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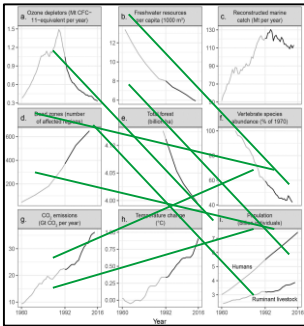
Co-creating change in complex global systems

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Jan 28, 2019

Course framework

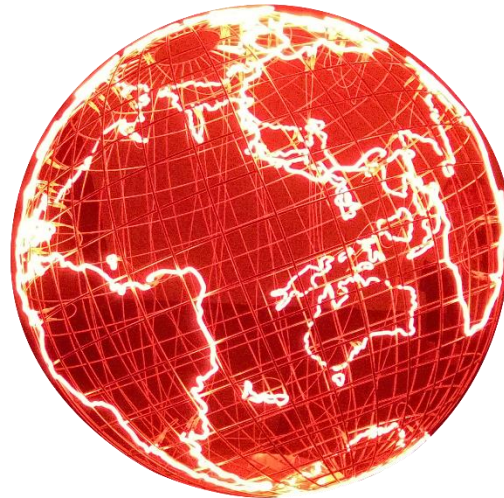
Complex challenges



Systemic solutions



Innovations



Collaboration



System stories

Shifting the burden

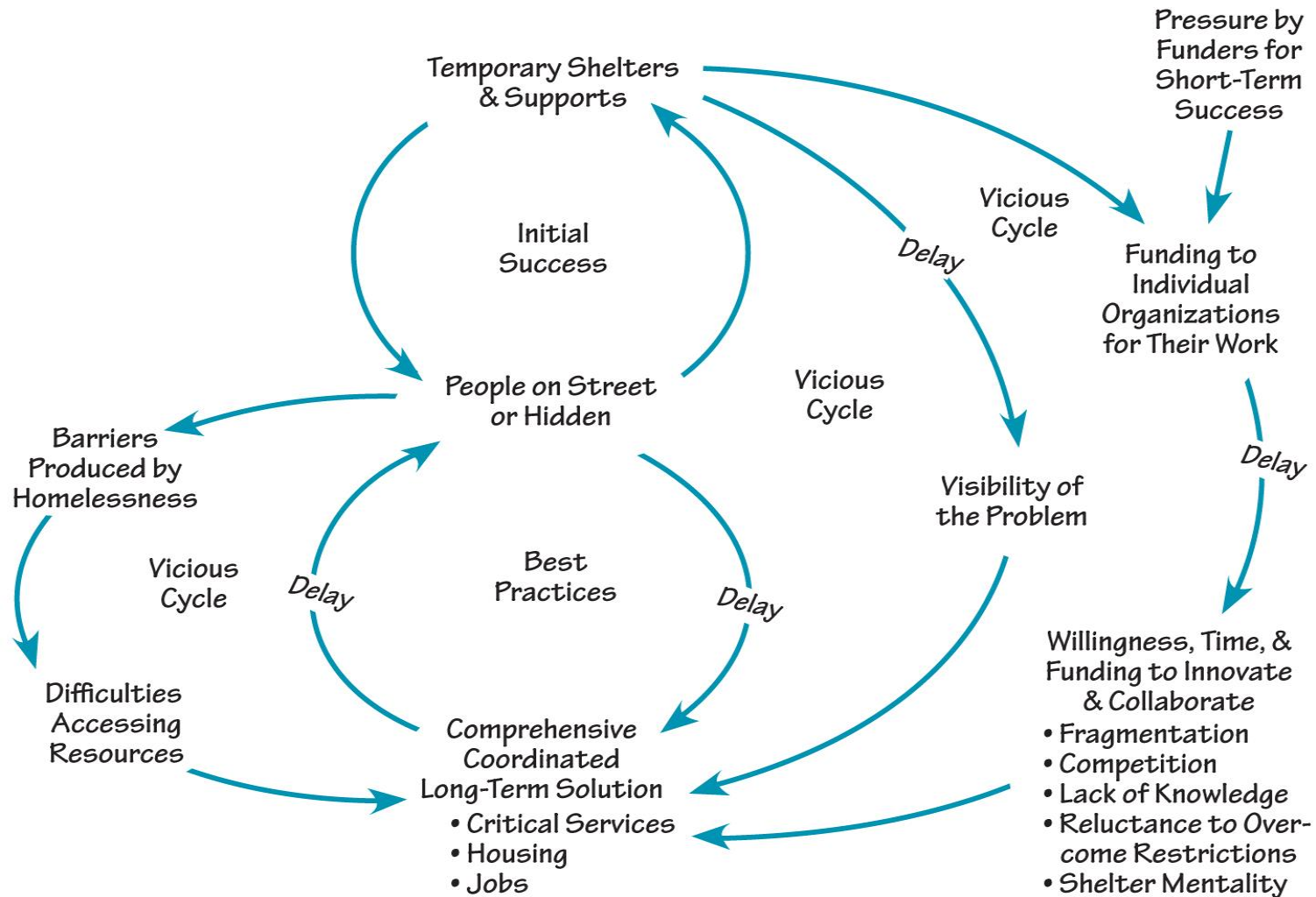
Fixes that backfire

Accidental adversaries

Drifting and competing
goals

Success to successful

Systems map: homelessness



Change vs. status quo

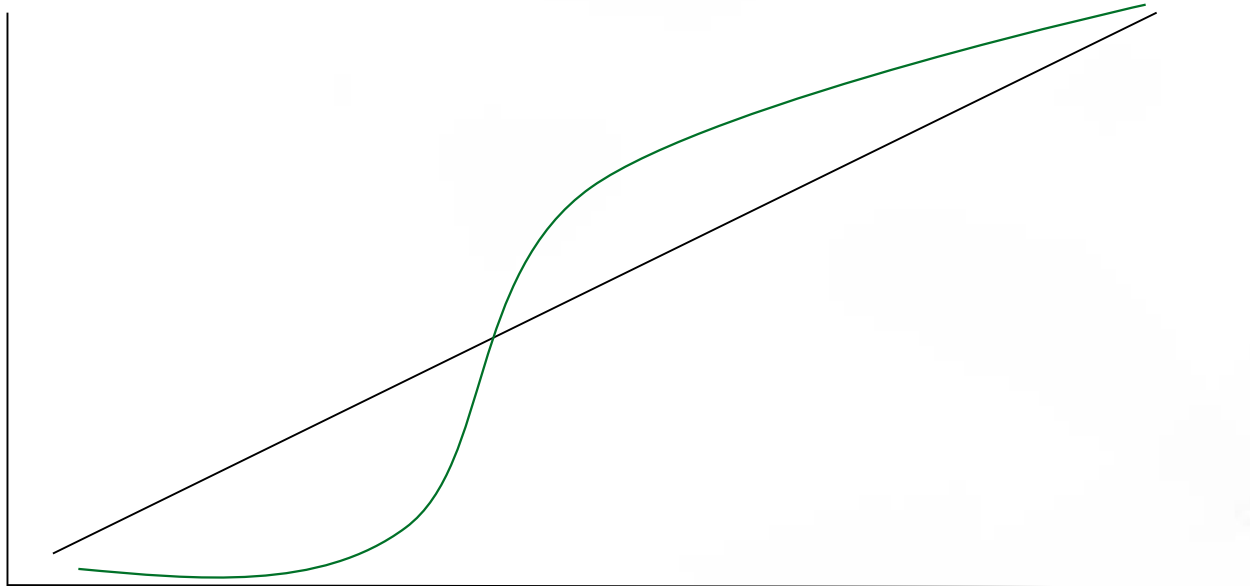
Change	Status quo
Benefit of change	Benefit of not changing
Cost of not changing	Cost of change
Vision for positive (or negative) future	Nightmare scenario

How to encourage change?

Levels of insights in systems

- Events
 - What happened?
- Trends & patterns
 - What's been happening?
- Systems structure
 - Why?

Natural organic growth



Slow growth

- Ease early expectations
- Small successes
- Build foundation for growth

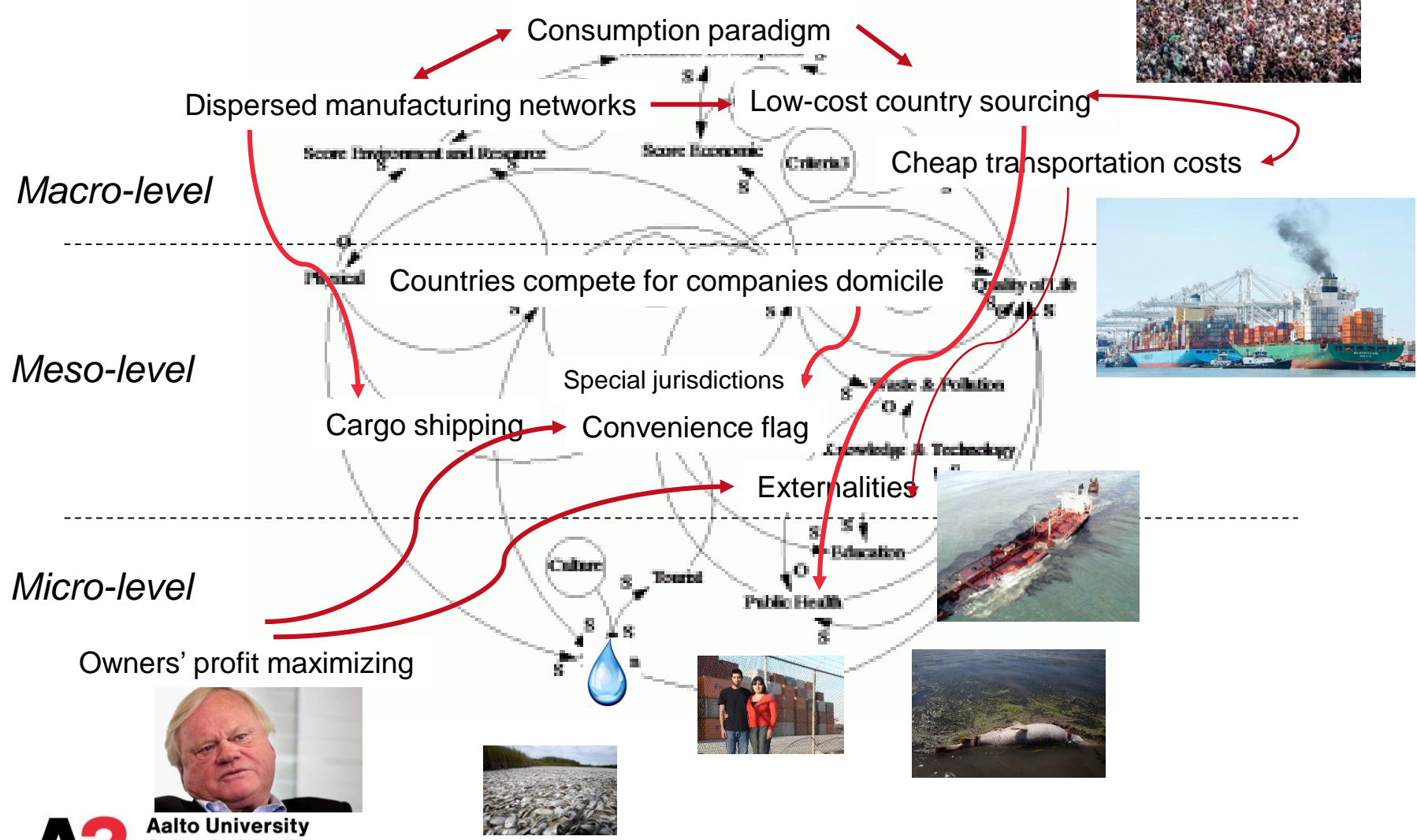
Steep growth

- Quantify and communicate outcomes

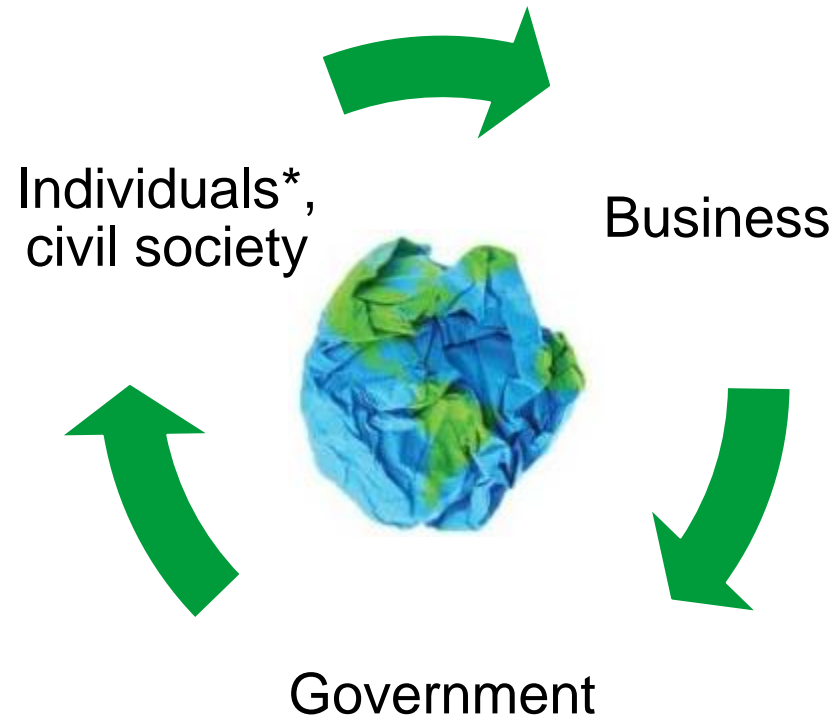
Maturation

- Combat complacency

Sustainability challenges are systemic and interlinked: Cargo shipping



Who has the responsibility?



Conventional thinking

The connection between problems and their causes is obvious and easy to trace

Others, either within or outside our organization, are to **blame** for our problems and must be the ones to change

A policy designed to achieved short-term success will also assure long-term success

In order to optimize the whole, we must optimize the parts

Aggressively tackle many independent initiatives simultaneously

Systems thinking

The relationship between problems and their causes is indirect and not obvious

We unwittingly create our own problems and have significant **control or influence** in solving them through changing our behavior

Most quick fixes have unintended consequences: They make no difference or make matters worse in the long run

In order to optimize the whole, we much improve **relationships** among the parts

Only a few key coordinated changes sustained over time will produce large system change

(Stroh, 2015)



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Co-creating sustainability-oriented innovations

Two examples



Collaborating with stakeholders in sustainability innovation of firms

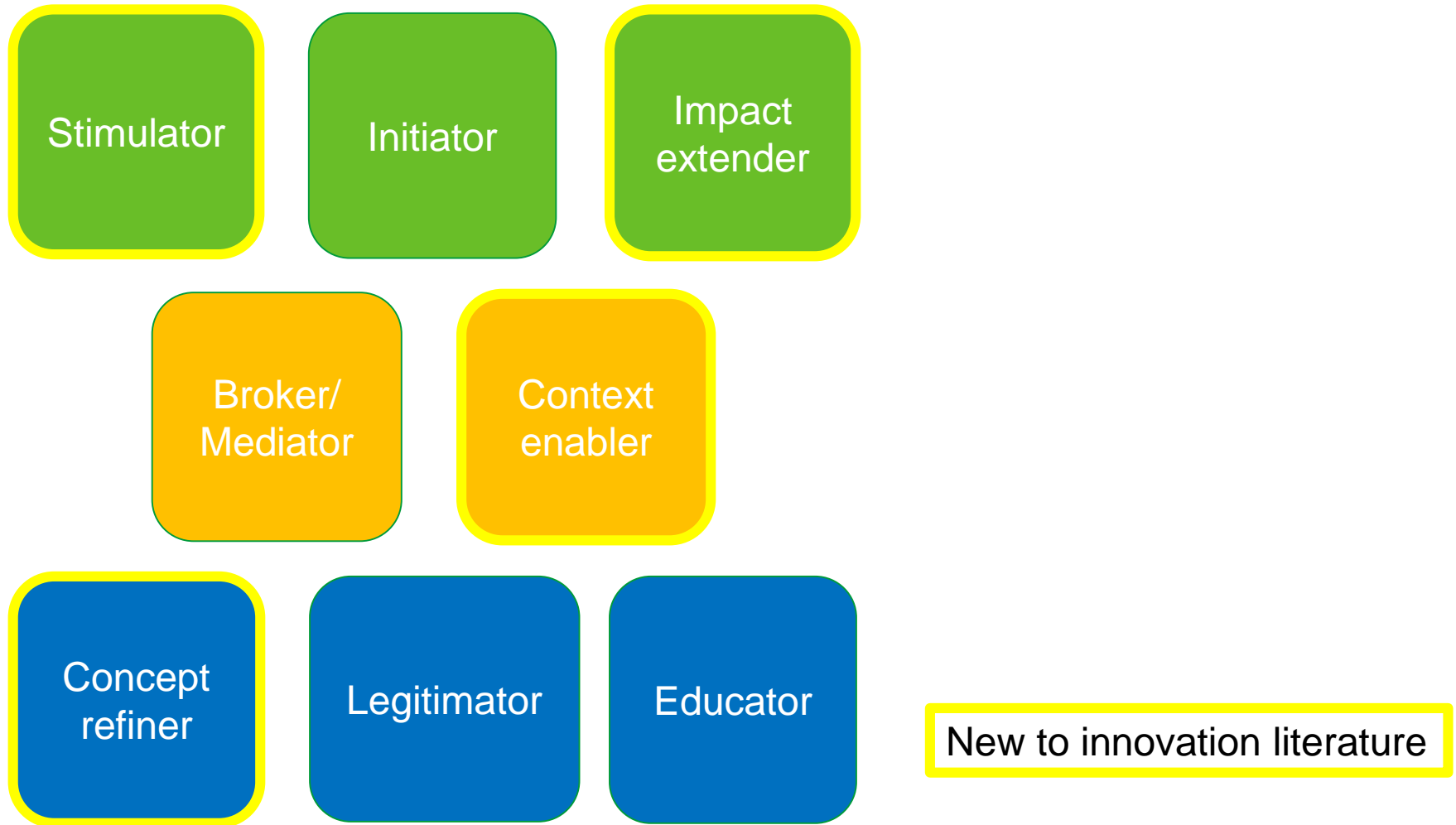
- Innovation of sustainable products and business models involves a complex bundle of environmental, social and economic issues
- Expertise of innovating firm is seldom sufficient
- Stakeholders can provide knowledge for innovation
 - What roles do they have in the process?
 - How to integrate stakeholders' knowledge?



- 13 European companies & their stakeholders, e.g. Skanska, Rockwool, Ikea, BMW, Fiskars, Unilever, Verbund, E.ON., A2A....
- 80 interviews
- Energy, mobility, living, and food innovations which addressed social and/or environmental issues



Stakeholder roles in SOI of firms



How to integrate stakeholders?

- Involvement of top management and/or multiple members of the organization, with integrated stakeholders is a **necessary** condition for high sustainability performance of innovation
- Three stakeholder integration strategies that display progressive or limited openness toward the stakeholders' views enable high sustainability impact of innovation:

1 *Early integration of secondary stakeholders*

2 *Selective integration of stakeholders*

3 *Late integration of primary stakeholders (note: only if the innovation exists in other markets already)*

H Y Ö T Y ~
K A S V I ~
Y H D I S T Y S sitv
Orange Innovation
Orange er innovationens nye Sort!



EUINNOVATE

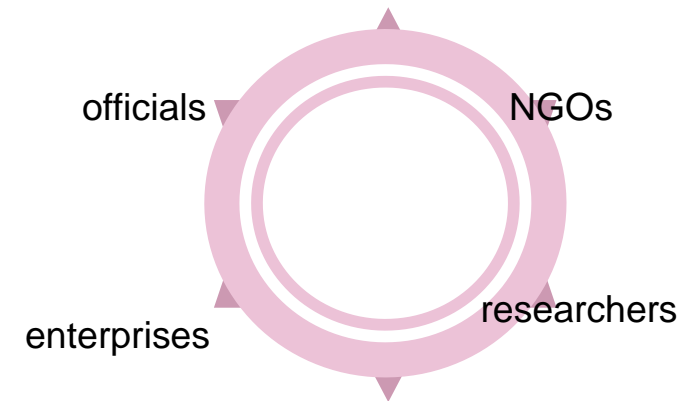
Juntunen, J., Halme, M., Korsunova, A. & Rajala, R. 2018. Strategies for Integrating Stakeholders into Sustainability Innovation: A Configurational Perspective. *Journal of Product Innovation Management*. DOI: 10.1111/jpim.12481.

Co-creation for poverty alleviation

- Recent research emphasizes co-creation between businesses and non-traditional partners as the path to poverty alleviating business concepts (Prahalad 2004; Hart and Simanis 2008; Nakata 2011; Kolk, Rivera-Santos and Rufin 2014)
- Yet co-creation in low-income contexts remains largely a black box
- Action-research on co-creation by multi-sector multi-cultural groups which aim at developing new business-based solutions to poverty alleviation



low-income producers,
consumers, entrepreneurs



Co-creation involves intensive sensemaking

Challenges

- Cultural differences
- Sectoral differences
- Differences in understanding the aim of the joint projects



Sectoral boundaries

“Actually, this idea of community meetings during the first field trips [of Nordic business representatives] worries us. Business people are busy, so such road trips [to countryside and slums]... What will they discuss with poor people? They’ll just feel bad, seeing all the misery. No, we should highlight business opportunities! It’s the ministries, national agencies and others, all in Colombo [the capital], you make big business deals with.” (Project coordinator, GlobalMission, Sri Lanka)



Cultural boundaries

- HANDI's entrepreneur: *"We need to improve the quality of sewing to satisfy the quality expectations of the Nordic customers".*
- Area director, NGO India: *"Can't you fix that by contracting factory partners?"*
- Entrepreneur: *"I'd like the self-help group women to do the work, but the quality needs to be better for the Nordic market. They [the women] can learn quality sewing if trained, and they have expressed the interest themselves".*
- Director NGO: *"Why should the poor women be taught high-quality production methods? The current level is sufficient for them. They [the handicraft women of the self-help group] belong in that class [meaning their caste]."*

Social practices facilitating collective sensemaking in diverse groups

- Believing in each others' knowledge
- Building on common identities
- Situational engagement

Collective sensemaking in diverse groups

Structural hindriers for collective sensemaking

Sectoral boundaries

Cultural boundaries

Stifle elaboration

**Option 1:
Social practices supportive of collective sensemaking emerge**

Believing in each others' knowledge

Building on common identities

Situational engagement

Enable elaboration

Articulation

Elaboration

**Output 1:
Adequate coherent understanding**

Option 2:
Social practices supportive of elaboration do not emerge

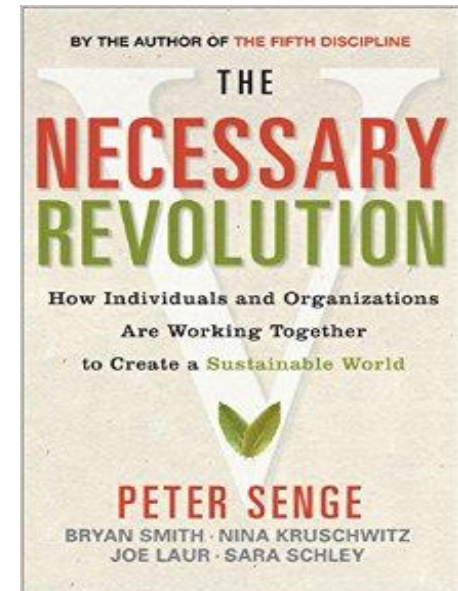
**Output 2:
No coherent understanding**

Shared leadership for system change

- Qualities of leadership: listening, inquiry and dialogue
- **Sufficiently shared view** of current reality and vision of the future, and capacity to hold the **creative tension** between the two

Steps to collaborate across boundaries:

- Getting the system in the room
- Seeing reality through others' eyes
- Building shared commitment





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Change makers talks & panel

Prepare some questions in
advance!

Thursday Jan 31

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Role play



Fuel Efficient Stoves in Sudan
Energy-saving windows in Finland



Reflection

Initiating change from ourselves

Mentally:

- understand systems dynamics

Physically

- Have system smart meetings

Emotionally:

- be prepared to learn and let go of beliefs

Spiritually:

- See connections, make good choices, cultivate character strengths

Learning by doing:

- Necessary when addressing complex wicked problems

Ask systemic questions: