

STOP

**continuous improvement
if you want transformative change**



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OPERATIONAL INSIGHTS

- stop using sloppy definitions for transformative change and impact
- transformative change needs the what to change- embrace discontinuous improvement
- understand the upstream pathways and interactions in the system
- create change for people- use design logic
- deliver more value for those affected
- take intentional compounding steps to create the future you want now, however small

“ our client wanted partner communities to experience a transformative change ”

Sephebo recently worked on strengthening the operating models of organisations working in community development to better realise their bold transformative visions. Initially, the aim was to improve operations using better global practices, however, as the work evolved several new insights came to light that made realising a transformative vision more likely.

This reflection briefly unpacks how Sephebo used these insights and a reset opportunity to develop an operating model for a client that would be more capable of delivering transformative change.

THE VALUE OF DISCONTINUOUS IMPROVEMENT

Russel Ackoff, a major voice in systems thinking, recounts a meeting he had as a young academic with the vice president of Bell Labs in the 1950s which illustrates the difference between simply improving what you are already doing and the mindset necessary to deliver a truly transformative change to create the future you want– [watch Ackoff](#) sharing this story. Ackoff recalls how the vice president claimed that despite Bell Labs being a global leader at the time, it had done very little for decades other than focusing on improving old technologies. To shake things up, the vice president declared unequivocally that the telephone system in the United States had been destroyed overnight and that it was the job of the assembled managers to design the ideal telephone system to replace it, subject to a few rules to keep things grounded. This action disrupted the norm of equating continuous improvement of existing activities with progress, replacing it instead with a new type of engagement based on defining a radically better future, which in turn could be realised through a series of creative and innovative steps that would continue to produce transformative change.

“ they focused on improving existing activities, yet had failed to create meaningful value and material change ”

Ackoff attributes touch-tone phones, call-waiting and forwarding, voice mail, caller id, conference calls, and mobile phones to this change in thinking at Bell Labs. He would come to describe the approach he saw in action as idealised design, an approach through which he would stress the importance of embracing discontinuous improvement as a counterpoint to continuous

improvement– a practice he did not reject but questioned for its lack of transformative behaviours.

THE OPPORTUNITY

The opportunity to engage with discontinuous improvement happened as part of a sequence of events that led a client to reimagine their role in partner communities. They saw this evolving role as creating a more measurable and material impact that could be defined as positive, sustainable, and transformative to the lived experience of well-defined communities. Simply put, the client wanted the partner communities affected by wicked social problems to tangibly experience a transformative change that could be in part attributed to contributions made by the client.

The new envisage model went well beyond the client's previous approach of project-driven engagement to the point where they were looking at a scenario that was the equivalent of a clean slate– at least as far as this new programme was concerned. To the client's advantage, Sephebo could tap into the insights it had recently co-created with other community organisations that were trying to deliver on a similar mandate. The stage was set to develop an operating model grounded from the start in the best evidence for realising transformative change.

“ tapping into insights gained from others grappling with the same transformation mandate ”

WHAT WAS DONE

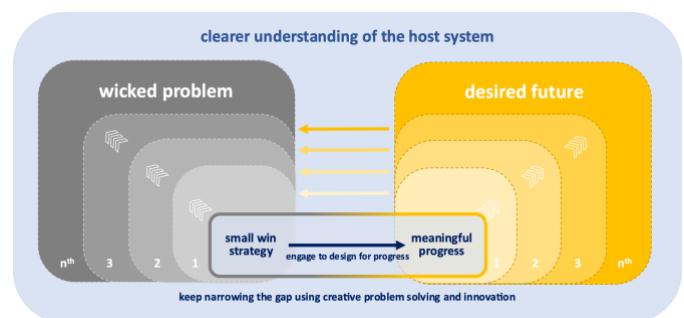
The first step was to clearly define transformative change and impact. The bottom line is that transformative change changes “the what” and improvement changes “the how”. As such, an improvement-orientated mindset will, in the main, deliver changes that evolve how current activities are delivered. A transformative mindset will change what is done to deliver new and better outcomes.

Addressing “the what” brings an organisation to a fork in their operational design that represents either following a path based on what they cannot do or what they can do to create the future they want. For most, this choice is resolved through reductionist thinking based on what they cannot do. With this mindset, they proceed to cut a problem down to fit specific interests, conditional funding, or other limitations. This mindset frequently results in the birth of a social project, a mechanism that offers a relatively neat technical solution to justify activities and expenditure often paired

with enthusiastic claims around their impact– claims that are based on equally problematic assumptions.

Alternatively, like Bell Labs, the organisation can ask what the desired future looks like and how one can create that future now. However, before you can narrow that future-now gap one must first understand the system where you going to narrow the gap. The key to this understanding is that the performance of a system depends on how the parts perform together– how they interact not how they act individually. A system is not the sum of its parts but rather the product of its interaction. Therefore, when engaging a wicked problem to bring about a transformative change you cannot ignore the complex upstream pathways.

Following these upstream pathways exposes the unavoidable reality that wicked problems have no clear boundaries and are intertwined with other complex problems. This reality, however, does not demand that one must return to social projects to narrow the scope to cope. Rather it stresses the need for strategies that navigate these realities, notwithstanding operational limitations. Small Wins offers such a strategy by lowering the social arousal of navigating the numerous interested stakeholders, each with their individual understanding of the problem and how it should be addressed. Progress in this approach, no matter how small, is best served by delivering outcomes that increase value for those affected– from their point of view. A Small Wins approach are proven real-world strategies that build the much-needed momentum for transformative change within complex problems. The figure below summarises these insights.



Using these insights, the operating model developed created a knowledge-building community that understood the performance of the local system, defined value together with those directly affected and designed for progressive change that was well-grounded in narrowing the future-now gap.

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