



Light bulbs and change – systems thinking for new ventures

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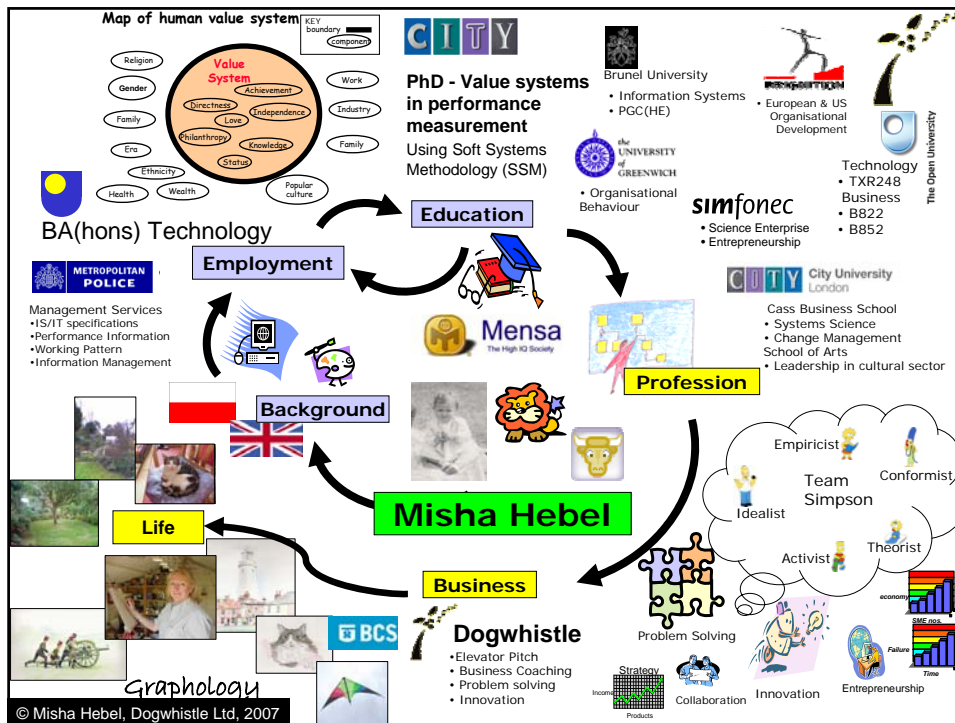
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Abstract



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.

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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

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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



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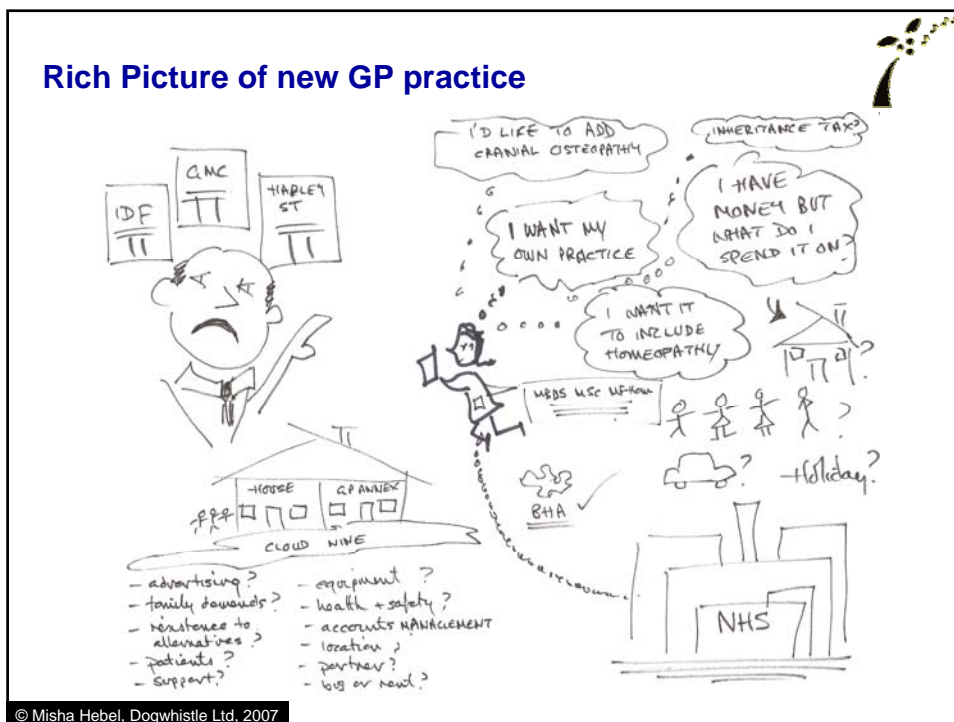
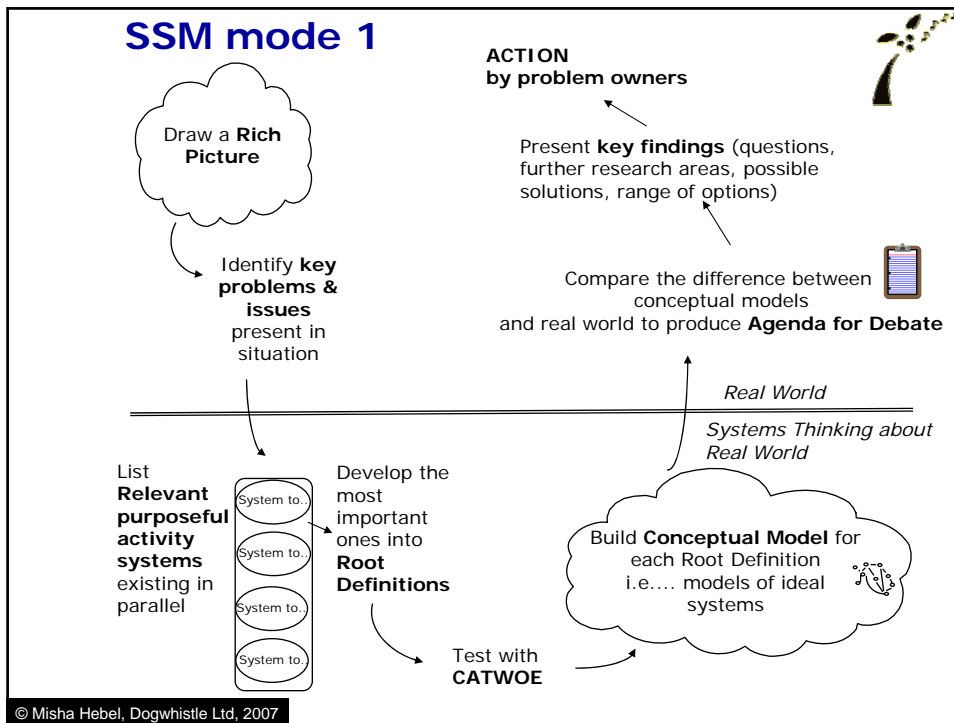
Common problems in new ventures



- 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 too 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



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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

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More mature business



Business context

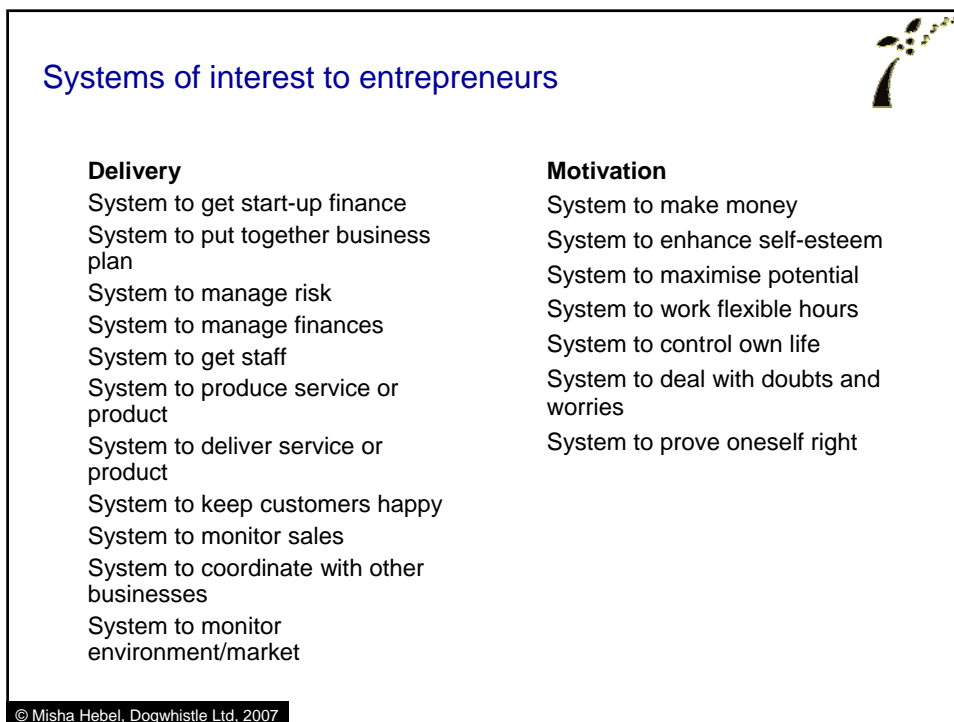
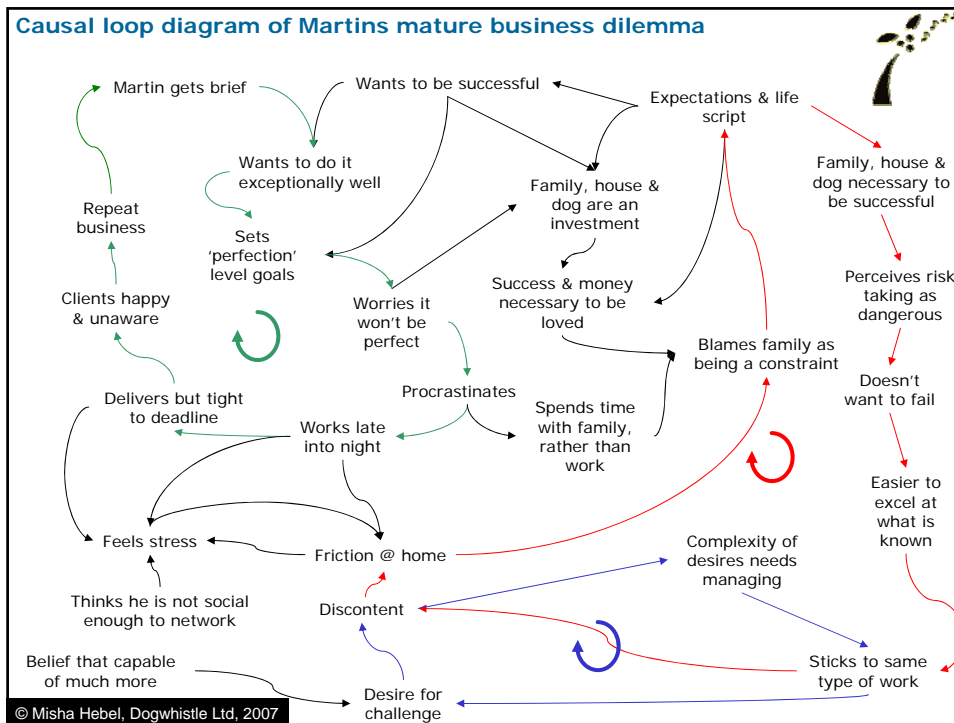
- Change has crept up on them
- Market has changed or become obsolete
- Customers tastes are changing
- Business no longer making sufficient profit



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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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

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