The Information Challenge (C1)

- Technology Revolution not matched by Information Revolution
- Organisations still designed around machine age, command and control, production push, militaristic models
- Need to establish a new adaptive model of organisation based on synthesis of people, behaviours, skills, processes and information
- Rooted in Managerial Cybernetics, a systems approach to building a learning organisation
- Need to learn to realise the value of information itself rather than the cost of its provision
- Success lies in recognising that information is more important than technology
- Relevant Figures: 1.1

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- The business case for change
    - Each investment is greater, each payback is smaller, risk of stultifying progress
    - Needs a paradigm shift, understand value not just cost
- Invest in and exploit information rather than technology to achieve performance gains
- Key models:
    - What is IT worth?
    - What is the value of a happy customer?
    - What is the value of time in the market?
    - What is the true cost of error or failure?
    - How productive are we?
- The impact of interdependency
    - Requires systemic thinking about organisation
    - Move away from functional orientation to process orientation

Generating Value (C3)

- Perpetually Failing Problem Solving Engine
  - Organisation cannot adapt as quickly as the situation is changing
- Adaptation requires the organisation to have a 'model of self' against which it can measure performance
  - Characteristics:
    - Self-Regulating, Adaptive, Self-Aware, Dynamical, Co-Evolve with Environment
- Value Generation
  - Organisational Effectiveness = fulfilment of purpose
  - Interdependence of Behaviour, Skills, Processes through Soft and Hard Information
  - Fundamental Approach = Customer Outcome Orientation
    - Design backwards from the customer, Demand Led, Establish Core Processes
  - Homeostat = use information feedback
    - self-regulate, emergence of information based-hierarchy
    - management of management
      - Senior management supports and enables junior management
      - Does not intervene in operations
- Relevant Figures: 3.1-3.14 and 4.1-4.11

- 'Head Office' functions are not purposeful in their own right

- Value enabling activity
    - Allostasis – maintaining dynamic balance by
        - Current products to current customers, Modify the future market, Develop new products and services, Modify the organisation
    - Requires
        - Understand performance, understand opportunities and threats, develop strategy,
        - Negotiate and synthesise the change

- Need to develop a simulation, a rich, information based model of possible futures
    - Do things right (current), Do right things (future)
    - Essence of a 'learning organisation' is to be able to reflect and change

- Manage tension arising between the two
    - Clear understanding of identity
        - Underpinning Mission and adherence to values as means of decision making

- Dimensions of growth
    - Physiological, psychological

- Relevant Figures: 5.1-5.9 and 6.1-6.4

- Power, Communication and Organisation
  - Tendency of power to centralise
- Contemporary technology enables a sustainable approach
  - Distributed decisions, shallow hierarchy, wide span of control, minimised constraint
  - Avoid models developed in earlier industrial and military ages
  - Size, speed, distance, time all render autonomy essential to survival
  - MUST create the cultural conditions under which people empower themselves
- Autonomy must be appropriate to organisational cohesion and risk
- How much autonomy is enough? Principle of Subsidiarity
  - 'functions which subordinate or local organisations perform effectively belong more properly to them'
- Decision model for Autonomy
  - Business Model, Process Progression, Skills Progression, Risk, Values Alignment
- Relevant Figures: 7.1-7.6 and 8.1-8.5

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- Information Systems are value enabling, essential but not in themselves purposeful

- Information strategy is critical
  - Supported by a technology strategy
  - Information has value, technology has cost

- The Lean Information System
  - Led by "The Information Heartbeat", the rhythm of information demand
  - System designed to embed the decisions needed in informational 'models of self'
  - The answer is embedded in the process of asking the question
  - Capture Data at the level of the work itself

- Information Systems Hierarchy
  - Presentation, Integration, Applications, Devices, Network – take action on the right thing at the right level

- Best practice – an aspiration to mediocrity
  - Being 'good enough' is not good enough!

- Relevant Figures: 9.1-9.4 and 10.1-10.5

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- Understanding Performance is about the extent to which the organisation
  - has fulfilled its purpose, is capable of survival, NOT just short term financial position
  - much traditional reporting is inward and backward looking, bureaucratic

- Measurement is of organisational adaptedness, the value exchange between the organisation and its environment
  - Organisations generate social value and obligations
  - Close the gap between where we are and where we intended to be
  - Close the gap between where we intended to be and where we are capable of being
  - We must realise potential

- The Potentiometer
  - Efficiency = actual performance divided by capability
  - Latency = capability divided by potential
  - Performance = efficiency multiplied by latency
  - Synthesise and integrate the results into a single architecture

- Manager as transducer – conveying and translating information

- Relevant Figures: 11.1-11.4 and 12.1-12.12

- Ideas of Intelligent Organisation apply even to the State
  - Must maintain legitimacy through a democratic process
  - Must sustain citizens as necessary without interfering or oppressing
  - Balance along capitalistic-socialistic and libertarian-authoritarian continua
  - Power, ultimately, belongs to the individual citizen
  - Must sustain relationship with neighbours

- States are typically functionally organised, like businesses
  - Not efficient, not effective,
  - Public Services organisations are not profit oriented, cannot (financially) fail

- Intelligent Nation is designed for the outcomes desired by and for citizens

- Performance of public service organisations
  - Need clarity of purpose, accountability for performance
  - Need focus on meeting needs, minimising predations and limitations, distributing control
  - Needs revolution not evolution

- Relevant Figures: 13.1 and 14.1-14.3

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- Idea of Intelligent Organisation applies to the individual
  - Physiologically unitary, Psychologically plural, one body, many roles

- Self-managing
  - Understanding our roles, utilising and balancing resources across them
    - Time, energy, money, relationships
  - For each 'self'
    - Focus on the outcome desired, the process for delivering it, the inputs necessary
    - Hold 'self' to account for achievement (or not)
    - Adapt (learn) to improve performance at each cycle
  - Exercise personal autonomy and be responsible

- Self-developing
  - Understand evolving environment, the options available, choices about future 'selves'
  - Focus on purpose, sense of self, values and beliefs, choose what (if anything!) to change

- Identity
  - Be true to yourself, act in ways consistent with beliefs

- Relevant Figures: 15.1-15.5

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- A methodology for applying the ideas
  - Leadership – the skills, beliefs, courage of the CEO
  - GPF – Guide, Philosopher, Friend
  - Leader and GPD develop a shared model, a shared understanding of 'the problem'
  - Diagnosis:
    - What is the purpose of the organisation?
    - What are the Value-Generating processes?
    - What are the Value-Enabling processes?
    - How is the Trialogue constituted?
    - How is autonomy sustained?
    - How is information provided? (Technology and Systems)
    - Is Information valued? (is reporting meaningful)
  - How is performance managed?
  - Prognosis?
    - What is the future you are currently in?
  - Treatment
    - How would it be if?
- Relevant Figures: 16.1-16.2