

Becoming a Systems Thinking Organisation

Systems Thinking – Jargon Buster

Capability – Measures that should demonstrate our ability to deliver what matters to our customers and therefore meet purpose. The argument goes that if we don't measure our ability to meet purpose then how do we know whether we're improving our services or not.

Capability Charts (Measures) - The best measures are those showing performance in real time including natural variation over time. When they are based on what matters to customers they are most revealing as they represent what it feels like to be a customer in the system. Capability charts are simply a way of analysing and presenting this information using simple statistical techniques that inform how predictable the current service performance appears to be.

Leading measures - tell us what is happening **now** in the system and are the key measures that help us lead change and improvement.

Examples are:

- Demand analysis - understanding the split between value and failure demand coming into the system
- Our ability to deal with requests/demand first time (one stop)
- How long a process takes from start to finish (end to end times)

Lagging measures - the 'rear view' indicators which tell us what's happening in the system **after the event**. They tell us about the effectiveness of the service but will not necessarily help us to lead change. Examples are:

- Budget/costs
- Customer satisfaction
- Staff morale

Capability at the point of transaction – how much demand can we handle one stop (tells us whether we've put the right expertise in the right place)

Check - The starting point for studying the system, Check is about acquiring knowledge of the 'what and why' of current performance i.e. how well the current service is operating from a customer point of view. We use the 6 stage Model for Check to guide us in how to carry out service reviews.

Control Limits - Systems thinking is not only concerned with what performance looks like but how variable that figure may be. By analysing performance (over time), we can use simple statistical analysis to inform what can confidently be predicted for our ability to deliver our services. This is important as this is how the customer experiences our services. Lower Control Limit (LCL) and Upper Control Limits (UCL) represent limits of this ability

- **Lower Control Limit (LCL)** – e.g. we can confidently claim it will not take less than 'x days' to deliver service to you
- **Upper Control Limit (UCL)** – e.g. we can confidently claim it will not take more than 'y days' to deliver service to you

Demand - What customers ask for at the point you transact with them

- **Failure Demand** (Preventable Demand) – The calls and queries (demands) from our customers that we don't want. A demand caused by a failure to do something or do something right first time. Crucially failure demand is not a failure of staff providing the service but rather a failure of the systems fundamental design.
- **Value Demand** – The demand on the system we want. Or why we're here. Value demand should align with the purpose of the system

Do - This is simply the final phase of a systems thinking review which takes the learning developed through experiment into 'business as usual'

Experiment - often used in systems thinking to describe how we demonstrate that ideas formed during the Plan phase that are based on learning from Check result in the outcomes we want. This is best evidenced through capability charts showing improvements in service based on what matters to customers.

Flow of Work (and 'Clean Flow') - How the work works! Flow is a description of all the activities making up our processes that deliver our services. Flow is mapped to identify waste in the system informed by matters to customers uncovered by studying demand. Moving to a 'Clean Flow' is the goal of any systems thinking intervention and represents removal of all waste activity from the system

'Get Knowledge' - An odd entry perhaps but it is included here as change initiatives often assume to know what problems exist within our services and propose solutions to address these problems. Systems thinking assumes nothing and sets out to understand how the current service operates from a customer point of view before drawing any conclusions about how to improve.

Intervention – An approach to studying services and uncovering how well those services perform using 'Check', 'Plan', 'Do'. Interventions often challenge underlying assumptions about how best to design our services which is important in deciding how best to improve them.

'In the Work' - A term that simply refers to the importance of all involved in the review being prepared to get involved in the nitty gritty of the review when studying the system. It is used to stress to managers the importance of them engaging rather than staying separate from and delegating responsibility for the review. Managers need to spend time 'in the work' as systems

thinking challenges our underlying assumptions about the work and everyone needs to take on board (un)learning.

This is important because managers in particular tend not be involved in the day to day running of the service and therefore can lose sight of what our processes require us to do.

'Make normal' - another odd expression that simply refers to taking what has been learned through experimentation and embedding it such that it becomes the new way of working or 'business as usual'

Operating Principles - many of us are all used to working to procedures that determine how we work. In systems thinking reviews we often find procedures rigid and inflexible. Often constraining how we operate to the detriment of our customers. As we develop through systems thinking reviews we try to hone in on a more general set of principles that underpin how the work is carried out. These new operating principles which are regularly reviewed for their suitability provide more flexibility to staff in meeting customers' needs whilst process is determined by 'clean flow' identified during the Plan phase.

Plan - this is phase of a system thinking review that takes learning from Check to decide how to reconfigure the service based on systems thinking principles. Plan is also concerned with devising the experiments to test these new ideas.

Purpose - The starting point for any systems thinking review is to consider the reason the service exists expressed from the customers point of view e.g. 'Fix my house' This is important as interpretation of evidence and decisions about how to improve must always relate to purpose.

Roll-in - Expansions of the new service are rolled in not rolled out. Rolling out is a traditional approach to 'go-live' that usually involves a big bang launch approach, often introducing new IT systems and usually with heavy investment in training. This approach often fails because changes being introduced have often been devised 'without knowledge', are not introduced sustainably and do not provide flexibility for staff to offer service based on what matters to their customers

Studying - Not a new term but important in systems thinking as it helps reinforce that the starting point for carrying out a systems thinking exercise in an existing service is to get knowledge about the current system. Then and only then can any decisions be made about what to change to improve the service

System – Not a reference to IT systems but simply the service being studied

System Conditions – These are factors responsible for waste in the system and part of the current service design uncovered during Check.

Systems Thinking – a way of understanding the purpose of an organisation (the system) from a customer's perspective (what matters to the customer)

Systems Thinking Review (sometimes called an intervention) - a three stage process:

CHECK – reflect and understand your service as a system.

PLAN – identify what needs to change and redesign your service.

DO – implement the redesigned service.

Waste - There is often confusion about the terms waste and failure demand. Demands are requests for service being made on the organisation which may or may not be valuable in terms of achieving purpose. Specifically failure demands are demands that do not relate to purpose. Waste refers to activities within the organisation that make up our services which we examine when looking at the flow of work. Some waste uncovered will be directly responsible for failure demand whilst other forms of waste are responsible for less than optimal delivery of value demands i.e. demands on the organisation we want.

'What Matters' - System thinkers often talk about 'what matters'. This phrase is simply to focus minds on what is important to customers.