

Value Mapping – Making “it” happen

Managing in the tower of Babel

In any organisation - “Making it happen” – whatever “it” is, means getting a diverse set of stakeholders to buy into a solution as a first step in supporting its delivery.

These stakeholders often include representatives from a multiplicity of functions such as marketing, sales, personnel, finance, engineering, compliance. Each stakeholder may well have a different social and political backgrounds, and will certainly have different academic and professional histories given their different roles in the organisation. The corollary of this is that each stakeholder comes with their own perspective, and their own set of assumptions as to how the business environment functions.

Another layer of complexity is added through the need to bring external parties such as government, the regulator and consumer bodies into the debate. Again each of these will arrive with different assumptions underpinning their own particular perspective and beliefs.

If that was not enough, major decisions – those with multi-million pound consequences, will inevitably attract the attention of shareholders, which for the UK often means dealing with individuals from other national cultures and backgrounds.

Consensus built on shaky foundations is a perilous way of building a sound future

With such diversity to deal with it is not surprising that reaching common agreement on the right way forward is hard to achieve. Not only do parties often differ on their views of the solution – they also can often do not share the same definition of the problem. Even if an apparent consensus is reached it often unravels during implementation as the various parties discover that what they thought they had agreed to was rather different to what their counterparty believed was agreed.

If consensus has to be built on differing assumptions, differing understandings of the issues involved and their interrelationships, it is not surprising that it is often impossible to achieve a single vision for the future across the decision making group – or worse still adopt a vision which is understood differently by participants.

But it is not always so.

Building consensus on solid foundations

Over the last 5 years we have worked across a broad spectrum of functions within organisations having an interest in the energy and utilities sphere in which we specialise. All represent instances where the deployment of “Value Mapping” has successfully created a common perspectives across broad and diverse stakeholder groups.

- A global upstream energy company used it to map out how knowledge management created value for the enterprise. This map was then shared across functions to enable the identification of the levers to be pulled to remove certain value destroying processes, and to build on successes achieved in the exploration part of the company

- A data management service provider used it to create a common vision across management and shareholders, who all came from different corporate backgrounds, of the future business development pathway for the organisation
- A large integrated utility used it to map out how the Finance function created value at the business unit and corporate level. This created a check-list of issues to be resolved by a fundamental re-design of processes and structure. These issues themselves being fundamental to the creation of business value.
- A large I&C retailer used the approach to both enable the business development team to come to a common view as to how the business could be developed outside the core commodity offering, and to help customers define the ideal suite of service products as part of its business development program
- The Electricity Association (EA) used the approach to gain unanimous agreement across the membership for the restructuring of energy Trade representation. This in turn led to the birth and development of the three focused Trade Associations in energy the Energy Retail Association (ERA), The Energy Networks Association (ENA) and the Association of Electricity Producers (AEP) – as well as the closure of the EA itself.
- A global IT company used it to identify the main levers for value creation as perceived by its potential customer in a major (£150 million) IT service outsourcing bid

As a testament to the power of the approach, the Chief Executive of the Electricity Association, Jenny Kirkpatrick, concluded that:

“The work was seminal and transforming, providing a catalyst for action which, because of its thoroughness and transparent integrity, unlocked an organisation from years of attrition and put it on the road to a different and better future.”

How to create a true common vision of the way forward

So what did they all do to manage stakeholder diversity and hence successfully create a solid common agreement on the best way forward?

The answer is that they used all or part of the same structured three phase Value Mapping process, depending on how far they were looking journey from problem understanding to solution definition.

Phase 1 – Surfacing the issues

The first step is to conduct semi-structured interviews with all stakeholders, or at minimum all decision makers and a representative sample of stakeholders, and to codify the issues raised into a number of themes.

This delivers three critical components of a successful consensus building and envisioning process:

1. It provides the listing of issues to be addressed. The use of semi-structured interviewing ensures that issues which may have been bubbling away under the surface are aired and brought up into the debate

2. It gives the opportunity for all involved to participate in and contribute to the creation of the end product. This in turn helps build buy-in to the eventual outcome
3. It reduces the issues down to a set of manageable themes by grouping together similar issues raised in different interviews. This is done without losing sight of individual contributions since verbatim quotes are used to illustrate the themes in Phase 2 of the development programme.

Phase 2 – Creating the Common Understanding

The second step is to create a Value Map. This is a diagrammatic representation of the themes and how they inter-relate. Critical to the success of this activity is having the creation of value at the centre of the map. This map is in the form of an influence diagram showing which theme is affected by which and how these interact to create or destroy value. Having “value” at the centre allows viewers to reason that if the map is right in depicting how value is created or destroyed – and since creating maximum value is the goal – then the solution that should be chosen is the one which according the value map creates the most value.

The map will typically be drawn or projected large on a wall for all participants in the feedback workshop(s) to see. This allows all to see a common picture of how the world works and a common explanation of the issues in play. This then allows challenge and debate, and if necessary an iteration of the diagram until all agree that this is a good representation of how the themes create or destroy value.

During the feedback process, each theme shown is illustrated using verbatim quotes gathered during the interview process (on an non-attributed basis unless otherwise agreed beforehand with the individual who made the point in question). The benefits of using verbatim quotes are twofold:

- It clearly shows that the issues come from the participants not the facilitator/consultant
- It allows each participant to see some of their own contribution reflected in the whole, which in turn builds ownership of the process and the eventual solution

Phase 3 – Establishing the common Vision

Once all participants have agreed the Value Map they will have arrived at a common understanding of how the issue themes create or destroy value having surfaced all the issues relevant to the debate. Only once this has been achieved is it possible to move onto this envisioning stage.

Using the map the group can then debate the relative attractiveness of alternative options for the future. Since all are now working from the same set of assumptions it is not really surprising that it is always, in our experience at least, possible to come to a common view of which option will deliver the most value – and hence which one should be chosen.

The consensus arrived at is very, very different from that created through the averaging and compromising interactions which characterise many committee or working group meetings.

Using the processes described in this article the group does not have to use adversarial argument to pitch one solution against another. Rather it identifies the underlying issues and assumptions and resolves these into a common framework for

debate. Once this common framework is established the group naturally moves together to a single solution which all agree maximises value.

It is often joked that the camel is the horse designed by a committee. If it is a thoroughbred that creates the most value then that is what the decision making group using value mapping will create – not the camel.

Value Mapping does not just happen

Given that most of decision making is based on advocacy and compromise how did the organisations described in this article come to adopt the alternative consensus building process.

The answer is that they hired a guide to facilitate their journey.

The reasons why are threefold:

1. They needed an independent party to engage with in interviews to protect personal confidentiality and allow sensitive issues to be raised safely
2. They needed someone with the conceptual skills to weave the myriad of themes into a coherent picture of how value is created and destroyed by the issues raised
3. They needed an independent facilitator of the group discussions needed to arrive at the common vision

What they hired was hands with experience of cognitive modelling, the creation of mental maps. Value Mapping is about discovering the personal mental maps of participants and enabling the group to move to a shared map of how the business environment works. Which is just what is needed to make the process work.

Is Value Mapping for you?

If you:

- are faced with decisions with multi-million pound consequences
- have a diverse decision making/stakeholder group
- need a common vision to carry forward and assure implementation by the decision making/stakeholder group

Then the answer must be an unqualified yes.

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