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# Strategy is the solution - but what is the problem?

Benedicte Wildhagen, *Business Adviser, Norwegian Centre for Design and Architecture*

## Introduction

A general impression is that many strategies tend to skip annoying details, such as problems. It ignores the power of choice and focus, trying instead to accommodate a multitude of conflicting demands and interests. I will try to describe how Systems Oriented Design can enrich strategy development, by subtly shifting the conversation towards much needed exploration of complexity as well as a better understanding of the problem, allowing for a clear and differentiated point of view.

My views in this paper are based on accumulated work within the Norwegian Centre for Design and Architecture as well as tacit knowledge acquired during many years working as a professional graphic designer and adviser related to multi-disciplinary strategic design. And finally, my insights from being a collaborative partner and sensor for the systems oriented design (SOD) Master-courses at AHO, which I have been following since 2010. I have seen the students produce amazing quality and delightful results and this has convinced me deeply of the potential impact of Systems Oriented Design.

The following books are my main references on strategy for this working paper:

- *Ansvarlig og lønnsom, Strategier for ansvarlige forretningsmodeller, Sveinung Jørgensen og Lars Jacob Tynes Pedersen*
- *Good Strategy Bad Strategy: The Difference and Why It Matters, Richard Rumelt*
- *In the Bubble, Designing in a Complex World, John Thackara*
- *What Matters Now: How to Win in a World of Relentless Change, Gary Hamel*

I have chosen to quote the authors in various places, to illuminate my narrative.

## Shared patterns

**“Strategic decision makers should be more problem-oriented and less solution focused.”**

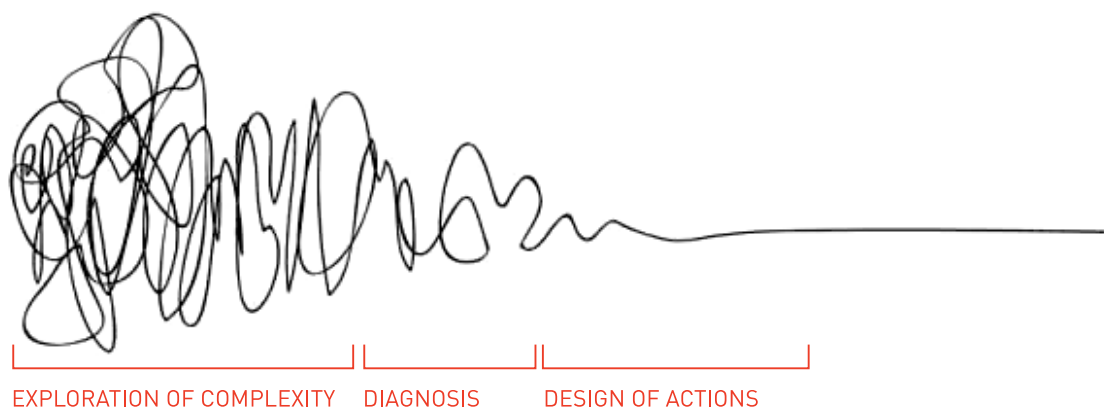
*Jørgensen & Pedersen, 2013*

In a rapidly changing world, with growing wicked problems, it has become apparent that the business- and management field is dominated by a rational-analytical approach. This logic is well suited to exploitation; to the improvement of existing methods, routines and offerings, but it is not an adequate approach to handle innovation and exploration - or diagnosing the nature of a challenge (*March, 1991*). Jørgensen & Pedersen (2013) advocate that - *strategic decision makers should be*

*more problem-oriented and less solution focused.* They point out that strategic exploration is about identifying, diagnosing and solving problems.

Strategy is high up in the hierarchy of decision-making and I find the subject intriguing because it has such big impact on what is done, in business as well as in government. Again and again we find the strategy to be a given outset for most design processes, and as a consequence a bad strategy can turn into a huge, initial challenge to any constructive development.

Strategy work, as creative work, is partly fuzzy and often filled with overwhelming obstacles. The core of strategy work is about discovering the critical factors in a situation, identifying a clear and differentiated point of view and designing a way of coordinating and focusing actions to deal with the factors.



In complex systems the cause and effect are not easily understood and to explore the complexity becomes a big challenge, particularly when a rational-analytical mindset is dominant. Any good designer knows how important it is to identify the pivotal problem - to be able to begin solving anything, for anyone. As the visualization of the "squiggly design process" indicates - a good design process and a good strategy process share some patterns. A Systems Oriented Design approach has proven to be well suited to shift the conversation towards discovering the critical factors. Mapping and visualizing amplifies the group's overall understanding, not only to decide what to do, but more fundamentally to really comprehend the situation and challenges. To my knowledge the approach creates a mixture of insights into what is pivotal or critical in a situation, as well as identification of possibilities of concentrated application of effort, and time spent to arrive at a diagnosis is accelerated.

**"Goals are not strategy. Goals are wishes. Strategies are how one goes about achieving goals."**

- R. Rumelt, *Good Strategy Bad Strategy*

## Cases

The cases are initiated by the Norwegian Center for Design and Architecture and will illuminate why and how Systems Oriented Design methodology can contribute to make sense of a strategy or bring about a good strategy.

When the absence of a good strategy emerges, it becomes an initial challenge to any progress. In the cases included, this need has been addressed through a Systems Oriented Design approach as a way to support the decision makers in a much needed focus on exploration; to shift the conversation from what the solution might be to diagnose what the problems are. One example is from government another is a high-tech start up. I will not go into much detail – but describe key insights related to how Systems Oriented Design informs and completes the strategy development. In each project a Systems Oriented Design core team has been brought into the organization and complemented a project team consisting of key stakeholders. Each project has been individually tailored to client needs.

**"The biggest barriers to strategic renewal are almost always top management's unexamined beliefs."**

*Gary Hamel, What Matters Now*

## National clinical guideline: Understanding the development process

*Client: The Norwegian Directorate of Health*

*Initiator: Norwegian Centre for Design and Architecture (Dolven/Eggesvik)*

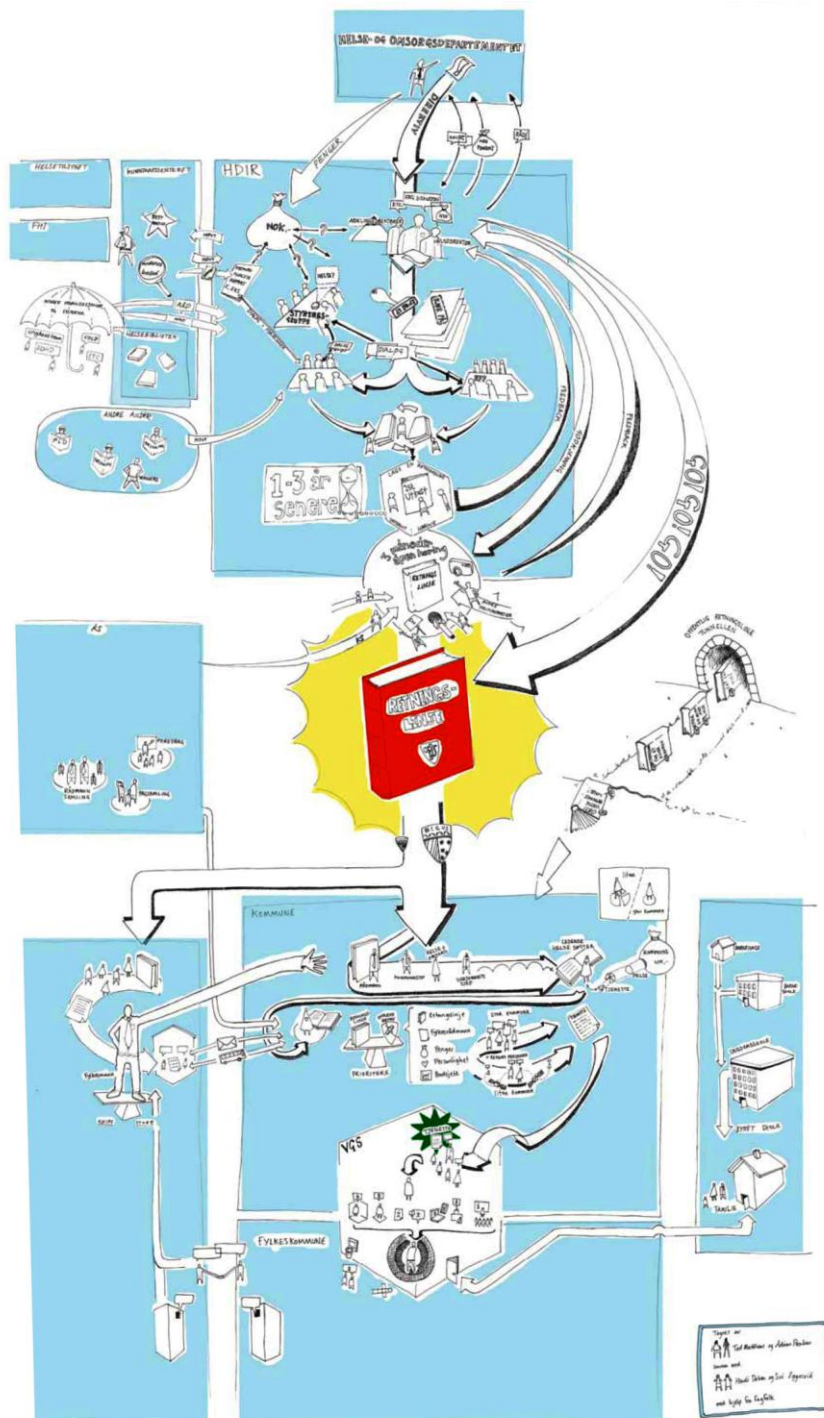
*Designers: Ted Matthews & Adrian Paulsen*

*Illustrations: Ted Matthews & Adrian Paulsen*

*Project time: 2 months, fall 2013*

National clinical guidelines inform the design of health services. The Norwegian Centre for Design and Architecture identified the lack of a common understanding of how that process takes place from the point of developing a guideline to the implementation in each of Norway's 428 local councils. A guideline contains systematically reviewed recommendations for the assessment, treatment and monitoring of specific patient groups.

There is a clear framework for the development of a guideline, but no clear framework for the implementation process to secure desired effect. There is also little focus on, and knowledge about, all the local and individual factors influencing the service offering. With the aim of creating a shared understanding of the bureaucratic process taking place when developing and implementing a national clinical guideline, this project examined the entire process together with selected stakeholders representing all parts of the process.

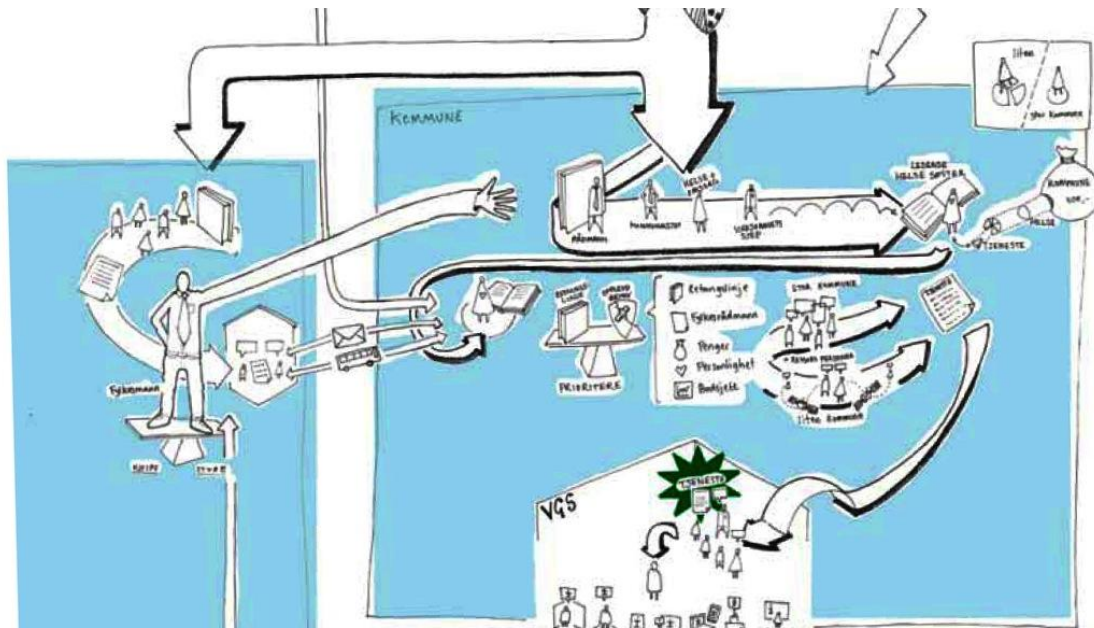


*Illustration 1.i: Development of a National Clinical Guideline, time-span approximately three years.*

The development of a guideline for the school nurse services was the focal point for the project. To trigger shared understanding the Systems Oriented Design process began with exploring the overall complexity and making sense of the guideline development procedure. A complete mapping of the actual process taking place over 2-3 years was developed. The GIGA-map became an essential tool. The different parts played by selected stakeholders became understandable; furthermore their diverse challenges became comprehensible. It was possible to identify specific challenges the overlying guideline was addressing and allowing the key actors to maintain a more precise conversation. Supported by the GIGA-map, these conversations in turn created a shared

understanding of crucial obstacles, explicitly the implementation on local and end-user level, to accomplish strategic goals given by the guideline.

A major insight, created by exploring the complex process and made visible through the mapping, was that the guideline development process only focused on output; the clinical guideline (*illustration 1.i: red book*). During the initial span of 1-2 years, one did not take into consideration the outcome or needs at the end-user level. It was confirmed that this lack of outcome orientation is present in most such processes.



*Illustration 1.ii: Exploring framework for implementation of a National Clinical Guideline.*

The project was also able to by subtly shift the conversation towards much needed exploration of assumptions among the key stakeholder and to challenge these unexamined beliefs. This informed the overall understanding of shortcomings, in the regular way a clinical guideline development is done. For instance the lack of outcome orientation in the guideline development was exposed. On the left side of *illustration II.2*, The County Governor is depicted as the extended arm of the central government. The County Governor is responsible for policy enforcement – through on one hand, offer guidance and courses, and on the other hand audit to check if the health service is in line with the clinical guidelines. In spite of this the City Manager, below the big arrow, can have other priorities to make, in line with economy and other sectorial challenges. Therefore a critical insight turned to be that the negotiating skills possessed by the chief nurse of the municipality is pivotal to secure funding to achieve desired strategic impact given by the guideline for the school nurse services.

The project resulted in a complete mapping of the guideline development process. This created a shared understanding of the actual bureaucratic process taking place when a national clinical guideline is developed and implemented. It was diagnosed that the focus on output needed to shift to outcome. As a result future bureaucratic processes developing national clinical guidelines will target implementation and desired end-user outcome at an early stage.

By electing a humorous visual style the process managed to facilitate and drive conversations to deal with sensitive assumptions, and to challenge them. It is a powerful demonstration of how a deliberate visual language can enrich and support insights. The field of Systems Oriented Design is still emerging and consist mostly of a certain rational, no nonsense visual look. This clinical guideline mapping could inspire the Systems Oriented Design field to develop various visualizing techniques, as the choice of style can have emotional impact which allows for deeper insights and findings.

**We have to learn how to solve problems that are multidimensional and multijurisdictional.**

- Gary Hamel, *What Matters Now*

## High-tech company start-up: Celerway

*Client: Simula Research Laboratory*

*Initiator: Norwegian Centre for Design and Architecture (Wildhagen, Bang)*

*Funding: The Norwegian Research Council*

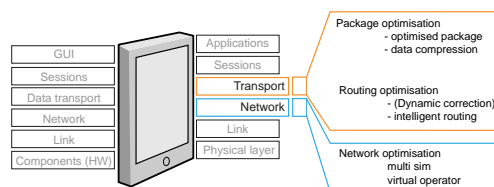
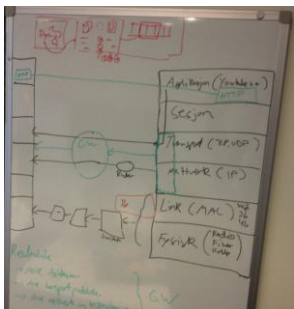
*Agency: Adrian Paulsen Design & Baard Røsvik*

*Illustrations: Adrian Paulsen*

*Project time: 3 months, fall 2012.*

Simula Research Laboratory had developed a technology with obvious potential, but it was hard to grasp how to build a business model around it. The researchers had a long list of ideas on how to commercialize the technology, but they lacked process knowledge to prioritize which direction to develop their “product”. Their initial scope targeted the Nordic region with a slim product orientation.

Visual sense making sessions were initiated to ensure that the designers really understood the technology and the ecosystem it operated in. This was followed by extensive exploration of the overall complexity. The technology was taken apart and described at its most basic level. This was translated into user scenarios and technology scenarios, and was used to challenge and enrich the potential roads towards commercialization. The unfolding of both user- and technology scenarios also generated a complete overview of the actors that would be influenced by the technology.

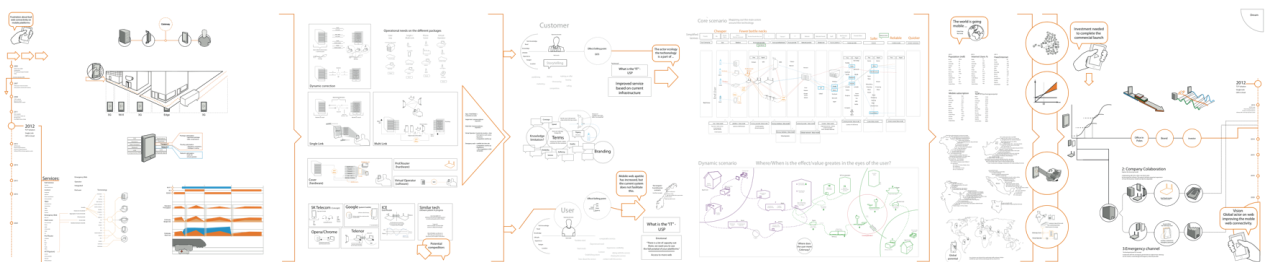


*Illustration 2.i: Taking apart the technology.*

A shared understanding of the critical factors and desired outcome made it possible to formulating a rich end-goal description. This process created the backbone of a GIGAmapp. The map went through several iterations through the project, but the main backbone stayed the same through the exploration, to keep a clear focus within the team, while unfolding the complexity.

After the initial phase it became evident that a Scandinavian perspective to this project would not allow for utilizing the full potential of the technology. This aligned nicely with the researchers motivation to create a global impact and to achieve a solid return on investments. The insights lead to an extensive look into marked research concerning mobile web usage around the world. The research identified a global demand for solutions that enable people on the move to access more of all available bandwidth.

In order to discuss the alternative markets the team devised an approach named “*Nationas*”. (Personas for countries) This created a shared understanding of various user needs the final business model needed to accommodate. A roadmap towards commercialization was created, including three business models. One based on a virally spread application for the global market, together with two product collaboration models. The mobile application business model promised the highest potential, but needed extensive external funding. It became the core storyline to investors during the funding process. The concept was user tested on relevant test groups consisting of funding experts, consumer experts, patenting experts and sources from the team's shared networks.



*Illustration 2.ii: The final Celerway GIGAmapp, 4,3 meter long.*

Through the Systems Oriented Design process it was possible to explore complexity and to arrive at a clear and differentiated point of view that supported forceful and coherent actions, far away from the scenario entertained at the outset of the project. The GIGAmapp process resulted in a 4,3 meter long poster, which still plays a role in the company's workflow. It was built not as an end result, but as a process tool.

*” - Visual sense making sessions ensured shared understanding of the technology and the ecosystem it could operated in. It shifted our initial focus and resulted in a guiding policy and design of actions for strategic impact. Celerway is still exploring and advancing based on this.”*

*- Audun Fossellie Hansen , CEO, Celerway, October, 2014*

*Video: <http://vimeo.com/93088486>*

*Celerway was selected the prestigious "Innovation Showcase 2014" - by the Telecom Council in Silicon Valley.*



## Summary

### **For a strategy to be a solution, it needs to understand the challenge**

- R. Rumelt, *Good Strategy Bad Strategy*

Most of us realize that the world has become too complex for linear and goal driven management, as we are surrounded by hopelessly complicated social, economic and political systems, many in demand of radical new solutions. As illustrated by the cases, to grasp structural complexity when developing strategy is a difficult struggle. The results might be less satisfying implementation and outcome at end-user stage along with unintended disincentives at the actor-level.

I believe The Celerway start-up affirm the viability of a Systems Oriented Design approach to strategy development in general, also within a business context. It proved to be an efficient and comprehensive path. However, to establish a process successfully unfolding and exploring complexity, teamwork and ownership to the process was key. Thus a critical factor to a Systems Oriented Design project is mutual respect within the cross disciplinary team for individual expertise and weaknesses.

My aspiration with this working paper has been to highlight how Systems Oriented Design core methodology can be significant to the field of strategy traditionally belonging to the domain of management. The cases suggest the approach to be a dynamic way to deal with much needed exploration and understanding of the overall and growing complexity we are surrounded by, resulting in improved diagnosing as well as identification of the appropriate problems. These are key objectives to create a good strategy and fundamental to bring about a clear and differentiated point of view that supports forceful and coherent actions.