

## There Is a Better Way to Run a Business, But Habits Are Hard to Change

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“The most stunning aspect of what went wrong with Ford [Motor Company] is how easy it is to explain. ‘Selling what you have rather than what consumers want doesn’t make sense,’ said Bill Ford Jr., chairman of the auto company bearing his name. ‘It used to be that you’d build it and they’d buy it. But that’s wrong, that’s antiquated. Now it will be that if they will buy it, we will build it.’”<sup>1</sup>

This statement was made in January 2006. Was he serious? Focus on the customer has been the mantra of successful business for decades. How could a major U.S. corporation fail to understand and implement a concept has been a constant in business talk for so long? How could it be that Ford failed to make this adjustment in its approach to business sooner? Is it that hard to change the way people think and act?

Yes, it is that hard! Perhaps it isn’t surprising that the Ford Motor Company is only now fully recognizing that there is a better way to run its business. Not only was the closed model of business management incredibly successful in the United States, but implementation of the better model developed in Japan in the 1950s requires a way of thinking that is different from the way Americans usually think. We don’t often think of broad relationships; we aren’t in the habit of seeking to understand the full range of influences on personal and organizational activities.

As I read the daily paper, I am disconcerted by the realization of how little we pay attention to relationships, or, more accurately, how often we fail to think of the full set of relationships affecting an issue of concern. The rising cost of gasoline provides an example. Letters to the editor blame the oil companies and the government. Some think a little more broadly and recognize limitations on supplies, but there is little evidence that most recognize the full range of relationships affecting the price of gas—the cartel-dominated market, government regulation, transportation systems, weather, the cost of exploration and development, refineries, and us, the gasoline purchasers. Our attempts at understanding stop at what comes first to mind. People favoring the war list their reasons, but never admit to the war’s opportunity costs—less funding for domestic programs and better protection of our borders. The relocation

of factories is blamed on the greedy factory owners, but who is it that buys only at the discount stores selling less-expensive products produced outside the United States? This is not to suggest that the cost of the war isn’t necessary, or that we ought to buy more expensive products. Rather, the significance is that we seem not to be fully conscious of the full set of relationships affecting a matter of concern. We are an events-focused people. We are a quick-acting people. We do not think in terms of relationships and causality beyond the most immediate actors and elements—in our lives and in our jobs.

How frequently are decisions made by library management without awareness of the broad range of elements that ought to be considered? Examples are easy to imagine:

- Public service schedules without consideration of user behavior patterns.
- Purchase of new software without arrangements for in-depth training for staff.
- Journal cancellation decisions without consultation with users.
- Preparation of budget justifications without taking into account the current political environment.
- New service initiation without an awareness of user readiness (reserve readings within class management systems before most faculty are using this software).
- Continual introduction of new online databases on the basis of availability rather than a fit with user needs.

These kinds of decisions are common, not because the decision makers are incompetent, but because the typical way we pursue solutions to problems does not allow a full search for the complete set of relevant relationships. The common method is: “Quick, what’s the problem?” “OK, what’s the solution?” Thinking broadly, looking at problems



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in some depth, and searching for potential barriers as well as opportunities is not common

Not only is this more comprehensive approach to decision making not common, it is very hard to move to. I am reminded of a meeting of senior academic administrators. One of the meeting agenda topics was a choice of a new cover for the printed schedule of classes; the marketing department had determined that a cover more attractive to the students was needed. The galley proofs of three covers were passed among the administrators, and one of these three was chosen. One of the administrators suggested that perhaps an opinion from some students would be worth seeking before the decision was finalized. This suggestion was rejected. This meeting occurred in an institution that was in the midst of a several-year project to recreate itself as a learning organization, and all the administrators at the meeting had been exposed to and discussed systems thinking—thinking in a way that includes the full set of relationships that may affect an activity. How could this happen? How could these administrators fail to recognize the importance of a student viewpoint? It happened because changing the way we make decisions is that hard. It is that hard because to do so requires a change in habit.

Systems thinking is not just a new idea that should be understood, it is a habit—an acquired way of acting that becomes nearly or completely involuntary. A systems thinker needs “system reflexes and system instincts.”<sup>2</sup> We learned in Psychology 101 that habits are developed by learning and then practice. This takes time and focus.

**Systems Thinking.** Systems thinking is seeing wholes. “It is a framework for seeing interrelationships rather than things, for seeing patterns of change rather than snapshots.”<sup>3</sup> It is being aware that whatever we do is related to a much broader range of individuals and elements than at first appears. It is a habit, a habit opposite our common routine of recognizing a problem, looking for a solution in the immediate factors, and moving quickly to solve the problem. It is understanding relationships, especially the fluidity of relationships. It is about recognizing points of greatest leverage. It is about sustenance.<sup>4</sup>

The effort to develop this habit is significant, but it is more than worth it. Facing decreasing budgets, library administrators and library advocates focus on convincing founding authorities and customer groups of the value of libraries. However, lobbying, sophisticated budget justifications, and public relations programs are proving to be only marginally successful. On the other hand, more effective use of existing resources is within our power, and the habit of systems thinking will make a difference here.

Habitually seeing events as elements in a system and choosing actions most likely to lead to success within the system will help keep the customer constantly in view, lead to resource allocation at the point of highest leverage, and empower library staff with options not apparent from customary straight-line thinking.

**Focus on customers.** Customer focus is so much more than hackneyed talk of friendly, helpful assistance at service desks. It is constantly relating decisions and actions throughout the library to the customer. Scholtes argues that the purpose of an organization must include the customer, and therefore decisions toward that purpose must be cognizant of the customer:

Purpose tells you and the world why you exist, what business you are in and, by implication, what business you are not in. Purpose is best defined from a customer’s point of view. Rather than simply describing your products and services, describe the benefits or capability your customers acquire as a result of interacting with you. Your purpose is related to these benefits and capabilities that accrue to your customers.<sup>5</sup>

If the customer is central to purpose, awareness of the customer ought to be present in everyday decisions. Thinking of the customer is difficult when trying to resolve a disagreement between two departments about effective materials processing, but much more likely with those who habitually think in terms of systems.

**Leverage.** One of the most valuable assets of systems thinking is its ability to uncover effective leverage points. More limited thinking can result in the allocation of resources to activities with little chance of success because they are focused at a point where barriers exist. Here is a hypothetical example. After two years of flat funding, the director of a university library was told that there had been no budget increases because the library did not have a strategic plan. The library needed to show how it would use additional funding in support of university activities. The librarians and staff responded with great effort and wide consultation and produced an excellent plan. Unfortunately, this was a wasted effort. The plan made no impact on university budget decisions. The library staff, conditioned to “that’s the problem, let’s get working on a solution” behavior, spent no time assessing their situation and identifying all the elements that might be contributing to inadequate funding. If they had done so, they would have recognized that this university administration had shown, through several decisions, that the library was a low priority. Their time and effort had been applied at a point in the system where it would have no effect. If that effort had been spent in the identification of improvements in services to faculty, increased funding would have been much more likely—faculty have the power to influence university administration.

**Unseen options.** How often are unsatisfactory circumstances tolerated because there seem to be no options, no way to change them, when broader, more open thinking could provide options for solutions? It is not difficult to imagine examples:

- A public library periodically frustrated with its inability to assist high school students with research assignments because “they all seem to come at the same time,” only to find out accidentally much later that the teachers would have been happy to stagger the assignments.
- The systems department struggles to resolve incompatibility between the local acquisitions record format and the vendor’s format. Unknown to the library, because they did not think to ask, the vendor had been considering the customization of formats as a service improvement.
- The inability to provide technology training for staff due to the lack of funds to pay trainers when the information systems department is looking for intern opportunities for its students.
- A public library’s inability to upgrade law databases because of insufficient acquisition funds, while the local bar association with funds for member support but lacking database expertise is frustrated with offering the same access.
- Continuing failure to obtain funding for a new facility at a time when several members of the funding authority want to approve a new museum building but lack the broad community support such a new project requires.

The habit of systems thinking is more likely to uncover these kinds of options than the more common, less circumspect approaches traditionally applied to problem solving.

## A Better Way to Run a Business

Despite learning organization proponent Peter Senge’s insistence that effective reorganization requires implemen-

tation of all five of the disciplines of a learning organization, focus on developing the habit of systems thinking is worth the effort for those libraries without resources and time to undertake the thorough reorganization proposed by Senge and his followers. It is a place to start, especially if there is a simultaneous attempt to become aware of the full set of elements of the learning organization.

Because systems thinking is a habit, the effort to instill it in a library staff must begin with a commitment to patience and endurance. This change won’t happen quickly. Start by reading or rereading the books listed below. Then, find a way to begin. One place to start might be your meetings. The introduction of Senge’s dialogue and discussion meeting structure will help your staff begin to think broadly before trying to choose a solution to a problem or a path to a new initiative.<sup>6</sup>

## For Further Reading

- Scholtes, Peter R. R. *The Leader’s Handbook*. New York: McGraw-Hill, 1998.
- Senge, Peter M. *The Fifth Discipline: The Art and Practice of the Learning Organization*. New York: Currency Doubleday, 1994.

## References

1. Jim Mateja, “How Ford Lost Its Way,” *Chicago Tribune*, Jan. 24, 2006.
2. Peter R. Scholtes, *The Leader’s Handbook* (New York: McGraw-Hill, 1998), 24.
3. Peter M. Senge, *The Fifth Discipline* (New York: Currency Doubleday, 1994), 68.
4. Ibid.
5. Scholtes, *The Leader’s Handbook*, 61.
6. Senge, *The Fifth Discipline*.