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USING THE METHODS OF FERNANDO FLORES

An interview of Jack Reilly by David Walden

Jack Reilly spent several decades with IBM where he served in a variety of senior management positions. Since retirement from IBM, he has continued his study of the methods of Fernando Flores and has advised other people on how to make use of the methods. He presently is leading Parlance Inc., a high tech start-up working at the intersection of computers and telephony. This interview took place in Parlance's quarters at 220 Boston Ave., Medford, Massachusetts in early April of 1997. The information in the sidebars also primarily comes from Jack Reilly's own words—from a presentation he made to about a dozen people from the CQM and CQM member companies, in March of 1995. The interviewer, David Walden, is Chairman of the Editorial Board of the CQM Journal.

Q: What was your initial introduction to the methods of Fernando Flores? What problem were you trying to solve?

Mr. Reilly: The methods of Fernando Flores initially got my attention as a new approach to process. In IBM I was the owner of 3 or 4 major company processes, and the lead process person in the company directed me to a new approach to process from Fernando Flores. I was intrigued, and wanted to know about the source of the new ideas. As it happened, a critical business issue was being discussed within IBM at the time, and I had the assignment to digest the key issues and bring them to the Corporate Strategy Council. I decided to get some expert help, and one of the people I asked to help was Fernando Flores. He came to a meeting and made some provocative statements that got my attention.

I had another conversation with Flores, and he told me that he was not selling a methodology; he described it as closer to an ontology—a way of being. I asked Flores how he got his ideas across to people. He began to tell me about listening and about conversations for action. And this led to a seminar within IBM where he could introduce his ideas to about 20 people. This is how I really got started with Flores.

I was intrigued by the potential for a new definition of "work." Over the 30 years I had been with IBM, the nature of work had changed dramatically. Initially we mostly thought of work as involving physical effort modifying material things and producing products. By the late 1980s, a major part of work had to do with concepts, ideas, and endowing intellectual content to things; and this was far different from the earlier definition of work. This new type of work didn't lend itself to the recording and summarization that had been possible with the earlier form of work in the 1950s and 1960s, that enabled computer technology to track and account for work.

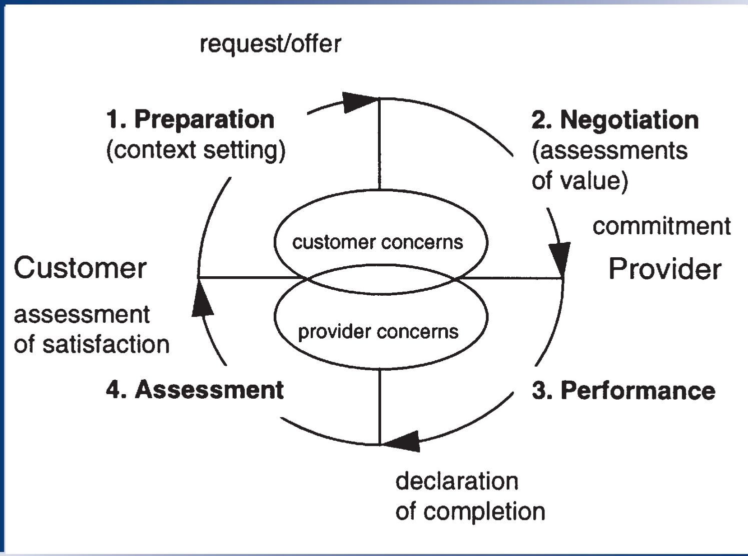
I don't know who I first heard call Flores' 4-stage cycle for coordinating effort the "atom of work." [see sidebar on right for a description of the atom of work]. However, the idea of the atom of work as an exchange between a performer and customer, in which a task is agreed to, carried out, and satisfaction assessed, seemed to me to provide a definition of the new form of work that would lend itself to recording—something that could be kept track of using computer technology.

In the seminar, I learned what it means to make a request or to make an offer, and how to define a business [see the answer to the last question of the interview for this definition]. I also learned how much we live in our own heads, having pre-dispositions to how we will see things, aren't open-minded, and so forth. I experi-

The Atom of Work

In conversation for action, there are always two players—a customer and a provider. These are shown on the left and right side of the following figure, which is known as the atom of work.*

Atom of Work



To begin the atom of work cycle, in the upper left quadrant the provider makes an offer or the customer makes a request. Requests always include a "for sake of" statement. A "for sake of" statement explains something about why this request is being made; it provides context.

In the upper right quadrant, the provider agrees to the customer's request or the customer agrees to the provider's offer. In this quadrant the customer will assess the value of what the provider will provide. There are different types of value that are considered, e.g., symbolic value, pragmatic value, financial value, environmental value, etc. These assessments are based on the concerns of the customer, which are shown in the center of the figure. There can be an agreement if there is an intersection of customer and provider concerns. Once agreement is reached, there is a commitment, shown at the right middle of the figure. The commitment includes the conditions of satisfaction, which always includes the time of completion: without a completion time, you have a speculation of something that might be done, but you don't have a commitment. There often is negotiation back and forth between the initial request and the final request and commitment.

In the right bottom quadrant, the provider performs on the commitment and declares completion.

In the left bottom quadrant, the customer assesses satisfaction with the performance and states whether or not they are satisfied.

A breakdown is declared by either party in this atom of work cycle when they conclude that for some reason the promise can't be kept. Of course, there may be lots of interim discussion and efforts to compensate among lots of different people before a breakdown is declared. Once a breakdown is declared, there also needs to be a declaration of what actions need to be taken and someone has to be found to take responsibility for correcting the breakdown. Breakdowns are opportunities to improve. Correcting one breakdown may cause a breakdown in some other process.

In the atom of work cycle, if one reneges on a commitment, one must do three things:

- apologize
- offer compensation for the inconvenience, etc. caused by the broken promise
- be open to a new request

For instance, if someone (perhaps unavoidably) fails to keep a promised speaking engagement, the person must apologize (and explain the problem), offer compensation for the inconvenience of the people who were there to listen to the speech, and then indicate willingness to hear a request for replacement service. This is done for the sake of maintaining the customer relationship. If one doesn't care about the customer relationship, then perhaps one doesn't have to do any of this. Of course, in this case, the person's reputation might suffer a blemish that affects other customers. So, one really does all this to maintain a number of customer relationships.

*Other names are often used for atom of work, e.g., workflow, loop, 4-phase cycle of work, and molecule of work.

enced Flores' coaching myself, and later I talked with Hubert Dreyfus at UC Berkeley and Terry Winograd at Stanford who have worked closely with Flores.

I thought the sales force was the ideal target for these methods—to teach them how to listen to customers, and I thought the people reengineering business processes were another target for these methods. Therefore, I formed a team of eight people who got training in Flores' methods.

Initially I had thought that what we learned in this area could result in great use of computer power, but that thought faded to the background. The principle idea for me became understanding what it means to enter into a conversation for action and to respect the point of view of the other party. People intuitively understand this, but they don't really understand how important it is to really agree on the conditions of satisfaction and to complete the transaction by declaring satisfaction or dissatisfaction.

Q: You mean something more than just the supplier trying to understand what the customer wants.

Mr. Reilly: Yes. That the two parties really understand what will make each other satisfied with the transaction.

I've also learned that trust is only earned through action. Without trust, you're not likely to get an honest expression from people.

Q: What is the essence of these methods?

Mr. Reilly: It starts with the motivation of the individual—for instance, what your motivation is for holding this interview. These motivations get tested in the interchange the parties have.

Next, people have to understand the difference between assessment and assertion [see sidebar p.17]. People often operate on the basis of assessments that they treat as if they were assertions. It's not wrong to hold a set of assessments. However, it is wrong to treat these assessments as if they are the facts of the situation. It's important to get people to understand that there are few hard assertions in business—most action takes place against assessments.

This brings us to listening. We need to ask ourselves why the other person is saying what they are saying.

People's minds are a combination of what they were born with and their own life experience. This to some extent programs how people see things and respond. People operate by recognizing patterns; and then because they have become quite expert within applying their own "program," they respond in ways based on historical conditioning and many times are blind to the other possibilities.

People are mostly operating on the assessments that they hold (no assertions); and then they say things, and they would like these things we say to be

Assertions and Assessments

An assertion is defined to be something one is willing to prove. Assertions live in the past: what is in the past has happened and therefore evidence can be provided for it. An assessment* is a view that is held but can't be proved; assessments tend to be made to address future concerns, for instance, "I think so-and-so has the capabilities to do the upcoming job." We make assessments for the sake of action to be taken. Most of us talk in assessments as if they were assertions—we speak in terms of judgments as if they were facts.*

There is another key "speech act"—a declaration. When one makes a declaration, the issue is whether others accept the declaration or not. Successful declarations require a constituency to follow. Good leadership has to do with declaring into the concerns of the people who you want to follow. Our worlds are filled with declarations. However, most people don't think about living in a world of declarations. Rather they think of themselves as living in a world of facts. For instance, a representative of the company might negatively react to a particular customer request saying, "we don't do that," as if this was somehow a fact of the world when in fact it is the result of a declaration by someone in the management of the company. Many concerns people have are a result of declarations.

*In the notation of semantics that many people affiliated with CQM know, assertions are statements intended to be facts and assessments are judgements.

real. This reminds me of a saying, "If you want trouble, surround yourself with people who see things the same way you do." (Notice that we listen differently to people we don't know; in this case we ask ourselves about their motives for saying what they do.)

It is very important to be aware of the concerns one has because this drives how one reacts. We need to understand this for effective teamwork; we need to understand the individual concerns of people on the team. When there are two people sitting across a table from each other, it can be a very complex situation. The context of the moment will drive the situation.

Q: How do you apply these methods in your organization?

Mr. Reilly: I have chosen to apply it through vocabulary. The vocabulary of offers, requests, and promises is key. Rather than talking about assertions and assessments, I encourage people to render their assumptions explicit.

In one situation, we had a team that couldn't agree to a schedule. This had been going on for weeks. Therefore, I met with the team, listened to their discussion, and asked each person to state the assumptions they brought to the meeting. Of the 8 people in the meeting, 6 had assumptions, and 2 didn't. Their assumptions were different.

It was too hard to deal with so many different assumptions at the same time. I decided that test, engineering and human factors issues were critical, so I asked the three people responsible for these areas first to work on a common set of assumptions. This revealed the concerns of each person. I asked these three people to agree and propose a schedule by the next morning, and they gave it to me then, although they said they didn't really need to wait until morning. These three individuals reported back to the rest of the team members who were surprised that agreement on a schedule had come about through the revelation of assumptions and concerns, and hadn't required politics.

To summarize:

1) I get people to state their assumptions. Perhaps I will state my own assumptions first.

2) I teach people to deal with requests, offers and promises.

3) I teach the concept of breakdown.

People must be able to declare breakdowns. You are not allowed to live in breakdowns. Once a breakdown is declared, I promise I will bring the affected parties together within 24 hours to discuss the alternatives (it may take more than 24 hours to fix it).

We don't operate through organization. We don't use an organization chart. We operate through projects and processes.

Q; How do these methods fit in with other business and management methods?

Mr. Reilly: We support typical good business practices (planning, budgeting, selling, etc.) with promises that the organization can keep.

I share "for the sake of …" when I am making a request. Explaining for the sake of what one is making a request lets people maneuver and better understand what is being requested. If we can't supply "for sake of … " how can we ourselves see why we are making a request?

Q: You mean, if we can't say why we are making a request, it may be a silly request?

Mr. Reilly: Yes.

Also when I say "for the sake of…" people become a bigger part of the transaction. That's very important. It also allows the requester to put more responsibility on the performer. The performer can no longer say, "I didn't know what I was supposed to do."

People don't listen to the "for sake of …" sometimes even when it is stated. They may jump too soon. In this case, when I make a request I have to take responsibility for the other person's listening. I have to be a good communicator; not just a good listener.

Q: You have years of experience in making good requests. How well can other people in your organization make requests who haven't got your experience?

Mr. Reilly: People in the organization are developing the practice of asking "how come?" [that is, "for the sake of..."]. This encourages improvement of requests. To teach this you have to change people's practices.

Q: By practices, you mean habits?

Mr. Reilly: Yes.

Another important thing is keeping interactions on a business basis. How you share assessments is important. You have to take people aside and see why they "listened" the way they did. You also have to take responsibility for how people listen to you.

I dwell on how important a promise is. If you can, you want to get your business going so people are making real promises, which requires that one ground requests.

Q: This may be a slight change of topic, but do you make a lot of requests for specific things to happen or just requests for people to figure out what to do about a topic?

Mr. Reilly: I make a number of requests for specific things to happen that I believe are feasible. However, there is a difference between making requests of people and giving instructions to people. The leader who gives a lot of instructions is asking for trouble.

Q: Although you've made it clear that the customer in the atom of work can be either another person within a company or an external customer of the company, we've talked more of internal requests and commitments. Will you say a few more words about external customers?

Mr. Reilly: An organization goes into business for one primary reason—to get and grow customers. Customers are the alpha and omega for any organization that wants to be a sustainable business.

An organization defines itself as a business by the offers it makes and the requests it accepts. It is imperative that an organization is able to define its offer in the context and shared concerns of its prospective customers. Failure to do so results in an organization with great promise, even great declarations, but no customers.

Most businesses get started with great declarations, that is, the business plan. Their challenge is to gain an understanding of the unique concerns of their prospective customers. In most instances this can only happen in a personal exchange, the beginning of a relationship.

The skill we have to listen to the concerns of external customers and the skill we have to make requests and commitments within the organization provide us with the skill and the will we need to make external offers and keep external commitments. The trust generated by these actions will ensure strong customer relationships.