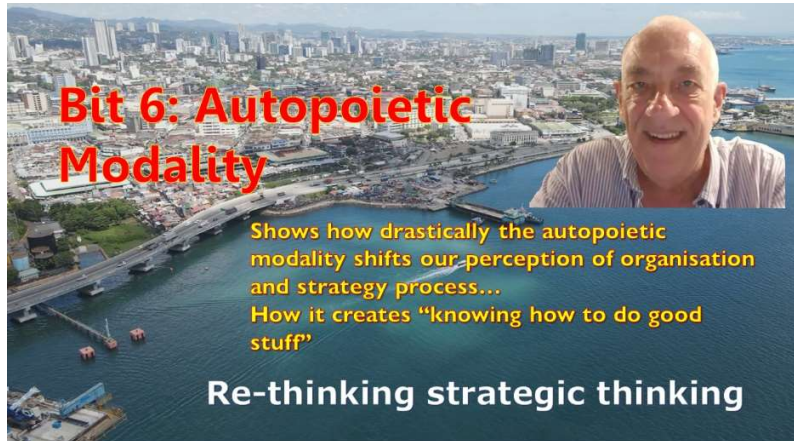


Re-thinking strategic thinking

Knowing, Knowledge and Strategy

The impact of the autopoietic modality



on strategy thinking and process

00:00 Let's explore the matrix for e Autopoietic Modality...

It says the autopoietic company is an autonomous observing system that is simultaneously open for data but closed for information.

Autopoietic modality		
Profile criteria	Theoretical statement	Managerial statement
View of one's own organization	'The autopoietic company is an autonomous and observing system that is simultaneously open for data but closed for information. It is a group of individuals who have created an emergent frame of reference.'	<i>Human resource manager:</i> 'Everybody in our organization is a free agent. We try to develop opportunities and support the organizational members by putting them into a c t i o n.'
Perception of the	'The world is brought forth in	<i>CEO:</i> 'We try to create new

00:30 It is a group of individuals who have created an emergent frame of reference.

Now what that means is anything that the group witnesses is tested within this set of ideas.

Members of the organization collect and assimilate data, bits of stuff, and that stuff is interpreted within the frame of reference.

When new information is offered, *information* which has been formed from a different worldview, it's not accepted with that different meaning.

The meaning structure that *forms the information*, that's not there, that's ignored.

So the information that's offered is taken but treated as data, and because it's treated as data, a new meaning is made. New data is taken and is processed and is given meaning, but the new information is not, the new information is treated as data, *and so it's given another new meaning*. It becomes new information [not the information as offered].

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02:29 The human resource manager in an organization like this would say something like, “everybody in our organization is a free agent. We try to develop opportunities and organization and support.

“We try to develop opportunities and support the organization members by putting them into action”, and that part, putting them into action, is actually quite important.

03:16 Perception of the environment, the world is brought f



versations.

What we know and what we understand about the space that we live in, the space that we occupy, that comes from conversation, the environment brackets as we understand it, brackets, brackets as we understand it, and the organization, that is to say the way in which the members operate and see things and interpret things.

04:00 The organization and the environment co-evolve. [because the environment, as known, was created in conversation and the organisation is changed in response.... Changing the conversations again...]

04:00 **Dwelling.**

Well, we're dwelling in our relationships and our conversations about our experience of the environment and the actions that we're taking within that environment.

So, our reflection on our experiences, our reflection from our collective action, ...

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{I really did not want to edit this. It's funny, isn't it?
When I read the slide, it's okay. When I come to speak,
it's not.}

Actually I think I might leave this in because this is sort
of illustrative of the dwelling in the organization and
the territory that you're in. Your interaction with the
territory, in my case, the incompetence!

05:21 Okay, **dwelling**.

We're dwelling in our relationships and our
conversations about our experience of the
environment and the actions we are taking.

Remember, our collective actions and the environment
evolve together.

05:47 *The focus on the experience of being in the environment,
that's dwelling, or rather that's the way dwelling is
perceived within this modality of knowledge.*

Ho, ho, ho.

06:14 The CEO might say, “we try to create new businesses
and new industries and we're constantly searching for
discontinuity as a source of innovation.

06:31 So **learning**.

We learn new stuff through open dialogue by creating
distinctions and meanings from our observations and
our experiences.

06:47 These **distinctions** are new ideas. In fact,
discontinuity is an idea that we can make meaningful
and we can exploit and hence we can develop new
businesses.

But this is about learning about the environment
through our dialogue.

07:16 **Knowledge** then, the notion of knowledge is that
knowledge resides in the mind, resides physically in the
body and in the social system.

It is observer and history dependent.

07:36 **Learning** is formed through our experiences, our
experiences of things that we are dealing with, our
experiences of interacting with the environment.

07:55 **Knowledge** is not directly shared. It's only shared
indirectly through discussions, through dialogue,

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through asking each other questions and sharing experiences.

08:19 **Knowing.**

Learning a new knowledge comes from realizing the knowledge resides in our mind and our body and in the organization routines. That is to say within the social system.

Knowledge resides in dialogue, who we talk to, when we talk to, what we talk about.

Knowing is knowing how to work with others and how to act together on new ideas.

We might be saying our knowledge is private.

We respect each other as individuals who have undergone different experiences and who come from different cultures.

09:27 Knowledge development.

Think about a discussion.

The process of interpreting the data, the incoming data in conversations is the cornerstone of developing new

knowledge and this enables autopoietic systems, that is to say us in operating our business, to make distinctions and to create meaning according to our observations that we've made before and our previous experiences which is shared through conversation and dialogue.

We learn stuff through open dialogue and by creating distinctions and meaning from our observations, our experiences and our sharing of those.

A production employee might engage in activities where they become involved. They work with, they see, they spend time with, they have coffee with other people in the organization who are close in production or close in different ways. It may be a manufacturing engineer talking or working, spending time with operators. It may be a design engineer spending time with service engineers. It may be a design engineer talking with a production engineer talking with operators.

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11:39 There's an imperative here in this view as what's written here for individuals to chat, to work together, to chat, to spend time, to get to know each other.

12:05 Learning a new knowledge comes from realizing that knowledge resides in our mind and our body and the organization's routine.

We get to know more when we know how to access these routines, when we know how to access, when we have dialogue about what's in each other's minds rather than just relying on singular imperatives.

"I don't mind, J-F-D-I", (no, no, no, no, and no, I'm not going to tell you what that means.)

12:57 Truth. In an autopoietic modality, truth is not the main issue. By accepting that there isn't a singular objective reality, but there are different viewpoints, then these standpoints are possible and the dialogue that emanates from there creates alternative, richer descriptions of what is.

We create our own reality, there are many truths and they are respected.

13:49 So we come back again and we review, we receive, we review dwelling and (the little ones who are around us playing with their aeroplane.)

We review **dwelling**.

It's dwelling in our relationships, our conversations about our experiences of the environment, the actions we're taking together collectively and the way in which these actions, these collective actions and the environment co-evolve.

The focus for us in dwelling is on the experience of being in the environment.

We're focusing on the territory as experienced, not on any map.

15:00 Where is this got us??

It all adds up to strategic thinking.

It's not about what you want to make happen. It's not about analyzing, creating a position and making that thing, that position happen. It just isn't about it.

15:40 The strategy process, the thinking strategically is about how we think, how we talk and how we work together.

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15:54 But these processes, it seems, need some place, some space to happen.

If I think about some of the British engineering companies that I've worked with or worked in, less so but still in the water industry, the conversations or the dialogues usually were very, very, very tasky.

Something which did not deal immediately with the task, but it was seen as a waste of time.

16:45 Sound strategic process, it seems, needs to create spaces where you both have permission and an obligation not to do the immediate tasky, tasky things, but to spend time getting acquainted, getting to understand your views, other people's views.

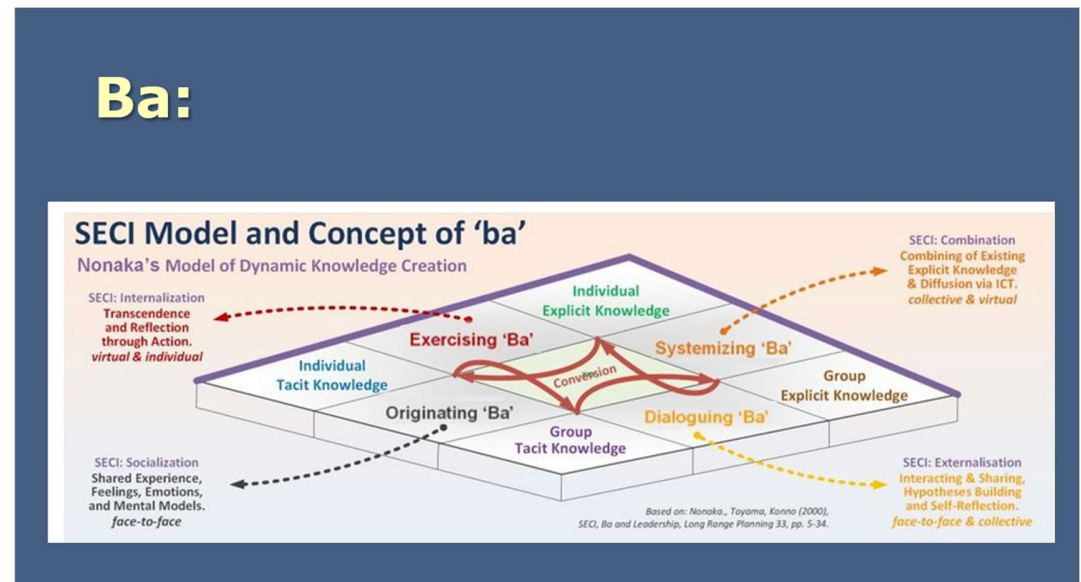
17:15 These conversational spaces are known as **ba**.

And they are important because they're how knowledge and know-how gets converted and gets created, gets brought into being.

17:36 Let's have a look at each of these.

17:46 The SECI model, it's a model, it's an ideal type, it's a model, but it came out of researching what Japanese companies do, do.

So if you like, it's a codification of their practice.



This is what they do.

18:13 First of all, there's a real emphasis on sharing experience. And this is known as **originating** bar. This comes from sharing experiences, sharing feelings and

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emotions about work-work situations, about maybe what's going on in the marketplace, market space.

Developing and sharing mental models of how you think things are happening and how you think things are going on, developing those and sharing them, sharing them in dialogue.

This has to be face to face. The issue is developing *tacit* knowledge. Do you remember tacit knowledge from way back?

It's getting a sense of how you all know how.

It's getting a sense of your values and what matters.

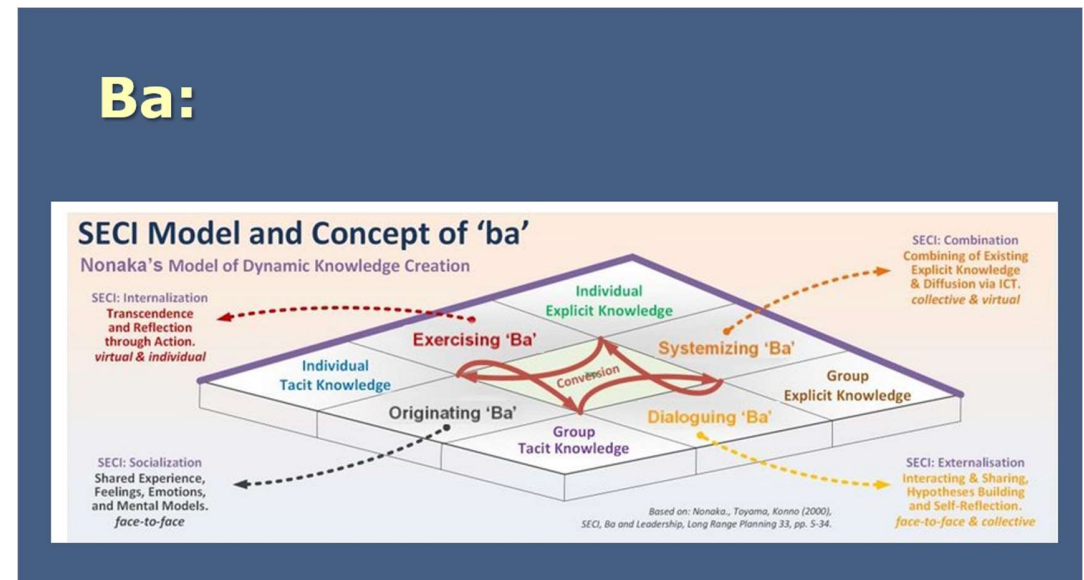
It's getting a sense of your individual direction and the way that blends with or tests the group's sense of direction.

So through that process you have some group tacit knowledge.

20:09 The **dialoguing** ba then is interactive and it's sharing and it's creating hypotheses.

It's self-reflecting. Then it's, well, what if or what could we do about or if we take this position then what it is that you see or understand.

20:40 And that leads us into the **systematising** ba.



20:48 The systematising bar in a sense takes the conversations out of the dialoguing bar and locates them within the organisation.

So by combining both explicit elements of knowledge which have become explicit out of the dialoguing bar,

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looking at those and viewing them as new possibilities, what can be done?

This might be creating new (I think that is one of the baby goats. It's such fun in the Philippines. You think you've got a nice quiet Sunday to do this? Then there's little boys with aeroplanes, goats, the guy next door shovelling.)

22:07 So anyway, taking the explicit ideas that have come from the dialoguing bar and thinking about new products, new product combinations and new intermediate products, new technologies that we might develop to destabilise the product space, the market space that we are operating, which as Hamel and Prahalad has pointed out is one of the key things.

22:42 And then having created these explicit notions, we go into **internalisation**.

22:57 So the individual explicit knowledge carried away from the systematising bar is used by the individuals to do it. The development of the tacit knowledge to do it.

Now if different individuals are developing tacit knowledge to do it, you'll have different tacit knowledge.

And then back round you come again to the originating bar to, well, how are we doing? How's it going? What does it feel like?

That says Nonaka, is knowledge development.

23:52 Knowledge creation, dynamic knowledge creation, and that now is where we will close our discussions of different images of knowledge and the way, different modalities of knowledge and the way in which they impact on our ideas of strategy process.

24:38 The absolute contrast is the explicit, simple, objective view of knowledge and know-how.

“J-F-D-I. I am the general manager, I am the owner, I am the creator, I know, and therefore you will [jfdi as I tell you]”, in an extreme case of course.

25:33 In real, real contrast to that is the autopoietic, which as you can see from the SECI model ba is a very, very social [process of] group of people making

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contributions, sometimes small, maybe sometimes big, to a process of emergent know-how to enhance our business.

And in the middle you've got the relational [connectionistic] view, know-how knowledge is invested in our relationships.

I don't know what you would prefer to go for.

It's very, very obvious in the way that I've been talking I tend to go for these newer ones.

You take care. We'll see you next time.



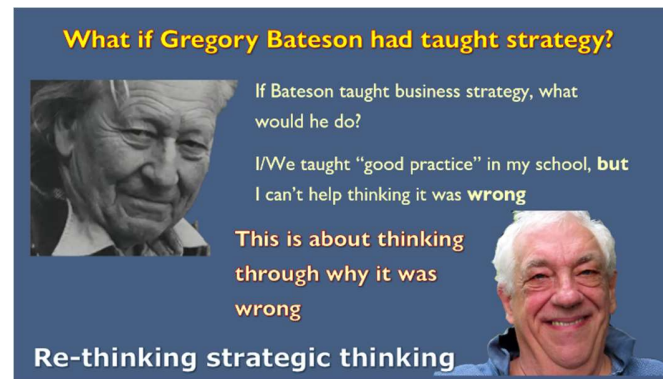
The playlist

<https://www.youtube.com/playlist?list=PLOIzrdw8c9IxlmsgFsy7CO32-kTfqj4>



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