Health Warnings!!!

1. ‘Systems thinking’ suggests something very dry, mechanistic, possibly IT-driven. It makes us think of improving our processes to make us more efficient. It’s none of these – it’s about learning from our customers – putting ourselves in clients’ shoes to understand how our service feels and whether it delivers what they really need and want, the things that would really make a difference. Systems thinking doesn’t just help us do things better, it makes us ask fundamental questions that help us do better things, designing our services to deliver what matters to the people who use them.

2. Systems thinking can’t be explained in a presentation or a lecture: you need to do it to learn and you really need a systems thinker to guide you and challenge how you think. This presentation is only a taster to give you some pointers and maybe prompt some questions.
There are some big issues that get in the way of designing services from a customer’s perspective:

1. As managers, we’re imbued with all sorts of assumptions we often don’t know we have about how work should be organised. We grow up being taught that it’s more efficient to separate out work and have functional specialists; that separating out front and back office roles is cheaper because we protect expensive expertise; that ‘economies of scale’ help us reduce cost.

These assumptions grew out of nineteenth and early twentieth century western manufacturing. You have to ask how relevant they are to 21st century services but if we don’t make them visible – as systems thinking does – they carry on having unintended consequences.

2. Services in the voluntary sector are becoming increasingly constrained by public service commissioning and the imposition of tightly-defined service specifications and targets, that commissioners believe will create value. The reality is that the reverse is true. The media regularly carry examples that show how targets distract services from doing what matters to their customers, often leading to cheating to ‘make the numbers’: target chasing causes unintended consequences that make services worse for the people who use them and the consequences can be catastrophic.

3. When we’re planning something new or we’re trying to gauge client satisfaction, we use surveys and questionnaires to consult with customers, but we’ve usually set the questions to tell us what we want to know, and that often gets in the way of service users telling us what we ought to hear. As well, people usually fill them in after the event so at best their answers can be hypothetical: at worst, people tell us what they think we want to hear.

Systems thinking aims to address this issue by getting managers out into the work to listen to (and hear!) what’s really going on; what’s getting in the way of people on the frontline trying to do great work and what matters to clients – in their own terms.
What this means is that we traditionally design services based on what we think works. For example, one of the assumptions that comes from management theory is that it’s more efficient to separate the front office – where people access our service – and the back office – where we protect our expensive experts and avoid them being interrupted. A lot of advice services have introduced triage which is based on this logic. Less experienced employees or volunteers staff the access point and decide the best course of action, which may be to signpost people elsewhere, or to arrange an appointment with a specialist at a later date.

By studying the service from a customer perspective, we learn that this doesn’t deliver what matters to people so creates further demand – people keep coming back until they get the help they need. It also creates an artificially high picture of demand because it takes people more than one visit to see the person who can help them. This design creates duplication, error and waste as people are passed between different parts of the service and is always less efficient than having the right expertise on the front-line to give people the service they need.

Service design is also driven by funders’ requirements. Service specifications are usually drawn up without understanding what people need from the service and what matters to them, and with targets for the number of people to be seen or the amount of benefits gained or debt managed. This creates a de facto purpose for the service, which is “make the numbers,” “meet the funder’s specification.” Managers look up to their funders’ requirements not out to understand what matters to the people who use the service. Not only does this lead to services that don’t match up to what people need, it stops managers learning about how to improve because their attention is always on hitting the target, and that is a false measure of value, and invariably is completely arbitrary.
Systems thinking is in essence very simple – doing it is usually very challenging because it involves unlearning a lot of the things we take for granted about how we organise things and why.

- Where and how do people come to our service?
- Why do people come to us and what would really make things better?
- Do we do what matters to the people who use the service?
- How do we know?
- How does work flow through the organisation?
- Why is it how it is?

- What are our underlying assumptions?
- What unintended consequences do they create?
- What do we think our purpose is?
- Who decides and how?
- What do managers pay attention to?
Systems thinking asks fundamental questions about how things should be organised and work should be managed. It can’t be a project we do when we have time from the day job: it’s a thinking-thing so the new approach needs to become the day job for everyone, starting at the top.

This approach also challenges assumptions about commissioning and procurement. AdviceUK worked with service providers and commissioners in Portsmouth to help them understand the service from a customer perspective, so the authority could commission a service that wasn’t hide-bound by specification as to what it should do nor by targets.

You can read more about this experience on our website at

Dee Hock created the Visa network.

By focusing on delivering its purpose – doing what matters to its customers – a Systems Thinking organisation strips away large amounts of waste that has accumulated over the years to regulate and constrain how people do things. Frontline staff feel liberated and managers talk about how people take responsibility for their work and for making things better in the interests of the people using the service.
The starting point for understanding your service is for managers to go and get knowledge. No matter how well you think you know your service, spend time ‘in the work’ talking to people on the frontline as they do their job, asking why things happen like they do, getting to know what goes on in reality, not what the procedures say should happen! Sit in on interviews and listen carefully. Talk informally to clients.

There’s no substitute for getting into the work and learning and then talking with others about what you’ve learned. It also gives people permission to release their own creativity for thinking how things could be better.

The “Check” process is designed to get you to answer these four simple questions, but you can only find the answers by studying what actually goes on and by talking with clients about what matters to them.

One thing that always leaps out when you listen to demand in an advice centre is the level of preventable or “Failure Demand”. Failure demand is created when the service, or another service fails to do something or to do something right for people. A huge amount of the demand presented to advice services only exists because organisations have failed their customers. Common examples include: “I applied to the council weeks ago but I’ve heard nothing.” “I’ve had this letter about my benefit but I don’t understand it.”

Some failure demand is generated by your own service: “I left you a message but no-one’s come back to me.”

As you define your purpose, try to categorise your demand as value – the work that is in line with your purpose – and failure demand – the work that only presents because someone has let down your client. A key challenge then becomes “How can we switch off the failure demand or help others to stop it?”
Verbatim records of what clients want and what matters to them are really important. When people approach us for advice, we automatically categorise their problem – for example, “It’s a benefits issue” “This person only needs generalist advice” – which means we don’t hear what they say and can miss important learning. It also leads us to atomise people’s problems and their own view of what’s important and to miss connections.

Listen to a lot of interviews over a concentrated period – don’t dip in and out. When chatting to clients, ask open questions about what their view is, don’t ask them to comment on what you are providing or what you want to know as that stops them telling you what you might need to hear.

It’s not an exact science – the important thing is to listen, record and talk to colleagues – especially people on the frontline – to get a real sense of why people are using the service, what matters to them and how it could look different.

Based on what people have told you, think about your Purpose. What have clients told you is important to them? Why do they come to you? What are the underlying causes of their problem? What would a good result look like to them? Try to capture your Purpose in a clear, succinct, meaningful phrase that reflects what you’ve heard and describes what you’d like to create for your clients. Ask yourself: “Are we here to do what we do better?” “What would help our customers more?”
It’s important to think about how far your current measures reflect what matters to your clients. Typically performance measures and targets are set by people removed from the day-to-day reality (often funders) and are used as a benchmark – to control how well people perform – rather than useful data that should be talked about and learned from to help us improve.

That is the test of a good measure: how far does it tell us how well we do in clients’ terms today and how far does it help us learn whether things improve as we change them?

• How far does the service do things that would really make a difference?
• What sorts of things do you measure now?
• Do they help you understand how far you deliver your purpose in your clients’ terms?
• If not, what measures would help you understand how well you’re doing in meeting client demand and what matters to them?
When we’re clear what our **Purpose** is, we need to think about how well we deliver it. What do we do with work **flow** through our system? Where are the **blockages**? Where is the **waste**? What are the things we do because we’ve always done them or someone said we had to, that add no value to meeting the client’s demand? What waste could we just stop doing? What do we need to design out? What waste can’t we control? What is underpinning our **thinking** about how we organise work? Is that getting in the way of doing what matters to clients? What **principles** would help us do only and exactly what matters to clients?

When we’re clear what our **Purpose** is, we need to think about how well we deliver it. What do we do with work when people access our service and how much of this really adds value? Managing queues, separating out work between frontline client-facing roles and experts we protect in the back office and handing work between them leads to errors, delays and waste. If this happens in our service, how could we design things differently to meet client demand?
Too often, when organisations make changes, they do so on trial and error. Systems Thinking is sometimes called ‘taking a leap of fact’ because change is rooted in knowledge gained by studying demand for the service and what matters to people.

The first stage is to go and get knowledge. Listen to what the people who use your service tell you they need you to do and ask them what’s important to them – about your service and about achieving a solution. Don’t reduce the learning process to a series of questions or a tick-box approach – listen to and record what people are actually saying matters to them. Some of your service data might help inform your learning but don’t just rely on that as the data we collect is often informed (contaminated) by what funders want to measure so doesn’t capture what people want from the service.

Use the information you gather to challenge yourselves – if our clients were to design this service, what would its purpose be?

You then need to think about the measures you use. Do they help you understand how far you do what matters to the people who use your service – based on what those people have said to you? Come up with some new measures that reflect what matters. For instance, if people say it’s important to see someone who can help with their problem quickly, you should gather data on time from first attempt to contact to first meeting with an adviser who can help.

When you come to try out different approaches and ways of working, using new measures will help you see if what you do makes things better or not. When you have found a way to deliver what matters to people, make that the new way of doing business. But that’s not the end of the road – Systems Thinking is a method for continuous improvement so keep learning and improving, using and adapting your new measures to help you keep learning.
Only when we know our system outside-in should we start to think about redesigning it to better meet purpose from clients’ perspective – don’t tinker with bits on the way or you’ll never get a true understanding of how the system creates unintended consequences, nor grapple with the underlying assumptions that set it up that way in the first place.

When you start to redesign the service, it’s worth having some principles to work to. These principles are being used successfully in other places.

And don’t forget your measures. What are the things you need to measure that will tell you over time whether what you do improves the service? Some of the measures below might be useful but only you can determine the measures that will help you learn how well you’re delivering your purpose – there’s no substitute for going and learning about your own service and challenging your own thinking.

- Type and frequency of demand (common demands and how often you get them). This helps you understand what is predictable.
- Levels of Value and Failure demand.
- Source of external failure demand.
- Time from 1st contact to 1st meeting with an adviser.
- Time from 1st meeting to resolution from a client perspective.
- Number of people who disengage
- Reasons for disengagement
- Number of repeat visits.
- Reasons for repeat visits.
- “On a scale of 0 – 10 how would you rate the service you’ve received?” “What should we do so you can score 10 (or higher)?”

What principles are we working to?

- We are open when we say we are open and we never turn anyone away
- We stop doing things that create queues
- We have expertise on the front line
- The people who use our service define what matters
- We have conversations with people that help us to understand their problem and what matters
- We only do things that create value for the people who use the service
- Minimise hand-offs – pull expertise when required
- We design the service based on knowledge. If we don’t have data we go and find out
- Everyone has two jobs: do the work and improve the work