty." It is *critical* because its impact could be enormous. And, while few would disagree that CO₂ is accumulating in the atmosphere at unprecedented levels, this variable is *uncertain* because people vociferously disagree about the implications and how any impact might be experienced.

The Scenario Game Board is designed to indicate the dynamic interplay possible between the archetypal scenarios. In a workshop that introduces the game board and the Structural Dynamics process, we place a critical uncertainty in the center. Participants position themselves on the game board according to their beliefs regarding two dimensions of change:

FIGURE 1 Scenario Game Board



- **Vertical axis:** “Will the impact be abrupt or gradual?” Some may believe that parts of New York City will suddenly be under water as the melting of the polar ice caps accelerates. Others may contend that ocean temperatures will only rise slightly over the course of a century, causing no reason for concern.
- **Horizontal axis:** “Will the impact elicit reactive or creative actions?” Some may expect people to respond to the threat of rising levels of CO₂ with paralyzing, divisive fear, while others may see this as an opportunity for engaged, collaborative action leading to much-needed change.

The dimensions create a two-by-two matrix that aligns with four archetypal scenarios – images of the future identified by Jim Dator and his associates at the University of Hawaii’s Center for Future Studies that transcend the specifics of history and culture. Briefly stated, these scenarios are:

1. **Discipline:** Investing in the future by making disciplined choices
2. **Status Quo:** Attempting to preserve established values and lifestyles
3. **New Reality:** Breakthrough to a dramatically new set of conditions
4. **Collapse:** Breakdown of social, economic, and/or political systems

Based on where they position themselves along the dimensions, participants find themselves aligned with one of these archetypes or straddling a couple of them. We ask the people associated with each scenario to briefly describe their positions. They then move to the diagonally opposite quadrant, the scenario diametrically opposed to their current view. Imagining themselves in that future, participants spend some time creating as vivid an image of life in that setting as possible.

Divergent Views, Shared Vision

The descriptions of the scenario worlds are nearly always multilayered, surprising, and provocative. Our experience indicates that when people “reside” in a scenario that contradicts their inclinations, even for a brief time, they inevitably broaden their perceptions. Learning to see and accept a range of possible future conditions is a powerful step forward in the analysis of strategic options and the design of effective actions.

The future is not predictable, and expectations are frequently way off the mark. Understanding why there are so many legitimate views of the future helps organizations develop plans that work well in a broad spectrum of conditions. They are able to develop robust strategies that are effective across the scenarios and contingent strategies that work in one or several scenarios. In one case, an organization found that the strategy they had planned to implement didn’t work in any of the futures they envisioned.

The Structural Dynamics Strategic Leadership Process

The Scenario Game Board is an integral part of the Structural Dynamics strategic leadership process. Executives at the company introduced at the beginning of this article, ABChem, applied Structural Dynamics to help them articulate a shared vision of reducing their company’s greenhouse gas emissions in its products and operations. One robust strategy that the group identified was enabling its employees to work remotely.

- In **Discipline**, remote work encourages the development and application of new non-polluting technologies by accelerating the demand for videoconferencing, voice recognition, language translation software, holographic imagery, touch screen technology, and other means of improving distance collaboration and productivity.
- In **Status Quo**, remote work connects dispersed workers, improves communication, and reduces conflict.

- In **New Reality**, the very nature of work and workplace shifts to become integral with other aspects of life and leisure.
- In **Collapse**, the ability to work from a large number of locations enables operations to continue, even in the event of a catastrophe in one region.

The participants identified the installation of solar panels on the roofs of their facilities as a contingent strategy. It works well in most scenarios, but might be a poor investment in New Reality and even in Discipline, as manufacturing processes and work styles change.

ABCChem learned that it is not necessary to agree on global warming or climate change to care about the natural environment. Group members strongly supported improving water, air, and soil quality. And they identified actions they could take as a company that would make a positive contribution, regardless of how the future plays out.

The type of organization applying Structural Dynamics doesn't matter. We've worked with Fortune-500 multinationals, healthcare systems, university think tanks, municipalities, government agencies, and nonprofits. What does matter is that people are confronting complex, mission-critical issues that are subject to forces beyond their control.

In the full Structural Dynamics process, strategic thinkers from all parts and levels of their organization participate in eight sessions spaced over a period of several weeks or months. Together, the team members:

- **Explore** the critical uncertainties that affect the issues under consideration, their patterns, and their structures;
- **Discover** future possibilities using the Scenario Game Board and create a shared vision;
- **Embody** the vision throughout the organization;

FIGURE 2 **The Structural Dynamics Process**



- **Sustain** the organizational learning derived from the process by monitoring signposts, indicators, and warnings; deepening the analysis; and remaining ready to change course as needed.

Back to the Future

As with climate change, many big-picture issues (for example, off-shoring jobs, tax policy, healthcare, women's rights, international trade agreements, and arms control) arouse intensely polarizing emotions and strategic paralysis. Thinking of the future as a single trajectory is a sure way to drive disagreement underground and generate powerful resistance to any action. The approach we have described stimulates dialogue about the nature and implications of present reality and offers a way forward that respects all viewpoints. We have found that thoughtful, heartfelt consideration of a broad range of possibilities can form the basis of a profound shared vision, built on the knowledge that the future is much more dynamic, intricate, and complex than any single image can portray.

RESOURCES

The Fifth Discipline Fieldbook: Strategies and Tools for Building a Learning Organization (Currency/Doubleday, 1994), sections on shared vision and scenario planning

Life-Sustaining Organizations: A Design Guide by Michael Sales and Anika Ellison Savage (CreateSpace, 2011)

Art of the Future website <http://www.artofthefuture.com>

Climate Interactive website <http://www.climateinteractive.org>

Sustainability by Design website <http://www.johnehrenfeld.com>

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