Systems Thinking: Managing the White Spaces in an Organization

Systems Thinking and Business Processes

• *Business processes* are “the way that the work gets done”
  – The processes of an organization may, or may not, bear much relationship to the organization chart

• *System*: An interdependent group of items forming a unified pattern

• *Systems thinking for business processes*: Explicitly considering and improving process interdependencies
Functional View of an Organization

Headquarters

Product Development  Manufacturing  Marketing and Sales

The Silo Phenomenon

Headquarters

Product Development  Manufacturing  Marketing and Sales
Managing the White Spaces

The White Spaces

Systems (Process) View of an Organization
Managing the White Spaces in the Systems

Why Systems Thinking is Important

- Information technology and new management methods are changing many business processes to improve performance
- As these changes are made, we often find that the bottlenecks move to the interfaces between processes
- Systems analysis provides specific methods to address these types of difficulties