

**STRAIGHT
OUTTA
LEFT FIELD**

Complexity theory

The Cynefin Framework (*Ku-nev-in*)



DECISION CONTEXT: SIMPLE

CONDITIONS

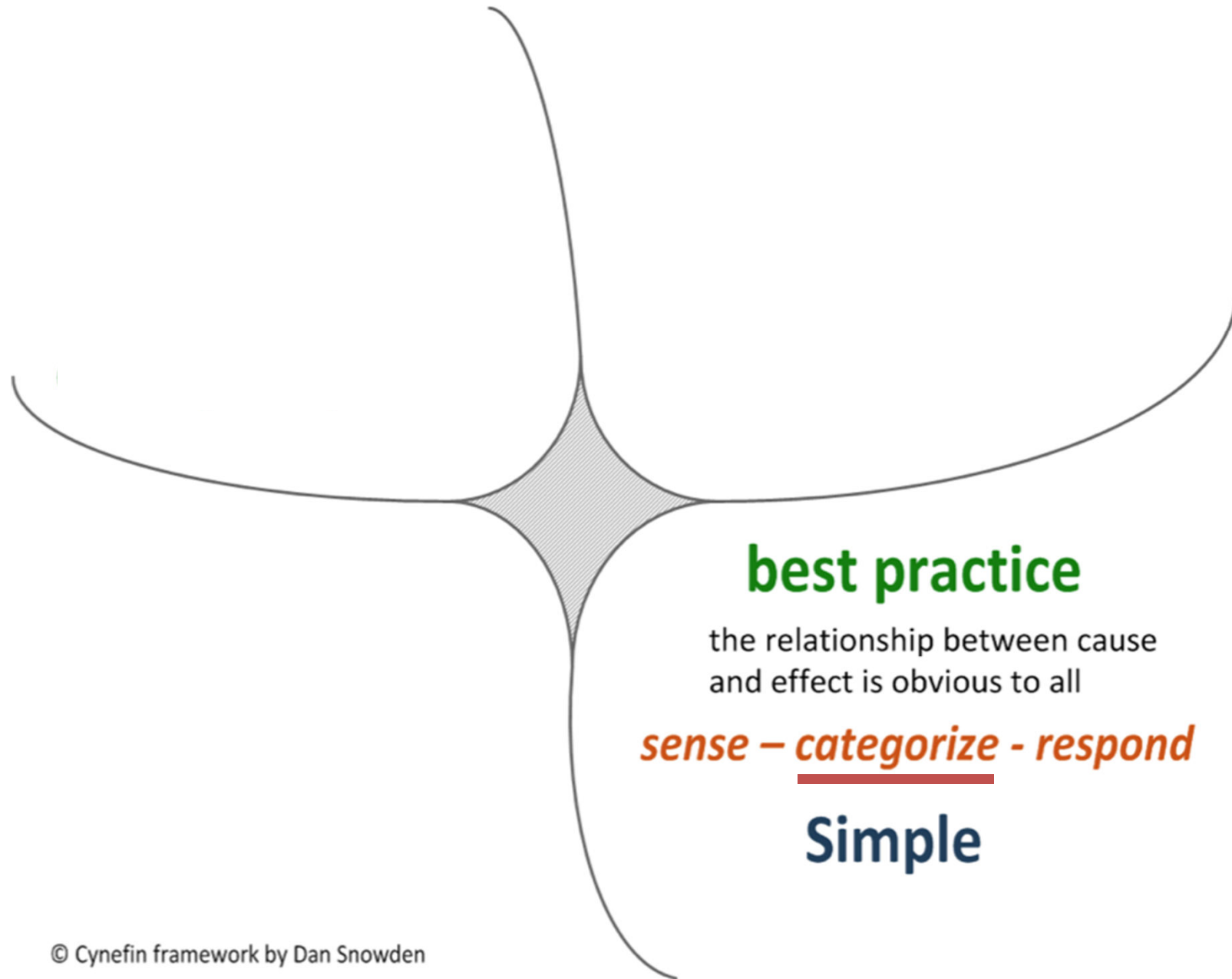
- Clear, stable, repeatable
- Easily identified
- Realm of “Known Knowns”

Steps

- Assess situation, figure out category & rules
- Use established practices and templates

RISKS

- Complacency becomes blind constraint
- Miss changes in the context



best practice

the relationship between cause and effect is obvious to all

sense – categorize - respond

Simple

DECISION CONTEXT: COMPLICATED

CONDITIONS

- May be multiple right answers
- Best option is not obvious or clear
- Multiple decision factors
- Realm of “Known Unknowns”

Steps

- Assess situation, analyse key decision criteria, get expert advice
- Investigate options for solutions
- Rely on processes and best approach to decision making

RISKS

- Over reliance on process or expertise rather than analysis
- Analysis paralysis
- Not allowing sufficient time for decisions

Complicated

the relationship between cause and effect requires analysis or some other form of investigation and/or the application of expert knowledge

sense – analyze - respond

good practice

best practice

the relationship between cause and effect is obvious to all

sense – categorize - respond

Simple

DECISION CONTEXT: COMPLEX

CONDITIONS

- There is no existing right answer
- Large number of interacting elements affecting each other
- Constant state of change or evolution
- Realm of “Uknown Unknowns”

Steps

- Probe and analyse situation as it evolves
- Assess, understand state of flux
- Decide on how to accomplish goals, adapt practices to conditions

RISKS

- Falling back on command and control
- Demanding fail-safe solution
- Getting impatient for results
- Trying to impose order

Complex

the relationship between cause and effect can only be perceived in retrospect

probe – sense - respond
emergent practice

Complicated

the relationship between cause and effect requires analysis or some other form of investigation and/or the application of expert knowledge

sense – analyze - respond
good practice

best practice

the relationship between cause and effect is obvious to all

sense – categorize - respond
Simple

DECISION CONTEXT: CHAOTIC

CONDITIONS

- Searching for the right answer is pointless
- Everything is in turbulence, churn, no patterns are discernable
- No clear relationships, crisis mode
- Realm of “Uknowable”

Steps

- Act to stop the bleeding
- Look for where stability can be found or created
- Exert enough effort to get situation to complex context

RISKS

- Over-confidence at ability to control
- Growing sense of invulnerability from surviving previous crises

Complex

the relationship between cause and effect can only be perceived in retrospect

probe – sense - respond
emergent practice

Complicated

the relationship between cause and effect requires analysis or some other form of investigation and/or the application of expert knowledge

sense – analyze - respond
good practice

novel practice

no relationship between cause and effect at systems level

act – sense - respond

Chaotic

best practice

the relationship between cause and effect is obvious to all

sense – categorize - respond

Simple

Complex

the relationship between cause and effect can only be perceived in retrospect

probe – sense - respond
emergent practice

Complicated

the relationship between cause and effect requires analysis or some other form of investigation and/or the application of expert knowledge

sense – analyze - respond
good practice

Disorder

novel practice

no relationship between cause and effect at systems level

act – sense - respond

Chaotic

best practice

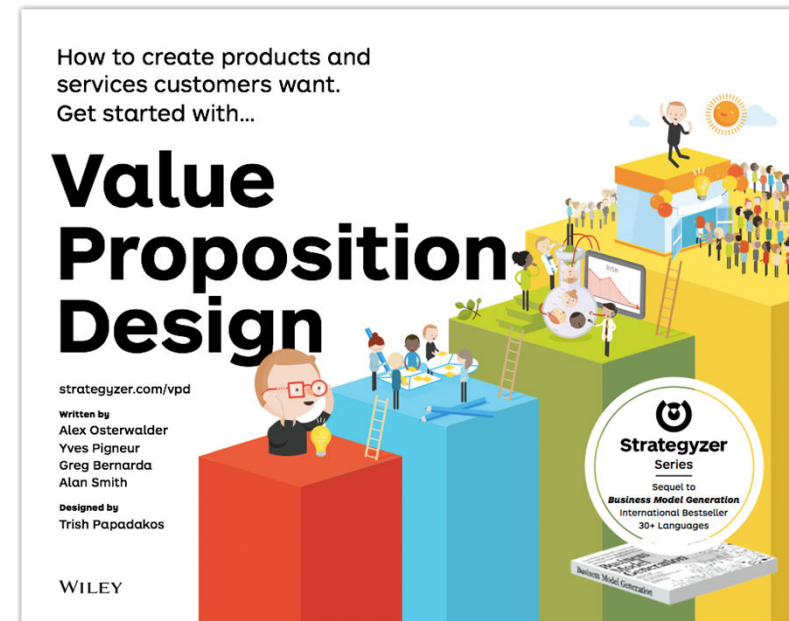
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sense – categorize - respond

Simple

Design Thinking

Elicitation and Collaboration



ALEXANDER OSTERWALDER

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**Approaches to
gaining customer
insight**

DATA



- ✓ Background, secondary research
- ✓ Existing data on customers
- ✓ Industry knowledge and research
- ✓ Other industries, analogs, adjacents

Downside: foundational research, different contexts

INTERVIEW



- ✓ Talk to real and potential customers / users
- ✓ Start with structure, probe for detail
- ✓ Focus on understanding “why”

Downside: people don't always do what they say

OBSERVATION

IDEO Shopping Cart Project



- ✓ Watching behaviour in the real world
- ✓ Directly note the jobs and pains
- ✓ Unbiased, no interpretation by customer

Downside: limited by your observations, no customer view

ROLE PLAYING



- ✓ Mimic / be your own customer
- ✓ Echo the 'voice of the customer'
- ✓ Evaluate your own experience

Downside: you may not be a good example of most customers

CO-CREATION



- ✓ Engage customers in design and creation
- ✓ Explore ideas and changes with customers
- ✓ Understand their preferences and choices

Downside: small samples might not generalize to the market

EXPERIMENT



- ✓ Get customers to participate in experiments
- ✓ Run pilots, MVPs, tests of ideas
- ✓ Test individual components or variations

Downside: hard to do in organizations with brand concerns

Best Practices Customer Insight

DATA

**Background,
secondary
research**

INTERVIEW

**Talk directly to
customers**

OBSERVATION

**Watch
customers in
the real world**

ROLE PLAY

**Simulate the
voice of the
customer**

CO-CREATION

**Engage the
customer in design
and ideas**

EXPERIMENT

**Test elements
and variations
of your offer**

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Ground Rules for Interviewing

RULE #1

Adopt a beginner's mind

Openness, eagerness,
lack of pre-conception,
avoid interpretation



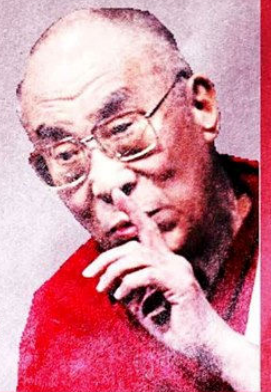
RULE #2

Listen more than you talk

Listen and learn, you are not there to inform, impress, or convince your respondent

When you talk,
you are only
repeating what
you already know.
But if you listen,
you may learn
something new.

Dalai Lama

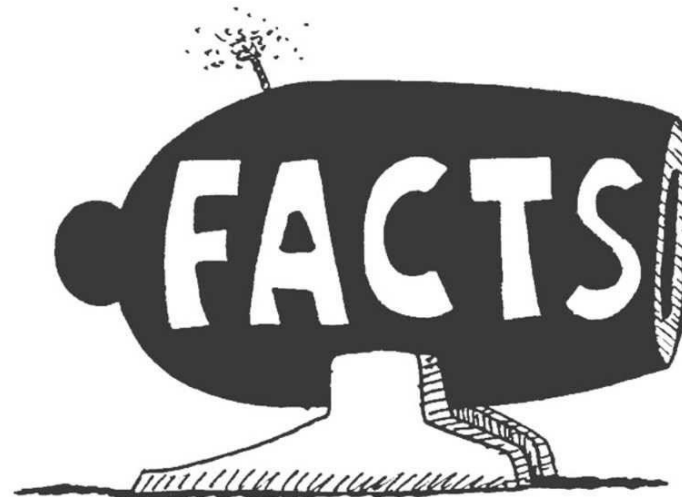


[facebook.com/CHOICEandTRUTH](https://www.facebook.com/CHOICEandTRUTH)

RULE #3

Get facts not opinions

Don't ask "Would you..."
Ask "When was the last time you..."



RULE #4

Ask 'why' to get to motivations

Repeatedly ask why to get to root causes or to uncover root problems



RULE #5

The goal is learning

The goal is insights about your customer, not whether they will buy your product



RULE #6

Don't mention solutions

This effort is about understanding the customers' pains and gains associated with their jobs or problems



RULE #7

Follow up with respondents

Give yourself the
opportunity to come back
for more information



RULE #8

Always open doors at the finish

Try for referrals or
identification of other
respondents

REFERRALS



Interviewing Ground Rules

RULE #1

**Adopt a
beginner's
mind**

RULE #2

**Listen more
than you
talk**

RULE #3

**Get facts not
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RULE #4

**Ask 'why' to
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**The goal is
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**Don't mention
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RULE #7

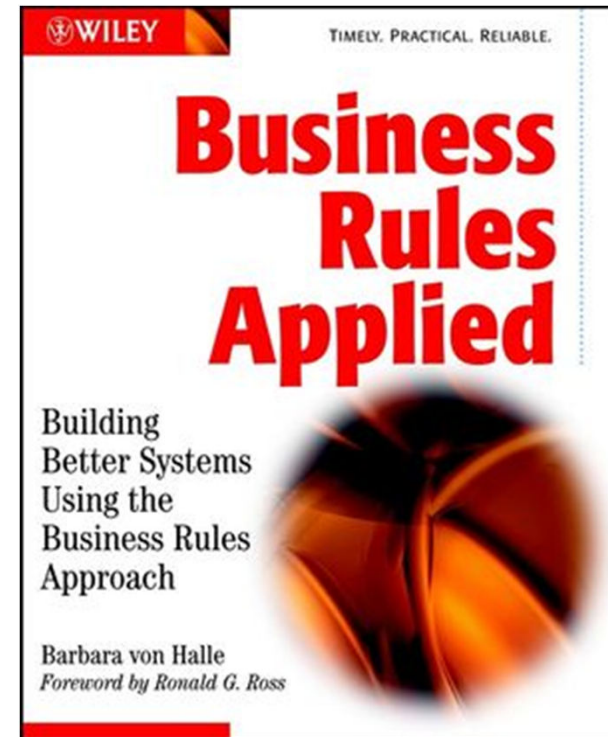
**Follow up
with
respondents**

RULE #8

**Always open
doors at the
finish**

Business Rules

Stakeholder Classification



BARBARA VON HALLE

Stakeholder Classes

Description

Class

People who use the functions or the output as part of the job responsibilities



User

People who contribute information for use in the business process and/or use information output in external business processes



Participant

People who influence how business is done, design or operation, control budget allocation



Business Authority

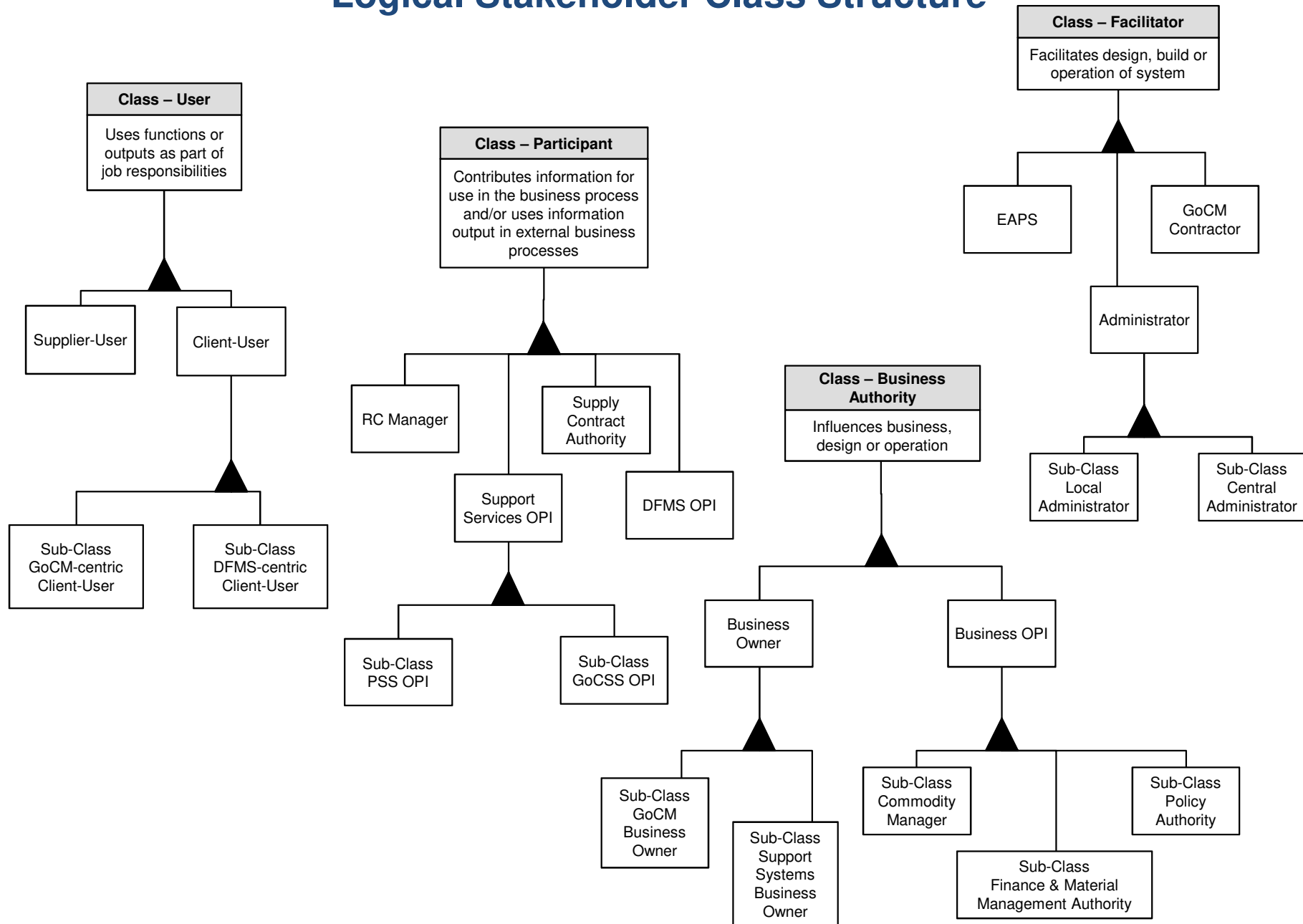
People who deliver on design, build or operation of the solution



Facilitator

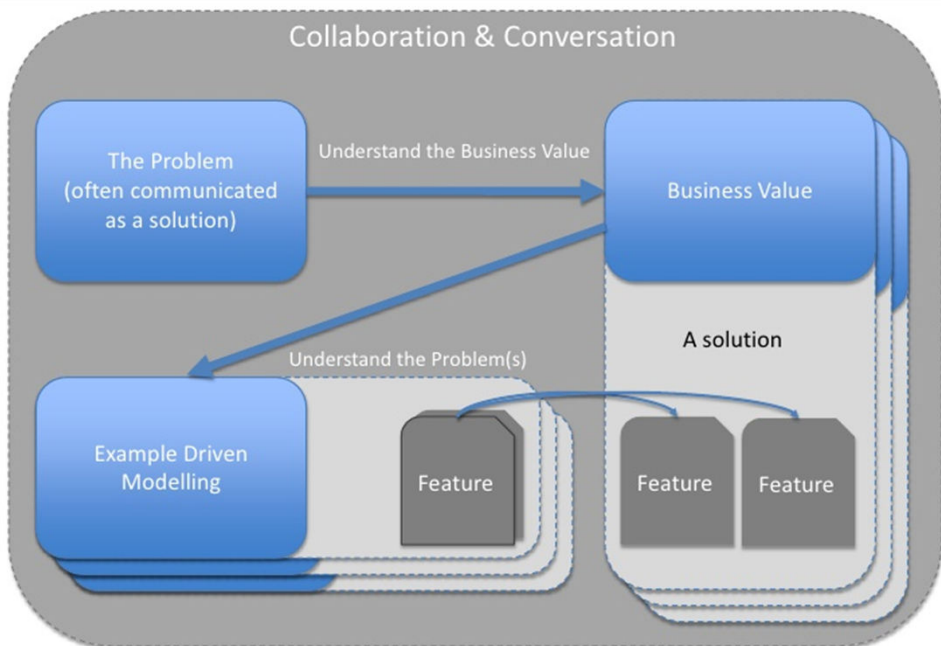
GoCM Architecture

Logical Stakeholder Class Structure



FEATURE INJECTION & REAL OPTIONS

Solution design



Chris Matts

FEATURE INJECTION

Principles:

- The **value** exists in the **outcomes**, not in the inputs, operations or outputs
- Start with the **intended outcome** and work backward to identify options
- Consider **options** that can change the model or boundaries creating **added value** or **improved outcomes**

FEATURE INJECTION

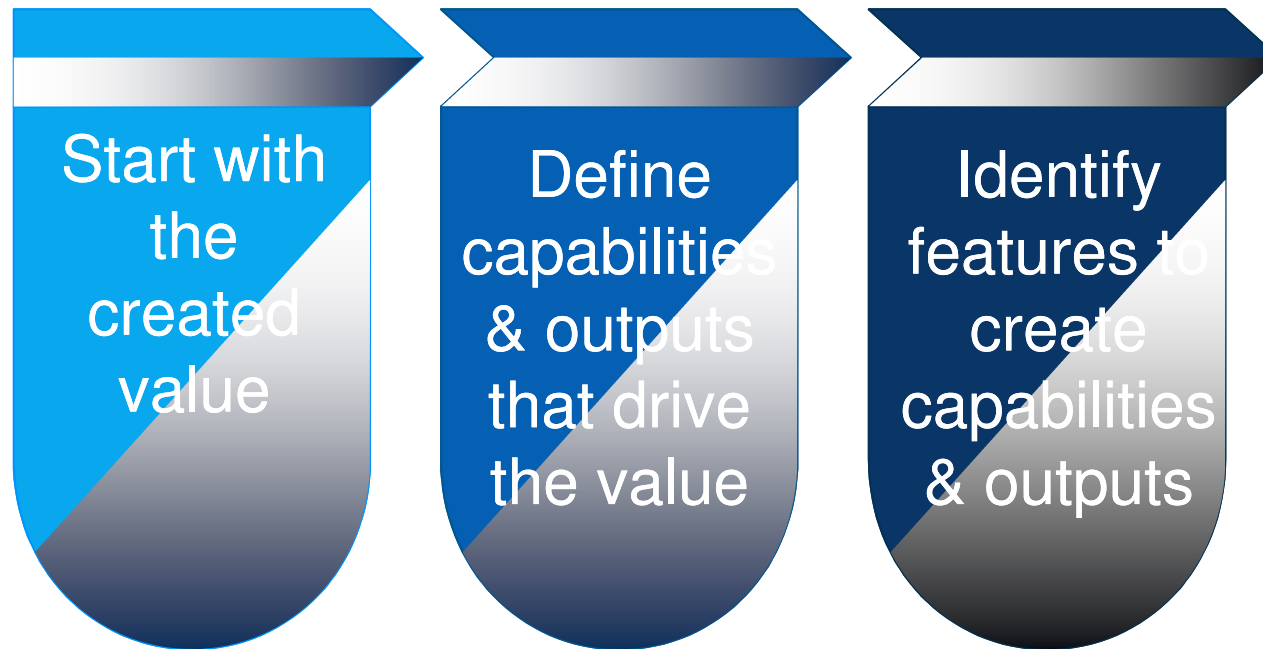
Step 1: Hunt the value



- Value is created when there is a benefit for the consumer or the producer of the product or service
- Understand the context or story of the job-to-be-done or the problem-to-be-solved

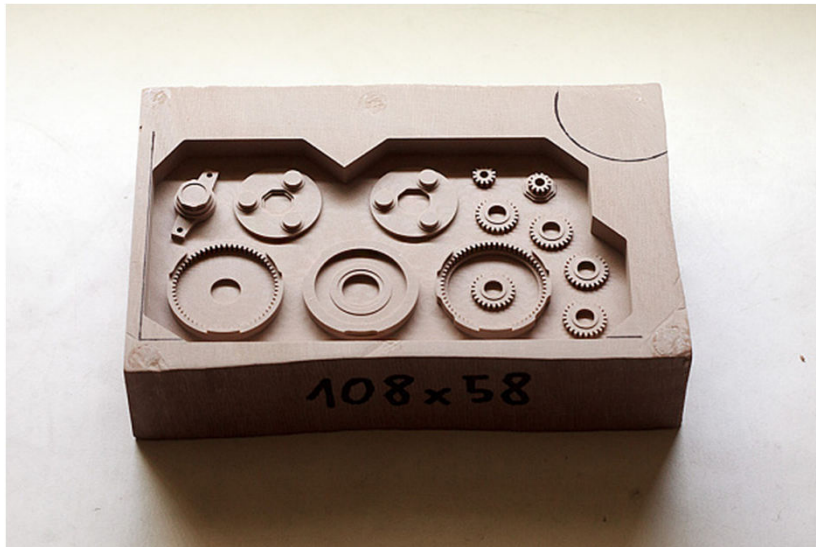
FEATURE INJECTION

Step 2: Inject the features



FEATURE INJECTION

Step 3: Break the mould



- Challenge the assumptions about anticipated solutions
- Look for other options

REAL OPTIONS

Dealing with uncertainty:



REAL OPTIONS

Dealing with uncertainty:



- **Be right**
- **Be wrong**
- **Be uncertain**

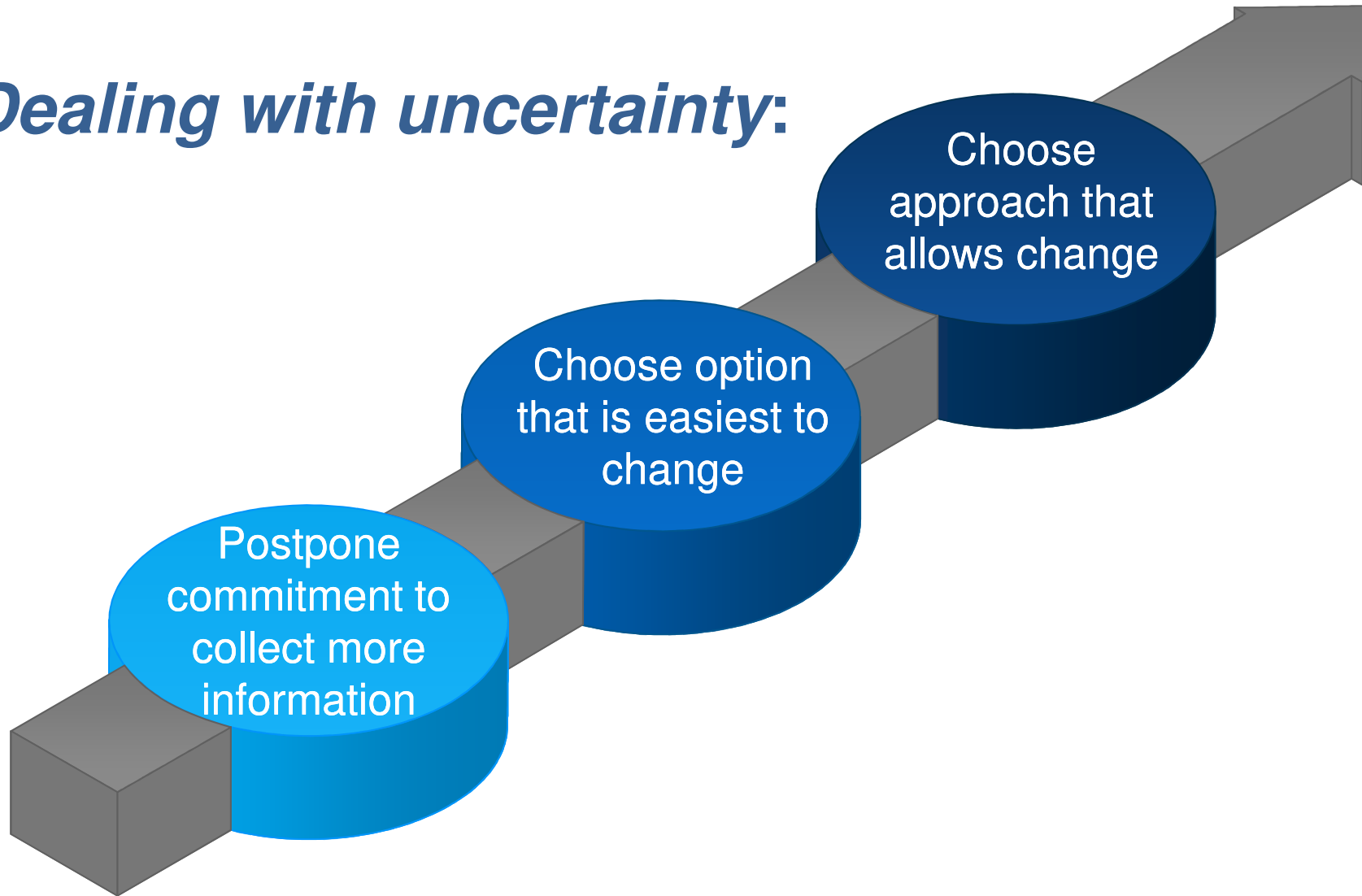
REAL OPTIONS

Principles:

- Be deliberate about **what is** treated as an **option** and **what is** a **commitment** – commitments are non-reversible
- Focus on **when to commit**, when does the option expire, do not commit too early
- Use **bounded uncertainty** – at point will you know enough to make a decision
- Have a **rollback** option

REAL OPTIONS

Dealing with uncertainty:





Final Thoughts

Thanks

Business Model Fulcrum

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