malik

VSM interactive

Design & Navigate your Viable Organization

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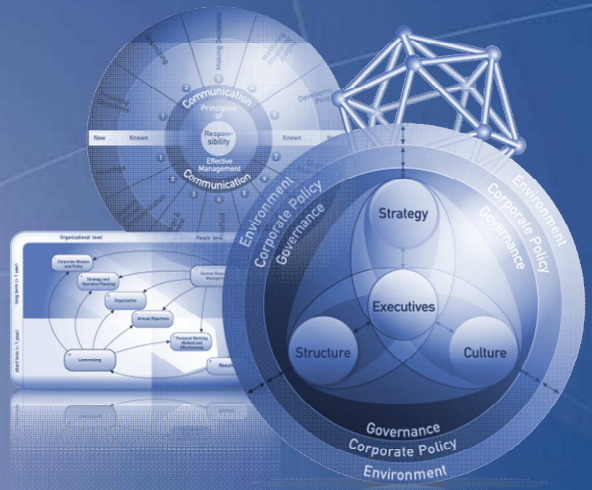
Product and Program Manager VSMinteractive®

29.05.2014



System-cybernetic
Malik ManagementSystems®
for mastering complexity

Malik

St. Gallen • Zurich • Vienna • Berlin • London • Toronto • Beijing • Shanghai

The world's leading knowledge organization in Wholistic General Management, Leadership and Governance. Prime address for education, consulting, application of wholistic top management systems and solutions for mastering complexity.

» Our mission is to provide solutions for reliably functioning organizations of all kinds by answering the question

What is right and good management?

» Established in 1973 as a foundation by the Society for Management Research at the University of St. Gallen, Switzerland.

» Converted into Malik Management Inc., St. Gallen, in 1984 for research and practical application based on the Malik Management Thinking System.

» Today, Malik is unique in its integrated scientific approach to general management, educating and consulting more than 12'000 executives per year.

» Some 200 employees with scientific qualification and practical experience in the business, public, academic and scientific domains.

» The Malik Networks in Management Cybernetics as well as Management Bionics are the largest worldwide.

The success of the past turns into a trap for the future

The **consequences of a fast, uncontrolled growth** during times of economic upturn **become apparent now**, **uncovering** the **weaknesses** of the **organizational and operational structure**:

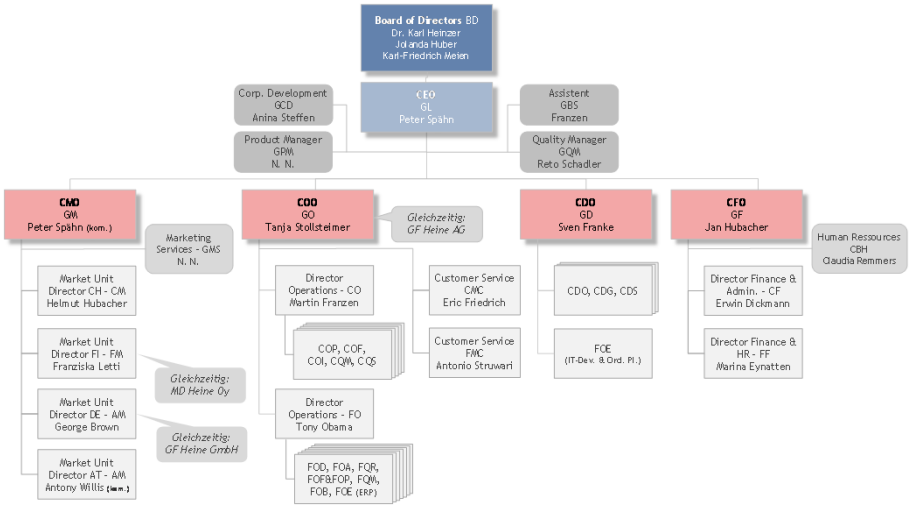
1. **Complexity** within organizations that **has not been coped with** can lead to tremendous inefficiency which manifests itself in **loss of productivity** and **lack of transparency** and **accountability**.

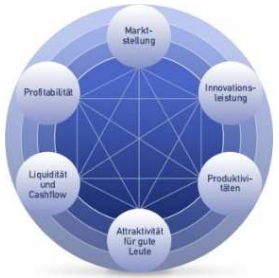
2. This is **exacerbated by the increase of complexity in the environment** within which the organization is operating. *„If the rate of Change Outside exceeds the rate of Change Inside – the End is insight" (Jack Welch, CEO GE)*

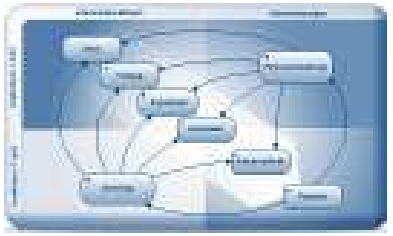
3. At the same time the **increasing pressure for results and profit** leads to **quick and ill-conceived measures burdening the viability of the organization even further**.

We need a radically different understanding of organization!

The organization of the future requires radical rethinking







Organizational Charts show the hierarchical breakdown but say nothing about the functioning or an organization

From «Who» und «Where» …

… to «What» und «How»

Organizational design meeting todays times criteria

Organization of the 20ieth century

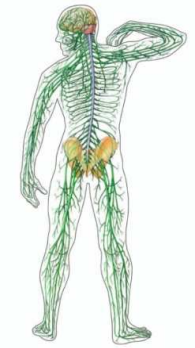
Model: Machine

1. Low complexity / dynamic
2. Determinate tasks
3. Manual labor
4. Explicit rules and control

Technical Functions *Who & where*

1. Hierarchies and Individuals
2. Efficiency
3. Data

Organization of the 21st century



Model: Organism

1. High complexity / dynamic
2. Changing tasks / high collaboration
3. Information / knowledge
4. Implicit rules / self-organization

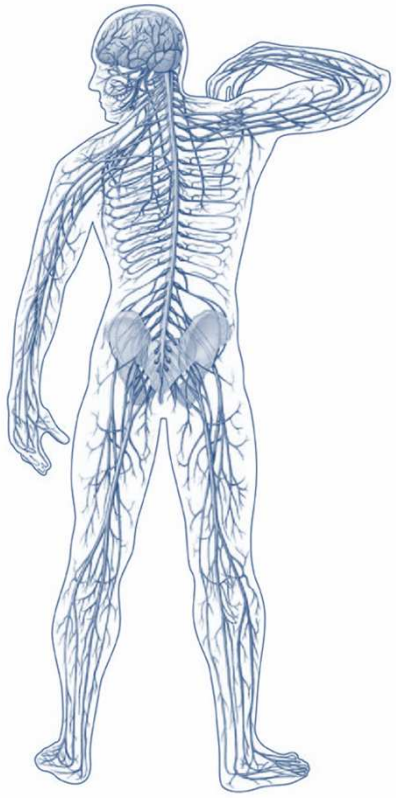
Control Functions *What & how*

1. Areas of responsibility & accountability
2. Effectiveness & Efficiency
3. Information

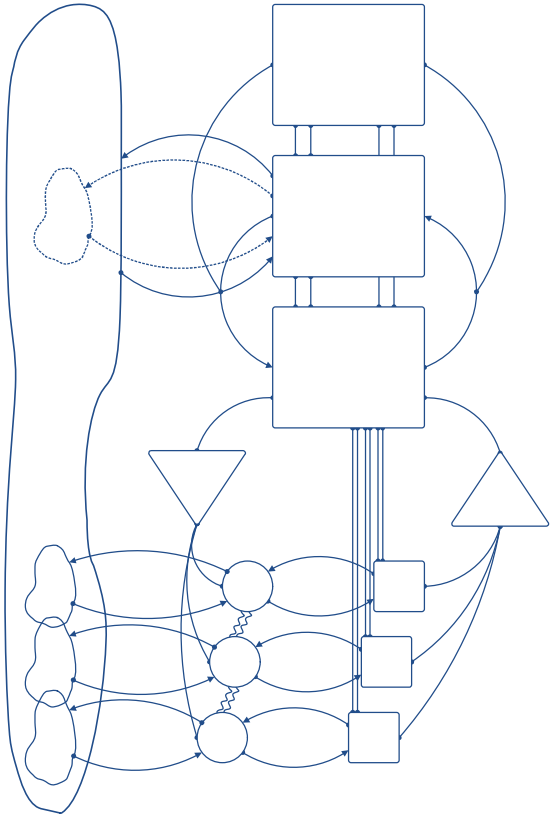
An organizational structure for the control of complex systems Derived from principles of functioning in nature

Despite the variability of the „Surface (Structure)“

… the functional logic of the central nervous system



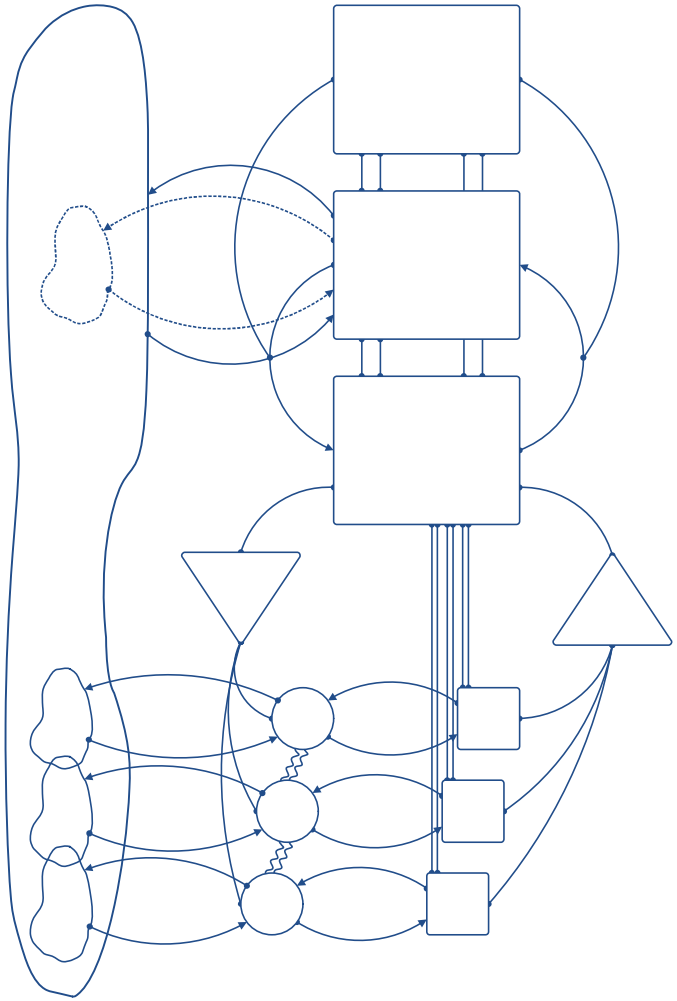
… lies within its invariant „Deep Structure“ and its underlying adaptability to change



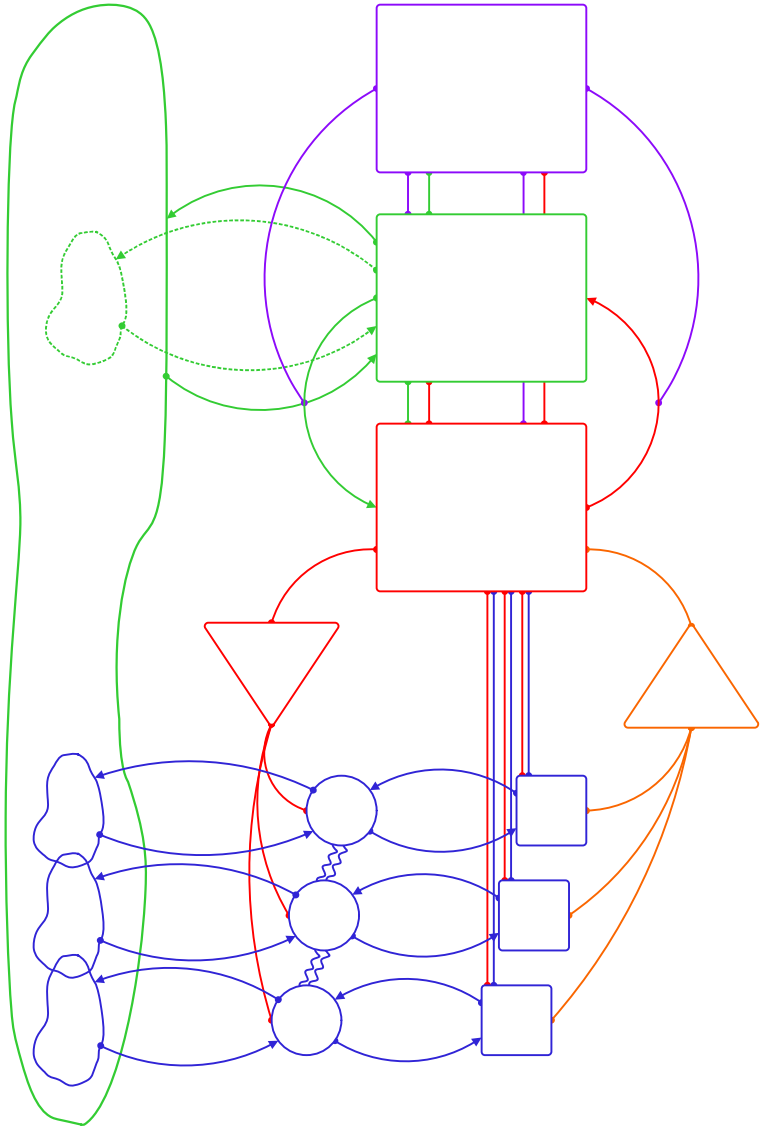
Stafford Beer derives an invariant model for viability from the logic of functioning of the human nervous system; the Viable System Model.

The Viable System Model
The organizational model of functioning

The VSM is the organizational diagnosis and design Model of the 21st century.
It poses the only alternative to current organizational trends, arbitrariness and inadequacy.



The Viable System Model
The 5 essential Functions for Viability



Give Purpose & Provide Values

Ellucidate & Adapt

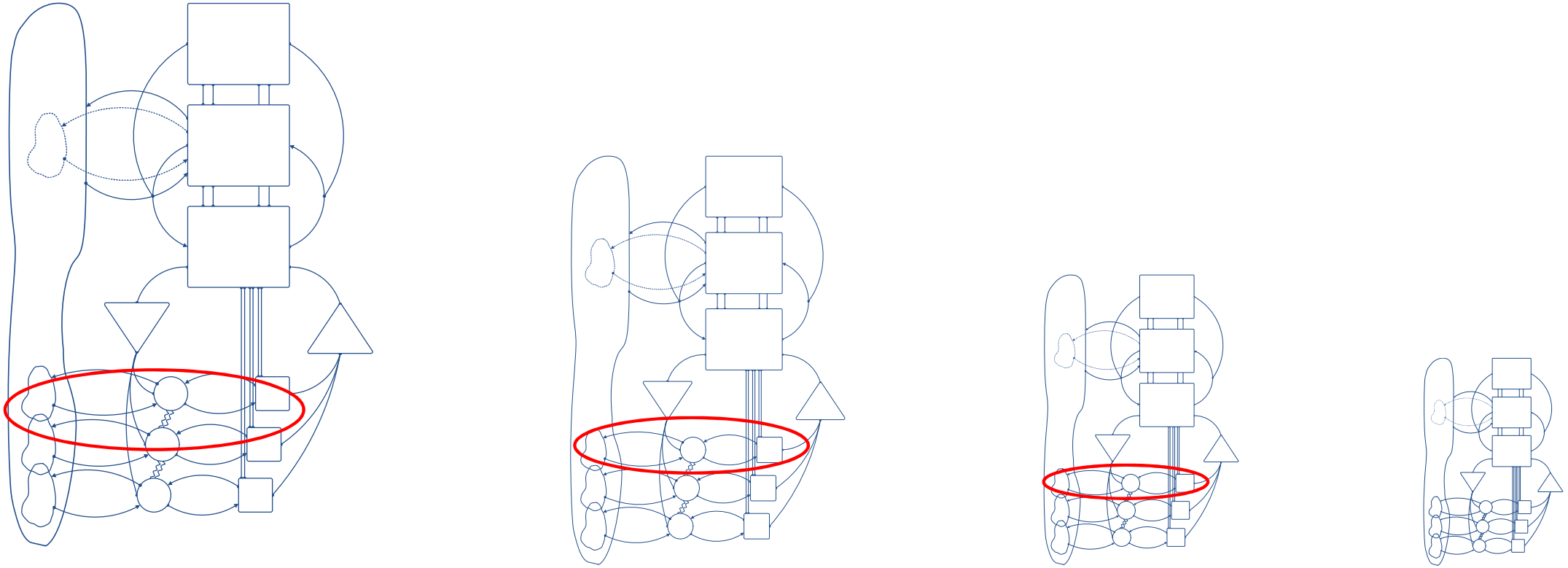
Provide Real-Time Information

Optimize in the interest of the Whole

Foster Self-Coordination and Collaboration

(Operative Units)

The Viable System Model
The Principle of Recursion

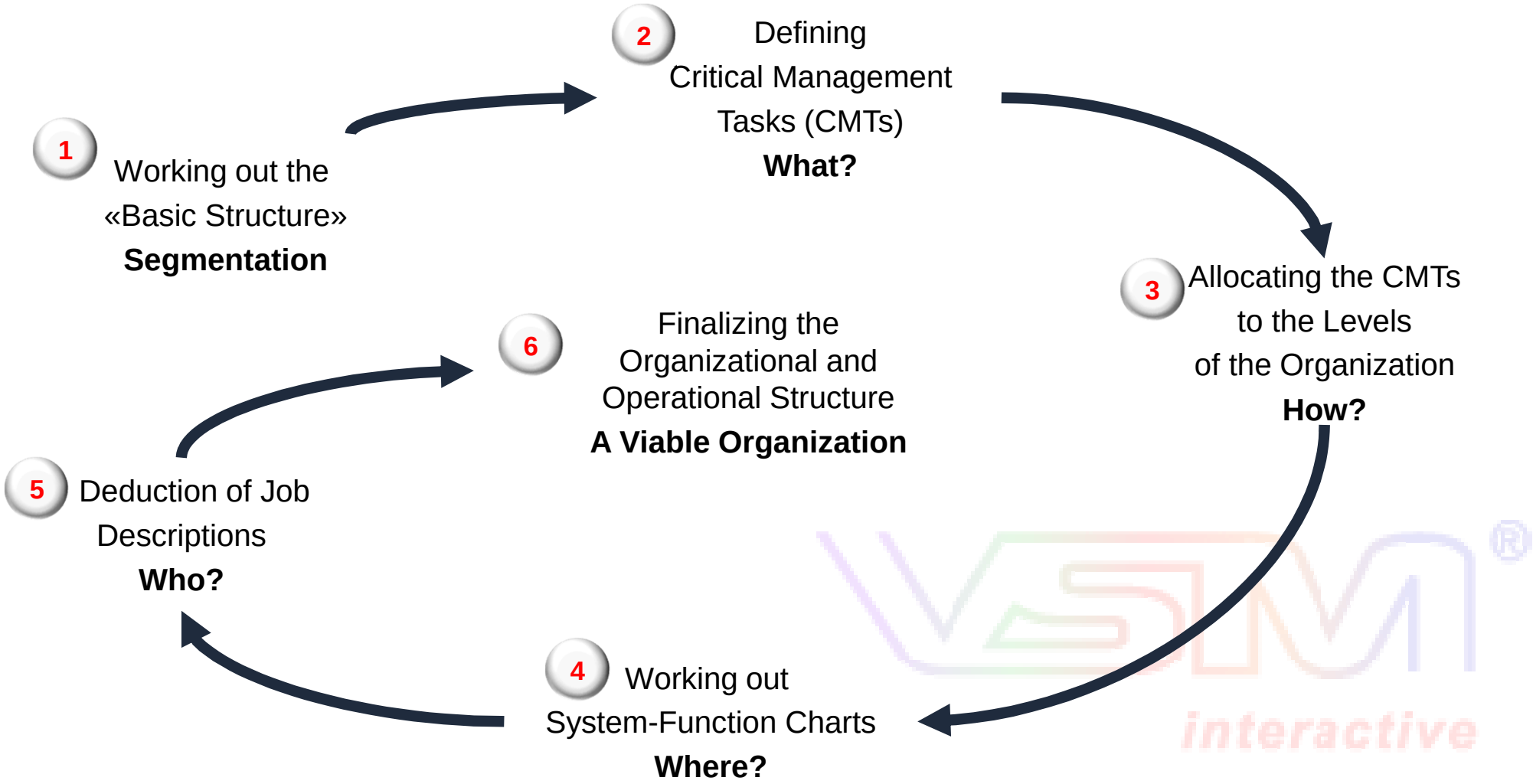


Each viable system is embedded in a viable system and consists of viable systems.

This way, the whole organization can be designed with one model, including all organizational levels, units and management functions, client groups, competitors and regions/areas of focus.

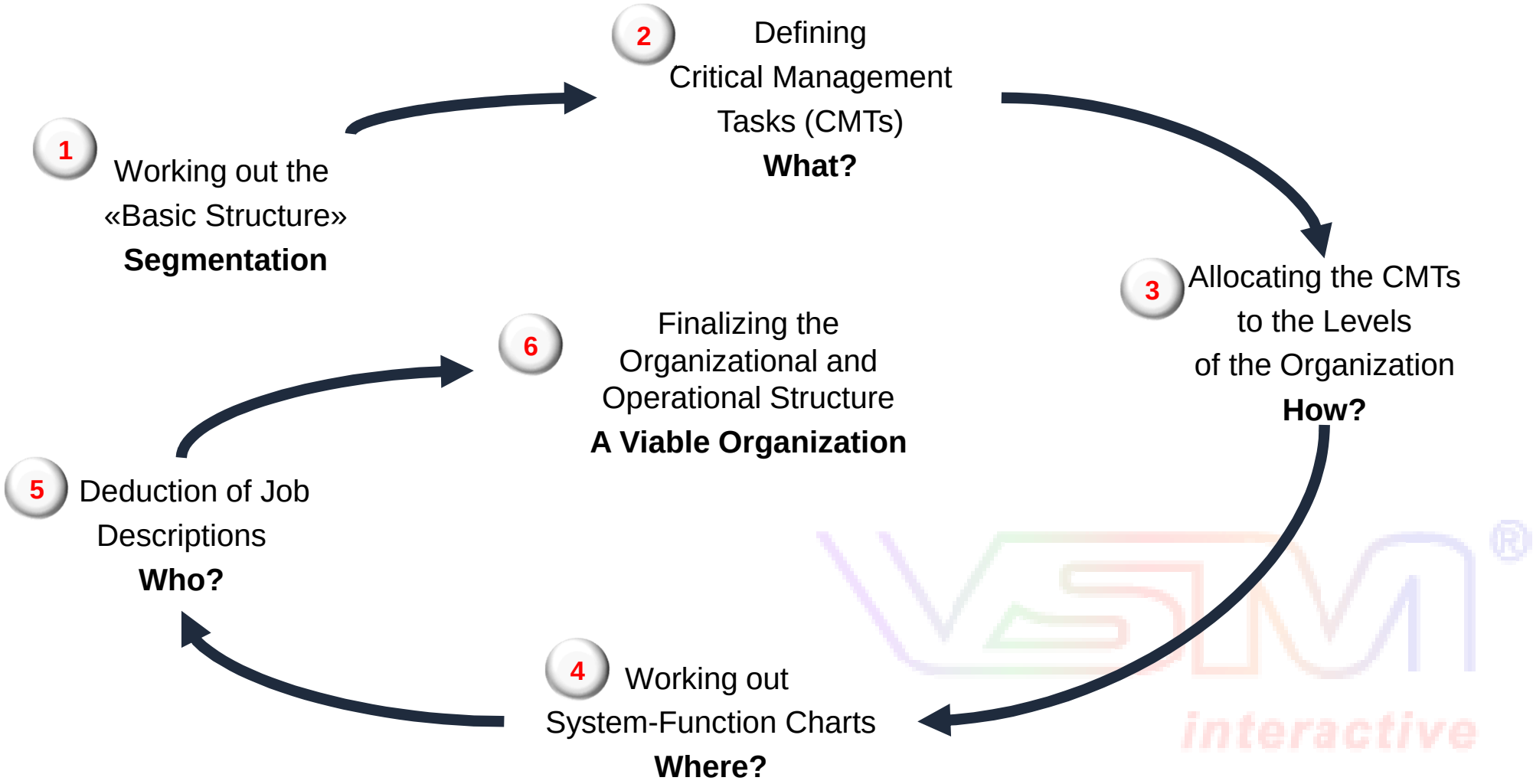
Applying the VSM

The necessary and sufficient steps to designing a viable organization



«How can we most **efficiently manage the transformation process** and most importantly **the change thereafter**?»

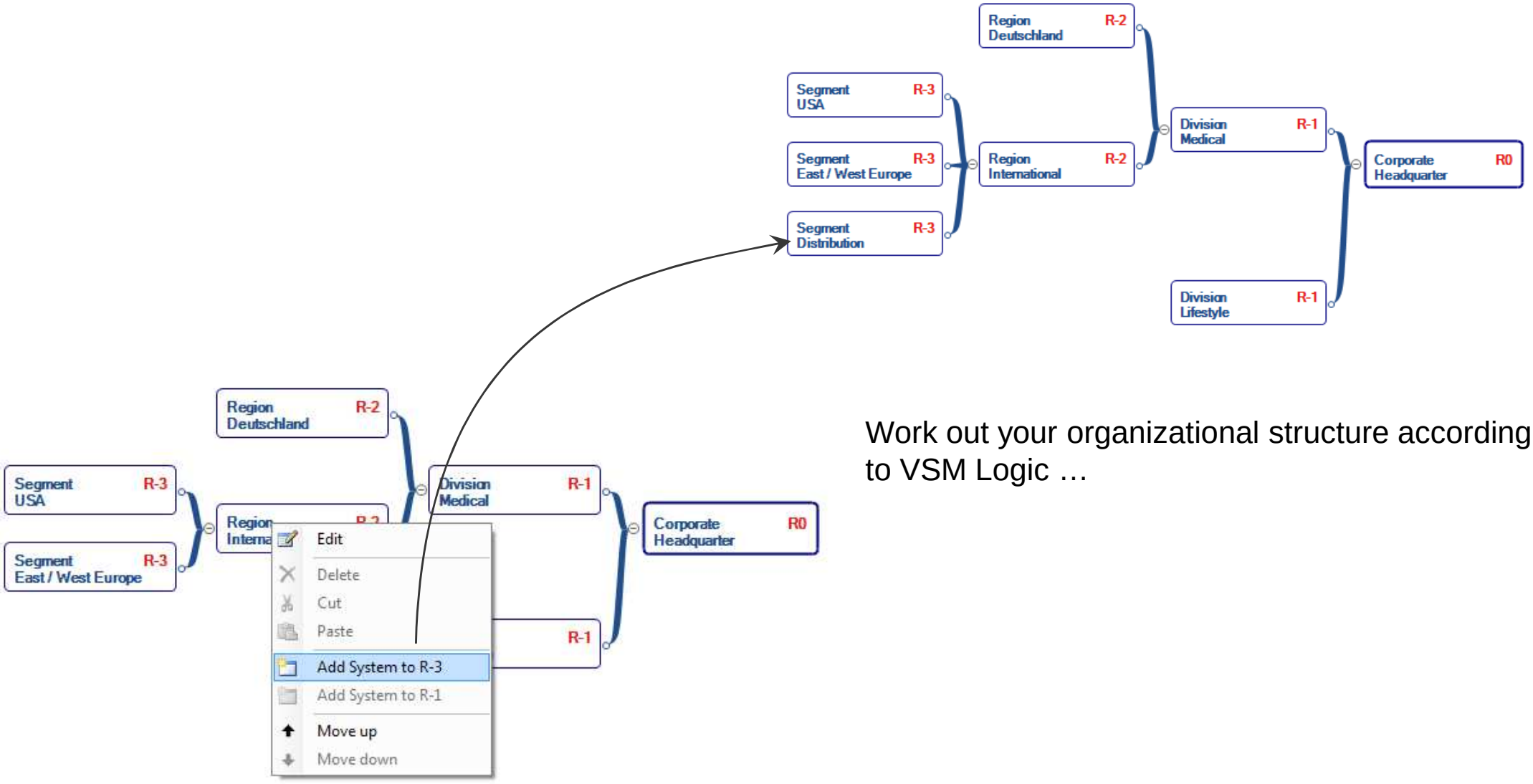
We need a software that takes us through the project steps …



Design your Organization Viable

Working out the «Basic Structure» Segmentation

1

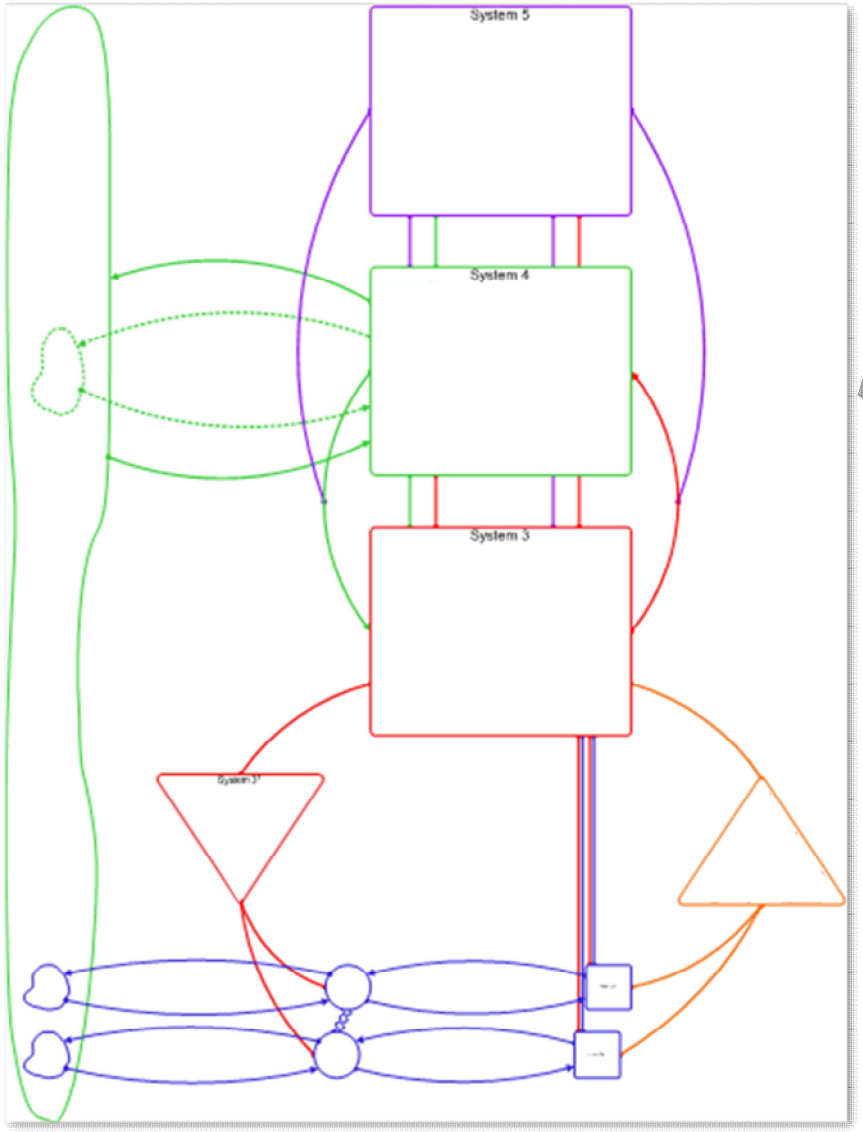


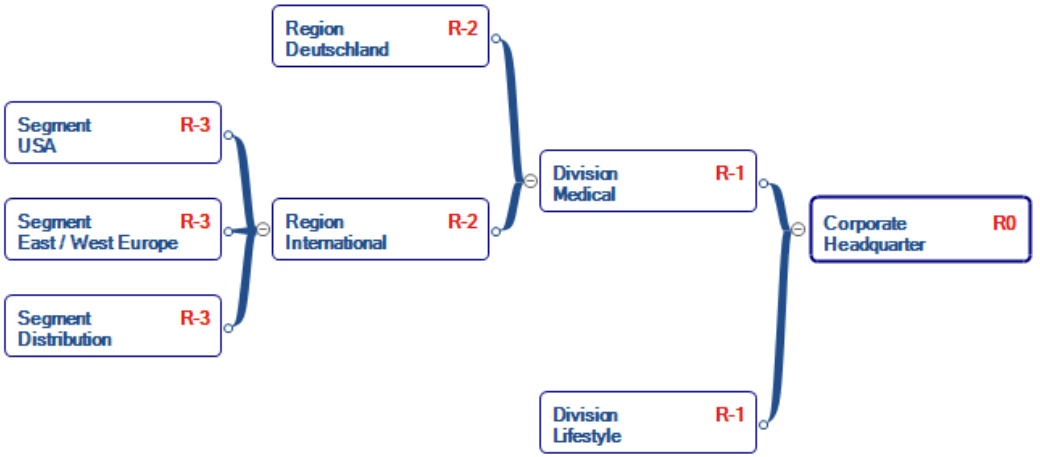
Work out your organizational structure according to VSM Logic …

Design your Organization Viable

Working out the «Basic Structure» Segmentation

1





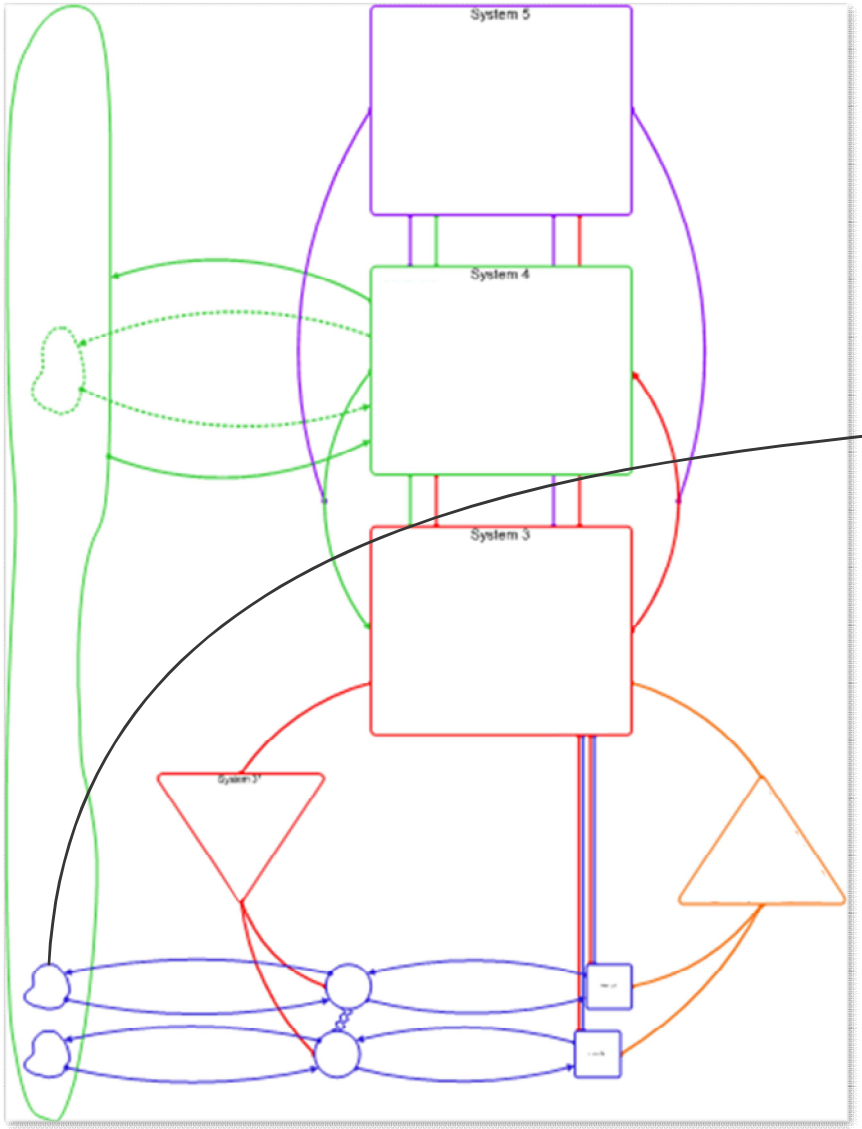
Work out your organizational structure according to VSM Logic …

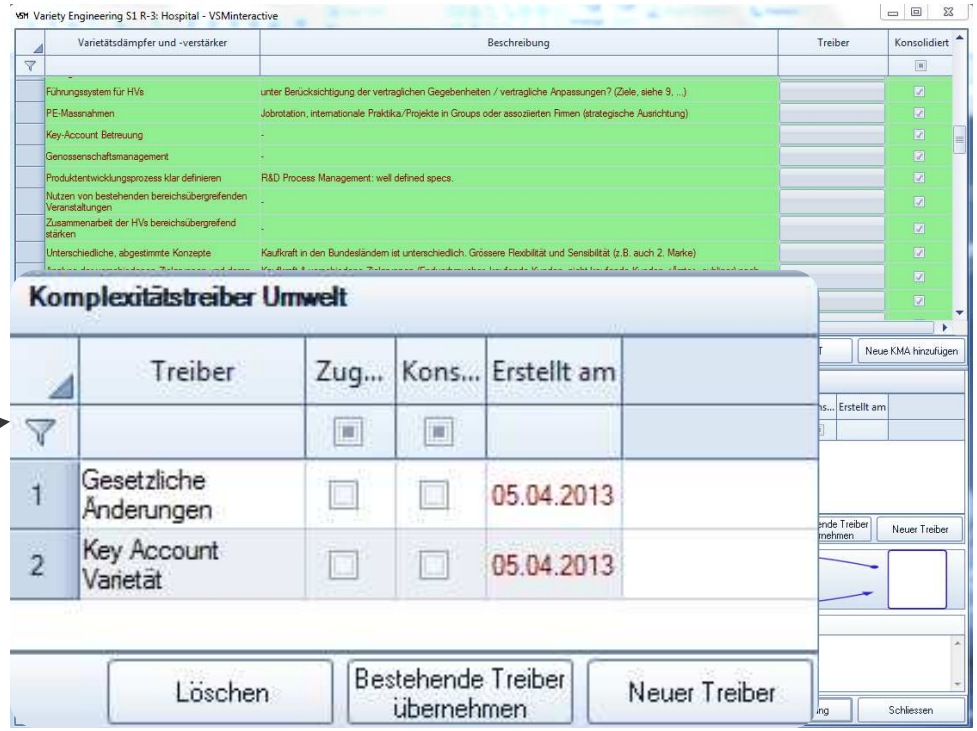
… thus preparing the framework for a viable organization

Design your Organization Viable

Defining Critical Management Tasks What?

2





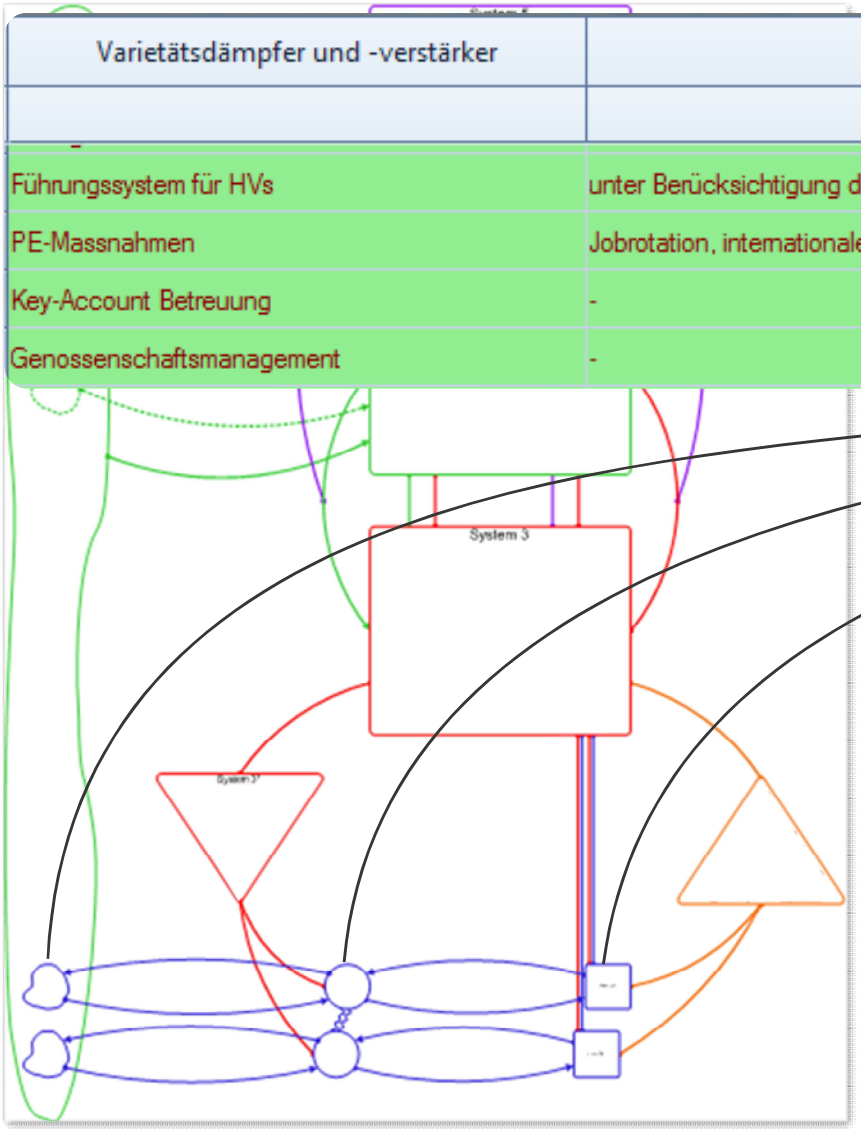
Collect the complexity drivers in the “Deep Structure” …

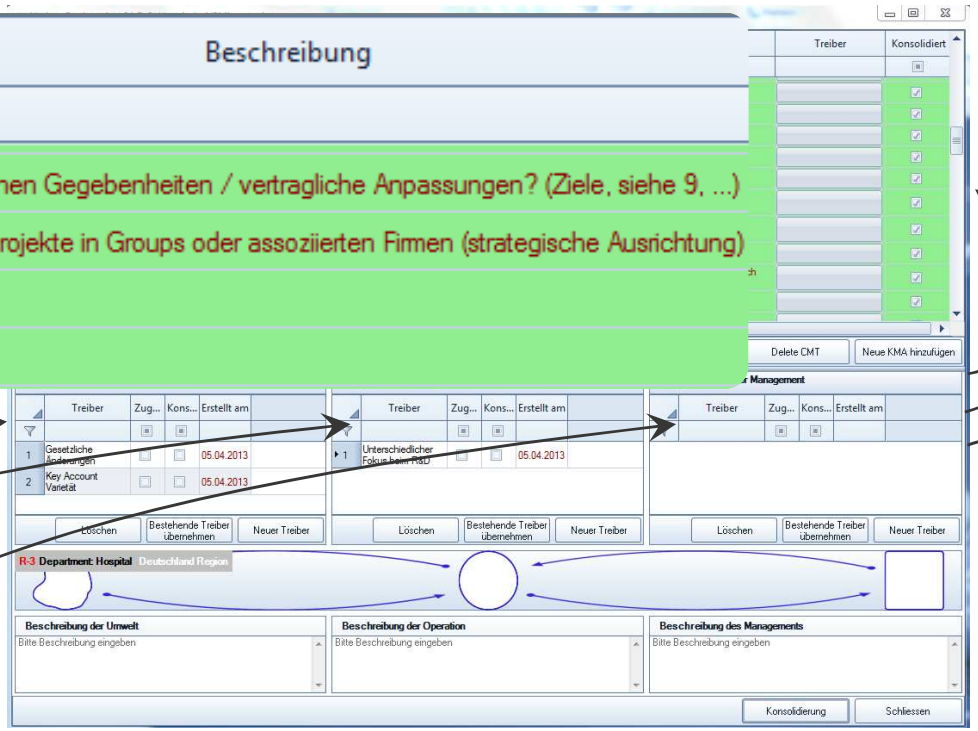
Design your Organization Viable

Defining Critical Management Tasks What?

2

Varietätsdämpfer und -verstärker	Beschreibung
Führungssystem für HVs	unter Berücksichtigung der vertraglichen Gegebenheiten / vertragliche Anpassungen? (Ziele, siehe 9, ...)
PE-Massnahmen	Jobrotation, internationale Praktika/Projekte in Groups oder assoziierten Firmen (strategische Ausrichtung)
Key-Account Betreuung	-
Genossenschaftsmanagement	-





Collect the complexity drivers in the “Deep Structure” …

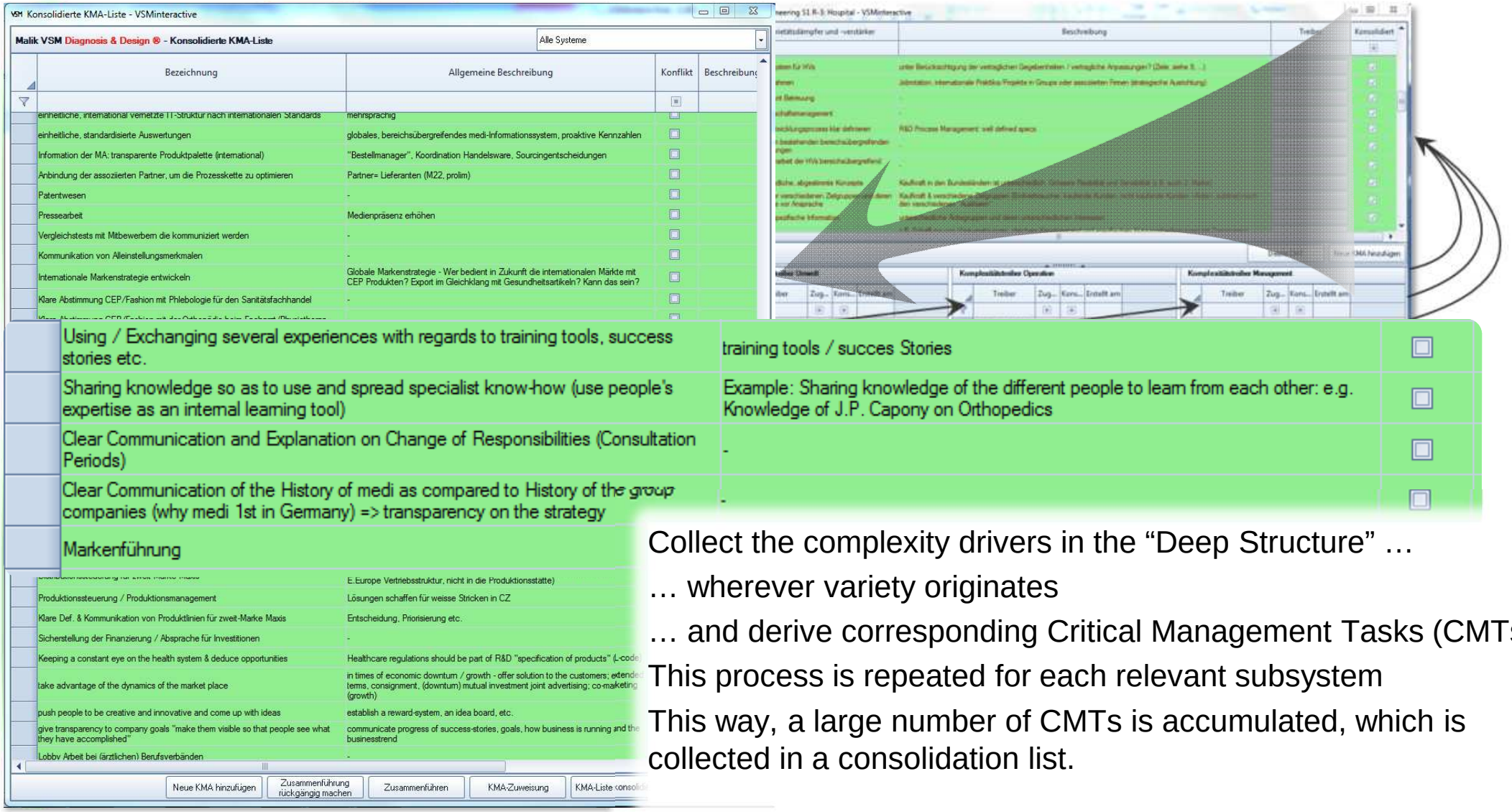
… wherever variety originates

… and derive corresponding Critical Management Tasks (CMTs)

Design your Organization Viable

Defining Critical Management Tasks What?

2



Collect the complexity drivers in the “Deep Structure” …

… wherever variety originates

… and derive corresponding Critical Management Tasks (CMTs)

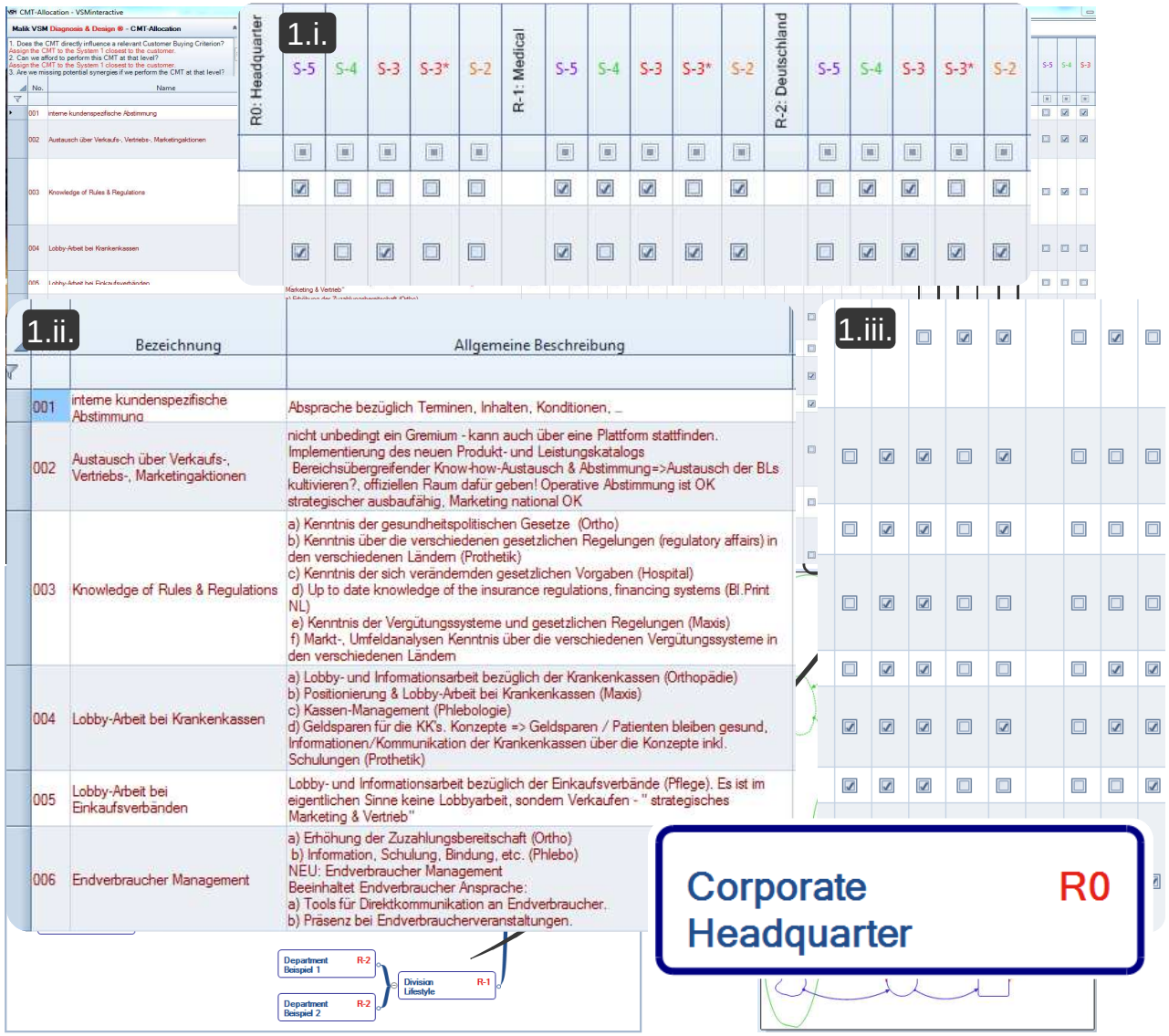
This process is repeated for each relevant subsystem

This way, a large number of CMTs is accumulated, which is collected in a consolidation list.

Design your Organization Viable

3

Allocating the CMT to the Levels of the Organization How?

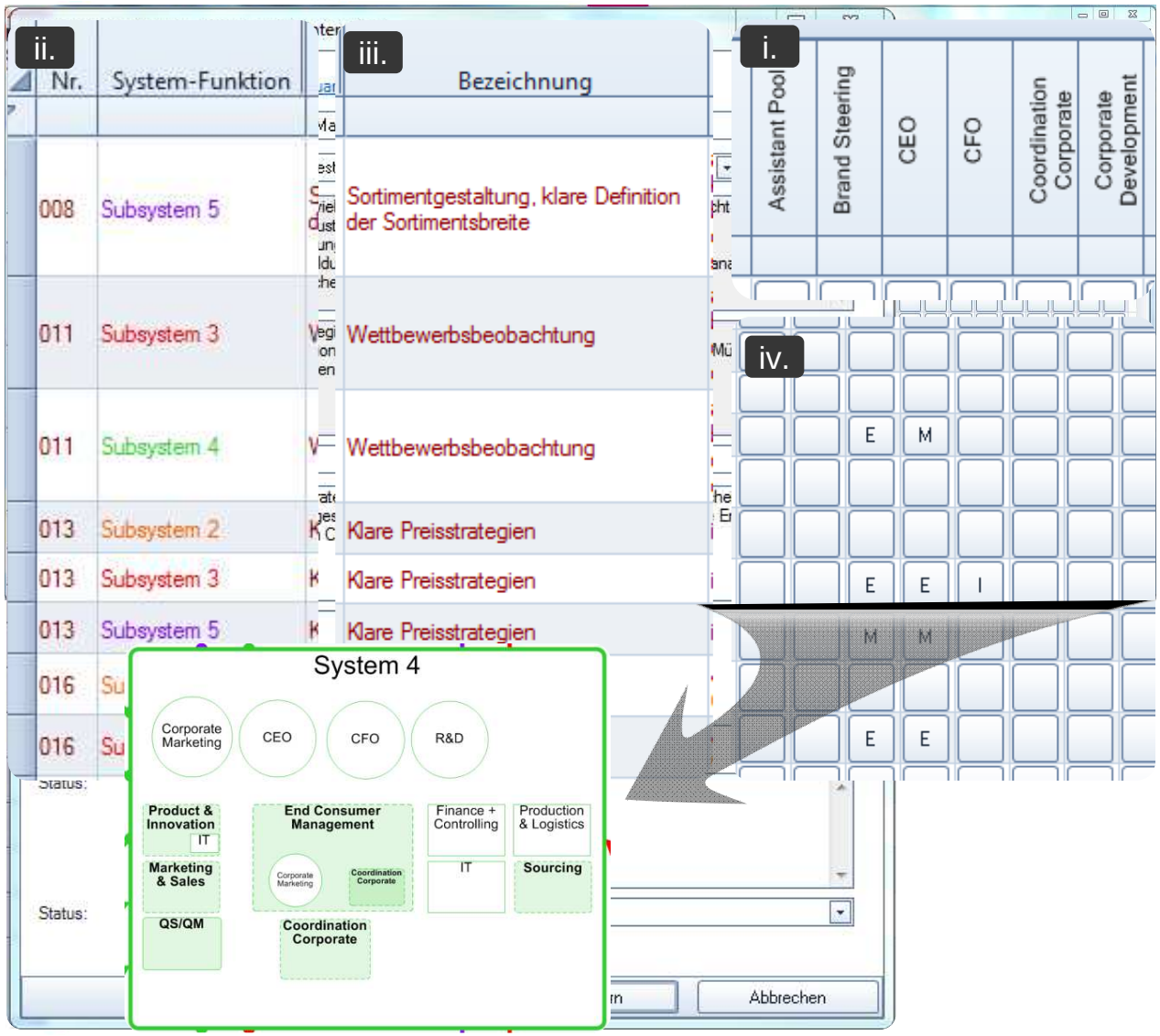


1. In this step you define along the 3 Questions of Organizational Allocation, how (centrally – de-centrally) and in what occurrence (S2, S3, S3*, S4, S5) the before accumulated CMTs are executed:
   i. The organizational level, unit and occurrence is displayed in the columns.
   ii. The CMTs are displayed in the rows.
   iii. Within the matrix the CMTs are assigned accordingly.
2. The CMTs are thus allocated to the respective units …
3. … and are split into their according occurrence within each unit.
4. In the final step specific responsibilities are assigned; which actor is involved in which part of a CMT. *(view next slide)*

Design your Organization Viable

Working out System-Function Charts Where?

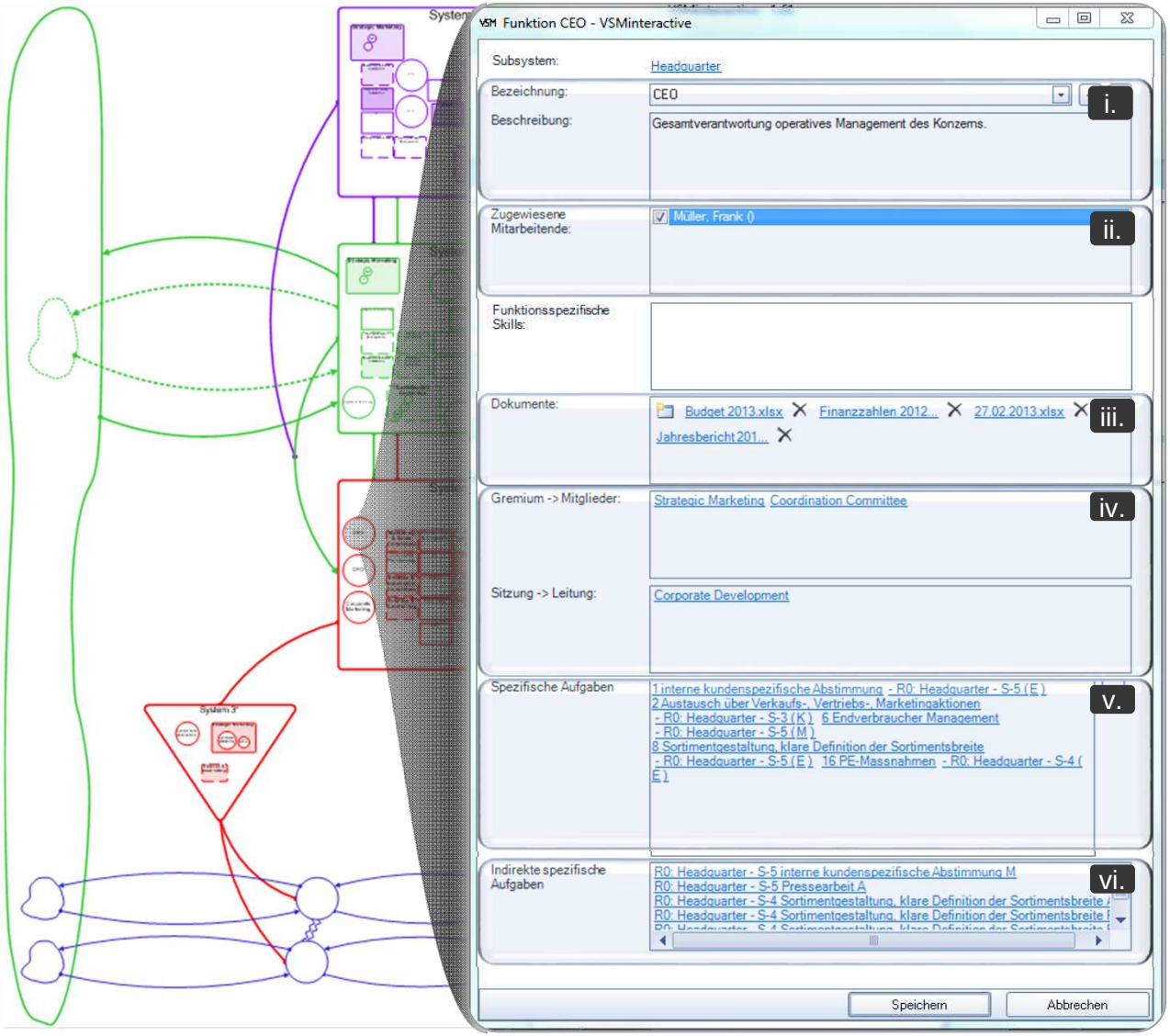
4



1. For each unit a system-function-chart is generated, which displays the following attributes:
   i. Actors (meetings, organs, functions, etc.)
   ii. Occurrence of each CMT (S2-S5)
   iii. Description of the CMT
   iv. Respective actor responsibilities (initiate, decide etc.)
2. Clicking on the matrix opens a window in which the definition and specification of the tasks are imputed.
3. Once the specific tasks are sufficiently defined, the according actor is automatically entered into the visual display, which serves as the navigation surface.
4. At the end of this process, navigation interfaces in VSM logic are generated for each unit through which the information windows are accessible. *(view next slide)*

Design your Organization Viable

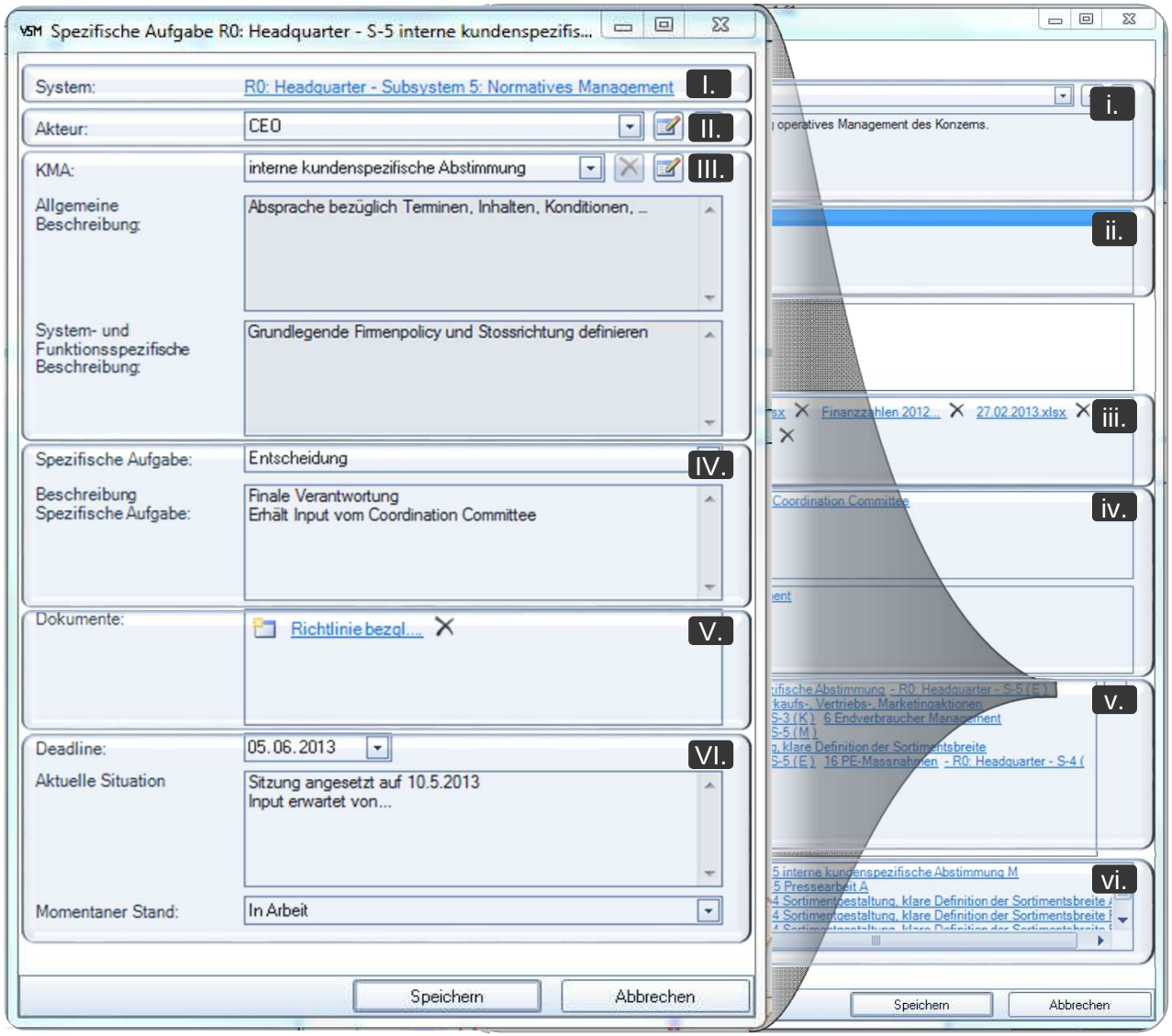
Deriving Job Descriptions Who?



1. Clicking on each actor opens an information-window, which displays:
   - i. The name of actor including a general description
   - ii. The responsible employee (job allocation)
   - iii. Relevant documents
   - iv. In case the actor-type is “function”: in which other actors of the type meeting, organ etc. the actor participates
   - v. Which specific tasks the actor is responsible for
   - vi. Which specific tasks have to be conducted by the meetings, organs etc. which the actor is a member of
2. Each specific task can be described in further detail in a separate window. *(view next slide)*

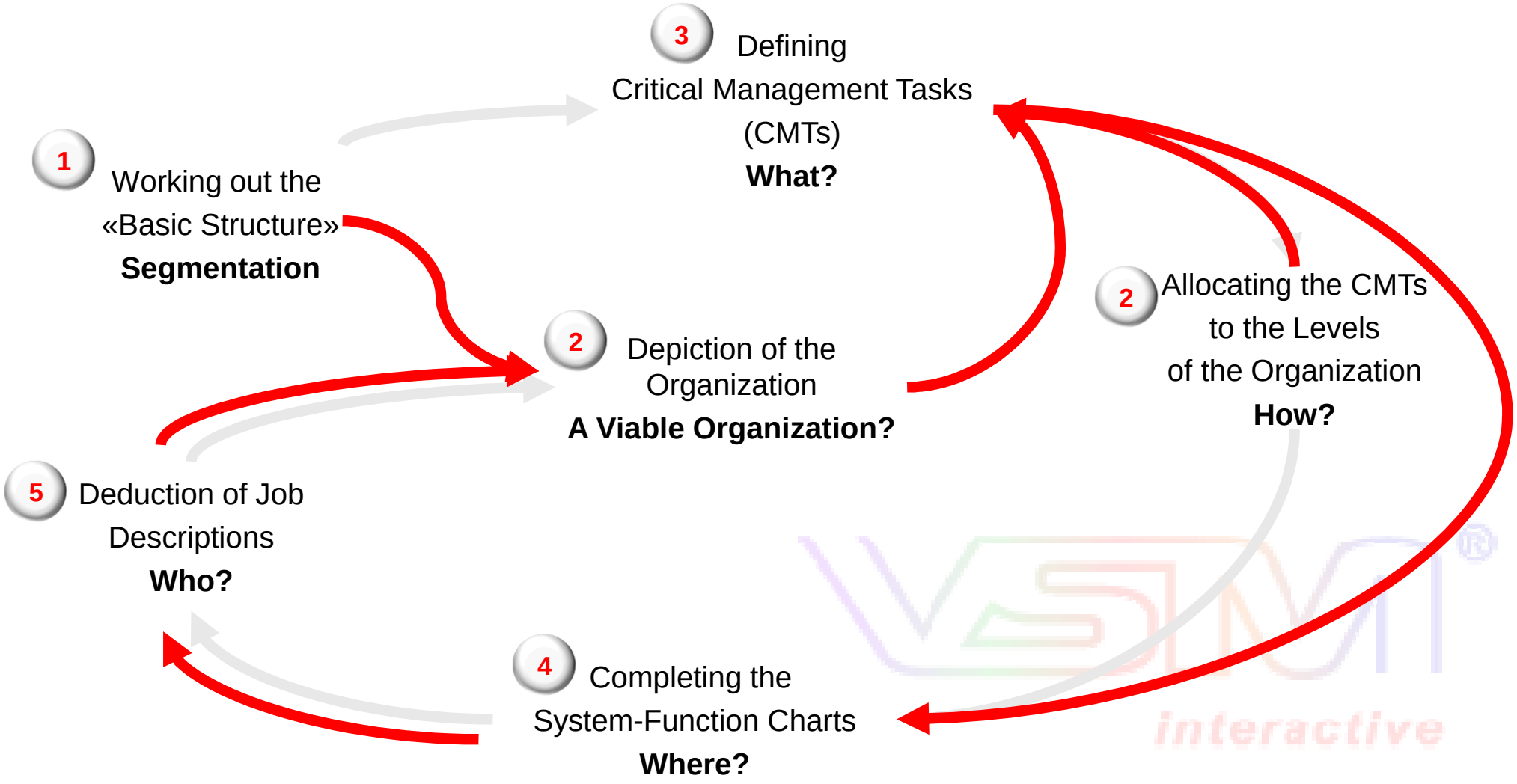
Design your Organization Viable

Deriving Job Descriptions Who?

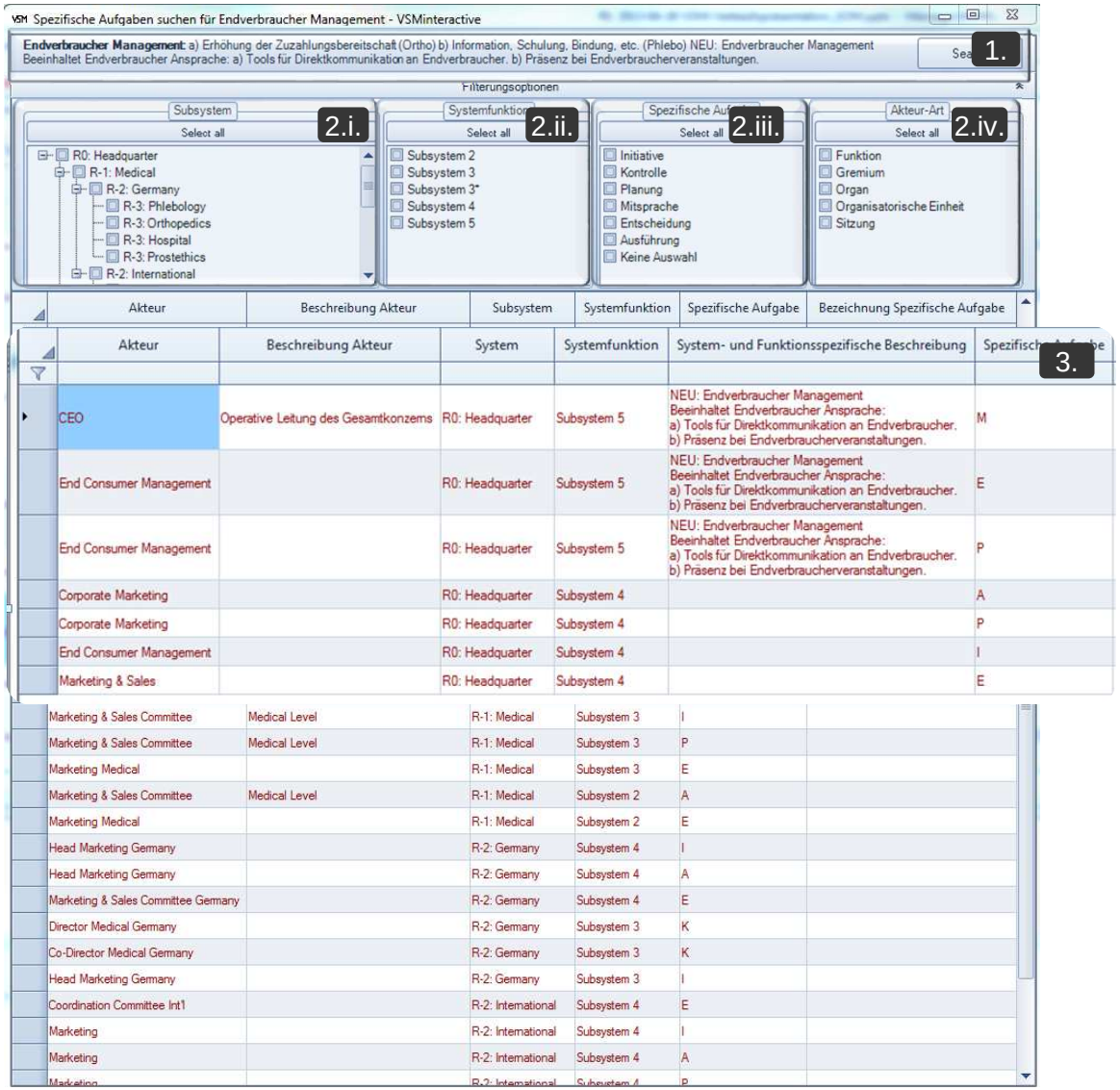


1. A click on a specific task opens a window with further details:
   - I. Where is a CMT allocated and executed within the entire organization?
   - II. Who is responsible for it?
   - III. What has to be done in detail?
   - IV. Which contribution to the whole CMT is delivered by this specific task?
   - V. Documents relevant for this specific task (such as minutes for a meeting, checklists, etc.)
   - VI. Appointments, deadlines and description of the current status
2. Thus, this window offers a complete overview of the relevant information for the specific tasks on a single screen. All relevant documents and dates are stored right “in the specific task”, i.e. according to VSM logic.

We need a software that takes us through the project steps **allowing for flexibility to cover for individual organizational needs**



We need a software that takes us through the project steps and **provides the Management with a Company Navigation & Information System**



Example: Task-Tracking System

The Task-Tracking system allows for filtering every CMT across the entire organization. This enables queries according to relevant criteria.

1. The top of the window displays the description of the CMT to be examined.
2. Specific tasks may be filtered according to the following criteria:
   i. Location of the execution
   ii. Occurrence (S2 – S5)
   iii. Type of the specific task
   iv. Type of the executing actor (meeting, function, organ etc.)
3. The result of the enquiry is displayed at the bottom part of the window.

„So we can basically design our own organization with the new VSMinteractive?“

Use and Benefits

Design your Organization Viable

(Re-)Design of any kind of organization based on the principles of the Malik Viable System Model

1. Step-by-step guidance through the *Malik VSM Design* process by breakdown of the design process in self-contained steps.
   ⇒ All the relevant building blocks of the organization are considered.

2. Relative flexibility in the order of execution of these steps by automatic transfer of the relevant information for previous or following steps.
   ⇒ The necessary flexibility to meet company specific needs and maturity levels is granted.

3. Adherence to the principles of the VSM through a well-balanced mix of rules and flexibility within the given design options.
   ⇒ The benefits of the *Malik VSM* (customer-centricity, clarity and transparency, operational efficiency, adaptability to changing needs of the environment) and thus the long-term viability of the organization are safeguarded.

„If I need something immediately .. then VSMinteractive®. Everything else is a waste of time“

Use and Benefits

Navigate your Viable Organization

Fast and simple navigation through your organization

1. Immediate and automatic bundling of all information collected under a navigation interface in *VSM* logic.
   ⇒ An intuitively operated organizational navigation system is ready to use.

2. Unlimited possibility for adding further relevant information through respective data repositories.
   ⇒ The individual company needs with regards to management-relevant data is ensured.

3. Automated task- and deadline-tracking system through individually updatable data entry.
   ⇒ Real-time information about tasks and deadline status on employee level.

4. Self-managed adjustment of the own organization through an easy-to-use editing system.
   ⇒ Real-time management of changes of any kind (from minor cosmetic modifications to radical changes) without dependence on external expertise.

„The transformation happens almost by itself!"

Use and Benefits

Manage the Transformation

Self-Enforced Change through a user-friendly Management Steering Model

After a restructuring process, many managers are faced with the challenge of implementing and managing the change. Failure to implement is not uncommon, as business as usual is calling and managers fall back into their good old habits.

1. Delivery of all collected data into an easy to use management steering model along the new organization in *VSM* logic.
   ⇒ The steering of the new organization is intuitive and simple.

2. Linking of existing information and information systems to the *VSMinteractive*.
   ⇒ All the steering-relevant information is accessible through the new organizational logic.

malik

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System-kybernetische
Malik ManagementSysteme®
für das Meistern von Komplexität