

The S3 Patterns Handbook

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Part I.

Introduction

1. Sociocracy 3.0...

... is a method for growing **effective, agile and resilient organizations** of **any size**, from small start-ups to large international networks and nationwide, multi-agency collaboration.

... provides a collection of **principles and patterns** to **dynamically steer and evolve organizations**.

... incrementally processes **available information** into **continuous improvement of products, processes and skills**.

... helps organizations making **the best use of the talent already present**, and to grow flexible organizational **structures that support effective travel of information**.

... contains a **soft, iterative approach to implementation** that **meets organizations where they are** and helps them move forward at their own pace.

... draws on the *collective intelligence* of the group

... facilitates the development of strategies that are “*good enough for now*” and “*safe enough to try*”

... fosters accountability and a sense of engagement ... is a transformational mechanism for both individuals and the whole organization

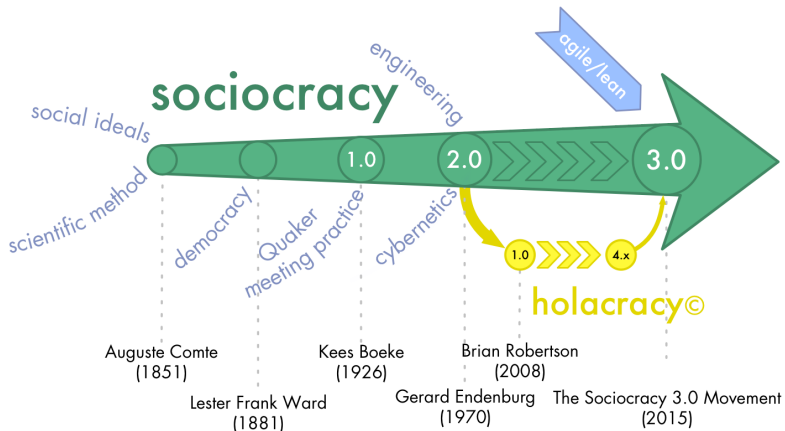
Sociocracy 3.0 may be applied within...

- ...startups
- ...small and medium businesses
- ...large international, networked organizations
- ...families
- ...investor-funded organizations
- ...communities

What's in a word?

- *socio*
 - from Latin *socius* - companion, friend
- *-cracy*
 - from Ancient Greek *krátos* - “power, rule”
- different to the rule of the *demos*
 - the general mass of people with voting privileges

2. A Brief History of Sociocracy From 1851 to Today



- 1851 – Auguste Comte
 - Scientific method applied to society
 - Sociocracy is “*the social order of the future*” - not yet achievable but inevitable

- 1881 – Lester Frank Ward
 - redefined the term Sociocracy to describe the rule of the people with relationships with each other
- 1926 –1954 - Kees Boeke
 - Established the first sociocracy in his residential school (based on Quaker consensus principles)
 - Book “*Sociocracy: Democracy as it might be*” (1945)
- 1970’s - Gerard Endenburg
 - Student in Kees Boeke’s school
 - Integrated principles from Engineering and Cybernetics
 - In his company Endenburg Electrotechniek he evolved “*The Sociocratic Circle-Organization Method*” (later becoming “*The Sociocratic Method*”)
- 1978 - Sociocratisch Centrum Utrecht
 - created to promote “*The Sociocratic Method*”
- 1994 - New law in the Netherlands
 - Sociocratic organizations are no longer required to have a worker’s council
- 2000 - emergence of a now wide-spread grassroots movement
- 2007 - *We the People*
 - John Buck /Sharon Villines make Sociocracy accessible to the English-speaking world

- 2014 The Sociocracy 3.0 Movement is born

The Sociocracy 3.0 Movement...

- ...develops and evolves Sociocracy 3.0 to make it available and applicable to as many organizations as possible.
- ...provides resources under a Creative Commons Free Culture License to learn, practice and teach Sociocracy 3.0.
- ...is a distributed network of pioneering consultants and trainers from a variety of fields, who:
 - share a deep appreciation for the transformational potential of sociocracy to help organizations and their members thrive
 - dedicate some of their time to developing and evolving Sociocracy 3.0

3. Why “Sociocracy 3.0”

Respect to the lineage, and a step forward.

- un-centralized distribution
 - **open**: principle-based and modular patterns make it easy to adapt the method
 - **free**: eliminates barriers to entry
- a change method that meets organizations where they are
- condensed to the essentials
- integrated with lean and agile thinking
- new ways to evolve organizational structure

4. Design Goals

- **open:**
 - Do with it what you want
 - Take just what you need
 - Remix, extend and adapt it as you like
- **free**
 - Free resources
 - no hidden fees
 - no certifications
 - no small print!
- **effective:**
 - Principles and tools have been tried and tested for decades in many organizations.
 - need-driven, value-driven, customer focus
- **actionable:**
 - There's something that YOU can use right now, regardless of your unique context



- Sociocracy 3.0 contains lots of ideas you can try out within your area of influence.

- **lightweight:**

- just the essentials: Common-sense practices, bare-bone processes.
- no stuff that gets in the way
- no busywork

5. Patterns

Definition: *A pattern is a template for successfully navigating a specific context.*

- patterns are discovered through observing many organizations as they solve problems
- patterns may need to be adapted and evolved to suit differing contexts.

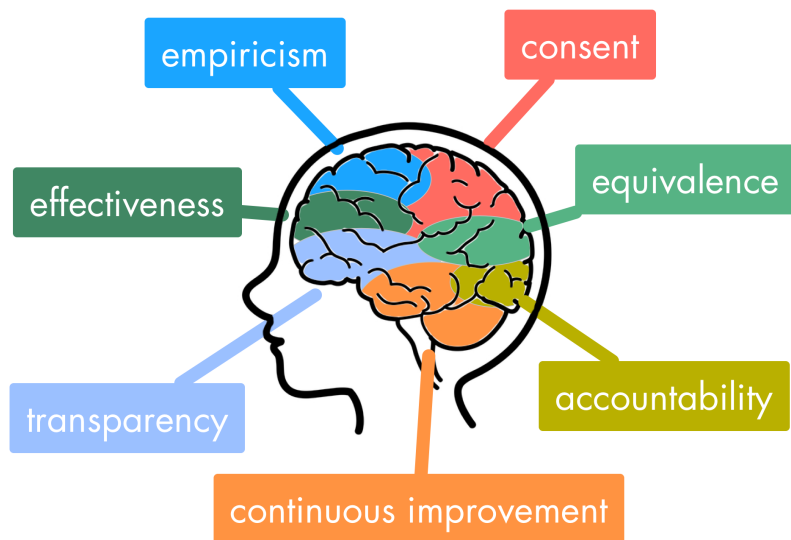
6. Principles behind Sociocracy 3.0

- Sociocracy is built on 7 core principles
- the core principles are also values that shape organizational culture
- understanding these principles is paramount to adopting and adapting Sociocracy 3.0 patterns
- practicing Sociocracy 3.0 helps people appreciate the essential value that these core principles bring, both to individuals and organizations

6.1. Principle: Empiricism

Knowledge in an organization can only be gained through experience, as it is highly dependent on context.

- basis of the scientific method
- in a complex adaptive system all knowledge is tentative
- embrace change: continuous revision and falsification
- reality vs. assumptions
- learning organization



6.2. Principle: Consent

Decisions are made only in the absence of reasoned objection from those affected by them.

- when dealing with complexity, group wisdom exceeds individual abilities
- deliberately seeking objections invites collective intelligence:
 - allows for harvesting information to improve the decision
 - helps identify misunderstanding early
 - fosters support and accountability for decisions

6.3. Principle: Effectiveness

Devote time only to that which brings you closer to achieving your objectives.

- avoid waste
- remove impediments
- good enough for now, safe enough to try

6.4. Principle: Equivalence

Everyone affected by a decision has the power to withdraw consent on the basis of reasoned objection.

- position, rank, function or role has no special influence in decision making

6.5. Principle: Transparency

All information is accessible to anyone in an organization. Confidentiality requires consent.

- all relevant information is kept up-to-date
- historical information is archived for reference

6.6. Principle: Continuous Improvement

Evolution is more effective than revolution (most of the time).

- applies to everything (e.g. strategies, guidelines, products, skills, processes and tools)
- respond to change by building on and transforming what is already there
- small steps create less resistance, lower risk, and accommodate steady empirical learning

6.7. Principle: Accountability

The process of entering and keeping agreements, and managing expectations in any relationship.

- an obligation or willingness to do what we agree to and to answer for when we don't
- a principle relevant to groups, organizations and individuals

- a shift from being *held to account*, and towards a culture of *self-accountability*

7. Organizations

An organization is defined by its values, driver and strategy.

- an organizations values define **culture** and set parameters for **action**
- an organizations **existence** is motivated by its driver
- an organizations **service** is defined by its strategy
- organizations are aligned towards values, driver and strategy
- with Sociocracy 3.0, *purpose* is implicit (to satisfy drivers)
- to transition towards Sociocracy 3.0 an organization:
 - identifies values and driver of the organization
 - incorporates vision, mission, aims or objectives in the strategy
 - seeks out drivers for all existing policy and agreements (including circles and roles)

Part II.

The Patterns

1. Making And Evolving Agreements

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1.1. Agreements

We respond to drivers through agreements.

Definition: *A agreement is an agreed upon guideline, pattern, process or protocol designed to guide the flow of value.*

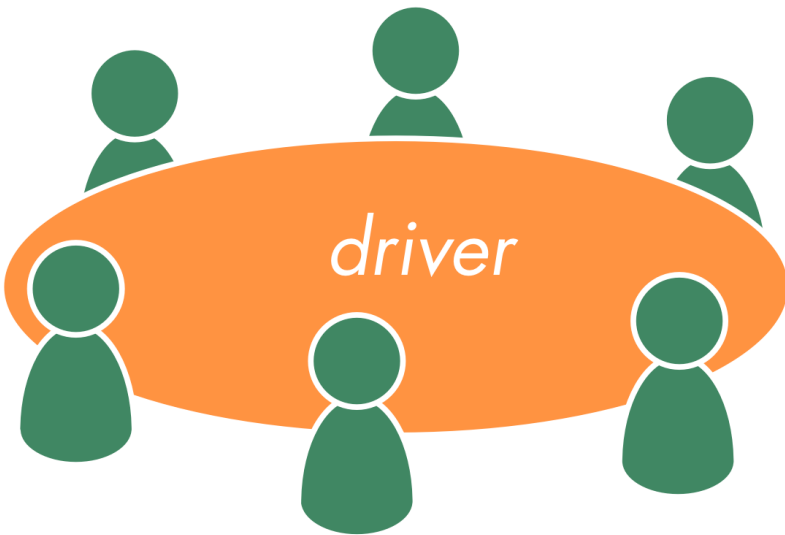
- agreements are created in order to satisfy drivers
- agreements are the **accountability of the circle** that created them
- each agreement includes **evaluation criteria** and is subject to **regular review**
 - review dates are specific to each agreement
 - agreements are reviewed in context to its driver

1.2. Circle

A circle...

- ... is the basic building block of an organization
- ... is a group of people gathered around a driver (permanent or temporary)
- ... makes all agreements by consent
- ... is accountable for its own development

Definition: *A circle is a semi-autonomous, self-organizing and self-governing group of people gathering around a driver.*



- ... **semi-autonomous:**
 - each has a unique driver and can create value independently

- ...**self-organizing**:
 - independent in organizing day-to-day-work
- ...**self-governing**:
 - independent in creating strategy and agreements

1.3. Consent Decision Making

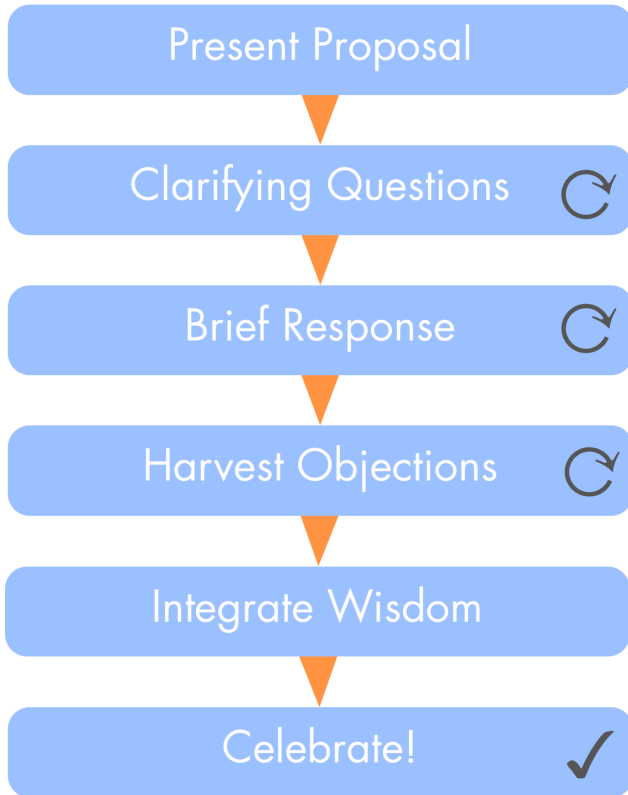
- Consent is the absence of objections
 - everyone affected by a decision can “live with it”
 - consent is not consensus with unanimity
- Consent is used to make and evolve all agreements in a circle
- Objections stop proposals becoming agreements
- Withholding objections could harm the aims of a group or organization
- Being able to raise objections at any time means that proposals only need to be *good enough for now, safe enough to try*
- Every agreement has a review date

Consent Decision Making...

- is a facilitated decision making process
- deliberately harvests reasoned objections in order to integrate the wisdom they contain in proposals or existing agreements
- helps balance equivalence and effectiveness

- experienced groups can move quickly through the stages of Consent Decision Making

1.3.1. Harvesting Objections to Capture Emergent Wisdom



1.4. Deliverables

...

1.5. Driver

Definition:: *A driver is that which motivates us into action: what is happening in a specific situation and what's needed.*

1.6. Responses to a Driver

- the response to a driver always involves the **adaptation of an existing agreement, or creation of a new one**, including:
 - changing the plan: adding a task or project
 - adaptation or creation of a role
 - creation of a new circle
 - * driver review is delegated to new circle

1.6.1. Drivers Are Subject to Regular Review

- Is the description of the current reality correct?
- Do we still associate the same needs with the current reality?
- Is the driver still within our domain?
- Is the driver still relevant?

1.6.2. Sociocracy 3.0 and Lean Thinking

Value and Waste

Definition: *The importance, worth or usefulness of something for satisfaction of a driver.*

Value:

- value is **not** an **inherent** property as it only exists in relation to a driver
- value can be quantified by **measuring the progression** towards satisfaction of a driver
 - value is not necessarily expressed in currency or time
- **continuous improvement of processes is focused on optimizing the flow of value through an organization**

Definition: *Waste is anything not necessary (essential) for - or standing in the way of - effective satisfaction of a driver.*

Adopting the concept of value and waste makes many tools and ideas from **lean production** and **lean software development** available to support organizations running on Sociocracy 3.0:

- value stream mapping
- various strategies for eliminating waste
- the Kanban Method

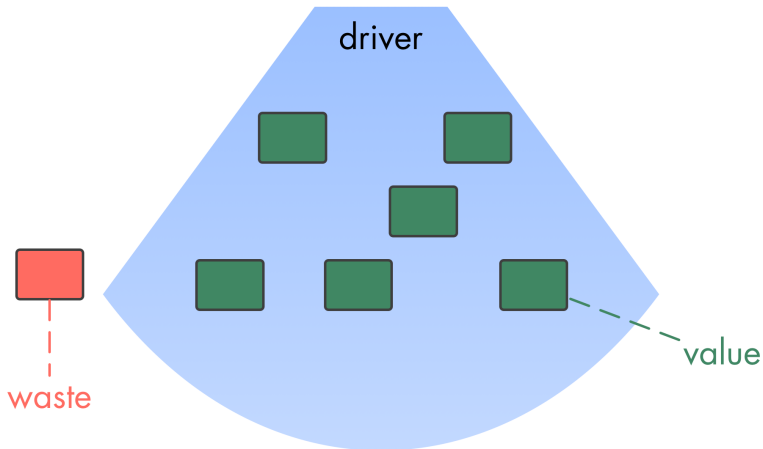
Waste and Continuous Improvement

- Establishing a process for ongoing elimination of waste enables natural evolution of an organization towards greater

effectiveness

- Adaptation to changing environment is built into the process

Identifying Waste



- waste exist in many different forms and on different levels of abstraction
 - tasks, processes, organizational structure, mental models...
- some tensions reveal waste
- learning to identify waste is a journey
 - along the way we also learn how to evolve our drivers

1.7. Evaluating Decisions

...

1.8. Evaluation Criteria

...

1.9. Intended Outcome

...

1.10. Objections

Definition: *An objection is a reason why doing what is proposed stands in the way of (more) effective satisfaction of an existing driver.*

In sociocracy we deliberately seek objections as they reveal wisdom that can be used to improve proposals and agreements.

Objections...

- ...are gifts
- ...reveal wisdom seeking expression into the consciousness of a circle
- ...reveal opportunities or impediments
- ...emerge through individuals and belong to the whole circle

- we love objections in sociocracy

1.10.1. Questions That Help to Validate Objections

- Does the objection relate to this specific proposal or agreement?
- Does this objection reveal how a (proposed or existing) **agreement...**
 - ...jeopardizes the satisfaction of a driver?
 - ...is in conflict with the organization's values?
 - ...prevents or diminishes someone's contribution to satisfying a driver?
 - ...can be improved significantly?

1.11. Concerns...

- ...are not objections
- ...don't stop us from making agreements
- ...often contain wisdom
- ...can be recorded in the logbook
 - ...to further evolve agreements
 - ...to set evaluation criteria (including review date)

1.12. Proposal Forming

Proposal Forming...

- ...is similar to condensed design thinking process
- ...taps the collective intelligence of a group
- ...involves people in co-creating agreements
- ...fosters accountability and a sense of ownership

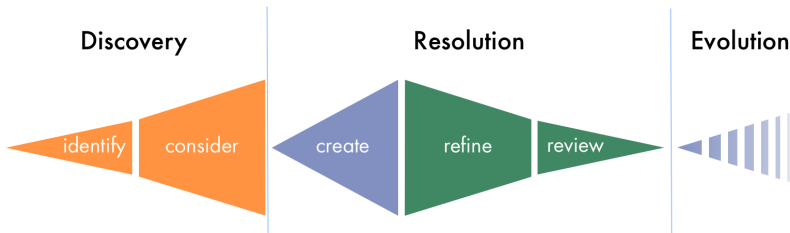


Figure 1.1.: Co-Creating a Response to a Drivers

1.12.1. Proposal Forming Process

1. **Identify** the driver
2. **Consider:** Collect considerations as questions that reveal the scope of the issue
3. **Create:** Gather ingredients/ideas for solutions
4. **Refine:** Design a proposal from some or all of the ingredients
5. **Review:** process with consent decision making

1.13. Qualifying Drivers

**** ...in order to avoid action bias****

Between stimulus and response there is a space. In that space is our power to choose our response. In our response lies our growth and our freedom. (Viktor E. Frankl)

We consider why, how and when to respond to a stimulus, instead of defaulting to action.

1.14. Resolve Objections

1.15. Methods for Resolving Objections

- ask proposal owner
- ask member with objection to amend proposal
- facilitator amends proposal
- “How would you solve this” – round
- Brief Dialogue – 2 or 3 people
- Brief group discussion
- refer to proposal forming
- drop the proposal
- Re-work – Send back to higher /lower circle
- Form a temporary circle to review, research, revise

1.16. Strategy

...

1.17. Those Affected Decide

...

2. Navigation

Navigation is the process of creating and evolving agreements in response to drivers.

2.1. Navigation Backlog

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2.2. Navigation Meeting

Circles meet at regular intervals to create and evolve agreements in response to drivers.

- usually ~60 min
- regular cadence, usually 2–4 weeks

2.2.1. Navigation Meeting Structure

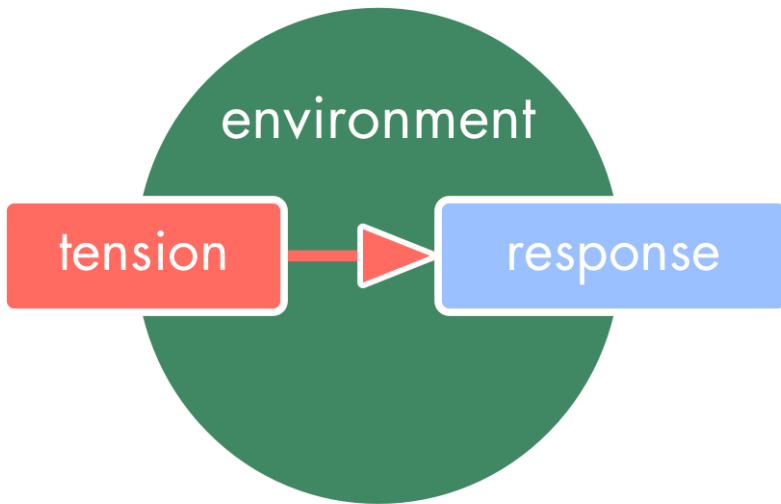
- Opening Round
 - attune to one another and to the driver the circle serves
- Administrative Matters

- consent to last minutes, dates, consent to agenda
- Agenda Items
 - Short Reports
 - Processing Tensions
 - Proposal Forming and Consent to Proposals
 - Review of Agreements, Strategy and Driver
 - Defining Roles and Selecting People for Roles
 - Consent to Role Improvement Plans
- Closing Round
 - evaluation of meeting and results, future agenda items

2.3. Navigation Via Tensions

Definition: *A tension is the subjective experience of contradiction between reality and that which we desire or anticipate.*

- individuals act as sensors (nerve endings) for the organization
- tension is experienced whenever our perception of our environment is in conflict with:
 - that which we desire or had anticipated
 - our values (and principles)
- problems, challenges, and feelings of unease are all tensions



2.3.1. From Tension to Driver

- investigating tension leads to the discovery of drivers
- to identify a possible driver behind a tension we:
 - **describe** the current reality
 - **identify** the needs we associate with that reality
- in the process, we resolve some tensions as **misunderstandings**
- we validate drivers
 - some tensions are **outside the domain** we can address

3. Effective Meetings

...

3.1. S3 Facilitator

...

3.2. Artful Participation

...

3.3. Logbook

- Organization:
 - driver, strategy
 - organizational values
 - organizational structure
 - agreements
- Circle:

- driver, strategy
 - agreements
 - role definitions and role improvement plans
- Personal logbooks
 - role descriptions
 - tasks
 - personal strategy and personal policy

3.4. Logbook Keeper

...

3.5. Meeting Evaluation

...

3.6. Meeting Facilitation

...

3.7. Rounds

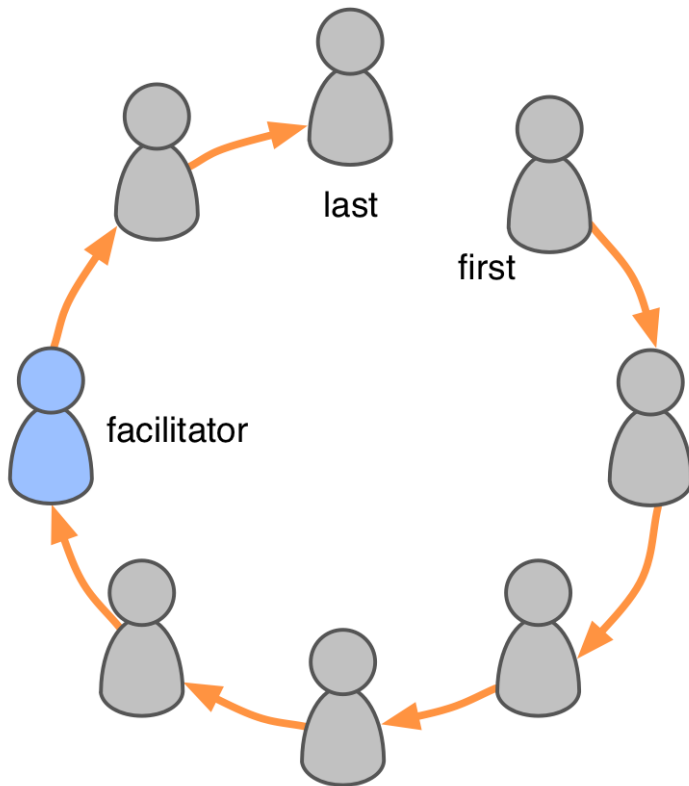
A group facilitation technique to maintain equivalence.

1. Pick a random person to start

- begin with a different person each time to maintain equivalence

2. Go around the circle, give everyone the chance to speak

There's a number of ways that experienced groups can fast track certain rounds.



3.8. Secretary

...

4. Coordinating Work

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4.1. Coordination Meeting

...

4.2. Coordinator Role

...

4.3. Daily Standup

Speed up learning and improvement.

- ~15 min
- every day at the same time
- circle gathers around the task board
- coordination of daily work
- adaptation of existing agreements or creation of new agreements on the spot

4.4. Planning And Review Meetings

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4.5. Prioritized Backlog

...

4.6. Pull-System For Work

...

4.7. Retrospective

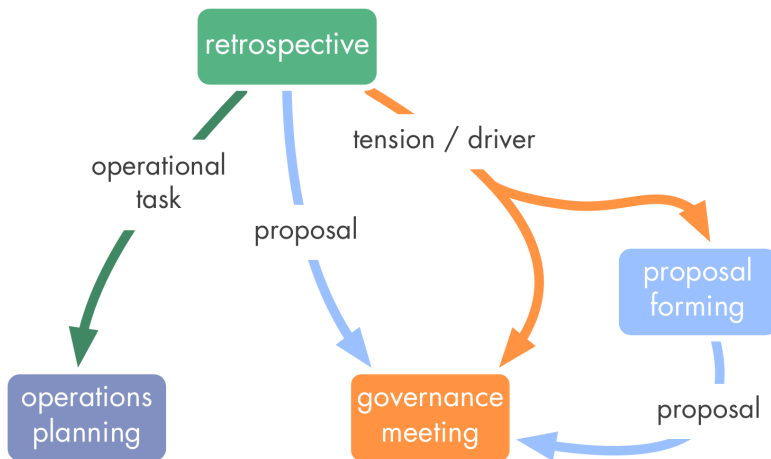
Reflect on a longer period of work and improve agreements.

- ~60 min
- cadence, usually 2–4 weeks
- helps seeing the bigger picture, and identifying more complex types of waste
- What can we learn from the last iteration of work?
- Are our tools still sharp enough?
- Are we still going in the right direction?

Building in continuous improvement of process:

- goal: reflection on the past to guide process improvement
- output: proposals for agreements, tensions, drivers or tasks
- facilitated meeting (~1hr)
- regular intervals (1–4 weeks)
- adapt to situation and context:
 - 5 phases with many different patterns for each phase

4.7.1. A time to reflect on process improvement



4.7.2. 5 Phases of a Retrospective Meeting

1. Set the Stage

2. Gather Data
3. Generate Insights
4. Decide What to Do
5. Close the Retrospective

Activities for each phase can be found at plans-for-retrospectives.com¹

4.8. Visualize Work

...

¹<http://www.plans-for-retrospectives.com/>

5. Building Organizations

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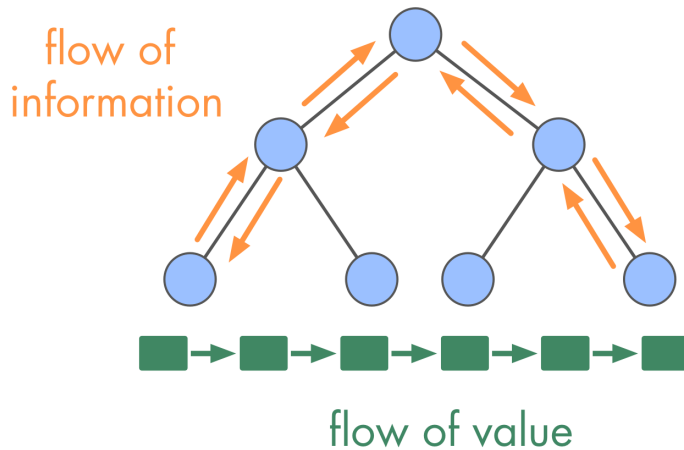
5.1. Align Flow

5.1.1. Flow of Value

- flow of value is guided by agreements (explicit and implicit), and assumptions
- work in progress is considered waste as it ties up resources
- continuous flow of value prevents accumulation of waste
 - it also makes for shorter feedback loops and amplifies learning

5.1.2. Flow of Value and Flow of Information

- in an effective organization, the **flow of information and influence supports the continuous flow of value**
- alignment is achieved and maintained through continuous improvement of agreements



5.2. Domains

Definition: *A domain is the area of accountability, influence and autonomy as defined by a driver.*

5.3. Open Systems

...

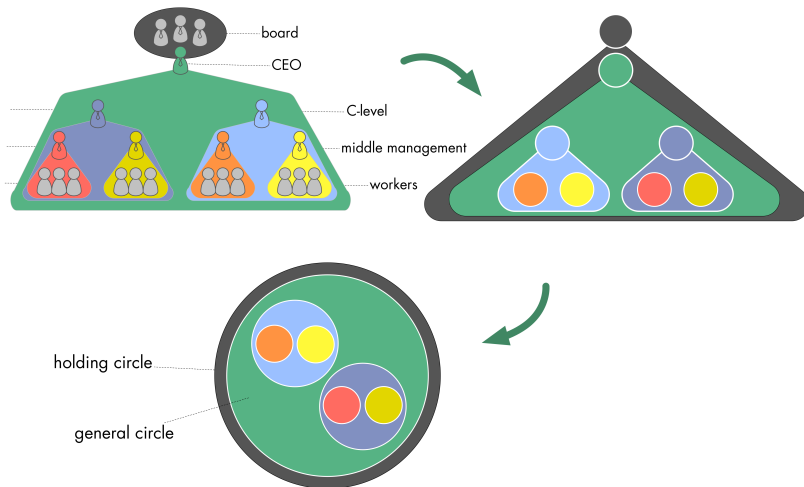
5.4. Organizing In Circles

All collaboration within an organization happens within circles.

5.4.1. Circle Structure

- Circles already exist in every organization
 - Look at people gathered around delivering products or services
- People may hold roles in more than one circle

5.4.2. From Autocracy to Nested Domains of Circles



5.4.3. Forming a New Circle

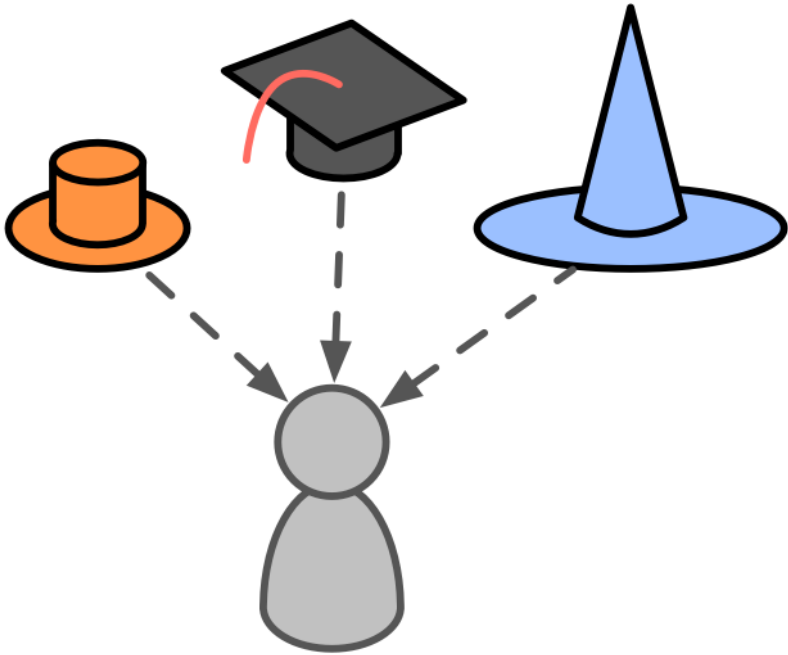
- a circle identifies a new driver and decides that creating a new circle is the most effective response

- a new circle is formed and populated
 - either from within the organization or by recruiting from the outside
- the new circle decides on its strategy
- the new circle is responsible for regular review of its driver, and for dissolving itself should the driver cease to exist

5.5. Subset Drivers

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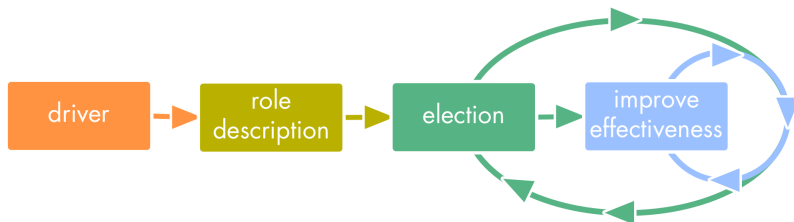
6. Roles



6.1. People, Functions and Roles

- identify functions required to respond to a driver
- if a function is best addressed by a role:
 - define the role
 - select people for the role
 - support development of people in the role

6.2. Role Definition and Improvement



6.3. Performance Improvement Process

Continuous improvement of the effectiveness of people in roles ##

1. Conduct effectiveness review
2. Create development plan
3. Full circle consents to development plan
4. Act on the plan

...

6.4. Development Plan

Contents:

- current role description
- appreciations
- areas for improvement
- action items to improve effectiveness
- evaluation criteria
- suggested amendments to role description

6.5. Effectiveness Review

- a process to harvest appreciations, identify opportunities for improvement and evolve the role
- the individual holding the role initiates the process and begins each step

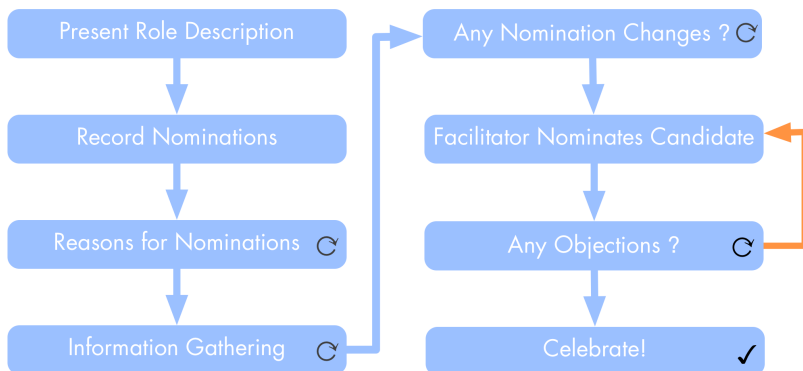
6.5.1. Steps

1. Invite people with complementing perspectives to contribute to the review, and a facilitator
2. Collect appreciations
3. Identify areas for improvement
 - personal development
 - updates to role description, function or driver
4. Co-create and consent to a development plan

6.6. Role Descriptions

- role descriptions can be created using proposal forming
- a minimal role description contains:
 - driver
 - term
 - key responsibilities
 - preferable skills, experience and qualities
 - cadence of effectiveness reviews

6.7. Role Selection



- People avoid expressing interest before elections
- Nominations are made on the strength of the reason

- not according to the majority
- You can nominate yourself or pass
- When harvesting objections, ask the candidate last
- Objections may be resolved by amending the role description or by nominating someone else

6.8. Support Roles

...

7. Organizational Structure

The primary function of organizational structure is **to enable effective collaboration** by aligning the flow of information to support the flow of value..

Organizational structure needs to evolve continuously in order to adapt to a changing environment.

Semi-autonomous, self-organizing and self-governing circles are the basic building blocks for organizational structure.

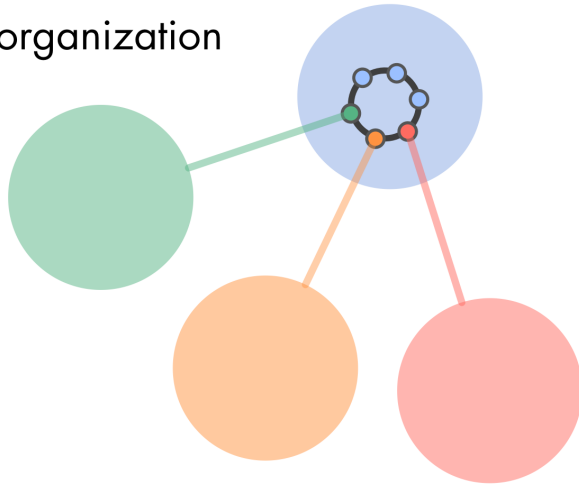
7.1. Structural Patterns

- Sociocracy 3.0 describes a variety of patterns to grow organizational structure
- patterns apply to different layers of abstraction (basic, micro, macro and meta)
- different patterns serve different drivers
- patterns can be combined as needed
- more patterns are out there and will be discovered

7.2. Backbone Organization

A pattern for multi-stakeholder projects or services.

backbone organization

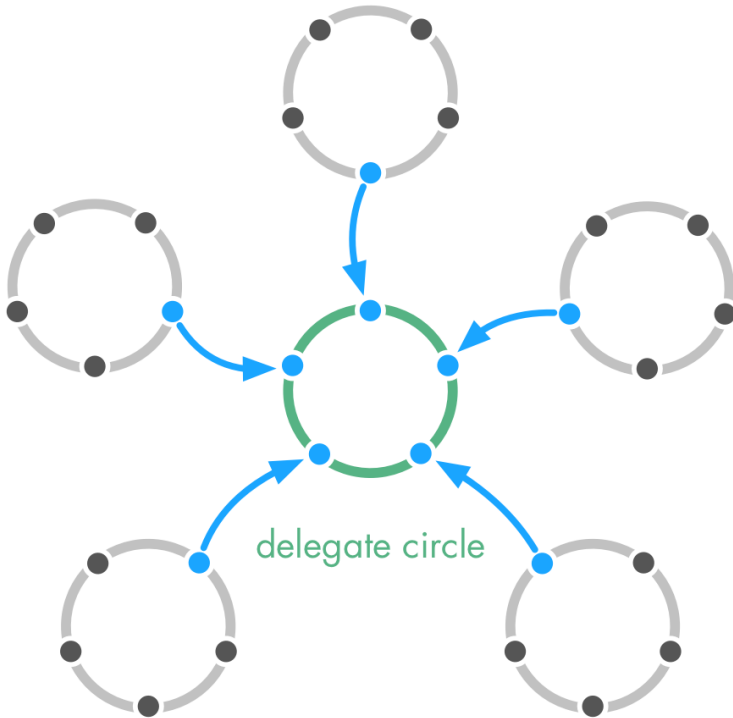


7.3. Coordination Circle

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7.4. Delegate Circle

A pattern for coordination



7.5. Double Linking

7.5.1. Facilitate two-way flow of information and influence

- Two interdependent circles each elect a representative to participate as full members in both circles' governance meetings
- can be used to prevent tensions in hierarchical structures

7.6. Double-Linked Hierarchy

A pattern for the early phase of a transformation ##

7.7. Fractal Organization

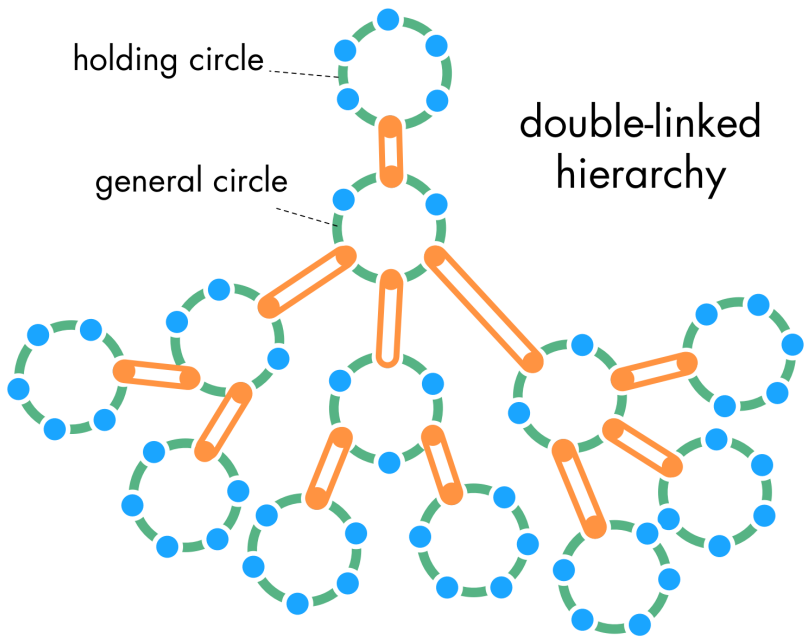
A Pattern for learning, coordination and alignment across organizational boundaries.

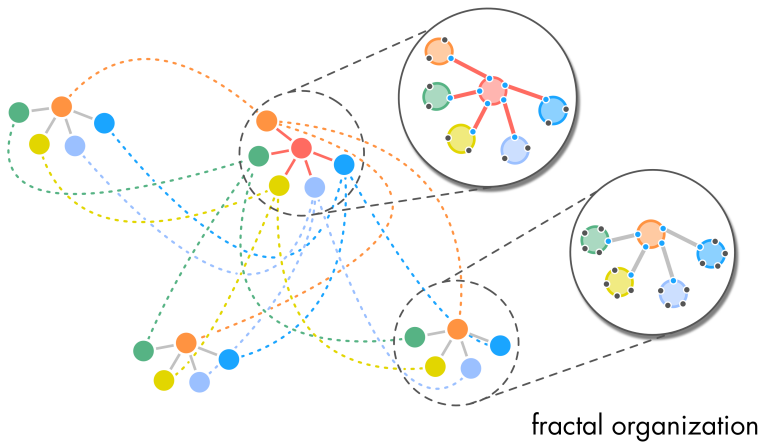
7.8. Helping Circle

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7.9. Nested Circle

A pattern for expanding functions





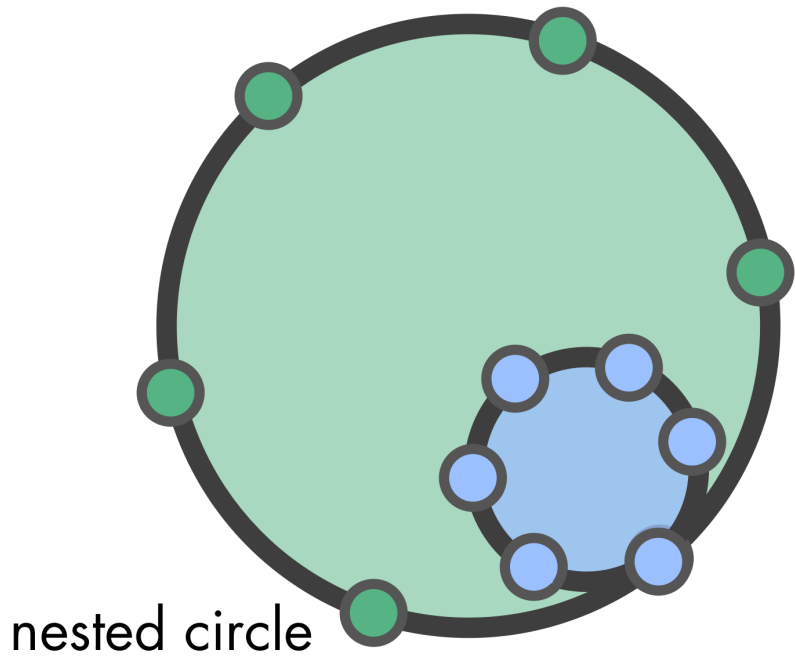
7.10. Peach Organization

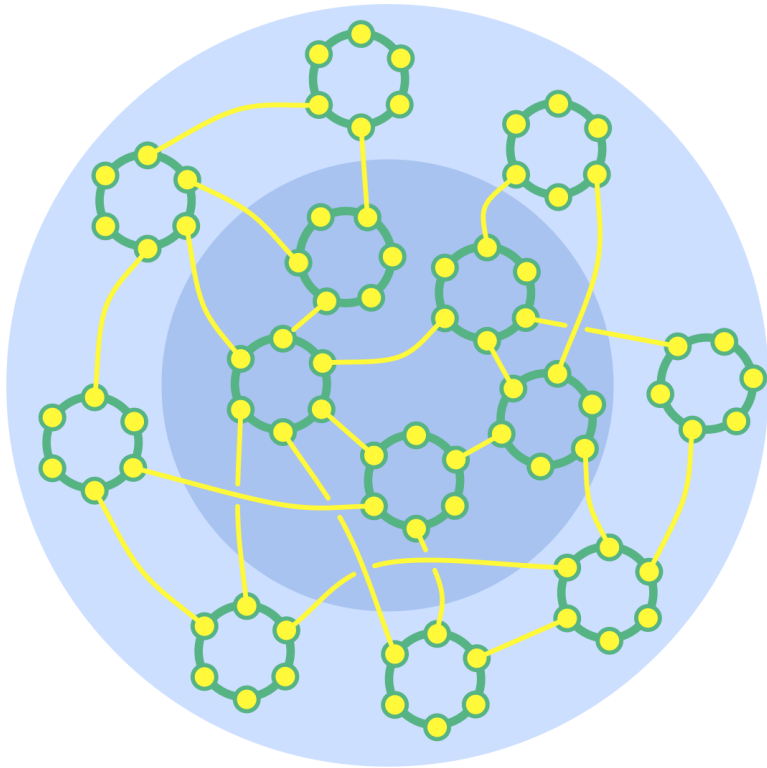
Periphery drives the organization, the center provides services.

7.11. Representative

Representatives (a.k.a Links)...

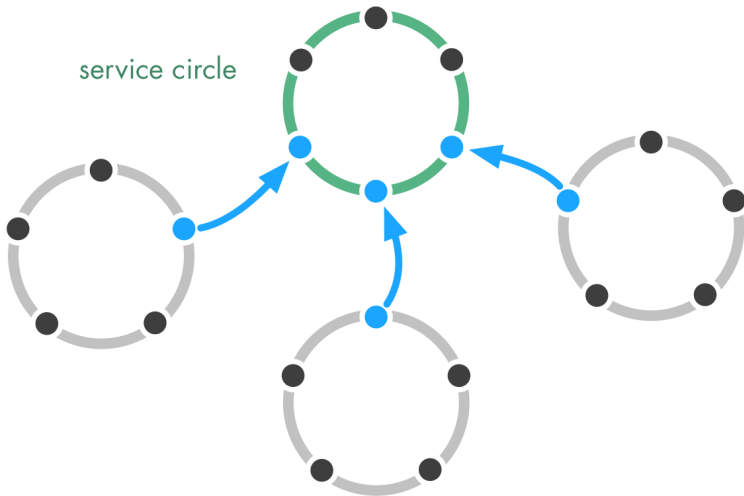
- ...stand for the interests of one circle in another circle
- ...are elected for a limited term
- ...participate as full members in governance meetings of the other circle and can:
 - raise items for the agenda
 - object to agreements and proposals





7.12. Service Circle

A pattern for outsourcing shared services



8. Bringing In S3 Patterns

...

8.1. Adapt Patterns To Context

...

8.2. Be The Change

...

8.3. Continuous Improvement Of Work Process

...

8.4. Open S3 Adoption

...

8.5. Pull-System For Organizational Change

...

9. Alignment

...

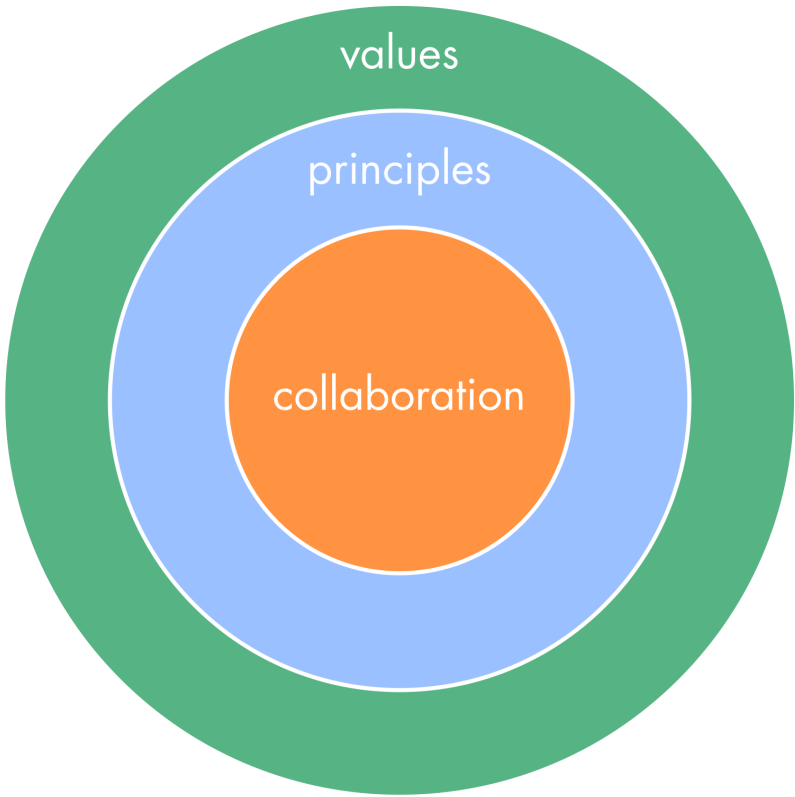
9.1. Adopt S3 Principles

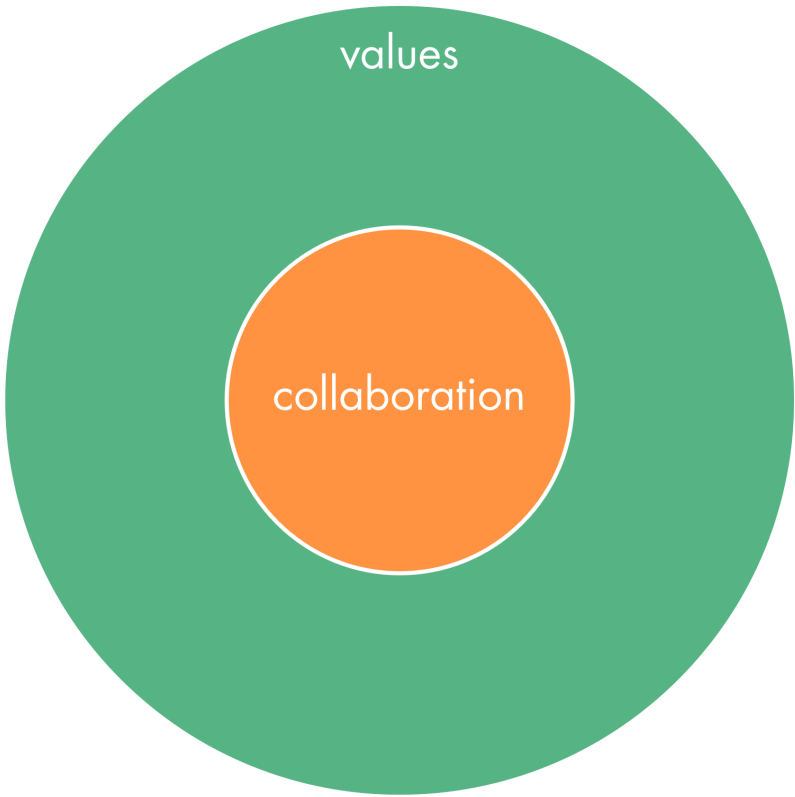
- values embrace Sociocracy 3.0 principles
- collaboration follows principles and values

9.2. Agree On Values

Definition: *A value is a principle of some significance that guides behavior.*

- In an organization people come together to collaborate
- every individual has values that are influenced by their experiences and beliefs
- values may define ethical limitations to action
- organizational values **define culture** and set parameters for action
- values offer guidance to determine appropriate action, even in the absence of explicit agreements





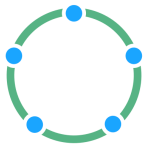
- a group or organization may **choose to collectively adopt values**
- defining values is a **strategy** that supports effectiveness of an organization:
 - reduces potential for **misunderstanding**
 - **aligns** decision making and action
 - **attracts new members, partners and customers** who are aligned with the organization
- values are an agreement, and thus subject to **regular reviews**

9.3. Bylaws

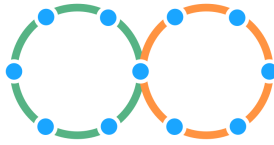
...

9.4. Contracting And Accountability

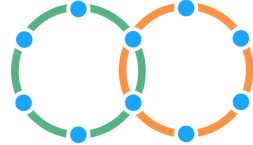
- define the process for entering the organization
- define default role for a new member
- define the process for leaving an organization



circle



link



double-link

9.5. Linking

9.5.1. Connecting two circles

9.6. Transparent Salary

- transparent salaries need to be fair
- perception of fairness is specific to organization
- consider members and relevant stakeholders (e.g. investors)
- classic sociocracy: everyone feels gains and losses
- consider remuneration for changing roles
- create strategy for transitioning towards new contracts and compensation agreements

Part III.

Appendix

1. Changelog

2016-01-28

- Conversion of the material contained in the “Introduction to Sociocracy 3.0” slide deck

2016-01-27

- Initial setup of the patterns repository.