



Professional Article

flow change®: Iterative Consultancy

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flow change® - Iterative Consultancy

This article describes the consultative approach we call 'iterative consultancy'. It has been developed through intensive research and actual practice, and above all in complex situations it demonstrates greater effectiveness than conventional types of consultation, expert advice, classical organisational development, or systemic consultation. When it is applied, the consultant's attitude and extensive repertoire have crucial roles to play. To facilitate this we have developed the model of 'productive restlessness,' the flow turn map® and new consulting tools.

How did development of this new consulting approach start?

We at flow consulting oriented our consulting work strongly on the tools of classical organisational development in the 1990s. This enabled our customers to enjoy the benefits of process-oriented consulting that focuses squarely on the participants' learning in the customers' companies. However, the very strength of this participatory approach has the main disadvantage that too little attention is paid to power constellations in companies. We therefore expanded our repertoire by adding elements from expert advice and systemic consultation. Yet these approaches also have their limitations. Expert advice quickly arrives at the fiction that solutions can only be found by taking a rational and causal path. Systemic consultation reduces the possibilities for influence by the external consultant to the role of an observer who can only irritate a 'system.'

The route we have taken so far – of using instruments from all three consulting approaches – has indeed been very successful in practical application, but in some cases it also led to incompatibilities. For example, the fixed procedure for portfolio analysis, in which existing figures are used to generate an unequivocal result, has little in common with the involvement-oriented approach in organisational development or the notion of autopoiesis found in systemic consultation. Moreover, the growing complexity in our customers' challenges resulted in increasing demands being placed on Change Management in change projects, which have proved somewhat resistant to existing approaches.

For this reason we sought an appropriate response to these challenges, which would make it clear how we ourselves see consultancy and which would enhance our consulting practice at the same time.

In 2005 we set up several 'workshop groups' and a research group at flow consulting. In various exchanges with scientists and practitioners we started developing new approaches and procedures. Our approach of 'iterative' consulting has developed in just under six years, manifested in new tools, models and procedures.

Why do you call this approach 'Iterative consultancy'?

The term 'iterative' occurs in several areas, for instance in mathematics, linguistics and philosophy. In all of these areas the primary meaning of 'iterative' is 'repeating'. But the more subtle meaning of 'iterative' is different in each of these three fields – and we explicitly combine all three meanings:

- In mathematics 'iteration' is understood to be the repeated application of the same calculation process. One approaches the solution by using the result of one step as the starting point for the next step, which then applies the same procedure (recursion).
- The replication of a relationship is one meaning of iteration used in linguistics, which occurs in compounds such as 'great-great-grandmother'. The other meaning relates to actions performed on an incremental scale. There are some verbs with 'iterative' forms indicating that the 'general action' is viewed as a series of smaller actions – examples would be: sniff- sniffle, and wad-waddle (increments).
- In philosophy, repetition is not the same as 'copying' the preceding action, but always involves a deviation, a difference, in the imitation of the actions of others. This deviation consists not only of the result (which is obvious), but also of the procedure, which appears different every time owing to the constant shift of significance (mimicry).

So an iterative approach involves the continual combination of recursive, incremental and mimetic action.

The 'overall plan,' the final determination of fixed objectives, or declaring interim results to be 'completed' (called 'stage gates'), is incompatible with the understanding of iterative consultancy. When used in complex situations, generally such excessive planning rapidly comes up against its limitations – in such situations iterative consultancy is better at adapting to the dynamic of complex challenges.

You speak of 'complex situations' – what is 'complexity' in your view?

Complexity in social systems is determined by three principal factors. There are many dimensions (multidimensionality) with many interactions (interdependency) and many effects that can arise from the action (emergence). In complex situations, more impacts and effects impinge upon us which are more or less desirable or undesirable, which we cannot predict. But in a complicated situation, there are clear cause-and-effect relationships that in fact are not immediately recognisable (if they were, the situation would be simple). Here expert advice is exactly what is needed as one can, for example, use a better analysis to pin

the problem down and then to plan the appropriate measures. For instance, the (faulty) technology of an aircraft may be very complicated, but a trained engineer can analyse it continuously and obtain clear results. The situation is similar for someone assembling a bookcase.

A complex situation, by contrast, is characterised by uncertainty and unpredictability. In a complex situation patterns do indeed form which should be recognised (because otherwise the situation would be chaotic), but these patterns (possibly and probably) change incessantly due to multidimensionality, interdependency and emergence.

Managing an ice hockey team is doubtless one of the complex challenges. This involves not only dealing with possible unforeseeable injuries of the players; the coach's life is made very complex by power struggles both within and outside the team, the inconstant attitude of the sponsors (who may well be from overseas!) and (excessive) expectations of fans. It is necessary to perform a constant juggling act with ever new situations.

Simple	Complicated	Complex	Chaotic
<ul style="list-style-type: none"> ▪ Repeating patterns and consistent events ▪ Clear cause-and-effect relationships evident to everyone; right answer exists ▪ Known knowns ▪ Fact-based management 	<ul style="list-style-type: none"> ▪ Expert diagnosis required ▪ Cause-and-effect relationships discoverable but not immediately apparent to everyone; more than one right answer possible ▪ Known unknowns ▪ Fact-based management 	<ul style="list-style-type: none"> ▪ Flux and unpredictability ▪ No right answers; emergent instructive patterns ▪ Unknown unknowns Many competing ideas ▪ A need for creative and innovative approaches ▪ Pattern-based leadership 	<ul style="list-style-type: none"> ▪ High turbulence ▪ No clear cause-and-effect relationships, so no point in looking for right answers ▪ Unknownables ▪ Many decisions to make and no time to think ▪ High tension Pattern-based leadership

The context's characteristics: After Snowden, Boone, "A Leader's Framework for Decision Making" in: Harvard Business Review, 12/2007

This means that experience plays a less important role in such complex situations than it does in complicated ones – here there are always new types of constellations, and so comparison with past constellations is of little help. This is because recourse to past solutions from similar situations can certainly be helpful in complicated situations, but not in complex situations. In short, here 'best practice' supposedly generates security, while there it leads to more efficient procedures. Instead of 'best practice' as in complicated situations, in complex situations it is 'actual practice,' based on cautious, experiment-friendly and error-tolerant action – paired with intuition, awareness and the determination to exploit any opportunity that presents itself.

Consequently, the approach in complex situations is harder to plan and predict – and thus corresponds to the properties of precisely this type of situation. The pioneer of cybernetics W. Ross Ashby formulated his 'Law of Requisite Variety' stating that 'Only variety in [players'] moves can force down the variety in the outcomes.' (W. Ross Ashby, An

Introduction to Cybernetics, Chapman & Hall, London, 1956, p. 206. Internet (1999): <http://pcp.vub.ac.be/books/IntroCyb.pdf>).

This means that variety in consulting activities must increase with the variety of the complex challenge. So we need a comprehensive repertoire of consulting intervention techniques and the correct attitude when we use them.

What does this mean for your approach in consulting?

Given the distinctions mentioned, we also pay attention to the differences between our commissions. If we are in more of a complicated consulting situation we apply appropriate instruments and procedures taken from the world of expert consultation and organisational development. But if we are in more of a complex consulting situation, our iterative approach is more appropriate.

In a complex challenge with many interactions and uncertainties, one cannot draw up an overall plan that merely has to be applied step by step as in project management. Instead one has to approach the solution fore-sightedly, gradually, and with a flexible attitude to planning. The major consequences, secondary consequences, effects and impacts of one's actions should receive close attention at all times and should always feed into the next step. Continuous reflection in loops and the ever new consideration of shifting interests, values and resources are additional elements of iterative consultancy. This 'fore-sight' while moving 'forward' is reflected very well in the term 'iterative.'

What is the difference from other consulting approaches?

In the world of consulting there are some attempts to eliminate the disadvantages of the various approaches by simply putting them together, for example using complementary consulting as an addition to expert advice and organisational development. However, that does not bring us any further, because then opposite attitudes clash. This means that the effects of the tools from the different types of consulting often cancel one another out. Unlike the other approaches, iterative consultancy is mainly concerned with the purpose of 'probing in complex situations.' Instruments from the other consulting approaches can definitely be applied, but one must find the right combination and tackle each challenge with the right attitude. Accordingly, instruments we select from the other consulting approaches are also used, but often in a modified or re-interpreted form, and only in the right dose and combination. We have also developed new instruments as part of iterative consultancy, which we have already been able to apply successfully in practice.

In the following two tables you will find a brief description of iterative consultancy compared with the other consulting instruments. This shows the similarities and differences of these approaches to iterative consultancy.

	Expert advice	Organisational development	Systemic consultation	Iterative consultancy
Picture of the organisation as ...	... causal system	... needs-oriented system	... autopoietic system	... complex system
Focus	(Measurable) facts	Involvement	Own logic	Negotiation
Typical procedure	Structures and processes are analysed and optimised in conformity with the strategy	Employees' initiative and motivation are combined into a co-ordinated whole	The specific features of an organisation are found / determined by the organisation	Flexible attitude to planning for probing in line with linked purposes, interests and power constellations
Change is successful if ...	... decisions based on rational aspects lead to greater efficiency.	... structures are changed so that they meet the needs of the employees.	... the system has found or maintained its own stability.	... ambiguity is reduced, acceptance is achieved, effects arise and routine is established.
Strength of the approach lies in ...	... risks in a stable environment	... high level of employee involvement	... culturally independent units	... uncertainty in complex situations

Comparison of various consulting approaches, taken from:

<http://de.wikipedia.org/wiki/Veränderungsmanagement>, accessed on 27 February 2013

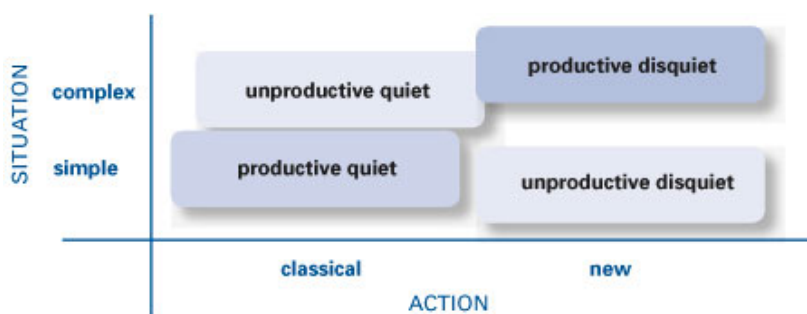
	Features in common with iterative consultancy	Differences from iterative consultancy
Expert advice	<ul style="list-style-type: none"> Numerous analysis and control techniques Focuses on structures / hard factors Active intervention in the system from outside Goal-oriented approach 	<ul style="list-style-type: none"> Purpose is not fixed; ready for surprises Addresses several dimensions: strategy, structure, culture, interests, motives, behaviour Partly planned, partly spontaneous approach, experiments
Organisational development	<ul style="list-style-type: none"> Introduction of learning loops Process orientation Participation Consideration of intrinsic motivation 	<ul style="list-style-type: none"> Consideration of interests, resources, values, 'power games' and hard facts The system 'organisation' is more than the system 'family' (game consisting of interests, history and power)
Systemic consultation	<ul style="list-style-type: none"> Provoking, irritating, experimenting Observing the system's own logic und taking it seriously 	<ul style="list-style-type: none"> The consultant is also a player in the system Individual interests and power aspirations of all (incl. the consultant) interact (negotiation processes)

Common features and differences of the consulting approaches compared with iterative consultancy (copyright: flow consulting gmbh)

What are the major models and instruments in iterative consultancy?

Differentiating between simple, complicated and complex situations leads to the model of 'productive restlessness'; for the approach in complex situations we have developed the model of the flow turn map®. Furthermore, we use modern concepts and models from management literature and practice, which are suitable for complex situations. Examples include the scenario technique for strategic development and some modern management concepts, e.g. lateral leadership and the ambidexterity approach.

- a) The model of 'productive restlessness' illustrates that a planning approach is inappropriate in complicated situations – it generates productive calm, in which everything is planned so that it is under control. However, applying this planning approach in complex situations leads to 'apparent calm' or 'unproductive calm.' Everything is supposedly clear and planned – but the next surprise is just around the corner, and you do not even know where that will be. Complex situations demand a corresponding degree of variety (see Ashby's "Law of Requisite Variety"), which brings a degree of 'restlessness' in its wake. The consultants repeatedly inject restlessness into the consulting situation, for instance through the openness of their approach, through the application of surprising methods or questions, or by introducing small 'experiments.' This avoids a deceptive state of apparent rest, while all those involved become more attentive, and the many dimensions and interactions of a complex situation are perceived more clearly (see table below).



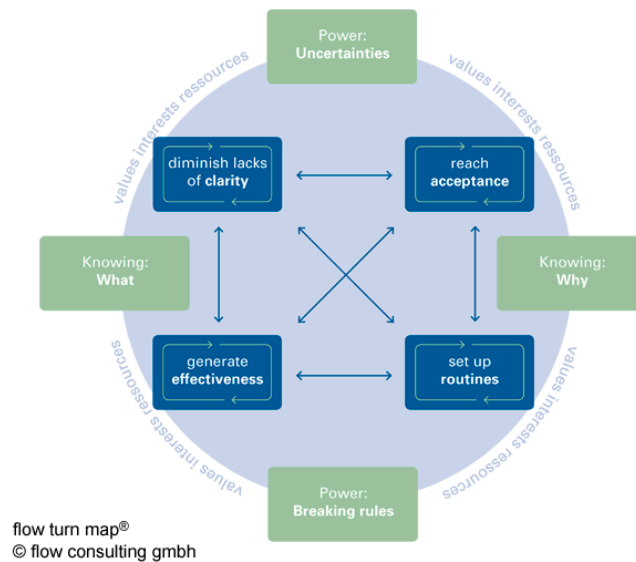
Starting points of iterative consulting
 © flow consulting gmbh

Produktive Ruhe und Produktive Unruhe [Productive Rest and Productive Restlessness]
 copyright: flow consulting gmbh

- b) The flow turn map® is a good orientation map for managing productive restlessness in change projects. One important difference from the common change instruments is that the flow turn map® does not describe an unequivocal course of development for change projects. These classical change models always assume that all changes exhibit identical characteristics that one can use as a consultant or manager for orientation. However, experience shows that this is not the case. When I use iterative consultancy in complex change projects I am always searching for the best process. So you look for a 'good way' that is unique, and not a 'best way' that is supposed to apply to all companies or all challenges.

Our flow turn map® describes five interleaved dimensions (the order in which they are described below has no bearing on their practical application):

1. In the flow turn map®, the first dimension covers the topics of power and knowledge. Who deals with the uncertainties in a change project and how do they do so, who makes rules that become effective, who deviates from the rules, who sanctions such deviations, and which deviations are tolerated and set a new 'standard' in actual practice? Who is informed, and in what way, about What, How and Why?
2. The second dimension describes the topics of interaction. Values and standards, issues, interests and the existing resources all play a major role in changes. Those who do not take this into consideration in change situations, or do so only at the outset, can rapidly get into trouble.
3. The contingency phases (reducing ambiguities, achieving acceptance, generating effects, and establishing routines) are the playing fields where the activities within a change project take place. There is no fixed sequence here, but an area of application that is always to be re-examined, where activities have to be either planned or awaited.
4. To this is added the fourth dimension, of decision-making steps ranging from analysing and implementing all the way to assessing the action in each phase of a change. Here we used for orientation the instruments in the respective organisations, for example SixSigma, EFQM and SPICE.
5. In the fifth dimension the developments in which one moves and acts are examined and controlled. So after every contingency phase the question must be posed of which phase of change should be next, in view of the current results, patterns and (changed) goals. Repeated revision of a contingency phase that has already taken place (in contrast to planning procedures) is allowed, and is opportune, possible and normal.



The flow turn map® (copyright: flow consulting gmbh)

Perhaps this description has given you the feeling that there is no simple set of instructions in iterative consultancy, and that this would actually be impossible because then they would no longer be fit for the purpose, namely of 'probing in complex situations.' In iterative consultancy you have to remain flexible without becoming arbitrary. You need to be very robust to go through the loops again and again and to reflect on your own procedure. But while doing so you must not hold dogmatically to a goal or plan once it has been set down. Using the flow turn map® you do not follow a clear, fixed plan, but elaborate a procedural structure and plan its activities for the foreseeable steps. Yet you avoid a style of project management planned in advance that consists solely of working through each individual activity in turn and arrives at decisions only at previously determined milestones. Instead, you focus your attention on several features of an occurrence, put them in relation to one another, and "surf" your way into complex situations by trying out new combinations and rules. What is more, you prepare by practising this: creating a 'Plan B' in every moment of your activity.

Which instruments are important in iterative consultancy?

While developing the approach of iterative consultancy we have continually adjusted and adapted our consulting instruments, and developed new ones. Some of them have

already been published. For example you can find the instruments “Hurra, ein Befehl” [“Hooray, a command”], “Feedback 3. und 4. Ordnung” [“Feedback of the 3rd and 4th order”] and “Qualitätstreiber” [“Quality drivers”] in the book Change-Tools (ed. Armin Rohm, pub. ManagerSeminareVerlag 2007), and the instruments “Pinocchio,” “Reine Routine” [“Pure routine”] and “Nutzenberater” [“Benefit consultant”] in the book Change-Tools II (ed. Armin Rohm, pub. ManagerSeminareVerlag 2011). The instrument “Oszillierendes Führen” [“Oscillating leadership”] is described in the book “Führungsdialoge” [“Leadership dialogues”] by Frank Wippermann (pub. Walhalla Fachverlag 2011). In addition, the book “ShortCuts” by Frank Wippermann (pub. Walhalla Fachverlag, 2012) describes a large number of classical instruments along with their advantages and disadvantages, which are also useful in iterative consultancy. These include SWOT, the 7-S model, core competency analysis, maturity degree modelling, the paper computer based on Vester, the Analytical Hierarchy Process (AHP) and scenario planning.

But it is not only the instruments used that are crucial in iterative consultancy. So is the manner in which consultants approach their job. We flow consultants are not omniscient beings who can relieve managers of their job of leading. Instead we work with our customers to find solutions to the challenges. We see ourselves as jugglers in a complex environment, offering additional suggestions, different questions, non-judgemental provocations and novel solutions.



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