

Your Economic Engine

How do you really make your money?

Mike Vernon

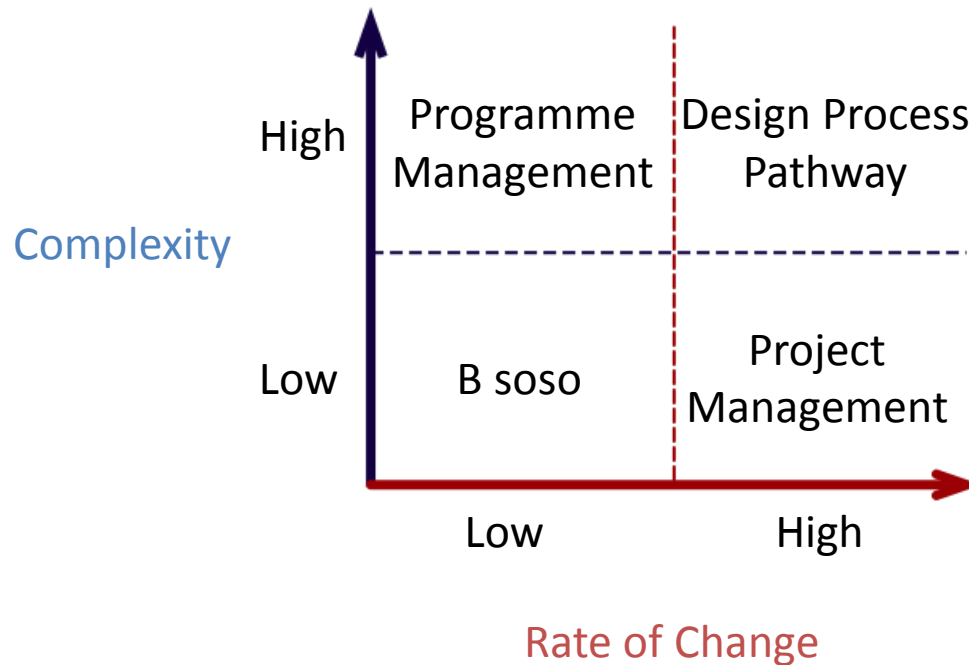
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Responding to the Environment

When Complexity and the Rate of Change are High, the Leaders job is to design, configure and optimise value creating process pathways.

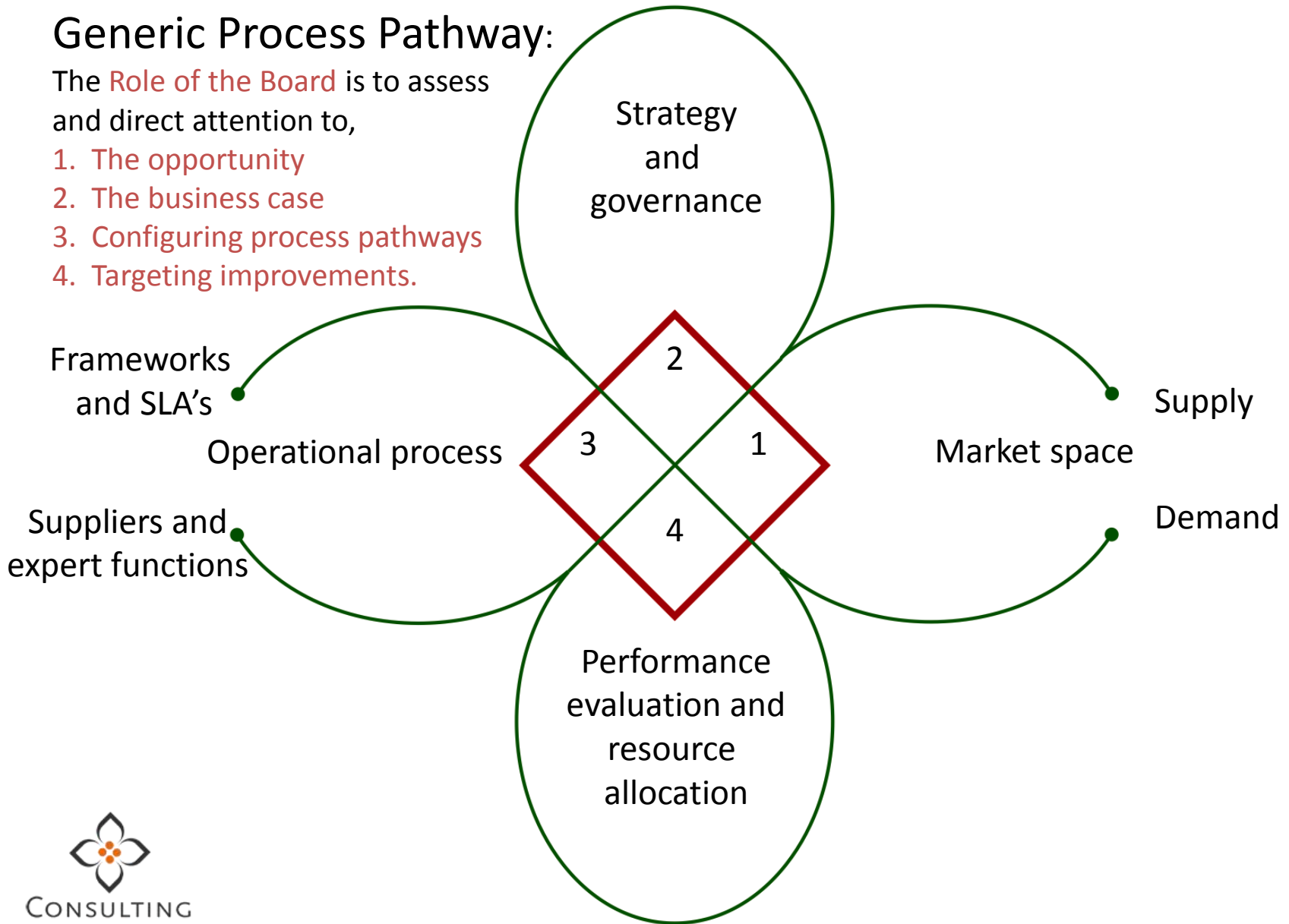
Such pathways are the heart of your economic engine.



Generic Process Pathway:

The **Role of the Board** is to assess and direct attention to,

1. The opportunity
2. The business case
3. Configuring process pathways
4. Targeting improvements.



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So that “Risk” can be used to design and optimise

1. A capability system for creating and capturing client value
2. A system for creating a value premium for share holders
3. A means of engaging people to drive up enterprise capability
4. Making a difference by building on what we are good at.

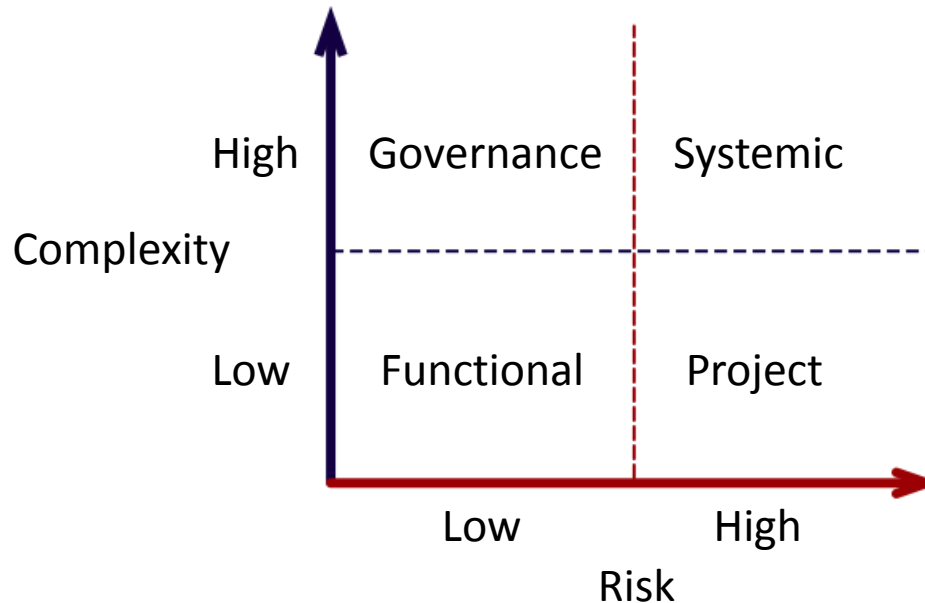


.....enabling a board to understand and manage “Risk” to create value.

Complexity v Risk

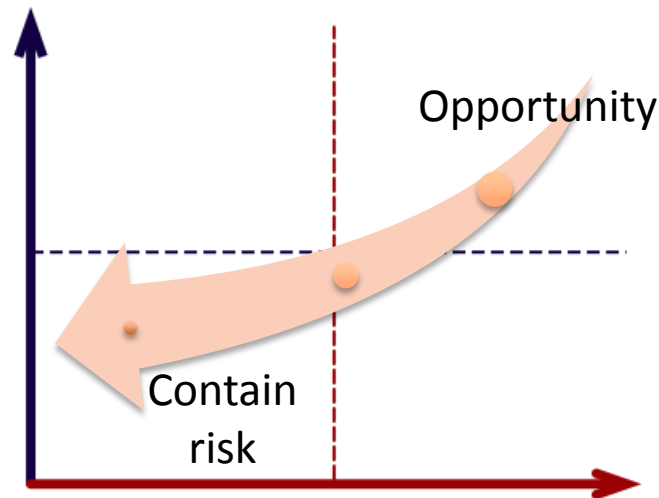
At what point does the failure of an 'O' ring lead to the explosion of a rocket that leads to a political and funding crisis?

When the political and managerial 'culture' failed to learn the lessons, how did they deal with the failure of heat shield tiling that led to a shuttle disintegrating on re-entry?



Responding to the Environment

As uncertainty and ambiguity rise, the feeling of risk also rises. For some it is a time of opportunity, for others a time of stress. Where issues are systemic, and out of our direct control, defensive reasoning becomes our biggest risk. The Mindset, Attitude, Beliefs and Motives of ourselves and our colleagues must be coded into the culture cycle we are creating to sustain future business. Otherwise we seek to solve our problems using the methods that created them, and contain opportunity within old, familiar practices.



As leaders we need;

A common language

An image

A methodology

To change our culture as we implement new requirements;

To improve workflow

Leverage new technology

Build in productivity

From our work in Financial Services, Automotive, Aero, Telecomms, IT, Property, Utilities to implement strategy, we have applied Lean Technology together with Social System perspectives to arrive at,

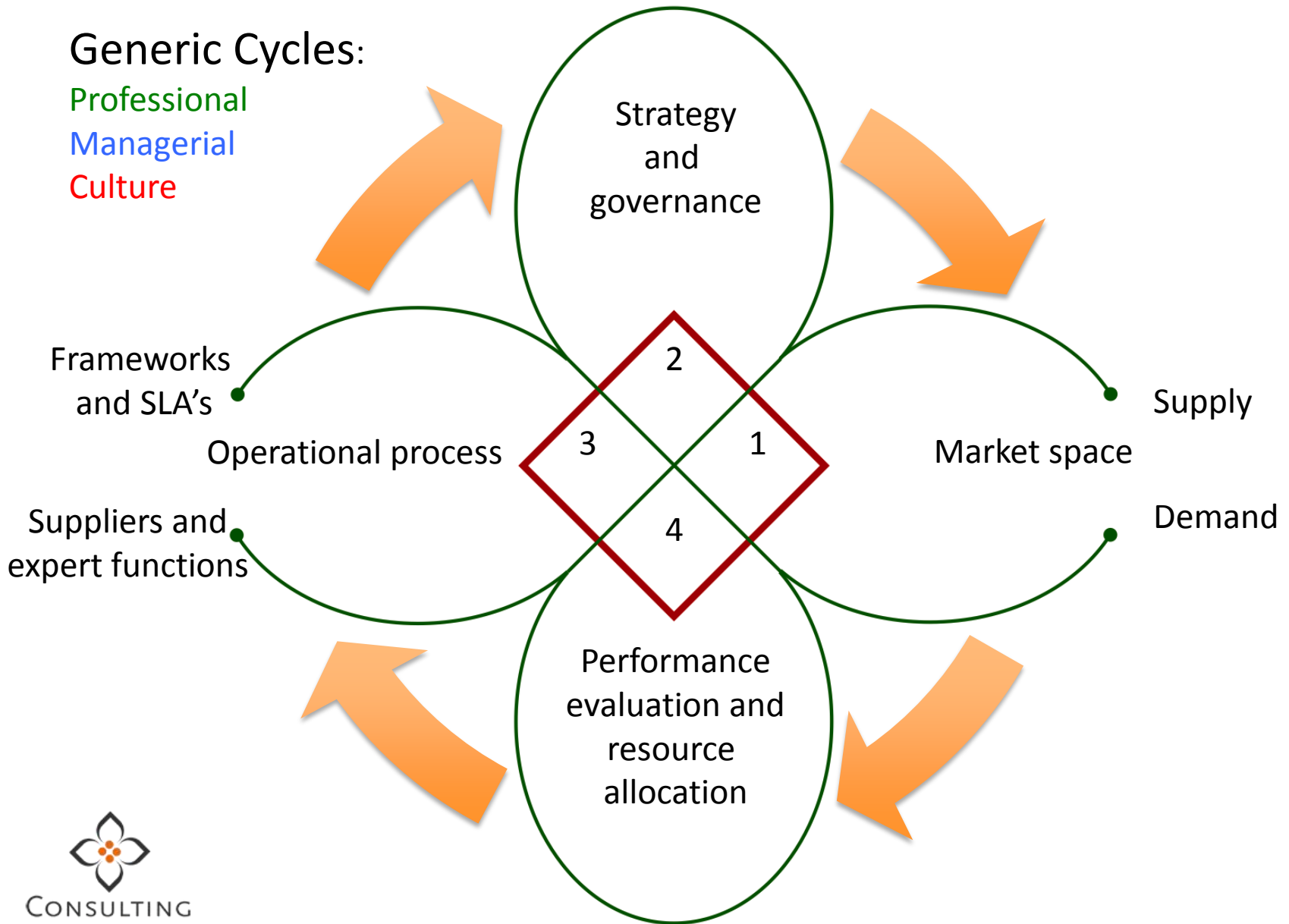
Culture Cycles



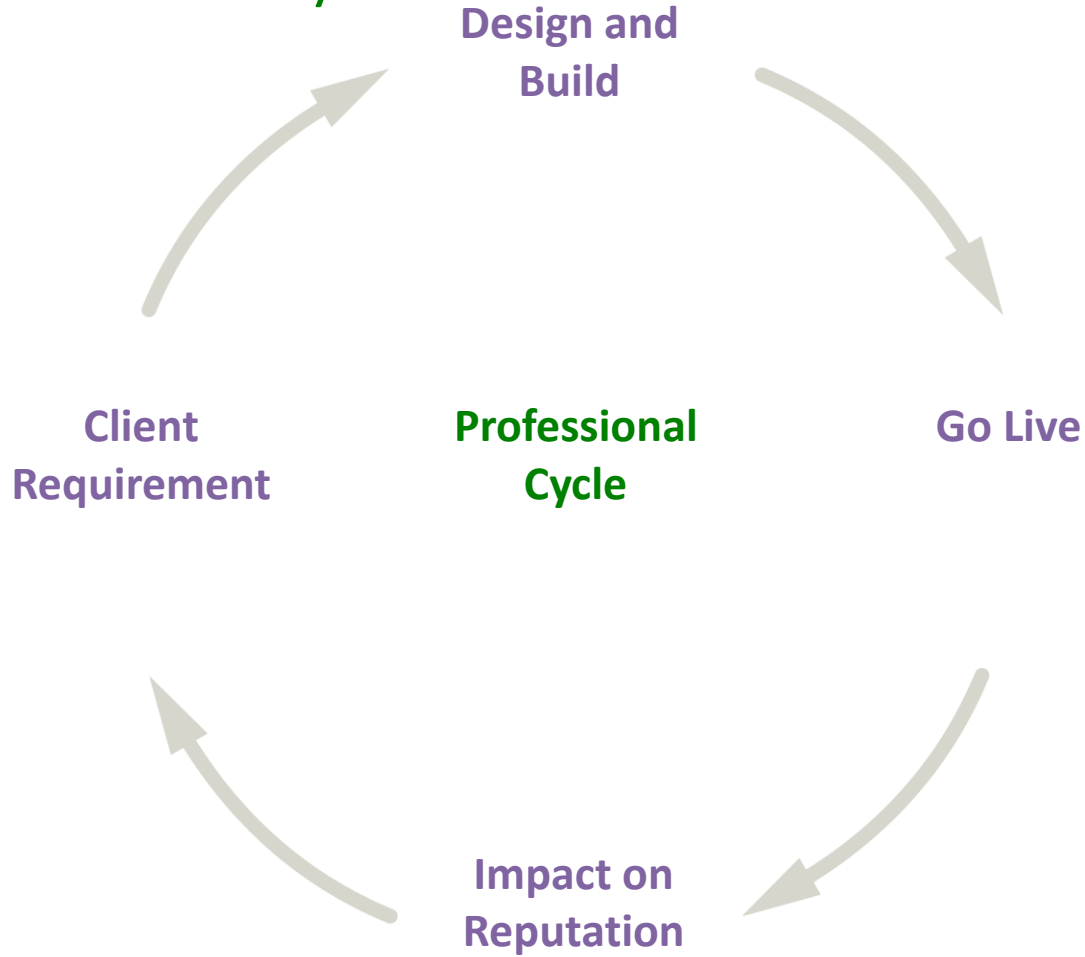
Principles and Practices for Systemic Change and Leadership.

Generic Cycles:

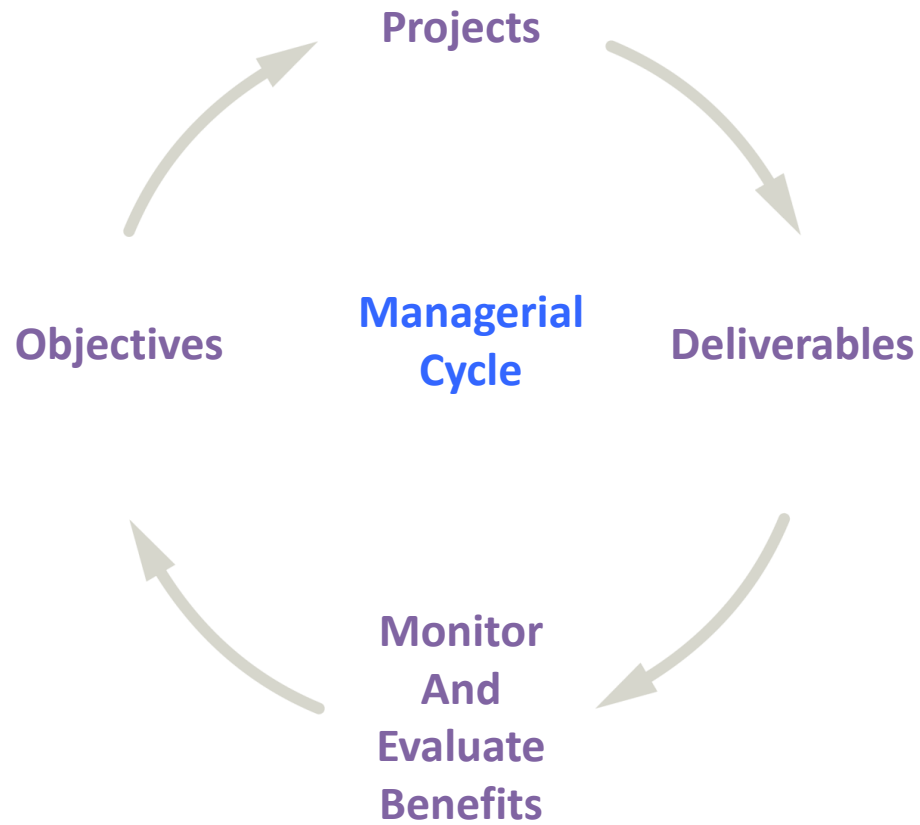
Professional
Managerial
Culture



Generic Professional Cycle



Generic Managerial Cycle:



Generic Culture Cycle:



Bringing it all Together

