



## WHY SYSTEMS THINKING, WHY NOW?

BY GINNY WILEY

**Y**ou've heard the news—many U.S. companies are cutting their operations dramatically in response to falling investor confidence, stock prices, and revenues. Many major players have announced belt-tightening measures, from eliminating jobs to restricting training and travel to doing away with the office coffee service. Almost across the board, in every industry, company leaders are reacting in dramatic ways to a changing economic climate.

I suspect you may be feeling uncertain about the current economic climate, rising layoffs, and critical strategic decisions being made without adequate time and information. In challenging times like these, it is crucial that we remember, and practice in our organizations, the unique strengths of systems thinking and organizational learning. As a subscriber to *The Systems Thinker*, you already understand, better than most, how valuable it is to develop skills in these disciplines:

- During a downturn, it's tempting to "firefight" in very unproductive or

even harmful ways. By taking a deeper view, both you and your organization can "keep your heads" and not resort to ill-considered, knee-jerk reactions that ultimately make things worse.

- Thriving economies mask counterproductive practices, just as hard economic times reveal them. Now is the chance to spot what has worked and what hasn't, and to know that you're really firing on all cylinders for the next upturn.
- Economic slowdowns can heighten stress in organizations and contribute to breakdowns in communication or conflicts between departments and individuals. Having productive conversations and high-quality interactions during this time can help you manage the emotional rapids and maintain the processes of team-building and continuous learning.

As those who have cultivated a systemic view of the world know, reacting to events is a low leverage approach to problem solving. Quick fixes to reduce expenses, for instance,

such as reducing staff, might temporarily cut costs in the short run, but in the long run, they often decrease quality in products and customer service.

Since we've weathered times of recession and times of seemingly endless economic growth, what can we do differently during this downturn in the economy? There have been signs that some brave souls have been bucking the trend, ignoring conventional wisdom, and breaking free of reactive behavior. For example, even as Intel is eliminating 5,000 jobs; delaying raises; and reducing spending on travel, overtime, and consultants by 30 percent, it's still continuing to invest in training and outreach—to insure it has skilled workers when it resumes hiring again. And while its competitors are cutting back on advertising, John Hancock Financial Services is adjusting its brand image and boosting ad campaigns to reach new customers. Bold executives who use economic transition to innovate can gain market share.

During tough times, when a mistake can cost you your business, it's crucial to understand the long-term consequences of decisions and how to be more strategic about developing your organization. Now is the time to make sure you're doing all you can to protect yourself in the present as you prepare for the future. ■

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### WHY SYSTEMS THINKING?

- It can bolster your ability to think holistically about what's happening—and to seek structural, not event-level, solutions in the face of your toughest challenges.
- It can help you uncover your assumptions—both the ones that have made you successful and the ones that have worked counter to your goals—and understand how strategies work and why.
- It can show you how to identify and avoid unintended consequences.
- It can strengthen your ability to capitalize on learning opportunities, which increase during times of change.
- It can increase your capability to look at a situation from multiple points of view, enabling you to determine the highest leverage actions and opportunities.
- It can sensitize you to the crucial role that productive conversations and high-quality interactions play in the processes of team-building and continuous learning.
- It can offer you a practice field to test various strategies against alternative future scenarios.
- It can prepare you for the next upswing, by giving you the opportunity to evaluate your current business to make sure you're doing all you can to protect yourself now and uncover counterproductive strategies that were masked by the growing economy.

As the challenges rise and pressures increase, the 2001 *Systems Thinking in Action*® Conference becomes even more valuable in helping you develop the skills to sustain a viable organization. To register, go to [www.pegasus.com/stapage.html](http://www.pegasus.com/stapage.html) or contact Julie Turner at [juliet@pegasus.com](mailto:juliet@pegasus.com) or 781-398-9700.