Designing Robust Business Practices

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Thinking is hard stuff and we all like to avoid it, especially if we believe we already know what's needed and don't need to think any further. I'm not talking about that fun spontaneous thinking we all get off on - where flashes of inspiration keep coming because we're in the mood and on a roll. I'm talking about that problem we're faced with that lives in a space we are not sufficiently familiar with. We know if we try to search that dark place it's going to hurt the head. This kind of thinking is hard work. The typical motivation when faced with such a task is to get it over with asap. That's one reason we're satisfied with cheap solutions - those that look good at the high planning level but never deliver on the promise. Cheap solutions loose it when the details added later by others lack coherence and synergy.

Tools can help a lot here, especially tools that move the smoky abstract things into the tangible world where we can see what the concepts really are and how they fit with everything else. Good tools will transform a cheap solution into a robust solution.

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In recent essays (archived at www.parshift.com) we've been exploring an issue-focused, principle-based business practice design methodology - and applied it to the design of a core-competency knowledge management practice. We introduced a thinking tool called a closure matrix last month (Mar 98) - and used it to explore how well our vaguely-described design actually addressed the previously determined requirements issues. The purpose of the tool is to ensure that the final design actually addresses real issues, and isn't simply an implementation of faddish notions or personal management philosophies. Design elements we *felt* were important all of a sudden declared how that importance would be realized and how important it was - and the process of applying the tool often altered the vague activity descriptions we had previously accepted.

So much for the *issue-focused* part. Now we will employ the same tool to refine the *principle-based* part of the design. There are ten specific principles the methodology employs to make the design robust in a constantly changing environment - very important where knowledge is involved.

Please refer to last month's *Closure Matrix* figure as it will clarify the remaining discussion about one of the seven activities and how the ten principles are employed.

We will look at the activity called *Analyze Local Case for Principles*. Employing the tool made me think much deeper about how the activity would actually function and what parts of it would keep it flexible. If you've been following this series you will recall that we are training a broad existing employee group, as well as new hires, on the core competencies exercised by a few - and also renewing and evolving that competency in the process. These workshop training groups first analyze an existing process that exhibits this competency in its operational design, then they extract the essence of the underlying design that accounts for its excellence, and later they apply what they have learned to the design of a new process in need of similar characteristics.

The analysis activity is done in parallel by multiple workshop sub-groups, and spans many weeks. It produces the raw material for the subsequent *Metaphor Model Packaging* activity, and also trains the workshop group on the use of tools, concepts, and principles needed in their subsequent business practice design activity. It is a cornerstone among the seven activities in our knowledge management practice. The accompanying table shows the sequence for this activity as a series of full group meetings and sub-group analysis periods.

Activity Sequence of: "Analyze Local Case For Principles" (Italicized items are structured tools/procedures)
1) Explain in presentation/tour the case under analysis.
2) Full group Q&A and discussion.
3) Breakout sub-groups *identify issues and values*.
4) Full group discussion on sub-group results.
5) Breakouts *build activity diagram* and *identify framework, modules, and system responsibilities*.
6) Full group discussion on sub-group results.
7) Breakouts build *closure matrix* with *RRS examples*.
8) Full group discussion on sub-group results.
9) Mentors lead consensus making among sub-group differences where possible - as a transition into the next activity: *Metaphor Model Packaging*.

Using our closure matrix tool, we look individually at each of the nine issues it addresses, and determine which of the ten principles plays a key role in satisfying the issue. Remember, the issues are all change-proficiency oriented and the principles are all change enabling design concepts - so there should be a good correlation here.

We'll take the issues in order as they appear in the closure matrix, and focus first on *capturing hidden tacit core-competency knowledge*. Employing the p*eer-peer interaction* principle we encourage the sub-groups to independently question and probe the people involved in designing or operating the system under analysis without

restricting this to a full group discussion and Q&A activity. Importantly, *deferred commitment* is at work by first examining issues and activities before identifying the underlying principles that are important - which tends to broaden the perspective while focusing it on priorities at the same time. *Unit redundancy* is employed by purposely having multiple sub-groups go after the same analysis independently so that if one gets in a hole another will surly succeed. By the same token, we let these sub-groups exercise a high degree of *self-organization* as to how they will schedule their analysis activity, how they will interpret the principles, what libraried cases they will study for guidance, and how they will arrive at a *self-contained unit* conclusion - requiring no dependence on other sub-groups. Of course their conclusion is going to be *plug compatible* with the full group because the analysis structure is a given: the metaphor model is the template. This independent work by multiple groups will develop a broader and deeper set of alternative views, guard against single-view dogma, and generally make progress even if some of the people in the group are confused and lost. Finally, *evolving standards* will modify our understandings of the principles and their usage, and the change issue/value focus to keep up with new learnings and perspectives.

In general that was a lot of principles employed in satisfying that first issue. We are only looking for the important applications of principles here - the ones that would compromise our result if they were removed as design elements. It turns out that this first issue is the principle focus of the activity we are looking at - so the strong employment of many principles is natural.

Next in line is the *improving knowledge accuracy* issue. *Redundant* sub-groups and even duplicate analyses by whole groups refines the knowledge. *Self organization* of the sub-groups and allowing direct *peer-peer interaction* between teams and sources increases the likelihood that some teams will uncover knowledge overlooked by others who approach the process differently. As before, *deferring* the close look at principles focuses the priorities; and allowing direct team/source interaction broadens the total perspective.

As to the *improving knowledge effectiveness* issue: Chartering each sub-group as a *self-contained unit* means that they must build a complete stand-alone analysis, and not split up the effort with another - meaning they will learn a full system with all its checks and balances and not simply a few odds and ends about something that appears to work.

The issue of *different student types* is accommodated by *deferring* the selection of the local case until the participant profile is known - and at the same time letting the group *self -decide* what the case shall be from among their own candidates as well as those offered by mentors.

Though they are two distinct issues, *finding and fixing incorrect knowledge* and *excising poor value knowledge*

are both achieved identically in our case here - and in a similar manner to improving knowledge accuracy. *Redundant* sub-groups and even duplicate analyses by whole groups is bound to produce differing points of view and even expose a sacred cow now and then. *Self organization* of the sub-groups and *peer-peer interaction* increases the likelihood that some teams will look at things differently than others. Finally, *deferring* the close look at principles until a sound set of issues and values is developed is likely to ferret out bad assumptions.

The issue of *flexible student schedules* is enabled by *self-organizing* sub-groups that stand-alone as *self-contained* teams and are able to interact *peer-to-peer* in their analysis work. Though there are some times when an entire workshop group must meet together, the bulk of the time consuming work is spread over weeks and can occur asynchronously.

The issue of *accommodating any size analysis group*, from a few new hires to a large retraining class, relies on the *flexible capacity* afforded by splitting a total group into any number of sub-group teams, chartering these teams as independent *self-contained units* that work to a common *plug-compatible* process structure, and having them all work *redundantly* on the same objectives.

Technology and applications change with time, as do corporate strategies. By *distributing control* of this total process to the points of maximum knowledge we vest *evolving standards* responsibility in the hands of the Knowledge Management Committee, for they have the current strategies and future goals of the organization in sight. Two strategic framework items in particular must evolve apace: the understandings of fundamental principles and the values of change proficiency. By definition, fundamental principles are expected to be true for all time, but in reality our grasp of these principles and how best to apply them is affected by time-deepening understandings, by shifting strategic priorities, and by changing technology. Deeper understanding, for instance, my well split one of the ten principles into two distinct concepts when finer distinctions prove useful. By the same token, values for change may move up the maturity scale as the competency knowledge is spread throughout the organization. Of course the possibility of adding or modifying strategic framework themes is always possible once operating experience makes us wiser.

The methodology and tools we have been exploring were refined in our 1997 Discovery Workshops series that analyzed highly adaptable practices at five companies. The 1998 Discovery Workshop series has a different focus: it is employing these tools and this methodology to design bold, robust solutions to critical problems and major opportunities. We will visit seven companies this time and come up with bold designs that will stand as seven in-your-face models of what is possible. Join us as a traveling team member or inquire about workshop hosting.