Requisite agility™

Manage Change and Uncertainty

Requisite – "made necessary by particular circumstances"

Agility - "the ability to think, move easily and understand quickly"

TABLE OF CONTENTS

INTRODUCTION

Requisite Agility™ (RA) provides pragmatic ways to build resilient organizations that tap and make the most of volatility, uncertainty, complexity and ambiguity.

An organization is living organism, so RA draws from wisdom in nature to provide proven ways to survive and thrive.

The right or requisite approach is based on alignment of rate of change within an organization and the rate of change in its environment.

Too much agility for the sake of agility results in hyperactivity and panic. This destroys value and creates a culture of constant panic and toxic stress. Insufficient agility results in burn out, value destruction and ultimately, failure.

The death rate of businesses is climbing – even the most successful are going to the wall at an alarming rate and overwhelmingly it is because they do not have RA.

The requisite level of agility enables an organization to survive and thrive in turbulent times.
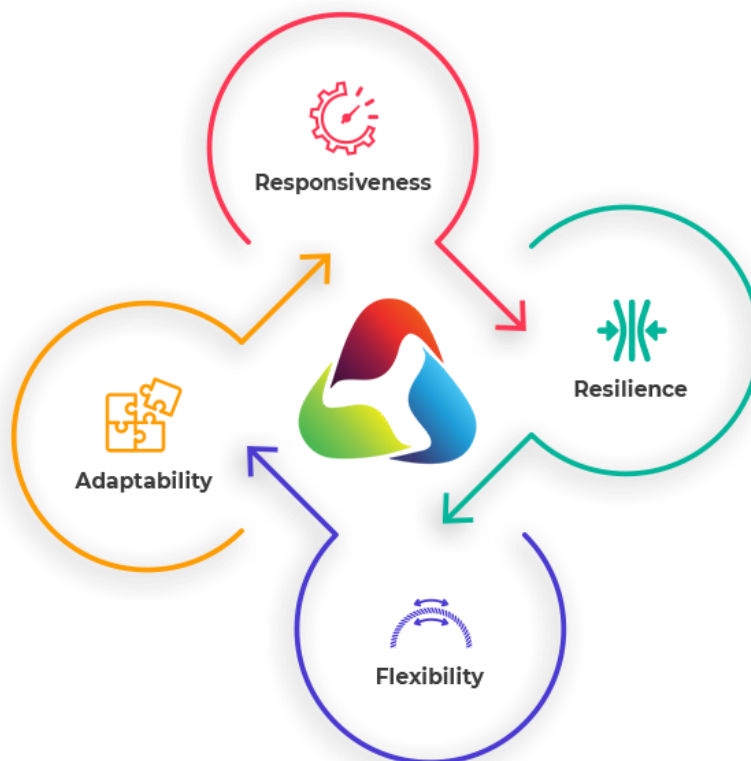
RA Operationalizes Key Agile Properties

HOW HEALTHY IS THE HEART OF YOUR ORGANIZATION?

A healthy heart is not constant, if it was constant it would be fragile, not agile. When we climb stairs or run our heart increases pace to match the demands of its environment. When we are at rest, our heart decreases the pace to match the demands of its environment. This is the best example of requisite agility.

The death rate of businesses is climbing – even the most successful are going to the wall at an alarming rate and overwhelmingly it is because they do not have RA. In some situations, it is best to be patient, to do nothing or to proceed slowly with patience. Too much agility results in hyperactivity and panic – reckless organizational debt. Some people and organizations are in a constant state of crisis. They falsely assume this is 'reality' because they are unaware of requisite agility.

WHAT IS REQUISITE AGILITY

Requisite Agility TM (RA) provides pragmatic ways to achieve the requisite level of agility to survive and thrive in turbulent times and focuses on continuous organizational evolution. There isn't one single situation where agility is needed – other than the existential one of 'survive and thrive' – and there isn't one single approach that will deliver this. This is one of the most important issues facing organizations today.

According to the Oxford English Dictionary (OED):

REQUISITE means: 'Made necessary by particular circumstances'

AGILITY means: 'The ability to think, move easily and understand quickly "

'Requisite' is situational. It is the response required in each unique environment, process and context. In the context of organizations and leadership, Requisite Agility means:

"The ability to move as quickly and easily as is made necessary by particular circumstances.

Requisite agility is the ability to change the organization fast enough to match the rate of change in the business environment so that you can continue to survive and thrive.

Agility is the capacity and capability to put this change into practice; 'requisite' means to have enough of this to match the environment.

There isn't one single situation where agility is needed – other than the existential one of 'survive and thrive' – and there isn't one single approach that will deliver this.

This is one of the most important issues facing organizations today.

In exactly the same way as Ashby's Law of Requisite Variety sets down the framing for managing complexity – Requisite (enough) variety to absorb variety.

RA sets down the framing for managing change, or to use a phrase in vogue at the moment, the ability to make the most of VUCA (Volatility, Uncertainty, Complexity, Ambiguity) as an opportunity.

The death rate of businesses is climbing – even the most successful are going to the wall at an alarming rate and overwhelmingly it is because they do not have RA.

Because it's so important and has such an impact on organizations, leaders, and societies, we have an ethical duty to not lose sight of the critically important concept enshrined in the term itself.

Our goal is to give the ability to as many people as possible to be able to achieve organizations capable of creating the change it has been commissioned to perform.

There are two fundamental elements to RA.

R – How much agility is necessary? How much do you need?

A – How much agility have you got? How much can you demonstrate?

By this definition of RA, there cannot be one single solution because the 'as is made necessary by particular circumstances' is 'particular' to each organizational situation.

The changes that are required within each unit may be completely different depending on their particular situation. It is rare for every single unit across an entire enterprise to have exactly the same RA.

The nature and rate of change of your environment (ΔE) how you work, think and organized determines how agile you are (ΔO). We have ways of assessing what is Requisite.

We have ways of measuring how close to RA you already are based on $\Delta O \geq \Delta E$

This understanding allows for a wide range of approaches for improving the situation. Interventions and applied solutions that best address a deficit or excess agility (fragility).

This understanding allows for a wide range of approaches for improving the situation. Interventions and applied solutions that best address deficit agility or as the case may be, an excess in agility.

The intervention that is the 'most effective' is much more than a linear technical and analytical examination of what should happen in an ideal world – it also takes into account the level of capacity, development, and culture of the organization – the core underlying paradigm or worldview which will decide which interventions are acceptable and feasible.

These are the irreducible laws of organization dealing with the relationship with the environment.

Requisite Agility, when used with capitals, is referring to a state of an organization or institution. This is an end state that is aspired. RA exists when the criteria provided above exist.

The daily practice of requisite agility (lower case) as a discipline by practitioners and clients.

AGILE AND AGILITY

The terms agile and agility are used interchangeably. But agile and agility are not the same thing.

Agile is designed for and applied in tactical and procedural forms of work. The Agile Manifesto begins with the words: "better ways of developing software…"

The need for agility (the ability to move quickly and easily) varies across different environments, across different functions and levels. The need for agility is especially unique in executive-level work in the C-Suite.

Across every function such as marketing, finance, risk management, HR, research and development, a different type of agility are required.

For example, in the function of Marketing, the agility required in a market research group gathering data and building insights based on changes in current demand patterns is different from the agility required in new product development that is seeking to disrupt the market and take consumers into places they have never imagined.

The work of RA begins and is always rooted in presence – to get a sense of what's needed and possible, based on an appreciation of where the client is now and their vision or ambitions for where they would like to be.

Which intervention is 'most effective' is not purely a technical/analytical look at what should happen in an ideal world – it takes into account the level of capacity, development, and culture of the organization – the core underlying paradigm or worldview which will decide which interventions are acceptable and feasible.

RA achieves this by applying the following:

- Scan or sense changes internally and in the environment
- Make sense of this, orientate to what it could mean for the currency (flow) and future of the organization.
- Make decisions about what to do about this.
- Operational service this decision, pivot the organization to apply and implement it.
- Balance this capability at operational and strategic levels.
- Rescan and re-sense changes internally and in the environment (rinse and repeat).

Requisite Agility is realized through 5 principles of being trans-disciplinary, adaptive leadership, collaborative intelligence, continuous improvement, and ethical accountability.

FIVE PRINCIPLES OF REQUISITE AGILITY

1. A Trans-Disciplinary Exploration vs. Safety in Dogma

When the dogma of a predefined methodology takes precedence over what is going on, the organization is at risk of becoming fragile, not agile.

Healthy, resilient organizations adopt strategies, structures, systems, practices, tools and techniques that drive effectiveness, not the orthodoxies of particular disciplines or methodology.

RA action is trans-disciplinary; it reflects a strategy, methods, tools and techniques that are eclectic; that cross broad disciplinary boundaries as they attempt to create a holistic approach to organizational transformation.

All consulting, leadership and organizational design models are hypotheses (including RA), each with its own strengths and limitations.

Improving the organizational conditions that people work is more valued than adherence to or the proving of any model

RA acknowledges that all models are merely a hypothesis, they can be useful in explaining or predicting but they are only as good as the testing of their validity proves over time.

Improving the organizational conditions that people work is more valued than adherence to or the proving of any model

RA seeks to avoid the tyranny of 'or' vs the genius of 'and', Requisite Agility not a single solution it is a meta evolution which transcends *and* includes its constituent parts.

The consultants and coaches who serve the organization put themselves in the position of their clients. The days when the client must change everything they think and do, but the consultant can do what they are comfortable with, are over.

It is deceptively easy to slip into the comfort zone of an orthodoxy, the familiarity of a proven set of methods and tools that worked in one situation and assume the same will occur in every situation ever faced again.

The point of trans-disciplinary is to do what is requisite to their need for agility. RA is a duty is to sense and serve the needs of our clients and the stakeholders they serve.

2. Open, Adaptive Leadership vs. Safety in Authoritarianism

The RA definition of leadership is not tied to title or rank as these are self-serving illusions.

"Leadership is not defined by the exercise of power

but the capacity to increase the sense of power among those led.

The most essential work of the leader is to create more leaders"

Mary Parker Follet

The RA definition of leadership is simple and clear: leaders succeed through others.

A leader is anyone at any level who has the will and capacity to increase the power of others to succeed.

For example, a team member on an Agile Team who is exercising leadership is enabling his or her team members to increase their sense of power and leadership.

Mary Parker Follett called this form of vigilance "co-active leadership" where people use POWER WITH each other. This is the opposite of "coercive leadership" where people use POWER OVER each other.

RA embraces vigilant leadership which espouses that a conscientious and positive collective role model set by senior leaders is a necessary precondition for engendering engagement, passion and commitment on the part of the organization's workforce.

Organizations reflect the behaviors and practices of those recognized as leaders. Therefore, leaders need to understand and modulate their behaviors and practices to achieve the best results, paying attention to the behaviors and organizational practices, systems, and narratives which support a responsive culture.

Leaders (at all levels) who have Requisite Agility understand and modulate their behaviors and practices to achieve the best results. They pay attention to the behaviors and organizational practices, systems, and narratives which support a responsive culture.

In other words: Leaders who are self-aware and conscious of their own values and behaviors and are conscious of the operational and strategic context create and lead a conscious organization.

3.   Collaborative Intelligence vs. Safety in Predefined Rigid Rules

Organizations are complex adaptive systems; they are living systems. Organizations are organisms, they are continuously sensing, sense-making, learning and adapting to or altering the environment in which they operate.

To achieve requisite agility, the organization and its leaders (at all levels) need to be situationally aware, with a co-active understanding of the ever changing environment and context in which they co-exist.

RA works best if it is a critical and constructive collaborative effort between an external facilitator and the internal organizational sponsor; such an effort leads to the development of collaborative intelligence in the organization's pursuit of continuous transformation.

The essence of collaborative intelligence revolves around the development of awareness in teams about the way they think together. Thinking together relates to the way team members seek, develop and change perspectives. This involves a larger understanding of oneself, others and the whole. Meaning is not automatically provided (even not by 'best-practice models' such as lean/agile/VSM, ...).

Both clients and RA Consultants are continuously (re)creating meaning for themselves. Teams create their own narratives, and developing collaborative intelligence means that teams become aware of the holistic character by which they create their stories that underpin their (quality of) decision making.

This broader understanding is mainly epistemological, a development of what and how we know what we know that underpins individual and collective action.

Requisite Agility moves organizations from the tyranny of having to make the dualistic choice of either being "top-down OR bottom up", instead it moves to a situational and relational exchange of inside-out AND outside-in.

The changes taking place in each situation and environment serve as the "outside-in" intelligence. Without this an organization atrophies and gets so stuck in what worked in the past that it suffocates its present and future.

The change that are taking place within the organization serve as the "inside-out" intelligence, altering the state of the external environment by creating new voices and choices.

This play between the internal changes embracing and absorbing, saying yes to what is useful, and at the same time discarding, saying no to what is useless and adding what is specifically unique to the mix, this is contextual intelligence.

4. Continuous Learning and Evolution vs. Safety in the Status Quo

Continuous organizational evolution enables an institution to realize its Requisite Agility. Once the organization has achieved requisite agility, it can start to focus on continual organizational evolution which will ultimately lead to a high degree of awareness and foresightedness.

RA applies the scientific method

- Agree on outcomes – establish an hypothesis, explore the landscape of obstacles and outcomes, building authentic agreement on outcomes as the basis for change
- Keep the agenda for change visible – use visual mapping to organize, prioritize, cross-check, and communicate
- Manage options, test assumptions – generate and select options, frame hypotheses, and develop experiments that will validate or invalidate key assumptions
- Organize for clarity of intent, speed of decision-making, and alignment of impact – organize experiments and communications such that It is clear to all what is happening and why.
- This principle is a paradox because no organization or individual will ever achieve requisite agility, because the moment they think they have it, they will become too rigid and brittle. RA is not something to reach in the future, it is a state of being, that is alive in the here and now. It is constantly changing as the environment and state of the organization is in continuous flux.

5. Mutual Ethical Accountability vs. Safety in Self Interest

Our ethical beliefs support a focus on requisite agility anchored in social accountability and a purpose beyond only profit and self-interest. This principle is crucial because RA is so powerful that it could be used to corrupt people and society.

RA strives to achieve a responsive and conscientious culture; such a culture permits an organization to transcend traditional shareholder values; operate as a good corporate citizen taking into account the needs of all stakeholders.

RA is bound by the ethics truthfulness, confidentiality, objectivity, trust, fairness, independence, honesty and mutual respect are the hallmark of an RA Consultant.

Respect the rights of clients to be self-governing within their social and cultural framework. We respect the intellectual and physical property of others.

RA practitioners acknowledge sources and give credit where it is due.

They work across many disciplinary boundaries to create a holistic approach for organization transformation which enables them to intervene in the most effective way at the most effective point to support requisite agility. RA Consultants practice self-inquiry. They build single, double, and triple-loop learning into their practice.

WHY USE RA?

RA allows for a deep understanding of how the organization works and what holds it together. RA allows the right balance of continuity and flexibility.

RA harnesses the energy that flows within the organization's formal, explicit connections such as reporting lines, accountabilities, authorities, responsibilities, and structures. It also harnesses the energy that flows in the organizational open space – the complex social systems relationships and sub-cultures that work both inside organizations and extend beyond the organization.

In nature, this space is called 'dark matter'. Scientists used to think the space between planets was empty. This is why we called it "space". Astrophysicists have discovered that dark matter is not empty space, it exists as a critical part of the universal living system. Dark matter shapes planets, solar systems, stars, and galaxies. Scientists call this invisible, unanticipated force the "scaffolding" of the universe.

In organizations, the open space between people and groups is the scaffolding that holds the whole together, it tears apart and reshapes the relationships between people, teams, groups, roles, functions, procedures, processes, values streams, systems, and strategies. Of course, it does not appear on culture and climate surveys, it is not accounted for on the P&L, the Balance Sheet or Cash-Flows, but it affects them all.

The integration of formal and informal, tacit and explicit changes allows you to tap the scaffolding of the organization as part of your organizational transformation. This results in rapid awareness and response to emergence. This allows you to focus on energy, socialize strategy, gather ideas, prioritize, test decisions and improve performance.

Too much agility for the sake of agility results in hyperactivity and panic

This destroys value and creates a culture of constant panic and toxic stress. Insufficient agility results in burn out, value destruction and ultimately, failure.

The death rate of businesses is climbing – even the most successful are going to the wall at an alarming rate and overwhelmingly it is because they do not have RA.

The requisite level of agility enables an organization to survive and thrive in turbulent times.

Requisite Agility Not Reckless Agility

REQUISITE AGILITY is intentional and emergent: Taking risks and up upfront costs of change can be intentional, with confidence that applied consciously, disorder and uncertainty will break the inertia of old ways of thinking and working.

RECKLESS AGILITY consists of hyperactivity and panic. Following fashionable trends, forcing through one-size-fits-all solutions pushing agility as the panacea of all ills may appear to be logical and organized on the surface, but if it is the wrong change, it will cause fragility and cost dearly in the end.

Change is not only intentional; it is also emergent. This is why continuous sensing and sense-making need to be built into the capacity of the organization, rather than an event-based interruption.

SOURCE	RECKLESS AGILITY	REQUISITE AGILITY
Anticipated	**HYPERACTIVITY** Action for the sake of action. Following fashionable trends and copying others.	**INTENTION** Apply changes based on continuous sensing and adaptation.
Unexpected	**PANIC** Unanticipated changes result in trauma of disorder and fear-driven control.	**EMERGENCE** Tap turbulence, networked for continuous learning and creativity.

An RA Performance System is designed for intention and emergence. What is the design of your performance system based on?

The volatility, uncertainty, and risk will vary from area to area. For example, in a hospital emergency is the reason we call it the 'emergency room'. This is not the place for panic. An effective emergency room is a web of relationships that are connected and continuously learning and adapting, primed for the unanticipated. At the same time, there are other parts of the same hospital that are operating with lower levels of agility and focus on consistency, such as the labs for testing blood, taking x-rays and MRIs.

RA enables you to apply the necessary agility in each function or situation. RA is the global quality standard that transcends dependence on any particular theory or practice of organizational design or systems integration.

REQUISITE AGILITY LEADERSHIP

The essence of RA lies in the depth of self and mutual awareness with which users integrate a variety of systemic intervention methods to create more humane organizations. Leadership exists in all roles, positions, and levels. Every associate has a role to play to be a critical systemic facilitator, who is able to apply models and perspectives to develop an awareness of the broader whole, the emerging changes, the structural, systemic relationships, and the latent potential that is present in a situation. Critical facilitators can observe their own thinking structures in relation

to those of the client and intervene from there. This results in a high level of collaborative intelligence.

WHAT IS RA O-I AND RA I-O?
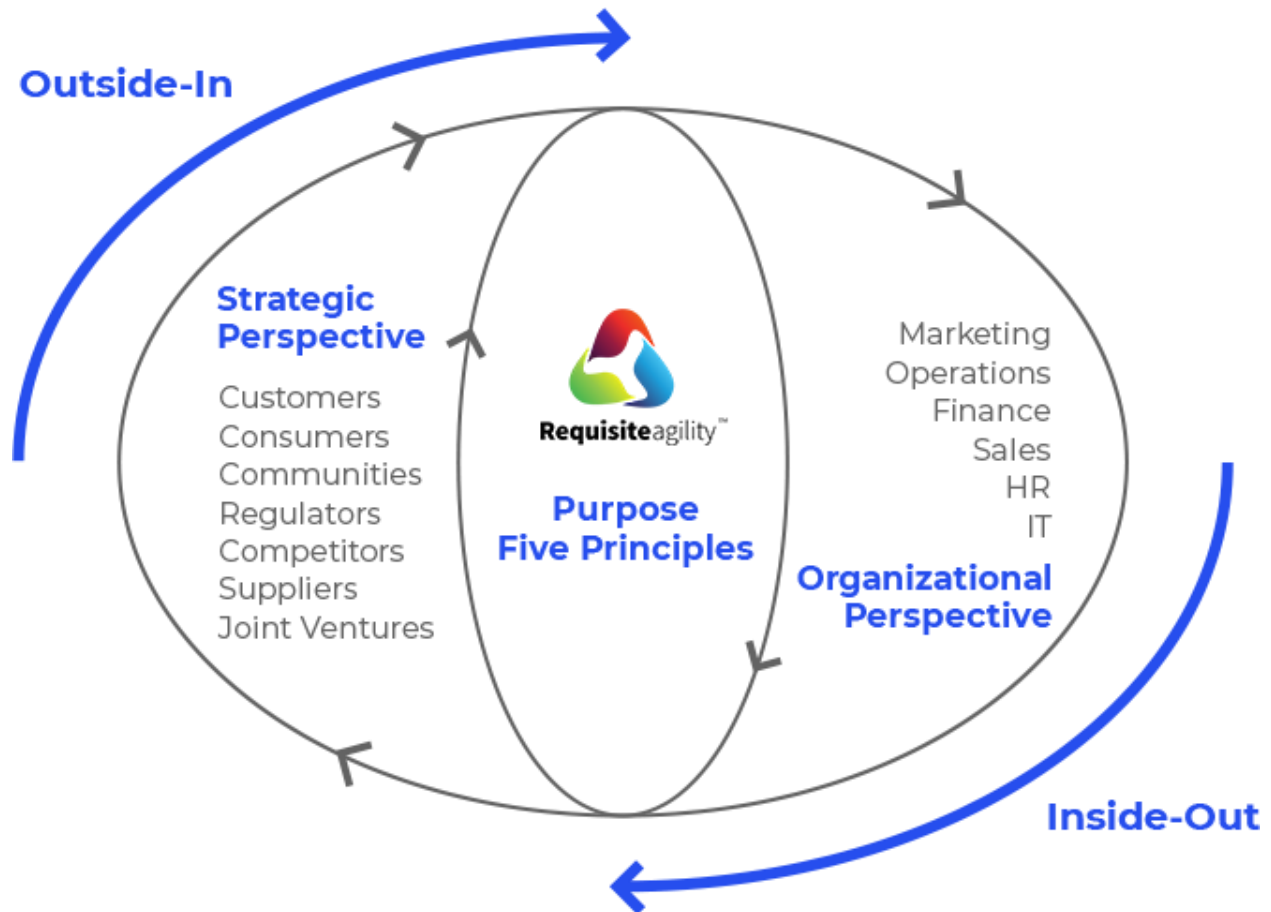
RA enables VALUE CREATION through the synchronization of agility O-I and I-O.

Outside-In (O-I) -- is the lens from a STRATEGIC Perspective. This provides clarity of the requisite strategy, mission and purpose. DOING THE RIGHT THINGS.

RA Leaders understand the agility required (RA) in the external environment as an interdependent, ever changing system, and user this to shape the organization.

This O-I perspective is measured by the Agility currently experienced by each stakeholder and the agility required in the future by = customers, stakeholders, strategic alliance partners, suppliers, owners, regulators, etc.

All of these external stakeholder perspectives relate to each other as a single interdependent SYSTEM.

Measuring the quality of the interdependence between these external agents is crucial. It is MISSION CRITICAL.

Only those who can SEE these interdependencies are able to apply this O-I perspective in the way the organization operates I-O.

Inside-Out (I-O) agility is the lens that shapes the ORGANISATIONAL Perspective. DOING THINGS RIGHT.

I-O requisite agility is the synchronization of all internal functions that make up the system with current and emergent changes in O-I environment.

The I-O perspective is shaped by the synchronization or fragmentation of Marketing, Sales, Operations, IT, Finance, Regulatory Affairs, HR, Legal, etc. as a system in relation to the O-I.

All of these internal stakeholder perspectives relate to each other. Measuring the quality of the interdependence between these internal agents is crucial. It is MISSION CRITICAL.

WHY IS RA O-I and RA I-O MISSION CRITICAL?

An agility deficiency with the external environment (O-I) results in DOING THE WRONG THINGS. Producing the wrong products and services, or delivering value in inappropriate ways - results in VALUE DESTRUCTION.

In the short term such value destruction is may not be visible in the P&L, Free Cash-Flow or Balance Sheet. It arises out of attachment to what has worked in the past. In the long term, it results in (seemingly) sudden collapses, but in

Synchronization O-I occurs through the lens of current and emergent changes in the external environment.
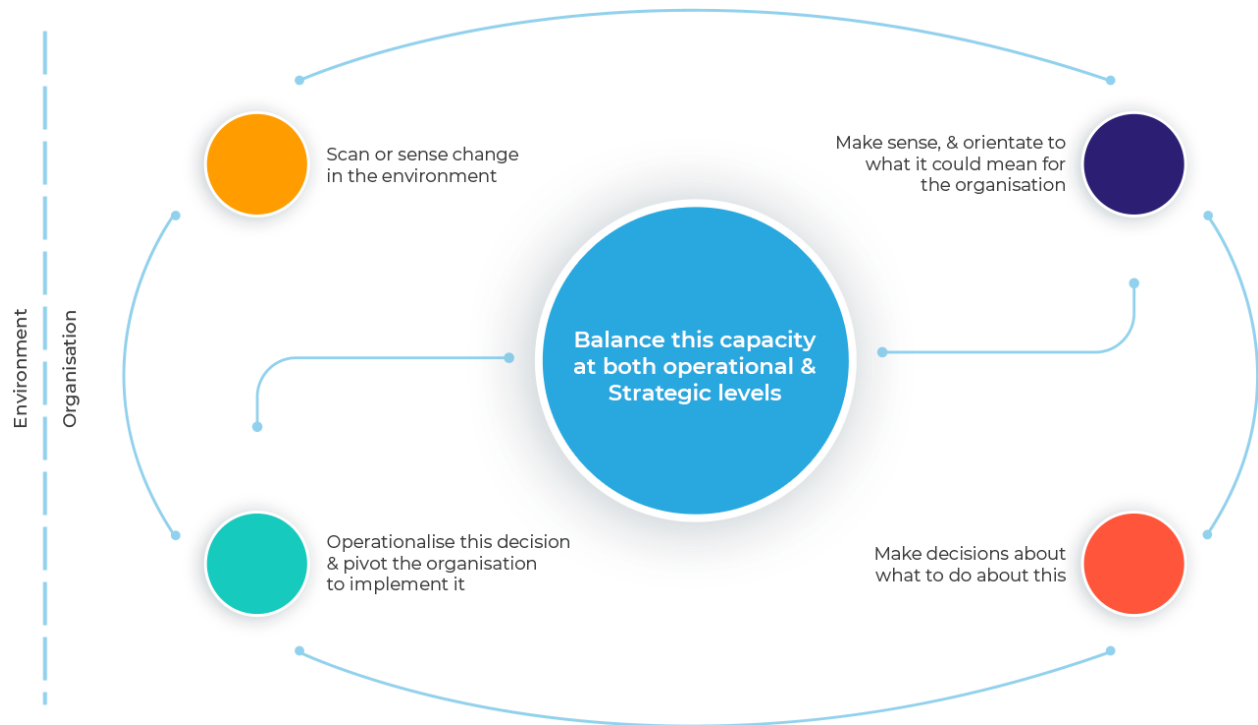
An agility deficiency with the internal environment (I-O) results in DOING THINGS IN THE WRONG WAY.

It results in falling behind, producing the products and services, or delivering value in inappropriate ways - results in VALUE DESTRUCTION.

In the short term it may not be visible in performance management systems that optimize the parts (functions and levels) investing in and rewarding short term "wins" that are an illusion as lack of synchronization between groups and leaders - results in VALUE DESTRUCTION.

RA enables leaders at all levels to visualize and lead the synchronization of the I-O and O-I VALUE CREATION.

REQUISITE AGILITY IS APPLIEDTHROUGH THESE ITERATIVE STEPS

Scan or sense change in the environment

Make sense, & orientate to what it could mean for the organisation

Balance this capacity at both operational & Strategic levels

Operationalise this decision & pivot the organisation to implement it

Make decisions about what to do about this

Environment

Organisation

REQUISITE AGILITY AND HIERARCHY

There are two types of hierarchy in organizations, each resulting in completely different cultures.

INDUSTRIAL HIERARCHY: The organization is based on how hierarchy works in machines. The design of the organization is based on rigid, linear, rules. The industrial hierarchy is designed with definitive roles, fixed boundaries, operating with "power-over" others. The measure of success is what is happening in each role. Focus on power is about who is above you and who is below you. The flow of authority is primarily vertical, with add-ons for lateral relationships to support the vertical.

NATURAL ADAPTIVE HIERARCHY: The organization is based on how hierarchy works in nature. The design of the organization is based on organic, non-linear, emergent relationships. The system is continuously learning and adapting. The natural adaptive hierarchy is not designed, it is nurtured and cultivated through continuous sensing, learning, feedback, creative conflict.

Focus on power is about how you work with others. The success of any individual role or individual is based not the quality of relationships with other roles/individuals.

The underlying the definition of RA and its principles is a culture that is based on a natural adaptive hierarchy.

This is because 19th century industrial assumptions of an enterprise as a factory is no longer relevant. In the 21st century globalized, digitally connected world, the key measures of success are the resilience that comes from requisite agility.

RA HELPS ELIMNIATE ORGANIZATIONAL DEBT

Organizational debt is the same as financial debt. We take out loans to invest in and create the future. Good debt creates the future. Bad debt sinks us into cycle of losses, dependence and bankruptcy. Organizational debt is the disruption and disorder that occurs when changes are made or occur. Good organizational debt moves the energy trapped in turbulence, anxiety and uncertainty (i.e., the scaffolding) into positive changes that are necessary for the organization to survive or thrive.

In the managerial world, work system changes pile up and produce a unique kind of organizational debt – disorder. Eliminating bad debt requires conscious observation and adjustment. RA helps companies to identify and remove bad organizational debt. RA helps you to create the requisite environment, culture, and execute the requisite processes, and ensures that there is no escape route from taking the right action. RA enables authority through trusting and empowering the people on your team who knows what needs to be done in the right manner which will get the correct value to the customers and stakeholders you are serving.

HOW TO MEASURE REQUISITE AGILITY?

The nature and rate of change of your environment (ΔE) how you work, think and organized determines how agile you are (ΔO). We have ways of assessing what is Requisite.

We have ways of measuring how close to RA you already are based on: $\Delta O \geq \Delta E$

This understanding allows for a wide range of approaches for improving the situation. Interventions and applied solutions that best address a deficit or excess agility (fragility).
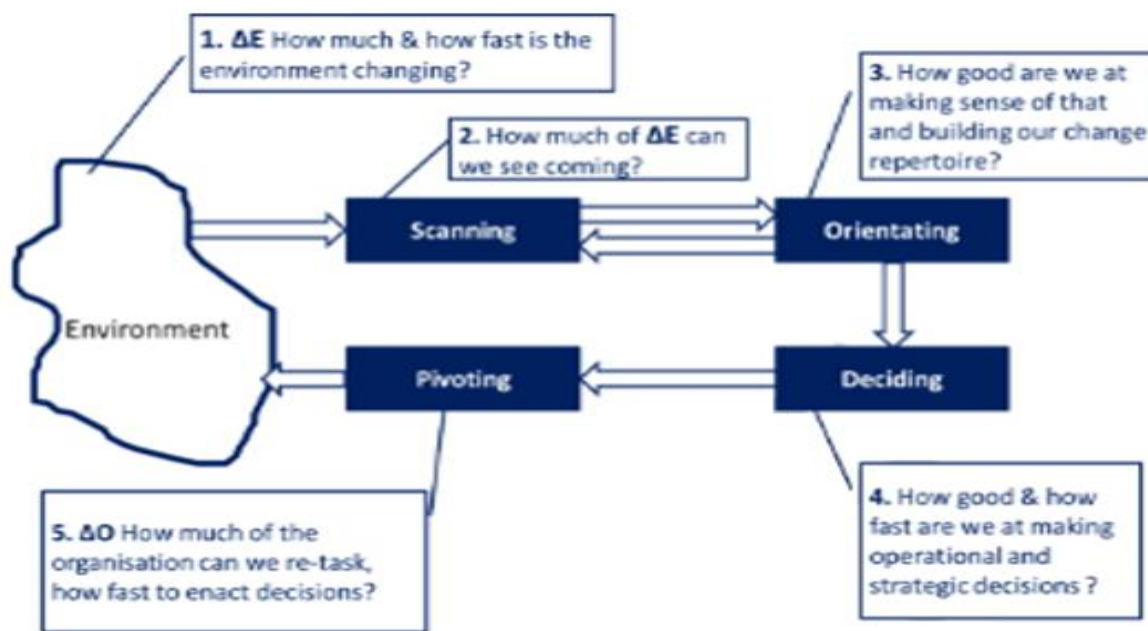
WHAT DOES RA MEAN FOR THE WORK MANAGEMENT CONSULTANTS AND COACHES DO?

RA consultants put themselves in the position of their clients, they build single, double and triple-loop learning into their own practice so they are leading by example as they facilitate learning and growth with their clients.
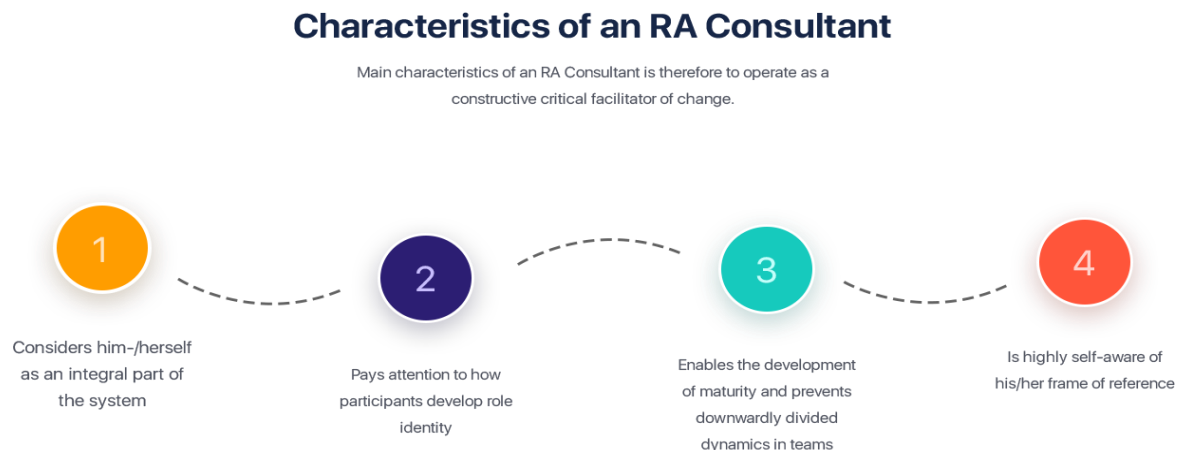
RA Consultants include themselves as actors in our understanding of the system. Requisite Agility undertakes triple loop learning about its own practice.

RA consultants adapt and adopt approaches based on the requisite complexity and readiness of the client. The RA consultant questions critically, transcends the perspectives present and keeps differences and tensions on the table productively for as long as possible, to guide a group to arrive at more and more nuanced choices.

The most significant challenge for RA Consultants is to work with team dialogue that is limited by the diversity of social-emotional maturity (sense-making), resulting in clients protecting and defend their identity rather than open up to new possibilities.

Main characteristics of an RA Consultant is therefore to operate as a constructive critical facilitator of change.

- Considers him-/herself as an integral part of the system

- Pays attention to how participants develop role identity

- Enables the development of maturity and prevents downwardly divided dynamics in teams

- Is highly self-aware of his/her frame of reference

Characteristics of an RA Consultant

Main characteristics of an RA Consultant is therefore to operate as a constructive critical facilitator of change.

1 — Considers him-/herself as an integral part of the system

2 — Pays attention to how participants develop role identity

3 — Enables the development of maturity and prevents downwardly divided dynamics in teams

4 — Is highly self-aware of his/her frame of reference

RA Consultants understand the deeper patterns in which role definition and fulfillment takes place, in a world that team members create together.

These deeper patterns shape how teams develop a part-whole understanding, sense and adapt to emerging changes, the networked nature of their relationships and the transformational potential in uncertainty and imbalances. RA Consultants are aware of their own thoughts, beliefs, assumptions and values and those of their clients. They are attuned to how their own thought

structures shape the ways in which they sense and make meaning. RA consultants are able to relate to the social-emotional dimension by letting go of their own ego and need to be right.

ESSENCE OF RA
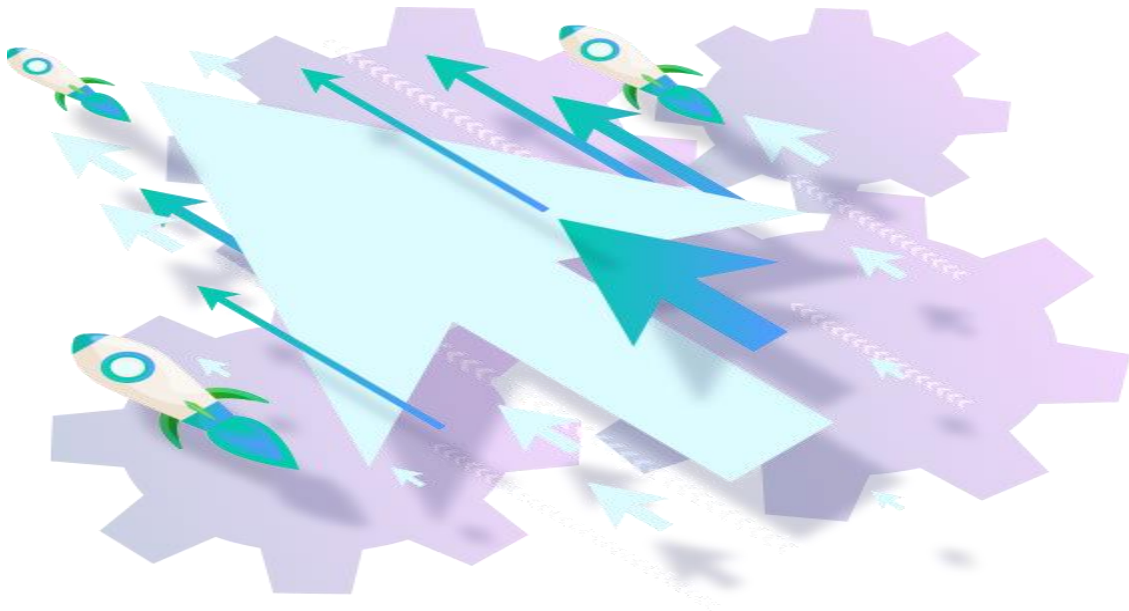
The essence of RA is in building conscious leadership and conscious organizations. RA structures, systems and measures are both intentional and emergent. This results in every agent in the organization, be it a front-line associate, a temp, a manager, a vice president or global CEO to become critical systemic facilitators. In the same way as every *organ* in your body is sensing and adapting in relation to the whole. A healthy organization is doing this in its environment from the outside-in, and each individual, team, group and function is doing this within, inside-out with requisite agility.

Critical facilitators can observe their own thinking structures in relation to themselves and others. Combined with RA work designs, this results in a higher level of collaborative intelligence.

REQUISITE AGILITY CASE STUDIES

The case studies are presented in the following format.

1. CHALLENGE: What was the problem or opportunity to be addressed?
2. CONVENTION: What was the typical approach for addressing the challenge?
3. CONSTRAINT: What was the limitation to the conventional approach?
4. RA APPLIED: What alternative approach was taken?

5. IMPACT: What difference did RA make?

RA Case Studies:

FINANCIAL SERVICES

1. **CHALLENGE:**

   A key segment of high value customers of a major international bank were not being serviced in an effective and timely manner. This resulting in millions of dollars loss of potential income. The promises made of being responsive to the segment were genuine and sincere, but the harder staff and the organization worked the more they found themselves in the same place.

1. **CONVENTION:**

   Continuously create new products, run expensive campaigns, train staff to be customer focused, aim to high 'the best' and retain top performers, provide incentives for increases in cross-selling existing customers and bringing in new accounts.

2. **CONSTRAINT:**
   The system was designed for 'heroics' not 'flow'. No matter how much time and money spent on training, staffing, performance incentives, marketing campaigns and product renewals, the design of the organisation was fractured with design flaws that people had to work around. The organisation remained in the same competitive position year after year. This burned out good people who were putting genuine efforts and hard graft into fractured system.

3. **RA APPLIED:**

   A diagonal cross section of forward thinkers across every function and level were interviewed, trained in Requisite Agility and brought together for 3 days to redesign the business from the inside-out and the outside in. They were trained in a combination of systems thinking, lean, agile, viable systems and appreciative inquiry.

4. **RA IMPACT:**

   Critical capacity constraints across functions and levels were removed, key roles were redefined by the people working in them and relating to them, performance measures were aligned with a shared focus on requisite agility. The new organisation was "owned"

by the people who ran it, not just management (expose the myth of top-down/bottom-up). Establish a sustainable inside-out, outside-in organisation, that senses and is responsive to current and emergent changes in customer and market demand.

MINING

1. CHALLENGE:

SAP was stalled in the launch of the worlds largest implementation of its ERP system with one of world's largest mining companies. Continued delays could result in a fatal failure to deliver to their markets and customers. This would severely impact share price, global trust in the corporate brand and countless millions in recovery costs and lost revenues.

2. CONVENTION:

The had been investing hundreds of thousands of dollars in swarms of consulting teams running tests, conducting systems, providing status reports and (false) reassurances.

3. CONSTRAINT:

The operating assumption by the supplier was that the mining company was not implementing and applying the new system properly. But, the harder the mining company tried to implement change management, the more time and money they were wasting in delayed implementation.

4. RA APPLIED:

When we applied our sense and sense making approach, opening up internal and external dialog, we discovered a design flaw in the new governance and accountability system. We provided design protocols to refashion the design of mission critical roles. We worked with the business to establish new design protocols based on self regulating feedback loops between customer service, planning, operations and maintenance This broke SAP's rules based on linear, individual accountability and replaced this with measures of consensus and joint accountability based on customer and market impact.

5. RA IMPACT:

New organisation design principles allowed the wealth of latent talent in the business to take control of the change, so the vendor was not making the change to or over the organization, but with and through the organisation. This provided the necessary agility for the system to function effectively because it was now operating from an inside-out and outside-in perspective rather than top-down and bottom-up. People forget how much consulting firms are designed (for their own profit model) to be top down.

SOCIAL AND MASS MEDIA

1. CHALLENGE:

A seismic technological shift from analog to digital completely changed how media was being used by consumers. The advent of digital required all the processes of journalism, news, current affairs, music and arts programming to be redefined, or the business would cease to exist.

2. CONVENTION:

Major push of communications, training and change management programs preparing people for the change. Seek new talent with new social media skills and experience based on traditional staffing models - even though in reality, the changes in the market are so new, emergent and expanding that no one really has the experience being sought because the market is not at a fixed end state, it is still in flux and in development itself.

3. CONSTRAINT:

People do not resist change, they resist being changed. A traditional change management program consisting of awareness sessions and training would be antithetical to the digital economy that was (and is still) emerging.

4. RA APPLIED:

RA Visioning workshops brought together cross-section of 30 - 40 people at a time to surface the "broken links" and unnecessary divides across functions and levels. Skits (humour and artistic ingenuity) were used to draw out a shared vision of the future experience of a digital world for end-consumers outside-in and the organisation inside-out. This formed the basis for the redesign of critical roles, accountabilities, new performance metics, the introduction of a central hub, a new editing process and media training in public facing roles.

5. RA IMPACT:

The RA design tapped into the latent strength of the business, as everyone was highly mission driven, costumer focused. This unleashed raw potential and commitment that had been trapped in a top-down hierarchical mind-trap for years. The entire organisation and the system nationally and globally embraced the change as their opportunity to serve the consumers better, faster and with greater quality ever experienced before, on the consumers terms, when and where they wanted.

MANUFACTURING

1. CHALLENGE:

High absence and turnover of front-line teams, chronic conflicts and quality issues between shifts, poor housekeeping, quality issues and disorganization pushing up costs and poor on time delivery.

2. CONVENTION:

Culture climate surveys, 360 degree feedback, awareness training in importance of quality and customer service, increased discipline in performance management reviews. People did not come to work to be part of work that matters, they arrived in an hierarchical environment designed to be accused and abused.

3. CONSTRAINT:

The deeply instilled, invisible, undiscussable mindset was that people need to be fixed. The constraint was not the talent or teamwork, it was the fractures in the design of work, the archaic role of the supervisors as enforcers, repressive top-down management, absence of transparency and engagement consisting of HR frills and social activities to make the broken system tolerable.

4. RA APPLIED:

Mapped the end-to-end value stream. Surfaced chronic constraints and ways to increase flow with the people who are do the day-to-day work. Product Owners replaced Production Area Foreman. Agile Coaches replaced front line supervisors and lead hands. Implemented an adaptation of the Andon System, ran Kaizen Blitz, applied 6S to build team ownership. Set up sprints, burn-down charts, visual tracking and retrospectives.

5. RA IMPACT:

A self-directed team performance system with visual measures, process literacy and open feedback galvanized front line teams. Errors, rework, duplication, poor hand-offs, excess inventory, emotional conflicts and harassment were systematically removed from the workplace. The energy sapped in a broken design was replaced with shared focus on the end customer. Engagement sky rocketed, turnover and absenteeism were replaced with productivity at unprecedented levels.

HEALTHCARE

1. **CHALLENGE:**

   Federal regulations imposed strict new restrictions on the way pharmaceutical companies operate with doctors and hospitals, constraining their traditional sales and marketing activities. A new way of creating value was necessary.

2. **CONVENTION:**

The traditional approach was to increase spend on marketing, increase the number of sales rep visits, disguise give-away's to doctors as 'education events', offering free samples and financial incentives for switching of patients therapy. The key measure of success in the industry was "increase in number of scripts by drug" - with the greatest focus on high prescribing doctors.

3. **CONSTRAINT:**

This resulted in many doctors refusing to see Pharma Reps completely and those who did see them, being overloaded with sales people. Eventually the increasing size and distractions of sales reps and suspicious financial incentives resulted in tighter federal government regulations and controls.

4. **RA APPLIED:**

The goal of requisite agility was to use the ways doctors were successful with patient health outcomes as the basis for the design of organisation, its measures, tools and accountabilities. In order to sense what was going on and make sense of sense-making by physicians and patients, we began worked with the client to design and deploy a national study of how doctors diagnosed and made clinical decisions and how these diagnostics affected appropriate use of medicines and health outcomes. This was used to redesign both marketing and sales to align with newly segments of doctors.

5. **RA IMPACT:**
Redesigning the organisation around doctor/patient segmentation removed 60% of excess, non-value-added activity. This translated directly into millions of dollars in savings. More doctors were open to visits from sales reps as they were now aligned with their values and value creation. Inappropriate usage of drugs were reduced. Government regulators reported higher compliance and greater public trust, which improved the organizations branding and share price.