Deliberately Choosing Simplicity

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In every organization there are forces at play that push it towards large, complex projects. By deliberately opting for simplicity, you can make major savings in time and money, and gain meaningful jobs for those involved.

Facing Complexity

Have you ever stood in front of a full color chart of the information systems of a medium-sized organization, and wondered why there were so many systems and why the infrastructure was so complicated? Have you ever asked yourself whether it could all be made simpler? It seems as if the complexity of the IT increases with each new project, instead of diminishing. One of my managers once said to me, "The amazing thing is that it all works!" We are so used to complexity that we don't realize that the complexity is unnecessary, if only we would learn to focus on simplicity.

Frans van der Reep[1] has developed a model that inclines organizations toward simpler solutions whenever they decide how to solve issues that are concerned with processes, systems, and organizations (PSO). It leads to a pragmatic approach for making decisions in the PSO domain. This Article discusses what we can learn from this model, how we can use it, and how it stimulates simplicity within the organization.

The PSO Matrix

Figure 1 pictures the basis of the model. The horizontal axis of the matrix has been divided between the two options of either changing the organization or leaving it unchanged, while the vertical axis has been divided between the options of changing the information systems or leaving them unchanged. The quadrants contain the four characteristic change strategies, which correspond to the combination of options: Total Quality Management (TQM), Reorganization, Re-architecturing, and Business Process Redesign (BPR). This matrix has been developed with the situation of reasonably large, differentiated, mature organizations with a substantial diversity in business processes in mind. Regardless of whether they are for profit or not, such organizations typically have complex processes that change frequently, and a tendency to initiate large, complex projects.

Placing the four change strategies in the matrix according to whether the organization and the information systems are – or are not – to be changed is tantamount to defining them anew, and leads to a sharper understanding of what they are. For example, the Reorganization change strategy (quadrant 2) is concerned with changing the processes, not the information systems. Applying TQM does not involve changes to either the processes or the information systems. Then you may ask yourself: What is left to change? The answer is: the employees and the managers, including their ability to work together. They will change. True, that might lead to some changes in the processes or the information systems, but not as a result of an a priori decision and not under the leadership of a professional change analyst

[1] Frans van der Reep is senior strategist at Getronics Consulting and professor at Digital World at the Dutch INHolland University. http://www.inholland.nl/digitalworld. He is also the inspirer of the Nextpractice Institute.

Four change strategies	No organization change	Organization change
No systems change	1. **Total Quality Management** Improve the current way of working	2. **Reorganization** Change the processes
Systems change	3. **Re-architecturing** Technological update of information systems	4. **Business Process Redesign** Change the processes and the systems

Figure 1. PSO Matrix (Source: Frans van der Reep)

The four numbered quadrants each contain a possible type of project solution for the problems the organization may be experiencing. Each of them has different consequences for the interests of the stakeholders. The matrix helps us to examine each of the change strategies separately. In this way, we can correct our inherent tendency to base our thinking on the problem and revise everything that is associated with it. Part of this tendency is to regard the current people and resources as part of the problem, and thus as things that "need to be changed." It is preferable to see them as part of the solution. Unfortunately, that is unconventional, and it requires creativity and courage to confront employees and management with a challenge. Not every problem needs to become a project. It is rather the reverse: it is better to avoid projects. But who gets rewarded for demonstrating that a project is unnecessary? It takes guts – the guts to look problems in the face and to discuss openly together all aspects, including the difficult people-related issues. It takes leadership. And it will probably solve more than just the problem at hand. Consequently, a lot of projects should be seen as a sign of weakness and inflexibility, not of strength.

The time dimension is a crucial element of the matrix. In general, solutions will be achieved later and at greater expense as the quadrant number increases. TQM is without a doubt the quickest and the cheapest. Significant changes to information systems take months and are expensive. Reorganizations of the top-down type are very intrusive, and it takes years before an organization recovers from it. BPR resembles a rebirth; it is the most fundamental form of change. Bottom-up changes to processes are relatively simple, and are close to TQM.

The choice between a technical solution and a people solution betrays the underlying vision on humanity. Do you see people as creative individuals or as instruments? Do you want to work with them or around them? With technical solutions we seek security in standardization, manageability, and the prevention of human error. With people solutions, we choose uncertainty, faith in human competence and flexibility. Take, for example, the Electronic Patient Dossier (EPD), a project that is aimed at making all medical dossiers in the Netherlands available to medical practitioners across the country. This is an a priori technical solution, a lower left

quadrant solution, of a problem that could with equal effectiveness – and much more cheaply – be solved by mobilizing people. This could be achieved by getting general practitioners to issue their information to hospitals only when necessary, thereby honoring the traditional role of the general practitioners in medical care. Up-to-date medical information could be made available by issuing the patient with a data carrier with his or her medical dossier, so that it can be accessed in the event of an accident. The EPD is a technical solution in which doctors and patients are seen as part of the problem, and not as part of the solution.

This example demonstrates that the way the problem is defined determines the solution, and therefore also the simplicity of the solution. The definition of a problem betrays the vested interests of those who are involved in solving it. It is therefore important to be aware of, and to be able to discuss, which interests the various parties have who are involved in achieving the solution (project managers and suppliers) or in utilizing it (the users). The four solution strategies cannot be viewed independently of the continual interplay of political forces within the organization. In order to navigate this minefield of forces successfully, the Nextpractice Institute uses the Company Reference Grid[2] in order to identify in a simple and systemic manner the range of choices available to the organization.

The Foundations of Simplicity

Simplicity demands a no-nonsense attitude and a stable process structure. It starts with the attitude: You should be prepared to reject a proposal for a complex and expensive solution out of hand. It all begins with the statement that simplicity is possible. If that is not the point of departure, it will never enter the picture. Secondly, the process structure – Together with the systems architecture, it forms the agreed upon and shared approach and is *basic*. A good process structure results in an alignment of primary and controlling processes, with defined interfaces. In this context, I would like to refer to Process Point Analysis, also developed by Frans van der Reep. [3] This is a principal model for the development of a process architecture, and adapts well to the matrix (See Figure 2). The objective is represented as the head of the human figure, the torso is the process, and the limbs are HR, IT, Procedures, and Finance. The relationship between the objectives and the process – the neck – are the process requirements (key performance indicators). The process is derived from the objectives, and the IT is derived from the process. The focus is on the processes. A considered analysis “along the limbs” is also very useful in response to an impetuous or ill-considered proposal to reorganize. It fits in well with the idea that lies behind the PSO matrix, namely, that stakeholders are free to achieve their objectives within the bounds of the process. In this way, they are driven by the process requirements and not by the rules: change management focuses on the WHAT and not the HOW. A good process structure sets limits and provides degrees of freedom. In a simple organization the people are experts in their respective domains, are aware of their contribution to the whole, and do not need external help in order to deal with the problems that arise from change. The simple organization is not proud of its capacity to change, its many management procedures, and its project organization, but of its standing organization. A project organization is a sign of weakness and of the influences that give rise to new projects. It denies the standing organization the opportunity to develop its own expertise in project-wise working.

[2] Frans van der Reep’s Company Reference Grid (CRG) is described in ‘Unified Organizations . Do you fit in?’, BPTrends, October 05, 2010 by Peter van de Heuvel.

[3] Process Point Analysis (PPA), by Frans van der Reep, is described in “Designing Processes”, CSC Research Services Journal Nov. 2002 (p. 54-57)

Figure 2. PPA model

Information systems are also sources of complexity. Each application has its user community and IT, together with the interests of the vendor, and its systems management, together with the corresponding functional, application and technical managers. The complexity increases whenever the systems management of multiple applications is concentrated in one unit, which therefore is more remote from the user community. The same applies whenever a single application is used in multiple processes. And it gets even more complex when the infrastructure and the formal agreements between parties (Service Level Agreements) are entered into the equation. Things get very complex very quickly, and even small applications cost large amounts of money.

Solutions Approach

Application of the PSO matrix leads to the following approach: The first thing to do in the search for solutions is to consider what already works well and what expertise, capabilities, and resources the organization already has at its disposal. Only when these are inadequate to solve the problem should we consider changing them. The simplest solutions lead to the best returns.

Therefore:

1. Search for a solution using the current processes and systems (quadrant 1; TQM). In this Article we mention that this also results in input for improvements in the process structure.

2. Whenever we choose a quadrant with a higher number, the financial added value above quadrants with a lower value must be demonstrated. So, for example, a choice for BPR requires demonstrably better financial returns than TQM, re-architecturing, and reorganization (quadrants 1, 2, and 3). This way, it requires less effort – not more! – to opt for simplicity.

This optimization of solution strategies delivers two additional benefits:

- It makes it possible to resource the project in line with the characteristics of the solution. In quadrants 1 and 4, it's all about people, transition management, dealing with resistance to change, etc. That demands soft skills and leadership. The line from quadrant 1 to 4 could be termed the "warm" axis. In quadrants 2 and 3 it is all about structures that can best be dealt with using analytical and structural skills. This is the "cold" axis. Changing from a warm to a cold approach, or vice-versa, necessitates a revision of the project staffing and of the implementation strategy. However, it is quite easy to move to a project trajectory in the cold axis from a bottom-up start, and thus ensure the participation of the user community. This has the additional advantage that the implementation commences together with the project.

- The restrictiveness of this approach counterbalances the forces which tend to maximize the scope of the change just because such projects are seen as requiring more qualified staff (who then have to be paid more).

This Article presents the PSO matrix as a tool for making choices in change projects – choices for simplicity or for complexity. A good process structure is essential for a simple organization, but it is the employees and the managers who are expected to take the lead in the changes and the improvement proposals. The PSO matrix is a useful and usable instrument that promotes simplicity and respects the intelligence that is already present in the organization, particularly that of the ordinary employees. The approach leads to drastic savings. *Do as much nothing as possible.* I am greatly interested in your opinions and responses.

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