

Faculty of Design

2014

Caring for the future: The systemic design of flourishing enterprises

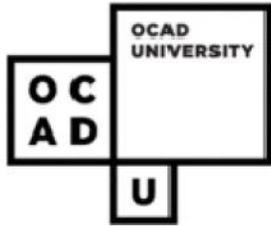
Jones, Peter and Upward, Antony

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Caring for the Future: The Systemic Design of Flourishing Enterprises

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reDESIGN

The Resilience of *Sustainability*

The term has lost impact & meaning.

For 3 decades we've anchored on *sustainability*.

- Since Bruntland Commission (1987)
- Sustainable *Development*
- Ecological *Modernization*

Consider these enablers of the status quo.

See *Ehrenfeld (2000)*

Can we sustain “Sustainability?”

Another feature that makes the Brundtland concept of sustainability development problematic is that there is no way to ascertain whether or not the momentary state of the world is sustainable, i.e., whether the desired conditions will be present in the future. Sustainability is essentially not assessable other than to observe that the present world is, indeed, a flourishing place. Unsustainability, on the other hand, can be observed in the present and is a characteristic of our modern mode of living. Our knowledge of the rules that govern the transformation of the present to the future is doomed to be insufficient to allow us to determine whether the present conditions can or will persist into the future. Thus sustainability cannot be reduced to some deterministic set of characteristics and rules.

A Foundation for Speaking of Flourishing

Strong vs Weak Sustainability

- Non-substitutability of natural capital w/ others
- Emerged from Ayres (1998) & others criticizing the lack of progress from sustainable dev
- Few examples of strong sustainability in 90's, & as applied to business, considered improbable.

- Aim for compatibility with *The Natural Step (FSSD)* & anchor in bio-physical sciences
- Living systems theories of (Allen et al) *supply-side*
- Socio-ecological systems & ecological macroeconomics

SSBMC

The Flourishing Enterprise

What was that called again?
STRONG SUPER some CANVAS LIKE OBSERVATION

NCR 1913
THE RIGHT THING
SOCIAL VALUE WITHIN A CONSTELLATION
GARDEN?
A LEADERSHIP ROLE
SOCIAL SYSTEMS WITHIN SOCIAL SYSTEMS
CANNOT BE MEASURED LIKE OTHER SYSTEMS ORGANIZATION

Beyond Sustainable
What Flourishes?
an ORCHARD

MORE than a Model
deeply rooted in a place
GIVES BACK

Community? system?
Advocate Consultant? Promoters?
a new word

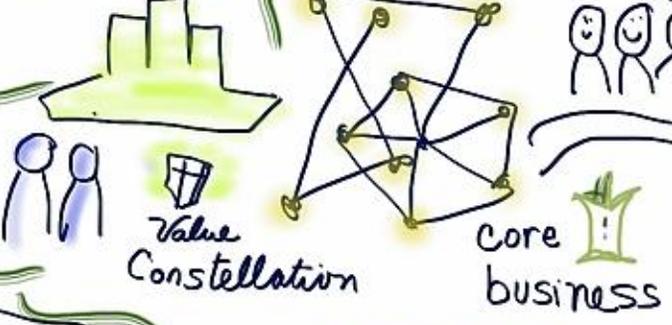


YSOA
GROW
BERLIN?
Patagonia
IDEAL
SELF CONTAINING
Regenerative Agriculture
Coffee Production Networks

Rethinking 'STAKEHOLDERS' HAPPY

Hospital?

How can you keep a straight face if no Thriving Enterprise Exists?



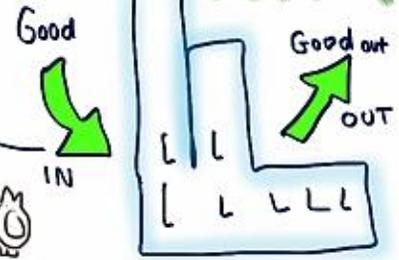
TOUGH TO FIND EXAMPLES OF FLOURISHING ENTERPRISES ON A LARGE SCALE

Desirable to the consumer

Location
A NEW EXCHANGE BASED ON SUSTAINABILITY
INVEST IN YOUR VALUE
RETURN

WHAT DO WE WANT?

SCORE ?
IN A COMMUNITY
ACCOUNTABILITY
RESOURCE



Complex and OPEN
Balance

TRAVEL

RESOURCE

Suppliers

STEALING FROM THE FUTURE
AS CRIMINALS

IN the future, CORPORATIONS WILL BE SEEN

“More sustainable” business models

- Product/Service Systems (Vezzoli, et al)
- Dematerialized product/services
- Circular economy / Supply-waste ecosystems
- Collaborative consumption
- Public-private incentive models
- Regional mutualism / Start-up safety nets

Best cases include -

- Interface (circular carpet model)
- Patagonia, Timberland,
- Unilever

Business Model Canvas



No environmental impact model

No value chain / supply impacts

No societal impacts, No triple-bottom line option

Osterwalder & Pigneur. (2009). *Business model generation*.

Upward's research led to ...

1

Understand the Natural and Social Science of Sustainability

Defined the gaps in Osterwalder's Ontology of profit-first businesses, based on the science

2

Designed an Ontology of *Strongly Sustainable Business Models*

3

Co-designed **Strongly Sustainable Business Model Canvas**, a visual design tool, structured by the Ontology, and tested:

1. **Against standards of sustainable business**
2. **Formally with 7 experts and 2 case study companies**
3. **Informally with dozens of others:**
Business people, professors, students

Revising Definitions...

Necessary, but not sufficient

“A Business Model describes the rationale of how an organization creates, delivers and captures value [in monetary terms]”

Value = the perception by an actor of a need being met; measured in aesthetic, psychological, physiological, utilitarian and / or monetary terms.

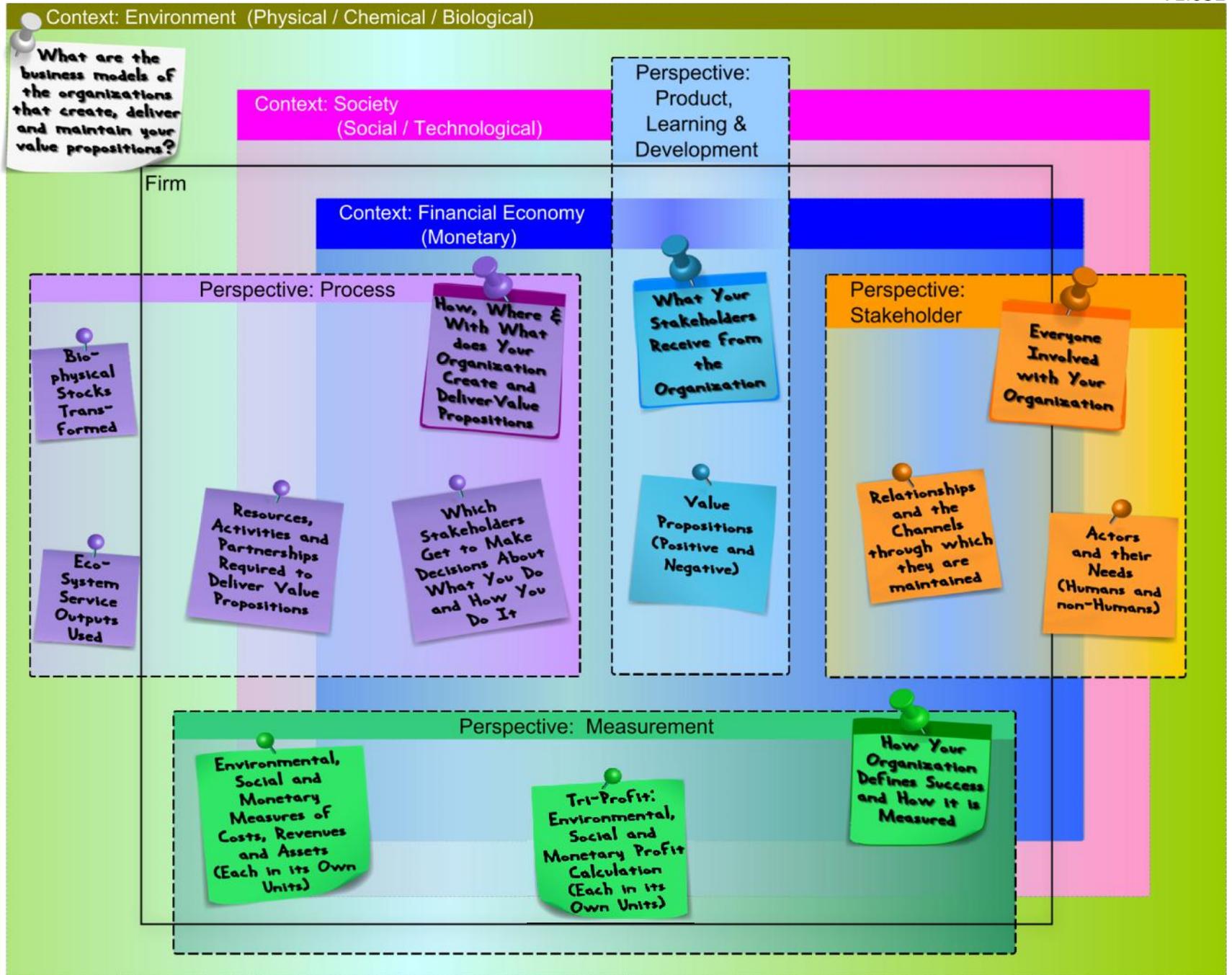
Value is created when needs are met via satisfiers that align with the recipient’s world-view, and destroyed when they don’t

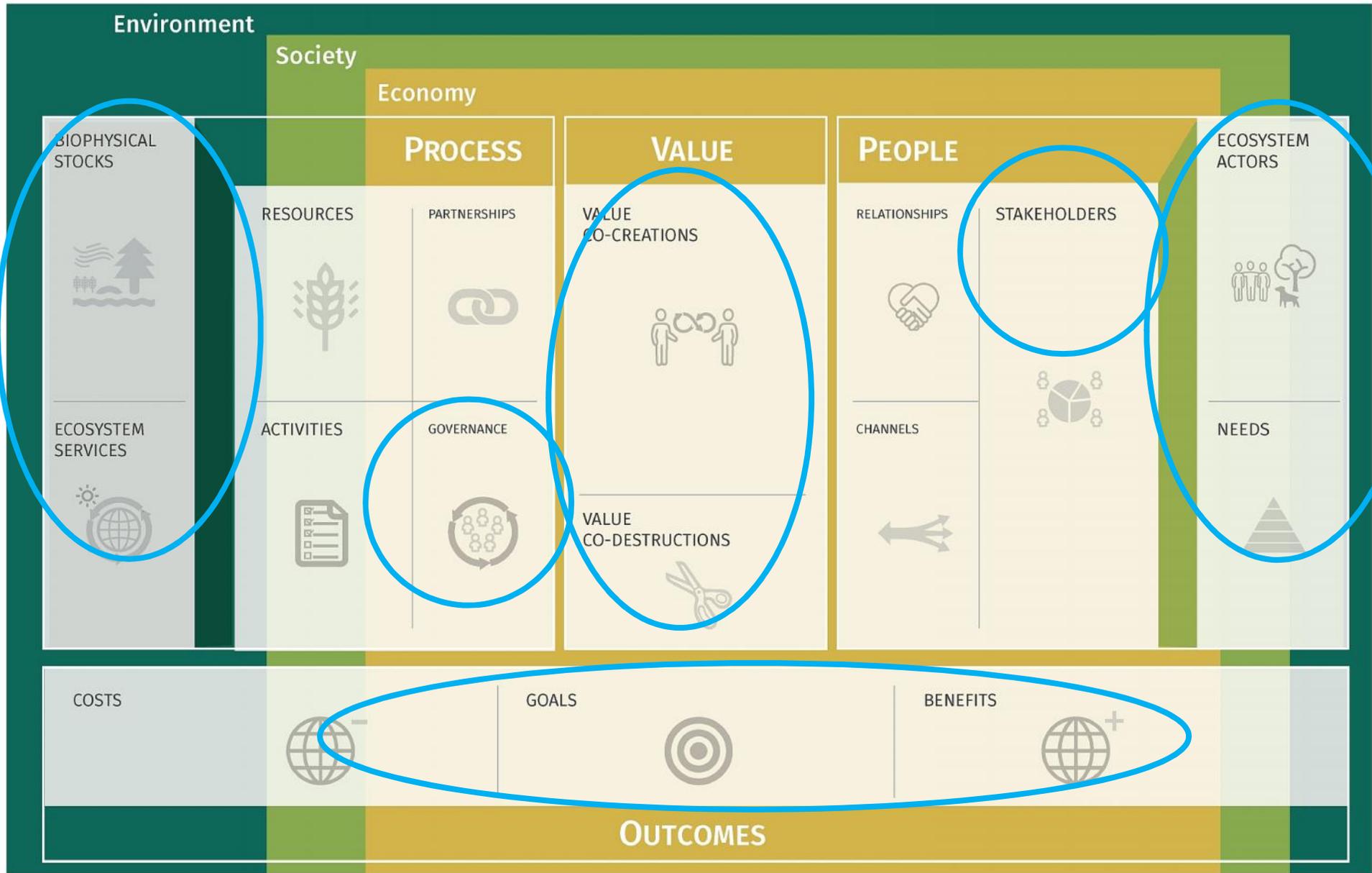
A Business Model = the logic for an organization’s existence:

- Who it does it for, to and with
- What it does now and the future
- How, where and with what does it do it
- How it defines and measures its success

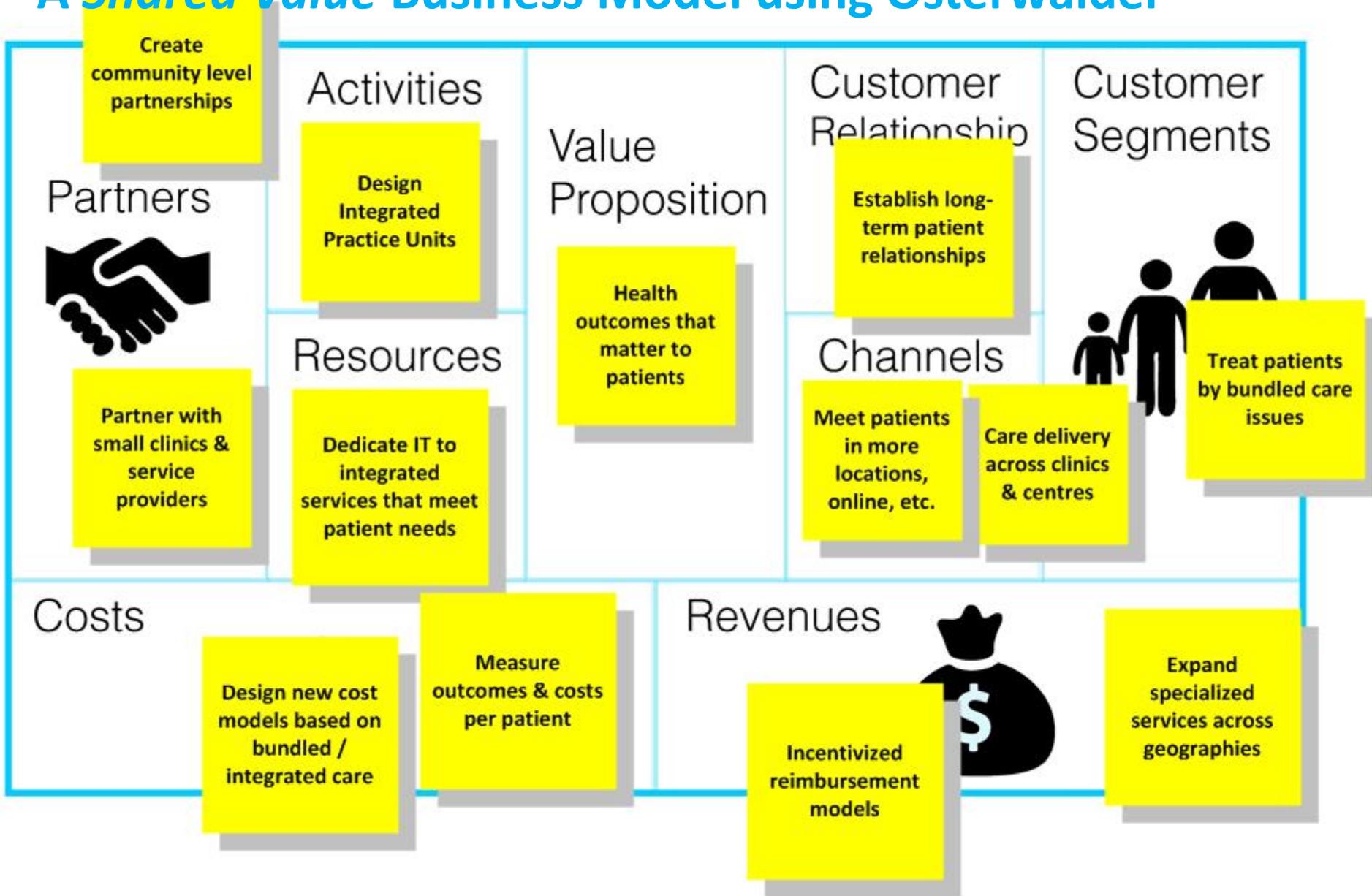
A description of how an organization defines and achieves success over time.

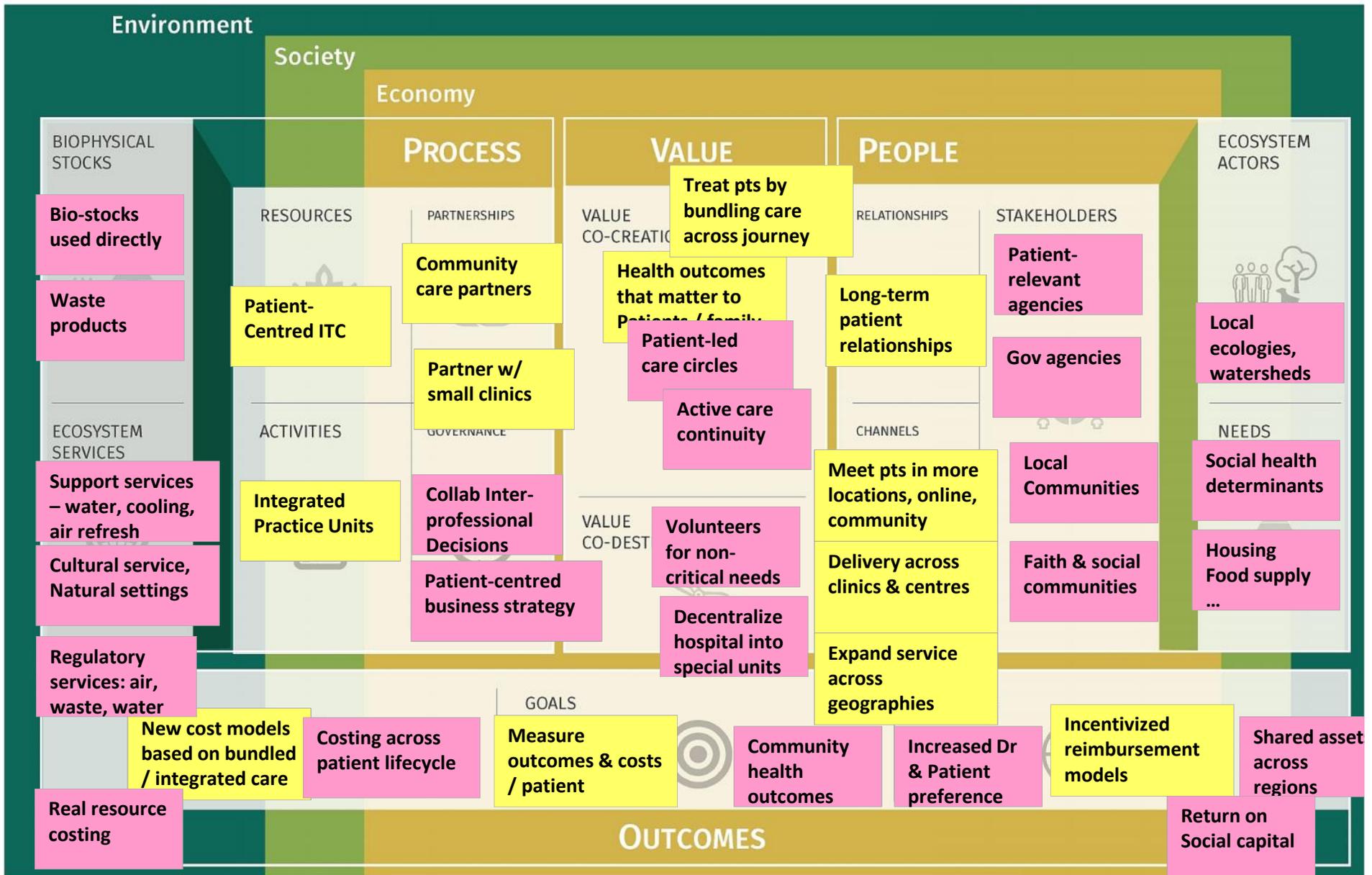
Strongly Sustainable Business Model Canvas – 14 Questions





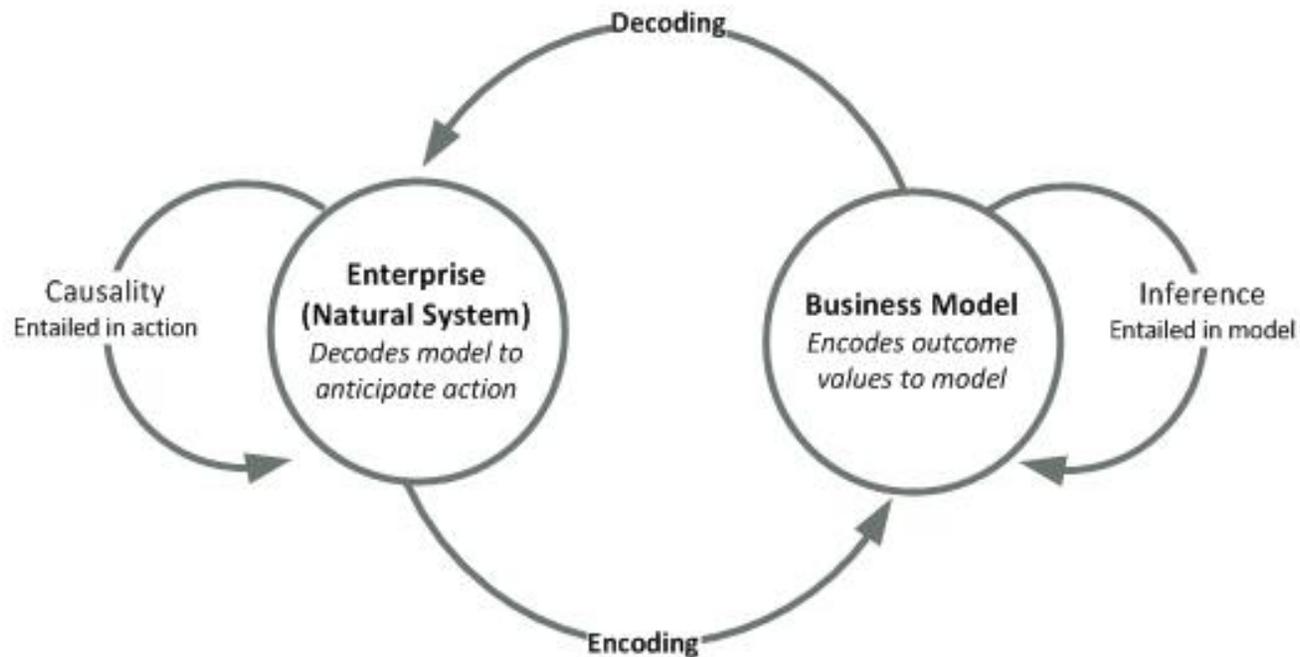
A Shared Value Business Model using Osterwalder





Business Model as Formative Context

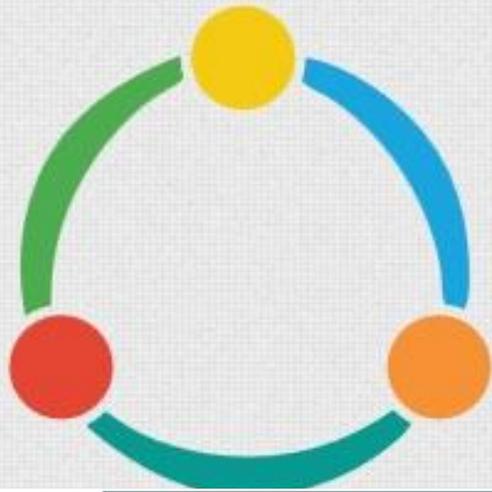
- BM explicitly represents value system & mental model
- New BM design offers scope for reclaiming values
- As anticipatory system, feed-forward loop



Business Model Designs the Enterprise

- Novel models are not *simulatable*
- Causal entailments (rel to environment) too complex
- Anticipated outcomes guided by updating model with feedback information (encoding)
- & updating new decisions with updated decoding.

- New view of a flourishing “enterprise”
Living system model of firm & entire value network in bio-socio-eco-cultural contexts, within planetary limits



THE THIRD GLOBAL FORUM FOR BUSINESS AS AN AGENT OF WORLD BENEFIT

FLOURISH & PROSPER

Dare to Flourish: A Practical Guide for You & Your Organization



John Ehrenfeld

Executive Director of the International Society for Industrial Ecology



B Corporations: Using business as a force for good



Bart Houlahan

Co-Founder, B Corporation



Stephen Davies

Managing Director, Transformation by Design Business Consultants Inc.

@XformByDesign / Bio

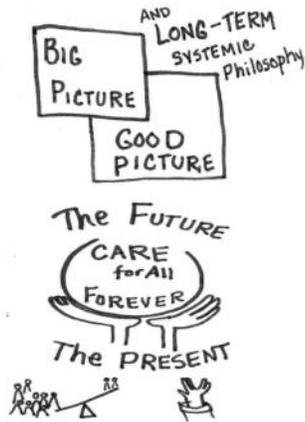


Antony Upward

Sustainability Business Architect and Principal, Edward James Consulting Ltd.

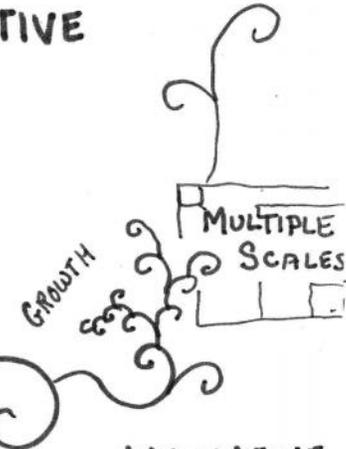
@aupward / Bio

Takk.



EVOLUTIONARY ADAPTIVE BUSINESS MODEL

TRANSFORMATIVE CONNECTIVE UNFOLDING



ADAPTIVE LIFE CYCLE

TEMPORAL CYCLICAL



RETURNS TO ECOSYSTEM



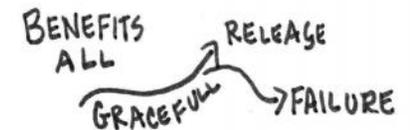
DIVIDEND

NEW

INNOVATIVE SPINOFFS

SOCIALLY ADAPTIVE PROFITABILITY

REQUIRES PALIATIVE CARE FOR DYING BUSINESS MODELS



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