

# The S3 Patterns Handbook

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2015-2016

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Part I.

# Introduction

Part II.

# Introduction

## 0.1. 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

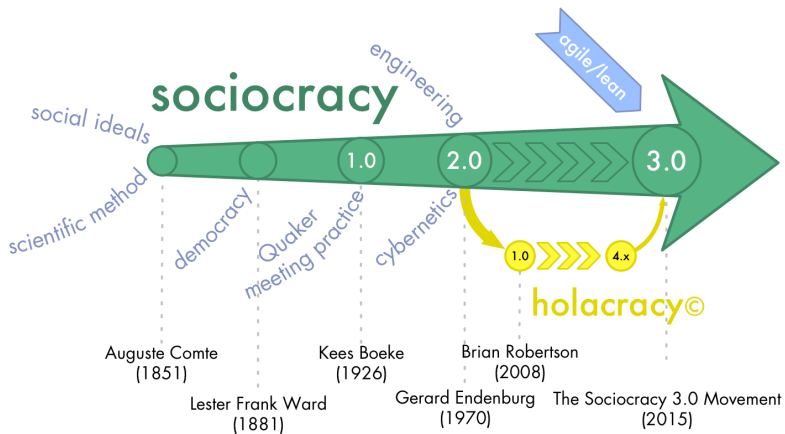
### What's in a word?

- *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

## 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

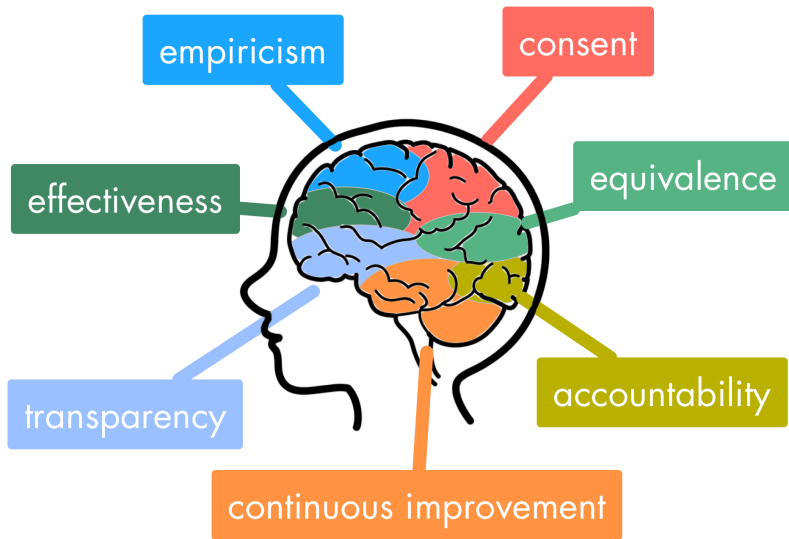
**Definition:** *A pattern is a template for successfully navigating a specific context.*

- 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.*

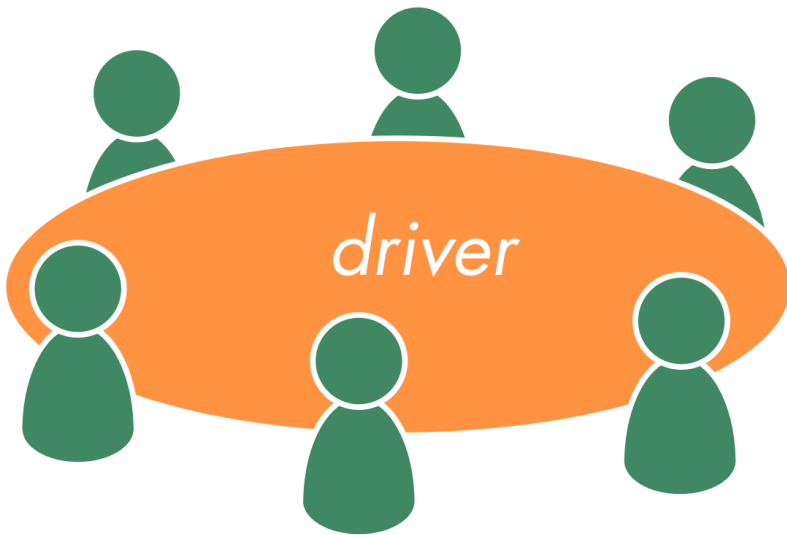
- agreements are created in order to satisfy drivers
- agreements are the **accountability of the circle** that created them
- each agreement includes **evaluation criteria** and is subject to **regular review**
  - review dates are specific to each agreement
  - agreements are reviewed in context to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



## 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.*

### 1.5.1. 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.*

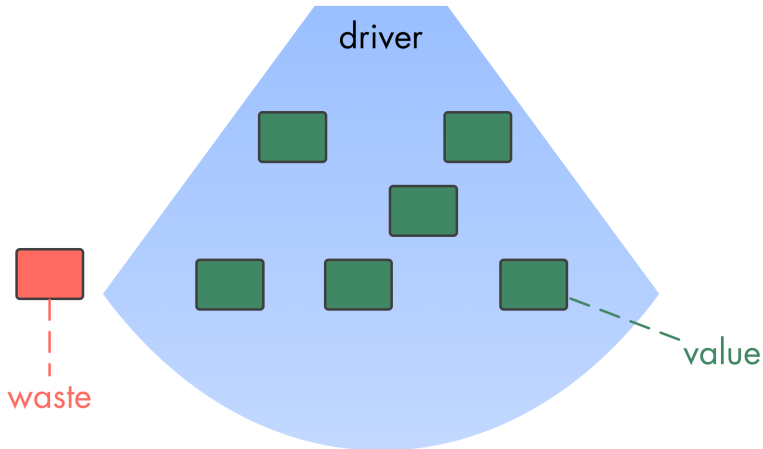
Adopting the concept of value and waste makes many tools and ideas from **lean production** and **lean software development** available to support organizations running on Sociocracy 3.0:

- 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...

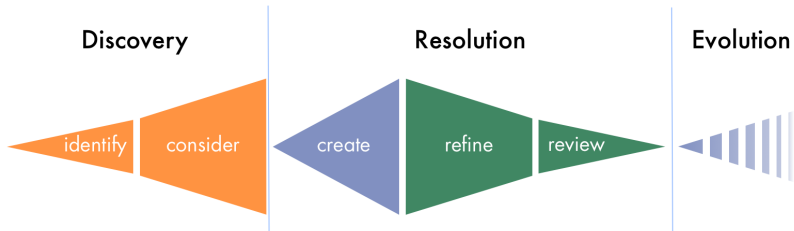
- ...are not objections
- ...don't stop us from making agreements
- ...often contain wisdom
- ...can be recorded in the logbook
  - ...to further evolve agreements
  - ...to set evaluation criteria (including review date)

## 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

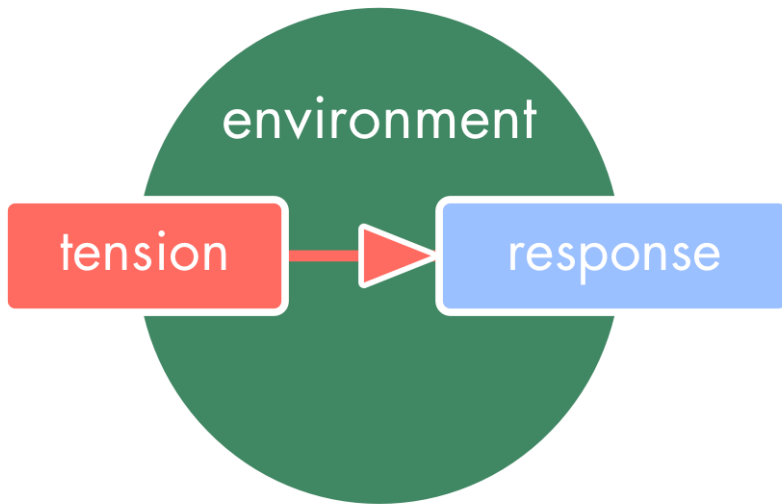
- consent to last minutes, dates, consent to agenda
- Agenda Items
  - Short Reports
  - Processing Tensions
  - Proposal Forming and Consent to Proposals
  - Review of Agreements, Strategy and Driver
  - Defining Roles and Selecting People for Roles
  - Consent to Role Improvement Plans
- Closing Round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

...

### **3.6. Meeting Facilitation**

...

### **3.7. Rounds**

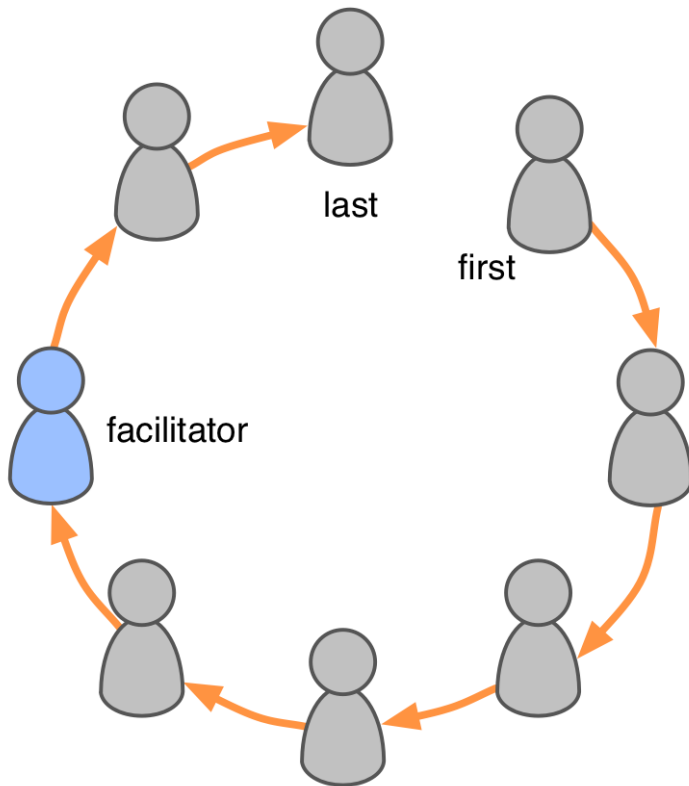
A group facilitation technique to maintain equivalence.

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

...

### 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

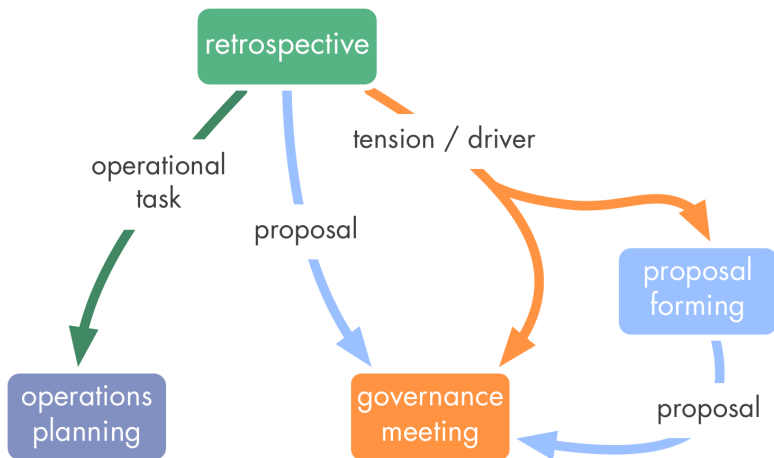
Reflect on a longer period of work and improve agreements.

- ~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](http://plans-for-retrospectives.com)<sup>1</sup>

## 4.8. Visualize Work

...

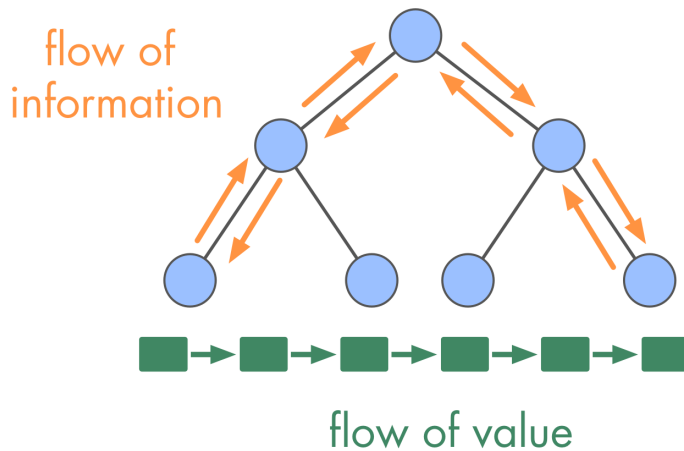
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<sup>1</sup><http://www.plans-for-retrospectives.com/>

## 5. Building Organizations

...

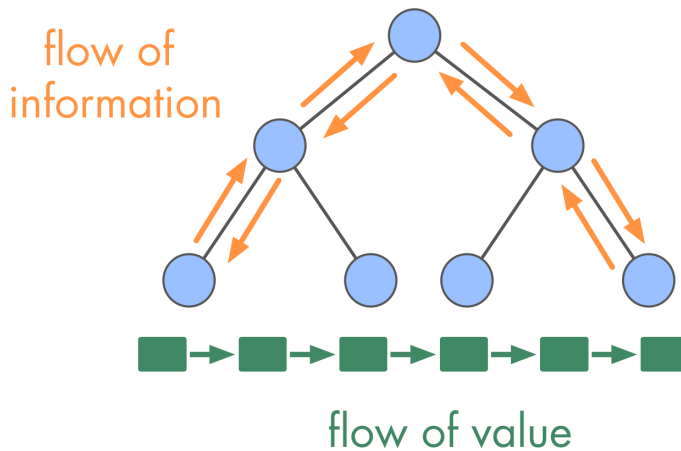
### 5.1. Align Flow



### 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

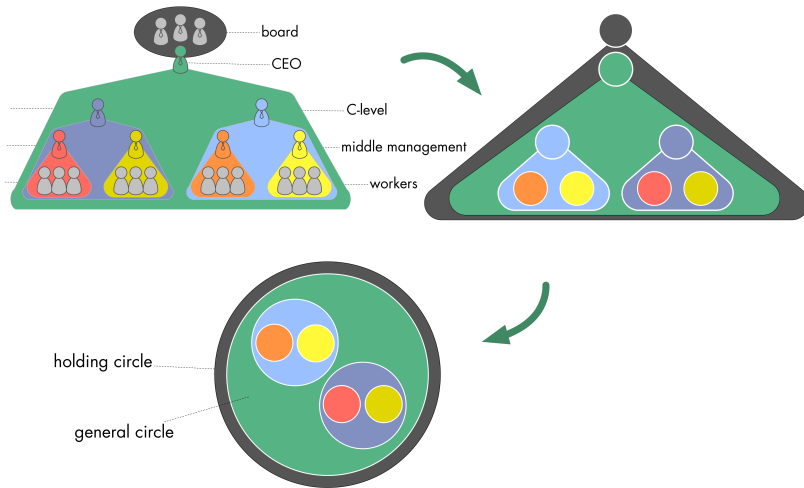
...

## 5.4. Organizing In Circles

All collaboration within an organization happens within circles.

### 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



## From Autocracy to Nested Domains of Circles

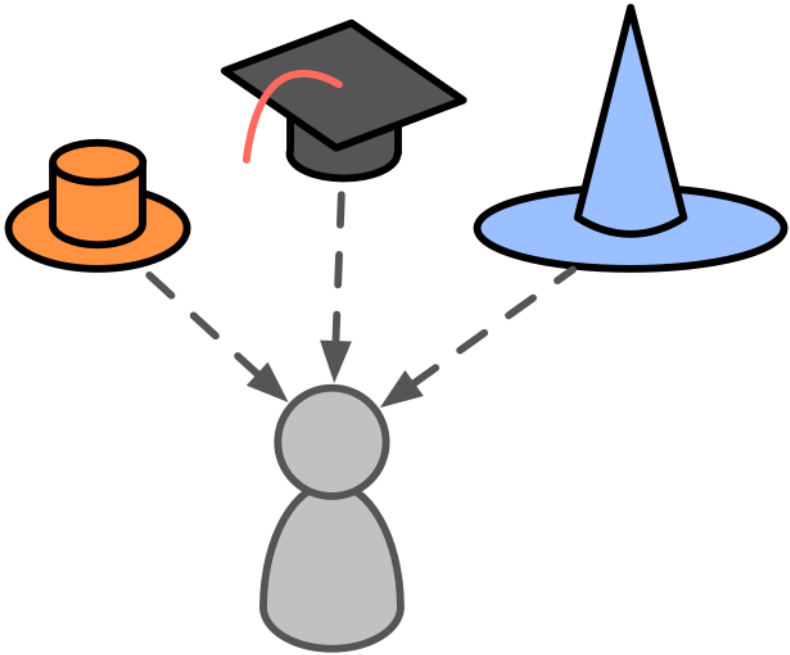
### Forming a New Circle

- 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 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

...

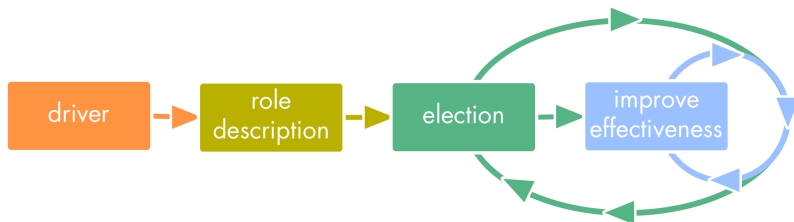
## 6. Roles



### 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

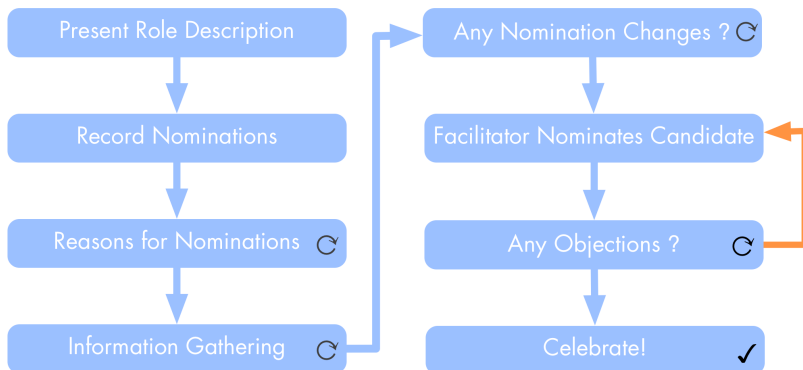
### Steps

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.

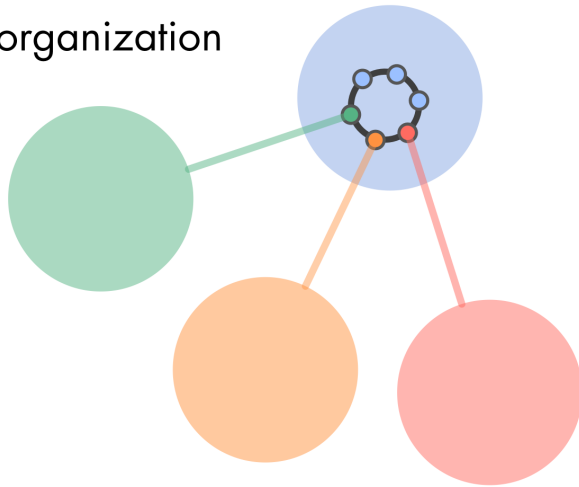
### 7.0.1. Structural Patterns

- 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

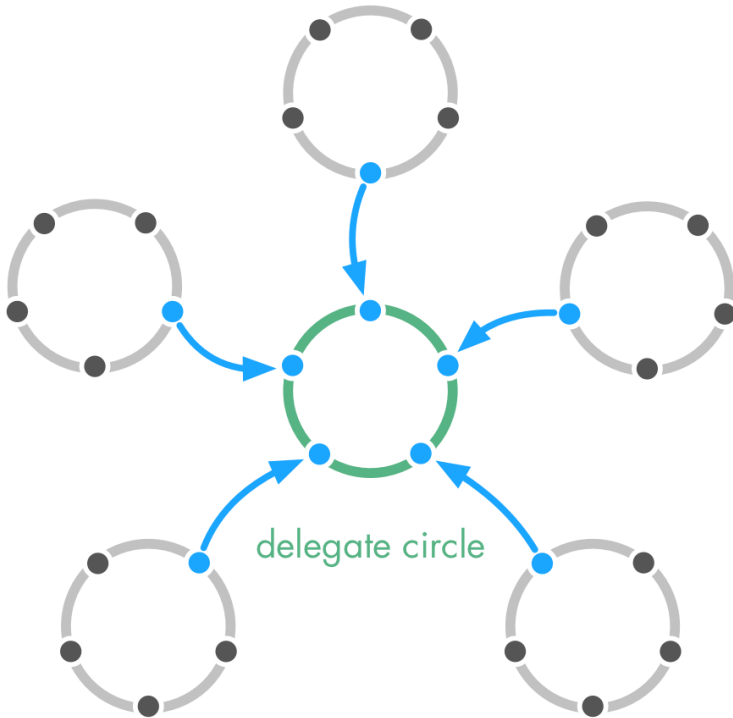


## 7.2. Coordination Circle

...

## 7.3. Delegate Circle

A pattern for coordination



## 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

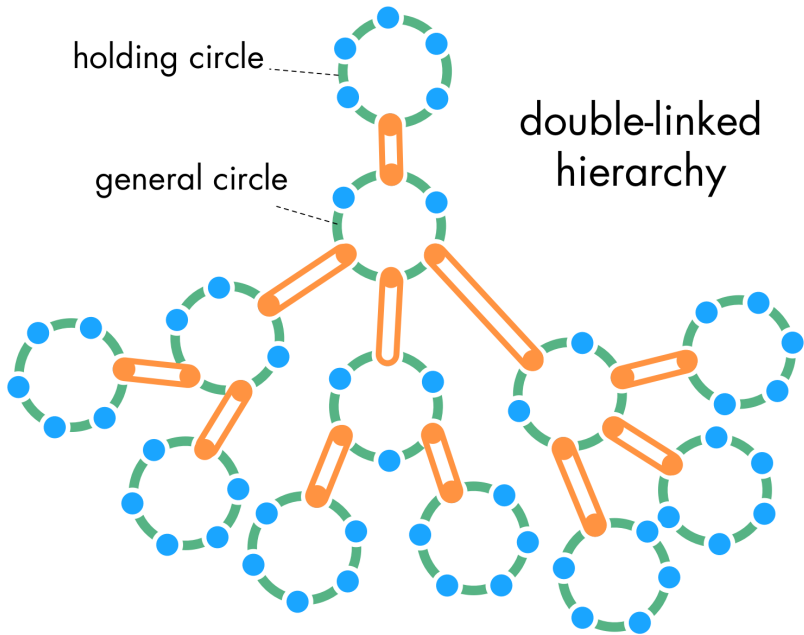
A Pattern for learning, coordination and alignment across organizational boundaries.

## 7.7. Helping Circle

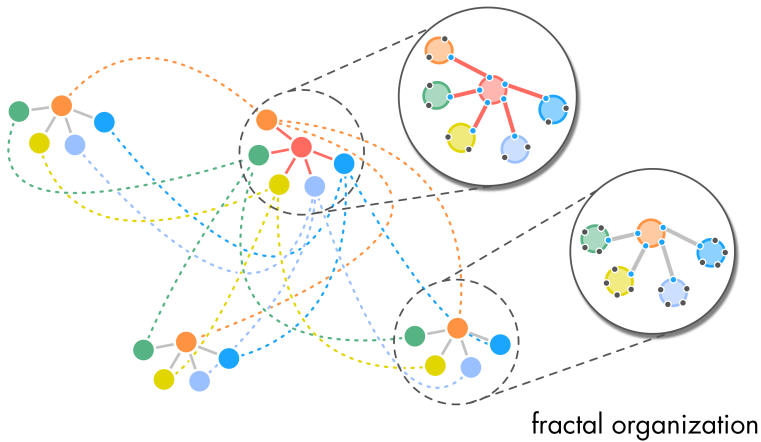
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## 7.8. Nested Circle

A pattern for expanding functions







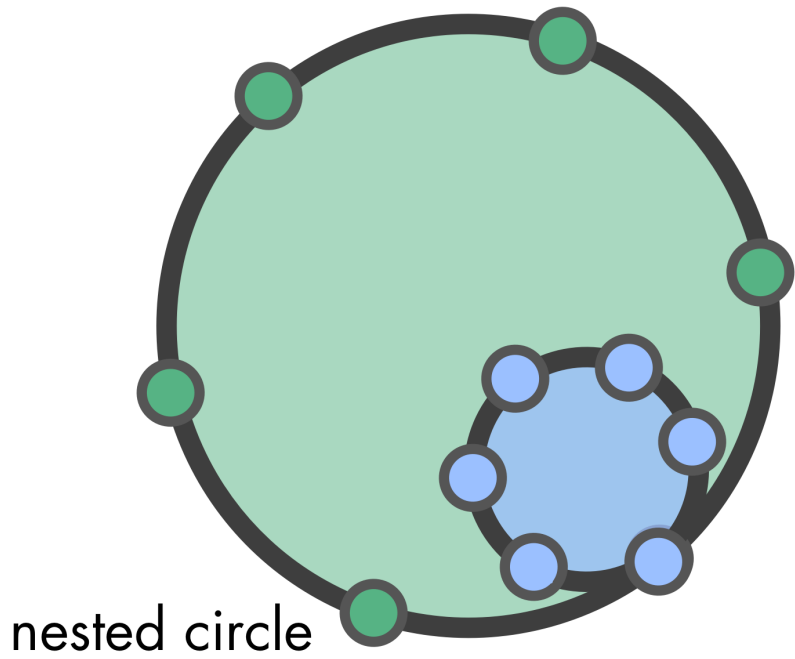
## 7.9. Peach Organization

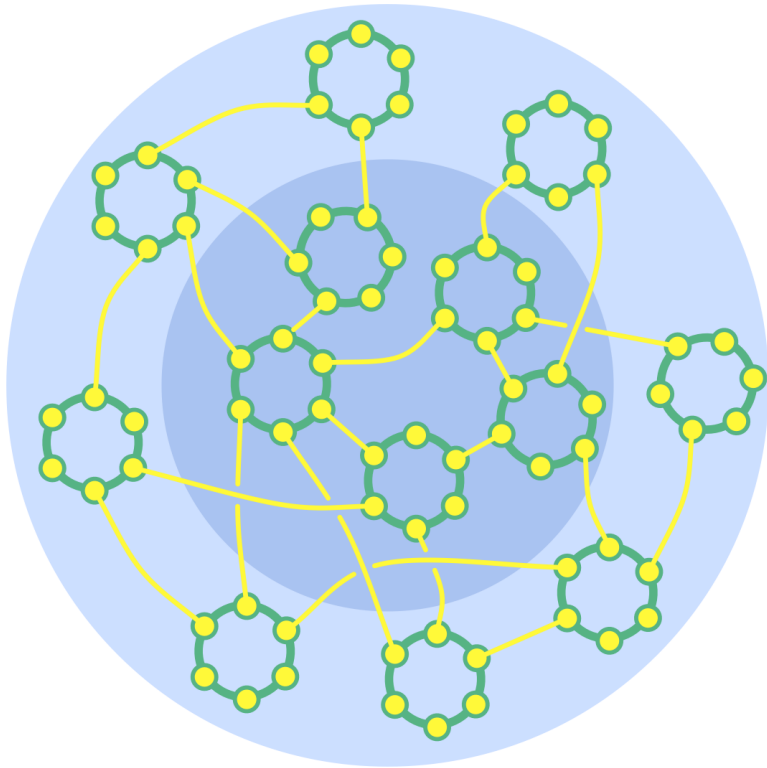
Periphery drives the organization, the center provides services.

## 7.10. Representative

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

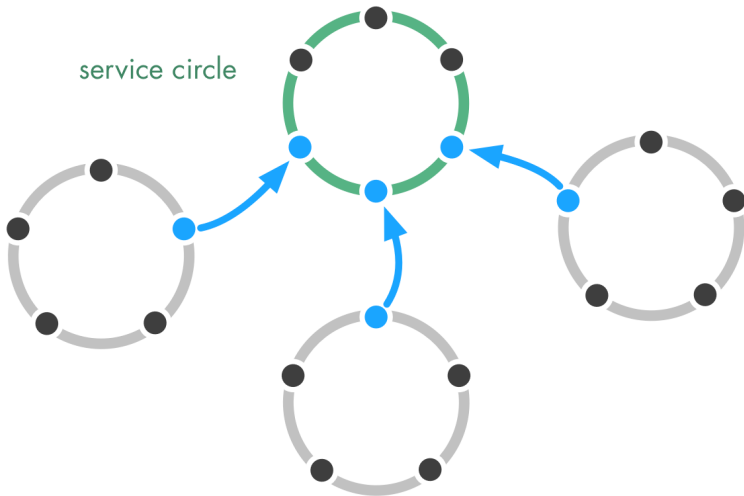
- ... stand for the interests of one circle in another circle
- ... are elected for a limited term
- ... participate as full members in governance meetings of the other circle and can:
  - raise items for the agenda
  - object to agreements and proposals





## 7.11. 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

...

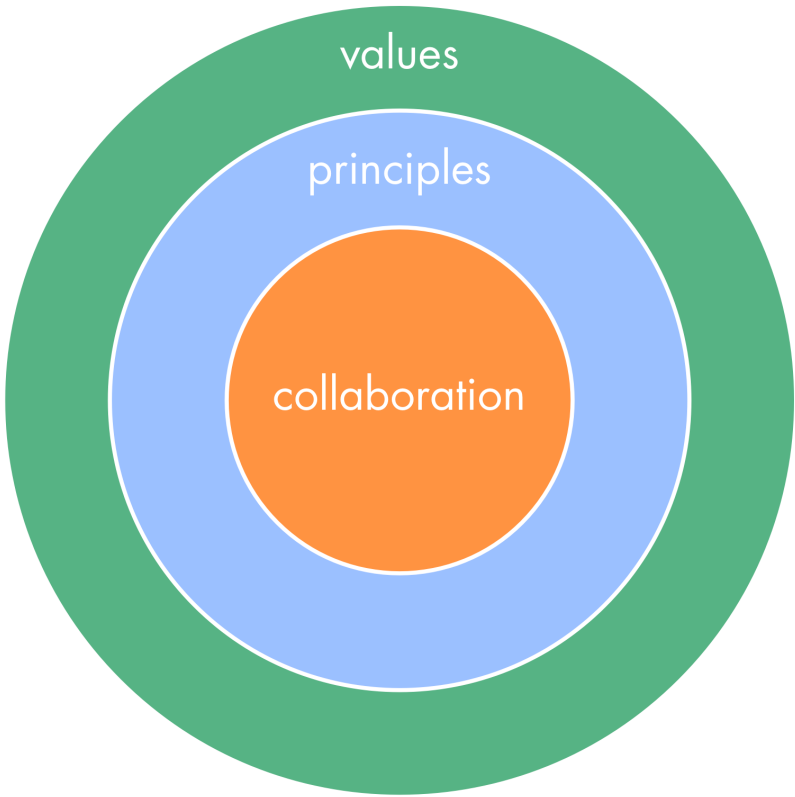
### 9.1. Adopt S3 Principles

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

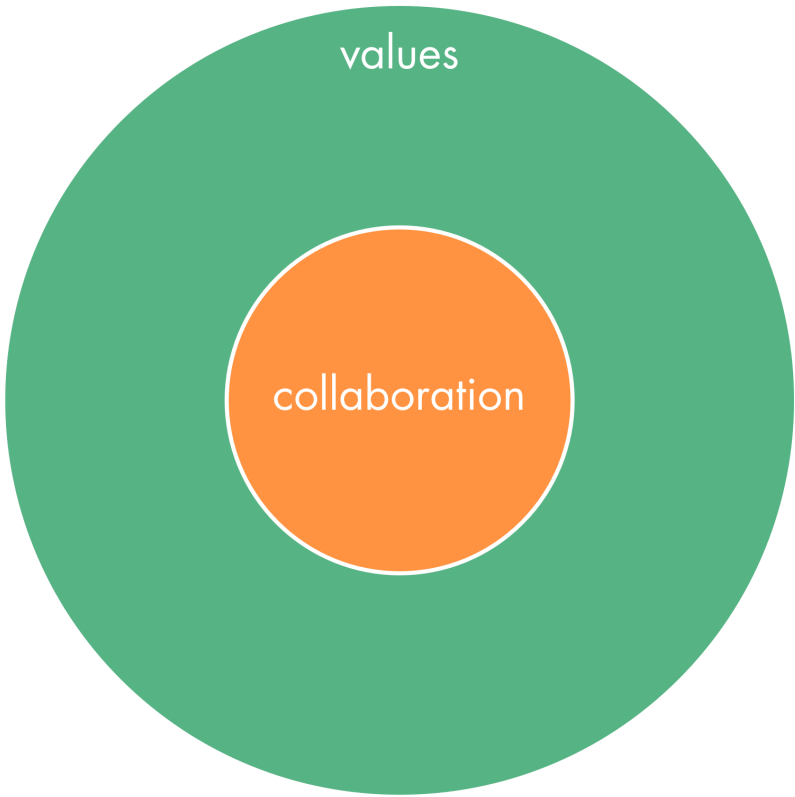
### 9.2. Agree On Values

**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







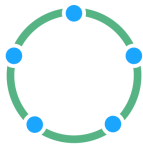
- a group or organization may **choose to collectively adopt values**
- defining values is a **strategy** that supports effectiveness of an organization:
  - reduces potential for **misunderstanding**
  - **aligns** decision making and action
  - **attracts new members, partners and customers** who are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

### 9.3. Bylaws

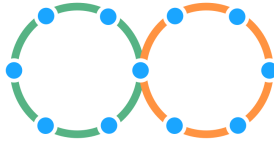
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### 9.4. Contracting And Accountability

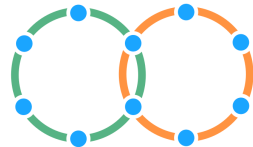
- define the process for entering the organization
- define default role for a new member
- define the process for leaving an organization



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.