The S3 Patterns Handbook

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Introduction

0.1. Sociocracy 3.0. . .

. . . is a method for growing **effective, agile and resilient organization**s 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

0.2. 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)
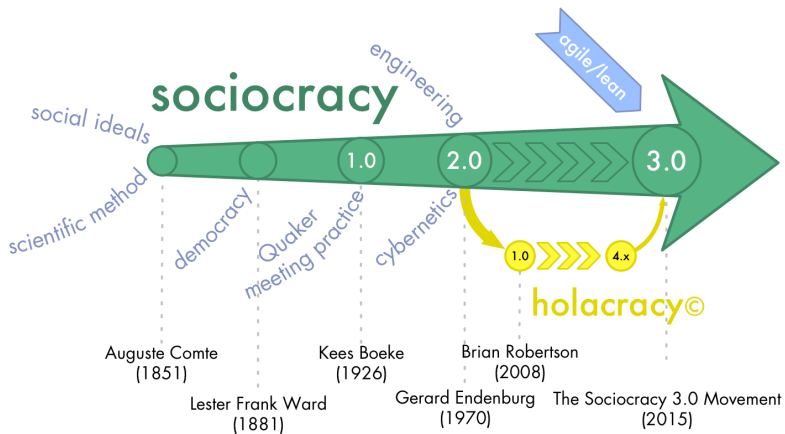
    – Book "*Sociocracy: Democracy as it might be*" (1945)

- 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

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

0.4. 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

0.5. 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.

0.6. 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
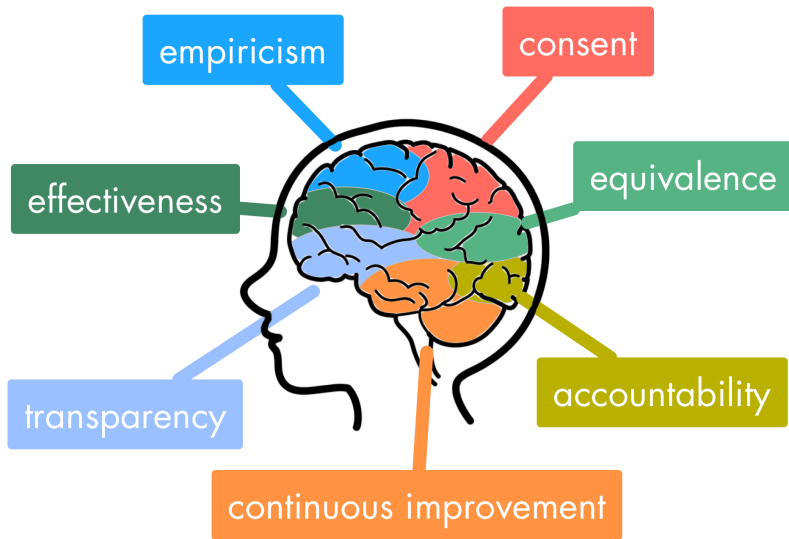
0.6.1. Principle: Empiricism

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

0.6.2. 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

0.6.3. 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

0.6.4. 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

0.6.5. 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

0.6.6. 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

0.6.7. 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*

0.7. 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 III.

The Patterns

1. Making And Evolving Agreements

. . .

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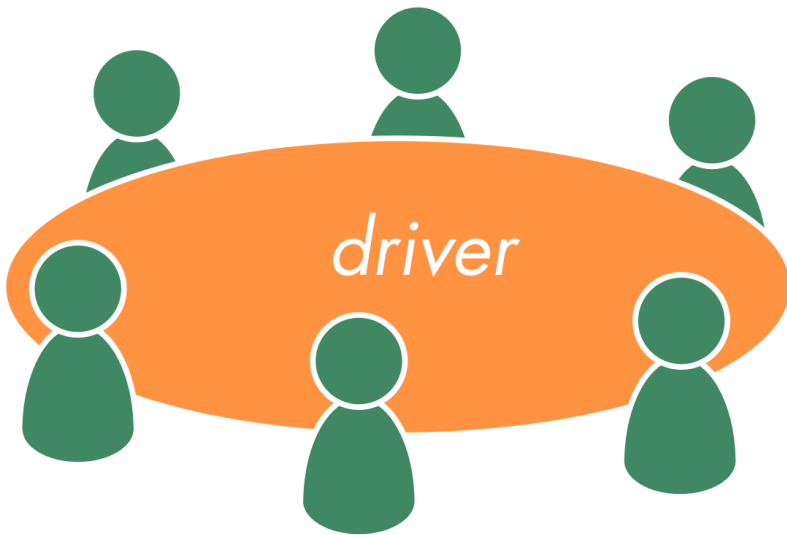
- ...**semi-autonomous**:
  - each has a unique driver and can create value independently

- ...**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

Harvesting Objections to Capture Emergent Wisdom

Present Proposal

Clarifying Questions ↻

Brief Response ↻

Harvest Objections ↻

Integrate Wisdom

Celebrate! ✓

1.4. Deliverables

. . .

1.5. Driver

1.5.1. 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

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?

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
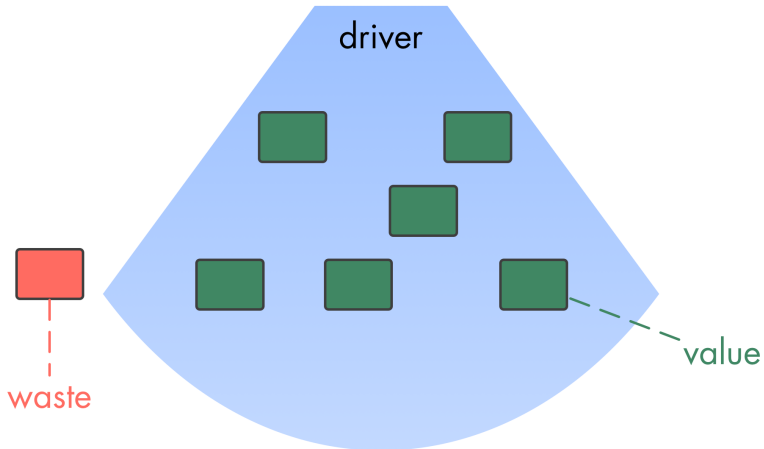
Identifying Waste

- 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

1.6. Evaluating Decisions

. . .

1.7. Evaluation Criteria

. . .

1.8. Intended Outcome

. . .

1.9. 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

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?

1.9.1. 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)

1.10. 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
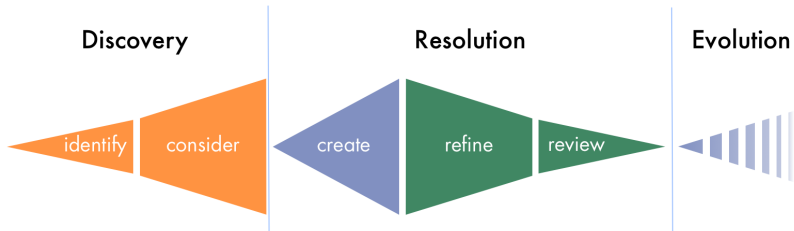
Proposal Forming Process

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

1.11. 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.

1.12. Resolve Objections

1.12.1. 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

1.13. Strategy

. . .

1.14. Those Affected Decide

. . .

2. Navigation

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

2.1. Navigation Backlog

. . .

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

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
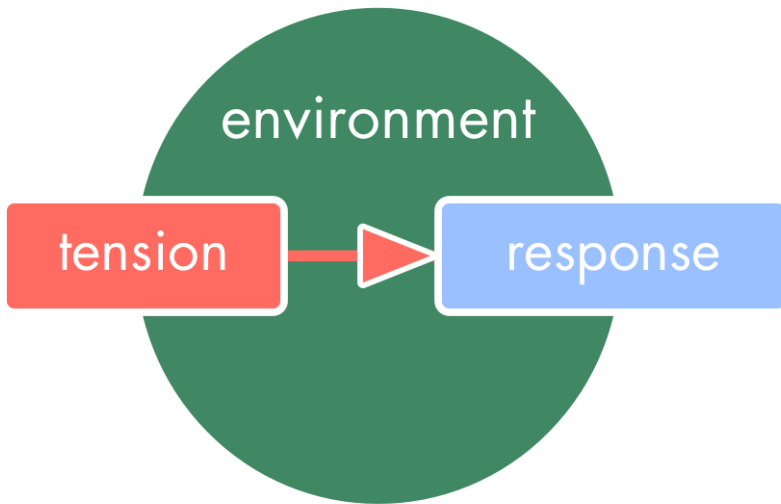
From Tension to Driver

- 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 Facilitation

. . .

3.6. Meetingevaluation

. . .

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.
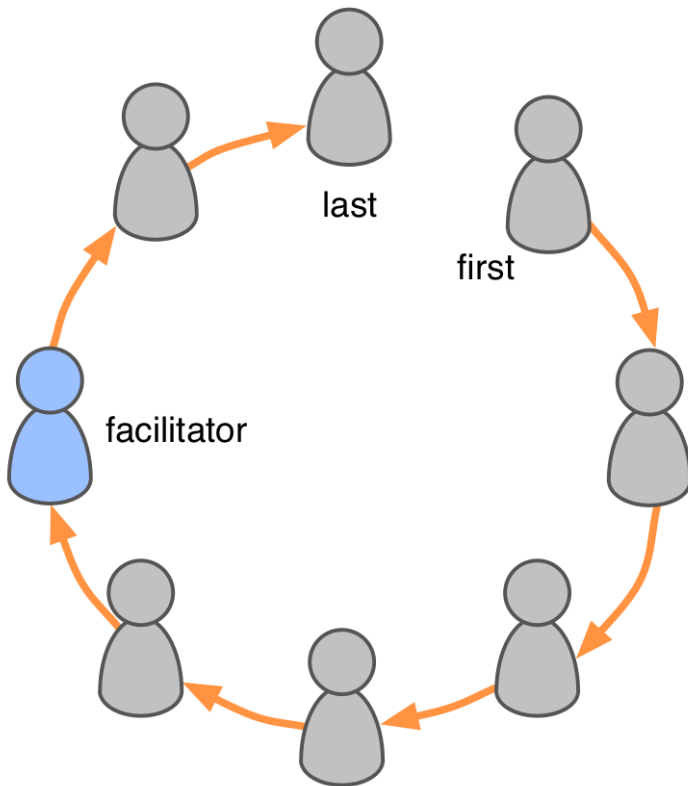
3.8. Secretary

. . .

4. Coordinating Work

. . .

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

. . .

4.5. Prioritized Backlog

. . .

4.6. Pull-System For Work

. . .

4.7. Retrospective

Reflect on a longer period of work and improve agreements.

- $\sim$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

A time to reflect on process improvement
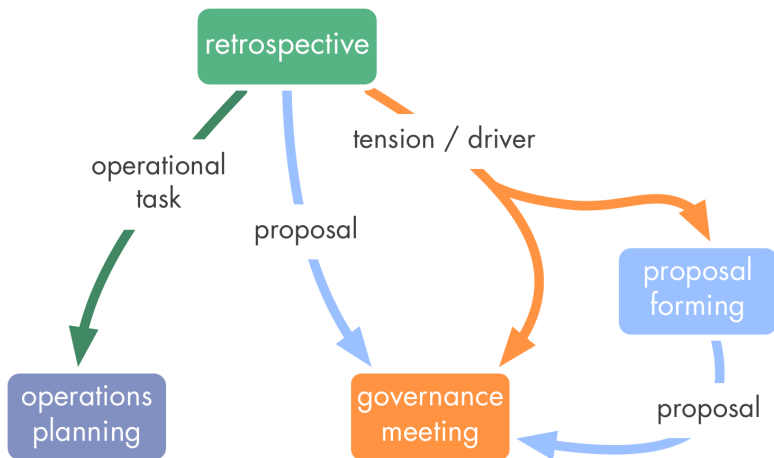
5 Phases of a Retrospective Meeting

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.com[1]

4.8. Visualize Work

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[1]http://www.plans-for-retrospectives.com/

5. Building Organizations

…

5.1. Align Flow

flow of information
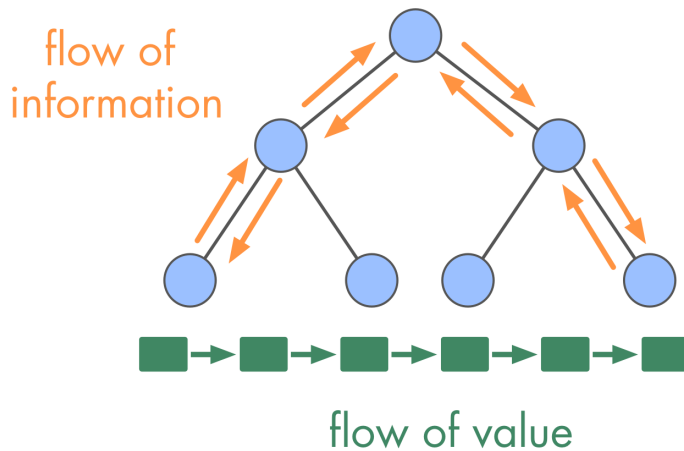
flow of value

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
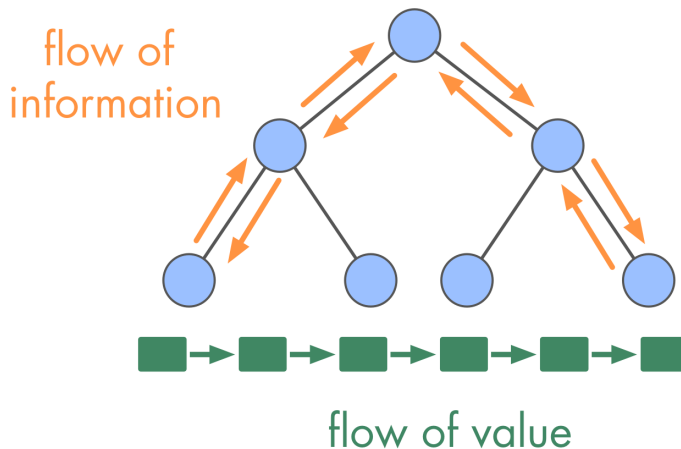
- in an effective organization, the **flow of information and influence supports the continuous flow of value**

- 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.

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

labels in figure: board, CEO, C-level, middle management, workers, holding circle, general circle
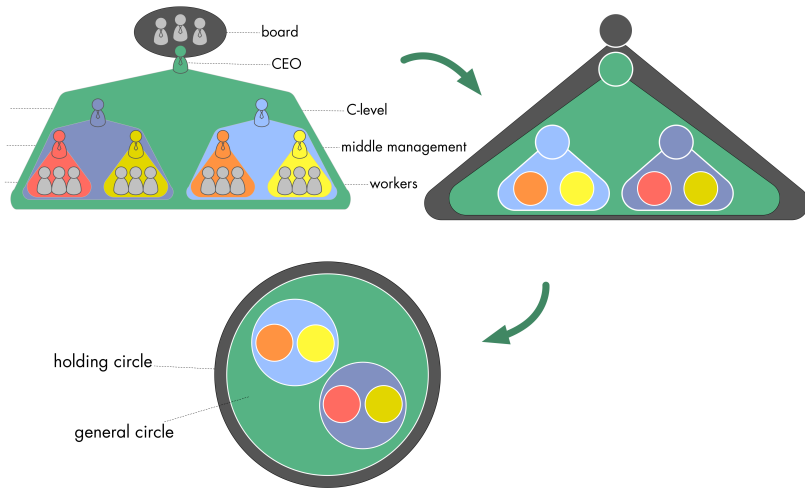
From Autocracy to Nested Domains of Circles

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 it 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

. . .

6. Roles
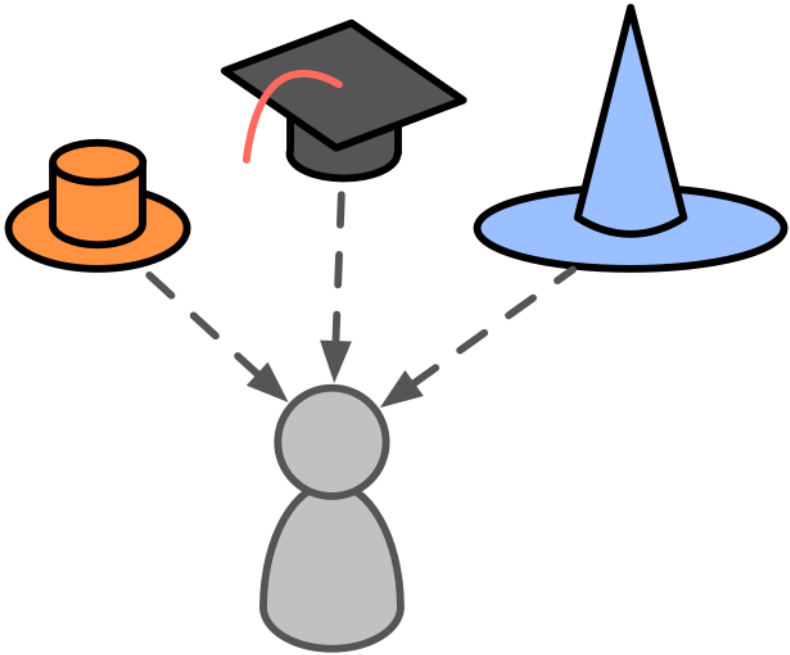
6.0.1. People, Functions and Roles

- 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

6.0.2. Role Definition and Improvement
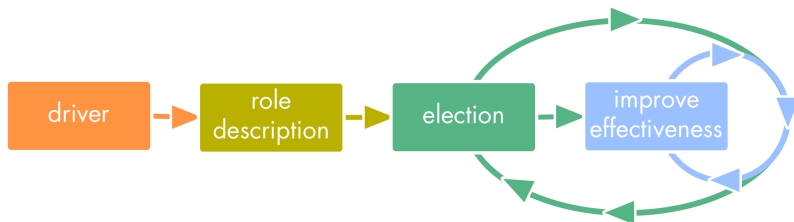
6.0.3. Performance Improvement Process

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

. . .

6.1. Development Plan

Contents:

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

6.2. 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

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

6.3. 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

6.4. Role Selection
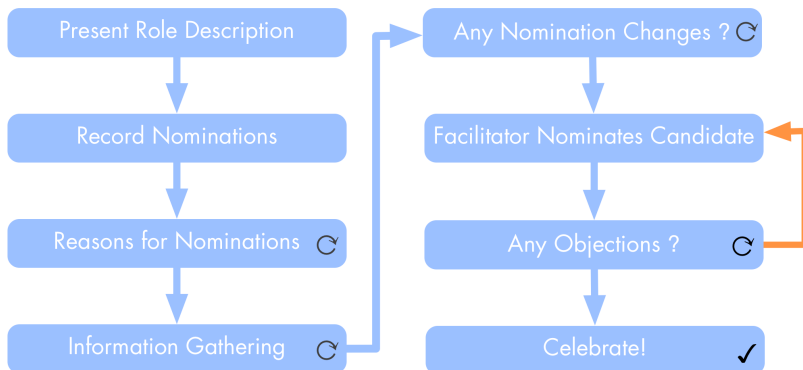
- People avoid expressing interest before elections
- Nominations are made on the strength of the reason

    – 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

6.5. 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.

7.0.1. 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

7.1. Backbone Organization

A pattern for multi-stakeholder projects or services.

backbone organization
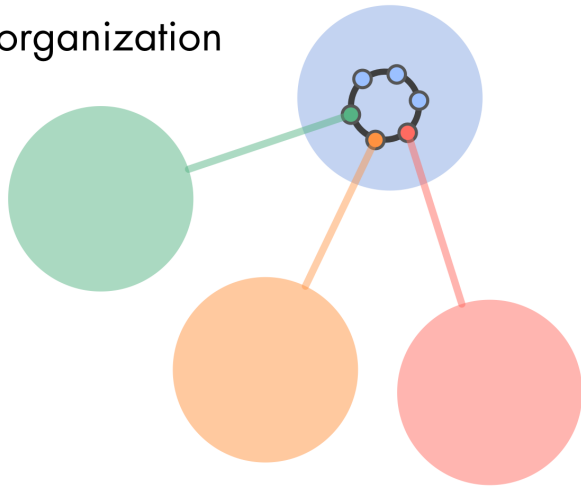
7.2. Coordination Circle

. . .

7.3. Delegate Circle

A pattern for coordination

delegate circle
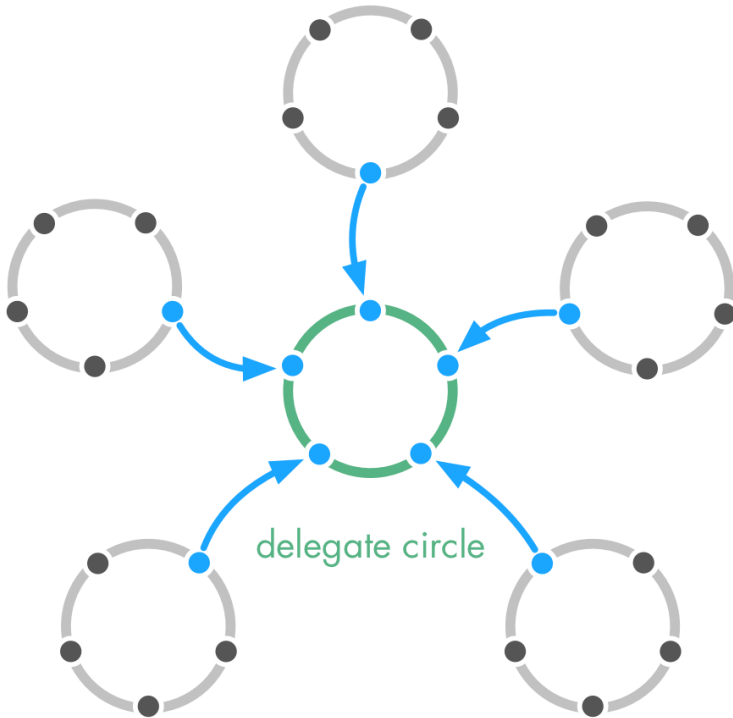
7.4. Double Linking

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

7.5. Double-Linked Hierarchy

A pattern for the early phase of a transformation ##

7.6. Fractal Organization

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

7.7. Helping Circle

. . .

7.8. Nested Circle

A pattern for expanding functions

holding circle

general circle

double-linked
hierarchy

fractal organization
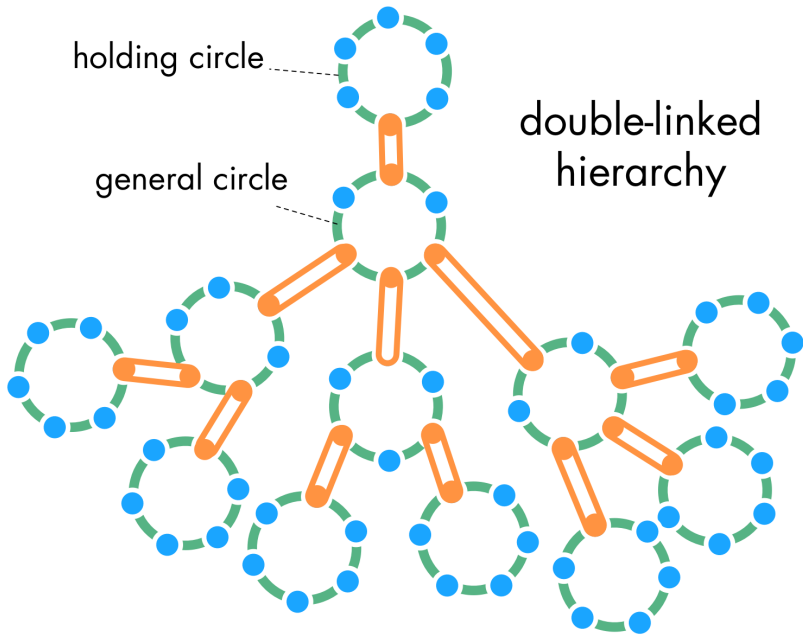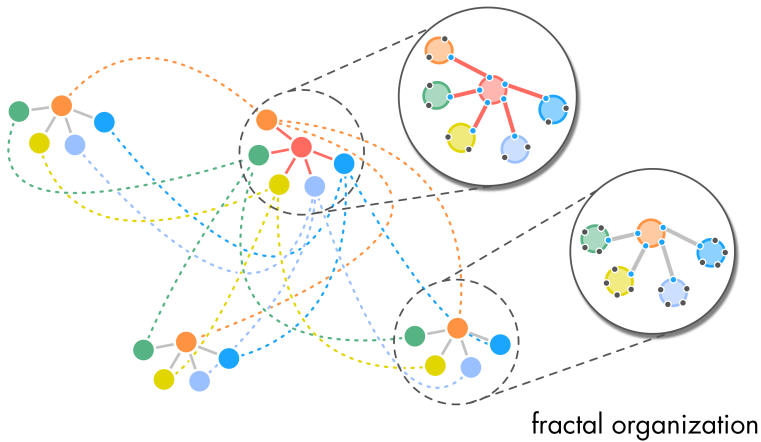
7.9. Peach Organization

Periphery drives the organization, the center provides services.
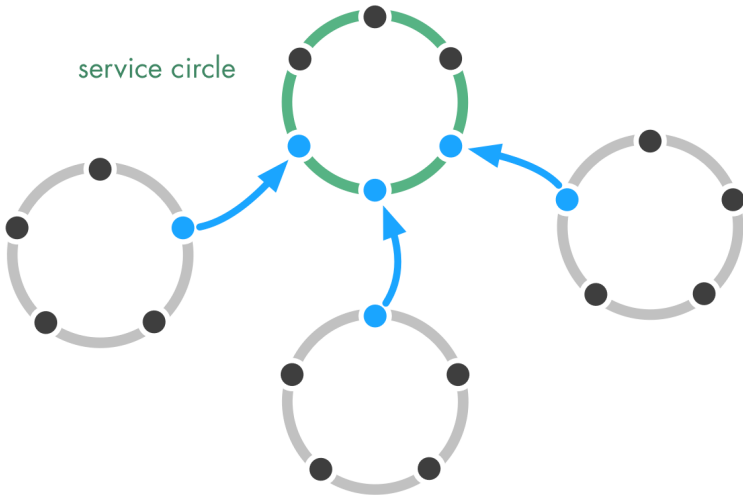
7.10. Representative

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

nested circle
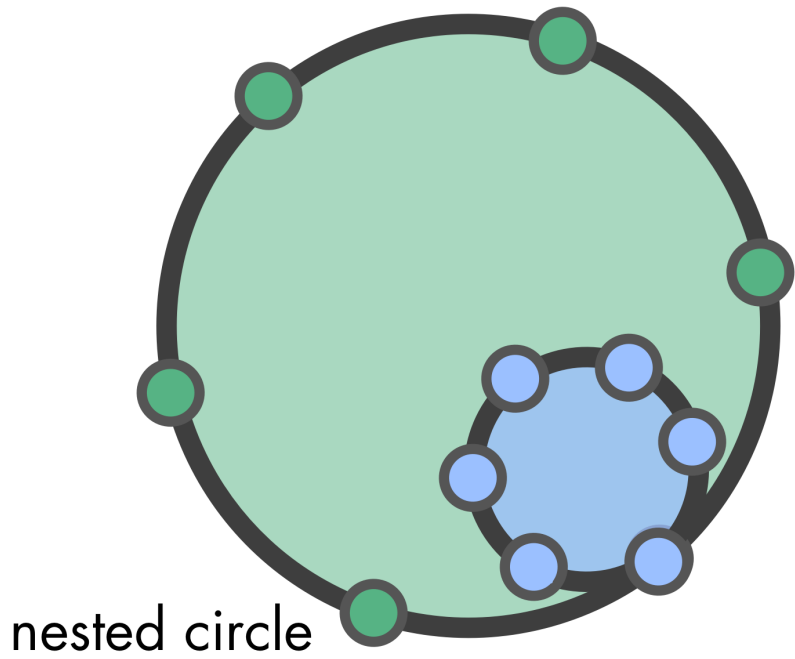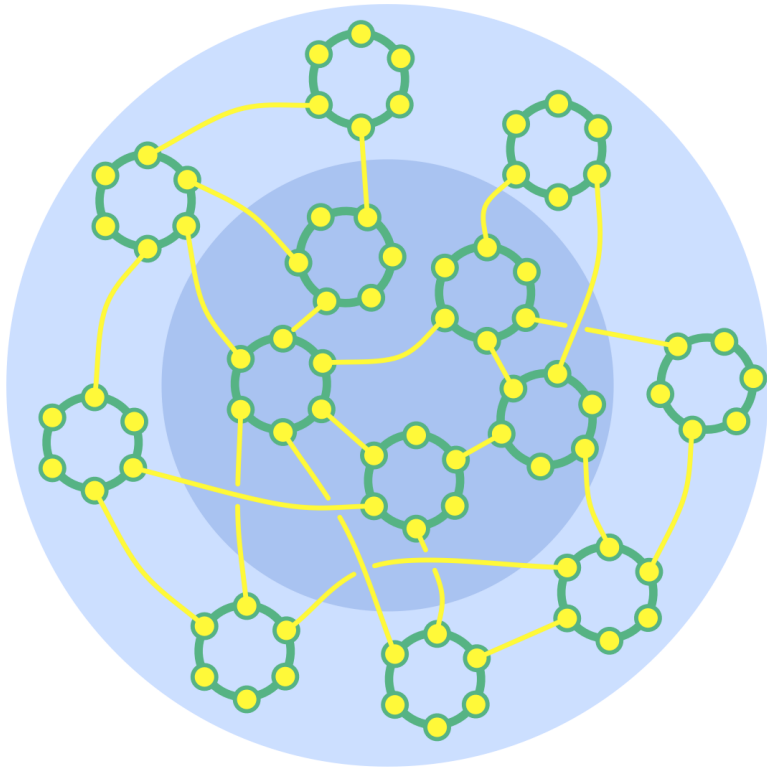
7.11. Service Circle

A pattern for outsourcing shared services

8. Bringing In S3 Patterns

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8.1. Adapt Patterns To Context

...

8.2. Be The Change

...

8.3. Continuous Improvement Of Work Process

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8.4. Open S3 Adoption

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## 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

values

principles

collaboration

values

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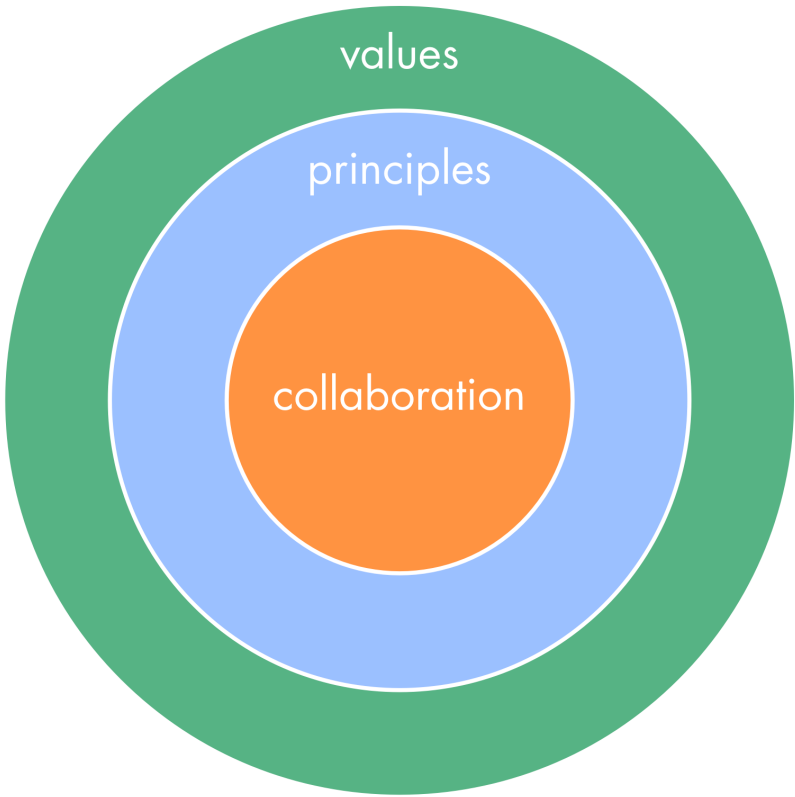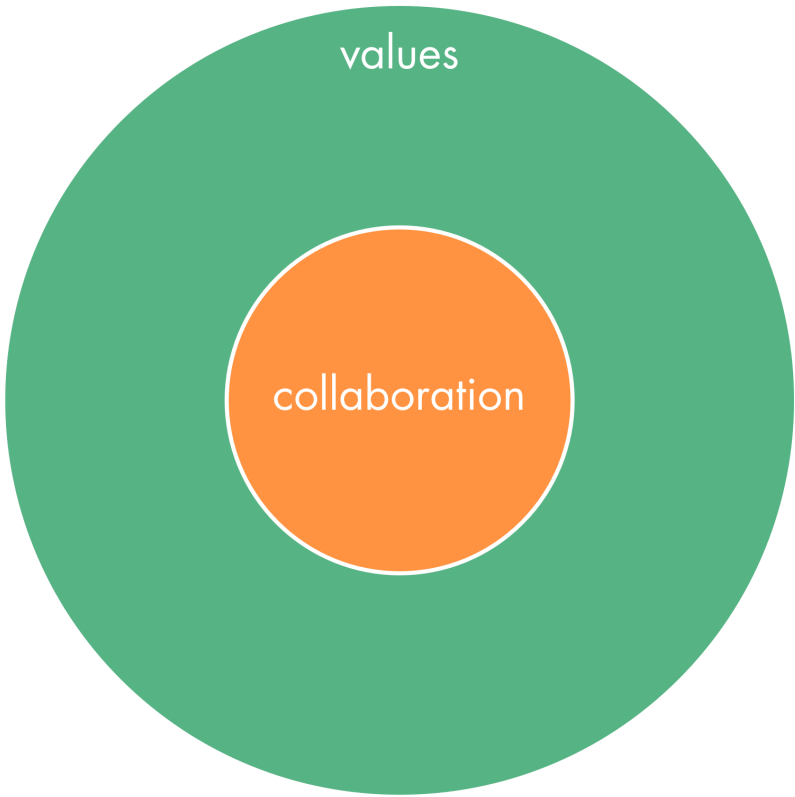
- a group or organization may **choose to collectively adopt values**
- defining values is a **strategy** that supports effectiveness of an organization:
    - reduces potential for **misunderstanding**
    - **aligns** decision making and action
    - **attracts new members, partners and customers**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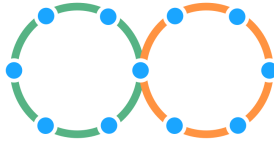- values are an agreement, and thus subject to **regular reviews**

9.3. Bylaws

. . .

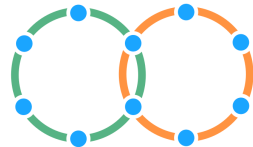## 9.4. Contracting And Accountability

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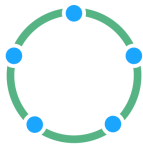
circle link double-link

9.5. Linking

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 IV.

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.