The Transformational Change Simulation and Leadership Workshop
"Different by Design"

Chapter Five: The Context of Design

I sounded the harmonica and announced, "Two minutes." There were several people still outside the room and I suggested, "We only go as fast as the slowest." With that hint the missing were encouraged to return.

"As we have experience so far, the extract meaning phase is very important as many 'a-ha' moments reflect a shift in "awareness." I paused and said, "Aaron has had a very important breakthrough in awareness -– and I invited him to share it with you."

"Aaron – do you want to do that now or wait until later."

Aaron, who obviously had difficulty communicating openly in a public venue said, "Tom said we have to behave *"out-of-the-box"* before we can think *"out-of-the-box."* Ask Robin – she can explain it – I'm not sure I want to do that right now."

I could see that Robin didn't want to talk so I raised my hand and everyone went silent.

In the silence, Mike from one of the logistics companies quickly said: "If nothing else, we've learned how to silence a crowd." Then without hesitation he asked, "Can I ask a question before we begin?"

I acknowledged and he asked, "This morning many people suggested that internal conflict has been going on in what appears to be very successful companies for many years without resolution – Debbie said it was in her bank --- so there must be something that is causing it to be everywhere -- even though on the surface it appears that everything is okay --- and as you suggest with this Simulation -- it has nothing to do with a particular person – that is rather scary – what is it?"

Debbie quickly interrupted to answer his question and said, "As I said earlier, it was the problem solving structure that was the basis of the design for the Treasury Division – we called it the "solution delusion."

Mike looked at Debbie and said, "I was very interested in your story about the problem solving orientation in your bank and how hard it was to get it to change –- but, I bank at your retail bank and I never see problem solving frustration in your people."

Debbie looked and me and said, "Sorry – I didn't mean to interrupt."

To take Debbie off the hook, I volunteered, "We will examine problem solving as the basis of organizational design – you would not see frustration in people as a result — everyone in this room has a problem solving structure that is active in their lives at all times – it is not an illness – it is very useful when problems occur – but companies that are designed to solve problems and offer only "solutions" to customers will often be totally reactive in serving customers and – possibly be seen as "pushy" when engaged to serve customers who are "creating."

Mike said, "That is very confusing – but we have tried many "solutions" within the supply chain industry – many have been very successful --- and we are going to hold another meeting next month to talk again about "solutions." We've talked about problems and solutions for many years and many of our Member companies have grown like weeds."

"Mike, great example --- there are many companies that are designed to "solve specific problems" --- hospitals, auto repair, pharmacies, most law firms and large segments of all hardware stores are great examples. We will resolve the design issue as we move along – but for now -- problem solving technology can build very successful organizations --- but, they are typically limited to reactive excellence."

To give closure to Debbie's comment, I said. "When banks are designed for reactive excellence, they will lack the patience to develop long term corporate relationships --- that are vital to continuous treasury service relationships."

I could see Debbie silently nodding, "Thank you."

"Yesterday – after we created "wholeness" – we could have left the functional badges on and Phase Three would have been successful – but, after all the customers were served, everyone – would mentally -- return to their functional designation – and the success in Phase Three would be difficult to sustain if we wanted to execute Phase Four today."

I paused and added, "This would be true for two reasons – it is almost impossible for some people to "let-go" of the "functional fixation" that has propelled their entire life – and as a company integrates new people – they'd put on the "functional badge" – and be very hesitant to behave outside of their functional authority." I added, "Have you ever heard anyone say – "selling is not my job."

The response to that statement was unanimous--- and demeaning to the image of many sales people.

I paused and asked, "Yesterday in Phase One or Two --- how many of you recall asking me if you were "allowed" to do something beyond your functional designation?"

Almost all hands went up.

Jodie said, "I didn't ask you -- but I tried to ask the Plant Manager and he ignored me -- when I asked again, he said -- just ask QC."

Jodie's comment brought a hilarious chant from the participants of Factory B directed at Carlos --- "Hey Plant Manager – Plant Manager –Plant Manager --- Plant Manager!"

Carlos laughed and said, "Remember – it was NOT about ME!"

After the laughter subsided, I said, "Mike -- the reason a problem solving design doesn't work in many companies is because all problem solving structures oscillate between mutually exclusive extremes – "right" versus "wrong" – "good" versus "bad" -- causing conflict between functional entities – "Sales" versus "Operations" – versus "Engineering"-- that resolves to what is called "The Zone of Indifference" – "okay have it your way" -- to the demands of the functional entity with the greatest power and authority."

"We will examine the impact of the problem solving structure in the design of any business later today and on into tomorrow. It has a massive impact on selling systems – but --- just be clear at this time – it is not wrong –- problem solving is the basis of design for most sports teams – where there is a winner and loser --- and you'll find the zone of indifference is within the "losers" – there is always next year --- and for some – it is hopeless."

There was some banter from some of the perennial winners to the losers --- "But transforming the underlying problem solving structural design is the desire for almost all "culture" change initiatives – as the frustration resides within the reactive orientation that cannot be changed to be proactive."

I raised my hand to gain everyone's attention and said, "The most significant takeaway from a design perspective is to understand that problem solving as a technology cannot form the underlying structure of any Win-Win relationship. Partnerships are only sustained by a "creating" structure."

The magnitude of this issue caused everyone to remain silent.

Mike said, "All of our Members believe in Win-Win --- so why is it wrong for our industry to be designed to "solve" -- logistics is the key to creating new and innovative solutions for all of our Members --- what you just said doesn't make sense."

I paused to be sure everyone was listening, "Please – no offense – but listen to what you just said --- you create "solutions." That is symptomatic of the "problem solving" design within the industry."

Mike was still confused and I said, "If this was easy to understand, we would not be here today – everyone would have concluded – after yesterday that they "know this" and have gone home."

Curt interrupted and volunteered, "I didn't want to come back today for that very reason. If Debbie hadn't told me on the way out yesterday to be sure to come back --- I wouldn't be here."

I looked at Debbie and said, "Debbie has become a great mentor to many people."

"Mike – let me give you the structural explanation so you understand that what I am telling you is not my personal opinion – would that be okay?"

He agreed. "When we are confronted with some form of change --- our instinctive mental programming is to talk about "content" within the existing "context" --- "over weight –lose weight" --- we simply get comfortable with the word "solutions" ---as that is what we have called everything from the beginning of our lives --- and we use the word "solutions" to describe the "offering" within the context of our businesses."

I could see that Mike, and everyone else was confused by the technical explanation, so I explained. "We all have a problem solving structure in the daily "content" of our lives--- simply because we had yesterday."

I looked at everyone and asked, "How many of you know someone who has "years of baggage" from "years of yesterdays?"

Every hand went up and I quickly asked, "Why?" --- "Because we all "behaved" yesterday in our lives – therefore the "structural cause" of all problems is "yesterday" – and if we don't want "problems" tomorrow --- don't carry them forward into tomorrow."

I added, "Psychologists have terms for this disorder – but it is merely the underlying problem solving structure of our lives --- and the oscillating nature of the problem solving structure never resolves to "wellness" --- right Zoe?

Zoe said, "We deal with it in a positive way every day --- it is the purpose of our business."

I moved back to the organizational focus and said, "Mike – it is simple --- if your Association has not consciously shifted to a "creating" orientation --- and all of your "yesterdays" have been about "solutions" --- your next meeting will be about "solutions" as well."

Debbie interrupted and said, "Mike – it's called the "solution delusion."

I said, "Mike – you asked what is it --- that is present everywhere in all successful companies – it is the "problem solving" structure --- and if we don't know how to change the design of the company – we will wish for a "culture" change as problem solving designs always degenerates into "learned apathy" --- conflict and blame."

"I promise we will differentiate the "problem solving" design from a "creating" design as we enter the implementation phase of our work today – but for right now – to get beyond the technical reasoning --- look at the Fliers on the wall – were they "solved" into existence?"

Mike -- still doubting my explanations, said, "That is a rather stupid question."

I said, "Mike that is a great answer."

"Were they used by the customers to "solve" problems?"

Samantha said, "The earrings and necklaces I made were not used to "solve" anything."

"Could you possibly build Phase Three Fliers using a Phase Two manufacturing process?"

Once again Samantha said, "I had to get out of my folder position – it would be impossible to make them that way."

Mike agreed, "No way!" he replied. "We were just functions and no one knew the whole process of making anything."

I thought to myself: *The light is going on for him.*

Since we now had everyone's active attention, I said, "Then "wellness" is a "whole body" approach to living – and "wholeness" in any business is a "total company" commitment to serving customers -- and it has to be consciously designed for it to be that way --- is this beginning to make sense?"

The issue of conscious design brings a lot of introspection into people's lives – so I paused to allow that thought to be present with everyone.

I asked, "Did anyone even know there were Phase Three Fliers in Phase Two?"

"Mike – did your Industry Association know the term "logistics" back when it was formed to execute the "supply chain?"

He said, "It wasn't even in my Industrial Engineering text book when I graduated."

"We simulate Phase Three --- only to give visibility to what many call the elusive next level that is beyond the awareness of Phase Two."

I paused and added, "Phase Three is not a command performance –- Mike, you do not need to change the name of your Association --- but if something isn't producing results --- and someone wants the "culture" to change --- we now know what it looks like and how to make it happen."

I looked around the room and said, "Everyone – take a deep breath --- put your pens down --- sit back and relax --- we are not here because we had "problems" in Phase Three yesterday."

I waited until all the behavior changed and said, "Now look at that wall --- it was a tremendous success and we did not bring any "problems" with us from yesterday -- into today."

I looked at Mike and Curt and several others and said, "But --- many of you brought your "bag-full" from the "yesterdays" of your current business--- and the Simulation was merely an experience to reveal "what's possible" that is yet to be created within a new "context" --- if you would choose to create it."

In their totally relaxed state I asked, "How does it feel to not have any "problems" to solve?"

Brian said, "I have a problem --- I need to go to the rest room."

Everyone laughed and as he was leaving, I said, "Hurry back --- we'll only go as fast as the slowest."

As he was gone, I said, "Until he returns – just sit there and feel what it feels like to not have "problems" to solve from yesterday."

Pam raised her hand and I quickly raised mine as the signal to remain quiet until Brian returned.

Two minutes elapsed and he came in and said, "Sorry ---." and I quickly motioned for him to take his seat and join in the silence.

Another minute elapsed and I said, "Okay – how did it feel to be a "master of real time" for five minutes?"

"Now Pam --- what was your question?"

"As I was sitting here totally relaxed – it reminded me of some of the dining experiences that happen in our restaurants --- we have great difficulty with people who stay beyond their meal and just want to talk and relax – and we can't close until they go home. That drives us crazy."

When she paused, I asked, "Anyone here ever do that?"

Every hand went up.

"Pam – what you just said reveals the "problem solving" design of your restaurants – and as you can see -- a restaurant is often a "real time" escape destination for many people."

Mike interrupted and in a rhetorical way said, "Then the truth of what you are saying is that logistic systems are designed to "master real time deliveries" – and that is not a "problem to solve" – is that what you are saying?"

Deric said, "That is why I buy on Amazon.com – I want it now."

Don said, "Absolutely – positively -- next day" is required by some of our customers --- what is FedEx -- without their service we would be out of business."

I paused, "Mike -- several years ago I gave a speech to your Association about this very thing— it was perceived to be confrontational to the existing intelligence –- the mental programming of many leaders in your industry."

Mike said, "I heard about your speech before I came here. One person told me to tell you that we are not going to change the name of our Association."

"Mike, -- that's fine – but let's focus on why the name of an Association or a company – or even what it calls its products --- might be the very reason a "culture" change is impossible."

I waited and said, "It is amazing how we are still calling the highly decorated artifacts that are hanging on that wall --- "Fliers." We have not adopted a new name for them—nor have we renamed the company – it is still Happy Flier Inc."

I paused, "But – if we don't change the name of the company and the description of the Fliers going forward to Phase Four, our customers will be very confused – and the obsolete company name will be detrimental to new business development."

I said, "What if Amazon started as Amazon Solutions, Inc. and still called itself that yet today --- or how about IBM --- do they still refer to "M" as Machines?"

"Hundreds of examples will confirm that "contextual blindness" is the culprit – but let's look at the wall –what changed?—you are looking at it --- it is totally invisible."

I waited as everyone stared at the wall. "See it?"

"Mike asked, "See what?"

"How the "context" of the customer changed to things that decorate and adorn --- but the design of the factories was still within the "context" of things that fly."

"Technically – many factories that are still designed to make and sell what the factory wants to make -- using highly efficient systems to make them –-- will become obsolete and go out of business."

I paused and said, "Let's be very clear – the design of the factories must start with the "context" of the customer --- not the financial desires of the company."

I looked toward Curt and Aaron and Robin – and that point seemed to resonate.

"When the context changes – it is first a "seeing it" issue – not an intelligence issue – that is why we simulate Phase Three – to activate the "creating" orientation – not to promote another "strategy" for removing bottleneck and continuous improvement."

Carlos, volunteered, "After the disaster of Phases One and Two, we spent all of our lunch time – trying to figure-out how to reorganize the factory to eliminate "bottlenecks" -- and he said with some levity – "I get it!"

Everyone laughed. Jodie said, "Congratulations Plant Manager!"

It was obvious that the mental strain of organizational design was exhausting, so I suggested that everyone take a five minute – stand-up-and-stretch-and-be-right-back-break.

Aaron came up and quietly said, "Curt is *out-of-the-box"* – now he needs to know how to behave."