



Make it real!

DYNAMIC- ROBUST PROBLEM-SOLVING

Thinking Tools for Outperformance

A guest contribution white paper for the BetaCodex Network
Courtesy of Dr. Gerhard Wohland

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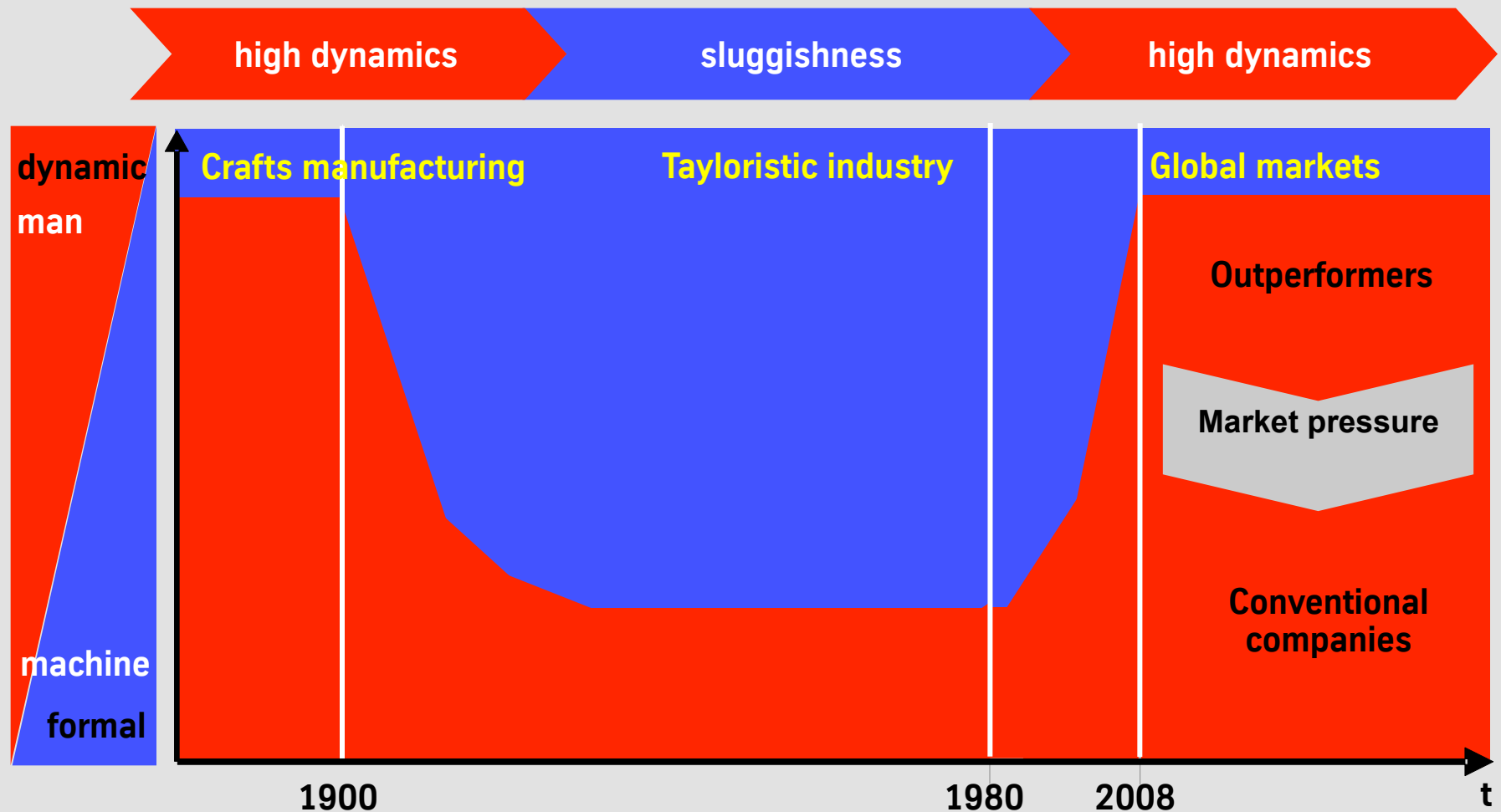
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Some clients: Deutsche Telekom AG,
DaimlerChrysler AG Stuttgart. VW AG Wolfsburg,
Schwan-STABILO Nürnberg, Gerling Köln,
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Fundamental concepts for understanding of market dynamics and how organizations can deal with them

1. The “Taylor tub” - about the historic course of market dynamics
2. Duality - the distinction between “red” and “blue”
3. Centre and periphery under dynamic pressure
4. Innovation and problem-solving in dynamic markets

The historical course of market dynamics



The domination of high dynamic is neither good or bad. It's a historical fact.

How to distinguish between “red” and “blue”.

surprise
principle
flow
repetition
rule
structure

alive
dead

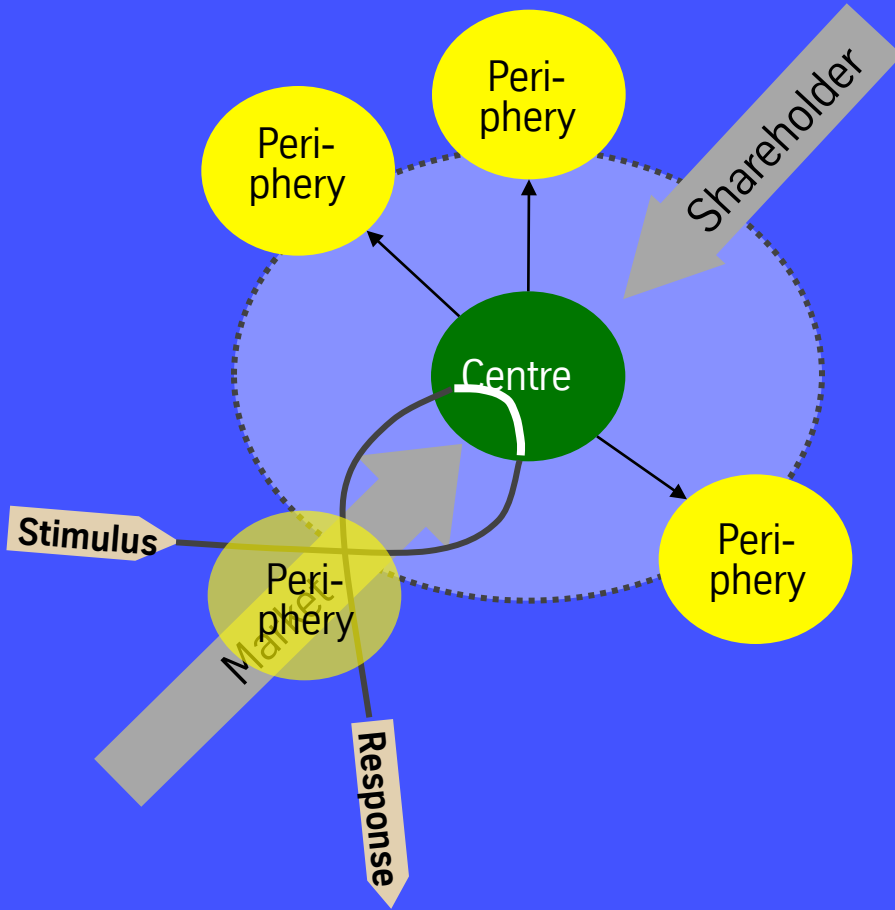
Duality – the distinction between “red“ and “blue“

Blue	The Integration behind the Distinction	Red
complicate formal dead	”World“	complex dynamic alive
Administration	Management	Leadership
Knowledge	Competence	Ability (skill)
to learn	Qualification	to practice
Behavior	Culture	Values
Data	Communication	Information
.....

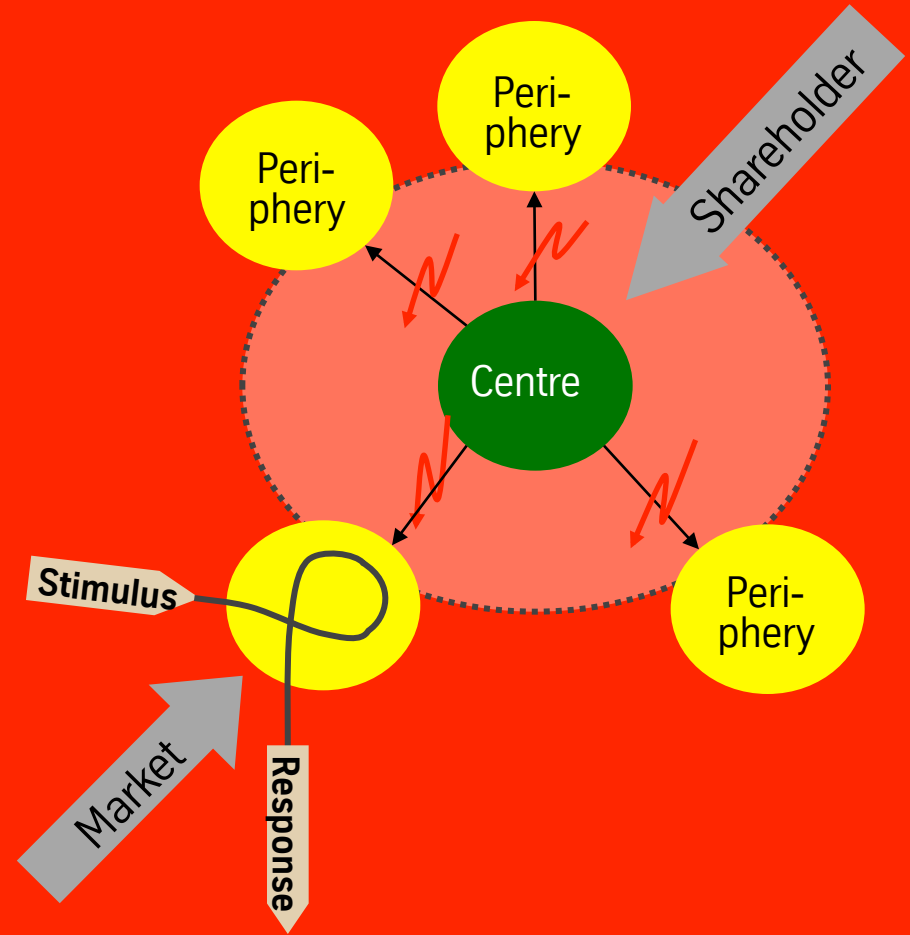
Distinctions are needed, if you want to think and describe dynamic relations.

Centre and periphery under dynamic pressure

Dull market



Dynamic market



In dynamic markets, the centre loses its knowledge superiority, and steering collapses.

Things to remember about innovation:

Innovation applies to:

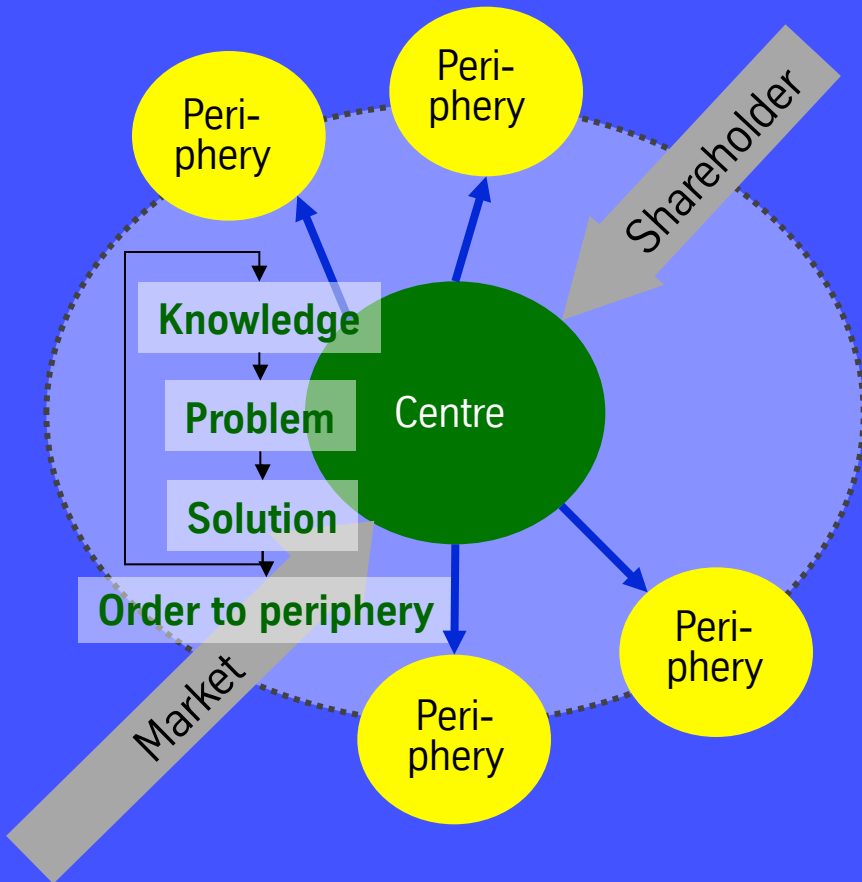
- “Products” (meaning: new value creation)
- Organisation (we’ll see more about that)
- Thinking (e.g.: “red” and “blue”)

Innovation is:

- “The last link in a long chain of defeats.”
- “Red”. Therefore, the question isn’t How? to do it, but Who? can do it.
- A task that can not be delegated by the centre.
- Depending on having a “Resistant Nest” for talent.

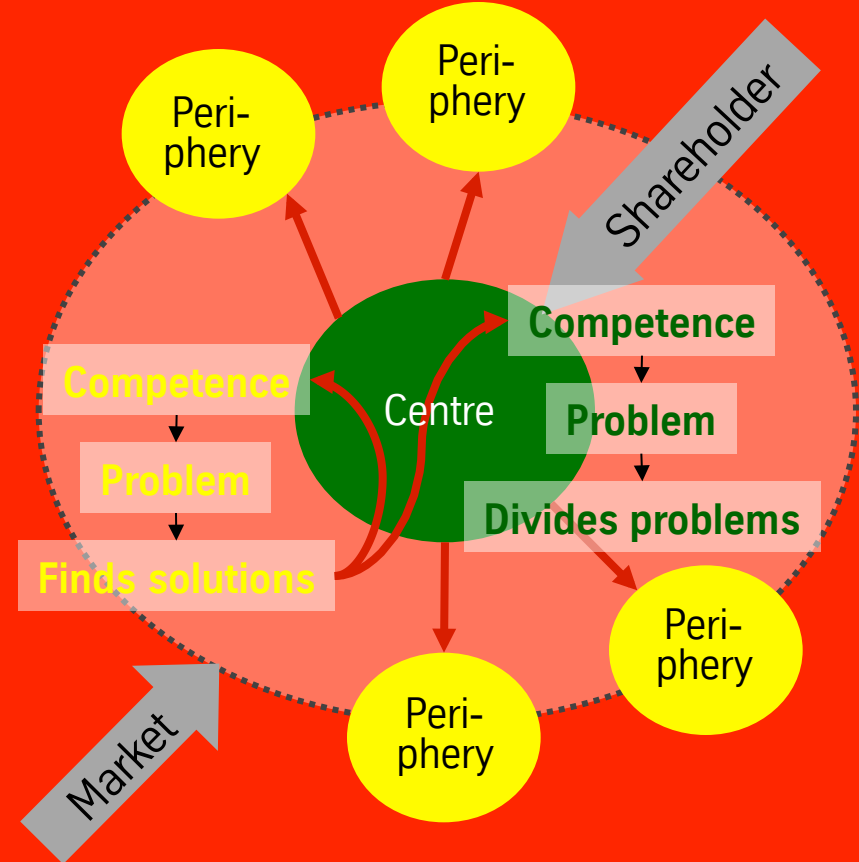
Problem-solving in low and high-dynamic markets

Low dynamic (steering and control)



The centre solves problems and gives out orders – the periphery executes upon them.

High dynamic (leadership)

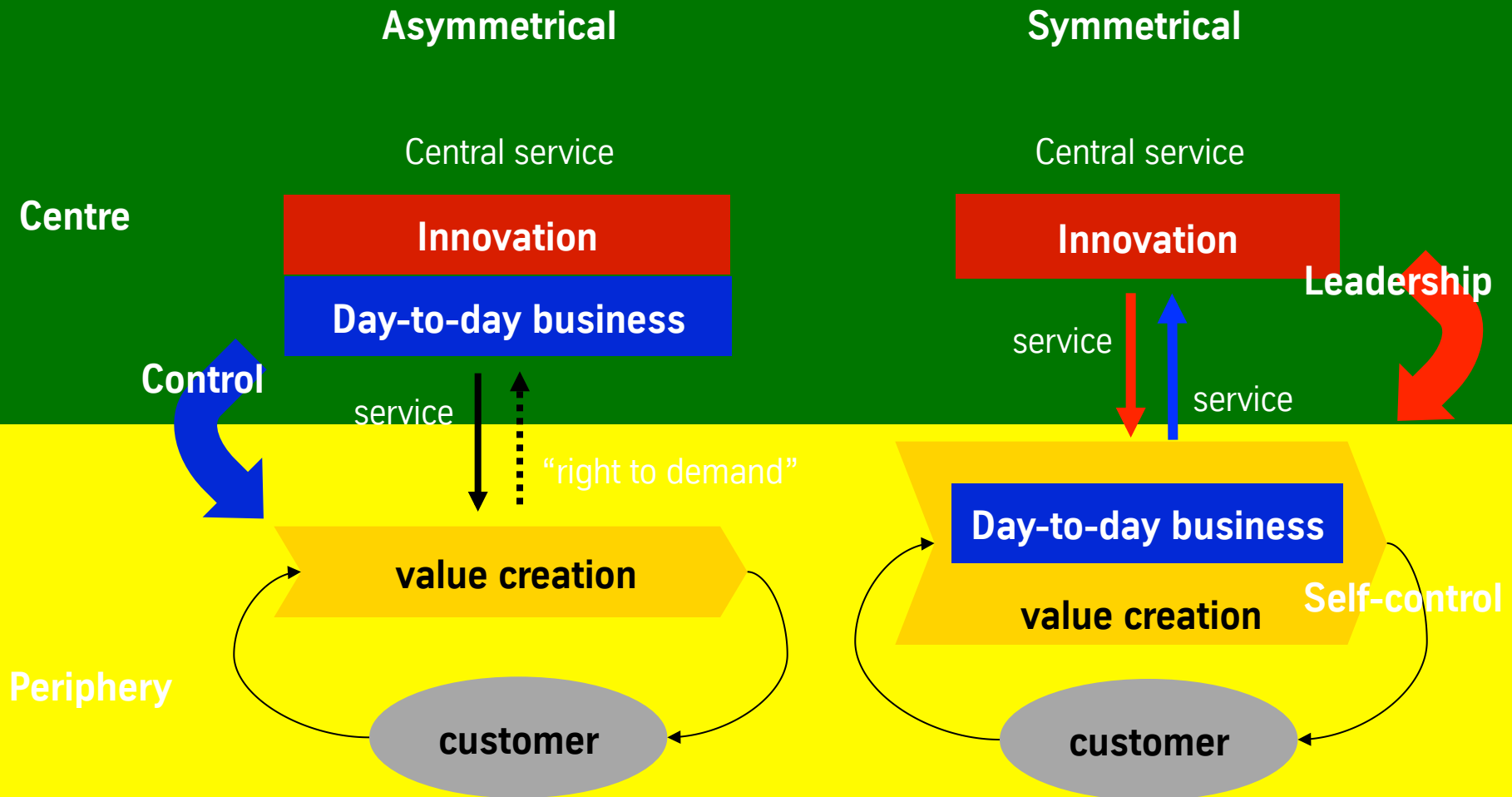


The centre divides the problems, passes them to the periphery and re-combines their results into a solution

Some “Thinking tools” for outperformers that we outline in this paper

1. Symmetrization
2. Dual Process Development
3. Culture Observation
4. Strategy versus Plan
5. Economic Outsourcing

Symmetric coupling of centre and periphery



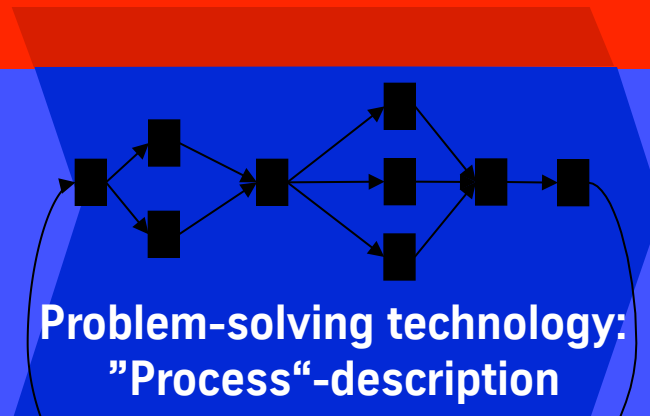
The reintegration of day-to-day business responsibility into the periphery turns the interface *symmetric*, and innovation becomes possible.

The duality of processes

Low dynamics

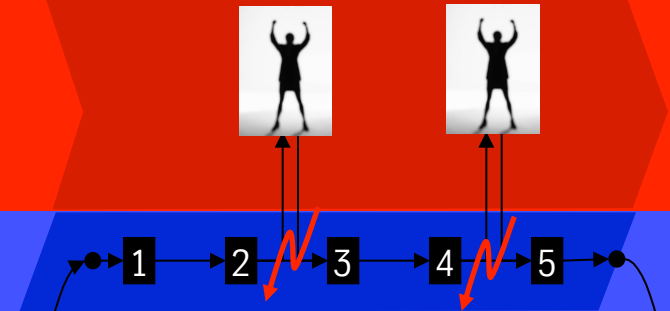
High dynamics

surprise
principle
flow
repetition
rule
structure



Low-dynamic
problem

Problem-solving technology:
People with ideas

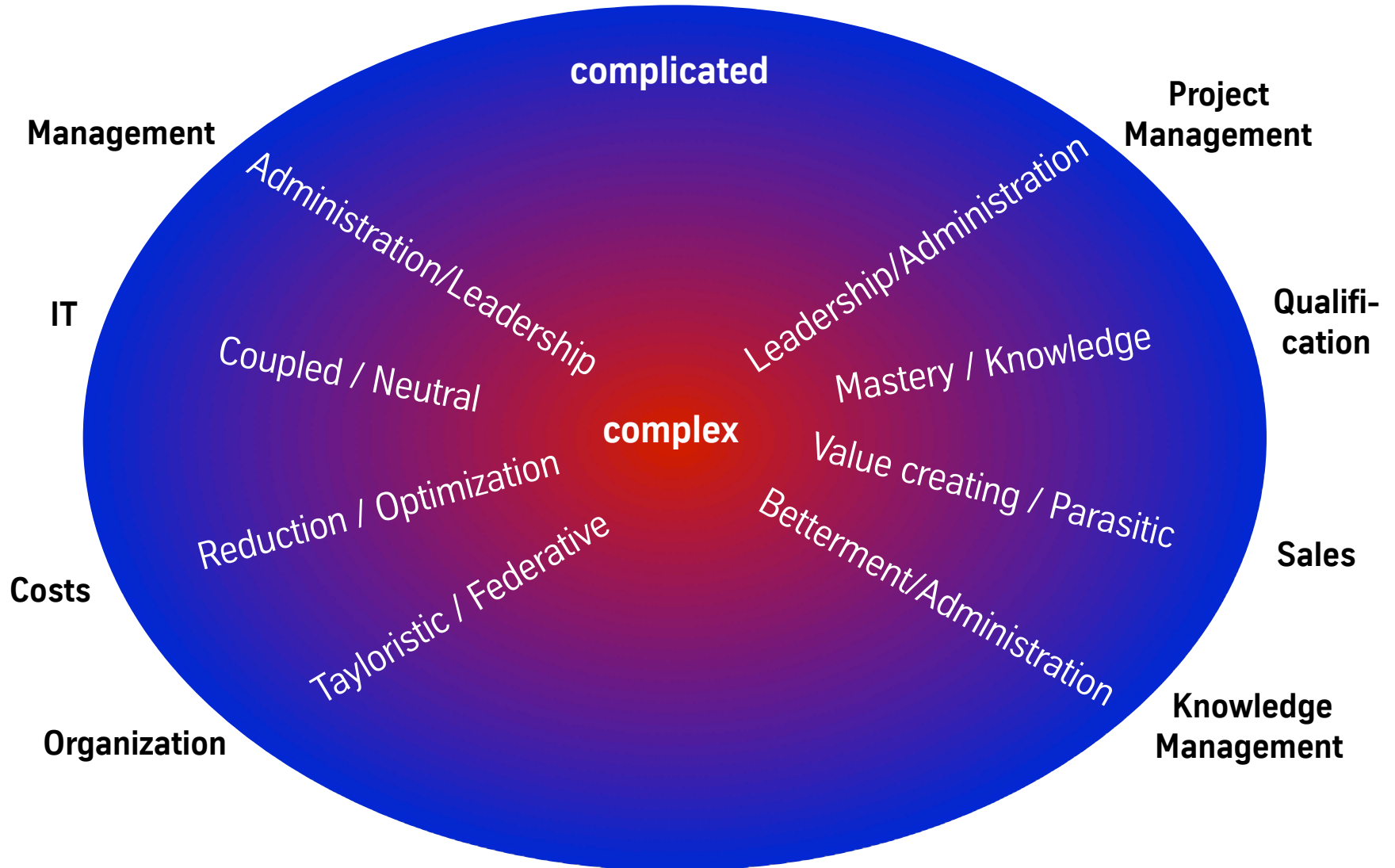


High-dynamic
problem

alive
dead

High-dynamic problems call for an increase in the red part of the solving process.

The similarity in the complex portion of all problems



The duality of culture

Behaviour-based culture
(tayloristic-dull/slow)

Value-based culture
(post-tayloristic/dynamic)

Consisting of:

Behaviour (doing)

What you can see
and change by decision.



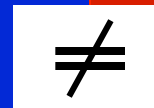
Values (thinking)

What's behind
and cannot be changed by decision.

Governed through:

Control (trivial)

Extrinsic motivation to behavior

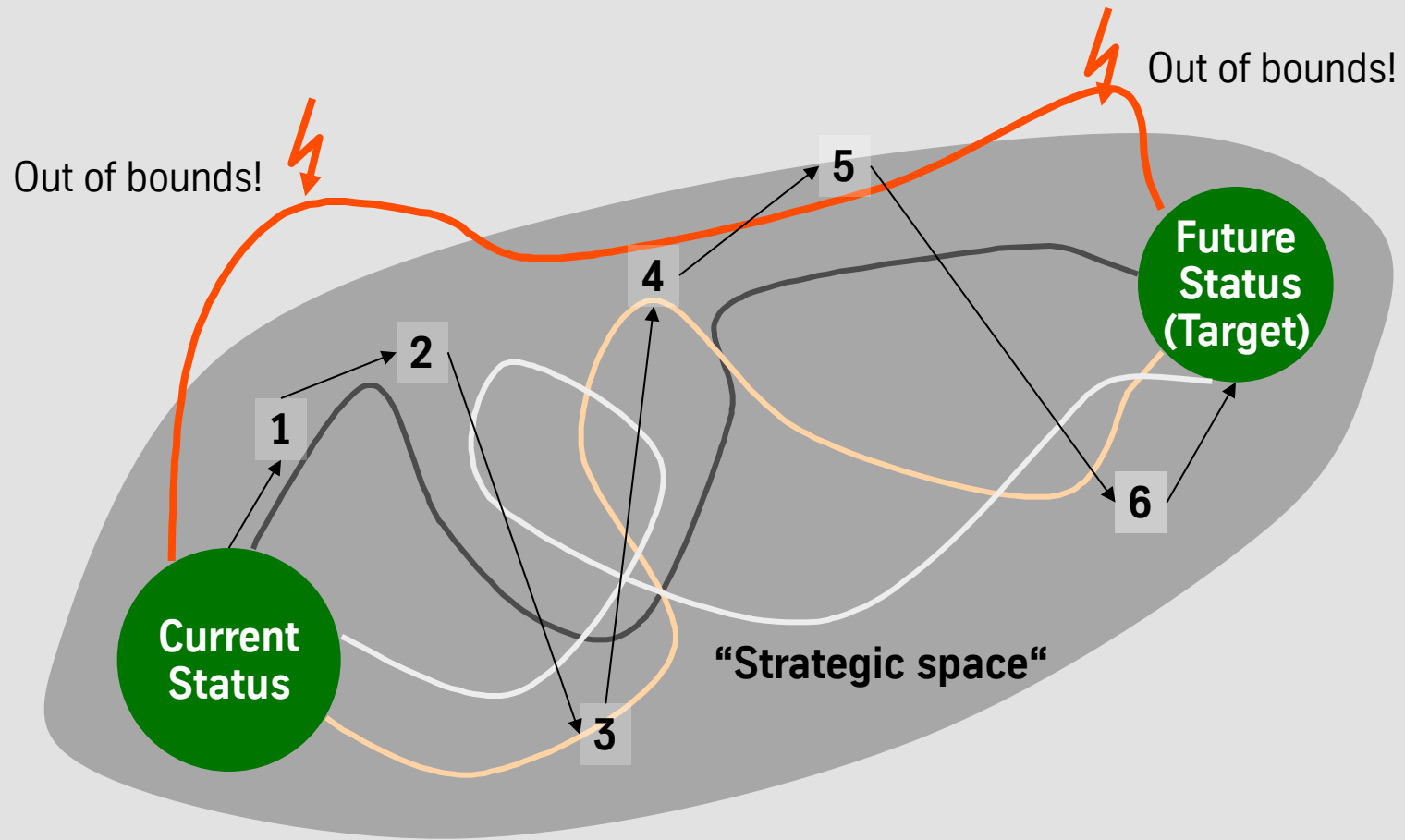


Leadership (complex)

Intrinsic motivation to thinking

Only the blue part of culture can be changed. The red part of it can only be observed!

“Strategy”, or “planning”?



In conformity with strategy

If you know the way, then you can make a plan.
If you don't know the way, then you need strategy.

Outsourcing: Harmony and conflict between “core“ competence and “shell“ competence

		supplier market (external reference)	
		existing	missing
Business intention (internal reference)	we buy it!	① Buy shell (outsourcing) ✓	③ Buy core ("Santa Clause" interface) ⚡
	we make it ourselves!	④ Make shell (waste/muda) ⚡	② Make core ✓

The outsourcing decision is determined exclusively by the supplier market, not internally. Innovation is limited to core competence.



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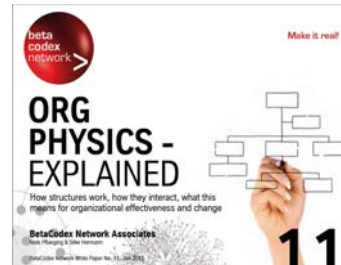
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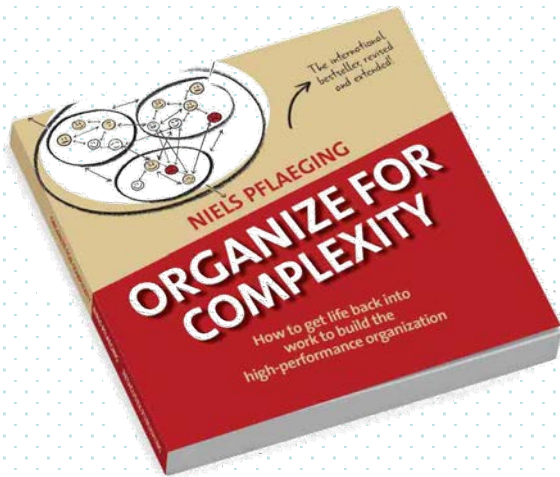
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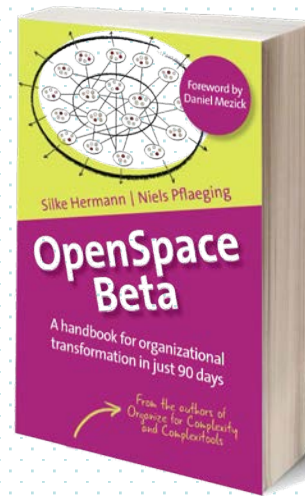


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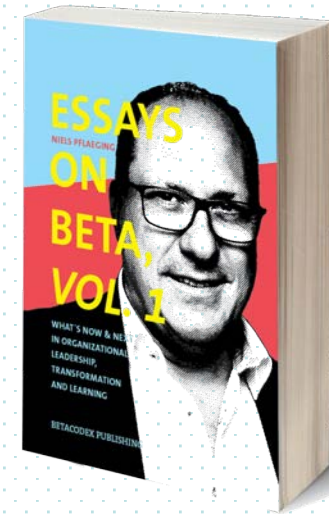


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