Foreword

This is a book for those who think about business in order to design business and then to do business. This Think-Design-Do and then think again cycle is neglected in most organizational theory and practice. We all surely sense both that the old frameworks and assumptions of industrial capitalism just do not work in terms of creating value. We also have notions of the direction businesses must take: moving away from hierarchies, focusing on relationships, building intellectual capital, and moving to networked ecomplexes of partnerships. We recognize that the customer determines value in a growing space of choices, many of them enabled, driven, or even created by the Internet. It’s apparent that effective growth rests on harnessing information and knowledge.

Our problem, as a society, as an economy, and in our organizations that can mobilize for thriving in a time in which “change” increasingly is seen as threat and loss, is illustrated by the above paragraph. It points to why From Manufacture to Mindfacture: A Relational Viable Systems Theory is needed and makes a distinctive contribution to thinking, designing, and doing. The paragraph is blather. It says absolutely nothing, but uses the right words to say it.

Take any one of the key words and answer the simple question “What exactly is this?” as applied to knowledge, value, information, relationships, customer, or capital. Decision makers, executives, policymakers, their advisers, investors, theorists, and practitioners everywhere are trying sincerely and skillfully to apply answers that in almost every instance are reification, trivialization, repackaging, and well, just words. Similarly, consider the core term for the direction that business navigators see as the new “true North”: knowledge. What is it? Well, it’s facts. No it’s not. Tacit learning? No. It’s what Google does, isn’t it? It’s our human capital? The Internet? Big Data? Collaboration? OK, let’s go back and reread Who Moved My Cheese and Built to Last. We don’t have time to debate this stuff. We want to go Blue Ocean and get customer-centric.

It’s pretty alarming that Who Moved My Cheese and its ilk are bestsellers. They are easy to read and offer quick answers, so we don’t have to think much. Plus, we don’t even have to pose the tough questions like “What is knowledge?” Whatever
it is, we can’t even define this key asset and capital so that it can be included in
basic financial documents, including the balance sheet, and measured in planning
and decision making. As for value, the very purpose of an enterprise and increa-
singly the suffix to strategic priorities (customer value, economic value added, and
shareholder value most especially), the concepts, measures, and their applications
and impacts just don’t make sense. The established financial metrics of ROI, “earn-
ings,” distort the gap between the accounting value of a business and its tenability
and sustainability. They don’t incorporate any of the new dynamics of growth:
knowledge, information, innovation, customer relationships, and most of all, value.

From Manufacture to Mindfacture: A Relational Viable Systems Theory is way
above the have model/methodology/theory/cheese-tray level of discussion. But it’s
far more practical. It is focused on design. It starts with tough thinking: tough in
the sense of digging deep into the questions. This offers a rich a resonant investiga-
tion that fuses systems thinking in its widest sense: philosophy, management, and
history. It centers on the fundamental nature of human exchanges that we loosely
call relationships and introduces some powerful formulations of organizations as
built up through creation of meanings, of interpretations that create “realities,” and
of ourselves as observers, not just actors. We shape the relational networks we are
part of; they are not things or structures or business models. They are a dynamic
interplay of many forces that we must be observers of, not just reactors to.

Effective design requires liberating ourselves from the inherited interpretations,
either/or dualities, and invalid or misleading measures of value that are increasingly
acknowledged as an outdated form of capitalism. In that way, we can make the
distinctions we sense about knowledge, value, customer, and so on as enablers of
the designs for the new style of organization we must create to be forward-moving,
not resigned or ineffective tinkerers trying to keep the old ship afloat on a new
ocean and shifting climate.

This stated simply is to take things back to blather; it is very, very hard to find
the words that embody the ideas and meanings we need for effective use of orga-
nizations to create value. This book moves ideas forward to design and action by
rigorously engaging the reader in a grounded investigation. Some of the language
it uses is unfamiliar to well-educated and thoughtful decision makers, an indication
less of its being academic or abstract than of a disconnect between the many disci-
plines that are directly relevant to organizations and organizing and the “applied”
fields of management, cognitive sciences, and financial engineering. Terms like
autopoiesis, heterarchy, relational exchange, semiosis, and co-autonomy are not
used in From Manufacture to Mindfacture: A Relational Viable Systems Theory as
jargon or “terms” but as part of a discourse where new understandings reveal and
call into being new designs.
The practicality of the book needs to be emphasized. It is intellectual, scholarly, analytic, theory-rich, and epistemological. It’s easy to view this style of work as interesting or abstract. What on earth does Cartesian duality have to do with our company? Oh, if you only knew . . . . Lurking in the background of just about every aspect of human interaction is some largely unanswered question from philosophy. The field has addressed the same issues for two thousand years; that’s because they really matter. They get different answers at different times that are all hard to understand. That’s because they are very tough questions. In practice, not theory, for example, the dualism postulated in the 17th century by René Descartes shows up in just about every area of “management.” It has shaped many of the basic ways Western society sees the world, where “world” comes tightly assumed and pre-determined and doesn’t quite seem accurate anymore. Why? It’s difficult to explain. So read this book.

A final comment in this Foreword is a personal one. I have worked with Kenneth Massey for 30 years. He has an outstanding record in all the links in the business Think/Design/Do chain. Several of the innovations he created during his work as Director of CEMEX’s business process center, which are described in the book, have been heralded in works by many leading management scholars. The ideas really do work. His colleague, Leonardo Lavanderos, has a rich background in research and practice. Together, they are highly respected in their understanding, development, and application of a systems perspective that derives via the great Hans von Foerster, who worked as partner and often leader with the figures who shaped the new disciplines of cybernetics, biology, neurolinguistics, and artificial intelligence.

The two authors live and work in Chile, which has been the nursery for some of the truly great thinkers of the past 40 years. Francisco Varela and Humberto Maturana are not names familiar in intellectual discourse relevant to organizations. They should be. Their concepts of autopoeisis and the nature of cognitive feedback mechanisms in living organisms has been foundational to neurobiology. Such thinkers perfuse the style and content of this book. It is bold, complex, and demanding for its readers. It doesn’t finesse the tough questions by simplistic answers, and it doesn’t evade the tough answers by neglecting the questions. It gives back what you put into it: thought, insight, depth of analysis, and imagination.

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*August 2014*
Peter G. W. Keen is a writer, professor, consultant, and public speaker. He is the author of over 30 books addressed to business, academic, and technical audiences, and has held senior faculty positions, including Chaired Professorships, at leading business and technical universities, including Harvard, Stanford, and MIT in the US and in Mexico, Singapore, The Netherlands, and Sweden. He has been an adviser on a long-term basis to senior executives in the public and private sectors across the globe, focusing on how to exploit technology for competitive advantage and value creation for customers, company, and partners.