

“Experience is an Expensive School”

- Benjamin Franklin

Why is it so difficult to predict the impacts of management decisions on an organization? Organizational stovepipes prevent key players from fully understanding a strategy or initiative. Component parts are often well understood, but the *relationships* between processes are less well understood. In addition, actions between these component parts have both intended and *unintended* consequences - and it is the unintended consequences of a management decision that typically undermine an initiative. Traditional approaches to management problem solving usually follow a similar pattern: break the issue into its component parts, examine and fix each part, then re-assemble the parts to the whole. To fully understand the unintended consequences of decisions requires a paradigm shift in how a manager conceptualizes his or her organization. This shift requires a manager to abandon the “stovepipe” model of organizations and to think about an organization as a system of interconnected parts.

There is no management crystal ball. When making decisions in uncertain environments it is impossible for managers to absolutely predict the full implications of their actions. However there are tools and techniques available to decision makers to help them avoid the costly mistakes of learning from experience that Benjamin Franklin referred to years ago. Systems Thinking - coupled with the iThink® software developed by High Performance Systems, Inc - is just such a tool. It is a “Flight Simulator” for managers.

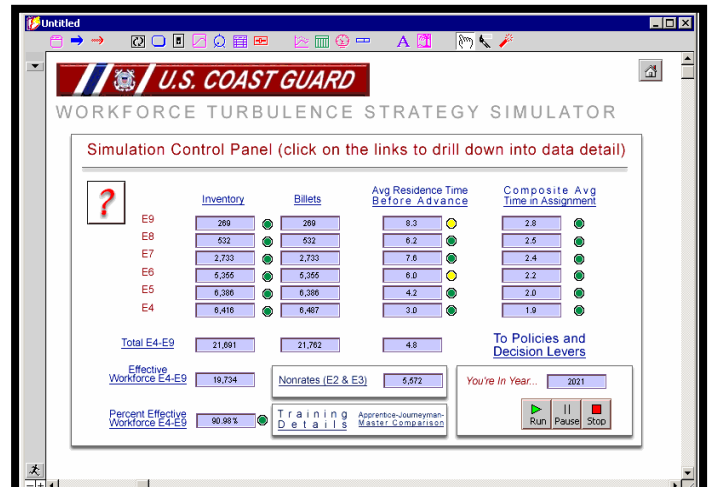
Systems Thinking provides

- A conceptual framework for understanding the system of interrelationships that govern performance in an organization.
- A common language for representing processes and systems....
- Mapping and simulation tools (developed in the iThink® software) designed to communicate understanding.
- A platform for developing Management Flight Simulators

CALIBRE’s Management Flight Simulators...

- Allow the user to move from an *intellectual* understanding to an *operational* understanding—knowing what to do, how much to do it, and when to do it!
- Allow a manager to test policy and learn about the implications of decisions in a simulated environment. Experimenting with policy alternatives in this simulated environment eliminates the costs associated with learning through experience.
- Serve as a 'virtual practice field' for managers to try out decisions under various business conditions in a risk-free environment
- Deliver high-end value to its customers creating dynamic, enterprise-wide, customized simulation applications that measure the performance of their business over time.

CALIBRE uses Systems Thinking to provide new perspectives and new solutions to our customer’s problems. Our models have been used both in federal and business organizations as management flight simulators and as Learning Environments. They have also been used in conjunction with balanced scorecards, in development of management metrics and as communication tools to educate stakeholders on policy decisions. The table below illustrates some of these uses.



Example of a “Management Flight Simulator” developed by CALIBRE. These types of simulators allow decision makers to learn through simulation, and not through experience.

Project	Customer Issue	CALIBRE Solution
Workforce Turbulence Strategy Simulator	Our Coast Guard customer was challenged with issues of low retention, high personnel turnover and frequent employee moves. All these factors were producing adverse impacts on the Coast Guard workforce.	CALIBRE facilitated sessions with Coast Guard Subject Matter Experts (SMEs) that examined the overall causes of turbulence and helped understand the “physics” of their personnel system. In addition, the Workforce Turbulence Simulator allowed the Coast Guard to test policy options that sought to improve their workforce.
Security Clearance Simulation	The Air Force was experiencing unforeseen costs associated with conducting security clearance investigations and wanted to better understand and predict future costs of investigations.	In consultation with Air Force SMEs, CALIBRE built a simulation that demonstrated how people moved within the customer’s personnel system. The model allowed Air Force leaders to examine policy changes and to more accurately forecast future costs.
Corporate Strategic Forum	A Private Sector customer sought assistance in producing a meaningful Strategic Plan. Of particular concern was the revenue projection for the five-year plan, and if the company’s structure and business processes would allow them to reach their targets.	CALIBRE interviewed senior leaders in the company, built a simulation based on the interviews, and then conducted a 2 day Strategic Forum. The senior leaders used the simulation to test aspects of their new Strategic Plan and as input for a company re-organization.