A Practical Guide for Evolving Agile and Resilient Organizations with Sociocracy 3.0

Bernhard Bockelbrink
James Priest
Liliana David

v2020-05-08

Contents

Part I.

Introduction

1. What is Sociocracy 3.0?

Sociocracy 3.0 — a.k.a. “S3” — is social technology for evolving ag ile and resilient organizations at any size, from small start-ups to large international networks and multi-agency collaboration.

Inside this practical guide you’ll discover a comprehensive collection of tried and tested **concepts, principles and practices for improving performance, engagement and wellbeing** in organizations.

Since its launch in 2015, S3 patterns have been helping people across a diverse range of organizational contexts to get the best out of collabora tion. From start-ups to small and medium businesses, large international organizations, investor-funded and nonprofit organizations, families and communities.

Using S3 can **help you to achieve your objectives** and successfully navigate complexity. You can make changes one step at a time, **without the need for sudden radical reorganization** or planning a long-term change initiative:

- Simply start with identifying your areas of greatest need and select one or more practices or guidelines that help.
- Proceed at your own pace, and develop both your skills and a more sociocratic and agile mindset as you go.

Regardless of your position in the organization, you'll find many proven ideas that are relevant and helpful for you.

Sociocracy 3.0 is free, and licensed under a Creative Commons Free Culture License.

2. How does Sociocracy 3.0 help?

S3 is a transformational technology for both individuals and the whole organization that will help you figure out how to meet your organiza tion's biggest challenges, take advantage of the opportunities you face and resolve the most persistent problems.

Sociocracy 3.0 is designed to be flexible and supports experimentation and learning. You can take whatever you need, adapt things to suit your context and enrich your existing approach.

S3 integrates core concepts and practices found in agile methodologies, lean management, Kanban (and KMM), Design Thinking, Teal Organi zations and the family of sociocracy-based governance methods (SCM/ Dynamic Governance, Holacracy® etc.). It's complimentary and com patible with any agile or lean framework, including but not limited to Scrum and its various scaling frameworks.

Inside this practical guide book you'll discover:

- Useful concepts that will help you **make more sense of your organization** and communicate effectively about where change is needed.

- An **organic, iterative approach to change** that meets people where they are and helps them move forward at their own pace and according to their unique context and needs.
- **Seven core principles** of agile and sociocratic collaboration
- A coherent collection of **70+ practices and guidelines** to help you navigate complexity, and improve collaboration:
  - **Simple, facilitated formats** that support teams in drawing on the collective intelligence of the group and incrementally

processing available information into continuous improvement of work processes, products, services and skills.
  - **Group-practices** to help organizations make the best use of talent they already have, through **people supporting each other** in building skills, accountability and engagement.
  - Simple **tools for clarifying who does what**, freeing people up to decide and act for themselves as much as possible, within clearly defined constraints that enable experimentation and development.
  - Patterns for **growing organizational structure beyond hierarchies** into flexible, decentralized networks where the flow of information and influence directly supports the creation of value.
- A **glossary** with explanations for all the terms you might be unfa miliar with.

This practical guide to Sociocracy 3.0 is written and published by the three co-developers of Sociocracy 3.0.

True to the mindset behind S3, this book will always be a work in progress that grows and changes as we learn from people who are experimenting with S3 in organizations around the world. Since we started out 5 years ago, we have released several updates per year and we'll continue to do so in the years to come.

Even though several sections in this book are brief and may still be rough around the edges, the content and explanations have been sufficient for many people to get started with S3 and achieve positive change in their organizations. We hope you'll find it useful too.

3. Influences and History of Sociocracy 3.0

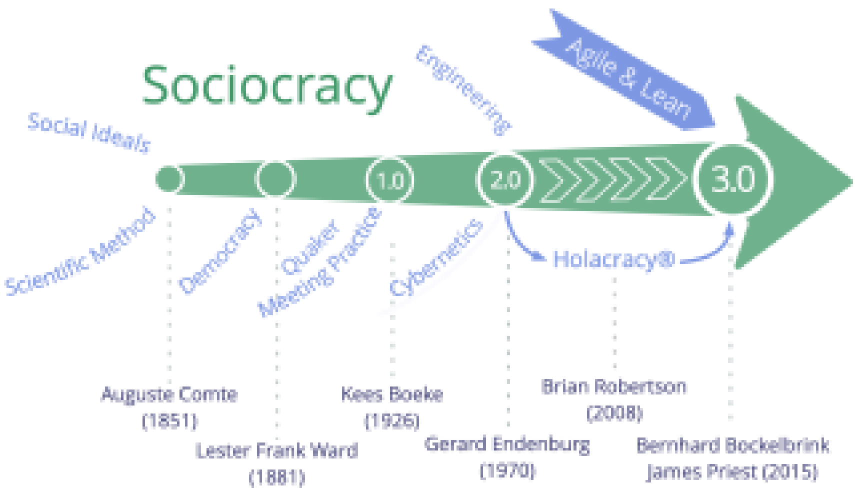

Figure 3.1.: Influences and history of Sociocracy 3.0

The literal meaning of the term **sociocracy** is "rule of the companions": *socio* — from Latin *socius* — means "companion", or "friend", and the suffix *-cracy* — from Ancient Greek (krátos) — means "power", or "rule".

The word sociocracy can be traced back to 1851, when **Auguste**

Comte suggested applying a scientific approach to society: states states would be governed by a body of scientists who are experts on society (which

he termed “sociologists”). In his opinion, this future, although not yet achievable, would be inevitable.

A few decades later, **Lester Frank Ward**, used the word ‘sociocracy’ to describe the rule of people with relations with each other. Instead of having sociologists at the center, he wanted to give more power and responsibility to the individual, he imagined sociologists in a role as re searchers and consultant.

In 1926, the Dutch reformist educator and Quaker **Kees Boeke**, es tablished a residential school based on the principle of consent. Staff and students were treated as equal participants in the governance of the school, all decisions needed to be acceptable to everyone. He built this version of sociocracy on Quaker principles and practices, and described sociocracy as an evolution of democracy in his 1945 essay “Democracy as it might be”.

Gerard Endenburg, also a Quaker and a student in Boeke’s school, wanted to apply sociocracy in his family’s business, Endenburg Elek trotechniek. He created and evolved the *Sociocratic Circle Organisation Method (SCM)* (later becoming the “Sociocratic Method”), integrating Boeke’s form of sociocracy with engineering and cybernetics. In 1978 Endenburg founded the Sociocratisch Centrum in Utrecht (which is now the Sociocratic Center in Rotterdam) as a means to promote socioc racy in and beyond the Netherlands. Since 1994 organizations in the Netherlands using SCM are exempt from the legal requirement to have a worker’s council.

During the late 1990s and early 2000s, several non-Dutch speaking people came across sociocracy, but it wasn’t until 2007 when **Sharon Villines and John Buck** launched their book, “We the People”, that sociocracy became widely accessible to the English speaking world, and from there has began to migrate into several other languages.

Sociocracy has proven to be effective for many organizations and com munities around the world, but it has yet to become viral.

In 2014 **James Priest and Bernhard Bockelbrink** came together to co-create a body of Creative Commons licensed learning resources,

synthesizing ideas from Sociocracy, Agile and Lean. They discovered that organizations of all sizes need a flexible menu of practices and structures – appropriate for their specific context – that enable the evolution of a sociocratic and agile mindset to achieve greater effectiveness, alignment, fulfillment and wellbeing. The first version of **Sociocracy 3.0.** was launched in March 2015.

Liliana David joined the team soon after. Together they regularly col laborate to make S3 available and applicable to as many organizations as possible, and provide resources under a **Creative Commons Free Culture License** for people who want to learn, apply and tell others about Sociocracy_3.0.

3.1. The Sociocracy 3.0 Movement

As interest in Sociocracy 3.0 grows there is a fast growing community of people from a variety of backgrounds — pioneering consultants, coaches, learning facilitators, and people applying S3 into their various contexts — who share appreciation for the transformational potential of Socioc racy 3.0 to help organizations and their members thrive. Many kindly dedicate some of their time to experimenting with and sharing about S3, and who collaborate to learn from one another and document experiences to inform the ongoing development and evolution of the framework and its various applications.

4. Why Sociocracy 3.0?

Sociocracy as a form of governance has been referred to since 1851. Sub sequently it has been developed and adapted by many different people and organizations, including Gerard Endenburg, The Sociocracy Group (TSG) and Brian Robertson (HolacracyOne).

Yet, outside the Netherlands sociocracy has until recently remained largely unknown.

We love sociocracy because we see organizations and their members thrive when they use elements of it to enrich or transform what they currently do.

We also love agile, lean, Kanban, the Core Protocols, NVC, and many other ideas too. We believe that the world will be a better place as more organizations learn to pull from this cornucopia of awesome practices that are emerging into the world today, and learn to synthesize them with what they already know.

Therefore we decided to devote some of our time to develop and evolve Sociocracy, integrating it with many of these other potent ideas, to make it available and applicable to as many organizations as possible.

To this end, we recognize the value of a strong identity, a radically dif ferent way of distribution, and of adapting the *Sociocratic Circle Orga nization Method* to improve its applicability.

4.1. The Name

The name “*Sociocracy 3.0*” demonstrates both respect to the lineage and a significant step forward.

It also helps avoid the perception of us misrepresenting the *Sociocratic Circle Organization Method* (SCM) as promoted by The Sociocracy Group.

4.2. The New Model of Distribution

Sociocracy 3.0 employs a non-centralized model for distribution. This is a paradigm shift in the way sociocracy is brought to people and organi zations, and one that many people can relate to.

We support “viral” distribution through two key strategies:

- **Sociocracy 3.0 is open:** We want to encourage growth of a vi brant ecosystem of applications and flavors of sociocracy, where people share and discuss their insights and the adaptations they are making for their specific context. To this end Sociocracy 3.0 puts emphasis on communicating the underlying principles and ex plicitly invites the creativity of everyone to remix, extend and adapt things to suit their needs.
- **Sociocracy 3.0 is free:** To eliminate the barrier of entry for peo ple and organizations we provide free resources under a *Creative Commons Free Culture License* to learn, practice and teach *So ciocracy 3.0*. Everyone can use our resources without our explicit permission, even in a commercial context, or as a basis for building their own resources, as long as they share their new resources un der the same license. We expect and support other organizations, consultants, coaches, learning facilitators and trainers to follow our example and release their resources too.

4.3. The Evolution of the Sociocratic

Circle Organization Method

Maybe we need to make this explicit: Sociocracy 3.0 is not targeted specifically at the existing community of people exploring the *Sociocratic*

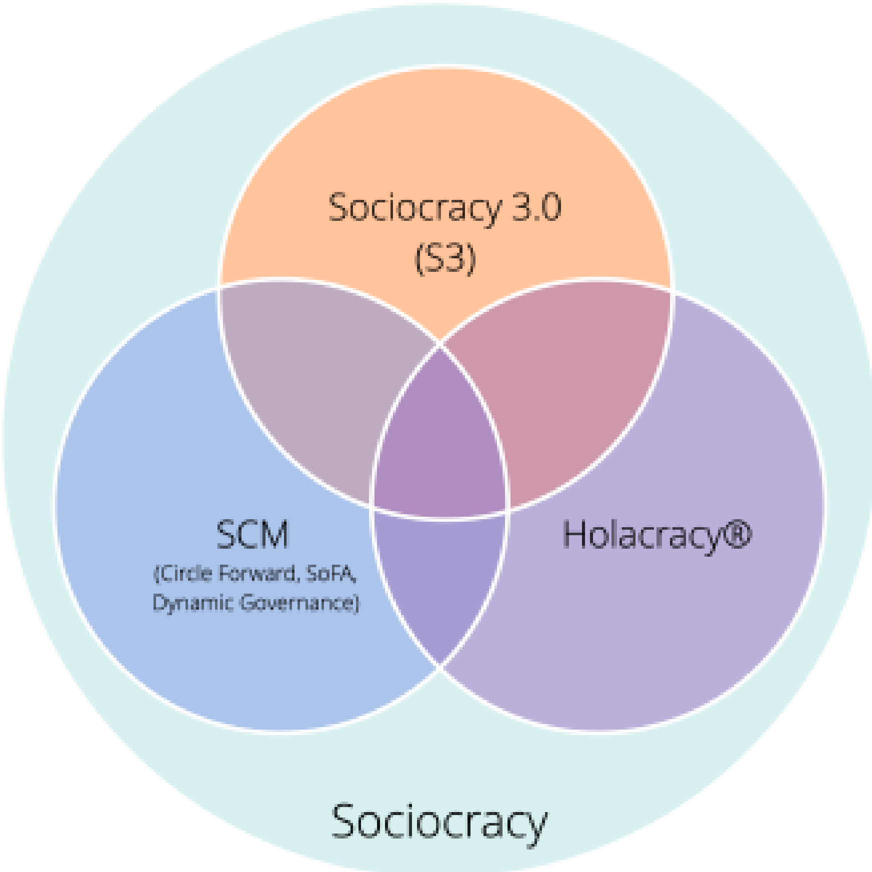

Figure 4.1.: Three variants of sociocracy

Circle Organization Method, or at The Sociocracy Group (TSG). The *Sociocratic Circle Organization Method* (SCM) is already well developed and many people appear to be mostly happy with it.

Yet from our direct experience, even for those organizations that have heard about sociocracy, there are many obstacles to actually become invested. With *Sociocracy 3.0* we actively work on addressing and elim inating what stands in the way.

Reducing Risk and Resistance

Sociocracy 3.0 meets organizations where they are and takes them on a journey of continuous improvement. There’s no radical change or re organization. *Sociocracy 3.0* provides a collection of independent and principle-based patterns that an organization can pull in one by one to become more effective. All patterns relate to a set of core principles, so they can easily be adapted to context.

Shifting Focus From Aim (or Purpose) to Need

Sociocracy 3.0 moves primary focus from vision, mission, aims or pur pose, towards the source of motivation, and aligns the organization to wards discovering and addressing what it needs. Organizations which are already need-driven, value driven or customer-centric, find this immedi ately accessible.

In *Sociocracy 3.0*, purpose is implicit in all cases – to flow value to the organization’s drivers.

Condensed to the Essentials

When looking at the norms, the *Sociocratic Circle Organization Method* may look big and scary. By focusing on the essentials only, *Sociocracy 3.0* offers a lightweight framework to adapt and build on as necessary.

This doesn’t mean to say it’s all easy: choosing to pull in *Sociocracy 3.0’s* patterns requires an investment in learning and un-learning. This is why it’s important to only pull in what you need, because there’s no point to changing things if what you are doing is already good enough.

Integration With Agile and Lean Thinking

The *Sociocratic Circle Organization Method* is an “empty” method when it comes to operations and creating a culture of close collaboration. Many organizations already implement or show preference for lean and agile thinking for operations and collaboration. We believe this is a great idea, so *Sociocracy 3.0* is designed for easy adoption into lean and agile organizations.

A New Way to Evolve Organizational Structure

The organizational structure according to the *Sociocratic Circle Organi zation Method* is modeled on a hierarchy of domains. We see an increasing emergence of collaborative multi-stakeholder environments and the need for a wider variety of patterns for organizational structure. Evolution of organizational structure happens naturally when the flow of information and influence in an organization is incrementally aligned to the flow of value. *Sociocracy 3.0* provides a variety of structural patterns that can be combined to evolve structure as required and in a flexible way.

5. Patterns and the Seven Principles

5.1. Patterns

S3 offers a pattern-based approach to organizational change.

A **pattern** is a process, practice or guideline that serves as a template for successfully responding to a specific kind of challenge or opportunity. S3 patterns are discovered through observing people working together in organizations to solve problems and respond to opportunities they face. When you find that your habitual ways of doing things fail to bring about the outcomes you expected or hope for, you can look to S3 for patterns that might help.

The patterns are grouped by topic into ten categories to help you more easily identify those that are useful to you. They are modular and adapt able, can be used independently, and are mutually reinforcing, comple menting one another when used in combination. S3 patterns can be evolved and adapted to address your specific needs.

By providing a menu of patterns to choose from according to need, S3 encourages an organic, **iterative approach to change without a huge upfront investment** . It meets people where they are and helps them move forward pulling in patterns at their own pace and according to their unique context.

Figure 5.1.: Patterns are grouped by topic into ten categories; the Seven Principles are reflected in every pattern

5.2. The Seven Principles

Sociocracy is built on seven principles that shape organizational culture. Since the seven principles are reflected in all of the patterns, understand ing these principles is helpful for adopting and paramount to adapting Sociocracy 3.0 patterns.

Practicing Sociocracy 3.0 helps people appreciate the essential value that these core principles bring – both to individuals and to organizations – and supports their integration into organizational culture.

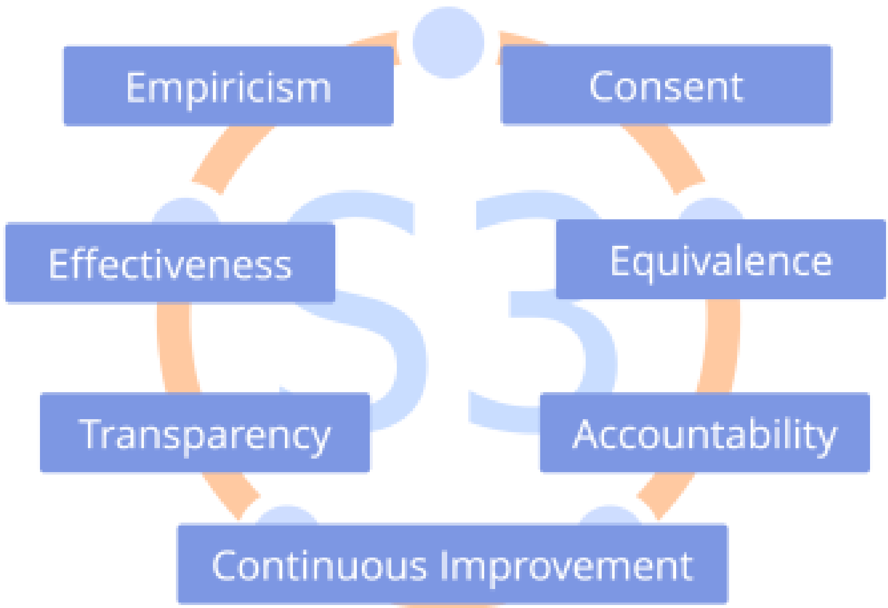

Figure 5.2.: The Seven Principles

The Principle of Effectiveness: *Devote time only to what brings you closer toward achieving your objectives.*

The Principle of Consent: *Raise, seek out and resolve* *decisions and actions.*

The Principle of Empiricism: *Test all assumptions you rely on, through experiments and continuous revision.*

The Principle of Continuous Improvement: *Change incrementally to accommodate steady empirical learning.*

The Principle of Equivalence: *Involve people in making and evolving decisions that affect them.*

The Principle of Transparency: *Record all information that is valu able for the organization, and make it accessible to everyone, unless there is a reason for confidentiality.*

The Principle of Accountability: *Respond when something is needed, do what you agreed to do, and take ownership for the course of the organization.*

The Principle of Accountability

Respond when something is needed, do what you agreed to do, and take ownership for the course of the organization.

Act within the constraints of any agreements governing domains you are accountable for, including the organization itself, teams you are part of, and roles you keep.

Every member of the organization is accountable for effectively respond ing to organizational drivers, both in doing the work and in ensuring (supporting) effective collaboration.

Individuals are also accountable for their work, ongoing learning and development, and for supporting one another.

Everyone in an organization is accountable for aligning activity with or ganizational values.

6. Key Concepts for Making Sense of Organizations

In this section you'll learn about the following key concepts:

- Driver
- Domain
- Agreement
- Objection
- Governance and Operations

You will also discover how these concepts relate to value (and waste), del egation (and accountability), self-organization, self-governance and semi autonomy.

When people understand these concepts, it gives them a common lan guage for describing clearly what's going on in the organization. This helps to increase shared understanding and enables constructive dialogue about what needs to be done.

For any terms you don't understand, check out the glossary at the end.

6.1. Drivers

*A **driver** is a person's or a group's motive for responding to a specific situation.*

Drivers:

- can be used to derive goals, objectives, aims, mission, vision, pur pose
- can change over time

Drivers, Value and Waste

Value *is the importance, worth or usefulness of something in relation to a driver.*

Waste *is anything unnecessary for — or standing in the way of — a (more) effective response to a driver.*

By adopting the concept of value and waste, many practices and ideas from **lean production** and **lean software development** can be uti lized by organizations pulling in S3 patterns:

- value stream mapping
- various strategies for eliminating waste
- the Kanban Method

6.2. Domains

A ***domain*** *is a distinct area of influence, activity and decision making within an organization.*

All domains are within the overall domain of an organization and may overlap and/or be fully contained within other domains.

Delegating Responsibility for Domains

Delegation is the grant of authority over a domain by one party to another.

Responsibility for domains is delegated to people (e.g. to a unit, depart ment, team or individuals), who then act within its defined constraints on influence and autonomy.

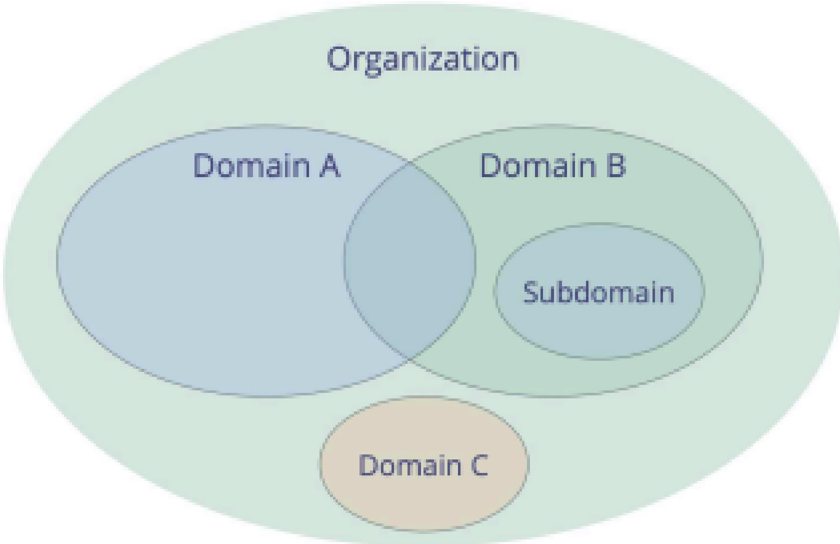

Figure 6.1.: Domains may overlap and/or be fully contained within other domains

When a domain is delegated to a group of people, they become a team, when it's delegated to an individual, they become a role keeper.

Those delegating responsibility for a domain (the delegators) to others still retain overall accountability for that domain, allocate **resources** and often define:

- the **organizational need** the domain is designed to respond to

- **key responsibilities** (key deliverables, any critical risks to man age, other essential work and decision making being delegated)
- **constraints to the autonomy and influence** of those the do main is delegated to (the *delegatees*), usually related to the organi zation itself (dependencies, involvement of the delegator, reporting etc.)

Drivers and Domains

It's also possible to understand a domain in relation to organizational drivers:

- the domain's **primary driver** - the main driver the people ac counting for that domain (the *delegatees*) respond to
- the set of subdrivers the organization may benefit from addressing when responding to the primary driver, which include:
  - **key responsibilities** (any driver following directly from the domain's primary driver)
  - drivers for **constraints of the domain** (which typically re late to the organization's wider context)

6.3. Objections

*An **objection** is an argument demonstrating (or revealing) how a (pro posed) agreement or activity can lead to unintended consequences, or that there are worthwhile ways to improve it.*

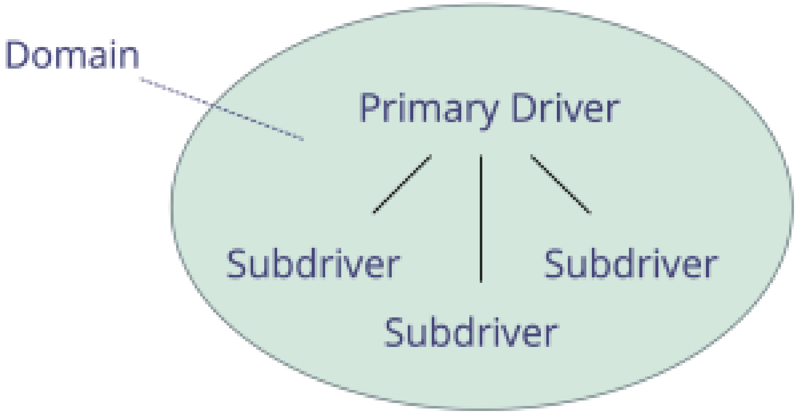

Figure 6.2.: Drivers and domains

Objections reveal information about (potential) **unintended conse quences**, or about **worthwhile ways to improve**.

Be aware that withholding objections can harm the ability of individuals, teams or the whole organization to achieve their objectives.

It's the responsibility of each individual in an organization to raise poten tial objections to proposals, decisions, existing agreements or activities.

Those accountable for an activity or (proposed) agreement in question, are responsible for *considering arguments and addressing objections* that are raised, when doing so will help to meet the organization's objectives.

When seeking out potential objections, consider:

- why the intended outcome would not be (fully) achieved: **effec tiveness**
- why it would be wasteful to proceed as proposed (or previously agreed): **efficiency**
- the negative consequences something would have elsewhere (in the same domain, in the wider organization, or beyond): **side-effects**

The information revealed by objections can be used to

improve: • current and planned activity

• how people execute on decisions
• existing agreements
• proposals
• shared understanding of drivers

Create a culture where people feel comfortable to raise *potential* objec tions at any time, so that they can relax into making decisions that are *good enough for now and safe enough to try*. This encourages developing a preference for trying things out, instead of attempting to anticipate and account for all possibilities in advance.

Harness a diversity of perspectives and be open to challenge your own, to discover when and what to change, and enjoy iterating more rapidly, running experiments and learning from the outcomes as you proceed.

Concerns

Not all arguments raised are objections. Distinguish between objections, which always reveal useful information, and other arguments that are based only on assumptions, or a personal preference or opinion.

*A **concern** is an assumption – or opinion – that doing something (even in the absence of objections) might stand in the way of (more) effective response to an organizational driver.*

In *Consent Decision Making*, concerns can inform ways to further evolve agreements (including evaluation criteria and frequency of evaluation). Bring up concerns if you think it’s valuable to consider them, and at least record them along with the agreement, and monitor outcomes over time.

If in doubt about whether you have an objection or a concern, be proac tive and check with others to see what they think too. (see *Test Argu ments Qualify as Objections*).

6.4. Agreements

An ***agreement*** *is an agreed upon guideline, process, protocol or policy designed to guide the flow of value.*

Shared guidelines about why, how and when to act, and what is specifi cally required, enable effective collaboration.

Agreements are created in response to organizational drivers, are **regu larly reviewed** and evolved as necessary.

Overall accountability for an agreement lies with the people that make them.

An agreement can include **delegation of specific responsibilities** to individuals or groups.

6.5. Governance and Operations

S3 seeks to enable productivity by freeing people up to do and decide as much as possible for themselves, while ensuring coherence in collabora tion for a successful and effective organization.

Greater autonomy of individuals and teams necessitates clear agreements (i.e. guidelines and constraints) that enable smooth collaboration be tween those teams and individuals, and that support achievement of both long-term and short-term objectives. Regular iterative reviews and in cremental evolution of agreements ensure they remain fit for purpose.

While a decision of short-term consequence can easily be amended on the spot, making more consequential agreements that constrain people's behavior and activity, often benefits from a more participatory and de liberate *decision making process*.

Such agreements need to be documented, both to remember them and to support effective *review*, and to be communicated to people affected (who are ideally also *involved in the creation and evolution* of those agree ments).

Therefore it's valuable to distinguish between two categories of activities in an organization, one of which we refer to as governance, and the other as operations:

***Governance** in an organization (or a domain within it) is the act of setting objectives, and making and evolving decisions that guide people towards achieving them.*

***Operations** is doing the work and organizing day to day activities within the constraints defined through governance.*

For each domain in an organization there is a *governing body*: people with a mandate to make and evolve agreements which govern how the people doing the work in that domain create value.

There are many ways to distribute work and governance. Sometimes the governing body is a single person, e.g. in the case of a team lead, and sometimes it's a group of people, e.g. in a circle where all circle members share responsibility for governance within the constraints of the domain.

Governance decisions set constraints on activity and guide future de cisions.

This includes:

- defining domains
- delegating influence to people
- allocating resources and capacity
- specifying deliverables and prioritizing delivery.

Governance decisions can be made at any time and at any place, not just in a specific kind of meeting, although a *regular meeting for making and evolving agreements* is often a good idea.

Related Concepts

Self-Governance: People governing themselves within the constraints of a domain.

Semi-Autonomy: The autonomy of people to create value within their domain, further limited by their own governance decisions, and objections (including those of the delegator and of representatives).

Self-Organization: Any activity or process through which people or ganize their day-to-day work without the influence of an external agent, and within constraints defined through governance. In any organization or team, self-organization and external influence co-exist.

Depending on the constraints set by the delegator, teams have more or less license to conduct governance and decide how they organize their op erations, and are therefore more or less self-governing and self-organizing.

Part II.

The Patterns [31]

1. Co-Creation And Evolution

1.1. Respond to Organizational Drivers

Clarify organizational drivers (i.e. what’s happening and what’s needed in relation to the organization), and respond as re quired.

Responses to organizational drivers include:

- direct action (operations)
- organizing how work will be done
- making governance decisions

The response to an organizational driver is typically treated as an exper iment that is evaluated and evolved over time.

Qualify Drivers as Organizational Drivers

A driver is a person's or a group's motive for responding to a specific situation. A driver is considered an **organizational driver** if responding to it would help the organization generate value, eliminate waste or avoid unintended consequences.

A simple way to qualify whether or not a driver falls within an organiza tion's domain is by checking:

Would it help the organization if we respond to this driver? Or would it lead to unintended consequences if we don't?

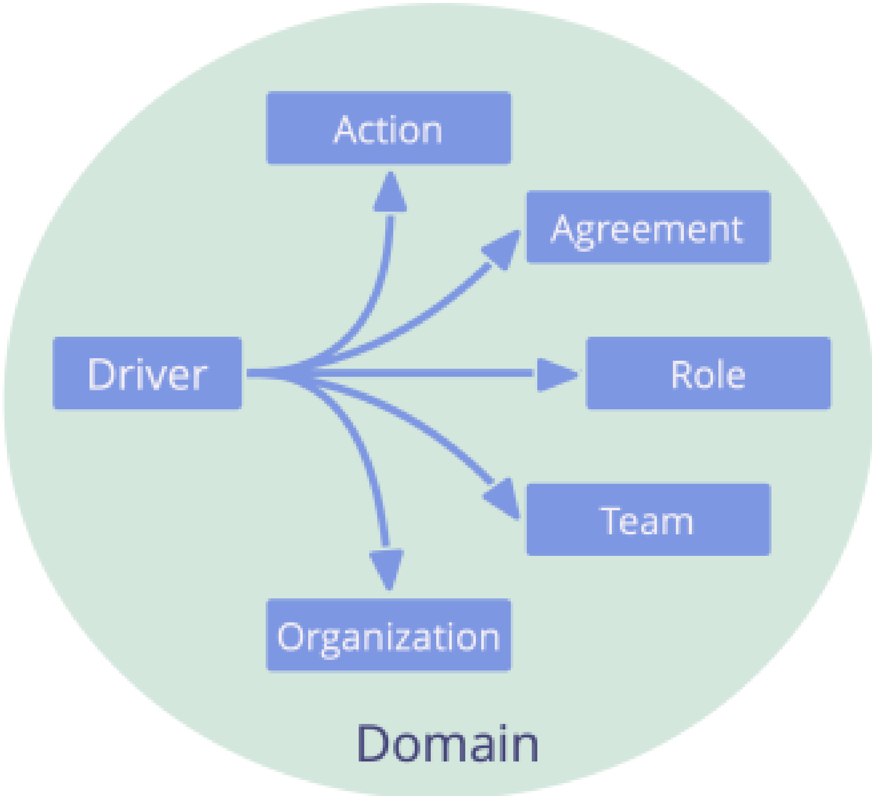

Figure 1.1.: Possible responses to organizational drivers

1.2. Navigate Via Tension

Pay attention to tension you experience in relation to the orga nization, investigate the cause and pass on any organizational drivers you discover to the people accountable for the appro priate domain.

Challenges and opportunities for an organization are revealed by people bringing awareness to the reasons why they experience tension.

Note: In this context, a *tension* is a personal experience: a symptom of dissonance between an individual's perception of a situation, and their expectations (or preferences).

To **discover drivers**, investigate what stimulates tension, and describe what's happening and what's needed. Sometimes an inquiry reveals mis conceptions and the tension goes away.

1.3. Describe Organizational Drivers

Describe organizational drivers to understand, communicate and remember them.

Describing drivers may be done by a group or by an individual. De pending on their perspective, they may decide to explain a driver as a **problem** to solve or an **opportunity** to leverage.

A simple way to describe a driver is by explaining:

- **What's happening…:**
  - the **current situation**
  - the **effect** of this situation on the organization
- …and **what's needed:**
  - the **need** of the organization in relation to this situation
  - the **impact** of attending to that need

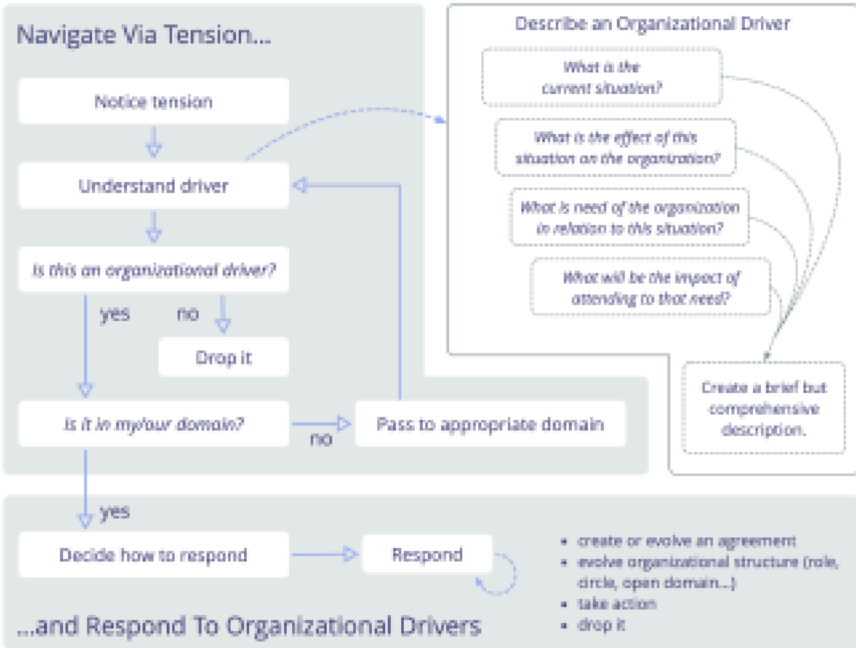

Figure 1.2.: Navigate Via Tension, Describe Organizational Drivers, Re spond To Organizational Drivers

Create a brief but comprehensive summary containing just enough infor mation to clearly communicate the need for an action or a decision.

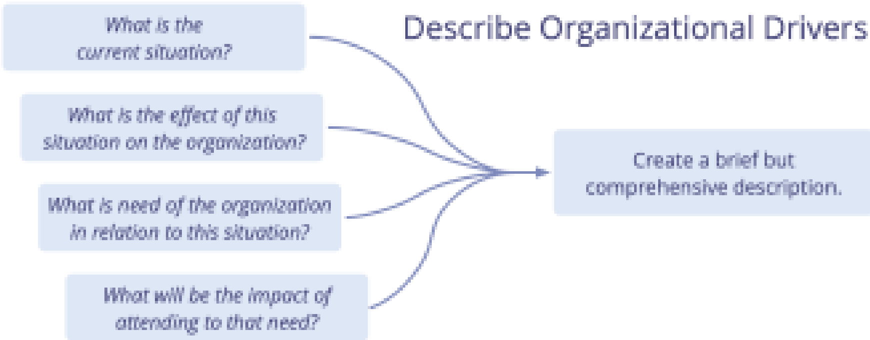

Figure 1.3.: Describe Organizational Drivers

Example:

“The kitchen is in disorder: there are no clean cups, the sink is full of dishes and it’s not possible to quickly grab a coffee and get right back to work. We need the kitchen in a usable state so we can stay focused on our work.”

1. Current Situation

“The kitchen is in disorder: there are no clean cups, the sink is full of dishes…”

Describe the current situation:

• Briefly capture the essentials of what is happening, and, if neces sary, the context in which it occurs.

• Be objective - describe observations and avoid

evaluation.

2. Effect

"…it's not possible to quickly grab a coffee and get right back to work."

Explain the effect of this situation on the organization:

- Clarify **why** the situation needs attention: how does it affect the organization?
- Be explicit about whether the effects are current or anticipated. •

Explain challenges, losses, opportunities or gains.

3. Need

"We need the kitchen in a usable state…"

Explain the need of the organization in relation to this situation:

- A **need of an organization** is anything a team (or individual) requires to effectively account for a domain.
- Be specific on whose need it is ("we need", "they need", "I need").
- If there's disagreement about the need, it helps to zoom out from specific solutions and focus on what the organization is lacking in this situation.

4. Impact

"…so we can stay focused on our work".

Describe the impact of attending to that need:

- Explain the intended outcome, potential benefits or opportunities.
- The impact may be obvious or implicit, especially when the effects of the current situation are already described.

Summarize the Driver

Aim for one or two sentences, so that the information is easy to remember and process.

Besides the summary, more details about the driver may be kept in the logbook.

Review Drivers

Make sure to review drivers on a regular basis, to deepen you under standing of what's happening and needed.

Helpful questions for a review include:

- Is the description of the situation (still) correct?
- Do we still associate the same needs with the situation?
- Is the driver still within our domain?
- Is the driver still relevant?

1.4. Consent Decision Making

A (facilitated) group process for decision making: invite ob jections, and consider information and knowledge revealed to further evolve proposals or existing agreements.

Proposals become agreements when they are considered *good enough for now and safe enough to try* until the next review.

Unresolved objections prevent proposals from becoming agreements.

Withholding objections can harm the objectives of a team or organiza tion.

Implicit Contract of Consent

1. In the absence of objections to an agreement, I intend to follow through on the agreement to the best of my ability.

2. I agree to share objections as I become aware of them.

1.5. Test Arguments Qualify as Objections

Utilize your limited time and resources wisely by testing if ar guments qualify as objections and only acting on those that do.

When someone raises an argument for changing something, check that the argument reveals how leaving things unchanged will – or could — lead to consequences you want to avoid, or that it informs you of a worthwhile way to improve how to go about achieving your objectives.

Explore and refine each argument as necessary to identify any miscon ceptions or misunderstanding, and to eliminate aspects of the argument that are based merely on assumptions, or a personal preference or opin ion. If you establish that what remains of the argument qualifies as an objection, then go on to *resolve the objection*.

To discover if an argument qualifies as an objection in a group context, a facilitator can invite reflection by asking:

"Do you think this argument qualifies as an objection?"

If no one disagrees, treat the argument as an objection. In case of dis agreement, invite a dialogue to discover if an objection is revealed by the argument.

Understanding Objections

Some helpful questions:

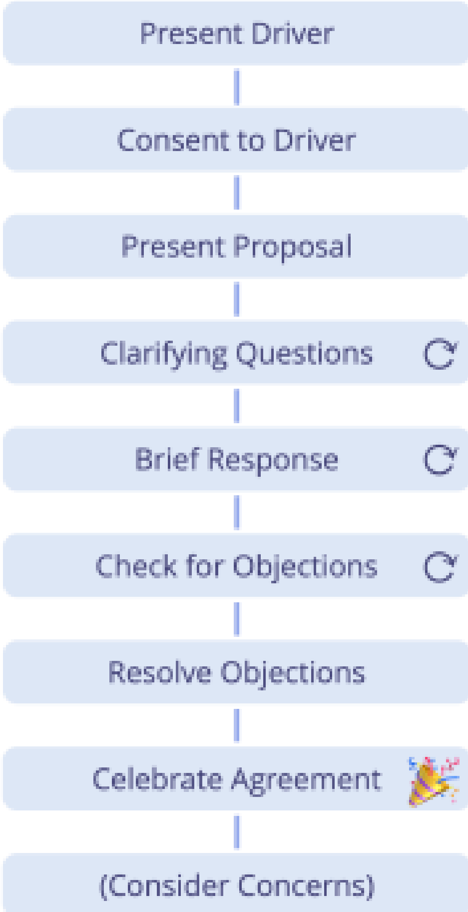

Figure 1.4.: Consent Decision Making

- How does the argument relate to this specific proposal or agree ment?
- Does the argument reveal how a (proposed or current) **activity or agreement**:
  - harms response to any organizational driver?

– can be improved right now?

– prevents or diminishes someone’s contribution towards re sponding to a driver?

– is in conflict with the organization’s values?

– is considered not ‘safe enough’ to try?

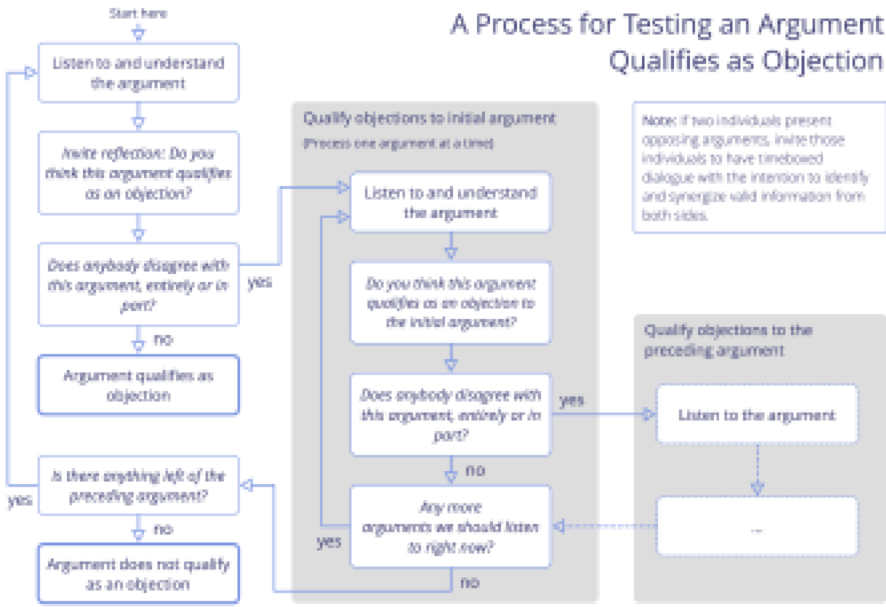

Figure 1.5.: A process for testing if an argument qualifies as an objection

1.6. Resolve Objections

Resolve objections one at a time by using the information they contain to make and evolve amendments.

Choose an option for resolving an objection that looks most promising, and if that fails, simply pick another one. Each attempt will help you understand more of the information the objection contains, and bring the group closer to proposing an amendment that resolves the objection.

Often, asking the person who brings the objection to propose an amend ment, is a productive place to start.

Typically it's most effective to **take one objection at a time**, resolve all objections to a proposed amendment, and then continue with the next main objection.

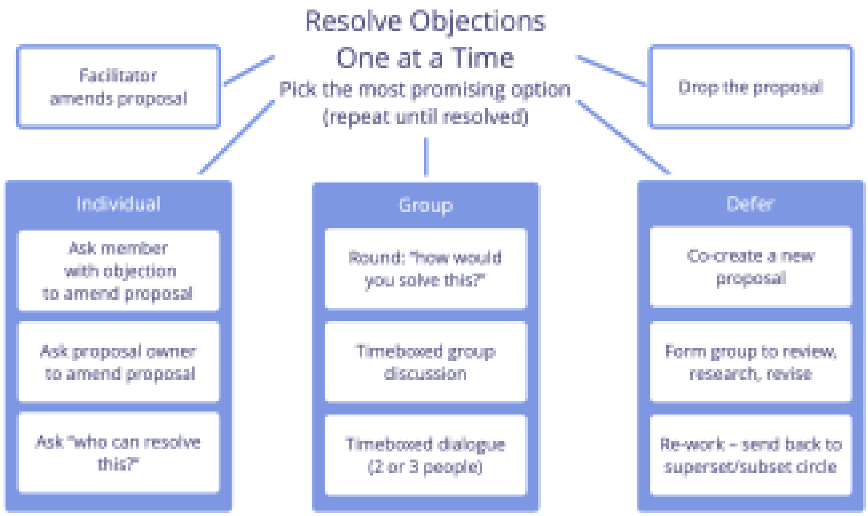

Figure 1.6.: Some options for resolving objections

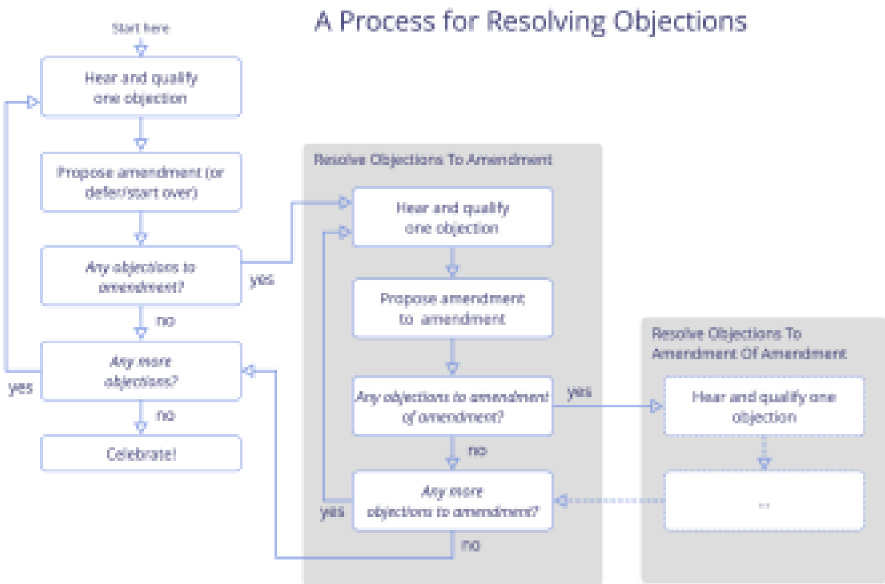

Figure 1.7.: A process for resolving objections

1.7. Evaluate And Evolve Agreements

Continuously evolve the body of agreements, and eliminate waste.

Regular review of agreements is an essential practice for a learning orga nization:

- adapt agreements to suit changing context
- integrate learning to make them more effective

Ensure all agreements have an appropriate review date.

Evaluating agreements can be as simple as checking that an agreement is still relevant, and there is no objection to keeping it as it is.

Agreements are often reviewed in *Governance Meetings*, however some times it's more effective to schedule a dedicated session.

Adjust review frequency as necessary, and review early if required.

Elements of this pattern can also be used by individuals to evaluate decisions they make.

Short Format

- *How has this agreement helped us?*
- *Is there any reason to drop this agreement?*
- *How can this agreement be improved?*
- Agree on a next review date.

Long Format

Preparation:

- Schedule the review.
- Ensure all necessary information is available.

Figure 1.8.: Experiment, evaluate, evolve

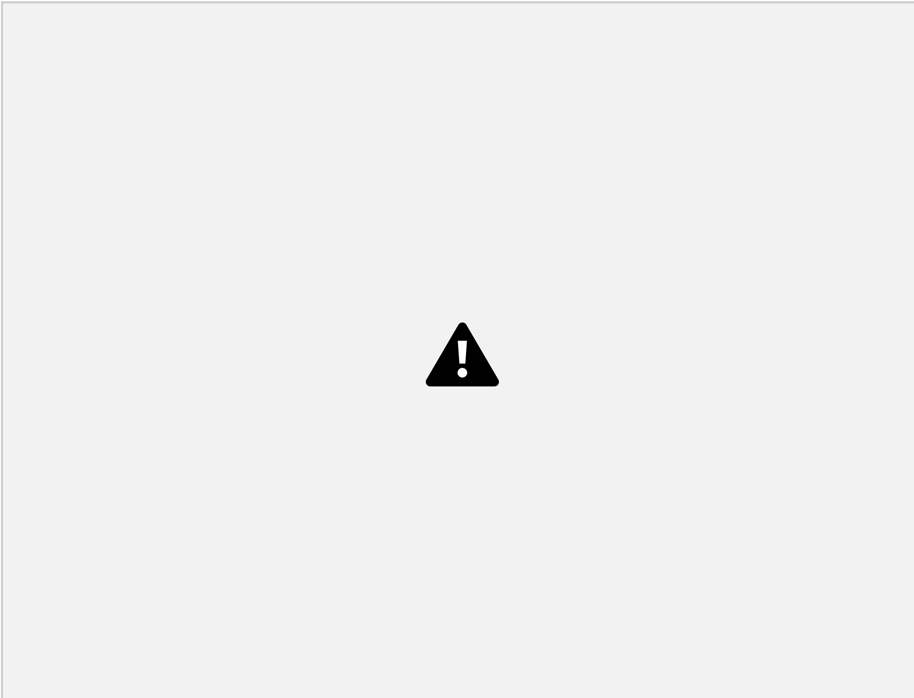

Figure 1.9.: A long format for evaluating and evolving agreements

Follow-up:

- Agree on the next review date.
- Document decisions and tasks, and share with relevant people. • Consider effects on any related agreements.

1.8. Those Affected Decide

Involve people in making decisions that affect them, to maintain

equivalence and accountability, and to increase the amount of information available on the subject.

For larger groups:

- facilitate a process in several stages and create smaller groups who select delegates
- use an online tool and conduct an asynchronous, *timeboxed* and staged process

Consider including those affected in reviewing and evolving decisions, too.

1.9. Co-Create Proposals

Bring people together to co-create proposals in response to or ganizational drivers: tap collective intelligence, build sense of ownership and increase engagement and accountability.

There are many ways to co-create proposals. They typically follow a similar pattern:

1. Agree on the driver (or problem /opportunity /need)
2. Explore the topic and understand constraints
3. Generate ideas

4. Design a proposal (often done by a smaller group)

One way to co-create proposals is to use S3's *Proposal Forming* pattern.

For inspiration for steps 2 and 3, look to classic group facilitation tech niques or design thinking activities.

Besides in a face-to-face workshop, you can adapt this process for online meetings. You can even use it asynchronously (and over an extended period of time) to include many people.

1.10. Proposal Forming

A (facilitated) group process for co-creating a response to a driver.

• draws on the collective intelligence and diversity of perspective within a group

• involves people in co-creating agreements

• fosters accountability and sense of ownership

Proposal Forming may also be used by an individual.

Proposal Forming Steps

Consent to driver: Briefly present the driver. *Is this driver relevant for us to respond to? Are there any essential amendments to what has been presented?*

Deepen shared understanding of driver: invite essential questions to understand the driver in more detail.

Collect considerations phrased as questions relating to possible solu tions. Questions either reveal constraints (information gathering ques tions) or possibilities (generative questions).

Answer any information gathering questions if possible.

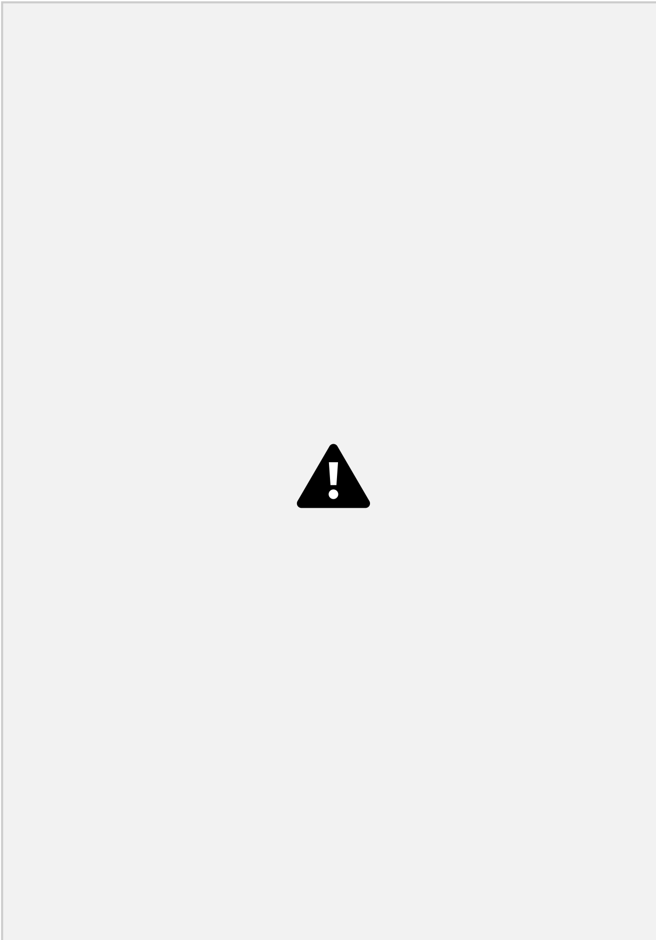

Figure 1.10.: A template for proposals

Prioritize considerations.

Gather ideas as possible ingredients for a proposal.

Design a proposal for addressing the driver considering the creative ideas and information gathered so far. This is usually done by a smaller group of “tuners”.

Choosing Tuners

Consider:

- who should be there?
- who wants to be there?
- who else may have a valuable contribution to make?
- consider expertise, outside view, and inspiration

Between two and three tuners is usually appropriate. Check for any objections to the proposed tuner(s).

1.11. Role Selection

A group process for selecting a person for a role on the strength of the reason.

Instead of simply assigning people for *roles*, or making a choice based only on majority, use the role selection process to:

- tap collective intelligence by hearing and deliberating on reasons for nominations
- increase ownership over the decision
- ensure support for the role keeper by those affected.

A prerequisite to the selection process is a *clear description* of the role's domain.

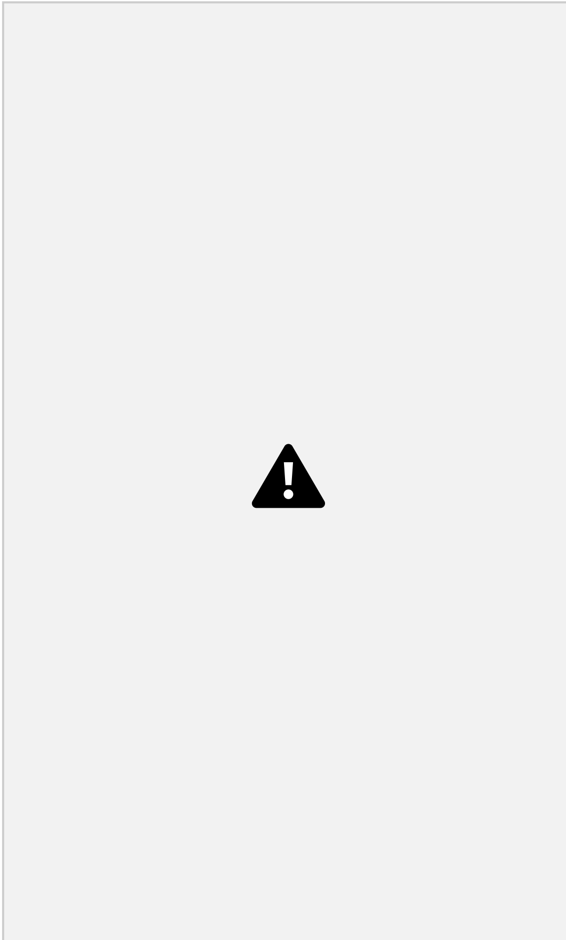

Figure 1.11.: Proposal forming process

Role Selection - Steps

1. **Present Role Description:** If possible, send out the role's do main description in advance.

2. **Record Nominations:** Participants write their nomination on a slip of paper. People can nominate themselves, another, or pass.

3. **Reasons for Nominations:** Each person shares who they have nominated and why.
4. **Information Gathering:** Participants share or request any in formation that might support the group in making an appropriate selection.
5. **Nomination Changes:** Check if anyone wants to change their nomination in light of reasons and information shared so far, and hear the reasons for each change.
6. **Propose a nominee** for the role: The facilitator guides the process to identify a suitable nominee on the strength of the reasons heard, e.g. by:
   - proposing a nominee themselves or asking a group member
   - inviting (some) nominees to agree who should be proposed
   - inviting group dialogue to help reveal the strongest nominee
7. **Check for Objections:** Ask participants (including the proposed nominee) to simultaneously signal whether or not they have an objection.
8. **Address and Resolve Objections,** beginning with any from the proposed nominee. *Objections may be resolved* in many ways, in cluding amending the role's domain description or by nominating someone else. When all objections are resolved, check with the (final) nominee again if they accept the role.
9. **Celebrate:** Acknowledge reaching agreement and thank the per son who will now keep the role.

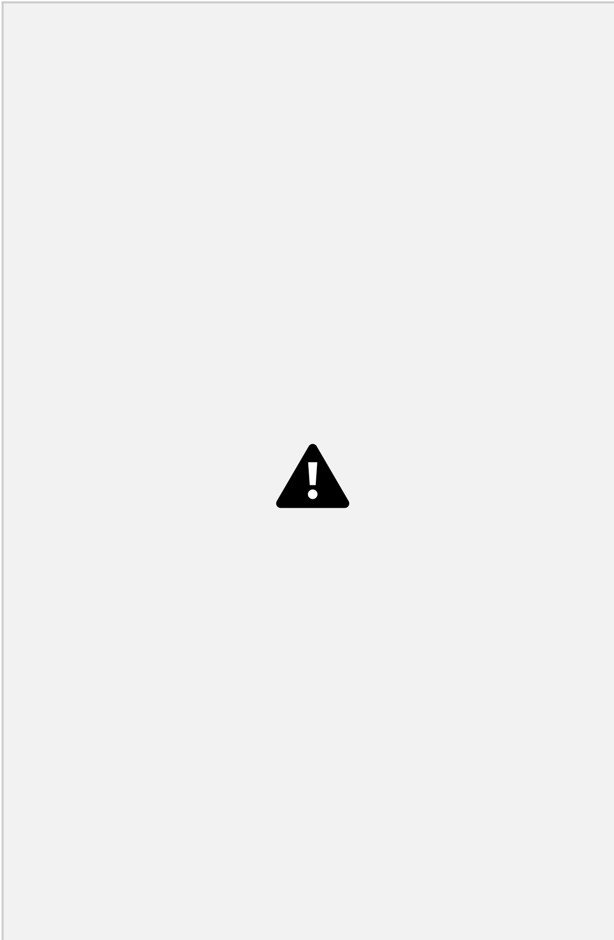

Figure 1.12.: Role selection process

To avoid influencing others, abstain from expressing personal interest or opinions before a selection takes place.

Sometimes a role selection reveals a lack of capacity, relevant experience, qualities or skill. A group will then need to consider outside candidates, reconsider priorities or find an alternative way to account for the domain.

This pattern can also be used in any situation where there is a need to choose between a variety of options.

1.12. Driver Mapping

A workshop format to identify an effective response to a complex situa tion: organize start-ups, kick-off projects, tackle major impediments or opportunities, develop organizational structure to better enable the flow of value.

A (small or large) group identifies and clusters drivers, to then progress quickly from concept to action in smaller and self-organizing teams.

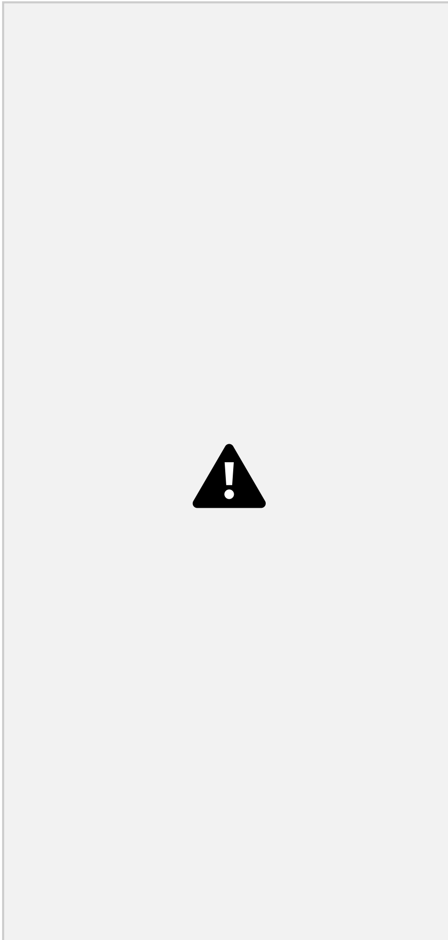

Figure 1.13.: Driver Mapping: Process

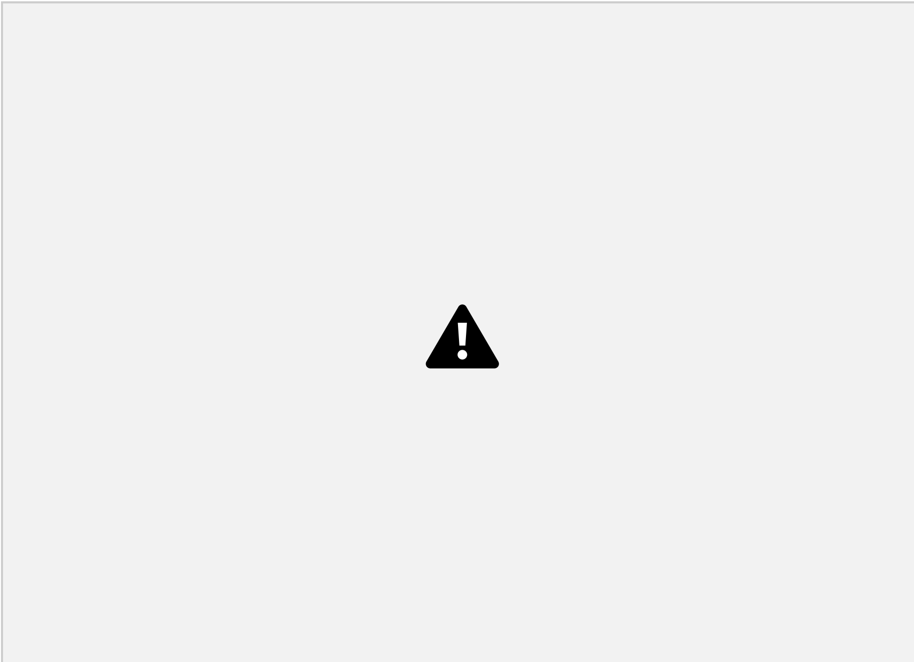

Figure 1.14.: Driver Mapping: A template for domains

2. Peer Development

2.1. Ask For Help

A simple protocol for learning, skill sharing, and building con nections, with respect for people’s agency.

Ask someone, “*would you be willing to help me with …*?” The person asked accepts or declines with a simple “*yes*” or “*no*”.

- if the request is declined, the person asking accepts the answer without negotiation or inquiry
- if the request is unclear, inquire for more information
- if you accept a request for help, support your peer in the best way you can

2.2. Peer Feedback

Invite a peer to give you some constructive feedback

on: • your performance in a role

- your general participation and contribution
- any specific aspect you may be interested in

Considerations:

- invite peers to take some time to prepare
- invite both **appreciations** and **actionable improvement sug gestions**

- inquire to better understand the feedback, and avoid discussing or judging it
- decide for yourself what you will do with feedback you receive

2.3. Peer Review

Support each other to learn and grow in the roles and teams you serve in.

The role keeper — or team — leads the peer review by setting up the process and speaking first in each step.

Ensure you invite people with complementary perspectives to contribute to the review, and a *facilitator*.

Improvement suggestions may relate to personal development, collab oration, updates to the domain description (including the driver) and strategy.

2.4. Development Plan

A plan for how to develop more effective ways of accounting for a domain, agreed between delegator and delegatee.

The development plan may be created for a person in a role, or for a team (e.g. a department, *circle* or *open domain*).

Development may happen in the form of refining the description of the *driver* and the domain, making amendments to strategy, or new or up dated agreements and specific actions to be taken, either within the do main of the delegator, or the domain of the delegatee.

A development plan (and any accompanying recommendations for changes to the descriptions of the domain and the driver) requires consent from both the delegatee and the delegator.

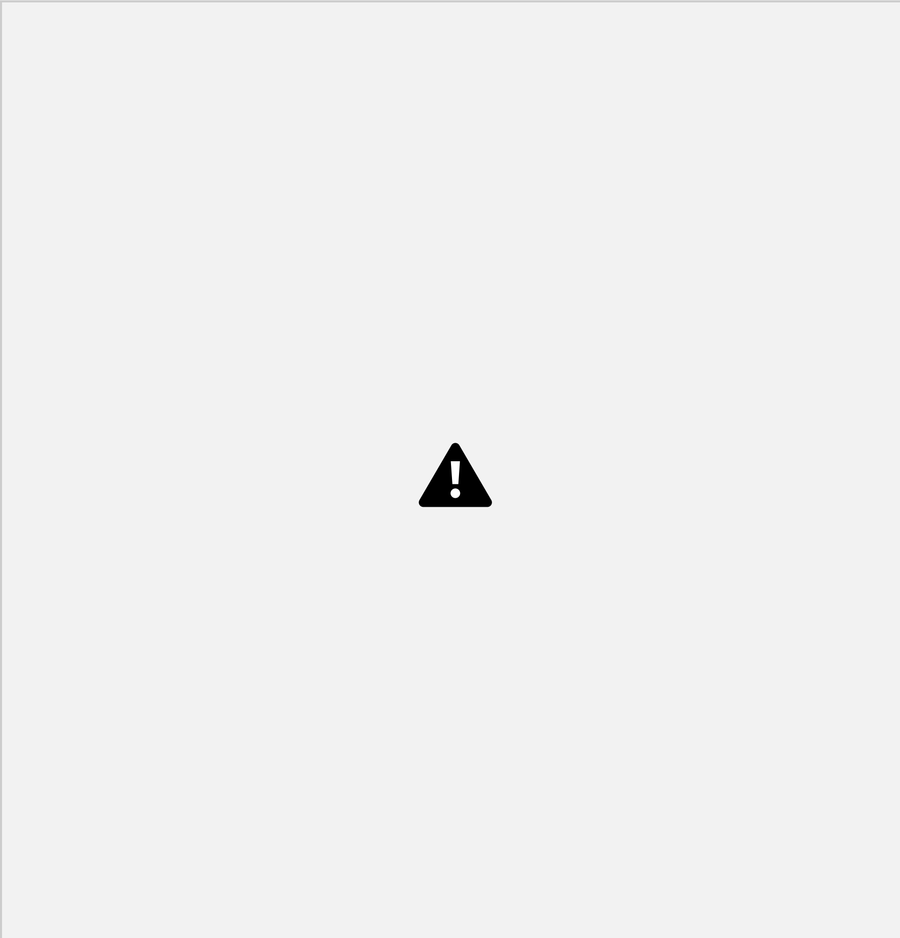

Figure 2.1.: Peer review process

Figure 2.2.: Continuous improvement of people’s ability to effectively

keep roles or collaborate in teams

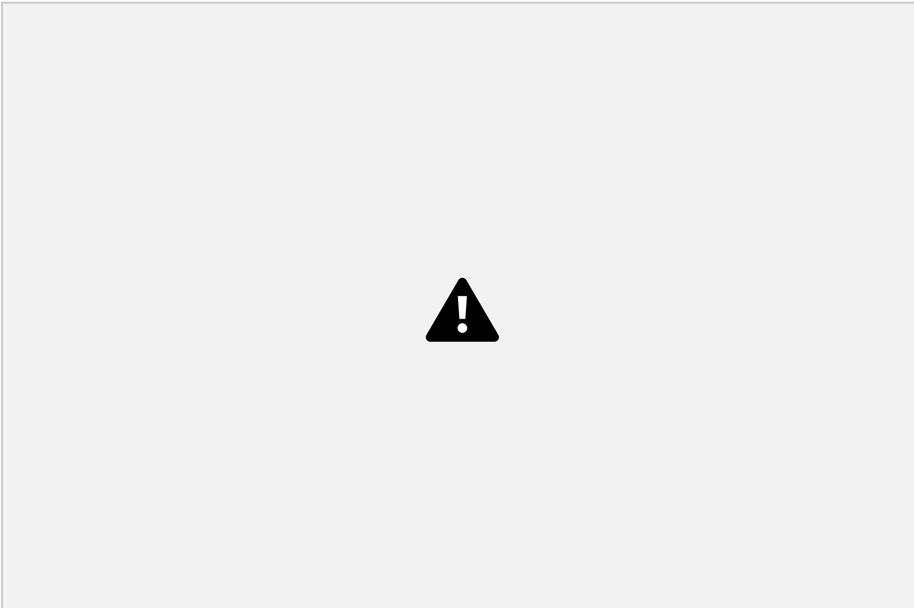

Figure 2.3.: A template for development plans

3. Enablers Of Collaboration

3.1. Artful Participation

Commit to doing your best to act and interact in ways that enable effective collaboration.

"Is my behavior in this moment the greatest contribution I can make to the effectiveness of this collaboration?"

Participating artfully may include interrupting, objecting or breaking agreements.

Artful Participation is an **individual commitment** to:

- actively **consider and follow-up on all agreements** made, in the best way possible, given the circumstances
- **develop awareness and understanding** of individual and collective needs
- **grow the necessary skills**
- **support others** to participate artfully
- bring impediments and improvement suggestions to the attention of others if necessary

Benefits Of Artful Participation

Artful participation:

- enables co-creation and evolution of agreements
- helps to grow stronger teams

- builds self-accountability, integrity and trust
- generates a culture of mutual support and close collaboration
- is more powerful when embraced by many

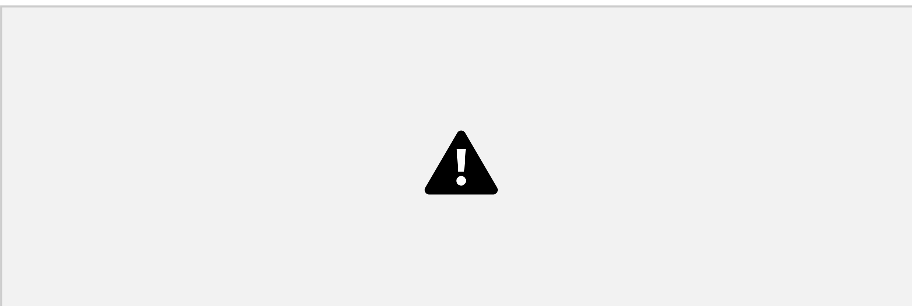

Figure 3.1.: Balance autonomy and collaboration through artful participation

Artful Participation: Self-Assessment

- How can I support myself and others to participate more artfully? • Where are my interactions with others unhelpful or ineffective?
- Which agreements do I find hard to keep? What can I do to address this?
- What skills can I develop, that would support me to participate more artfully?
- What would artful participation mean in relation to: – my daily activities?
  - – collaboration and interaction with others?
  - – the organization? …our customers or clients?
  - – the wider environment?

3.2. Adopt The Seven Principles

Align collaboration with the Seven Principles.

Adopting the Seven Principles reduces the number of explicit agreements required, and guides adaptation of S3 patterns to suit the organization's context.

An organization's values need to embrace the Seven Principles.

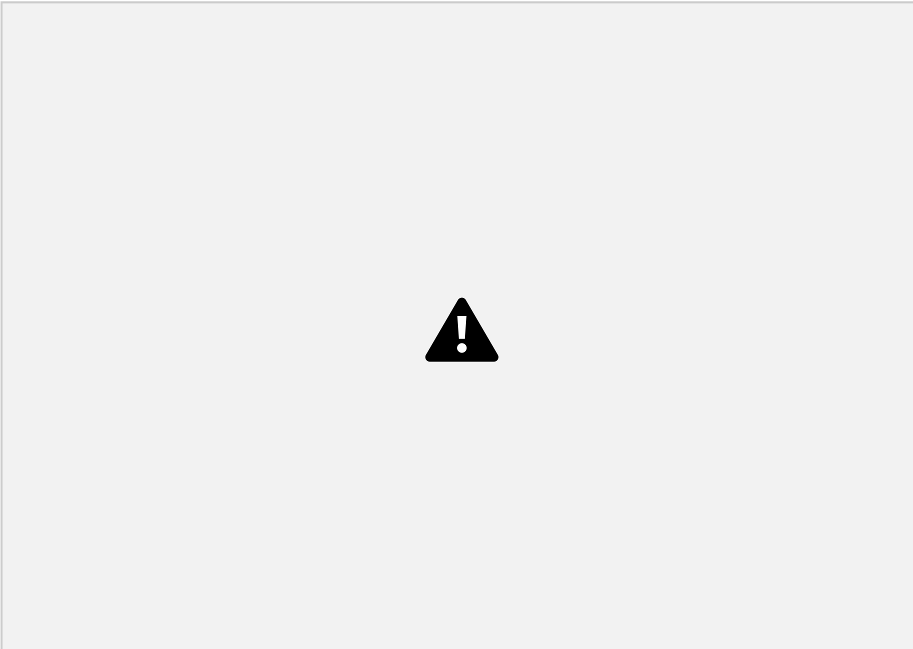

Figure 3.2.: The Seven Principles

3.3. Agree On Values

Intentionally evolve the culture in your organization.

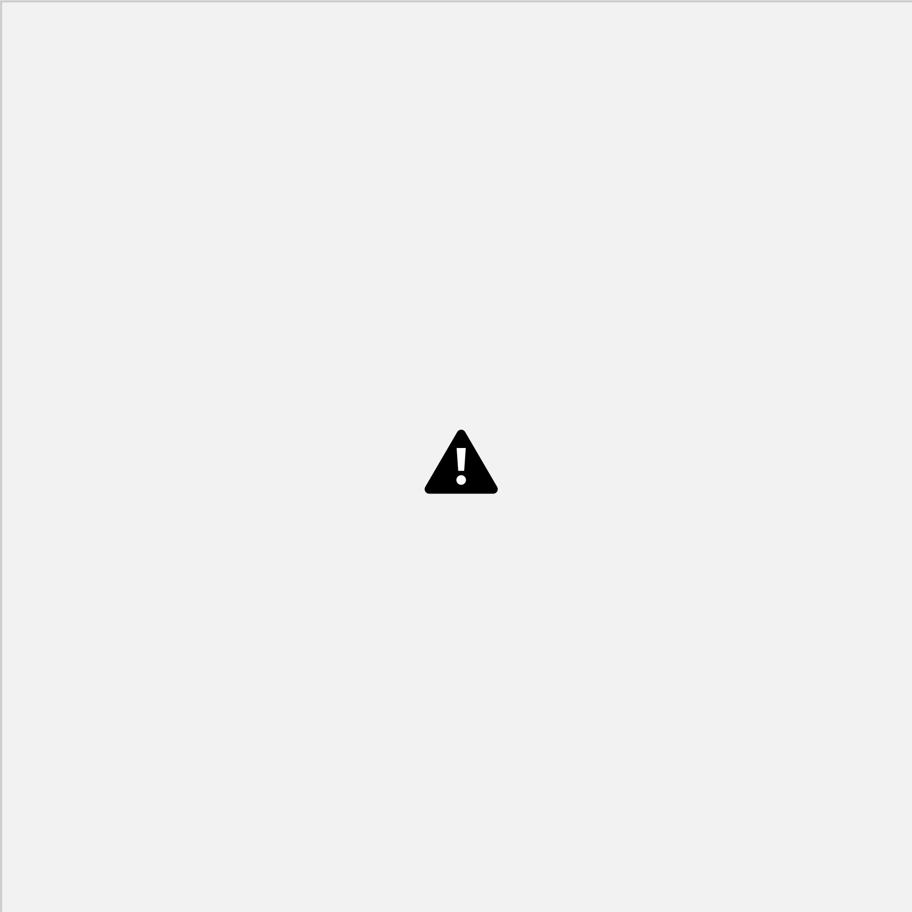

Figure 3.3.: An organization's values need to embrace the Seven Princi ples

***Values** are valued principles that guide behavior. Values define scope for action and ethical constraints.*

- each member brings their own values to an organization based on personal experiences and beliefs
- a team or organization may **choose to collectively adopt values**

to guide their collaboration

Values offer guidance to determine appropriate action, even in the ab sence of explicit agreements.

Collectively adopting a set of values supports the effectiveness of an or ganization:

- reduces potential for **misunderstanding**
- helps to **align** decision making and action
- **attracts new members, partners and customers** who are aligned with the organization

Chosen values are an agreement that benefits from **regular review**.

3.4. Governance Facilitator

Select someone to facilitate governance meetings.

A governance facilitator:

- ensures *governance meetings* stay on track and are evaluated
- is (usually) selected by a team from among it members (and for a specific term)
- familiarizes themselves with the *Governance*

Backlog • often invites others to facilitate some

agenda items

As a governance facilitator, consider learning about and using the fol lowing patterns from S3 to handle governance effectively:

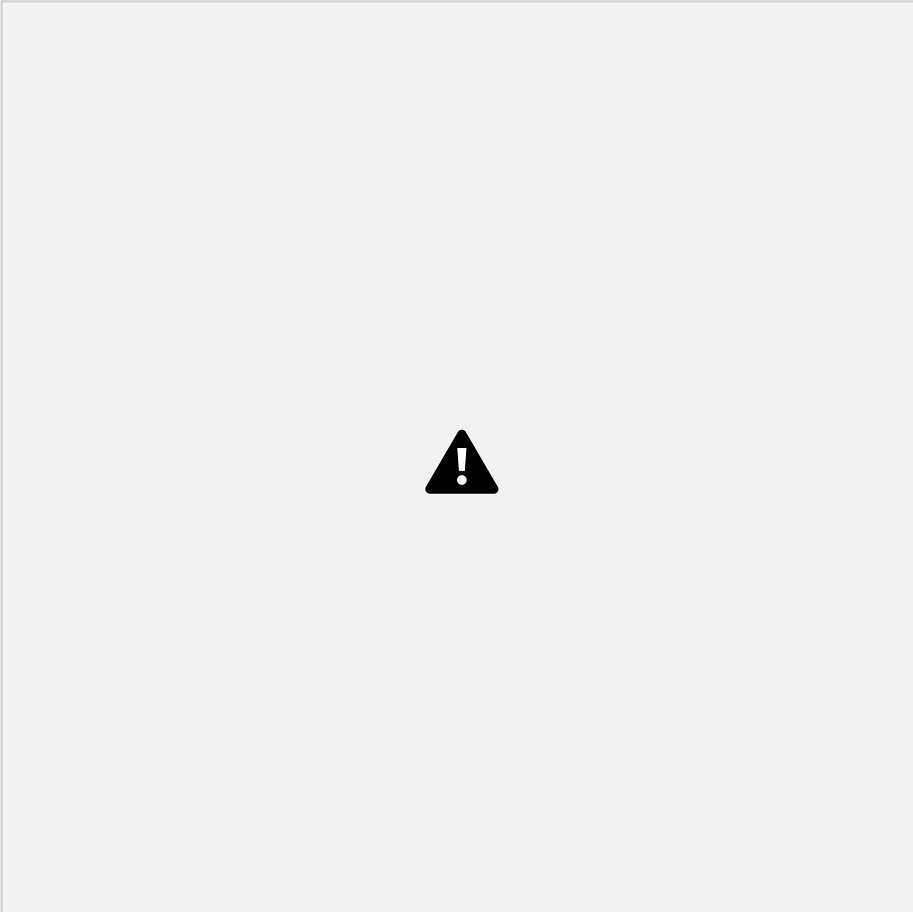

Figure 3.4.: Chosen values define constraints for collaboration

- *Rounds*
- *Proposal Forming*
- *Consent Decision Making*
- *Role Selection*
- *Evaluate Meetings*

- *Resolve Objections*
- *Peer Review*

3.5. Breaking Agreements

Breaking agreements is sometimes **necessary** but may come at a **cost** to the community.

Be accountable:

- **clean up** disturbances
- **follow up** as soon as possible with those affected
  - **change the agreement** instead of repeatedly breaking it

3.6. Contract For Successful Collaboration

Support successful collaboration from the start and build trust between parties by co-creating mutually beneficial and legally robust contracts.

A **contract** is a body of promises that two or more parties agree to make legally binding, i.e if those promises are violated, the injured party gains access to legal (or alternative) remedies.

Developing shared understanding about needs and expectations is essen tial for successful collaboration.

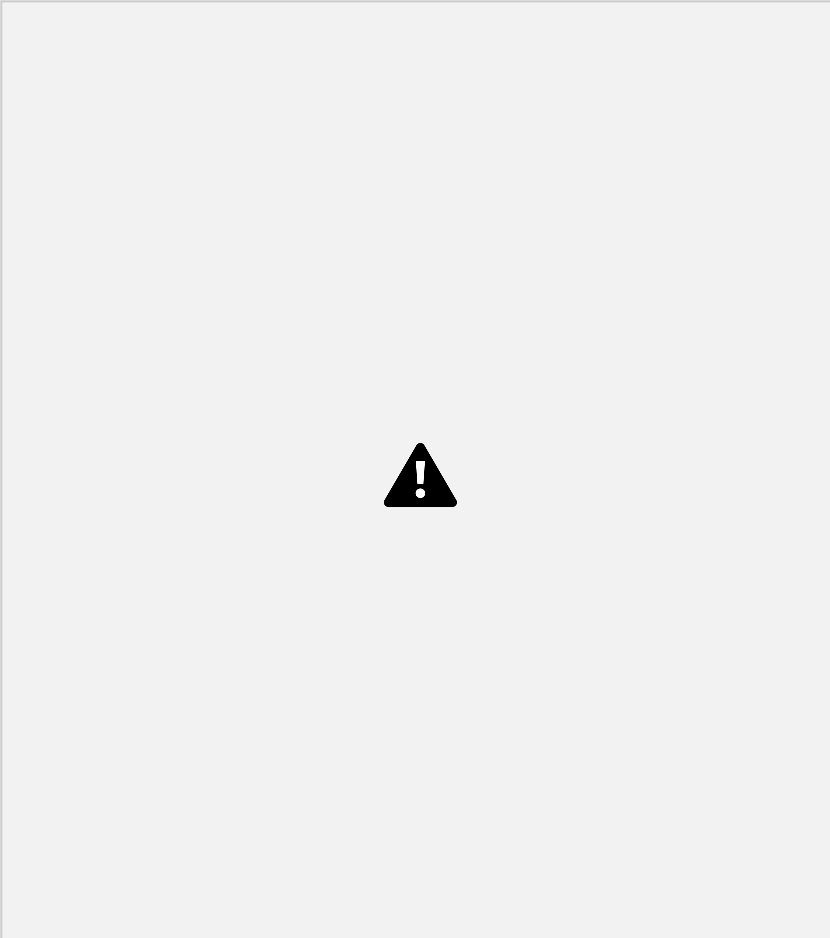

Figure 3.5.: The governance facilitator is typically a member of the team

While negotiating and agreeing on a contract, model the culture of collaboration you want to achieve, and build a positive relationship with the other parties involved.

This pattern refers to contracts relating related to collaboration around any business transaction between an organization and other parties (e.g. employees, consultants, service providers, shareholders or customers). It is especially relevant for contracts that have a significant influence on the future of an organization or one of its partners, such as:

- employment contracts and contracts with external contractors or consultants in *support roles* (including any agreement that results in a change of remuneration or working hours)
- contracts governing collaboration with customers, vendors or ser vice providers
- shareholder agreements

Note: Many agreements about collaboration within an organization do not require dedicated contracts, as they are already governed by or sub ject to existing contracts.

Success criteria for contract negotiation

When negotiating a contract, ensure:

- shared understanding of the reason for the collaboration, as well as the intended outcome and important constraints
- all parties understand what is expected of them
- all parties affected by a contract are involved in creating the con tract and enter it voluntarily
- expectations are realistic
- the agreement is beneficial to all parties
- everyone intends to keep to the agreement made

If for any reason one or more of these criteria cannot be fulfilled, it is probably wise to not proceed.

Co-creating the contract

The way a contract is negotiated can significantly contribute toward building trust between parties. Approach contracting from the point of view of making an agreement between partners, not adversaries: co create the contract, tailor it to its specific context, and ensure it is legally robust.

• the contract should include all expectations of the parties involved, each explained with adequate detail

• use clear and simple language that all parties can understand, and be unambiguous about legal consequences

• if you need to use specific technical or legal terms a party might be unfamiliar with, explain them in a glossary that is part of the contract

• consult a lawyer who supports the culture you aspire to and is competent in the field if business you are negotiating

When Co-Creating a Contract:

• ensure all parties have a delegation that includes representation for all affected domains (e.g. not only sales, but also development / production /support, etc)

• explicitly describe the culture you want to develop, with consid eration for common ground and any cultural differences between parties

• state the reasons for the proposed collaboration, and transparent about expectations and needs of all parties

• disclose all relevant information (if necessary under an

NDA)

• agree first on terms of the relationship and expectations to all par ties, and then consider how you can make them legally robust •

compile a list of specific laws and regulation the contract needs to comply to

- negotiate in several iterations, allowing time to consider implica tions and propose amendments
- keep minutes of each meeting to reduce the potential for miscon ceptions

Support The Full Lifecycle Of The Collaboration:

Any contract can be changed at any time, provided all signatories agree. However, it greatly reduces the potential for conflict later if you consider the full lifecycle of the collaboration in the contract:

- make provisions for successfully getting started by defining on boarding procedures
- have a probationary period, where all parties can try out the col laboration, and a clear protocol for how each party can terminate the contract during the probationary period
- define and build into the contract regular review meetings where signatories come together to share learning and decide how the contract might be amended to adapt to changing context • include procedures for breach of contract
- consider making available alternative means for dispute resolution, e.g. mediation, conciliation or arbitration
- consider limiting the contract to a fixed term after which the con tract expires and can be renewed if required

Culture

Every contract influences the culture of the collaboration it governs, even when it appears to only describe *what* needs to be delivered:

- intentionally create the culture of collaboration you want to see by including expectations on *how* things should be done
- align the contract to the organizational culture (of all parties) and to legal requirements

- build contracts that enable and encourage accountability

If you find that standard contracts in your industry are misaligned with the culture you want to create, build your own repository of templates for contracts and clauses and consider sharing it with others, so that you can leverage past experience when creating new contracts.

3.7. Transparent Salary

Create a fair salary formula and make it transparent.

Transparent salary (also referred to as "open salary") is the practice of determining each employee's compensation according to a set of rules — the *salary formula* — instead of making compensation subject to indi vidual negotiation between employer and employee. The salary formula — and often individual compensation as well — is transparent to all members of an organization, and sometimes to the public.

A transparent salary formula needs to suit an organization's context, and to be perceived as fair enough by all stakeholders.

Perception of fairness varies from person to person and according to con text, so creating a salary formula requires developing a shared under standing of what is considered fair.

When deciding (or agreeing) on a salary formula for an organization or department, consider:

- what would be a suitable fixed subsistence guarantee
- how to calculate compensation according to need, investment, pro ductivity, or merit

- how to distribute the organization's profit and cover for losses in line with expectations and needs of the various stakeholders

Decide how to handle remuneration for changing roles and *develop a strategy* for how to transition towards new contracts and compensation agreements.

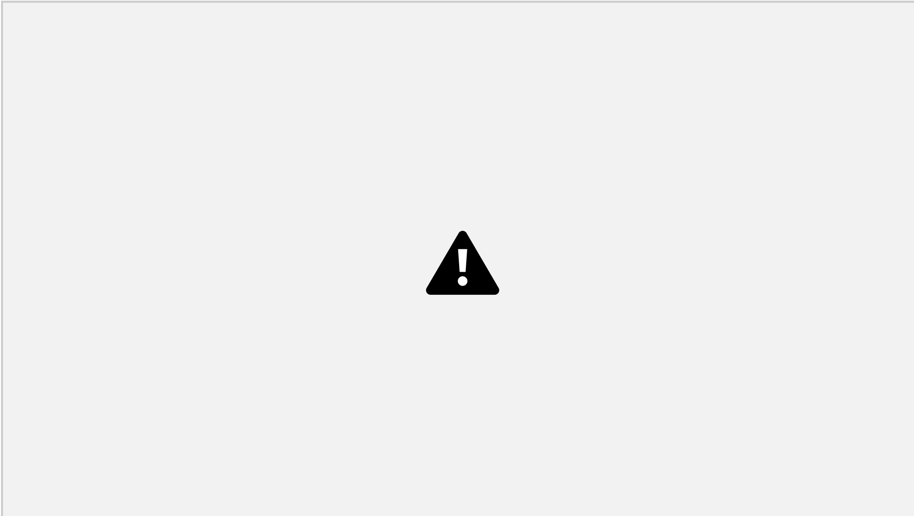

Figure 3.6.: Two ways of opening salaries

3.8. Support Role

Apply the role pattern to external contractors.

- clarify and describe the driver for the *role*
- create a *domain description*
- if valuable, implement a selection process
- limit the term of the contract
- build in regular *peer reviews*

External contractors consent to take on their role.

See also: *Contract For Successful Collaboration*

3.9. Bylaws

Secure S3 principles and patterns in your bylaws as needed to protect **legal integrity** and **organizational culture**

Consider:

- consent and equivalence in decision making
- selection process for leadership roles
- organizational structure, values and principles
- influence of owners or shareholders
- sharing gains and costs

4. Building Organizations

4.1. Delegate Influence

Distribute the power to influence, to enable people to decide and act for themselves within defined constraints.

A delegator can support delegatees to deliver value by: •

Clearly defining domains of autonomy and responsibility

• Ensuring there are opportunities for learning and

development • Providing support if required

Adjust constraints incrementally, considering capabilities, reliability and outcome.

Decentralize as much as possible, and retain as much influence as neces sary.

4.2. Circle

*A **circle** is a self-governing and semi-autonomous team of equivalent people who collaborate to account for a domain.*

A circle:

• may be permanent or temporary

• may be self-organizing

• is accountable for its own development and its body of

agreements

• **semi-autonomous:**

– A circle's members act within the constraints of their domain.

– Each circle can create value autonomously.

• **self-governing:**

– A circle's members continuously decide together what to do to account for their domain, and set constraints on how and when things will be done.

- **equivalence of circle members:**
  - All members of a circle are equally accountable for governance of the circle’s domain.

4.3. Role

Delegate responsibility for a domain to individuals.

A role is an area of responsibility (a domain) that is delegated to an individual (the **role keeper**), who has autonomy to decide and act within the constraints of the role’s domain.

The role keeper leads in creating a strategy for how they will account for their domain. They evolve their strategy in collaboration with the delegator.

A role is a simple way for an organization (or team) to delegate recurring tasks or a specific area of work and decision making to one of its members.

- people can take responsibility for more than one role
- instead of formally setting up a new team, it’s sometimes simpler to just share one role between several people
- role keepers are selected by consent and for a limited term
- peers support one another to develop in the roles they keep

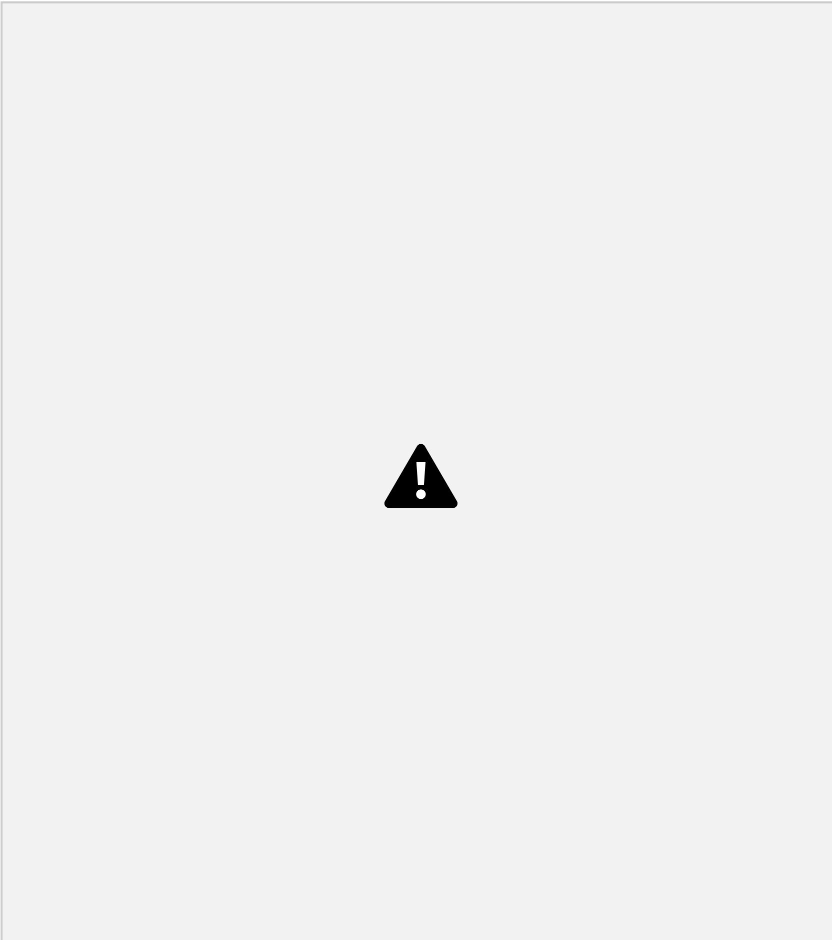

Figure 4.1.: All members of a circle are equally accountable for gover nance of the circle’s domain

A role keeper may maintain a governance backlog, and a logbook to record and help them evolve their approach toward delivering value.

Note: In S3, guidelines, processes or protocols created by individuals in roles are treated as agreements.

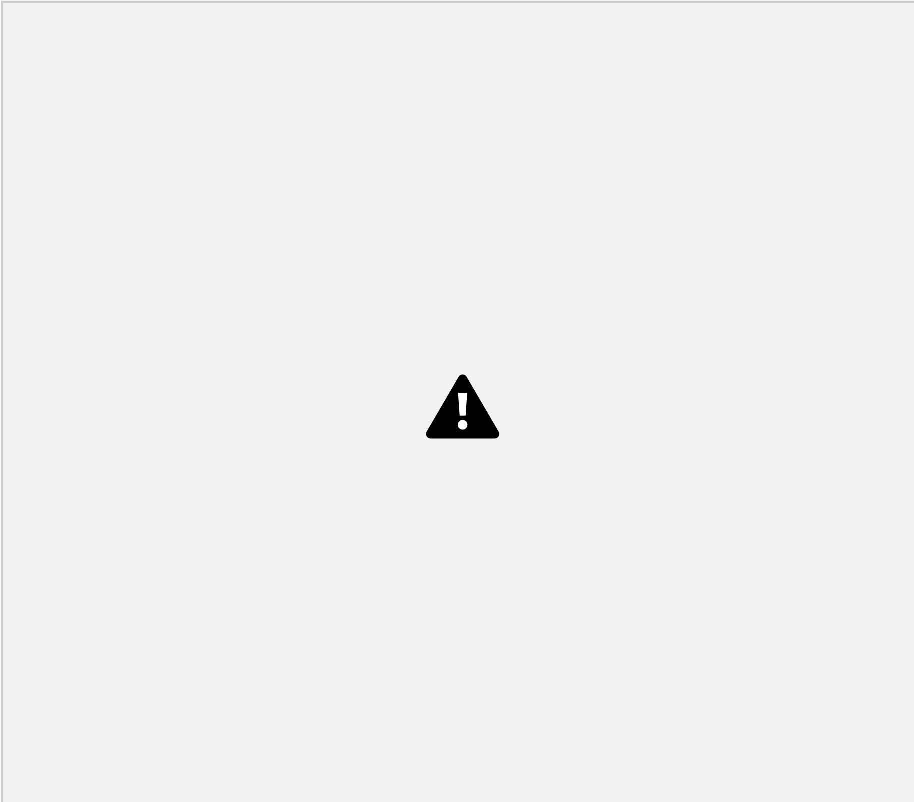

Figure 4.2.: People can take responsibility for more than one role