SYSTEMS PRACTICE

THE OMIDYAR GROUP

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ABOUT THIS WORKBOOK

This workbook is ideal for people working on complex problems across any field of social change who want to make sustainable social impact, whether working at a community or global scale.

It will walk you through a rigorous version of a systems practice, which will prepare you to be a discerning user of other systems tools that can complement this approach.

This practice has been pioneered and developed in collaboration with teams across The Omidyar Group. This workbook aims to fill the gap between the promise of a systems approach for making social change and putting it into practice. This gap closing was greatly aided by the social and organizational learning knowledge brought by Karen Grattan of Engaging Inquiry, and by the human-centered design contributions of Daylight Design.

The Omidyar Group represents the philanthropic, personal and professional interests of Pierre and Pam Omidyar.

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SYSTEMS PRACTICE

JOURNEY MAP

PHASE 0

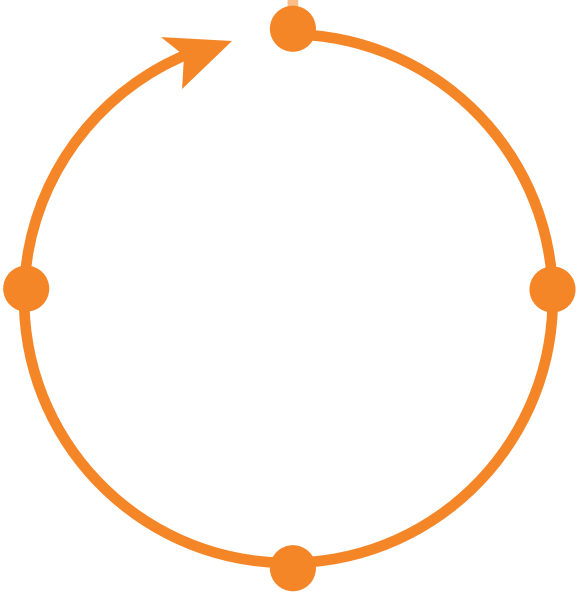
LAUNCH

Forming a team, acquiring systems practice fundamentals, and planning for the journey ahead.

PHASE 1

GAIN CLARITY

Developing a deep understanding of the system and then building a map that captures the key forces and patterns driving the system's behavior.



PHASE 2

FIND LEVERAGE

Exploring the most promising opportunities for engaging the system in ways that could help push it toward greater health.

PHASE 3

ACT STRATEGICALLY

Designing and implementing an approach that exploits opportunities for leverage to make sustainable social change.

PHASE 4

LEARN AND ADAPT

Continually sensing and learning from the system and adapting accordingly.

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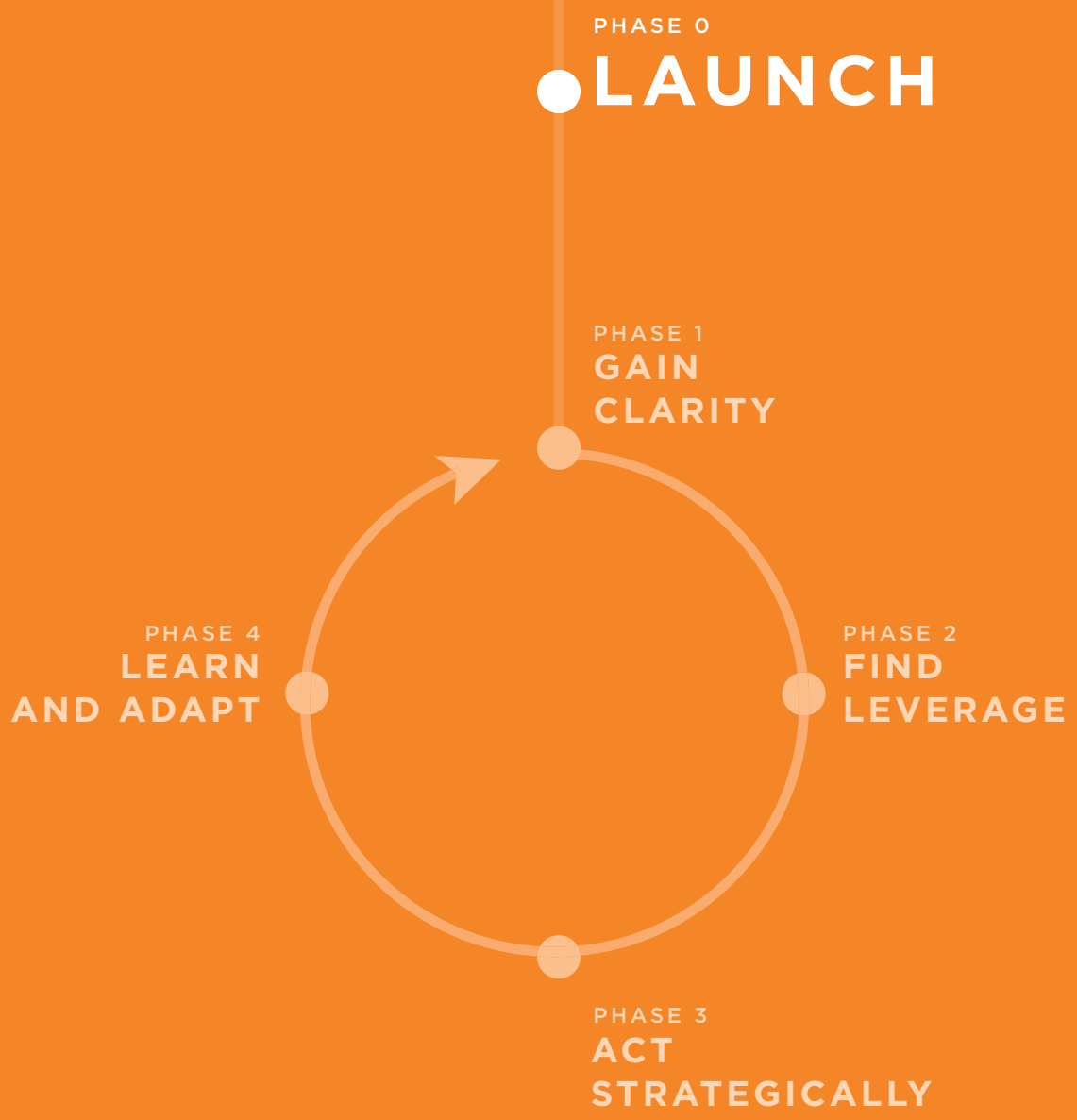
SYSTEMS PRACTICE OVERVIEW



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SYSTEMS BASICS

INTRO TO SYSTEMS

There are plenty of problems that can be resolved through satisfyingly straightforward action. But there also many conundrums that are frustrating and intractable, despite our best efforts. These tend to be the complex, dynamic challenges that have a web of interconnected elements. Homelessness, refugee migration, income inequality—these issues all seem to defy our best efforts to address them.

If we hope to do better, we need a different approach. Systems Practice is a set of tools, mindsets, and processes that has been developed to help us do just that.

Systems Practice provides a method to push beyond the immediate problems to see the underlying patterns, the ways we may leverage the system, and how we can learn and adapt as the system continues to change. It doesn't make these challenges any less complex, but it gives us a way to embrace that complexity and work toward a healthier system.

What is Systems Practice anyway? It is both a specific methodology, as defined in this workbook, and a more general approach to grappling with adaptive problems in complex environments with the aim of making enduring social change at scale. A systems practice helps answer three basic questions:

- How does the environment within which you work operate as a complex, dynamic system?
- How will your strategy engage the system in order to have highly leveraged impact?
- How will you test your assumptions and hypotheses so you can learn and adapt effectively?

The approach we employ at The Omidyar Group is a specific style of Systems Practice that uses systems analysis (mapping) to help practitioners gain clarity about an environment as a dynamic system. Using the map, they can identify opportunities to gain leverage and develop an approach to learning, adapting and understanding the system and how to engage it effectively.

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SYSTEMS BASICS

GETTING STARTED

To give you a quick primer on the why and mindsets of Systems Practice, we've created two short videos. They are a great way to understand the basics of Systems Practice and introduce it to others:

Why Use Systems Practice?

– https://vimeo.com/174541762

Many who work on complex, dynamic issues can find themselves seeing the same problems over and over (like the movie *Groundhog Day*), or feeling overwhelmed and solving one problem, only to see another arise elsewhere (like the game *Whac-A-Mole*), or seeing well-intended actions make things even worse (like living in the unofficial holiday Opposite Day). This video provides key insights on why a systems practice may be a valuable addition to the toolkit for intractable challenges.

Systems Practice Mindsets

– Video coming March 1, 2017.

The most powerful part of a systems practice are the mindsets that propel it. This video encourages us to:

- **Seek health**, not mission accomplished
- **See patterns**, not just problems
- **Unlock change**
- **Plan to adapt**, not stay the course

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SYSTEMS BASICS

IS SYSTEMS PRACTICE RIGHT FOR YOU?

How complex is your challenge?

Not all challenges need a systems practice approach, so it's important to take a step back to consider the complexity of your challenge, think about the **problem** itself, the **social dynamics** around it, and the broader **context**. The chart on the next page can help you reflect on this.

As you consider the complexity of your challenge, it's also helpful to be clear about what you are really hoping to achieve in the world. Sometimes the immediate goal you hope to reach can seem straightforward, but when you look at what you ultimately want to achieve in the world, the immediate goal is only a means to a far more complex end. For example, holding a fair election process might seem like an end goal, but more likely there is a broader aspiration, like getting to an inclusive and participatory society. As you are assessing the complexity of your challenge, push yourself to identify and assess the broader goal you are hoping to achieve.

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How complex is your challenge?

Use this chart to reflect on the complexity of your challenge. If you lean toward the **right** on these complexity spectrums, a systems practice may be a good match.

The problem is well understood. We know what causes it, and there is solid evidence that our proposed actions will have the intended effects.	**What is the nature of the challenge?**	We are not really sure we understand the problem fully, let alone the solution.
There is a high level of consensus among stakeholders and experts about what to do.	**How are people engaging with the challenge?**	There is a significant diversity of opinion and even conflict among stakeholders and experts about what to do.
The problem is relatively self-contained and not intertwined with its broader environment, which is stable and predictable (political, social, and economic).	**What is the nature of the environment?**	There are many diverse and dynamic interconnections between the problem and the broader environment, which itself is unstable and dynamic (political, social, and economic).
It is a short-term goal.	**What is the nature of your intended goal?**	To make sustained change at a broad scale.
I can probably use other approaches to develop a solid strategy. *For example, run an effective vaccination campaign*	**Add it all up. Which side do you lean toward?**	**A systems practice could be highly useful for helping your team grapple with this messy problem.** *For example, children are prepared and are able to lead happy and healthy lives*

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PLAN YOUR SYSTEMS PROCESS

PICK A PROCESS MODEL

If Systems Practice feels like a good match, the next step is to begin planning your approach and who should be involved.

There are different ways to design your process for Phases 0 (Launch) through 2 (Find Leverage) that have time and participation implications. This chart outlines three different approaches, ranging from internally focused to highly participatory.

INTERNAL	HYBRID	HIGHLY PARTICIPATORY
Average time range: 2–4 weeks of work over 1–3 months	**Average time range:** 6-8 weeks of work over 3–6 months	**Average time range:** 9–11 weeks of work over 6–12 months
Who to engage: Relies primarily on existing team experience and knowledge. Outside input is limited at the outset.	**Who to engage:** A balance of internal research and strategic use of outside participants.	**Who to engage:** A large portion of the knowledge is acquired through the participatory process.
Importance of engaging others: External buy-in and relationship building is not critical to success.	**Importance of engaging others:** Some external buy-in and relationship building is helpful for success.	**Importance of engaging others:** External buy-in and relationship building is critical to success.

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Model Examples

Here's how three different teams from within The Omidyar Group decided which model was right for them for Phases 0 (Launch) through 2 (Find Leverage):

Internal: The United States Financial Inclusion team at Omidyar Network needed to decide whether they should even exist as an initiative, and if so, in which space they should work. Given this framing, they were able to effectively tap internal expertise. The team was very knowledgeable about the space and only expected to do a limited number of strategic interviews with experts. It made sense to them to choose the internal model. They worked through Phases 0–2 in four weeks over the course of three months.

Hybrid: The United States Education team at Omidyar Network wanted to tap into the insights of key stakeholders and experts, while also keeping their process moving. They had a lot of knowledge and expertise on their team, but still had research to do to fill in gaps. They also wanted to build relationships with people in their field and learn from their expertise by involving them in workshops to help the team Gain Clarity. The hybrid model made the most sense to them. They worked through Phases 0–2 over the course of five months. In that time the team held participatory workshops and focus groups and interviewed many stakeholders and experts.

Highly participatory: The Local News and Participation initiative at Democracy Fund desired a very collaborative process. The highly participatory model allowed them to get diverse organizations in the field to work together with a common vision. They put in about six months of work over the course of a year working through Phases 0–2. Their process involved many large workshops and extensive socialization with key experts and stakeholders from their field. As part of their strategy, the team is also working with key stakeholders to teach them systems mapping.

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PLAN YOUR SYSTEMS PROCESS

BUILD YOUR TEAM

To dive into Systems Practice you need to figure out who will be involved. Whether you're planning for an internal or a highly participatory effort, you will need a **core team**, **extended team**, and outside **participants**. Use the definitions and guidelines below on team structure and size to start thinking about who might be involved.

TIPS:

- The input you receive shapes your map. Consider how you can include diverse and even dissenting voices.
- If you would like to create a digital map for easier editing and sharing, have a team member start learning how to use Kumu. It is a powerful data visualization platform that helps you organize complex information into an interactive systems map. You can get started with a free account at kumu.io and start learning how to use it at docs.kumu.io/guides/systems-practice.html.

Team Structure

Core team (2–4 people)
This team does the day-to-day work and is responsible for planning and implementing the process. The core team will need to dedicate significant time and effort, plus subject matter and technical expertise, on the system's journey.

Extended team (3–10 people)
This team usually includes people within your organization and may also include a few external experts, partners and community members. They are not responsible for the work, but the core team can call on them for subject matter expertise as well as functional diversity (e.g., program, communications, policy, etc.).

Participants (10–200+ people)
This is a potentially larger group of people that is the least involved but that the core team can seek out at key moments in the process (e.g., in a one-on-one meeting, focus group, or large participatory session). Participants provide knowledge and experience and help the team influence other key actors in the sector.

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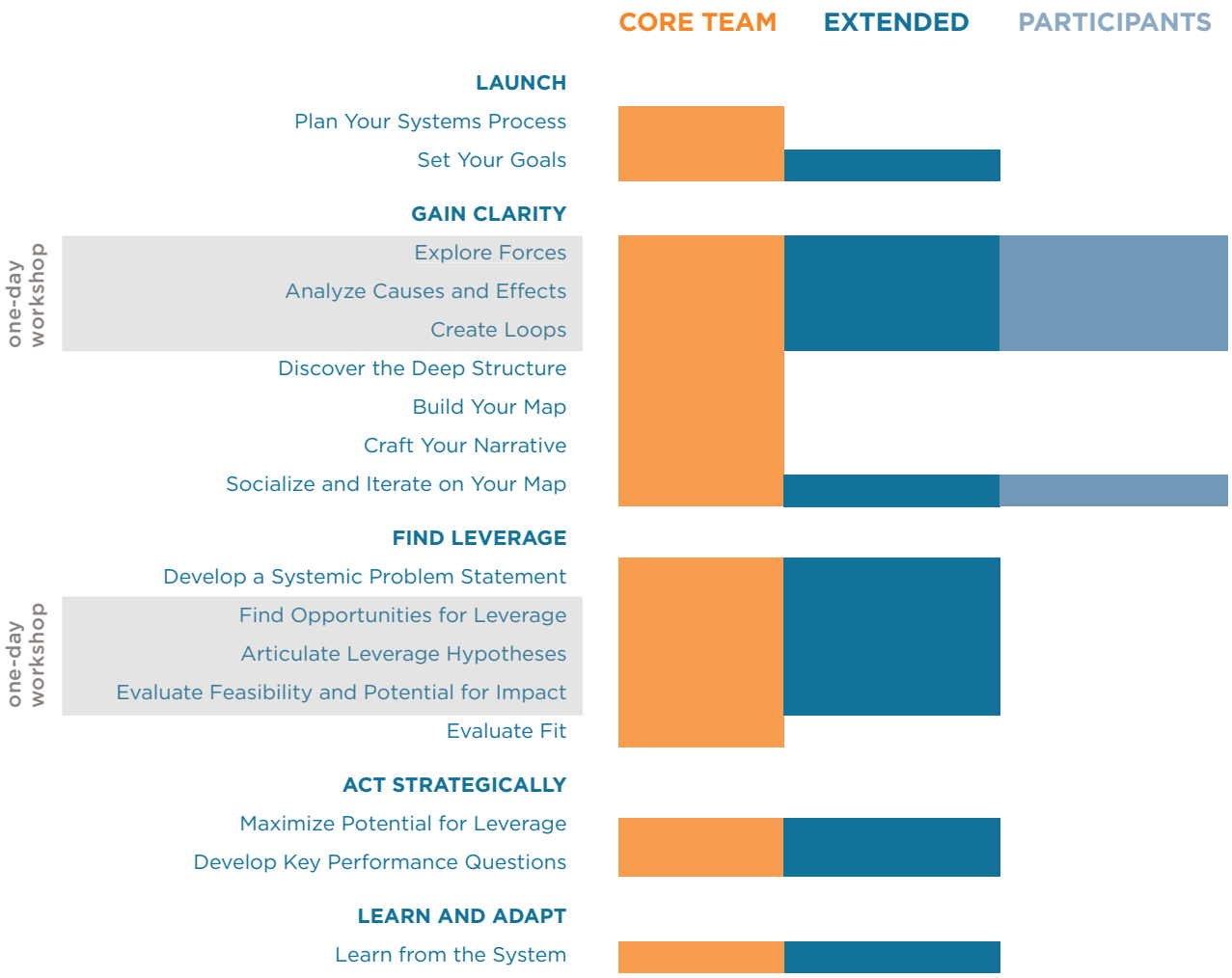
PLAN YOUR SYSTEMS PROCESS

LOOKING AHEAD

The chart below gives a high-level look at the big moments when you will want to plan for engagement with the extended team and participants.

How this affects your calendar will be driven by the duration of your process. Working through these three phases could take as little as a few weeks, or take as much as a year, depending on the process model, availability of participants, and and how much time your core team is devoting to the work every week.



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ORGANIZATIONAL TIPS

SYSTEMS PRACTICE WITHIN AN ORGANIZATION

If you are implementing Systems Practice within an organization, consider the ways in which your organizational context can affect your ability to implement it well. Few organizations possess an ideal environment, but the existence of headwinds for Systems Practice isn't a reason to turn back. Go in with your eyes wide open and address any issues as you go. This section will help you anticipate and prepare for some of these challenges.

Gauge receptiveness of colleagues and leadership. Systems Practice can be unfamiliar and disruptive to people, teams and organizations. For a lot of teams, it has been useful to assess the organization at the onset of the process for their openness to participate and their familiarity and experience with systems thinking. It's also important to ask the honest question: Is our organization open to shifting strategies based on what we learn? Having these conversations with colleagues and key decision makers early on can make your journey a lot smoother.

Continue to bring others along. As a team dives deep into Systems Practice, it can change the way they work, think, and talk. To maintain support and interest, it's important to continually keep others in the organization in the loop, especially decision makers, by sharing learnings and challenges. Skepticism about the value and feasibility is natural. Give the process time and give people the space to work through their questions.

Expect turbulence. Because most organizations are unfamiliar with Systems Practice, it has the potential to be disruptive. Even among the most adaptable people and organizations, there's a point when the uncertainty and ambiguity are unavoidable and uncomfortable. When it gets tough, it's important to lean on your team, have patience, and trust the process.

Attend to change management. This turbulence not only puts stress on a team, it can put stress on an organization as a whole. Like any significant organizational shift, the introduction of a systems practice will be much more effective if it's treated as a change management initiative.

Start with a pilot. If you are an organization that works in multiple sectors, it can be overwhelming to introduce Systems Practice everywhere at once. It's generally better to start with a pilot.

Plan for a long-term play. Systems Practice is not a quick fix. Phases 0 through 2 will take a few weeks to a year, but Acting Strategically and Learning and Adapting is an ongoing practice that takes place and evolves over many years. For Systems Practice to be worth while, it's helpful to plan for a long-term commitment.

INTEGRITY OF APPROACH PAUSE

The potential impact of Systems Practice is highly contingent on "integrity of approach"—how well the process is carried out. In this workbook you will see this "Integrity of Approach Pause" symbol on page 29 as well.

It's a point of reflection to remind you to step back and think about your process.

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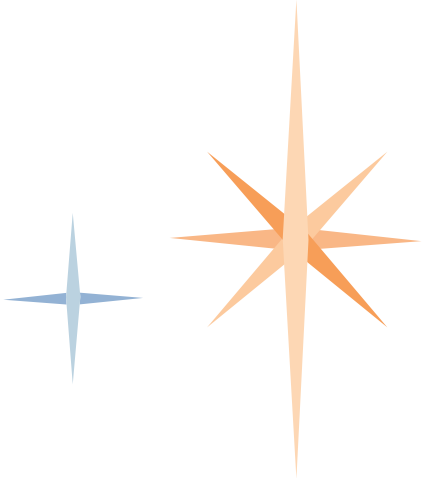

SET YOUR GOALS

Develop a Guiding Star and a Provisional Near Star

To begin Systems Practice, you first need to define your area of focus. In this step, you will identify an aspirational state (**guiding star**) and a nearer term desired outcome (**near star**) for your system. Goal setting for systems can look different since systems are ever-changing. Instead of aspiring for a concrete end state, the goal should be a healthier state of the system. For example, rather than counting the number of people who are using a new money management app, our goal would be a system that produces more financially healthy households over time.

RESULTS

Statements that articulate the guiding star and the near star.

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ACTIONS

1 Build a guiding star for your system. Start by thinking about the following question:

— What future system is your team passionate about working toward?

Try to use this format to capture your thinking: *Our guiding star is a [name of system] that produces [desired condition]*

2 With your guiding star in place, you can now try building your provisional near star. Brainstorm what a distant, but foreseeable goal on the way toward the guiding star may be.

— What have you learned about how to be effective in your sector (for example, what have you learned about how to counter human trafficking/slavery)?

— What outcomes are most important to your organization (for example, do you have organizational beliefs or values that cause you to prioritize specific populations or parts of the world or communities)?

— What sub-sectors or outcomes play to your team and organization's strengths (e.g., capacities, knowledge, networks)?

— What trends, research/new findings, or bright spots have you seen that point to promising approaches?

3 Teams often look at the guiding star and the near star together. They iterate on various versions and often get feedback from others outside their team to push their thinking. Try sharing and iterating until you arrive at something that is inspiring, meaningful, and compelling for your team and others in the organization.

Moderate

2–4 hours

JARGON ALERT!

Some definitions you will need:

— A **guiding star** is a vision that is framed as the desired future system toward which your team is working. It will serve as a navigational tool for the long haul as your team impacts the system and adapts over time.

— A **near star** is a 5- to 10-year goal that is framed as a distant, but foreseeable outcome that could be attained. It should be a significant step toward the guiding star. We call the near star provisional since it is highly likely that your near star will be revised as you continue to learn new things about the ever-changing system along your systems journey.

NOTE:

— Not all teams need a near star to get started. If your team has been working in your space for a long time, you may decide to skip developing a near star. On the other hand, if you are brand new to the space it may seem too limiting to define a near star before mapping. If that's the case, hold off and return to this step after your mapping process.

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EXAMPLE

GUIDING STAR

Eligible citizens are motivated to vote, can do so with ease, and trust that election outcomes are fair and legitimate.

NEAR STAR

A modern, voter-centric election system.

- *Modernized voter registration systems: States assume a primary role in voter registration, thereby making voting less burdensome, improving and equalizing access, and reducing the risk of election failures.*

- *Voter-centric election administration: Election administrators adopt evidence-based best practices and technology to improve the voter experience and reduce the risk of election failures.*

GUIDING STAR

A system that eradicates the worst forms of human exploitation in corporate supply chains.

NEAR STAR

A new standard of corporate supply chain practice that will increase responsibility and decrease the risk of labor abuse.

GUIDING STAR

All U.S. households are empowered to achieve sustainable financial health (i.e., build financial resilience and seize opportunities for economic mobility).

NEAR STAR

**The U.S. Financial Inclusion team decided not to develop a near star as they were a brand-new initiative and wanted to take in the whole system before narrowing their goal.*

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FOCUS YOUR ANALYSIS

Develop a Framing Question

Before you dive into the Gain Clarity phase of the practice, you need to develop a framing question. This question will help your team focus on understanding the system you are going to analyze and ultimately affect. Throughout the mapping journey you will be seeking to answer this question.

RESULTS

A compelling question that will guide your mapping.

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ACTIONS

1 Start by asking, "What are the forces that cause the current condition?" Keep your guiding star and near star with you to keep your team focused on the system defined in the last step.

2 Ask yourself, "Why is the system the way that it is?" You should open up your aperture to think broadly. It should focus the team on describing the system as it currently exists, in a holistic and dynamic fashion, but not too broadly. The question shouldn't be so general that the resulting map is so high-level that it can't be used to develop a strategy.

3 If you are stuck, try modeling your framing question on any of these strong examples:

What forces account for the current levels of human slavery in corporate supply chains?

What accounts for the current levels of quality of life for diverse populations in Hawaii?

What accounts for the current state of U.S. households' financial health (for example, 50%+ of U.S. households are struggling financially)?

4 As you refine your framing question, take some time as a team to discuss and define your terms. Watch out for using similar language that might mean different things for your team. For example, if your team is concerned about financial health, does your team have a shared definition of what that means?

5 Capture your framing question, as you will use it in the next phase.

Moderate

1 hour with additional reflection and iteration as needed

TIPS:

— If your team asks how specific or general the framing questions should be, the answer is that it is an iterative process to figure out what level of focus or altitude is most helpful.

— Try and avoid the characteristics you see in the framing questions below:

1 The preferred solution shouldn't be baked in.
Example: How can principals be better positioned to improve their schools?

2 Don't embed untested or contentious assumptions.
Example: What accounts for the ways that bad schools produce so many criminals?

3 Don't ask "how can we" questions that lead preemptively to how we might engage the system.
Example: How can we engage schools to increase student outcomes?

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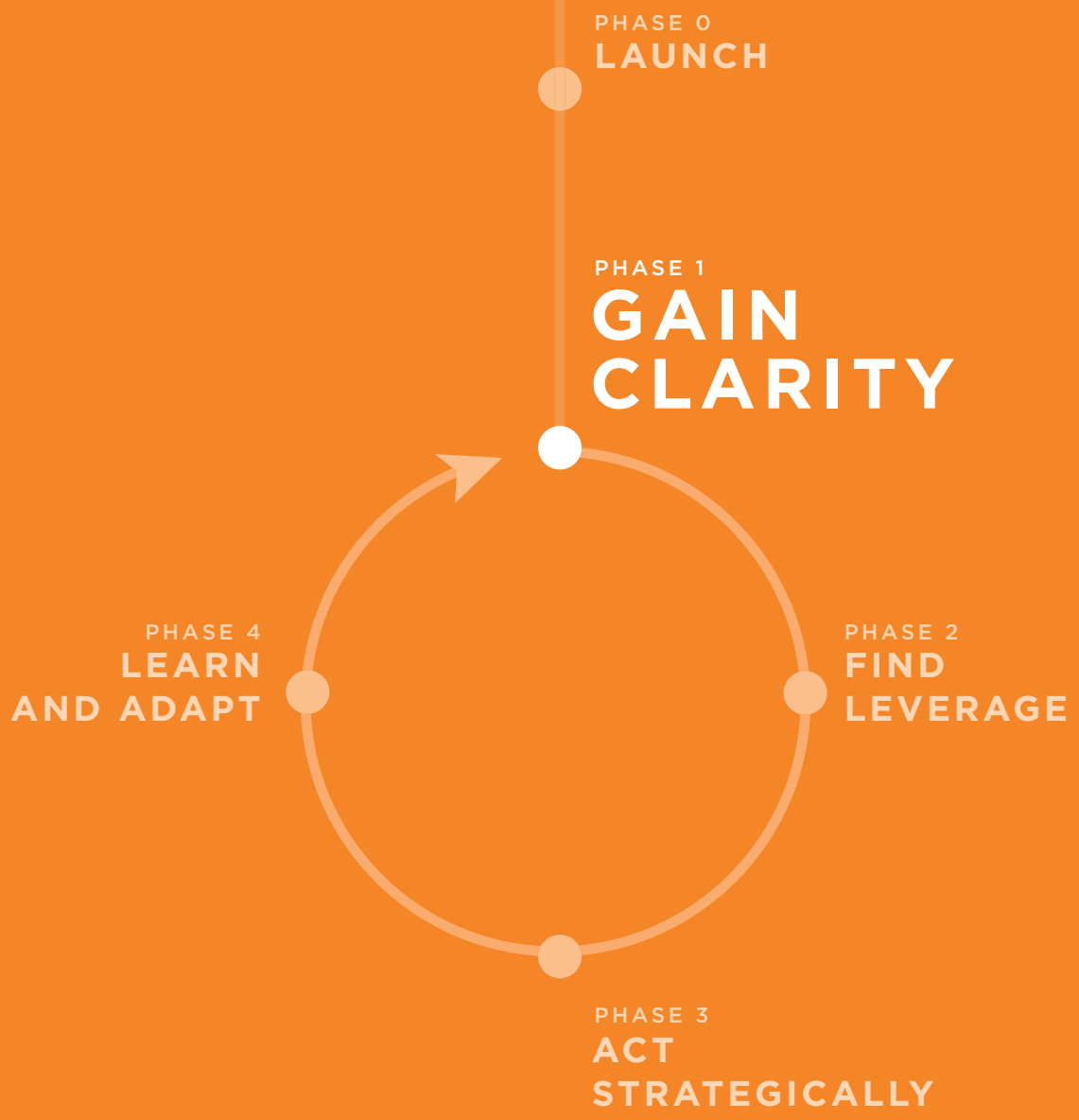
SYSTEMS PRACTICE OVERVIEW



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GAIN CLARITY

Step 1
Explore Forces

Step 2
Analyze Causes & Effects

Step 3
Create Loops

Step 4
Discover the Deep Structure

Step 5
Build Your Map

Step 6
Craft Your Narrative

Step 7
Socialize and Iterate on Your Map

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GAIN CLARITY

In order to have an impact on a complex system, we need to understand our realities. Understanding and mapping the system is a powerful tool in our practice for visualizing the current system in a way that helps us identify opportunities for having the most impact.

In this phase you will explore the forces that affect your system and see how they relate to each other. Through a robust process you'll be able to uncover and elevate the deep structure that drives the behavior of the system. By the end of this section you will have a working systems map and narrative that you can test and iterate with stakeholders and experts before you move on to creating a strategy for impacting the system.

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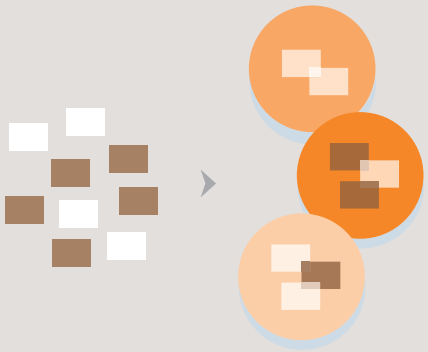
GAIN CLARITY



Step 1

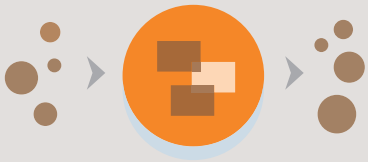
Explore Forces

Surface the core forces that are keeping your system unhealthy (inhibitors) as well as the forces that can nudge it toward a healthier state (enablers).

Step 2

Analyze Causes and Effects

Analyze each of the forces you have identified to understand their causes and effects.



Step 3

Create Loops

Look for areas where causes and effects feed into each other, and capture these patterns as dynamic loops.

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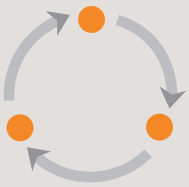


Step 4

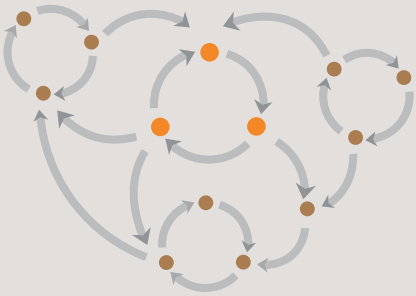
Discover the Deep Structure

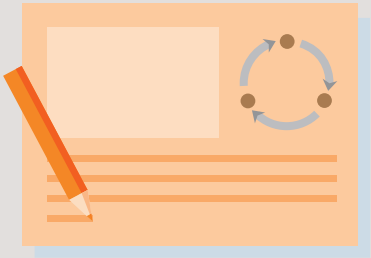
Take a step back to identify the central driving forces in your system.

Step 5

Build Your Map

Create a holistic and cohesive visualization of your system that highlights your deep structure and how your loops are interconnected.





Step 6

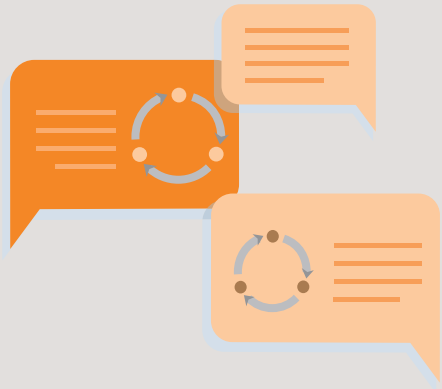
Craft Your Narrative

Create a cohesive narrative that helps you tell the story of your system to others.

Step 7

Socialize and Iterate Your Map

Share your map and narrative to test your understanding of the system.



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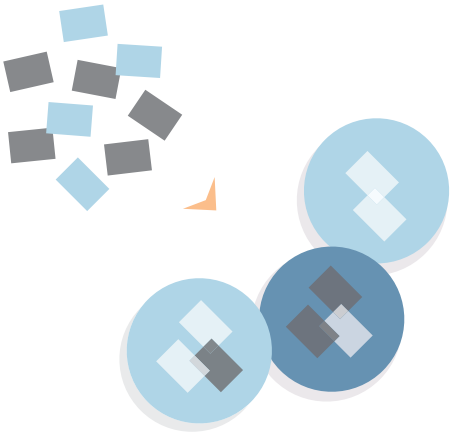

Step 1

Explore Forces

In this first step you will cast a wide net and illuminate the various forces that cause your system to behave as it does. You will do this by looking through all the stories and data you have collected, thinking broadly and incorporating diverse perspectives and experiences. You will then prioritize and group the forces into themes, which we will analyze in the next step.

RESULTS

A list of themes that illuminate the key forces at work in your system.

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ACTIONS

1 Begin by spending a few minutes individually identifying important forces that impact how the system works (these forces can include people, trends, events, norms, beliefs, phenomena, institutions, laws, policies, etc.). For inspiration, draw upon data and stories from research and your own experiences.

2 Look for the positive and the negative. While the tendency will be to focus on forces that lead to negative behaviors in the system **(inhibitors)**, you will also want to dig deep to find instances of forces that lead to positive behaviors that are creating healthy, effective parts of the system **(enablers)**.

3 Write out each of your enablers and inhibitors, one per sticky note, and post them on designated walls (i.e., one wall for enablers and one wall for inhibitors). Enablers and inhibitors should be described in a short statement—even a few words is enough. Enablers and inhibitors should be described in a short statement to clarify what they mean.

4 As a group, begin to move similar ideas next to each other into clusters. Don't mix up enablers and inhibitors. You can even start to move similar clusters near each other.

5 Give each of these groupings a meaningful name that describes how they are related. These are your **themes**.

6 Select the top **6–8 themes** (include enablers as well as inhibitors). To help your prioritization, fill in the blank: You cannot understand the system unless you understand _____ _____ themes. The top themes you select will be the starting point for the next step in the process.

7 Write your **top themes** on page 32. Below those also add some of the other strong themes that didn't make the cut. You may revisit this **second tier** later.

Moderate

2–3 hours

JARGON ALERT!

Some definitions you will need:

— An **enabler** is a significant force in the environment that supports, encourages or increases the health and effectiveness of the system as defined in your guiding star.

— An **inhibitor** is significant force in the environment that undermines or prevents the health and effectiveness of the system as defined in your guiding star.

TIPS:

— Be vigilant about writing down factors that are *currently at work in the system*—not aspirational enablers or hypothetical inhibitors.

— Make note of information gaps in your themes. Are there any additional forces that must be included in order to have an adequate understanding of the theme? If so, take time to add them in.

Take photos of the top themes and the enablers and inhibitors within them.

INTEGRITY OF APPROACH PAUSE

Any attempt to understand a complex system is subject to bias, or seeing what we want to see. Your analysis will be stronger if you bring diverse and dissenting voices into the process.

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EXAMPLE

The U.S. Financial Inclusion team at Omidyar Network brainstormed things that enabled a household's financial health and things that inhibited a household's financial health. Here are two of their clusters with theme headings:

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TOOL

LIST YOUR TOP THEMES

(Note whether they represent an enabler or inhibitor)

Top 6–8 prioritized themes

Second tier (themes that just missed the cut)

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Step 2

Analyze Causes and Effects

In this step you will do a deep dive into the prioritized themes you captured and begin to explore their **upstream causes** and **downstream effects**. We are going to use something called **SAT analysis**—a structured way of making sure we are looking at the system holistically. The causal relationships we illuminate in this step will be the major inputs for drawing connections between factors in your systems map moving forward.

RESULTS

Documentation of upstream causes and downstream impacts for each of the prioritized themes.

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ACTIONS

1 Form small teams of **2–4** people. Have each group select one of the top themes from the previous step.

2 Begin by reading all of the factors in your cluster and ask your group questions about anything that is unclear. This discussion should help to build a rich understanding of the theme you are analyzing.

3 Now it's time to illuminate the upstream causes and downstream effects. **Upstream causes** are things that lead to the theme, or that cause it happen. **Downstream effects** are things that the theme causes to happen. To do this we are going to use **SAT analysis** (see example on next page).

4 Set up two pieces of flip chart paper like the example on the next page. The first flip chart is about causes and should have the theme at the bottom (causes drive the theme). The second is about effects and should have the theme at the top (theme drives the effects).

5 Start with your **Cause** sheet first. What causes the theme to occur? As you brainstorm causes, determine if a cause has structural, attitudinal, and/or transactional (behavioral) implications. Write down the causes on the sheet in their respective categories. There should be lots of discussion to make sure you are considering all the possibilities.

6 Move on to your **Effects** sheet and do the same process.

7 Repeat the process until you have done this for all the priority themes. Then, check on the lower priority themes to see whether it would be helpful to do a cause and effect analysis.

8 Be sure to capture your work by taking a picture or transcribing information on the flip charts. This raw data may be helpful later on.

High

4–6 hours

TIPS:

— Before you start, it can be helpful to look at your prioritized themes with fresh eyes. Has your thinking changed? Anything to modify?

— When you are doing a SAT analysis, communication is essential. Talk through specific examples, and parse challenging concepts with stories and personal knowledge.

— Sometimes, factors that show up as causes can also appear as effects. That's okay!

— The causes and effects will not have a 1:1 relationship.

— Having more of one or the other is okay, but be sure to cover SAT for both upstream and downstream.

— How do you know when you're done (at least for now)? When you find that, for each theme, you are not identifying new factors as causes or effects.

Take photos of the finished upstream and downstream analyses.

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What is SAT analysis?

SAT stands for Structural, Attitudinal, and Transactional. This analysis is a holistic way of looking at the system to avoid focusing on just what is obvious to us. By rigorously looking at all the causes and effects by categories, we have a better chance of illuminating the most important drivers in the system. The categories we use are:

Structural: Refers to the physical and social environment in which people live; both the natural (e.g., air quality or drought) and built environment (e.g., housing stocks, a transportation system); as well as political, social and economic institutions and infrastructure (e.g., the electoral system, legal system, economic policy, labor unions, church associations).

Attitudinal: Refers to widely held beliefs, values, norms and intergroup relations that affect how large groups of people think and behave (e.g., ethnic tensions, social capital, fears, group trauma, religious beliefs, and attitudes like trust in government or a belief in "rugged individualism").

Transactional: Refers to the processes used by and interactions among key people (e.g., leaders at all levels) as they deal with important social, political and economic issues (e.g., important negotiations, violence, problem solving, influence, leadership). Key transactional factors might include things like lobbying by human rights activists, the influence of a community elder, mediation by a member of Parliament, or extreme political rhetoric by a religious leader.

UPSTREAM CAUSES:

STRUCTURAL

-

-

ATTITUDINAL

-

-

TRANSACTIONAL

-

-

Theme:

Theme:

DOWNSTREAM EFFECTS:

STRUCTURAL

-

-

ATTITUDINAL

-

-

TRANSACTIONAL

-

-

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EXAMPLE

UPSTREAM CAUSES

STRUCTURAL

- Lack of physical proximity of financial institutions to low-income communities
- Business models are in conflict with needs of low-income customers communities

ATTITUDINAL

- "Self-fulfilling prophecy" dynamic after bad experiences with financial institutions
- Intractable issues of race

TRANSACTIONAL

- Complicated bank language
- Accepted industry practice to find and capitalize on loop-holes in the system

Theme:
MISTRUST IN FINANCIAL INSTITUTIONS

Theme:
MISTRUST IN FINANCIAL INSTITUTIONS

DOWNSTREAM EFFECTS

STRUCTURAL

- Large number of people are under-banked
- Lack of investment in the community
- Proliferation of non-traditional predatory lending firms

ATTITUDINAL

- Focus on the short term
- Acceptance of perpetual debt
- Fatalism that financial prosperity is unattainable

TRANSACTIONAL

- Sensational stories of financial scandals
- High demand for predatory lenders

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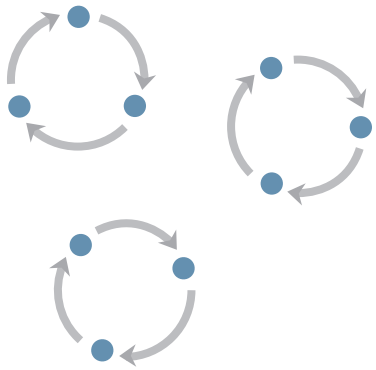

Step 3

Create Loops

In this step, we are going to look for patterns in the system, where no force exists in isolation. Each force has a cause and effect, and they are interrelated. The forces that drive the system are always tied together in **feedback loops**. These loops will become the building blocks for your systems map.

A key premise of systems thinking is that sustaining large-scale systems change only happens if the entrenched patterns that drive the system are changed.

We will find these by starting with the most important factors and tracing their downstream effects. When those downstream effects ultimately circle back and affect the factor you started with, you have uncovered a potential loop.

RESULTS

Dynamic feedback loops that will become the building blocks of your systems map.

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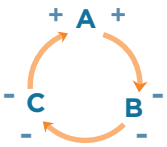
ACTIONS

1 In your same team of 2-4 people start by picking a **factor** (see tip box) from the previous step that you think is important. A factor can be any word or short phrase that captures something important from your upstream and downstream analysis.

2 Start working downstream from that factor. What does it cause? And what does that cause? Keep looking at the downstream effects. Ultimately, if it is a loop, it will have an effect on the original factor.

3 As you are developing your causal loop, notice and document how each factor affects the downstream factor.

Is an increase in factor A creating a decrease in factor B? If so, create a '+' at the beginning of that path and a '-' at the end. If less of factor B creates less of factor C add '-' at both ends of that path and so on. (See example on the next page.)



4 Once you have formed a promising loop, give it a brief yet descriptive name. Also label what kind of a loop it is: Virtuous, Vicious, Stabilizing or Stagnating. (See tool on page 39.)

5 Create at least one loop for each story that needs to be told. A theme will typically generate 2-4 loops, if not more!

6 Continue to build loops that account for the behavior of the system. Keep going until you have covered all of the important stories in your system.

7 Practice narrating your loops. Check them for logic and make note of any leaps or gaps you find. Add in new causes, effects or complete loops if you feel that things are missing.

High

6–8 hours split over two days

TIPS:

— Frame your key **factors** as nouns that can increase or decrease. They should capture the essence of what you feel is important. Examples: Legitimacy of the government; Feelings of exclusion; Pride in the school system; Equity of resource distribution.

— Ask what's missing in the logic of the story. If there is too big of a jump between two factors, add intervening factors that make the story easier to follow.

— Describe what is, not what you want to be. Focus on the dominant forces in the current state of the system.

— When you feel stuck, let the story be your guide to drawing a loop: tell and retell the story as you go.

— Don't get stuck on one arrangement; keep trying new ways to think about the links among factors.

— If your team wants to create a digital version of your loops, if you haven't already, now is a great time to have a team member learn Kumu. You can get started with a free account at kumu.io and start learning how to use it at docs.kumu.io/guides/systems-practice.html.

— How do you know when you are done creating loops? Fill in the blank: "No full description of the system is complete without a story of _____?" Did new and important stories emerge? If not, move on to the next step. Input from experts and stakeholders in Step 7 will help you to know whether you have covered the important stories.

Take photos of the finished loops.

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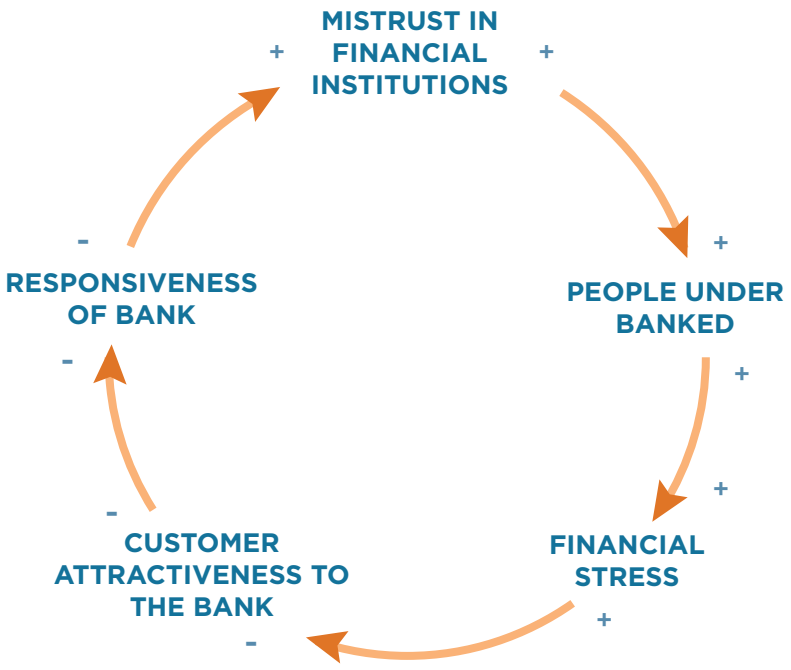
EXAMPLE



– Means less of the factor

+ Means more of the factor

An arrow shows that one factor is connected to another factor.

Here's a loop from the U.S. Financial Inclusion team at Omidyar Network. They chose **mistrust in financial institutions** as a factor. They knew that this mistrust led to a **large number of people being under banked**. That, in turn, increased their **financial stress**, which made these **customers less attractive to the banks**. This made the **banks less responsive to their needs** which, in a vicious cycle, made their **mistrust in financial institutions** even greater.

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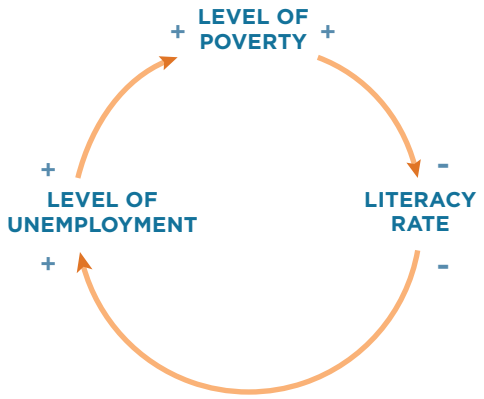
TOOL

LOOP TYPE: VICIOUS

(Things are getting worse and worse)

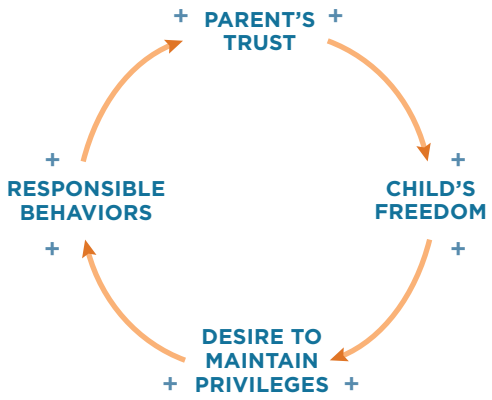
When the **literacy rate** is low, qualifying for jobs becomes difficult which increases the **level of unemployment. High unemployment** leads to the number of households existing at or below the **poverty level** to increase. As poverty increases people are more likely to prioritize income-generating activity over education, which further decreases the **literacy rate**.



LOOP TYPE: VIRTUOUS

(Things are getting better and better)

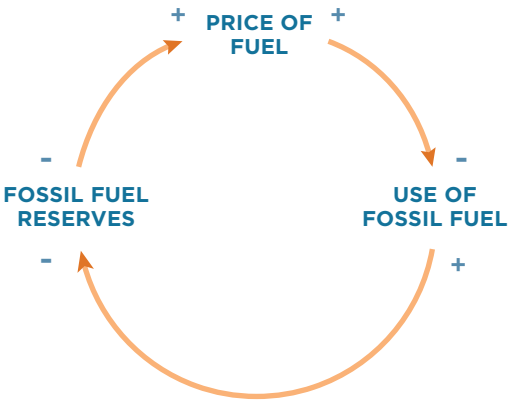
When a **parent** extends **trust** to a child, the **child's freedoms** are increased. As the child experiences the enjoyment of increased freedoms, their **desire to maintain** these extra privileges increases. As their desire to have **privileges** increases, their **responsible behavior** is also increased, which in turn increases the parent's trust in the child.



LOOP TYPE: STABILIZING

(Keeping things from getting worse)

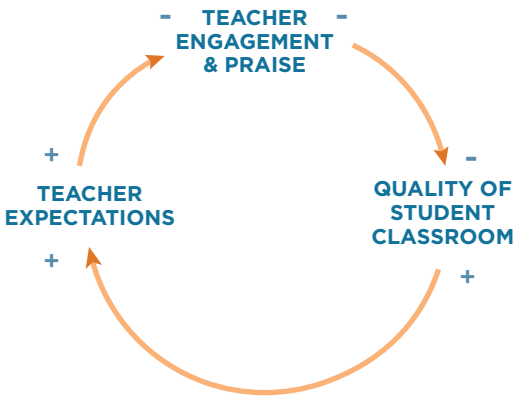
As the **use of fossil fuel** increases, the **reserves** of **fuel** are depleted, which leads to an increase in commodity **price (of fossil fuel)**, which then results in a decrease of fossil fuel use.



LOOP TYPE: STAGNATING

(Keeping things from getting better)

When a student shows an improvement in the **quality of** their **classroom behavior**, the **teacher's expectation** of that child's behavior increases (now they know what the child is capable of!). As the teacher's expectations rise, the likelihood that the **teacher** will make the **effort to engage and praise** the child is diminished. When the child does not receive praise for their effort, their behavior deteriorates.



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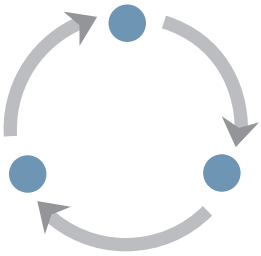

Step 4

Discover the Deep Structure

In this step you are looking for the **deep structure** that will serve as the anchor point for most of the loops on your systems map. This will emerge through stepping back to look at all the loops you have created, noticing the most important and repeating elements (e.g., factors, causal relationships, even loops as a whole) as well as the relationships between the loops. After synthesizing what you are observing in what your team has created, you will have a good sense of what is at the crux of the system—a deep structure (a unification of the various loops you have created).

RESULTS

A sketched representation of the deep structure that will serve as the anchor point for your systems map.

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ACTIONS

1 Print out (or clearly re-draw) your loops from the previous step, one loop per page. Lay all your loops out on a large work surface.

2 In a group, cluster loops near other loops that address similar issues. Create a label that describes the dominant characteristic of that cluster. Then, arrange clusters near others that logically fit together. Distinct regions may begin to form.

3 Working individually, survey the clusters of loops (regions) and find the story that ties these different regions together. This is like what you did when you created the individual loops, except now you are creating a loop (or loops) that tells the dominant story of your system. Basically, if you had one sentence to answer the question, "What is the dominant behavior of the system and how does it work?," what would you say?

4 Sketch out the loop that pulls together these major elements and can structure the rest of your map. Use sticky notes on plain paper to try multiple arrangements until the loop(s) and the resulting story make sense. Capture many versions to share with your team.

5 Have everyone on the team share their individual thinking and look for the emerging commonalities. Ultimately you need one deep structure that the team coalesces around. In the mapping process we call this the **deep structure** because it **holds the center** of your map, and allows you to build on and around it.

6 Play with the loops by arranging them around the deep structure in thematic regions. This will help you refine your thinking. Iterate, refine, and clarify your deep structure with your extended team.

High

3–4 hours.
Anticipate additional reflection time during the following weeks for iteration.

TIPS:

Pay attention to these three guidelines to create a compelling deep structure:

1 **Real**: Your deep structure should be supported by evidence from the feedback loops you built. Continue to focus on understanding and describing the current state, not the desired state.

2 **Powerful:** It should capture the essence of the system and how it behaves and should be articulated in a compelling way that is memorable.

3 **Functional**: It should serve as a useful anchor point for the other loops in your map. Often, the deep structure is one feedback loop, but sometimes it is best represented through two or three connected loops. Be creative and find what works best to describe the crux of the system.

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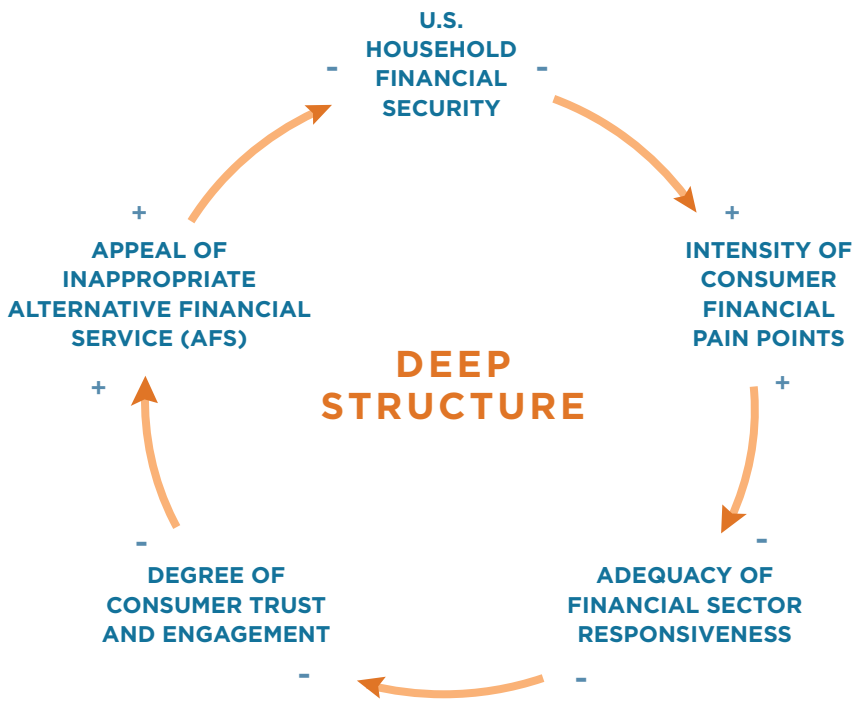
EXAMPLE



The deep structure for Omidyar Network's U.S. Financial Inclusion map emerged through reviewing loops built during a workshop and through follow-up research. In their review and research, several factors kept showing up. For example, "the intensity of consumer financial pain points" showed up in many of their loops, regardless of the theme of the loop. Reading through their deep structure, beginning at the top and tracing clockwise, the loop reads: As U.S. household financial security decreases, intensity of consumer pain points increase and the adequacy of financial sector responsiveness decreases. The degree of consumer trust and engagement then decreases, increasing the appeal of inappropriate alternative financial services (AFS). As AFS increases, U.S. household financial security further decreases.

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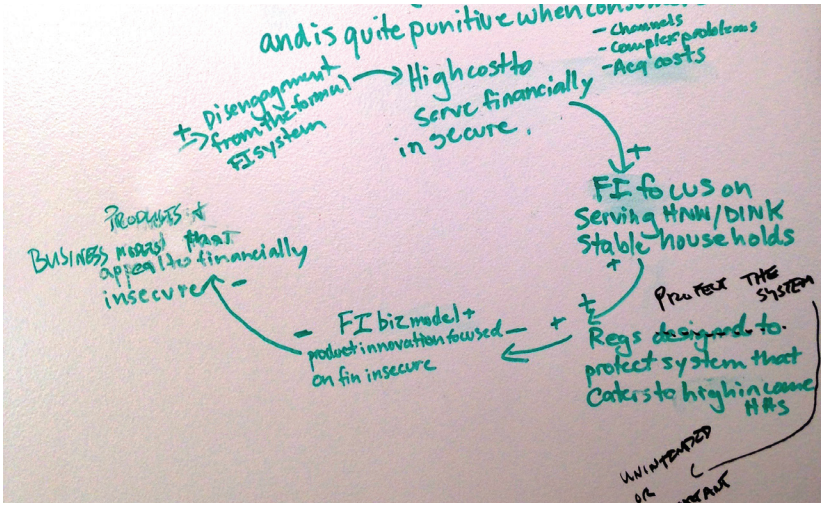
EXAMPLE

First the USFI team laid out their loops and began to look for common factors and causal relationships.



After reflecting on the factors and relationships, each team member spent half an hour sketching out what they thought the deep structure might be. They then shared out and discussed their first iterations. Here is an example of what one team member came up with.

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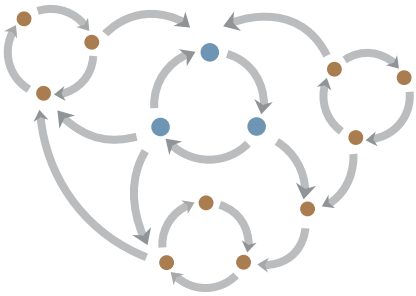

Step 5

Build Your Map

In this step you will bring all your loops together, spot overlapping factors and draw shared intersections between them to create your first map—a holistic and cohesive visualization of your system. This is an iterative process; you are starting a living document that will continue to be updated and evolve as you get feedback and engage with the system over time.

RESULTS

A provisional systems context map.

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ACTIONS

1 For map building, use paper and pencils or Kumu to synthesize your loops and factors. Both approaches make it easy to move things around and iterate while you are connecting and building.

2 Using your clusters of loops from the last step, orient your loops around the deep structure. Place the similar factors near each other to draw relationships between the loops, which will create new loops.

3 Continue to refine your clusters by identifying groups of two to three loops that share similar concepts. Focus on the stories being told, and the meanings reflected in the loops. Notice areas that link up, overlap, and where factors intersect. If you are wondering how to know if you are done building loops, reflect on the following questions:

— Is the original data represented as accurately as possible?

— Are there still large gaps or assumptions that need to be researched?

When additional research and loop building is not leading to new insights, factors, or dynamics, your team is probably ready to begin map building.

4 Begin to knit the loops together. You might need to synthesize loops—combining like loops or deleting some loops that are either too general or too specific for this version of the map. You may also create new factor names or connections, or combine similar factors that exist in different loops. As you synthesize and build, practice these new pieces of the narrative by telling the story captured in every loop. Be sure that everything in the map is part of a loop (i.e., close all the loops!).

High

6–8 hours

TIPS:

— As you are developing your map, ask whether each particular loop is adding new information that is essential to understanding the system, versus loops that might be interesting, but are not essential.

— An important way to eliminate busyness from your map is to use and reuse causal connections so that the same connections might be part of three or four different loops. Also, try to minimize arrows that cross, as this is visually confusing.

— Be sure the map is as evidence-based as possible, and is grounded in what the current system really is, not what you'd like it to look like.

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ACTIONS

5 Continue this process, adding onto the deep structure until you have completed a provisional map that encompasses all the important stories about the system. There is no standard size for the map but generally they include about 15–30 loops. To help you decide whether loops need to be included, ask whether each loop adds to or deepens your understanding of the system. Are there loops that add visual complexity (busyness) that detract from your ability to see the whole system? Do the same for each factor (e.g., does this factor add to your understanding, or does it just add to the busyness of the loop and hence detract from the clarity of the story?) Are there factors that can be combined or eliminated?

6 The result of completing this step is a **provisional map** that you will test and refine with the support of experts in the field and those in your extended team.

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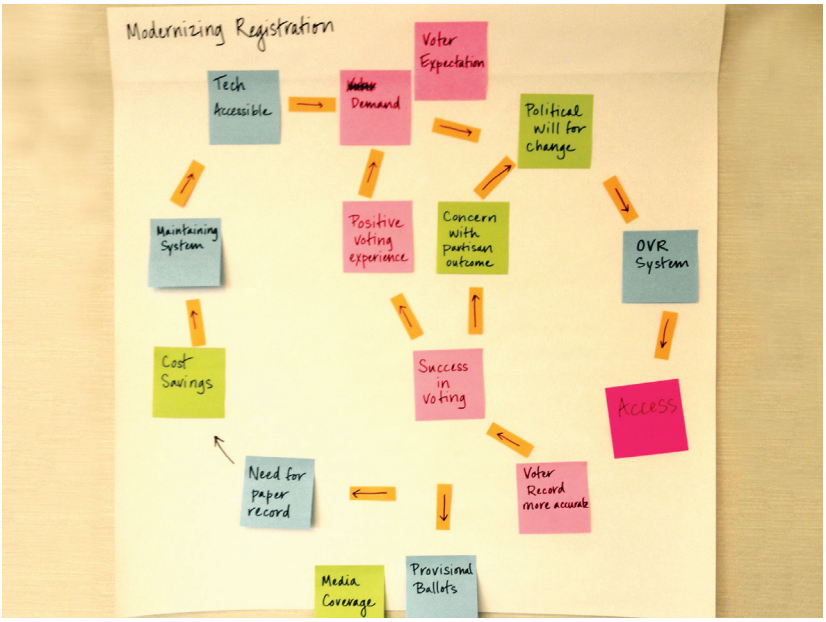
EXAMPLES

Here is Natalie from the Elections team at Democracy Fund orienting her loops around their deep structure.



This is the synthesis of three different loops that were created around the issue of modernizing voter registration systems. Team members built this together, moving factors around until they were confident that they had captured the intent of the original loops.

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Case Study

The U.S. Financial Inclusion (USFI) team thought long and hard about how to design their systems mapping process. They were a new team with little experience working together in the topic area and were in early phases of discussing their investment strategy. They knew a successful systems mapping effort would **(a) bring together the core USFI team, (b) support a compelling narrative for the state of financial health in the U.S., and (c) surface potential areas for leverage to inform the emerging investment strategy.**

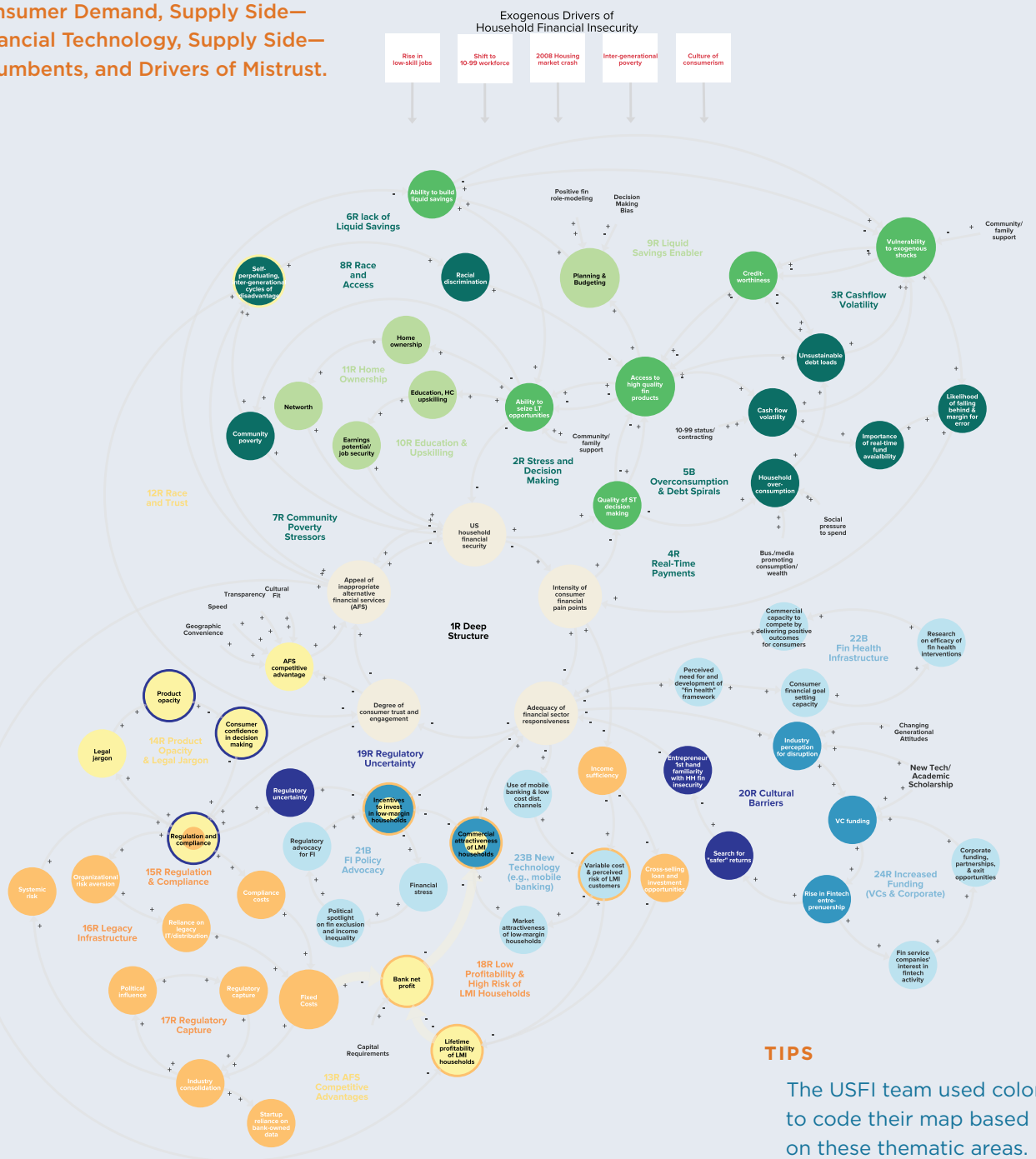
Sarah—the USFI Associate—was the key point person on the project who led the process of synthesizing individual loops and developing the narrative. "To get from a set of 60 different loops, then discover the deep structure and develop a map, felt overwhelming," she confided. But she came up with some great tricks which complemented her way of problem solving.

First, she discovered the deep structure. "I needed to conceptualize the map," she said. She identified the main factors that drive financial inclusion by organizing the core themes. She found it similar to strategy consulting practice of "story lining": identifying the four or five core points of the story, and working from there.

Second, she started writing narratives behind each theme in a text document. "This gave me more clarity on the overall, exhaustive story we wanted to tell as a USFI team. I felt I could be more comprehensive when I saw this in writing," she said.

Finally, she translated that narrative into a map, making sure that all the key points were represented by loops.

The USFI team oriented their loops in clusters around the deep structure they discovered. They then knitted the loops they built into the deep structure to form a map that captured the major forces driving financial inclusion in the U.S. As they were building the map, they realized it had four major thematic areas: **Consumer Demand, Supply Side—Financial Technology, Supply Side—Incumbents, and Drivers of Mistrust.**



TIPS

The USFI team used color to code their map based on these thematic areas.

Step 6

Craft Your Narrative

A systems map helps us tell a better story about the system we hope to impact. In telling this story to others, we can gain deeper insights about our system, invite greater participation, and evolve our understanding and our actions over time. Even practicing the story with your team will illuminate gaps in your thinking and help you to refine your map. The map is a visual table of contents for a rich, holistic, and dynamic story of your context. In this step, you will plan and practice the narration of your entire map in preparation for sharing with extended team and others for feedback.

RESULTS

A way to share the story of your map with others who haven't been part of the mapping process.

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ACTIONS

1 When telling your narrative, start by introducing your initiative area and how it fits into the broader mission of your organization.

2 Explain the guiding star and near star for your initiative.

Example: Our guiding star—that aspiration or vision we have for the system and how it functions—is.... (state your guiding star, near star, or 5- to 10-year goal on the way to the guiding star is...).

3 Introduce your systems inquiry, including your framing question.

Example: We wanted to gain a deeper understanding of our work context, with the goal of developing more effective strategy. We began with a framing question... (state your framing question).

4 Share a little about how you "listened to the system" and built your map.

Example: We began with an in-depth review of major reports and the academic literature, which helped us design a convening where 40 individuals who represent different parts of the system were invited to a workshop... (mention key anecdotes from your research).

5 Tell your core story, which is a short description (1-2 sentence) of the essence of the map. Then walk through the deep structure factor by factor in a way that tells a compelling story.

Example: Our core story is (short description). On our map, this core story is represented by these two dynamics (deep structure). The first is the "----" loop, which starts with (the "X" factor), which... (continue with the story of the loop).

Medium

2–3 hours. Anticipate additional time for the map builders to get inputs from the rest of core team.

TIPS:

— Use labels and color to make your map visually engaging to support your narrative.

— It is helpful to watch more experienced practitioners, or your systems coaches, narrating maps. Once you see the flow and format of a well-practiced narrative, you will have a much easier time crafting your own narrative.

— While the actions in this step give you a guide for how to do a complete narrative, you will often adapt this or use only parts of it depending upon the audience or purpose of your narration. For example, perhaps you have one region you are unsure of and are seeking the input of a set of experts. In this case, you may give the background, walk through and give the overview of all the regions, but then focus most of your time on that region.

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ACTIONS

6 Work your way out from the deep structure by describing the major regions of the map and their dynamics.

Example: This map has three major regions. Up here in the left, are stories about...On the right side here (point to the area on the map) are stories about... etc.

7 Walk through each region of the map in greater depth; highlighting particular insights you have taken from your map.

- Name the region of the map (repeat from Step 6) to set the context for the loops.
- As you walk through the loops, be sure that each loop has a compelling name that tells the "so what" of the loop. Comment on the impact the loop has on other loops or the system as a whole. Tell the summary story and avoid the more mechanical approach to reading loops by factors (e.g., as x increases, y decreases, as y decreases, z decreases...)
- Show how loops within the region are connected to each other, the deep structure, and other regions of the map by telling a connected story that builds with each additional loop.
- Share key insights about selected loops in the region (e.g., Notice how this loop undermines progress, while this one bolsters it).

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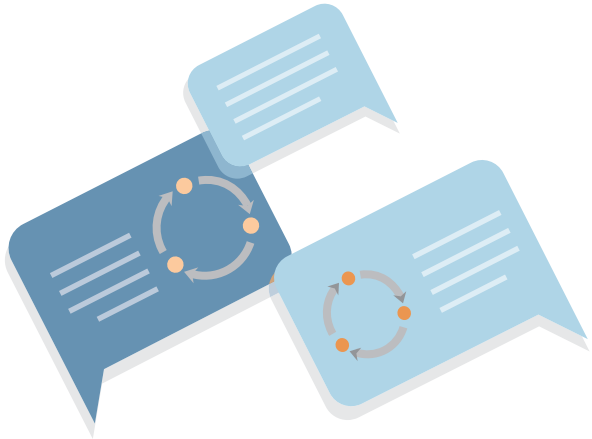

Step 7

Socialize and Iterate on Your Map

In this step, you will share the story and draft map with a variety of audiences, including experts and stakeholders in the field. This process will put your understanding of the context to the test. The conversations you have will help push your team to refine your narrative and evolve your map. At the end of this collaborative process, you'll have a working map against which you can start to identify leverage and develop strategy.

RESULTS

- A working map and narrative of the current system that you feel confident moving into strategy development.
- A record of the feedback you received and how that evolved your thinking.

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ACTIONS

1 Discuss your draft map as a team. Note where you have clear gaps or uncertainties, and where you think your map is strong but needs to be tested.

2 Make a list of experts and stakeholders who can help fill, refine, and test your map, based on your needs. Actively seek feedback from a range of perspectives that will push your thinking.

3 In small or individual feedback sessions, walk your stakeholders/experts through your map using your narrative from the previous step.
Questions to ask stakeholders/experts include:

— What resonates with you?
— What surprises you?
— What do you think is missing?

4 Track your feedback and capture the rationale behind how you are evolving your map.

High

2–4 hours. Timing depends on your experts' schedules

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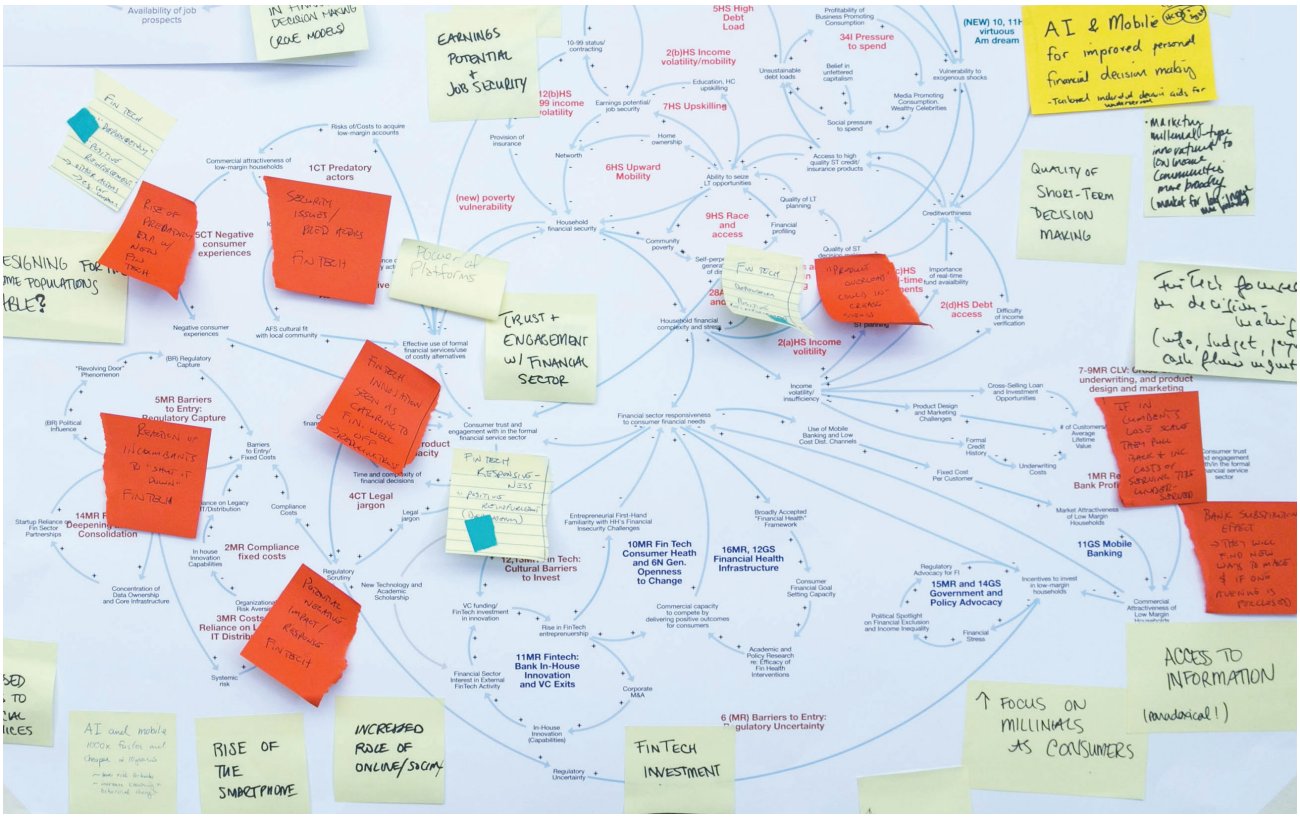
EXAMPLE



The USFI team held a workshop to look at the first working version of their map, and had people look at it from many different angles. People gave feedback on which areas seemed compelling and which areas didn't seem to have enough data to justify their presence on the map.

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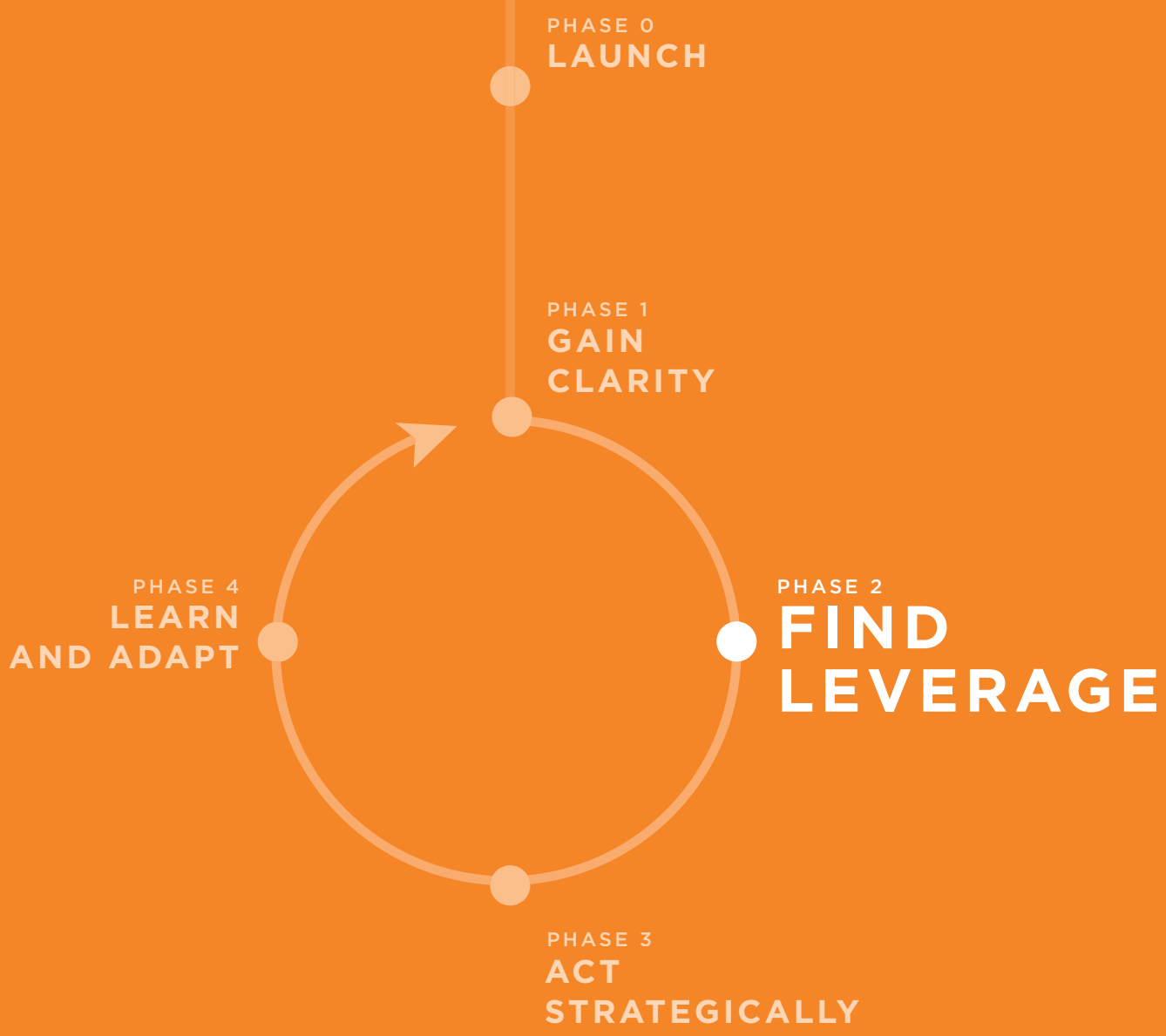
SYSTEMS PRACTICE OVERVIEW



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Step 8
Develop a Systemic Problem Statement

Step 9
Find Opportunities for Leverage

Step 10
Articulate Leverage Hypotheses

Step 11
Evaluate Feasibility and Potential for Impact

Step 12
Evaluate Fit

FIND LEVERAGE

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FIND LEVERAGE

All of the time your team spent on rigorously building your systems map has prepared you to find leverage in the system, or places that, if engaged, have the greatest potential to create positive change with comparatively modest effort.

This portion of the systems practice journey focuses on clearly and concisely stating what is disliked about the current state of the system, then identifying the most promising ways to potentially shift the system to a healthier state. You will then work together to stress test the logic of your hypotheses and evaluate how well each approach may fit with your organization. This will provide the foundation for being able to move forward and act strategically within the system.

READY?

Before you embark on this section, make sure your map has been socialized and iterated.

The next steps will require a large-printed map. Be sure to get one printed or hand draw it.

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FIND LEVERAGE

Step 8

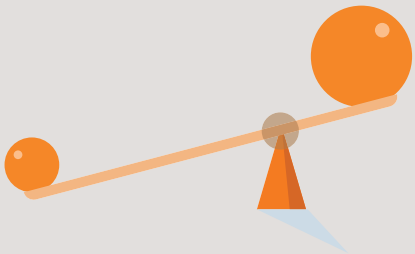
Develop a Systemic Problem Statement

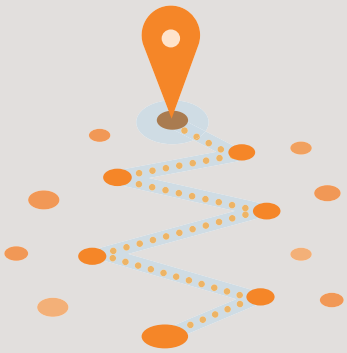
Identify the disliked qualities of the system you would like to disrupt, mitigate or shift.

Step 9

Find Opportunities for Leverage

Look for areas of leverage in the system that promise large impact with relatively small engagement.





Step 10

Articulate Leverage Hypotheses

Form connections between short-term impacts over time and long-term systems change.

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Step 11

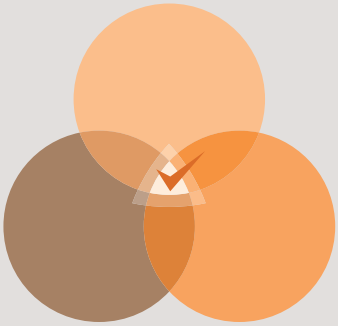
Evaluate Feasibility and Potential for Impact

Analyze and assess the potential impact and feasibility of the leverage hypothesis.

Step 12

Evaluate Fit

Assess the extent to which these leverage hypotheses align with your organizations values, capacities and advantage.



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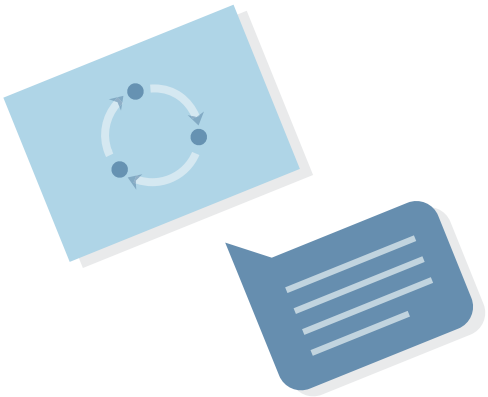

Step 8

Develop a Systemic Problem Statement

In this step you will develop a concise description of the current disliked qualities of the system. Having a systemic problem statement allows you to contrast the current state of the system with your desired near and guiding star. Your strategy is the way you hope to bridge this gap. The problem statement reminds us that the leverage we seek to engage in the system is targeted toward these unhealthy or problematic characteristics.

RESULTS

A systemic problem statement.

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ACTIONS

1 Print out a **large format version (four feet by six feet or A1)** of your systems map and place it on the wall. If you don't have a large format printer available, draw it by hand as large as you can or project it.

2 Stepping back from your map, ask yourself, "What patterns in the current system keep it from behaving in ways described in your **guiding/near star**?"

3 Individually, write a brief description explaining how the system currently functions. It should be a short, compelling statement, based on your system analysis, that you could say in 30 seconds or less. Here are a few prompts and examples to get you started:

— The current system serves to _____ _____ and _____.
Example: The current system serves to maintain high levels of household financial insecurity.

— The current system moves away from the guiding star because of _____.
Example: The current system moves away from the guiding star because it widens the education gap.

— The dominant, even if undesired, purpose of the system is _____.
Example: The dominant, even if undesired, purpose of the system is to address crises at the expense of understanding and lessening the cause of atrocity.

— The current system is optimized to produce _____ .
Example: The current system is optimized to produce and reproduce levels of instability between Israel and Palestine.

4 Once you have your short, compelling statement describing the behavior in the current system, you want to look at it together with your **guiding/near star** to form a **systemic problem statement**. Your systemic problem statement should look like this:

We are trying to move from a system that **(systemic problem statement)** to a system that **(guiding/near star)**.
Example: We are trying to move from a corporate supply chain labor system that currently operates as a race to the bottom around slavery prevention to one that provides corporations with the means and motivation to reduce slavery in the supply chain.

5 Now as a group, discuss your brief descriptions and systemic problem statements. Through dialogue and iteration seek consensus on a consistent way to describe the current state of the system and where you hope it will be in the future.

Moderate

1 hour of individual work followed by 1.5 hours of team work

TIPS:

— Individually reflect on your own ideas first, then follow with group discussion. This can help reveal underlying assumptions.

— To do a large format printout of your map, you will need to obtain a high-resolution PDF. Go here for more instructions: http://blog.kumu.io/create-high-quality-pdfs/. The high-res PDF can be sent to your local copy center. We recommend four feet by six feet so that your entire team can easily gather around the map.

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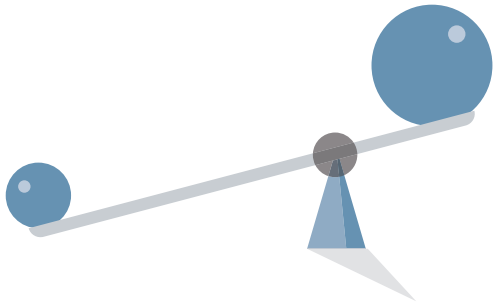

Step 9

Find Opportunities for Leverage

Systems change best when they change themselves. Working with a system in this way has the potential to be more enduring and a more effective use of resources. In this step, you will analyze your map to look for areas of leverage. Leverage is a phenomenon where small effort result in outsized impact. When one exploits areas of leverage in a system by affecting key dynamics it can result in wider ripple effects that ultimately help the system to change itself.

Areas of leverage are places in the system where there is the possibility that one could have a big impact on the system with comparatively modest effort or investment.

RESULTS

Identification of several high-leverage opportunities.

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ACTIONS

1 Post your large-printed or hand-drawn map on a wall. Individually survey the factors, connections and loops to identify leverage opportunities. These will be places on the map that meet any of the following criteria:

— Where is the system **frozen**? Look for places where system behavior is deeply entrenched and unlikely to change in the near future.

— Where is there pent-up **energy for change**? Look for places where energy is disrupting the status quo or trying to reorganize and cause new patterns to emerge.

— Where are places that seem like a **mixed bag**? (Meaning places with both good and bad elements.) Look for places that could swing either positive or negative.

— Where are there places that seem like **bright spots**? Look for places where positive change is happening already.

— Where are you seeing **ripple effects**? Look for strong factors and dynamics which have the potential to affect many other factors or dynamics downstream.

Keep in mind that while factors are the most visually prominent features in maps, they are not the only places where leverage can be found. Consider factors, but also consider the relationships between factors (arrows connecting factors) as well as entire loops—which often have the highest potential for impact—when looking for areas of leverage.

2 Capture your observations with sticky notes on the large version of your map. Use a different color for each of the indicators of leverage: areas that are **frozen**, have **energy for change**, are a **mixed bag**, seem like **bright spots** or could cause **ripple effects.**

3 As a group, discuss the marked-up map and consider the strength of the evidence or the observable data that is leading you to the conclusions that areas of leverage might be present. What is the story that the pieces of evidence are telling? Does the evidence cluster in certain areas of your map? How are the various possibilities related?

4 Develop a list of leverage areas based on your discussion. There will typically be fewer leverage areas than sticky notes on your map as a promising leverage opportunity will typically have multiple markers on it.

Moderate

3 hours

TIPS:

Take several high-quality pictures of the big map after it is marked with sticky notes. These pictures will be helpful for keeping a record of your analysis.

Take a photo of the marked-up map.

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EXAMPLE

This is the U.S. Education team at Omidyar Network capturing their observations with color-coded sticky notes.

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Step 10

Articulate Leverage Hypotheses

In this step you will develop ideas for how to exploit possible opportunities for leverage areas. They will be articulated in the form of hypotheses that explain the connection between the parts of the system you could engage, how you expect these actions to affect key dynamics, and how they would contribute to broader, long-term systems change.

RESULTS

Several hypotheses for how to have a leveraged impact on the system.

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ACTIONS

1 Working with each of the potential leverage areas you identified from the last step, describe how engaging that leverage area one could:

— Strengthen a positive dynamic

— Weaken a negative dynamic

— Shift a dynamic (from negative to positive)

— Create a new dynamic

— Shorten or speed up a time delay

2 Now work in groups of 2-3 to build your leverage hypotheses (which are **if-then-because** statements) to formulate a more complete logic for what you believe could happen by engaging that leverage area. Use the template on the next page to get started. See a detailed example on the page that follows.

3 Repeat this process for each of your leverage areas and review/refine these together as a team. Once you have a statement drafted, write it on a flip chart paper and place up on the wall.

Moderate

2 hours + additional time for reflection and refinement as needed

TIPS:

— As you develop your hypotheses, you may find it helpful to combine your thinking about two areas of leverage into one leverage hypothesis.

— Don't forget to look upstream of the point you are interested in. Sometimes that is a better place to engage.

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TOOL

LEVERAGE HYPOTHESIS MAD LIB

Name _____

short-term

If we do _____

(activities: actions, products produced, investments/grants made)

Then we will affect these key areas on the map _____

(outcomes: factors or causal relationships that are in one or more loops)

because _____

(reasons why you think those activities will lead to those outcomes)

mid-term

If we create these outcomes, then we expect to have the following impact(s) on one or more key dynamics _____

(dynamic impact: a bright spot strengthened, vicious dynamic weakened or broken, time delay shortened, new dynamic/feedback created)

because _____

(reasons why you think those outcomes will lead to those dynamic impacts)

If we have these outcomes and dynamic impacts, then we expect to see these desired second and third order impacts on other places in the systems _____

(ripple effects)

because _____

(reasons why you think those outcomes and dynamic impacts will lead to those ripple effects)

long-term

If we have these dynamic impacts and ripple effects, then we expect to see these fundamental changes in the system _____

(systems changes: significant outcomes that being the system to our near star)

because _____

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EXAMPLE

Articulating Leverage Hypotheses

Supporting risk innovators to shift the focus from violent conflict crisis prediction to prevention.

1. Activities ➤ Outcomes

Some innovators in the peacebuilding system have begun to recognize the importance of getting ahead of the next crisis and investing in understanding and responding to the risk of conflict rather than reacting to crisis. Our activities will focus on supporting these "risk innovators."

If we support these innovators then it will lead to better risk detection and analysis tools (increased "**Understanding Risk of Violent Conflict**") and, in turn, increase the time for preventive action before crises emerge (increase the "**Window of Opportunity for Effective Action**").

We believe this will help because these risk innovators are currently being held back by insufficient support and their learnings are not sufficiently documented or utilized.

2. Outcomes ➤ Key Dynamics

If we create these outcomes (increased "**Understanding Risk of Violent Conflict**" and increasing the "**Window of Opportunity for Effective Action**"), then it will lead to more effective, documented engagements which will attract more attention and investment to this type of effort (strengthening the "**Responding to Risk**" loop).

We believe this will happen because we will be strengthening the case that this kind of risk response is both possible and effective in a way that the system would not do on its own.

3. Key Dynamics ➤ Ripple Effects

If we affect this key dynamic (strengthen "**Responding to Risk**" loop) then we will weaken the "**Prediction, not Prevention**" loop because it will strengthen the case that earlier prevention of violence is more cost effective than prediction of crises.

This key dynamic, in conjunction with our efforts in another leverage area called "**Domestic Drivers for Change**", will also lead to a weakening of the "**Projectization, not Partnership**" and "**Reacting to Crisis**" loops.

4. Systems change

If we have these dynamic impacts and ripple effects then we expect key actors within the peacebuliding system will begin to transform their practices, seeking adaptive approaches and promoting a culture of learning and reform. We think this happen because there will be less fear of failure and more willingness to innovate and iterate on approaches to violence prevention

We will know the system is fundamentally transformed when we have weakened or eliminated the "**Top Down Approaches**" and "**Reacting to Crisis**" deep structure of the system.

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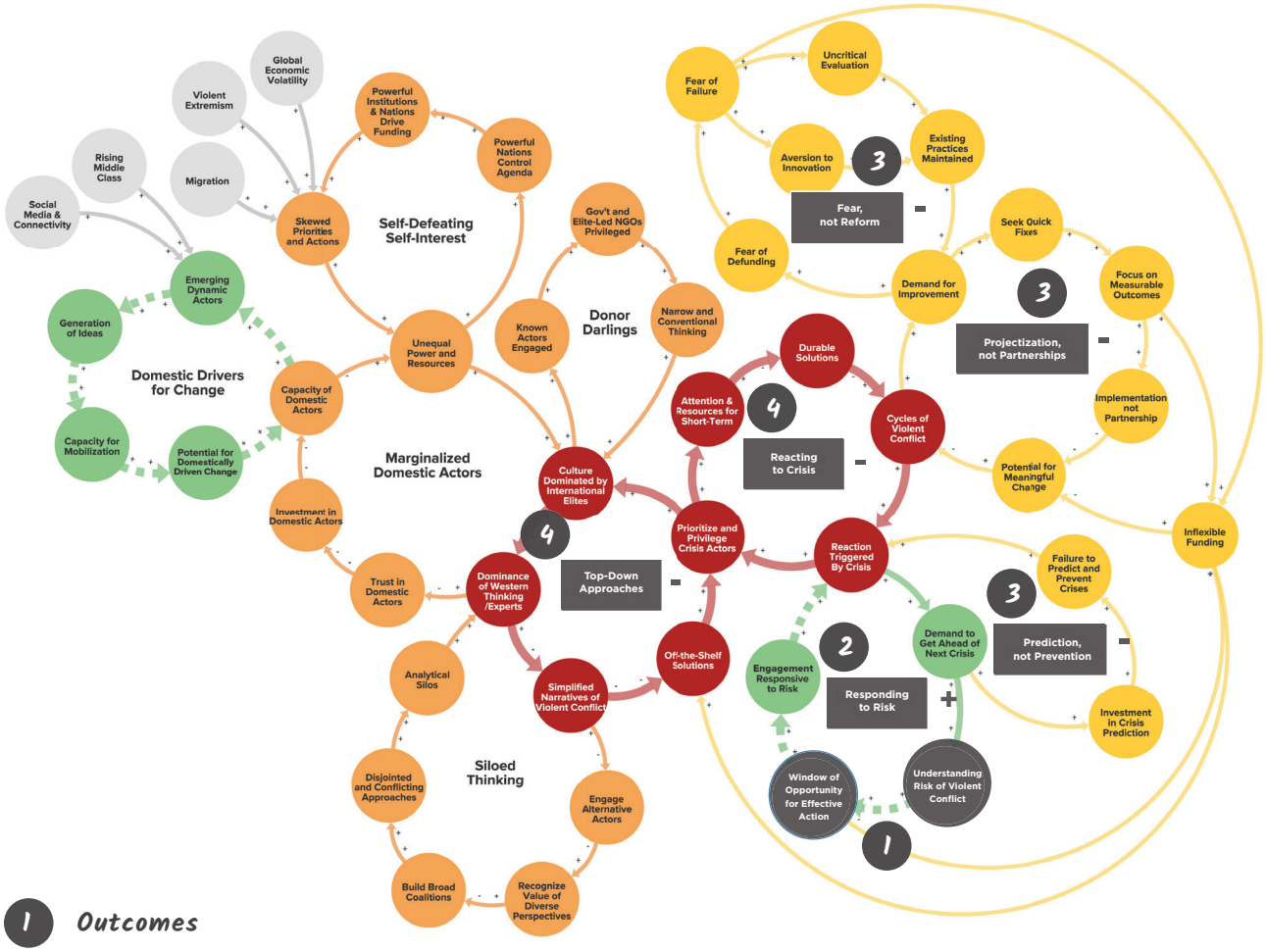
EXAMPLE

To ground your leverage hypotheses in your map, it's helpful to print out your systems map and hand draw your leverage area logic on top of it. Later on you will also create a final "strategy map" that highlights the ways your strategy engages the leverage areas and the anticipated ripple effects it may have on the system.



1 *Outcomes*

2 *Key Dynamic*

3 *Ripple Effects*

4 *Systems change*

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Step 11

Evaluate Feasibility and Potential for Impact

Not every leverage opportunity will prove powerful for impacting critical dynamics that drive the disliked characteristics produced by the system. With your problem statement and near star in mind during this step, you will use your discussions and analysis of the evidence to rate the potential impact implied by each leverage hypothesis and the feasibility of engaging the leverage areas.

RESULTS

A prioritization of potential leverage areas based on likelihood of targeted impact and feasibility.

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ACTIONS

1 Individually reflect on the strength of and feasibility to engage each of your selected leverage areas. How believable is your hypothesis, and how impactful do you think the leverage area is for generating change in the system? Consider each step in each hypothesis. Are there any weakness in the logic?

Looking at the chain as a whole, what is your intuitive assessment of the potential for impact? How feasible would it be to exploit the area of leverage? Use individual rating sheets (see example on the next page) to mark your rating for each leverage area.

2 Before you discuss as a group, take some time to think about what **key assumptions** are informing each of your ratings. There are different types of **assumptions**. Take a look at the prompts and examples on the next page to guide your thinking. For each of your leverage area ratings, use a large sticky note to jot down the assumptions that you think are embedded in your rating.

3 Put a new flip chart sheet next to each leverage hypothesis flip chart sheet. Draw a range (see example on the next page) on each flip chart.

4 Now transfer your individual ratings and assumption sticky notes onto the sliders on the flip charts.

5 As a group, discuss each leverage hypothesis, their various ratings and embedded assumptions. Take note of where there is a lot of agreement and where opinions diverge.

6 As a team, seek consensus on your prioritized leverage areas based on their potential for impact in the system and feasibility. Note the priority on the flip charts.

Moderate

1+ hours depending on the group

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INDIVIDUAL RATING SHEET

Leverage area 1

Low ———————————— High

Leverage area 2

Low ———————————— High

Leverage area 3

Low ———————————— High

Leverage area 4

Low ———————————— High

Leverage area 5

low ———————————— high

Leverage area 6

Low ———————————— High

Leverage area 7

Low ———————————— High

Leverage area 8

Low ———————————— High

GROUP RATING SHEET

(Leverage area name goes here)

Potential for Impact

Low ——×——×——×——×—— High

Feasibility

Low ——×——×——×——×—— High

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What assumptions are driving your evaluations?

What universal assumptions are affecting your evaluation? (Assumptions that are **key values** and beliefs that are fundamental to your organization e.g., "Individual empowerment is vital for social change" or "Human rights are sacred.")

What **warranted assumptions** might be embedded in your evaluation? (Assumptions that have been tested or have substantial data to support them e.g., Data shows that "Resilience requires purpose, community and control.")

What **tentative assumptions** might be embedded in your evaluation? (Assumptions that have little to some data to support them but you might need to test them to gain more confidence in them e.g., anecdotes indicate that "Fear of failure is the primary limit to innovation in the peacebuilding sector.")

NOTE: Some of the riskiest assumptions are the ones you don't even know you are making. These are called **implicit assumptions**. Because it's hard to write down what you don't know, these are the ones you need to tease out in conversation with others and watch out for as you engage the system.

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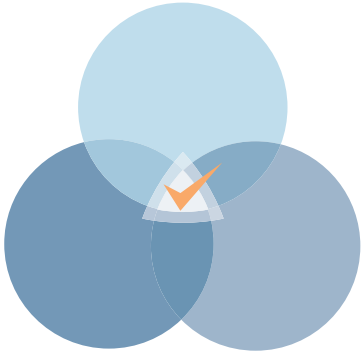

Step 12

Evaluate Fit

Not every opportunity for leverage can or should be developed as part of your strategy. In this step you will consider how potential engagements in the different leverage areas align with your unique organizational values, capacities, and distinct advantage—things your organization is skilled at or positioned to do well when compared to others in the space.

RESULTS

A top set of leverage areas to be fully developed into potential engagement opportunities.

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ACTIONS

Easy to moderate

2-3 hours

1 As a group, review the top-ranking leverage hypotheses from the previous step.

2 Place a separate flip chart paper next to each of the top ranking hypotheses and model it to resemble the example flip chart alongside. You will use this to assess how much of a fit each leverage area is for your team and your organization based on your organization's values and beliefs, capacities, and your distinct advantage.

3 Individually, note your ratings for each leverage area before marking them on the group paper. Use your instincts as well as knowledge and experience in the system to rate each of the three scales.

4 After everyone has completed their ratings, do a group gallery walk to discuss responses, noting where there is a lot of agreement and where opinions diverge.

5 Work through each of the leverage areas and thoroughly discuss your perspectives with your teammates. Discuss your ideas for what engagement with that area might look like, and what you think it might achieve in the system. Have one or two people designated as notetakers. It will be important to capture this discussion for future reference.

6 Reach agreement as a team on which leverage areas you will develop further. Teams commonly develop somewhere between two and four leverage areas to engage as they build on their understanding of leverage to develop their strategies.

7 Capture your work through photographs and written documentation.

(Write Leverage area name here)

Fit with your organization's values/beliefs:

Low _____ *High*

Fit with your organization's capacities:

Low _____ *High*

Fit with your distinct advantage:

Low _____ *High*

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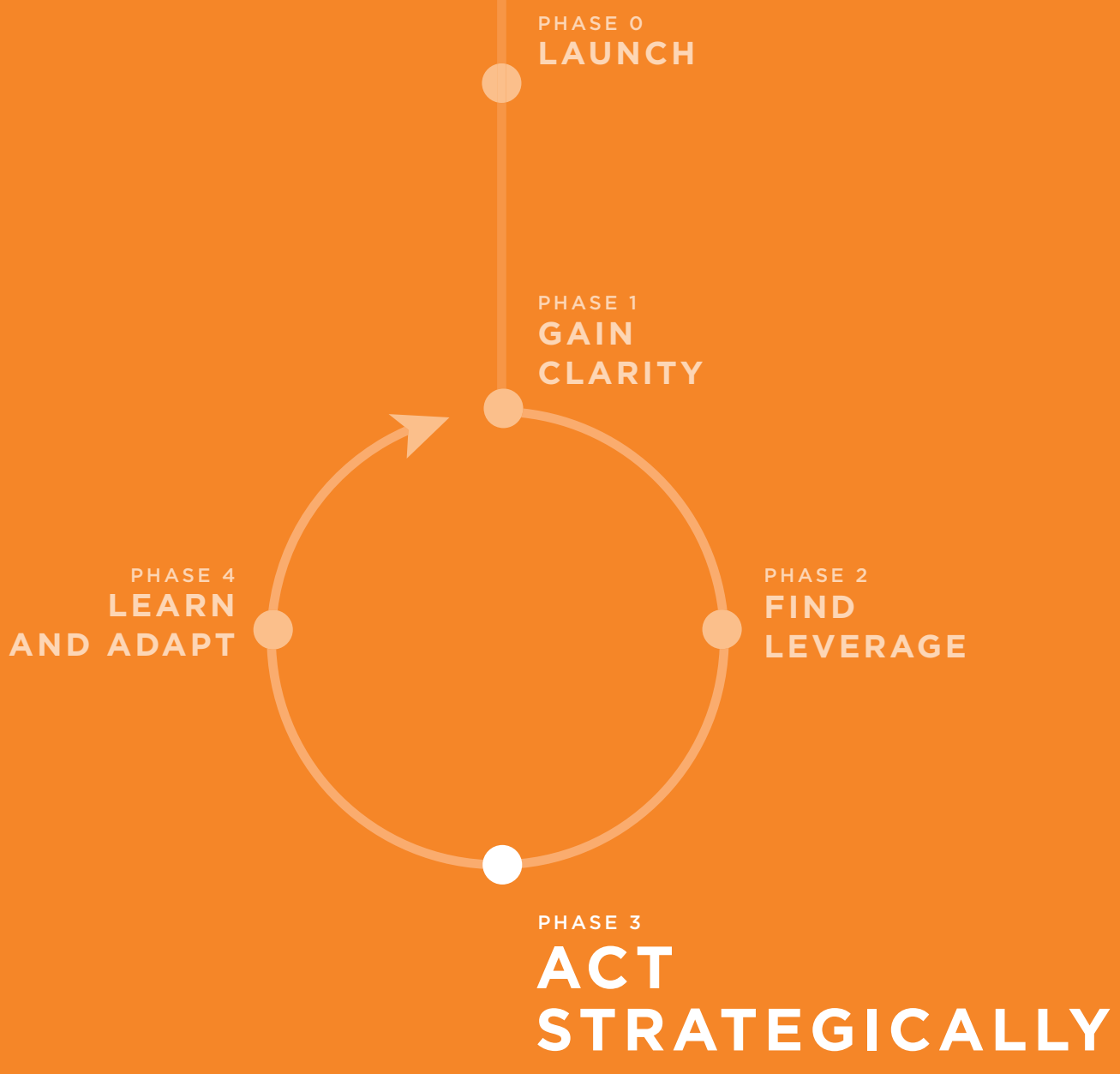
SYSTEMS PRACTICE OVERVIEW



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Step 14
Develop Key Performance Questions

Step 13
Maximize Potential for Leverage

ACT STRATEGICALLY

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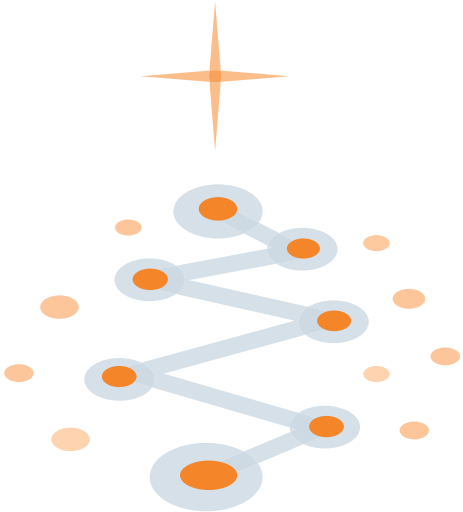

Step 13

Maximize Potential for Leverage

Now that you have narrowed down a set of leverage areas, you need to think about how you might develop a coherent systems-change strategy that maximizes your potential to make an impact on the system.

In this step, you will explore how different leverage areas may intersect or support each other, develop your systems-change strategy, and enhance it with a compelling narrative and visualization.

RESULTS

A systems-change strategy, narrative, and map.

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ACTIONS

1 Bring your core team together for a multi-hour strategy development work session. To prepare for this, you will want to have your leverage hypotheses Mad Libs (p. 71), a large version of your map, and different colored sticky notes.

2 Visually represent each leverage hypothesis Mad Lib on the map—from the concrete activities to their associated outcomes and downstream impacts. Use a separate colored sticky note for each leverage hypothesis.

3 Notice and discuss the ways the individual hypotheses intersect or support each other.

4 At this stage you want to think through how strategically pursuing specific leverage areas together could have an additive impact (the sum is greater than its parts). To help you with that, here are some questions to think about:

— How might we exploit several leverage areas in combination in order to amplify impact?

— How might we "fail smart"—mitigate our potential for negative impacts while maximizing our ability to learn from the impact of our actions?

— How might we work effectively with other actors in the system?

- How might we take into account what other actors are currently or could be doing to address leverage areas?
- How might we empower local actors to make change?
- How might we collaborate with and learn from other actors focused on the same leverage areas?
- How might we influence and/or learn from actors that are working in other parts of the system?
- How might we influence other actors to engage other leverage areas that we are not?

Hard

Varies from a few hours to a few weeks

TIPS:

Consider creating an actor map to visualize the ways actors may influence the key leverage areas in the system. An actor map is a map of the actor in a systems that illustrates their relationships to each other.

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ACTIONS

5 Taking all of the previous questions into consideration, articulate what your coherent systems-change strategy will be. This should be a narrative of two pages or fewer that tells the story of how pursuing one or more of these leverage areas together is hypothesized to lead to a high leveraged impact on the system.

6 If you are working in Kumu, you can use your context map and the thinking you've done in this step to create a systems-change strategy map that highlights the leverage areas you will be addressing and the ways the activities and downstream impacts may be mutually reinforcing. (See example on p. 85.)

7 Socialize your narrative and systems-change strategy maps with others to refine your point of view.

As you are talking through your strategy, people may ask, "But how would you do that 'tactically'?" Right now you want to focus on the what and why, not the how. You need a basis to believe that your strategy is feasible (you did some preliminary work on this in Step 11) but you don't want to get bogged down in the tactical approach you may take.

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EXAMPLE

Here's an example of one team's strategy map and narrative. They presented the map and narrative to organizational leadership for approval for their strategy.

THE TRANSFORMING PEACEBUILDING TEAM AT HUMANITY UNITED

Our strategy involves reinforcing two bright spots within the system that have the potential to shift the core dynamics of the system over time.

RESPONDING TO RISK LEVERAGE AREA

Activities and Outcomes:
We will support "risk innovators" who are investing in understanding and responding to the risk of conflict rather than reacting to crisis. It will lead to better risk detection and analysis tools (increased "understanding risk of violent conflict") and, in turn, increase the time for preventive action before crises emerge (increase the "widow of opportunity for effective action").

Key Dynamics:
This will lead to more effective, documented engagements, which will attract more attention and investment to this type of effort (strengthening the "responding to risk" loop).

DOMESTICALLY DRIVEN PEACE LEVERAGE AREA

Activities and Outcomes:
We will invest in the capacity of domestic actors, such as social movements, youth leaders, and the rising middle class, who can all generate new ideas and mobilize others.

Key Dynamics:
This will increase the potential for local efforts to cultivate a more peaceful, collaborative society. (Strengthening the "domestically driven peace" loop.)

RIPPLE EFFECTS

Our strengthening of the "responding to risk" loop and the "domestically driven peace" loop will lead to a weakening of the "projectization, not partnership" and "fear not reform" loops.

SYSTEMS CHANGE

Ultimately, we expect key actors within the peacebuliding system will begin to transform their practices, seeking adaptive approaches and promoting a culture of learning and reform. We will know the system is fundamentally transformed when we have weakened or eliminated the "Top Down Approaches" and "Reacting to Crisis" deep structure of the system.

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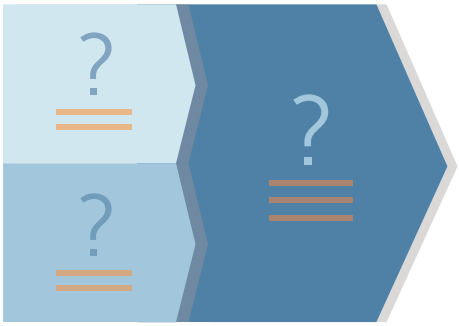

Step 14

Develop Key Performance Questions

In this step, you will be identifying the questions you will be asking to test your leverage hypotheses as you engage the system. This will help you explore the assumptions implicit in your strategy. You will also take a first pass at what methods can give early insight and honest answers to your hypotheses questions.

RESULTS

Key performance questions, potential assessment methods & indicators.

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ACTIONS

1 The core activity of this step is coming up with your key performance questions and ways of answering them for each step in your strategy. We have provided a **Key Performance Questions (KPQ)** tool to help you do this. You can find it here: http://bit.ly/2j1xxca

2 Use your systems-change strategy from the previous step to fill out the left side of the KPQ tool (The "If-Then" and "Because" columns.)

You'll see that this exercise will push you to reconnect your activities and impacts concretely back to your systems map.

Two challenges you may experience: 1) Your strategies are messy and don't "fit neatly" onto the map. 2) Your map may not fully represent everything in the system that allows you to best show how your strategies engage the system. These challenges are real and to be expected, but pushing yourselves to ground your strategy in the map as best you can helps clarify your thinking and serves as the foundation for how you will name and test your hypotheses and assumptions going forward.

3 Once you have your strategy captured in the KPQ tool, it's time to generate your questions. For each step in your strategy logic, generate one or more key questions that allow you to explicitly probe your hypotheses and assumptions. For example, "To what degree were we able to accomplish activity X?," and "To what degree does activity X lead to an increase in Y?." You can see an example of the KPQ tool filled out in the example sheet.

4 Lastly, use the far right column of the KPQ tool to write down potential assessment methods and indicators you could use to answer each hypothesis question.

Watch out for "data for data's sake." It's helpful to push yourself to figure out what constitutes the best evidence to answer your KPQs—sometimes that is a good numeric indicator, but other times it's a more qualitative approach like a case study or survey.

Moderate to hard

4 hours

TIPS:

Questions that hold complexity and acknowledge the uncertainties within your strategy may be messier, but ultimately will be more helpful.

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SYSTEMS PRACTICE OVERVIEW

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LEARN AND ADAPT

Step 15

Learning from the System

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Step 15

Learn from the System

In this step you will work through a series of questions to assess and evolve your understanding of the system and your strategy for engaging it. By using the data while answering your key performance questions from Step 14 and the reflection questions in this step, your understanding of the complex system will get ever sharper, despite its complexity. It is necessary to do a deep reflection of your learning after having engaged the system for three to six months.

RESULTS

- Key learnings and their implications articulated.
- Updated systems map.
- An updated strategy.
- Updated KPQ tool.

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ACTIONS

1 Uncover key learnings:

— What are the most important things you have observed and learned? What has most surprised you? Why?

— What has been most and least effective about your efforts and strategy to date?

- What evidence do you see of our impact to date (outcomes, key dynamics, ripple effects)? Use your KPQ tool for this.
- Why did or didn't you achieve the impacts you expected?

2 Assess the ways in which your team needs to update your systems map:

— How have your observations and the effectiveness (or not) of your efforts helped you to better understand the system?

— How have you changed the factors and dynamics (loops) in your map and how those loops are connected? Why?

— How has your deep structure changed (or not)?

3 Assess the ways that your strategy may need to be adapted:

— What emerging opportunities/risks have you identified? How are you addressing them?

— Are you engaging the right factors and dynamics or do you recommend a change?

— How have you adjusted your activities in response to what you have learned?

4 Update your KPQ tool:

— How does your systems-change strategy need be updated?

— How do your KPQ questions need to change?

— How do your potential assessment methods and indicators need to change?

Moderate to high

4–8 hours with additional reflection and iteration as needed (see tip below)

TIPS:

— It is helpful to set aside time every few months to revisit these questions. And, it can also be helpful to integrate this type of reflection into regular weekly or monthly meetings and track your learnings along the way.

— As you work through Actions 2, 3, and 4, you may want to revisit the Gain Clarity, Find Leverage, and Act Strategically sections of the workbook.

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SYSTEMS PRACTICE GOING FORWARD

Congratulations. You've finished one cycle of the systems practice journey. You have undoubtedly learned a great deal about how to implement a systems practice and probably have a lot of thoughts on how you may want to innovate or do things differently going forward. This is a good time to return to the Launch section and reflect on your team, framing question, guiding star and near star. And from there, continue to pursue renewed clarity, leverage, strategic action, and learning.

You are also now part of a systems practice community. We would love to hear your reflections about this journey. We want to know what went well, what was hard, and what needs tweaking. We encourage you to share your feedback by emailing us at systems@omidyargroup.com.

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SYSTEMS PRACTICE

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