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BOOTSTRAP SEMINAR Nov 30 - Dec 2, 1992

Foil Set D:

A-B-C's OF CONTINUOUS ORGANIZATIONAL IMPROVEMENT

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#### BASIC BOOTSTRAP CONCEPTS

Objective: Pursue high-performance org Hypothesis #1: Whole-system Augmentation

Hypothesis #2: ABC's of Org Improvement

Hypothesis #3: Bootstrap Strategy

Hypothesis #4: Collab. Knowledge Work (CODIAK)

Hypothesis #5: Open Hyperdoc System (OHS)

Hypothesis #6: Joining forces in a C Community

(assumes major paradigm shifts throughout)

no

### Hypothesis #2: ABC's of Org improvement

Moving toward high-performance organizations will require special *organizational units* responsible for rapid wholesystem Augmentation.

### Basic ABC Model

- Prevailing ABC Practices
- Strategic ABC Practices
  - Bootstrapping Basics
  - C Communities
- Conclusion

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ASSUMING HUGE CHANGES IN NEXT- CENTURY ORGANIZATIONS -- HOW DO WE PURSUE THEM?

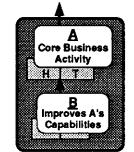
To move toward high-performance organizations:

Needs high-priority, effective, strategically coherent approach.

Assumes persistent high-level concern with improving total

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SIMPLE ORGANIZATION MODEL SHOWING EXPLICIT PROVISION FOR IMPROVEMENT



Capabilities

Improves B's

Capabilities

**D4** 

A Activity:

Product R&D, mlg, marketing, sales, accounting, etc. Ex: aerospace – producing planes; congress – passing legislation; medicine -- AIDS research.

organizational capability (basic

TQM principle).

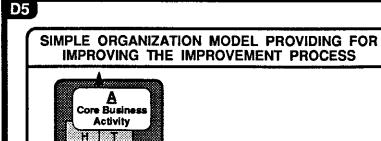
**B** Activity:

Improving the organization's ability to perform A work. Ex: introducing email or CAD systems; upgrading quality processes.

B should be a permanent "continuous improvement" activity (ala TQM)

This is where the "Bootstrap" element of our strategy begins to emerge. Watch how the opportunities to boost the B capability are opened up (to improve the capability to improve...).

And how about improving C's capability to improve B...?



B capability is critical and warrants explicit improvement investment.

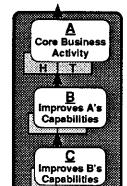
C Activity:

Improving the organization's ability to perform B work. Ex: introducing better ways to address needs, or run pilots.

	THERE COULD BE AN ENDLESS F IMPROVEMENT ACTIVITIES
A H B C C	E.g.: a D that improves C, an E that improves D, etc.  For later models, yes! For now, since the activities of D, E, F, etc. are so similar to those of C, let's fold all of them into Activity C.

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HERE IS A USEFUL WAY TO CHARACTERIZE THE GOALS OF B AND C ACTIVITIES



#### B Work:

Reduce product-cycle time -- to make faster, smarter, higher-quality A Activities

**D7** 

**D8** 

### C Work:

Reduce improvement-cycle time -- to make faster, smarter, higher-quality B Activities

This is of basic importance -suggesting investing in a permanent C-Activity towards continuous improvement in B-Capability. (Within an effective investment strategy, of course.)

**SEMINAR GROUP DISCUSSION** 

Objective: Appreciating the B & C Acitvity

Tasks:

- 1. Develop list of representative B & C Activities
- Develop list of capabilities which should be in B's Augmentation System; and in C's.

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Notes	A COMMON GENERIC SET OF CAPABILITIES EMERGES FOR A, B, AND C
	They all must:
	<ul> <li>Identify needs and opportunities;</li> </ul>
	<ul> <li>Design and deploy solutions;</li> </ul>
	Incorporate lessons learned.
	All of which depends heavily upon the collaborative development of complex, integrated knowledge.
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	Hypothesis #2: ABC's of Org Improvement
	Moving toward high-performance organizations will require special <i>organizational units</i> responsible for rapid wholesystem Augmentation.
	Basic ABC Model     Prevailing ABC Practices     Strategic ABC Practices     Bootstrapping Basics     C Communities
	• Conclusion
	D11
Notes	* PARADIGM ALERT *
	There is no name in the English language for <i>C Activity!</i>
	Caution!
	So we don't see many well-organized C Activities.

**Notes** 

### OUR B ACTIVITY IS NOT AT PEAK PERFORMANCE

Common sayings among A's when they spot a B Activity:

"Now what?!?"

or better still...

"RED ALERT! B's sighted off starboard bow!"

Why? Ask any A:

B doesn't appreciate our operational environment"

Then ask B:

• "A doesn't want to change"

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### **B CAPABILITIES WARRANT SERIOUS ATTENTION**

The current means of developing and integrating improvements are not adequate for the scale and rate of change faced today.

- · assessing needs and possibilities
- · surveying and evaluating options
- · selecting, integrating, testing and applying
- identifying suitable pilot groups
- running and evaluating the pilots
- · learning how much to introduce, how quickly
- how to overcome cultural barriers
- how to quickly incorporate lessons learned

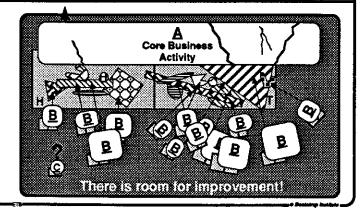
Need more effective ways of introducing dramatic improvements into rapidly shifting organizational targets.

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# OUR ORGANIZATIONS ACTUALLY LOOK MORE LIKE THIS



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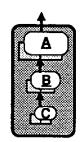
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SERIOUS CONCERN
B Activities not positioned for whole-system augmentation B Activities not equipped for complex and rapid transfer B Activities scattered, ad hoc, loosely coordinated at best Result is unintegrated, incoherent Augmentation System for A Activity  Will probably not lead directly to high-performance organizations
D16  Hypothesis #2: ABC's of Org Improvement
Moving toward high-performance organizations will require special organizational units responsible for rapid wholesystem Augmentation.  Basic ABC Model Prevailing ABC Practices Strategic ABC Practices Bootstrapping Basics C Communities Conclusion
PARADIGM SHIFT * NEW MODEL FOR COHERENT B ACTIVITY  Core Business Activity  B B B B B B B B B B B B B B B B B B B

	ACTIVITY CAP. TS SERIOUS A	
HUMAN SYSTEM	Augmented Capabilities	TOOL SYSTEM
Paradigms Organization Procedures Customs Methods Language Attitudes		Media Portray Travel, View Study Manipulate Retrieve Compute Communicate
Skills Knowledge Training	Percept. Motor	Capability to Improve Needs a prominent and explicit role!

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# HERE ARE TWO IMPORTANT STRATEGIC ISSUES THAT SHOULD BE CONSIDERED:



- How to distribute the org's resources appropriately between A, B & C.
- 2. How to get highest A-improvement returns on investments in B and C.

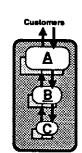
Both issues are served by new capabilities that will have significant value within each of the three domains: A, B & C.

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### BOOTSTRAPPING: STRATEGIC INVESTMENT CRITERIA



Selecting capabilities for C to improve that serve A and C, as well as B, offers special investment leverage. Start with these 3 most-basic capabilities:

- 1. doing group knowledge work;
- transfer results "up the line" to respective "customers" (†);
- integrate information coming "down the line" from respective "customers" (\(\psi\)).

(note that capabilities 2 and 3 depend on 1)

Important -- note that improving these basic capabilities, and harnessing them in all 3 activities (i.e. A, B and C), will yield the compound returns in organizational improvement that characterizes the Bootstrap Strategy.

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	THIS MODEL PROVIDES SOME STRATEGICALLY		
	USEFUL OBSERVATIONS		
	Activity A involves a wide mix of activities,		
	methods, and physical processes, including operational interactions with the outside world.		
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	Activity B has a different mix: very people		
	oriented and knowledge-work based; expert at knowing what improvements to make, and how		
	to make them.		
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	Activity C is much like B, but with smaller, more		
	"mobile" client group; higher investment leverage.		
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	HERE IS A PARTICULARLY USEFUL STRATEGIC OBSERVATION FROM THIS MODEL		
	OBSERVATION FROM THIS MODEL		
	OBSERVATION FROM THIS MODEL		
	OBSERVATION FROM THIS MODEL  How different, or similar, will the C-type activity be from org to org?  Org 1		
	OBSERVATION FROM THIS MODEL  How different, or similar, will the C-type activity be from org to org?  Org 14  Org 24  Org 24		
	OBSERVATION FROM THIS MODEL  How different, or similar, will the C-type activity be from org to org?  Org 1		
	OBSERVATION FROM THIS MODEL  How different, or similar, will the C-type activity be from org to org?  Org 1  Org 2  Org 2		
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	OBSERVATION FROM THIS MODEL  How different, or similar, will the C-type activity be from org to org?  Org 1  Org 1  Org 2  Org 2		

This C-Community concept wil be developed extensively in Foil Set J -- toward a proposed consortium, the Bootstrap Initiative. A draft plan for launching the Initiative is found in Section L.



### THE C COMMUNITY PROMISES HIGH-LEVERAGE RETURNS ON IMPROVEMENT INVESTMENTS

- Shared investment yields much richer C-type support for each participating organization, at much less cost, than if it did its own C-work.
- Each organization can thus use more of its "improvement resources," together with this better C support, for improving its B and A capabilities.

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## MORE C-COMMUNITY PAYOFF VIA RECURSIVE APPLICATION OF BOOTSTRAPPING

- Basically, any investment that improves the capabilities of <u>both</u> Activities A and B will provide this bootstrap leverage.
- But there is an even more dramatic bootstrapping possibility -- to focus on improving the effectiveness and quality of *C-Community* activities with improvements that are also highly useful within Activities A and B for all of the community's client organizations.

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### Hypothesis #2: ABC's of Org Improvement

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Notes	CONCLUSION
	<ul> <li>Prevailing B practices will not lead directly to high- performance organizations.</li> </ul>
	<ul> <li>Orgs need an explicit C Activity to establish and support a coherent high-performance B Activity.</li> <li>For bootstrapping leverage C should first augment the group knowledge work capability a core competency in the org's capabilitiy infrastructure.</li> </ul>
	Doing this improvement work within a C Community offers further, compounded leverage.
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