

Idealised Design: An Overview

Version 1.2

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This approach to organisation change came out of AT&T in the 1951 when they realised that the fundamental developments that they were using came from the last century. They had been developing parts of the telephone system but not the basic system itself. Their research and development strategy was fundamentally flawed and potentially fatally.

The approach removes primary constraints by considering what you would do if the current system was destroyed and had to be replaced. It focuses on the now and not 5 – 10 years in the future as we are not very good at determining what is going to happen and changes will be happening in the intervening time. It also focuses on what we would like to do without consideration for the practicalities of achieving this to ensure that we do not impose artificial constraints. It is easier to find a way to do something when you know what you want to achieve.

There are two constraints that are imposed. Firstly the proposed system must be *technology feasible*, that is it must use technology that we have to hand as we want to realise the system now. Secondly it must be *operational viable* which means that it must comply with current regulatory requirements.

The result of this exercise that AT&T undertook was that the anticipation of every change in the telephony systems to date, such as touch tone phones, consumer ownership of phones, call waiting, call forwarding, voice mail, call ID, conference call, speaker phones, speed dialling and mobile phones. There were only two things that they did not anticipate – ability of phones to support photography and the internet.

The process was subsequently formalised by Ackoff and used successfully to support the redesign of a number of organisations including Analog Devices in the 1980s when its market changed substantially.

The Approach

The approach is based on the identification of the mess¹ that needs to be addressed as it is intended to dissolve the problems that are part of this mess. It does this by removal of constraints which allows imagination to be used. It can be an exciting and liberating experience for those who take part and it can be applied to an enterprise or parts of the enterprise (business units).

As Yogi Berra observed “It’s tough to make predictions, especially about the future” therefore the approach focuses on the now as we have an understanding of the technology that is available to us. Changes in the environment (enterprise or market) are accommodated via continuous improvement and this is the one requirement that the design must meet – it must be able to be improved as no design is ever perfect. As the saying goes perfection is the enemy of good enough.

¹ A mess is a series of problems as problems never existing in isolation in the real world.

The approach moves the people beyond criticising the current system and focuses them on conceptualising a better system. As the people who take part feel ownership of the new design this also aids implementation.

The benefits of the approach are that it promotes an understanding of the design, it transforms the designers' concept of what is feasible, it simplifies the planning process, enhances creativity and it facilitates implementation.

The approach is broken into two phases with a total of 6 stages. These are -

- Idealisation
 - Formulating the mess
 - Ends planning
- Realisation
 - Means planning
 - Resource planning
 - Design of the implementation
 - Design of controls

Idealisation

This is the initial phase and results in the of specification of the new organisation. Formulating the mess is about outlining what would happen to the organisation if it does nothing. This activity has four steps -

1. **Prepare a system analysis** –detailed description of how the system currently operates (high level flow charts)
2. **Prepare an obstruction analysis** – identify characteristics and properties that obstruct or resist change
3. **Prepare reference projections** – describe the future of the organisation if it does not change. This is a view of what the organisation would look like if the obstructions identified in step 2 prevent the organisation from changes to reflect changing conditions
4. **Prepare a presentation of the mess** – describe via a scenario what this would mean for the organisation if no changes were made and the environment changed only in expected ways

Ends planning is the core of the approach and outlines the conceptual design and identifies the gaps between the current and proposed design. It focuses on the work that needs to be undertaken and this informs the subsequent stages of the approach. The following are list of arefas that need to be considered – general, organisational, management style, people, product, marketing, facilities and environment. These may be expanded as part of the specification itself.

Realisation

This is the realisation phase of the approach and comprise of four stages

Means planning – determining what are significant gaps that exist between the existing system and the proposed system. This leads to a set of initiatives to address these gaps

Resource planning – the determination of the resources – personnel, money, service, equipment etc that are needed to effect the proposed changes

Design of implementation – this covers the what, when, where and the who for the individual initiatives. This involves the development of the schedule

Design of controls – outline of the monitoring and control for the execution of the schedule. This also needs to cover the process for change if the schedule cannot be met.

Operation

Design teams of no more than 10 people work well and as it is idealised process it is not necessary to have experts involved but they need to be involved later at the realisation and planning stages.

The roles that are involved are -

- Team members - should include each of the related areas including the stakeholders to ensure that there is general understanding of the design and buy in
- Facilitator – person familiar with the approach and processes
- Recorder – responsible for recording agreements and circulating meeting reports

The three primary rules that are used to facilitate the design meetings

- The current system has been destroyed – this is the primary premise as it removes the constraints of the current system and lets everyone use their imagination
- Equal participation by everyone – titles are not relevant and everyone has an equal voice in the discussions
- Positive contributions only – the design itself does not need to be realisable but an approximation must be achievable so contributions should focus on what is desired

The process initially produces a bounded design based on the scope of the engagement. A subsequent phase should consider a unbounded versions of the design where changes could be made to other elements of the organisation that the initial design would benefit from.

The resultant design needs to be based on consensus but does not need to be the best in every aspect. It only needs to be better than the current system and meet the objectives that have been defined. Also remember that it must be flexible and be capable of development to address unforeseen environmental changes.

To facilitate the process itself it is necessary to be able to accommodate everyone so that must be suitable premises and white boards/flip charts.

Organisation Structure

A number of common themes are seen in idealised design. These include the following -

Governance structure – the use of management boards composed of the manager, their manager and direct reports at each level of the organisation.

Internal economy – use of internal markets that avoid the issues of traditional transfer pricing

Multi-dimensional structure – this is an extension of the traditional hierarchical organisational structure and is intended to avoid the need to reorganise to meet a changing environment. It uses inputs (functional units), outputs (product and services) and users (market) units as the basis of

structure. Inputs are used internally, outputs are deliverable/products and users are defined by customer/market segment.

Organisational learning and adaption – this is the development of a capability to sense environment change and ensure that the organisation responds appropriately. Key is to understand that mistakes happen and to ensure that they are used as learning opportunities to ensure they are not repeated.

Deliverables and Schedule

The deliverables by phases are

Idealisation

Description of the mess and obstacles to change

Specification of the idealised design and the design itself (high level flows). This may or may not include a mission statement. The later is desirable.

Realisation

Identification of the significant gaps between the existing and proposed system

Resource estimates for the initiatives

Outline implementation plan – outline of the schedule to achieve the changes

General

Meeting reports which will include the interim designs

The process can take from 3 hours to 5 to 6 days depending upon the scope. For organisation design this is likely to be 1 to 2 days per month over a period of 2 to 3 months to allow for circulation and review of meeting notes and designs

References

Idealized Design: How to Dissolve Tomorrow's Crisis...Today. Russell L. Ackoff, Jason Magidson , Herbert J. Addison, 2006

Re-creating the corporation. A design of organizations for the 21st century. Russell I. Ackoff, 1999