



Faculty of Design

2019

The fractal market map: A visual tool to understand and shape a business's most critical relationships

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Suggested citation:

Tompson, Tim and Stubbs, Murray (2019) The fractal market map: A visual tool to understand and shape a business's most critical relationships. In: *Relating Systems Thinking and Design (RSD8) 2019 Symposium*, Oct 13-15 2019, Chicago, USA. Available at <http://openresearch.ocadu.ca/id/eprint/3228/>

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RSD8 Discussion Group: Systemic Design in Organizations and Services
IIT Institute of Design, Chicago, 17 October 2019

THE FRACTAL MARKET MAP:

A Visual Tool to Understand and Shape a Business's Most Critical Relationships

SNOWMELT.

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SNOWMELT.IO

Snowmelt is a systemic design firm.

We help our clients see, understand and act in complex systems.



We work with clients of different scales, who have different types of business challenges.

We often find our clients try to transform their business in unstructured, reactive and dissociated ways.



Our clients have no shared representations of how their organisation's activities fit together and how changes to one activity might impact another.

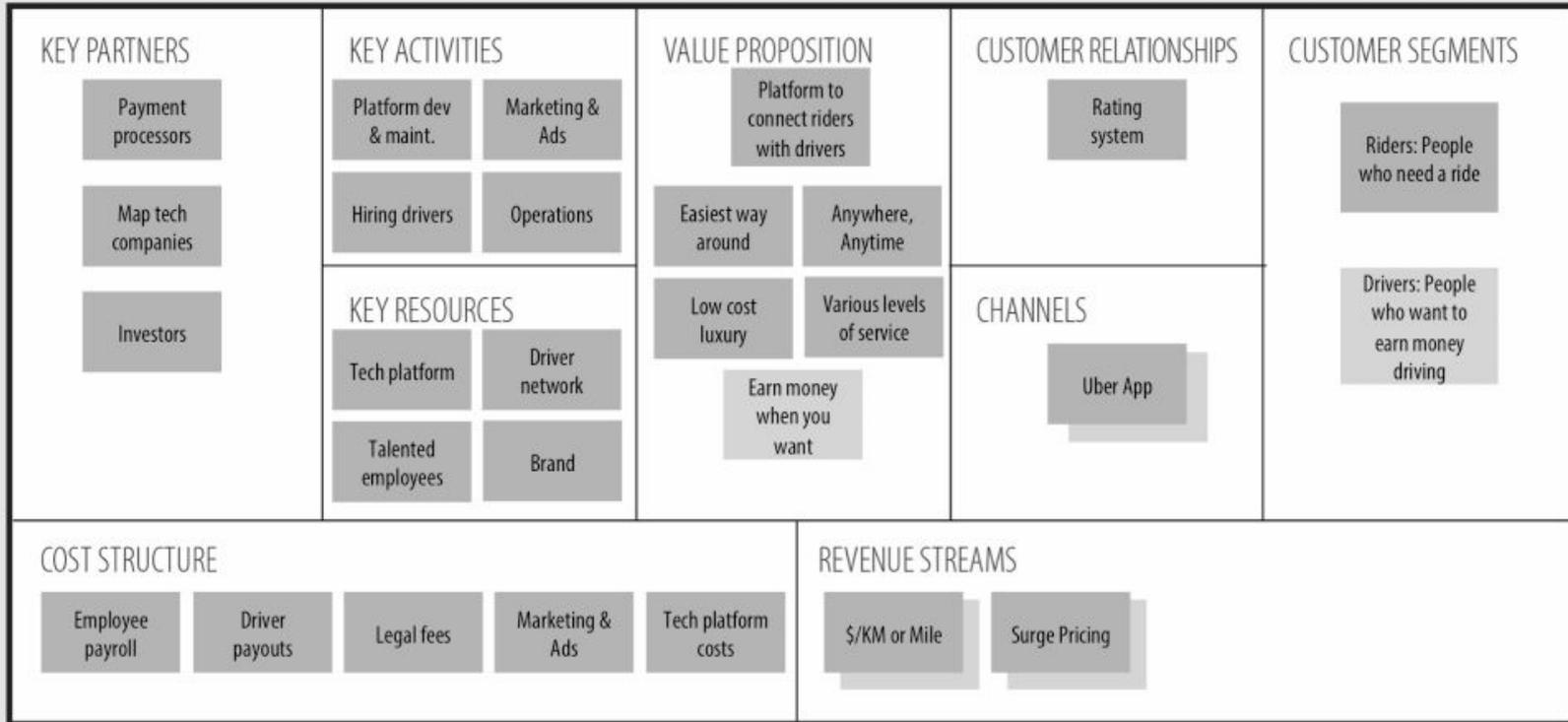
Well known business representation tools abstract the very things most useful to this problem space: the activities people actually do.

**WHAT DO THESE
TOOLS LOOK LIKE?**



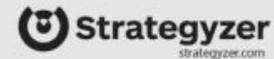
BUSINESS MODEL CANVAS

UBER



DESIGNED BY **BUSINESS MODEL FOUNDRY AG**

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strategyzer.com

BUSINESS MODEL CANVAS

UBER

Activity

Complete the categories for a hypothetical or actual business to describe, design, challenge or pivot a business model.

Output

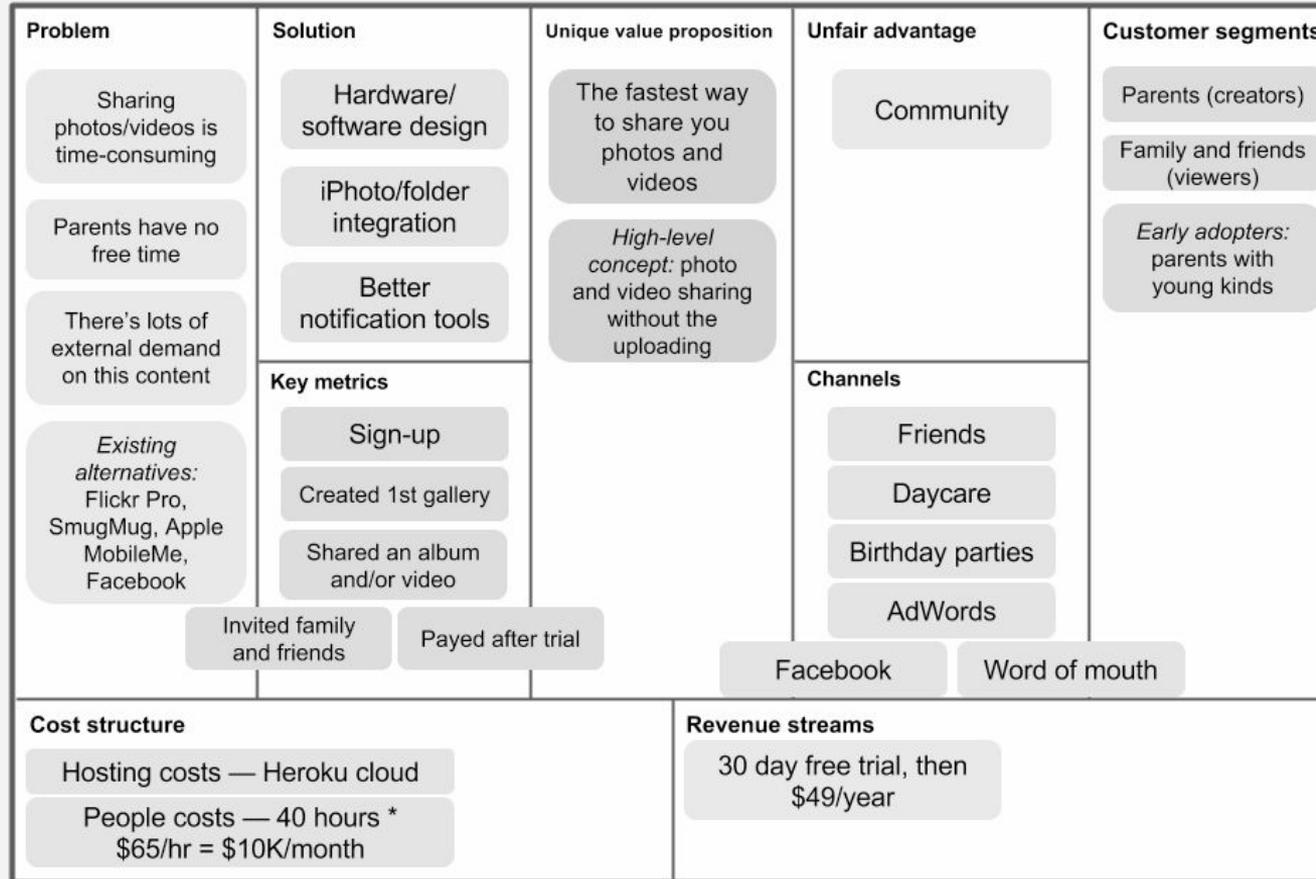
A description of a business that is capable of creating sustained financial value over time.

Assumptions

Understanding of external market and competitors; understanding of relationships; deep planning capability; limited to traditional business forms

Hong & Fauvel (2013),
 Criticisms, variations and
 experiences with business model
 canvas

Lean canvas



Lean canvas

Problem	Solution	Unique value proposition	Unfair advantage	Customer segments
Sharing photos/videos is time-consuming	Hardware/software design iPhoto/folder integration	The fastest way to share you photos and videos	Community	Parents (creators) Family and friends (viewers)

Activity

Complete the categories for a hypothetical or actual value proposition

Output

A completely and clearly articulated value proposition with key success factors identified

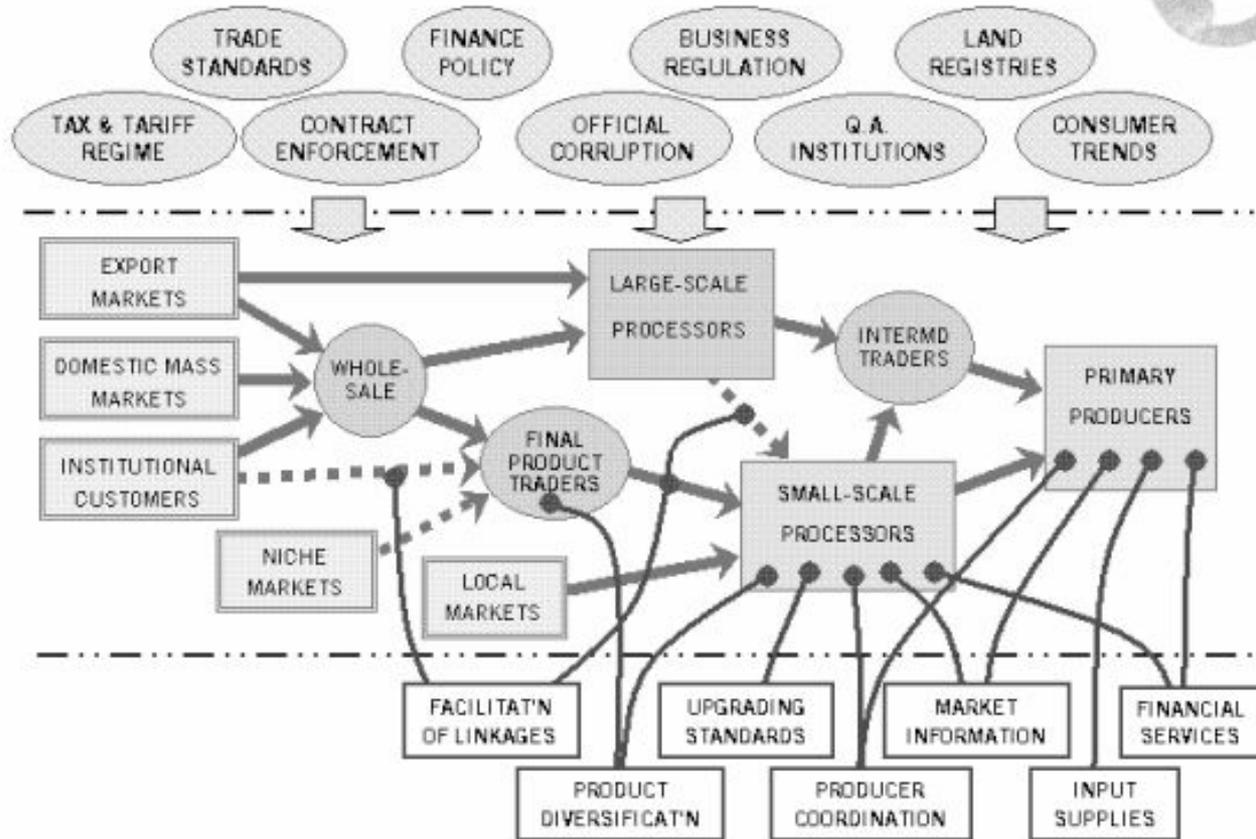
Assumptions

Understanding of external market behaviours; quantitative fit; arrangement and capability to deliver on proposition

Coes, B (2013), Critically Assessing the Strengths and Limitation of the Business Model Canvas

The Market Map complete

PRACTICAL ACTION



The Market Map complete

PRACTICAL ACTION

Activity

Various approaches to represent entities and dynamics in a market. Predominantly in humanitarian contexts and smaller markets where single actors can control dynamics.

Output

A map of entities and their value exchange relationships in a market.

Assumptions

Requires intricate knowledge of actors and dynamics in a system; cost to create often beyond the means of any individual business, more suited for government, NGOs etc.

USAid (2008), Participatory Market system development

STRENGTHS

**Visually engaging;
memorable, and shared
representations**

J.H. Larkin and H.A. Simon
(1983), Why a Diagram Is
(Sometimes) Worth Ten Thousand
Words

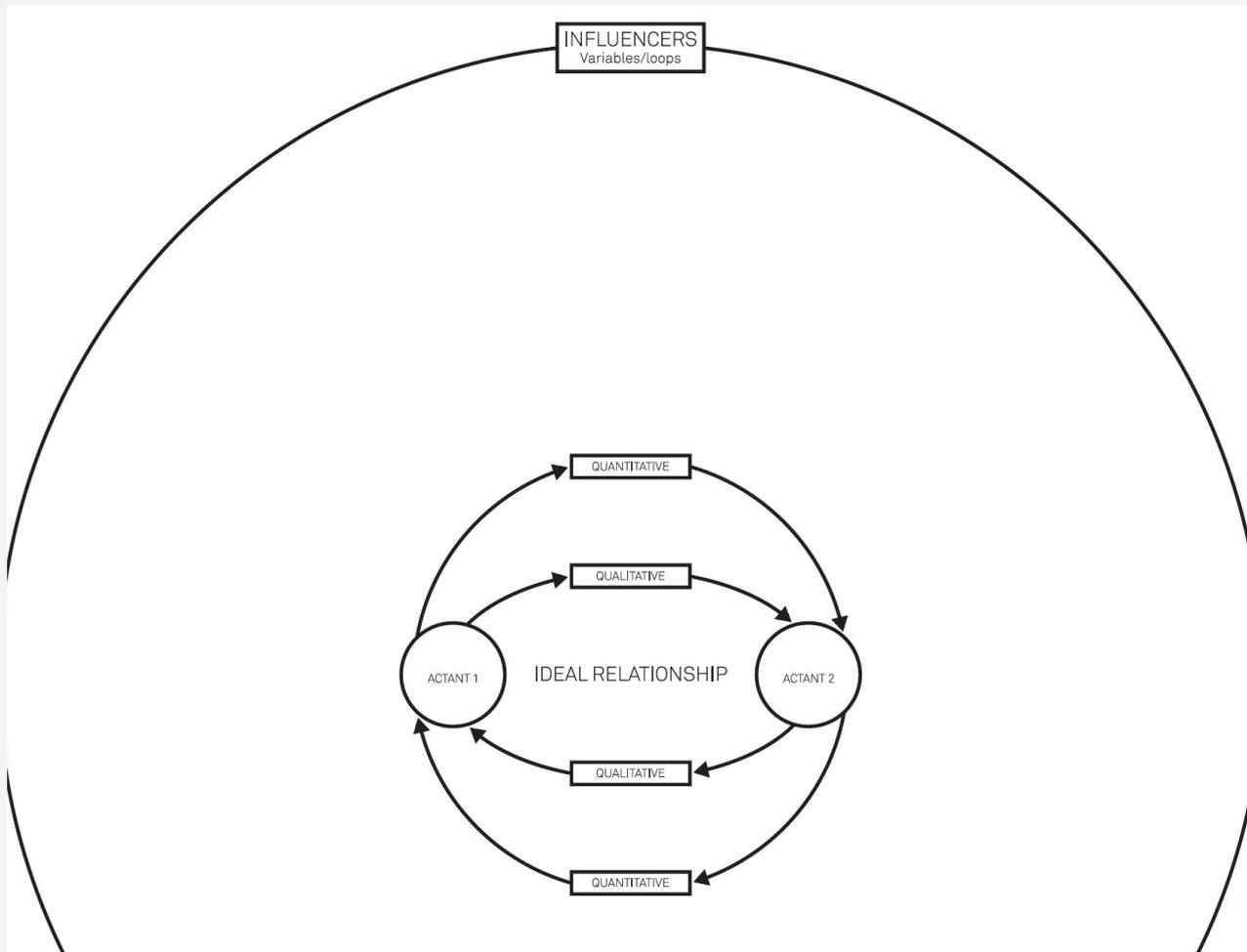
S.L. Star and J.R.
Griesemer (1983), Institutional
Ecology, 'Translations' and
Boundary Objects...

**Make the internal and
subjective external
and objective through
representations**

Whyte, B et al (2013),
Visualising Knowledge in
Project Based Work

**Elicit new ideas and
perspectives through
specific questions**

These tools assume knowledge that is least available to those that most need help structuring their business.



INFLUENCERS
Variables/loops

Activity

Make the ideal relationship between actors by identifying qualitative and quantitative value exchange.

Output

A visualisation of a system between two actors, its structure and the interrelations between its elements. Subject to context of use. Creates a shared understanding.

Assumptions

Users are familiar with systems thinking and framing disposition and can connect this with practical business activities.

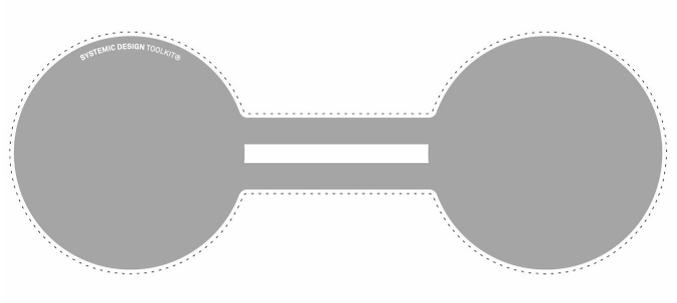
W.M. Trockeim et al (2006)
Practical Challenges of
Systems Thinking and Modeling
in Public Health

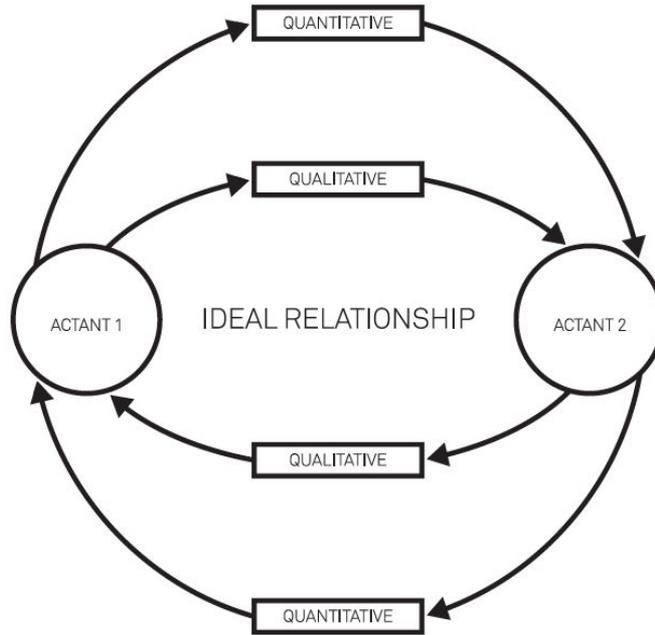
THE FRACTAL MARKET MAP

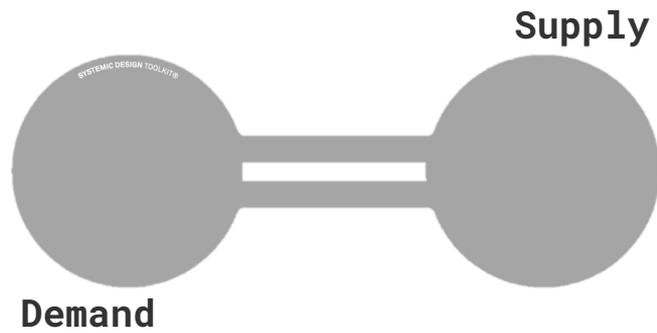


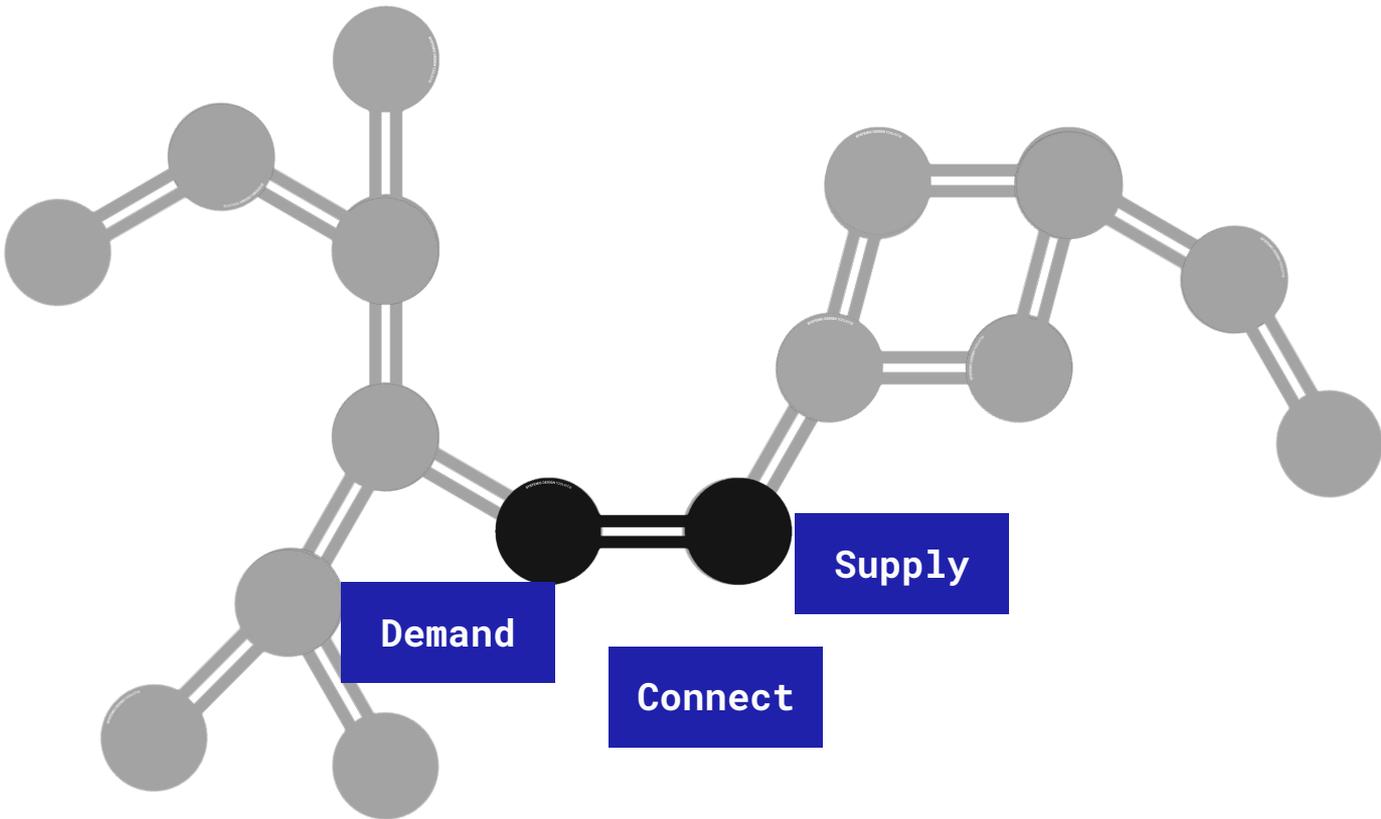
Our clients are looking at themselves.

Their businesses are small systems that do things to create value in the world.

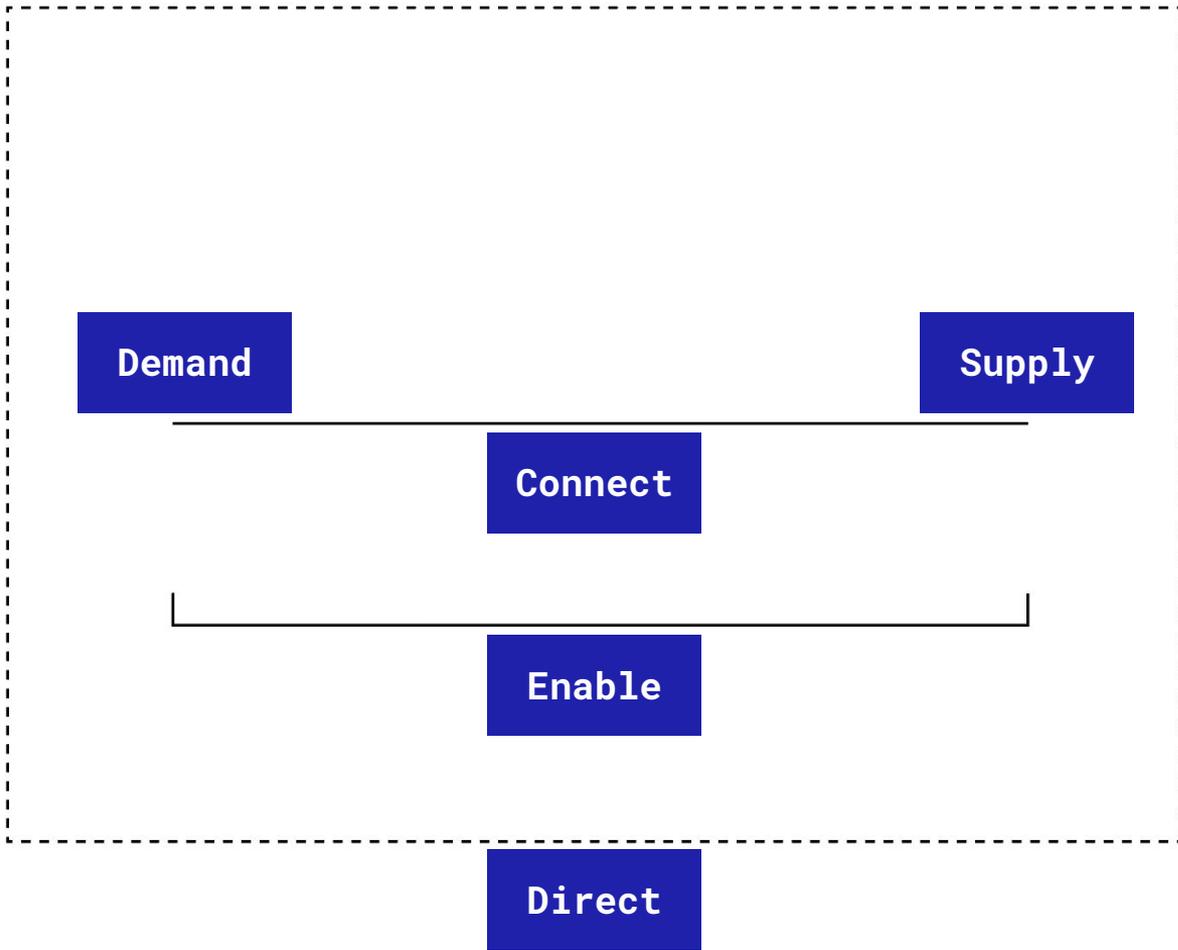








We bound the system based on form (can be controlled) and context (cannot be controlled).



Activity

**Bottom up,
value-creation focus.
Introduces relational,
systemic thinking.**

Output

**Connect strategy and
purpose directly to
operational activities
and planning.**

Changes

**Adopts the language,
disposition and
priorities of the user;
Creates space to
explore new business
forms; Puts activities
in context of purpose
and strategy.**

Activity

**Bottom up,
value-creation focus.
Introduces relational,
systemic thinking.**

Output

**Connect strategy and
purpose directly to
operational activities
and planning.**

Assumptions

**Valid value proposition;
properly identified
core value exchange;
valid quantitative
financial model; User
can represent
information visually.**

Origins of the name

- **Fractal:** Systems and the relationships that make them up are nested, overlapping and interconnected.
- **Market:** A supply-demand relationship symbiotic with a wider context.
- **Map:** Visual representation of interconnectedness and dependency.

IN PRACTICE



The Fractal Market Map is a template to represent a business and its activities as a system around its core value exchange relationship.



NO
UK
PH
EU
US
CU
MALAYSIA

CREATE A HIGHER
GROWTH WORLD
(WITH RATES)

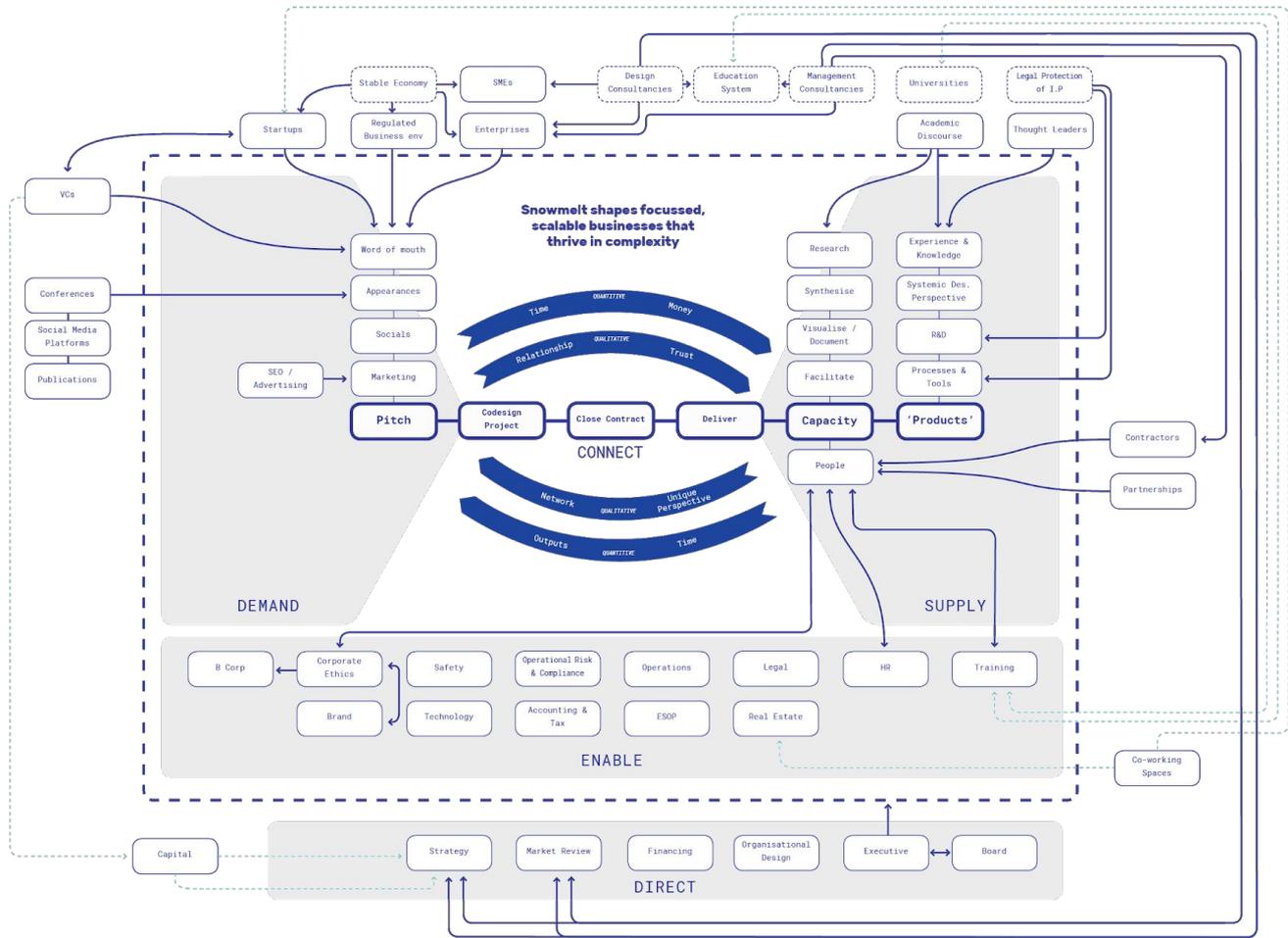
DEBT

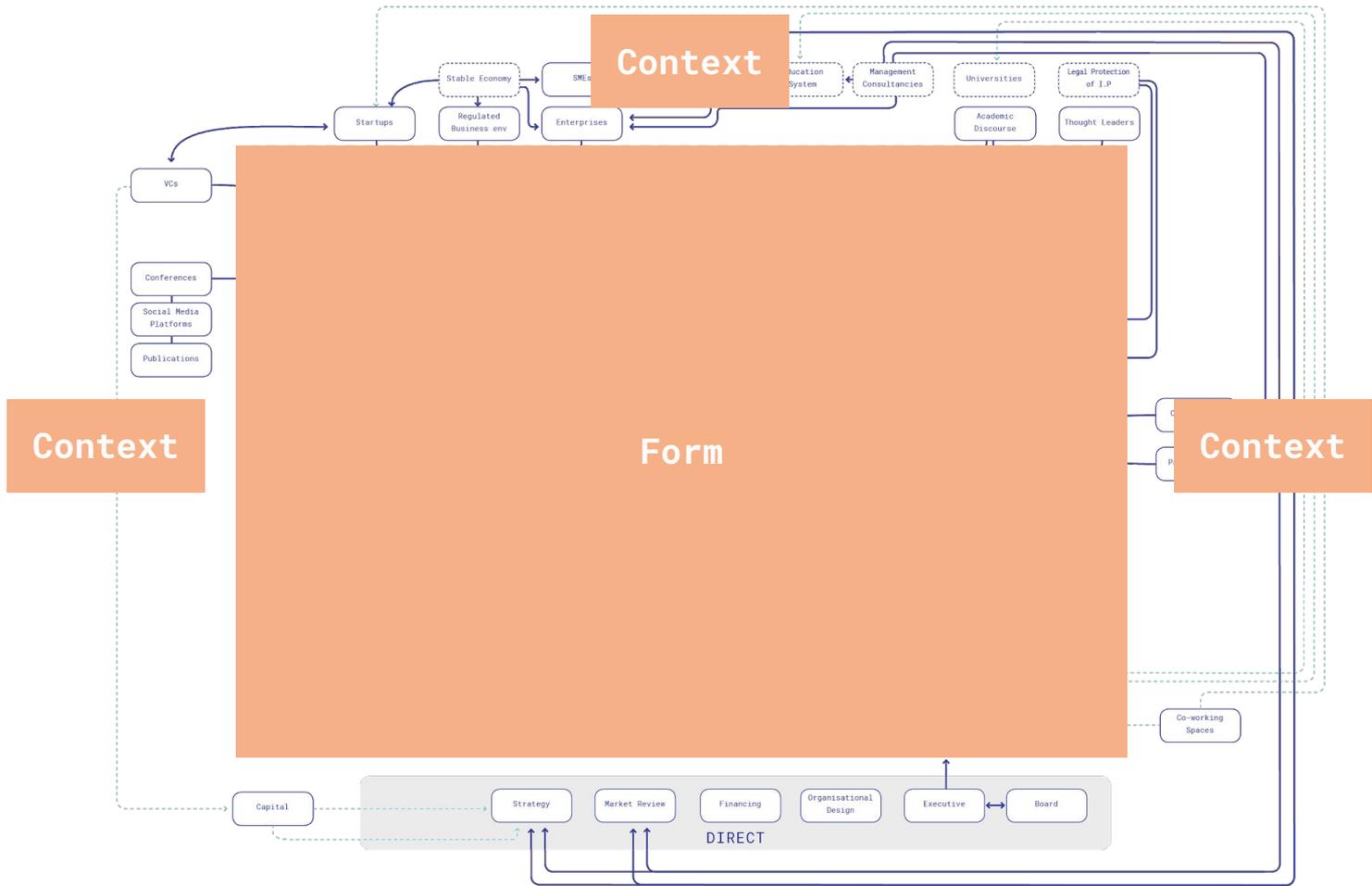
We have created Fractal Market Maps..

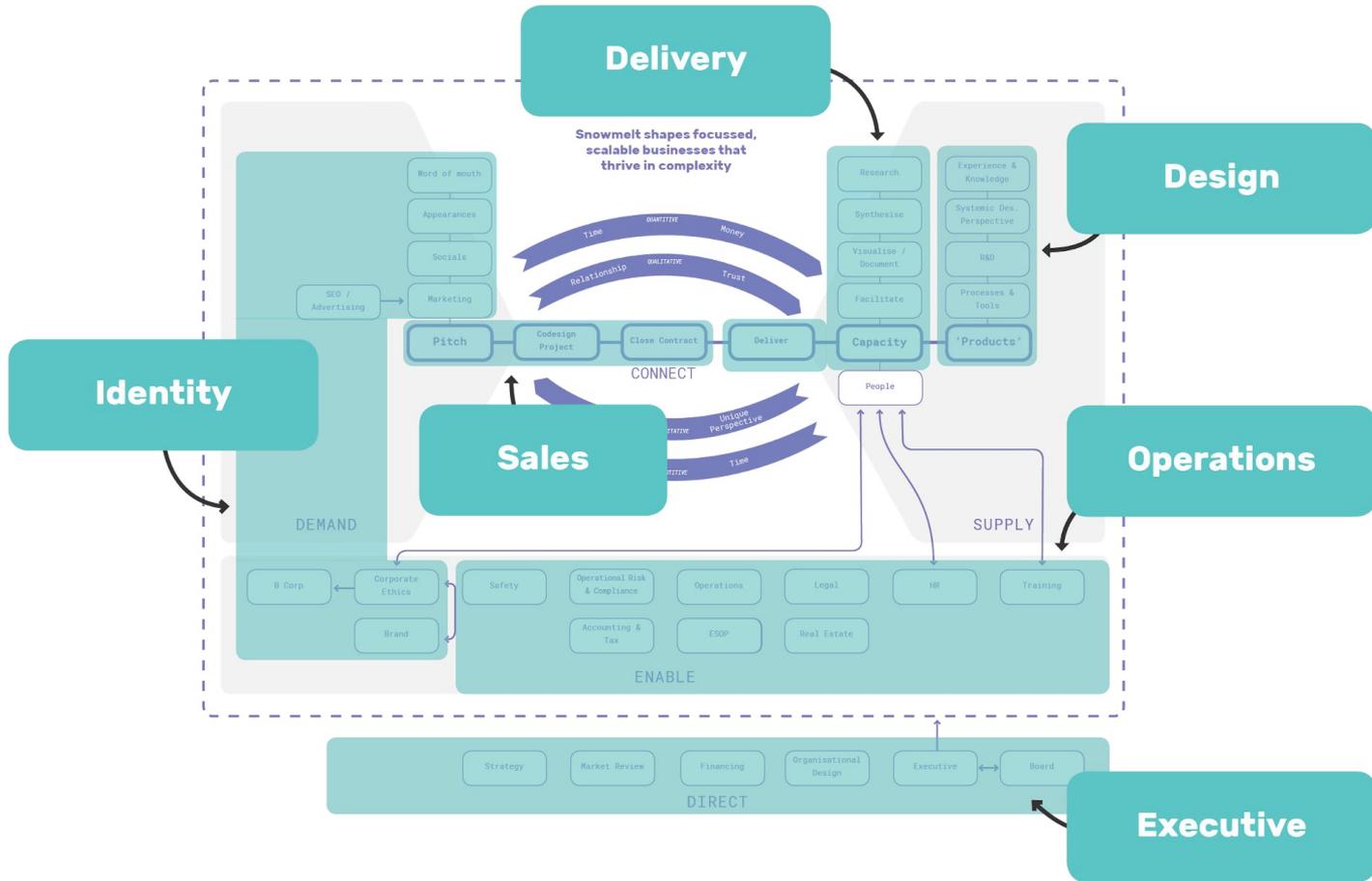
- On hypothetical (startup) and live businesses
- For platform and product/service businesses
- Across sectors and scales; including “subsystems” (teams and functions within organisations)

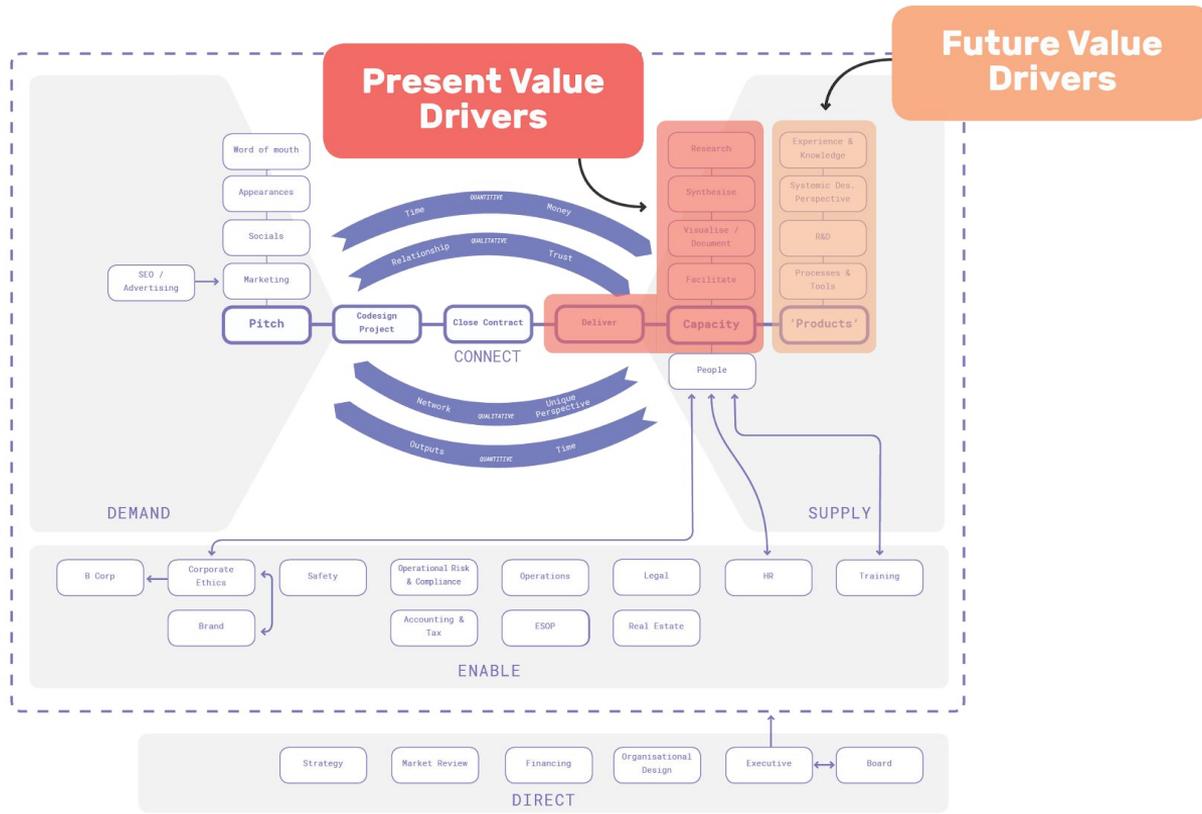
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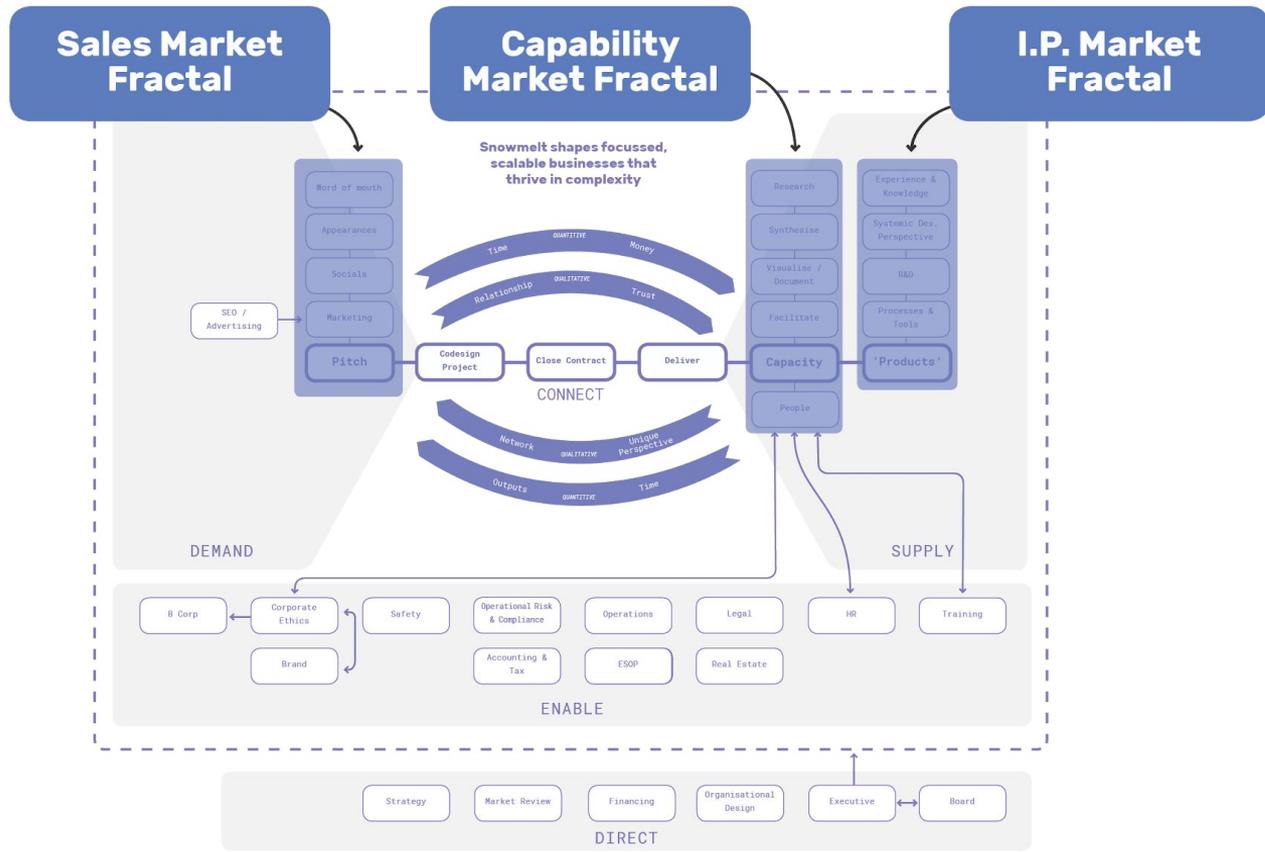
- On hypothetical (startup) and live businesses
- For platform and product/service businesses
- Across sectors and scales; including “subsystems” (teams and functions within organisations)
- And, for Snowmelt

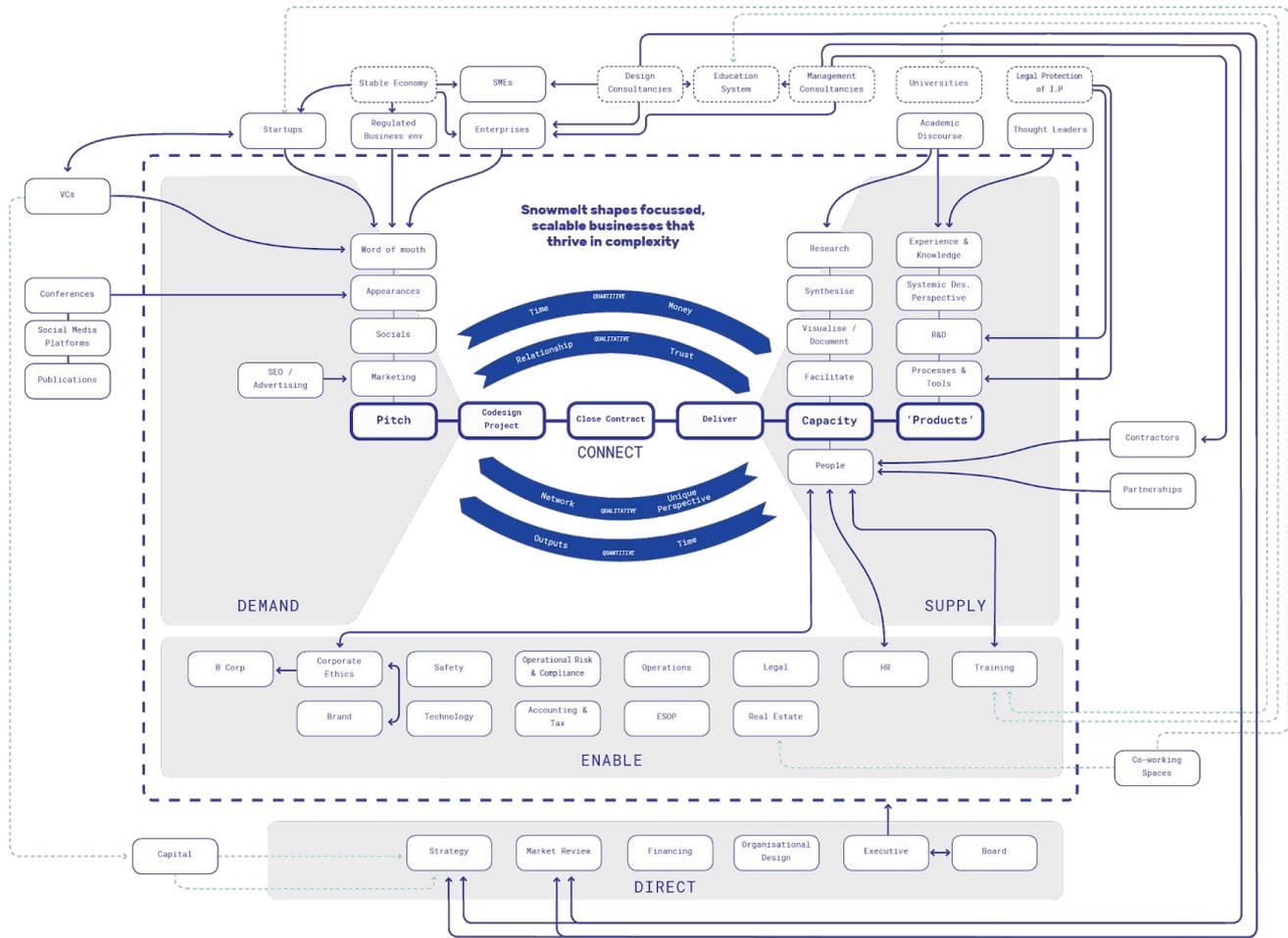












It's a new tool.

We are iterating and learning as we go - and look forward to sharing our learnings more formally as we progress.

We have observed:

- Our clients feel better informed and in control
- Business functions and responsibilities being aligned with FMM ontology
- Prioritisation of activity and investment (time and \$) changing to focus on the core value exchange relationship
- Self-initiated deliberate dependency mapping across client businesses

We are asking ourselves some questions:

- How might we create a standalone template/guide to build a FMM without facilitation?
- What new questions might the FMM prompt from users?
- What is missing?



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