

VISUAL THINKING TO DEVELOP FUNDAMENTAL QUESTIONS

Contributors:
John Caswell and Sarah Gall

I feel that for universities and consultancies it is all too easy to become stuck with out-of-date business and financial modelling practices that have limited use in today's business environment. Perhaps there is too much emphasis on process and not enough thought given to fundamental questions. In the previous chapter I mentioned the importance of setting the right fundamental question and made reference to visual thinking as an aid. Group Partners are consultants in this field of 'thinking' and they have kindly contributed the following explanation of how they put this process to work. It is all too easy for a proficient business and financial modeller to 'get stuck in too soon' and end up doing an excellent job of solving the wrong problem. It is hoped that this contribution will help you avoid making this mistake – I think it makes valuable reading at this stage.

Clive Marsh

Challenging the traditional business model

The world has changed; therefore the business model has to change. And when the business model changes, everything encompassed by that business model has to change too.

The traditional 'process/method'-driven approaches of advisory and consulting practices evolved when the world was a very different place. These approaches worked at a time when the business could afford to follow fixed business models built around standard functional disciplines. That is not the world we inhabit today.

While the thinking behind the process has often been deep and rich it has been too singular in its focus. It was often designed to make the case for a certain (predefined) business model, technology or process. The world is now too dynamic and very different and the old approaches lack the agility required to cope; they have not evolved at the same pace. This has meant that the challenges to rethinking how problems get resolved and opportunity gets developed (and positively exploited) have changed dramatically.

While many organizations still struggle to articulate their needs in a manner that gives them the outcomes they really want, they are starting to appreciate that they can no longer continue to apply the old models or justify their excessive investment via external guidance – especially when that approach delivers such poor return.

New methods and approaches – a business model reflecting the world as it is today

At Group Partners we believe that these new methods and approaches are way overdue. We are passionate about working with businesses and organizations across the world to improve thinking about strategy, transformation and change – it's all about the business model.

Our way of working, using visual frameworks and other 21st-century tools, gets to the root causes of business problems and enables us to help our clients remodel their enterprise and create value from latent opportunities. It also avoids solving the wrong problem really well!

When we were clients ourselves we struggled to resolve complex issues just as our clients do now. It does not matter what their sector or geographical location is – whether they are publicly quoted or trustee run, whether they are huge multinationals or government departments – all of them face problems associated with complex 21st-century change. Just as they all have much greater opportunities that can be better engineered. But this degree of complexity and re-engineering can only be handled if the business model reflects the world as it is today.

Our methodology uses co-creation, visualization and logical structure applied to the important conversations in a business to transform the way it thinks and acts. And it does so quickly because this is the 21st century and we are using 21st-century tools.

Changing how you think about the future of your enterprise and therefore the business model is a big and increasingly essential step. Every leading business needs a distinguishing vision, a shared strategy and a meaningful roadmap of how to get there. It is not enough to stand idly by and watch as your competition innovates around you. You cannot ponder for too long over the changing dynamics of the 21st century. You have to act! You have to think differently about change.

It's always a leap of faith when transforming or changing anything. Reducing the risk during the change period is vital. Competition is intense and you need to be smart to survive – you need a new business model. Innovation and creativity in strategy are the key ingredients. Planning this future with your leadership team collaboratively and smartly is the only proven way to win because they more than anyone else need to understand the new business model and its potential implications on every part of the enterprise.

Structured Visual Thinking (a trademark of Group Partners): principles for a dynamic world

We have developed a philosophy we call Structured Visual Thinking™ (SVT™), a Dynamic Architecture™ that ensures we look at the whole picture – and that over time enables the client, with or without our help, to continue to develop and improve it – and an approach we call 4D™ during which we workshop particular issues in facilitated sessions with the client. This approach is the accumulation of 11 years' work,

including almost 3,000 interventions with all kinds of businesses in every category, large and not so large, and with governments, NGOs and other not-for-profit organizations.

Change within the dynamics requires leadership with vision and courage

There will be no dynamic change in the business without the earlier creation of a new business model, a compelling vision and strategy. Today, nearly all business operations are structured according to how we have 'thought' about things. Their operational models, just like their business models, have become habits – habits that are hard to break. They have all the key elements – policies and procedures, an existing business model and a set of beliefs – core organizational values, a mission statement, and a set of goals.

However, vision and strategy alone, no matter how compelling the purpose, will not result in productive change – and certainly not change that makes a positive difference in how the enterprise actually needs to operate in a new and dynamic world. The business model – where the 'rubber hits the road' – is what will force a change in behaviours and the breaking of old habits.

Facilitating dynamic change – dynamically

It is now widely accepted that accelerated change and value creation is improved by impartial facilitation. Respectful facilitation along a sequence of well-understood processes is core to everything from peace talks and conflict resolution through to business transformation and strategy creation. In Structured Visual Thinking™ certain phases are more suited to intervention and other phases happen remotely, but each step relies on gathering, understanding and developing insight and data. Everything is in the pursuit of causing fresh dialogue for the development of new thinking and outcomes. SVT™ enables us to take a whole system view of all the moving parts and to position the new business model within the existing context.

We have observed that meaningful work is founded on three major planks:

- Visualization of the opportunity or desired change in live co-created interventions.

- Recognition of the complex patterns in data that when worked collaboratively and reflectively sets up better analysis and synthesis of what we know and therefore a new narrative.
- The creation of a complete 'diagram' of the enterprise shown as a living system so that people can see the machinery and how and where they fit in.

These foundational elements are how we work, how we think and what we do. We do not use visualization to over-simplify or to deflect but to signify logic and meaning and connect purpose with decision in a rapid way. Complex patterns are used to identify risk and opportunity and engage with practical, actionable work. We use systems thinking to engage, inform and empower the widest possible audience.

SVT™ enables us to:

- visualize critical information and future scenarios - in context – to ensure multiple stakeholder access;
- cause vital conversation – building consensus around logic and structure;
- synthesize large amounts of content and data within visual interfaces to ensure fast access and application;
- ensure sharp and effective communication through world-class visualization;
- demonstrate how change and transformation may look in the future;
- create clear and compelling stories about complex and often intangible business ideas;
- gain rapid alignment of the leadership team around the new business model, strategy and vision;
- make decision quality a standard through logic frameworks;
- build engagement and ownership throughout the enterprise via shared and meaningful artefacts.

Structured

Structure is critical for people within complex environments to create some kind of order within which to think, imagine and then construct new value or enhance decision making. In order to deploy a new business model we need to understand how to make new choices, and to make better choices we need to 'sort' in a more disciplined fashion.

Structure organizes the complexity of thought, idea, conversation, and – in our work – each important factor of strategy or transformation.

Structure is a broad-based understanding about how to organize a decision process, both in the small and in the large, to ensure adequate discovery of the relevant context, brilliant thinking about the range of possible solutions, sharp dialogue when it comes to making trade-offs and smart use of information.

Visual

We apply visual techniques because they accelerate meaning and purpose between people. We create things visually to convey understanding. The powerful symbols we design, develop and create for our clients enable better knowledge exchange. These visual ‘objects’ and scenarios are used either to provoke further conversation or to translate intangible ideas into physical systems and outcomes that can be shared, telling the new stories across the enterprise.

Organizations so overvalue words and impenetrable PowerPoint decks that they easily lose sight of the elegance and simplicity of visualization: to create context and persistence; to create the place and opportunity for sparking new thoughts, discovering unexpected juxtaposition. In some cases, the right way to do that is creating massive maps on walls 40 feet long. In other cases, a stack of index cards and some markers might be the right tool.

Thinking

Thinking is at the heart of everything a business needs to do. It is more important than ever because of the need to improve performance, create efficiencies, solve problems far more quickly and identify new value ahead of our competition. We are passionate about finding better ways to think; uncovering new value through collective and ever more coherent thinking. We want to leverage the talent and often-untapped creativity in everybody we work with.

Sharp thinking is a function of many things. We want to be sure that we bring the very best thinking we can, and put our thinkers in spots where they can be the very best possible versions of themselves. From a process standpoint this means bringing industrial-strength methods,

frameworks, processes and tools to bear – the right ones given the nature of the problem – to ensure that the people working the problem do what is necessary and sufficient to work it in a high-quality way.

The Group Partners approach to the business model and strategic decision making

Group Partners believes there are only two really valuable things that we can do for business: solve the right problems or create value out of opportunity. Value is the additional premium we place on something; a quality that distinguishes it from other things and is worth paying (extra) for.

Value, however, often defies our ability to mine, define or control it. There are some great ironies and paradoxes in this and you're likely to need new skills and new ways of thinking if you're to go deep into why change is necessary.

New value from a new business model will only emerge:

- 1** If we're ready to have some deep and very fundamental conversations with ourselves.
- 2** If we can think sufficiently differently to understand why it isn't already there.
- 3** If we can use the new way of thinking to see how it can be created and sustained by the capability and resources currently within the enterprise.
- 4** If we can identify and prove who says that there is value in any of this anyway (customers).
- 5** And if we know what are the moving parts and dynamics (many of which are outside the business) that will need bringing under control if we are to make that value worth mining over time.

Doing this calls for unusual capabilities, ones that involve weaving patterns, painting visions, hunting fresh clues, distilling data, harvesting knowledge, writing and then telling the stories about new visions and business models – getting out into the world and gathering different ideas. All of these skills are fast becoming part of the new language of change and as yet are still scarce in the business world today. Without them, though, you're unlikely to be equipped to explore the new business

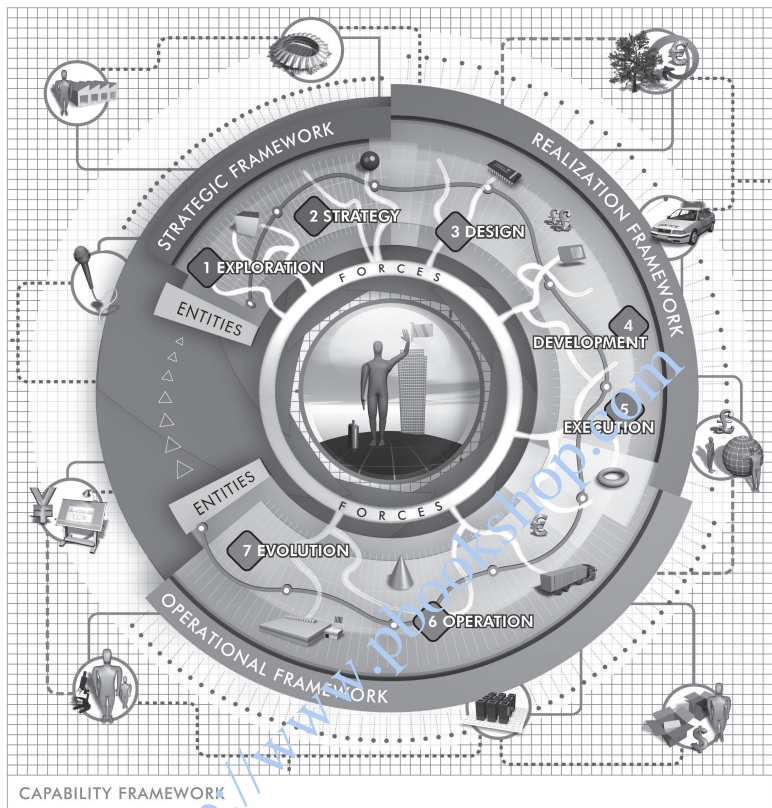
model and the value in it. So you're going to need to change – some of the people, some of the processes – and gain different capabilities to ensure different behaviours.

Just saying that today's business world is complex is far too simplistic a way to put it. Today's world is where human nature translates as ingrained behaviour – new pressure from fast market entrants that are designed to eat your lunch meets outdated platforms and infrastructure and talent and scarce capability – they all add up to some pretty wicked issues that need tackling.

An architectural approach to building a future

In our world in order to create a new business model everything starts with the establishment of a Dynamic Architecture™ (see Figure 3.1) that is designed to imagine and then to reflect the 'DNA' of the organization. This architecture allows us to identify, consider and then reshape the business model and the way we go on to manage and plan our way through any change that is required. It connects all the 'moving parts' and maps the implications for the enterprise in terms of the way it needs to organize, manage and operate. Within this frame any necessary changes can be imagined and understood and a more adaptive and agile model developed.

It is often the case that change doesn't happen (at all or quickly enough) because the root cause of why it needed to change and what it needed to become wasn't identified. This Dynamic Architecture™ enables us to reduce the risk and improve the performance of how we align and equip the enterprise to take better advantage of the world in which it operates.

FIGURE 3.1 Group Partners Dynamic Architecture™**DYNAMIC ARCHITECTURE**

Group Partners Dynamic Architecture™ approach depends on:

- 1 Context – access to the widest possible context – data, insight and information.
- 2 Collaborative mindset – a collaborative frame of mind and the systems and tools in place to co-create with the business.
- 3 Commitment – enlightened leadership – working with the right people; people who care about the outcome.
- 4 Persistence – a dynamic enterprise strategy is not created by workshops; it is an attitude, a way of life. Our work begins when we start talking with the business and from minute one we are picking

up clues and starting to think about creating value or solving the problem.

- 5 Holistic – sustained thinking and activity with the right approach; from change agents to senior leadership and from collaborative systems and interviews with the appropriate groups and out to the whole enterprise and its stakeholders – all are engaged.
- 6 Leadership – clear messaging from the top about how it is going to work, how it will be sustained and managed.
- 7 Discipline – most organizations are not good at stopping things – this is a maturity of thinking and discipline. It is about working differently.

Understanding a dynamic blueprint for change

Complex environments are dynamic; they are influenced by many variables – ‘forces’ that are fluid and constantly evolving. While it can be difficult to see the patterns, these forces exist within a system – this is the business and it is these patterns and dynamics that make each business unique. There are forces that can be recognized and there are others that are invisible and potentially contain risk and unintended consequences.

Taking strategic decisions in these dynamic environments is perhaps the toughest and most important task of a leader. Getting the decision right can result in enormous value creation – getting it wrong can equally destroy value; and even destroy the enterprise.

Progress in dynamic environments can be difficult and even dangerous

Once the Dynamic Architecture™ is in place we design and then develop a structured engagement with the right people in the right context so that we can fully consider the opportunity or issue that is presented, construct a compelling vision and engineer a business model to deliver and sustain it.

Understanding the wider picture is vital if we are to avoid solving the wrong things and that means extending the capability to think and know it way beyond the competency of any individual – so this is most definitely a team sport calling for commitment, discipline and courage and above all enlightened leadership.

At this stage we introduce the tool we call 4D™. In one or, more likely, several 4D™ sessions with the client it allows us to gather all of the information required to understand the problem or opportunity properly and then to make effective choices about how to improve the situation. We look at the whole picture and then over time develop/improve it – moving from the current state towards a future state.

4D™ approach

This approach delivers sustainable value. It has been proven over the long term to deal with every significant business issue.

The 4D™ process starts by describing ‘where the future lies’ within what we call an Exam Question – a statement of purpose written as a positive phrase that describes a clear intention for progress.

For the Exam Question to be answered properly we need to consider all the variables that are likely to cause pressures or barriers and also those that can be powerful allies and leverage-able. We then apply one or more of the 4D™ frameworks (in sequence), each requiring its own preparation and sometimes its own Exam Question.

Each framework is governed by a Business Equation, a ‘forcing mechanism’ that enables us to be sure of covering the ground in the way and in the depth needed to fully answer the Exam Question.

The equations for the first two 4D™ Frameworks follow. In each case the letters in brackets refer to the conversation/discussion or module that addresses this part of the equation. The order in which these modules are tackled may vary according to the specific circumstances of the assignment and the Exam Question governing it, but as a general rule the order below prevails.

D1 Business Equation: Discovery and Alignment

Which message or offer [H] about which blend of product [E] and service [F] [tangible and intangible assets], through which channel [D], addressing what trend or point of pain [C], to which most valuable customers [B], displaying what aspiration or need [A], built on which criteria [H] with what capabilities and behaviours [I], against what timeline [J] achieving the goals [K] at minimum risk and maximum return on investment?

D2 Business Equation: Development

To achieve the desired Strategic Outcome, or ultimate goal (H) and in order to experience the Redefined Conditions (G)... the effects that result in new value which is in turn underpinned by considered Governance, Capability and Cultural environment (Operating Model) (F), what is the planned Roadmap of Activities and Actions (E), (or Action Plan) that will deliver against the agreed significant Strategic Themes (D) that will drive the business towards the new Future Vision (C) based on the strategic Business Imperatives (B) (the business drivers) which will move the business away from the Current Reality (A)?

The Discovery Framework

Discovery (D1) is the first stage in Group Partners 4D™ approach to solving complex business problems. It is typically a full-day workshop during which we work with the client team to discover what we 'could do' to tackle the Exam Question.

Working through the 11 modules of the framework over the course of the session, we create alignment around the key stakeholders and uncover how far we agree and share common ground and definitions. The nature of the approach with its emphasis on collaboration and co-creation means that although there may initially be a divergence of views, by the end of the session we will have built out of the ideas and energies of those present a shared vision of what we could do.

This is high-energy, co-creative thinking that tests, aligns and forces the best possible outcomes using the underpinning Business Equation logic. This forcing equation – like its Development counterpart – explains the reasoning behind the construction of the framework and why we work through it in what may at first appear an unlikely order.

The modules allow us to cover the Exam Question from two directions. First, to identify how aligned the leaders are on their objectives, their assets and their marketplace (customers and wider stakeholder prioritization and insights). Second, to push hard at thinking through what needs to be done – scenarios of possibility for the future, potential value propositions, criteria for making smarter decisions, implications on the operation/business model, devising a roadmap that makes sense – if we are to change successfully.

The Development Framework

Development (D2) is a high-energy, co-creative intervention that starts to synthesize all we discovered in the Discovery phase if there has been one (there isn't always either the need or the time). If this is the first intervention, we will take what we have already uncovered in pre-intervention discussions with the client and from our own research and build on that. In either case, as we work through the framework's eight modules we will be starting to create strategies, change scenarios and hard plans for the future, effectively covering the three main questions anybody needs for a new business model:

- 1** Where are we going?
- 2** What, as things stand, is stopping us getting there?
- 3** How then are we going to get there?

Within these main aspects we cover strategic aims, objectives and outcomes, the metrics we expect or seek, the realities that are barriers or demand leverage, the vision we want to inspire people with, the imperatives, the strategic themes, the new operating model and the roadmap.

Where there are several areas of concern or if topics arise that people feel would benefit from a separate look, Development can be cycled a number of times (additional sessions do not necessarily need to follow on directly one from another). Such additional work frequently brings to the surface specific issues that deserve a closer focus, which is where our Deep Dive framework comes into its own.

Consolidation

By the end of D2, the client team have been enabled to see and better understand where there are gaps. They appreciate that more or simply better data is needed to fill the holes and go away armed with the tools to do this remotely by prioritizing between the many options of the strategy and feeding back the results to us. Armed with their feedback, we can begin building towards the communication of the result of this alignment and creativity.

It's worth stressing, however, that although this initial framework can be built within 2/3 days, preceded by appropriate preparation, full realization of the desired change requires the team to continue the work beyond the engagement (our support is of course readily available when/if needed).

The consolidation, communication and ongoing realization phases are where our Podio Collaboration Areas begin to come into their own. As soon as possible after a D2 session, we upload the visuals (first in hand-drawn, then in digital format) into a client-specific, fully protected space in the online work platform Podio so that everyone has access to what we have co-created, and for the team to share internally if that's been agreed as appropriate at this stage.

At this point, we can take the work further into the third 4D™ phase – Decision (D3) – which sorts all the choices into a coherent set and fleshes out the roadmap to take them forward.

The Decision Framework

Decision making is at the heart of 4D™. This is where we need the best possible data and rigour because it is where we place our bets. There are three main components to this D3 framework: The Outcome metrics and KPIs (Key Performance Indicators) we see, the strategic choices we have determined during Discovery and Development; and thirdly the roadmap, which defines what the client will continue doing as before, start doing differently and stop doing as a result.

The Deployment Framework

The fourth programme, Deployment (D4), rests on the real outcomes from the previous three 4D™ phases and as such builds from understanding the real requirements and not those that simply suit a pre-defined solution or product set. It can only properly begin once final approval presentations and sign-off from D3 have been given, teams built, a programme office put in place and timelines and expectations managed.

We support Deployment with any number of roadmaps, flight-plans and time-lined/milestoned events, responsibilities, actions and measures – and wherever appropriate will connect this phase directly to systems of workflow and programme management with alerts and dashboards.

Primarily, however, our job now is to help the team and others choose the right roads. Some may be clever short cuts to somewhere else, some pure dead ends and some may present big challenges but are the only way to get there. We have therefore created templates for the team – and

often at this stage, wider stakeholders – to input the true milestones and ‘journey signage’ needed to implement the new business model and ensure that the new strategy reaches fruition.

This often involves working more widely with people, causing behaviours to change, encouraging adoption, improving leadership and so on but it also means clear, crisp, meaningful and coherent communication.

Outcomes and deliverables

The outcomes of our session work are captured to help the team after the event. Our capture is in no sense a verbatim note-taking exercise. It involves conscious choices about what to include and what to leave out. We listen for clues behind the conversation that can create an emotional connection that can be sustained after the workshop experience is over. Because the outcomes may be presented to people who were not at the session(s), we use our Visual Thinking techniques to ensure that the narrative is always meaningful and to convey in the most compelling way what we have learned and where it will go next. It is as much building a story as it is a record of the discussion.

These deliverables are appreciated and whatever form they take (executive summaries, framework context books, workbooks, interactive systems) we make sure they are rapidly available (some even in real time). We also ensure that they are augmented and/or in the correct form and with a degree of simplification that will enable them to be used widely by different stakeholders. In all instances, our aim is to make these tools as interactive as possible and highly engaging.

Summary

Group Partners has a vision for the 21st century. We want to change the way that business thinks and works and we want in all we do to avoid solving the wrong problem really well.

Against a constant tsunami of complexity, opinion and dogma we aim to achieve the quality of thinking that marks out the real leaders. Real leaders are wise and profound, they are the strategists, the ‘imagineers’. They are designers, storytellers, artists – they are the definition of leadership. They actively encourage fresh input, new ideas. They will

say when they are wrong – and remain cool when challenging the status quo. They challenge it with good reason because they are balanced – they are the positive disruptors. And they have humility, grace and charm even in the most harrowing of times. It's because they are constantly figuring out how a newer/better world would work that they retain this focus. To them fresh ideas are the raw material of everything humans currently do and might possibly achieve. Critical Thinking is the machinery that uncovers, inspires and encourages an 'idea' and turns it into valuable action. We call all of this creativity and it is what we excel at. It is what makes the difference.

I hope you have enjoyed reading this contribution from Group Partners. A key message for us business modellers is that we need to put at least as much effort into thinking and fundamental questions and that we need tools and a framework to help us do this.

Clive Marsh

<http://www.pbookshop.com>