

The Cynefin Framework

There is a distinct journey from data to power and this article explores examples of this data to power journey and how they are applied to leadership situations and leading edge decisions and solutions.

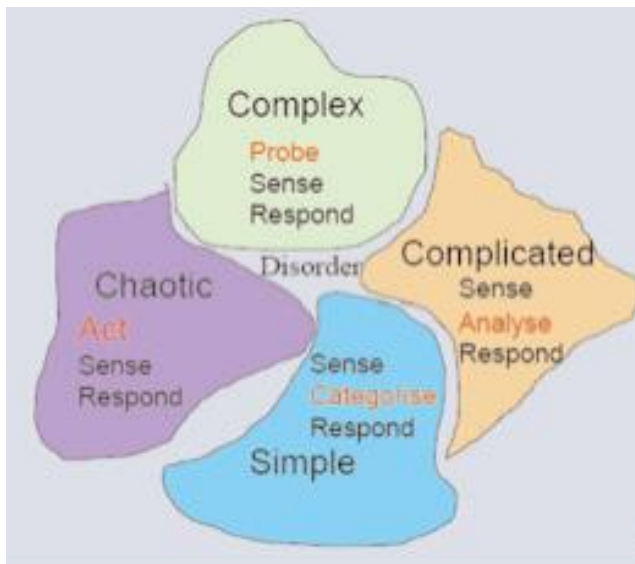


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There is a distinct journey from data to power. Information in its rawest form of data and facts is merely the starting point. Then knowledge can be applied to this hard data to form a wider picture. The understanding, insight and wisdom we apply to this wider picture helps us to develop answers which then leads to a more powerful solution. It's not just about the quality of data and facts, but how we apply the aforementioned factors to our decision making. This article explores examples of this data to power journey and how they are applied to leadership situations and leading edge decisions and solutions.

The Cynefin framework, as featured in the Harvard Business Review Nov 07, is a decision-making framework use in conflict and knowledge management situations.

The framework has five domains, characterised by the relationship between cause and effect.



The first four domains are:

Simple - in which the relationship between cause and effect is obvious to all, the approach is to Sense - Categorise - Respond and we can apply best practice. Leaders in these situations delegate and rely on formal processes for people to follow.

Complicated, in which the relationship between cause and effect requires analysis or some other form of investigation and/or the application of expert knowledge, the approach is to Sense - Analyse - Respond and we can apply good practice. The role of a leader in a complicated state is to broaden input through expert advice and analyse the situation.

Complex, in which the relationship between cause and effect can only be perceived in retrospect, but not in advance, the approach is to Probe - Sense - Respond and we can sense emergent practice. Leaders require patience and an increased networked solution seeking approach to complex situations.

Chaotic, in which there is no relationship between cause and effect at systems level, the approach is to Act - Sense - Respond and we can discover novel practice. In chaotic situations, leaders act first and give clear direction so order can be restored as soon as possible.

The fifth domain is **Disorder**, which is the state of not knowing what type of causality exists, in which state people will revert to their own comfort zone in making a decision.

In full use, the Cynefin framework has sub-domains, and the boundary between simple and chaotic is seen as a catastrophic one: complacency leads to failure.

Simple

Simple problems have clear solutions, often the answer is self-evident. This is in the realm of “known knowns” and there are usually process-driven solutions in place. Examples here are stock re-order points, where a system is designed up front, and once the stock hits a certain level (the known knowns), then the re-order process will kick-in. To avoid micro-managing, leaders are frequently able to delegate these problems.

Complicated

Complicated situations fall into the “known, unknowns” category and often require an expert, but this in itself is problematic. Experts often refer to ‘best practice’, or pull answers from previous experience; however new problems can not always be solved with old solutions. Best practice, by definition, is old practice. Leaders on the other hand can bring in more rounded knowledge and another way of looking at the problem; they can provide innovative solutions that are often overlooked or dismissed, as the experts often revert to entrained thinking. The T-Shaped management approach as discussed in the previous article helps to overcome these barriers. Product design issues often require technical expertise as well as procurement knowledge and can result in complicated situations to resolve.

Complex

Complex problems are within the realms of the “unknown unknowns” are becoming a common part of our modern business decision making. The world is a rapidly changing place and often change is unpredictable. For example the sub-prime mortgage crash and the effects of hurricane Katrina that swept New Orleans in 2005. (Incidentally the more recent hurricane Gustav became more of a complicated rather than complex problem due to the historical knowledge from Katrina).

Snowden and Boone (HBR 2007) use the Apollo 13 film as an example of this. “There is a scene in the film when the astronauts encounter a crisis (“Houston, we have a problem”) that moved the situation into a complex domain. A group of experts is put in a room with a mismatch of materials – bits of plastic and odds and ends that mirror the resources available to the astronauts in flight. Leaders tell the team: This is what you have: find a solution or the astronauts will die. None of those experts knew what would work. Instead, they had to let a situation emerge from the materials at hand. And they succeeded.” Conditions of scarcity often produce more creative results than conditions of abundance.

Chaotic

Searching for the right answers in this context is pointless as chaotic problems fall into the “unknowable” domain. On September 11th 2001 chaos spread across New York City. Never had they experienced anything like the terrorist attack on the twin towers to all the city could do was the hold back the flames as best they could and stanch the bleeding.

Leadership is imperative in these situations to establish order as soon as possible. The major of New he major of New York at the time, Rudy Giuliani, issued directives to the city swiftly and taking immediate action.

Summary

All the situations described require a very different approach to resolving them. Highly effective leaders will be able to identify which situations they are in and adapt their style accordingly. They will also be able to prepare their teams and organisations to understand the different contexts and the solution style required. Snowden and Boone summarise by saying “In the face of greater complexity today, intuition, intellect and charisma are no longer enough. Leaders need tools and approaches to guide their firms through less familiar waters.”

Today’s procurement leaders need to demonstrate flexibility, innovation and the ability to adapt their style to the many problems that modern organisations face. As value protectors and risk managers, procurement leaders are at the coal face to many of these problems and need to equip themselves to deal with them in the most appropriate way.

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