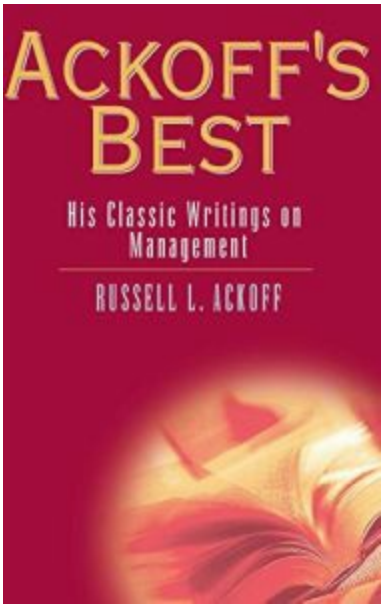

Book Ackoff's Best

His Classic Writings on Management

Russell L. Ackoff
Wiley, 1999

Recommendation

This book collects provocative, insightful essays by Russell L. Ackoff, architect turned city planner turned behavioral scientist turned professor. True to his convictions about systems thinking, his pieces form a coherent whole. Like a successful system, the whole of this book is greater than the sum of its parts. And what parts: the roots of systems thinking; a properly irreverent approach to bureaucracy; the role of planning; a standard for mission statements; effective advertising advice. Ackoff is a voice in the wilderness as he fondly remembers his bureaucracy-bucking, folly-filled, smart-as-heck past. Although this book tends to veer toward the academic, managers and students of management will find it useful. *BooksInShort* recommends it to anyone seeking insight on creativity, education, and science. Tear into this book a little at a time; you won't be disappointed.

Take-Aways

- When managing a system, think "interaction."
- A group of mediocre ballplayers can win a championship if they work well together.
- To think effectively about systems, you have to think outward and in wholes, not inward and in parts.
- The first sin of bureaucratic organizations is that they limit customers.
- The second sin of bureaucratic organizations is that they limit themselves.
- Imagine the kind of future you want and then plan a way to get there.
- A mission statement should change the way your employees think.
- More importantly, a mission statement should change the way your employees act.
- Your mission statement should be as distinct as you want your organization to be.
- When managing, be creative.

Summary

The Systems Age

If you're going to be in business, you should know a thing or two about systems - after all, the coming decades belong to them. A system is anything that consists of more than one element. Each element affects the whole of which it is a part. To visualize this, think of the human body. If something goes wrong with the heart, the rest of the body is in trouble. The same holds true for the lungs, the stomach, etc.

> "The only kind of equilibrium that can be obtained by a light object in a turbulent environment is dynamic - like that obtained by an airplane flying in a storm, not like that of the Rock of Gibraltar."

But these elements do not act alone. They act according to each other. They are interdependent. Again, to return to the body: The heart acts a certain way because the brain works a certain way because the lungs act a certain way, and so on.

In systems, elements cannot form subgroups. The elements are all too interconnected, too tied into each other's activities. If an element deserts a system, it loses something. No matter how hard a heart beats on its own, it ain't a human. At the same time, oddly enough, every system contains certain potential that none of its parts contain.

> "Most of the affluent do not want to transform society or its parts. They would rather sacrifice what future social progress creative minds might bring about than run the risk of losing the products of previous progress that less creative minds are managing to preserve."

Systems don't add up. Their whole is somehow greater than its parts because, in systems, interaction is king. If you dismantle a system, you lose its essential characteristics. This kills the traditional analysis people have always used to know and understand the world. You cannot gain an understanding of a system by separating it into parts, studying those parts, and trying to reconstruct a view of the whole - hence systems thinking was, and had to be, born.

> "Wisdom is the ability to see the long-run consequences of current actions, the willingness to sacrifice short-run gains for larger long-run benefits, and the ability to control what is controllable and not to fret over what is not."

Analysis takes things apart; synthesis puts them together. Is it any wonder that synthesis is at the heart of systems thinking? If you want to explain something using systems thinking, you must first locate a context, a whole - something that contains your object. Then, you have to figure out how the whole behaves. Finally, you have to explain how your object fits into the behavioral pattern of the whole. How does it function? What is its role?

> "A mission should play the same role in a company that the Holy Grail did in the Crusades. It does not have to appear to be feasible: it only has to be desirable."

Systems thinking explains why things work. Systems management, which proceeds from systems thinking, encourages you to put that explanation at the forefront of your organizational strategy. A systems manager knows that managing the parts won't have a huge effect on the whole. Think of a baseball infield. A second baseman and a shortstop who train individually probably won't be able to turn the double play as effectively as a pair who trains together. That's because a double play is more about the two players' timing and communication than it is about the each player's individual skills.

> "In systems design, parts identified by analysis of the function(s) to be performed by the whole are not put together like unchangeable pieces of a jigsaw puzzle; they are designed to fit each other so as to work together harmoniously as well as efficiently and effectively."

When problems occur, systems management tries to place issues in wider contexts. It knows that the parts are not as important as their purpose, and coordination is more important than individual qualities.

A Few Points About Bureaucracy

For plenty of good reasons, nobody likes a bureaucracy. For one, bureaucracies are variety-decreasing social systems. They take away possibilities and choices. They retard progress in favor of a least common denominator approach to service.

> "The technology of the Postindustrial Revolution is neither a panacea nor a plague; it is what we make of it."

Bureaucracies also tend to pit the servers against the served. Bureaucratic workers face a strange double whammy. First, they often have to perform absolutely brainless tasks. As a result, they feel at odds with the system they represent. At the same time, their customers are at odds with the same system - and take out their frustration on the workers! Consider the usual driver's license bureau. You walk through the door, and every idiot in town is in line. By the time you reach a representative, he or she is likely to be as mad as you are, if not more so, since the rep has to spend all day in this hell that you only have to visit. So the inevitable happens: You butt heads; you argue. The experience is unpleasant for all involved.

> "No one hath greater love than a satisfied customer."

From a management perspective, this imaginary exchange is not just unpleasant, it's downright ineffective. When you design your service, break this vicious cycle by keeping your customers' experience in mind. If they appreciate the service they receive in relation to your product, they'll probably appreciate the people - your employees - who render that service. A few happy customers can transform your workforce in a hurry. In turn, once your workforce is happy, it can convert even more customers into the right kind of customers.

> "Bureaucratic systems try to deal with the unexpected in ways that preserve their images of reality and concepts of propriety."

Remember that a system based on bureaucratic, variety-decreasing ideals doesn't just limit your customers; it limits itself. A great system will be self-corrective and expansive.

A New Type of Planning

Two types of planning seem to prevail in the minds of executives and managers: reactive and preactive. Reactive planning starts at the bottom of an organization and tends to be tactical in nature. The lowest units of an organization work to flush out the conditions that prove troublesome to them. They develop projects to expose and remove these conditions. Once this step is complete, the costs of each project are organized, and each project is prioritized. A list of problems and solutions is established and passed up the line until every level of the corporation has revised the list passed to it and created a list of its own.

> "Even the best planning of which we are capable requires at least as much art as it does science."

The problems with reactive planning are that, first, you don't get what you want by virtue of getting rid of what you don't want. Life doesn't work that way, and neither does business. Second - go back to the root of systems thinking - reactive planning tries to treat the parts independently of the whole. It doesn't look at how the parts interact. If you fix the part without reference to the interaction of the whole, you probably haven't fixed the cause of the problem, so the problem will show its face again.

> "Without creativity, a manager may do a good job, but he cannot do an outstanding one."

Preactive planning starts at the top of an organization and uses strategic thinking to create positive effects. Tactics are not set. Each unit can choose its own tactics to meet its objectives. Preactive planning has two basic ingredients: prediction and preparation. Prediction is more important since all the preparation in the world can't do a lick of good if it is misdirected. Preactive planning begins when leaders forecast some opportunity or threat in the organization's future. Once the forecast is in place, every unit receives a list of the corporation's objectives for embracing opportunities or avoiding threats. Every unit responds with its own tactics. The problem with preactive planning is obvious - a business has too many variables. When you consider the distance that a product or service must travel from producer to consumer, you realize immediately that there's just too many hands in the pot to make an accurate prediction.

A third type of planning, interactive planning, is emerging as far superior to either reactive or preactive planning. Interactive planners don't hope for an impossible insight into the future. Instead, they try to imagine a desirable future and spring toward it. Interactive planning has five distinct phases:

1. Create a reference scenario - This is the result of a very specific type of thinking. When you set out to plan interactively, you first get your mess in check. What's the problem? What opportunities are open now or in the near future? Most importantly,

what's the relationship between your organization's problems and its opportunities? Once you've answered these questions, you'll have a reference scenario.

2. Create an idealized redesign of your system - This is like a toolkit that holds your ideas, goals and objectives. Once you develop it, compare it to your reference scenario. There should be gaps between the two, and the focus of the rest of the planning process is to...
3. Close the gaps - How will you bridge the gaps between your reference scenario and your idealized redesign? Now, start to think strictly in terms of action. What projects will you implement? What programs will you start? Will you need new policies?
4. Mind your resources - By this point, you're ready to think about the resources you will need to make your plan work. Figure out what resources you'll need, how much of each resource, when you'll need it, and how you're going to get it.
5. Assign your chores - Now you're ready to delegate. You know what you want the future to look like. To take hold of the present and make that vision a reality, you're going to need many hands. Who will carry the load? Who will direct traffic? Who will supervise?

Mission Statements

Some people swear by mission statements; some people swear at them. Yet, mission statements can be very productive. If you like using mission statements and maybe are even using one now to motivate your troops, listen up. Chances are your mission statement stinks. If it's too pious, too empty, or too trite, it's not doing nearly as much as it could do. A mission statement is not about what you must do -attract customers, try to be the best, etc. - it's about what you choose to do. As such, every statement in it should be provocatively yours. If people can't argue with it, it isn't specific enough, which makes it just like three quarters of the mission statements in the world.

If you want a mission statement that is distinctly yours, that inspires your employees to act toward your distinct goals, write some evaluative element into it. Think of your mission statement as a mark on the wall. Your employees should see it and strive to reach it. It should change the way they work and up the ante. A mission statement can and should shake up the entire foundation of your organization. Therefore, it shouldn't catalog the business you're in now; it should project the business you want to be in. A mission statement should be in touch with everyone affected by its principles. If it doesn't pertain to customers, shareholders, employees - the whole circus -it is a failure. Finally, it should get peoples' blood pumping. Think inspiration when you redraft your mission statement.

Creativity

The most creative managers are, hands down, the best managers. Without creativity, managers simply oversee, get the job done, and, ultimately, allow their companies to settle for a middle of the pack status. Without creativity, managers cannot lead. Creativity is rampant among children. You were probably a very creative child. What happened?

It's really not worth worrying about the point at which your creativity took a long walk off a short pier, but it is worthwhile to begin to introduce creativity into your organization. One thing that tends to replace creativity, particularly in problem solving, is comfort. People fall into roles, find something they're good or decent at, and don't push, even when they should. Call on creativity to help people and your organization escape their self-imposed constraints. Put a little art in your problem solving toolkit. How you do this, of course, is up to you.

You can use creativity to put the "fun" back in work. Interestingly enough, this seemingly dangerous word might have some seriously practical effects. Adults have a bad habit of thinking about the desired end results of a project, particularly a problem-solving project. This takes the joy out of the process. If you can figure out a way to put the joy back in the process, chances are your employees will feel more fulfilled, and their productivity and output will increase. You and your employees will always have to solve problems. Imagine a world where every problem is a new opportunity to play, a new chance to push yourself - imagine a world where business is spiced with a little bit of art.

About the Author

Russell L. Ackoff , Ph.D, founded and chaired INTERACT, a Philadelphia-based educational consulting firm. He has been the Anheuser-Busch Professor Emeritus of Management Science at the Wharton School of Business, University of Pennsylvania, since 1986. He has written many articles and books, including *Management in Small Doses* and *The Art of Problem Solving*.