

# OPTIMISING VALUE CREATION THROUGH PARTNERSHIP

## PART 1 - The Case for Partnering

### PART ONE

- A Systems View
- A Warning Story
- Elements of Partnering

This article is presented in two parts:

The first presents a “Case for Partnering”. We offer a warning story to support the case and then discuss the foundational elements of partnering.

The second draws the distinction between the formal and social contracts of partnering. It looks at the “Dance of Partnering” and shares the story of an eco-minded response that arose from a natural disaster. The conclusion of both parts is offered as a Provocation to Partner.

# THE PREMISE

In organisations today, much is at stake. Great opportunity is counterbalanced by great challenge.

At times, we believe we're able to effect positive change, and at other times we're held back.

In the 'to and fro' we ask ourselves: to what, to where and to whom should we turn?

The unequivocal response, we believe, needs to be:  
To one another!

While we can choose to 'go it alone' in these current and emerging times, we are most certainly better together.

The principle way of 'being better together' is in true partnership.

As we navigate the field of opportunity and risk, partnership becomes our greatest resource. In true partnership we unleash our combined inherent potential to optimise value and create valuable solutions together.

# THE CASE FOR PARTNERING

## A Systems View

A partnership is defined as a relationship where both parties feel responsible for the success of whatever project or process they are jointly engaged in. Partnering enables us to create value and achieve outcomes that we wouldn't be able to accomplish as effectively, innovatively or successfully if we attempted them alone.

The case for partnering becomes clear when we adopt a systems view of life.

If we see the world as an inseparable network of relationships, and we appreciate the whole always to be greater than the sum of its parts, then partnering across this network to create a stronger "whole" becomes a logical priority.

However, when we think in separate parts and are not connected to the whole, we're limited to a compartmentalised understanding of our organisational system. This separated thinking operates more from an **ego-mind**, putting the 'I' at the centre of all we do, as opposed to an **eco-mind**, enfolding the 'I' as an integral part of the 'we'.

An **ego-mind** tends to adopt a scarcity mindset, believing in the conservation of information and resources. It believes that others pose a risk if resources and information are shared or distributed. In taking a compartmentalised view, ego-mind informs the type of decision making that is based in self-interest or self-preservation and can, at times, mean that no one has the 'full story' until it's too late.

An **eco-mind**, on the other hand, adopts an abundance mindset, believing that resources and information can and need to be shared. It believes that resources utilised in co-creation are far more likely to optimise value and benefit for all. An abundance mindset is likely to optimise value because it takes an optimistic viewpoint, looking for opportunities; *'to make the most of'* and *'to develop to the utmost'*.

While both mindsets can work with positive intent, the compartmentalised ego-mindset creates limitations and reduces opportunity to optimise value. In the separate silo, the ego mind cannot see or sense the whole. It sees its own needs as primary and tends not to value the potential of partnership. It focuses on managing risk to prevent the loss of control, power, agency or reward.

In the short term, risk may be managed, and gains may occur, leaving the ego-mind seduced by the illusion of effectiveness and results achieved. But, blind to the necessity of partnership, the ego-mind remains unaware of the cost of its limited view: of lost opportunity; the possible erosion of long term, whole system value creation; and, at the very worst, it will discover too late a far greater cost.

What follows is an example of the unintentional consequences of an ego-mind operating within an organisational system and the devastation that followed.

# THE CASE FOR PARTNERING

## **A Warning Story - Boeing 737 Max Catastrophe**

On the 29th of October 2018, Lion Air flight JT610, a Boeing 737 Max, plummeted nose-first into the Java sea killing all 189 on board. Cockpit recordings tell the story of a 13-minute struggle between human and machine – a plane possessed by its automated anti-stall system. Then in March 2019, the story repeats itself. Another Boeing 737 Max, Ethiopian Airlines Flight ET302, with 157 passengers on board falls from the sky and explodes in an empty field. There are no survivors.

The fatal flaws with Boeing's 737 Max can be traced to a breakdown late in the plane's development, when test pilots, engineers and regulators were left in the dark about a fundamental overhaul to an automated system that would ultimately play a role in two crashes.

A year before the plane was finished, Boeing made the system more aggressive and riskier. While the original version relied on data from at least two types of sensors, the final system design used just one, leaving the system without a critical safeguard. In both doomed flights, pilots struggled as a single damaged sensor sent the planes into irrecoverable nose-dives within minutes, killing 346 people and prompting regulators around the world to ground the Max.

Many people involved in building, testing and approving the system, known as MCAS, said they hadn't fully understood these critical design changes. Current and former employees at Boeing and the Federal Aviation Administration said they had assumed the system relied on more sensors and would rarely, if ever, activate. Many made critical decisions affecting design, certification and training, all based on these misguided assumptions and incomplete understandings. "It doesn't make any sense," said a former test pilot who worked on the Max. "I wish I had the full story."

While prosecutors and lawmakers piece together what went wrong, the current and former employees point to the single, fateful decision to change the system, which led to a series of design mistakes and regulatory oversights. As Boeing rushed to get the plane done, many of the employees say, they didn't recognise the importance of the decision. They described a compartmentalised approach, each of them focusing on a small part of the plane. The process left them without a complete view of a critical and ultimately dangerous system.

This case study is a radical and devastating example of what can happen when we focus on the parts at the expense of the whole. It is a foreboding tale of what can happen when actors within an organisational system are not connected through an eco-awareness.

# THE CASE FOR PARTNERING

## Shared Awareness & Pervasive Cooperation

In his work on Theory U and Leading from the Emerging Future, Otto Scharmer (Scharmer, 2007; Scharmer & Kaufer, 2013) helps us appreciate the relevance and importance of leaders becoming whole system thinkers, adopting an eco-mindset and moving out of ego-mindset:

*“The outdated paradigms of economic thought are basically organised around ego system awareness, that’s what we teach in business schools – and the economic reality is that today we are in a globally interdependent economy that is based in eco system awareness.”*

Scharmer makes the point that the real leadership of today is about taking a stakeholder system of partners to a way of operating based on “ecosystem awareness”. To be co-creative, that is, to collaboratively create and generate value in this system, we need to operate and organise from a shared awareness.

In our view, this **shared awareness** is critical.

Shared awareness means that we are present and aware (i.e. of ourselves, each other, the whole system, emerging needs) together, intuitively understanding that “we’re all in this together”, and need to partner to create solutions that serve the greater whole. In this way, shared awareness establishes the very foundation for partnering.

Fritjof Capra’s (Capra & Luisi, 2014), *The System View of Life*, helps us understand partnership, and specifically, **pervasive cooperation**, as essential ingredients that enable the whole system.

*“Partnership is an essential characteristic of sustainable communities. The cyclical exchanges of energy and resources in an ecosystem are sustained by pervasive cooperation. Indeed, ever since the creation of the first nucleated cells over 2 billion years ago, life on Earth has proceeded through ever more intricate arrangements of cooperation and coevolution.*

*Partnership – the tendency to associate, establish links, live [with] one another, and cooperate – is one of the hallmarks of life. In the memorable words of Margulis and Sagan (1986, p. 15): “Life did not take over the globe by combat, but by networking.”*

When we couple Scharmer’s **shared awareness** with Capra’s **pervasive cooperation** we can see that a singular reliance on the traditional economic drivers of competition, expansion, and control is limiting. We can begin to incorporate equally, if not more, important ecological agents of cooperation, co-creation, and partnership.

Whole systems understanding and the recognition of the limitations and potential dangers of ego-based thinking helps us appreciate the need and importance of working with an eco-mind.

# THE CASE FOR PARTNERING

## Elements of Partnering - What is Baseline?

Sugar is a perfect analogy for how value arises from partnership.

Sugar is sweet - this we know. It is made up of atoms of carbon, oxygen and hydrogen, yet interestingly, none of these components taste sweet on their own. It is only when these atoms come together in a certain pattern that they provide the 'value' of sweetness. This shows that when component parts come together, they can, in partnership, comprise a greater whole.

But not all partnerships will find this "sweet spot" of value creation. Partnering well is a skill, and requires strong foundations.

We offer the following five elements as a baseline to partnering for value creation. Each are grounded in an 'eco' approach, and from our experience with the many organisations over the years, are foundational to successful value creating partnerships.

### **To help establish partnerships that create value, we need:**

- 1. A deep appreciation and awareness of the whole context from which we're operating**
  - Connecting to and understanding the field in which we operate from a whole systems perspective requires us to be curious and gather data appreciating multiple perspectives and most importantly, the needs of all stakeholders.
- 2. An intent to create value and be mutually aligned on purpose**
  - Shared intent is the aligning force to successful partnerships. While all partnerships are strengthened through diversity of views, ideas and skills, they cannot function at an optimal level without alignment.
- 3. All participants working from a platform of trust and transparency**
  - Trust is the primary enabling agent in human relationships. Transparency facilitates trust as it creates certainty and clarity.
- 4. A recognition that co-creation, collaboration and partnership optimises the inherent potential of the ecosystem**
  - We appreciate that none of us, alone, are smarter or more capable than all of us working in dynamic and constructive relationships.
- 5. A commitment to setting agreed success criteria and embedded ways of working**
  - Forming and upholding expectations and agreements provides a framework in which we can operate with certainty and clarity. Being able to form milestones or measures of success facilitates alignment and a sense of shared purpose.

# THE CASE FOR PARTNERING

Without acknowledgment and connection to the broader context of the whole system; without an intent to create value; without alignment on purpose; without trust and transparency or a recognition of ecosystem practices; and without agreed upon frameworks for partnering, we will tend to rely on an ego-mindset.

We will continue operating from the basis of self-interest and self-preservation: potentially disconnected, distrusting, competitive, misaligned and fragmented, and further away from being better together.

And as we have seen in the case of Boeing 737 Max, this leaves us open to significant risk; not only of lost opportunity and lost value, but to the possibility for devastating consequences.

When it comes to partnering: it would seem the case is water-tight.

[To be continued in Part 2]



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