



An introduction to

# COLLECTIVE INTELLIGENCE

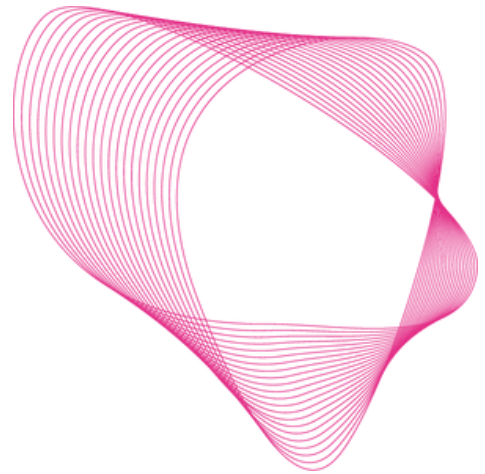
*How the most resilient businesses learn from nature*

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August 2022

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# 1. WELCOME TO AN AGE OF DISRUPTION

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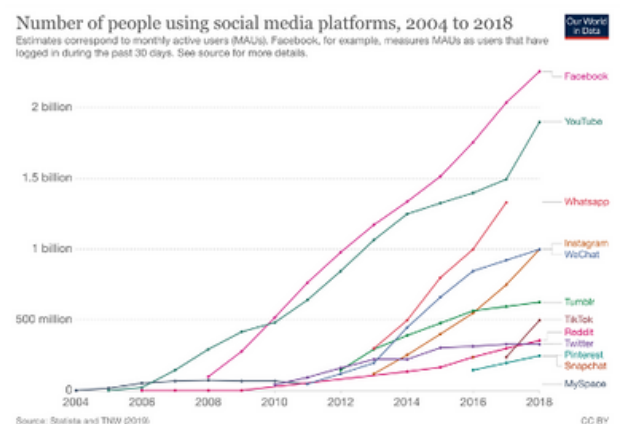
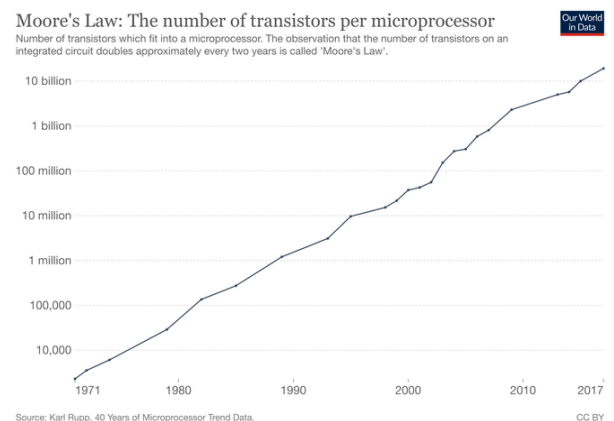
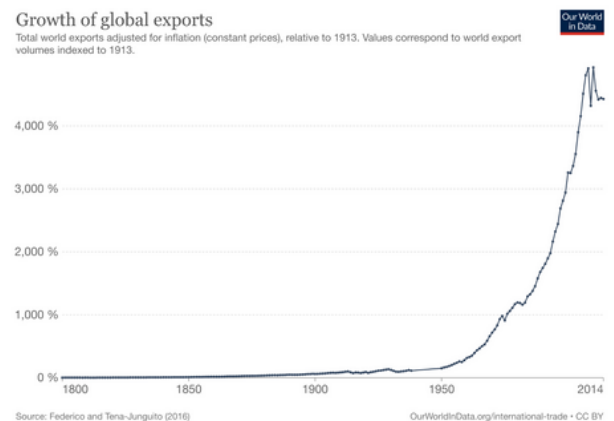
For the last hundred and fifty years we have treated organisations as machines. The principles we have adopted for business since then are directly informed by how science understood the nature of the universe at the time. At that point we still believed in Newton's idea of a clockwork universe that was objective, knowable and controllable. Operating in an environment that was similarly analysable, quantifiable and predictable, we designed our organisations for certainty and engineered them for control. We broke problems into pieces, establishing formal hierarchies and organisational silos: specifying roles, standardising processes and tightly controlling activities. We built centralised bureaucracies to cascade goals to the workforce and monitor performance via complex planning, budgeting and management-by-objectives. We focused almost exclusively on rational determinism, engineering out emotions and relationships along the way.

While the nature of what we work on has changed completely we still operate according to the same fundamental principles we invented all that time ago.

This mechanistic way of organising and leading, which we call 'Directional Leadership', worked well enough on its own during the Industrial Age, but that was a time of much greater relative stability. Today, however, we are living through one of the most significant periods of change in human history. Increasing global connectivity and the accelerating pace of technological change have altered the rules of the game forever. Today, everything and everyone is connected. The world has become a single giant network, where the complexity of our web of human interactions increasingly mirrors those found in living systems.

As a result of this, we are seeing much greater volatility, where disruptive trends emerge with increasing frequency to continually change the rules of the whole system. The 2008 market crash, cloud computing, e-commerce, Covid-19 and current political trends are just a few examples. The future is increasingly complex, uncertain and harder to predict and the pace of change is only going to get faster. Set against the scale of the challenge we need a new way to think about organisations and how we adapt to a world of continuous change.

*fig. 1: Over the last 100 years, increasing globalisation and the accelerating pace of technology have transformed the competitive landscape for business. The growth of social media in recent years has accelerated this even further:*





## How did we get here?

So why has the world become more volatile? The simple answer is that the larger and more connected a system becomes, the more volatile it becomes. An experiment from Complexity Science called 'Button and Threads' provides a good way of understanding this. Imagine you have 10,000 buttons laid out on a floor, closely spaced from each other. Now, imagine you can pick up any two buttons and connect them with a thread. Then, you put them down and repeat this process with a new piece of thread, and so on. As you do this at some point you will end up attaching a thread to a button which is already connected to another, so you might create a cluster of three. As you keep going, these random clusters will increase in size. Now, if after you've been connecting threads for a while (a long while!) and measure the size of the biggest cluster you can pick up, something interesting happens. When you've used up over 5,000 threads, the ratio of threads to buttons on the ground is 0.5. At this point the size of the largest cluster jumps from around 25 to over 350, almost immediately. In Complexity Science, this non-linear leap is called a "bifurcation point".

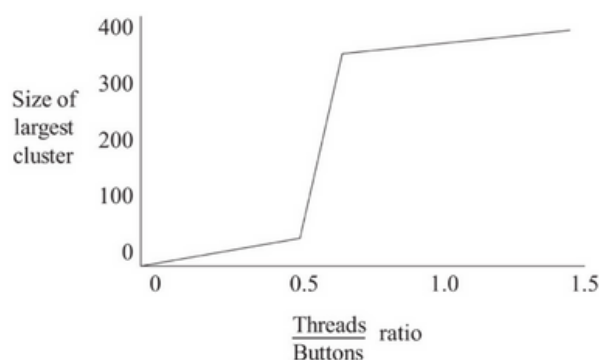


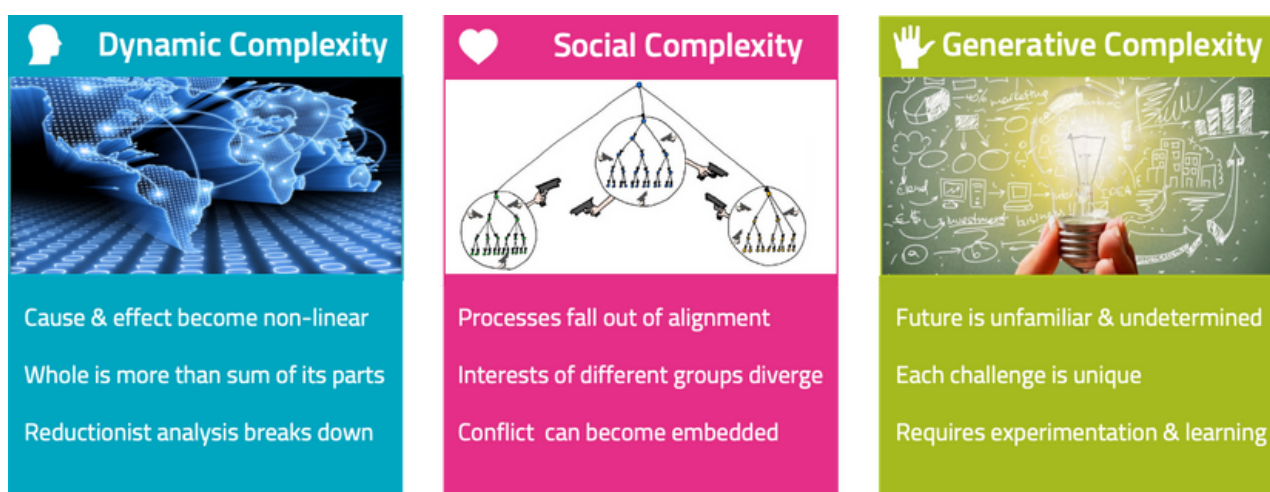
fig. 2: Bifurcation points are also known as tipping points, or phase transitions by scientists. They explain how steam turns to water and then into ice. They are also at the heart of the butterfly effect: explaining why, in a complex and tightly connected system, small localised events can end up disrupting the whole system.

Now, imagine those buttons are people, the threads are conversations and the clusters of threads are shared beliefs. As our human society has become ever more interconnected, these bifurcation points emerge more frequently from localised actions, to disrupt established structures and institutions.

A heartbreaking example of this is the story of the origins of the Arab Spring. On 4th January 2011, the tragic act of a young man protesting against government inflation by burning himself alive was filmed on mobile phones by local villagers, in the village of Sidi Bouzid in Tunisia. Starting with the capital Tunis, 10 days later, a total of four governments would fall like dominoes to popular revolution over the next twelve months, with protests erupting in fourteen other countries. Just as in the example of the threads, the interconnectivity provided by smartphone videos and social media created a bifurcation point in the number of people connected together who were unhappy with their current government. This jump in connectivity enabled clusters of people to self-organise and overthrow the ruling regime in Tunisia, Egypt, Libya and Yemen.

This increased volatility is also a reality for organisations and leaders, not just at the level of social change. When a bifurcation point occurs within a marketplace, its established market dynamics are disrupted. In order to adapt, organisations and their leaders need to reconfigure the organisation at the level of the whole, not just the parts, often in a situation that defies analysis, prediction and control. This creates profound new challenges for leaders and organisations, which we will explore in the next section.

## Organisations need to adapt to three new types of complexity



*Adapted from the work of Adam Kahane*

Specifically, the new environment creates three new types of complexity for leaders to deal with: dynamic, social and generative complexity:

- **Dynamic complexity:** as cause and effect become non-linear, the future becomes harder to predict. Organisations face adaptive challenges which require a reconfiguration of how the parts interact. These challenges cannot be solved solely through reductive analysis, they require creative synthesis. This means working at the level of the whole to create something new before splitting a problem into parts, requiring the capacity for whole system thinking and dialogue
- **Social complexity:** as structures and processes fall out of alignment with a rapidly changing environment, the goals and interests of different subgroups pull people in different directions. Conflict can emerge and positions become entrenched, with turf wars erupting between individuals, levels or departments. This requires the ability to engage in relational dialogue, surfacing and addressing relational challenges between departments, in addition to rational debate

- **Generative complexity:** when the future is unfamiliar and undetermined, there are no 'how-to' manuals. In situations like these you can't rely on experts, past experience or authorities. When the future is ever-changing, a solely top-down approach lacks the agility to deal with continuous discontinuity. What is actually required instead is collective innovation, learning and adaptation.

In an increasingly interconnected world where the pace of technological change continues to accelerate still further, we need to get used to these three new forms of complexity as the new normal. This creates profound new challenges for leaders and groups in how we conceive and manage organisational change, which Directional Leadership on its own falls short in addressing.

The fact is, we are applying ways of working that originate over a hundred years ago. In the next section, we will share a case study to bring to life some of the typical problems this can create. Collective Intelligence works for all types of businesses. This case is with a traditionally structured multinational organisation to bring to life our approach.



## Case study: When Directional Leadership breaks down

To illustrate why Directional Leadership breaks down in the face of these forms of complexity, we will take the example of a well known branded retail organisation\*, who we worked with over a period of eight years. In the run up to us working with them, their market had been disrupted by a number of trends, starting with the launch of Amazon in 1995 and more recently with the launch of the iPhone in 2007. The rapid rise of online retail totally shifted the landscape of their market,

*\*For the purposes of this case study we have selected a traditional multinational business but Collective Intelligence applies equally to fast-growing agile organisations. Please see the case studies in 'Resources' on our site for more details*






and with it the whole way the organisation needed to go to market. Whereas previously it had been about selling to as many retail stockists as possible, now it was about surrounding the customer via multiple channels and touch points: online, phone, flagship store and a few carefully selected retail partners. Their market share had been in decline over a number of years and the rate of change was increasing. There was an urgent need to fundamentally shift their business model and shift mindsets and behaviour across the organisation; mere incremental innovation would not be enough.

When we started working with the leadership team they had already been attempting to mobilise the transformation of the business for a number of years, with little success. Whilst they had already made the core changes needed to structure and key processes, established a transformation program and communicated the new strategy and goals, this was not translating into change on the ground and there was little evidence of the required shift in people's behaviour. It was at this point that they asked us to help them accelerate execution against the new business model. From the beginning, we worked with the leadership team to design the overall change management approach. We also undertook an observation and diagnosis phase with the team to tailor a leadership development program, which was undertaken alongside the work on business transformation. During this diagnosis phase we identified three principal capability gaps among its members:

- Firstly, the business challenges getting in the way of executing on the new strategy were complex and interconnected, it became clear therefore that the **Dynamic Complexity** inherent in the situation meant the adaptive challenge could not be broken into pieces straight away. Within the culture of the organisation, however, numbers, analysis, advocacy and debate were the only approach many of these leaders had ever experienced. The team simply did not have the experience, capability or even language to take a whole system perspective on the problem, as a cohesive team. The leader of the team complained to us about feeling they perpetually had to drag the team along behind them, expressing frustration that they weren't able to take off their functional hats to think from the perspective of the whole business.
- Secondly, from a **Social Complexity** perspective, it became clear early on that accomplishing successful transformation would mean addressing a number of long standing trust and collaboration challenges across the organisation. Within the team, however, we noticed that, whenever these issues threatened to raise their head, they consistently failed to air and address them productively. As we probed further, we learned that, on those few occasions where they had tried to surface an "elephant in the room" in the past, it had led to the escalation, rather than a decrease, in the level of conflict. As a result, whenever a

conflict like this began to emerge, the team either pushed the challenge down the road (by agreeing to “take it offline”), by deflecting (focusing on the process rather than the relationship, e.g. by endlessly reshaping RACIs and processes) - or ignoring the problem altogether, by focusing on something else.

- Finally, it also became apparent that the organisation’s rigid, top-down approach to operational goal-setting and transformation planning was not fit to deal with **Generative Complexity**. At an operational level, goals were cascaded in September of each year, they were not reviewed by the whole business until twelve months later. By this time, in a fast-changing market, this meant goals and activities were often misaligned with what was actually then happening in the market. At a transformational level, while change teams had been established, they were again being managed in a very rigid manner with complex KPI scorecards and formal steering team meetings. Project teams were working in silos and the only people thinking about the program as a whole were the leaders at the very top. As a result, a number of change streams were significantly behind schedule, impacting the transition of operations to the new model.

Type of Complexity		Description	Directional Leadership
	Dynamic complexity	Cause & effect are non-linear: whole more than sum of parts	Piece by piece analysis
	Social complexity	Conflict emerges between groups & individuals	Rational debate
	Generative complexity	The future is unfamiliar, unpredictable & undetermined	Predict & control

We believe that many of the common challenges we witness in organisations today are similarly caused by organisations trying to apply the Directional Leadership approach to address Dynamic, Social and Generative Complexity. By taking a piece by piece approach, organisations struggle to deliver the collective thinking needed to deliver breakthrough innovation, and end up delivering only incremental innovation. By focusing on the rational to the detriment of the relational, silos emerge between functions and levels, with an inability to understand, accommodate or empathise with others’ perspectives. Contentious topics end up being avoided, leading to mistrust, the breakdown of relationships and ultimately turf wars. Finally, by focusing solely on top-down specification and control, leaders fail to develop the ability of the organisation to experiment, learn and adapt to continuous change. These common symptoms all point to the need for a fundamentally different approach to navigating complex, disruptive change.

## 2. LEARNING FROM LIVING SYSTEMS

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So where can we look for inspiration in our search for a different model, one that can help us organise and lead through disruptive change? The obvious answer is to look to science, since we design our organisations according to the prevailing scientific paradigm of the time. The Directional Leadership model has its origins around 1900 and the work of Frederick Taylor. At this time, Isaac Newton's idea of a "clockwork universe" reigned supreme. We saw the world as ultimately analysable, predictable and controllable and we still design our organisations to this image, today.

Over the last hundred years, however, the field of science has moved on considerably. We now understand that the universe is not a clockwork mechanism that is rational, predictable and controllable, it is actually complex, self-organising and non-linear. In particular, the emerging science of Complex Adaptive Systems (or Complexity theory), provides an ideal template for organisations to remain resilient in a world that is increasingly complex, dynamic and non-linear. This provides us with a new way for thinking about and managing complex, organisational change.

In nature, complex, adaptive systems display the capacity for 'Collective intelligence'. They adapt naturally to disruption in their external environment through the process of emergence, where complex, adaptive behaviour arises at the level of the whole, which cannot be explained by analysis of the parts alone. They are open, dynamic, self-organising and evolve continuously over time.

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*A striking example comes in the form of a simple single-celled organism, the slime mould. While it normally exists as a single-celled organism, it comes together to form a super organism when resources are scarce, displaying amazing collective intelligence to sniff out food through its environment and find its way through obstacles such as poison, along the way. In tests, it even has the ability to solve the complex “travelling salesman” puzzle, finding the quickest possible way to reach a number of food sources situated within a complex maze!*

So why does this matter in organisational life and groups? Because a group, and indeed a conversation itself, is also a complex, living system. If you have ever experienced a flow state, transformational dialogue or the magic of a high performing team, then you have experienced the emergence of Collective Intelligence. These are states of collective awareness associated with peak collective performance. In fact, all moments of collective breakthrough and creative synthesis have their origins in this self-organising phenomenon of emergence.

If we are to rise to the challenge of complex change, then we need to master the skills by which we can enable self-organisation and productive dialogue within groups, to develop the capacity for Collective Intelligence.

## The principles of collective intelligence

Type of Complexity		Description	Directional Leadership	Connected Intelligence
	Dynamic complexity	Cause & effect are non-linear: whole more than sum of parts	Piece by piece analysis	Whole system approach
	Social complexity	Conflict emerges between groups & individuals	Rational debate	Relational dialogue
	Generative complexity	The future is unfamiliar, unpredictable & undetermined	Predict & control	Collective agility

So what can we learn from nature to foster emergence in human conversation and develop the capacity for Collective Intelligence? We have developed Collective Intelligence as a change management and leadership development approach for solving complex problems and accelerating organisational transformation. Inspired by the principles of how living systems adapt to disruption, Collective Intelligence differs from traditional Directional Leadership in three key areas:

- **Whole system approach:** Living systems display complex, adaptive behaviour at the level of the whole that cannot be explained through the parts alone. Similarly, we need to evolve the language of the boardroom, learning to balance reductionist analysis with collective inquiry and creative synthesis - by developing new ways to think collectively about organisations as a whole. Collective Intelligence develops the ability for groups to think as an effective whole and take a whole system approach to problem-solving.
- **Relational dialogue:** Living systems adapt to changes in the environment through reinforcing or balancing feedback loops. To do this they need to maintain open boundaries. This means leaders need to balance a focus on strategy, goals and execution with a focus on enterprise connectivity and relationships. Collective Intelligence provides a safe way to put tough relational challenges on the table and resolve them productively. Over time it develops the culture of connection and open feedback that is essential for navigating complex change.
- **Collective agility:** Living systems experiment and adapt as one to continuous change in the environment. Likewise we leaders need to balance top-down change, siloed execution, tight specification and control with whole system approaches to change, supported by more mutual and horizontal forms of leadership. Collective Intelligence fosters collective agility, developing the ability of teams and whole ecosystems to sense, learn and respond as one, to continuous change.

## Embracing paradox: developing ambidextrous capacity

At this point it should be noted that Collective Intelligence is not intended to substitute traditional Directional Leadership, but to sit alongside it as an alternative – a case of 'both-and', not 'either-or'. The aim is not to replace Directional Leadership in its entirety, but to embrace two alternative ways of leading, together with the capacity to alternate between the two, depending upon the situation of hand. At every level of the natural world, we find opposites. Whether it is wave & particle, Yin & Yang, chaos & order, strategy & culture or mind & body, things exist in a dynamic equilibrium in pairs. Similarly, at the organisational level, complex adaptive challenges require an effective balance between creative synthesis and reductive analysis, rational debate and relational dialogue as well as top-down control with collective agility

### 3. COLLECTIVE INTELLIGENCE, LEADERSHIP & CHANGE

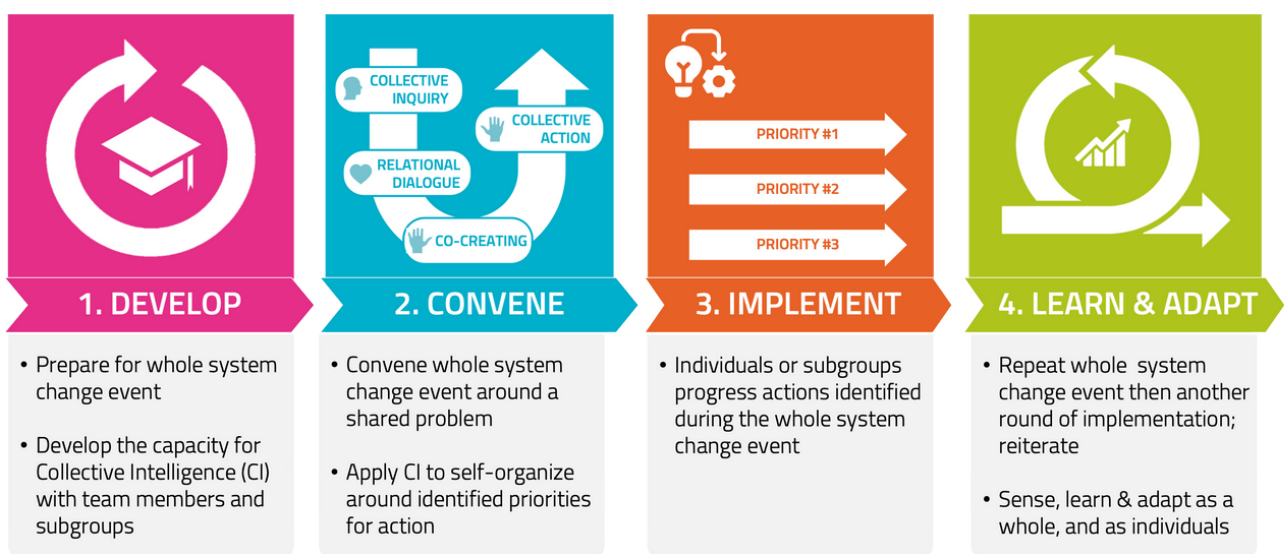
One of the principles of living systems is fractal symmetry: complex patterns that are self-similar across different scales. In a similar way, the principles of collective intelligence can be applied equally to leaders, teams and whole organisations. In our experience an integrated "learning by doing" approach like this accelerates both personal and organisational transformation.



#### ORGANISATIONS

#### Collective Intelligence as a change management process

At the level of organisational change, Collective Intelligence is a simple whole system approach to solving collective problems and accelerating organisational change. It consists of four broad phases, as outlined below:





Whether we are working with a team, a leadership group, a function or a cross-section of a whole ecosystem, the Collective Intelligence approach revolves around events that “whole system” events (normally over two days or more) for the whole group to work on a shared adaptive challenge, then forming into subgroups to action identified priorities, before reiterating this cycle of whole system events, followed by implementation.



## GROUPS

### Collective Intelligence as a collective problem-solving process

After a first phase of intense preparation, the whole system is able to come together (be it a leadership team or a whole function). During these events, Collective Intelligence serves as a sequential conversational process to turbocharge collective problem solving and accelerate implementation. It invariably follows four broad phases, as outlined below:



- **Collective Inquiry:**

After an initial opening phase to build connection and contract on outcomes, agenda and ground rules, comes Collective Inquiry. During this phase, we use a bespoke creative modelling approach for the diverse subgroups to map and explore the diversity of each other's experience of the whole ecosystem. Work already done on inquiry skills creates the potential for new, collective insight to emerge. This happens through a process of developing "full system sight": where each individual can understand the perspective of each other person or subgroup in the room.

- **Relational Dialogue:**

Not only does ecosystem modelling enable groups to take a whole system perspective, it also provides a safe way of surfacing collaboration and relationship challenges. These conflicts normally come down to dilemmas where different groups take entrenched positions at opposite ends of a polarity (e.g. centralising v. decentralising), depending upon their position. By learning to shift from right/ wrong thinking and engage in skillful relational dialogue, parties are able to embrace opposing ideas of view, repair trust and recontract in practical terms about how to manage the polarity in question together, in a more dynamic and mutual manner.

- **Co-creating:**

As polarities are identified and long-standing relationship challenges are put to bed, a sense of collective purpose is able to emerge within the group. Important assumptions and sacred cows that are holding back change are able to be seen for the first time. With this, the potential emerges for creative synthesis, and with it the potential for collective breakthrough. At this stage we deploy a unique range of creative approaches for participants to envision the desired future system as a whole, before breaking it into pieces to work on key priorities for transformation.

- **Collective Action:**

By this stage the group is now ready to break into subgroups to work on specific priorities. By assessing the gap between ambition and reality, the group breaks the problem into pieces and identifies the key objectives required to deliver on the vision. We use a range of established approaches to support us during this phase, such as open space and action learning.

### **Sustaining progress**

After the event, subgroups form into teams to execute against the identified priorities, with steering provided by the leadership team. We then schedule a follow-up whole system event to sense, learn and adapt collectively to the experience of teams as they implement their plans. The timing of this may be a month, 3 months, 6 months or a year - depending upon the nature of the challenge.



## LEADERS

### Collective Intelligence develops ambidextrous capacity

A key pillar of Collective Intelligence is developing the ambidextrous leadership capacity needed to lead complex change. Specifically, this means developing leadership agility in three areas: mental, relational and task agility:



- **Mental agility:** developing the ability to balance individual advocacy with open, mutual inquiry, even in situations where individuals hold strong perspectives and polarised positions.
- **Relational agility:** developing the ability as leaders to create psychological safety and foster personal connection in groups, together with the ability to surface and address critical relationship challenges productively.
- **Task agility:** learning and mastering the difference between Driving and Enabling styles of leadership, enabling leaders to shift from directing and controlling to coaching and facilitating, depending upon the challenge at hand.



## 4. IN PRACTICE: A CASE STUDY

In this section we will go back to the case study of the branded retail organisation we introduced in section 1, to bring to life the integrated Collective Intelligence approach we introduced in the previous section.

Specifically, we will look at four phases of the project:

- A. Developing leadership agility
- B. Convening the whole system
- C. Sustaining momentum
- D. Measuring results
- E. Extending our measurement capability

### A. Developing leadership agility

Our first step was to work with the leadership team and its members over a period of six months to develop mental, relational and task agility, while also planning the overall transformation roadmap and preparing for the whole system event, in the next stage.

Specifically, we developed the ambidextrous capacity of individual leaders in three ways:

- **Mental agility:** Whilst leadership team members were well-versed in individual advocacy and problem-solving they had little experience in whole system thinking or

creative problem-solving. At the beginning, we ran skills building sessions, to introduce the key practices of open inquiry, whole system thinking and creative synthesis. After this, we would regularly hold “time outs” during transformation planning sessions, to share significant observations around group process and introduce new practices to improve the quality of collective problem-solving. During this period we were able to make a step-change in the self-awareness of team members, together with their ability to see situations from multiple perspectives, cope with ambiguity and develop the skills of collective

- **Relational agility:** Early on we reviewed the training programmes and psychometrics team members had already completed and identified a gap. We therefore introduced a new 360 assessment, focusing specifically on mental, relational and task agility, as well as and conflict style, supporting this with one-to-one coaching. We then ran a session to review and debrief the team profile and introduce new language and feedback practices for managing conflict situations. We then looked for opportunities where conflict arose within the team, to coach and support the team to practice these new behaviours and master relational dialogue. Within a relatively short period we improved connectivity within the team and developed a culture of open feedback and learning.
- **Collective agility:** At the beginning of the project we introduced the skills and practices of group facilitation and team development. We also taught the team action learning and reflective learning practices, so they could learn to “get on the balcony” within meetings to review group dynamics and optimise how team members are working together, for themselves. As we worked on designing the change programme with the team, we continued to role model and explain the nature of our interventions as facilitators, before later entrusting individuals to facilitate action learning sessions with the team, with our active support.

In this way, by first introducing a skill or practice, then role modelling it, then supporting team members to lead it within the team with our support, we dramatically accelerated the mental, relational and task agility of team members. Within six months the core practices of Collective Intelligence became second nature to the team, meaning they were able to role model these new approaches in front of their direct reports with credibility.



## B. Convening the whole system

Once the leadership team had developed capability in these three areas and laid the foundations for a whole system change event, we were then ready to move to the next stage, engaging the broader ecosystem. This involved convening a “whole system change” event to mobilise the whole business around their collective challenge. This “whole system” consisted of a representative sample of 60 leaders, drawn from both transformational and operational teams.

First, we ran a one day preparatory workshop with each of the functional groupings below the leadership team. Here we replicated the experience of the leadership team, but on an accelerated timescale, spending 1.5 days with each team. We also ran a series of two hour focus groups with different levels, to understand the effectiveness of collaboration across these boundaries. These events were part led by us and part led by the relevant leadership team member, with time divided between context setting, getting their input to the adaptive challenge and doing some core skills development.

Now we had laid the groundwork in extensive detail, we were then able to bring together this group of the top 60 leaders in the organisation to work on the adaptive challenge together, over a period of two and a half days.



## Collective Inquiry

First we did some initial work to establish psychological safety, by helping people get to know each other and do some realistic and practical work on norms and ground rules. Next, we invited the leadership team to frame the adaptive challenge and share some of their key learnings over the preceding six months. After some work on trends, we then divided the group into their six functional subgroupings: Sales, Marketing, Operations, HR, IT and the leadership team. We provided each subgroup with a model building kit and a range of creative materials and asked them to depict how they saw the organisation working today. Specifically we asked them to visualise collaboration today in the organisation: what was working well, where the pain points were and how this was impacting retail partners and the end customer. We then mixed the groups and invited them to tour each other's model in turn.



*During the Collective Inquiry phase, groups develop 'whole system sight', by understanding the full diversity of experiences and perspectives across the system. This develops new collective insight, laying the foundations for collective breakthrough*

As teams toured each other's models and debriefed across functions, the whole group developed "full system sight" for the first time, gaining an appreciation for the full diversity of perspectives and experiences of other groups in the room. At this point, a series of light bulbs went off in people's heads. Functions learned how the experience and situation of other groups differed radically from their own, as well as how their own groups were inadvertently creating problems and issues for other parts of the business. As a collective understanding of the situation emerged, it became clear that each function had been holding only a single piece of the whole puzzle. A whole picture of the adaptive challenge began to emerge.

As a result of this collective insight, the group was already able to refine the existing transformation plan to identify a number of opportunities to accelerate transformation, which were captured for later but not addressed at this stage.

## Relational Dialogue

By asking subgroups to create models of the key relationship challenges people felt safer surfacing conflict than they would have done face-to-face, meaning a number of sensitive relationship challenges were surfaced much earlier on. During this phase a number of long-standing collaboration challenges were surfaced and tackled successfully. One example was Sales and Marketing, who had struggled since the outset to collaborate and bring the new go-to-market model to life. By this point, it had now become clear that neither function understood the strategy or objectives of the other. Each side realised for the first time how they were inadvertently getting in the way of the other.

Working with our facilitators, both sides were able to empathise with the other's experience for the first time, and from there to recontract around the principles and key actions needed to rebuild trust and collaboration.

At this point that the sales and marketing leaders, who had already been through this process during the previous phase of leadership team development, were able to speak authentically and openly about the journey of reconnection they already had been on. By allowing the whole ecosystem to go through its own journey of discovery in this way, rather than just telling people what had happened, mindsets and relationships were reset across all levels of the organisation.

## Co-creating

At this point we provided a short creative interlude and break. We then reconvened by bringing everyone together to share their observations and reflections on the event so far. - a practice we call "getting on the balcony. As people spoke in turn, the few key assumptions and ways of working that were keeping the group stuck became clear, and palpable sense of collective commitment and shared purpose emerged in the room.



*The Relational Dialogue phase surfaces the relationship challenges and key assumptions that are keeping the group stuck. Through expert facilitation and skilful dialogue, parties recontract around the principles and practical actions needed to rest trust & collaboration.*

We then took individuals through a reflective exercise to envision the future. After that, we placed participants into small mixed subgroups and provided them with modelling kits to synthesise their individual perspectives into a collective model of the desired future organisation.

### Collective Action

As these subgroups shared their models with each other, a few key metaphors and frameworks emerged as the vehicles for understanding the adaptive challenge at the level of the whole system, which would go on to inform both messaging and alignment activity throughout the process of change.

Working as a whole group we supported participants to benchmark their AS-IS views of the organisation versus the TO-BE models they had just built. From here, we distilled a small number of key priorities, and added this to the list of issues we had already captured up to this point.

Now the group self-organised to form into small teams, each focused on an individual priority. They then defined their team charter and priorities for a first sprint, before sharing and then refining these with the rest of the group at large.



*The Collective Action phase is where the theoretical turns into the practical. Subgroups self-organise into teams around identified priorities, defining their team charter and actions or a first 'sprint'. All group members have the opportunity to review and refine plans before they are signed off to be put into action.*

## C. Sustaining longterm momentum & building agility

After the meeting, nominated subgroups went off to progress their actions plans on a specific priority. Each team nominated a team facilitator-leaders, responsible for meeting with representatives from other groups and the leadership team at the end of the first sprint, to align on progress and co-ordinate future sprints.

The event led to the reconfiguration of both the transformation programme as well as a number of changes to day-to-day operations. The whole system event process would be integrated with transformation planning and repeated on a six monthly basis over the next three years, to further refine transformation planning and execution.

In subsequent years the organisation would learn by embedding Collective Intelligence within its organisational DNA. Whole system events bringing together the top 100 leaders were run six months after yearly goals were set, to refine and adapt operational plans to what was actually happening in the marketplace.

## D. Measuring results

Over the next year, the organisation dramatically accelerated transformation to deliver against the new business model. The adoption of the Collective Intelligence approach exceeded all expectations within the organisation. Over the next three years, the business went from a declining market share to over 7% year on year growth in a flat or declining market. In addition, employee engagement scores saw a marked increase and unwanted attrition fell across the business.

## E. Extending our measurement capability

Since undertaking the work with the organisation outlined above, we have now further evolved our capacity to benchmark performance. Through our partnership with Temporall, we can now use their market-leading Workbench platform to integrate data from across Slack, Google, MS Teams and email to prove our impact on enterprise connectivity and relationship quality, identify key influencers to enrol on change programs, together with a range of other services.



## In summary

In this e-book we have described how increasing connectivity and the pace of technological change has created a more volatile world, and how this gives rise to three new forms of complexity for leaders to deal with. We have then explored how traditional Directional Leadership approaches, rooted in reductionist analysis, rational debate and top-down specification and control, are no longer enough on their own in this new environment.

In the emerging new world, leaders and organisations need to embrace a paradox by balancing two different leadership approaches, Directional Leadership and Collective Intelligence. To do this, we need to recognise how organisations are not just mechanistic structures, they are also complex, living systems of people and relationships. At Living Systems we enable whole ecosystems to take collective responsibility for collective problems, with collective purpose. We do this by developing and applying the capacity for Collective Intelligence, in individuals, groups and whole ecosystems.

**Whether you're curious to learn more about the power of Collective Intelligence or would like to discuss our programmes for leaders, teams and organisations, we would love to hear from you. You can contact the team at [hello@living-systems.com](mailto:hello@living-systems.com). We look forward to hearing from you!**