The Thing That Keeps CEOs Awake at Night

BY MATT WEILERT

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For over 25 years, I've been asking managers and executives what keeps them awake at night. Surprisingly, the answer is always the same:

What They Don't Know *They Don't Know*

How do you deal with the inevitable reality that life throws a curve from time to time? In <u>Around the World in 80 Days</u>, Phineas Fogg remarks that "we don't know what the problems will be, yet we know there will be problems." When you think about it, it is almost obvious. Businesses can plan for what they know and can make plans for foreseeable risks, but by definition they can't address that which they don't know that they don't know.

Consider four examples:

Operational Continuity

Without stable supply lines, any business could be out of business. No matter what industry, operational continuity is under constant threat, whether by outside actors, inherent poor design or mere incompetence. A VP famously remarked, "right now as we speak, someone is out in the plant, doing something that is going to create havoc. If we could identify it, we could stop it in process or even keep it from happening." If you're tired of catering to crises, there is a better way, a way of optimizing your operations without losing the human touch.

A graduate of Texas A&M's Safety Engineering program, Matt Weilert is a career safety engineer with over 25 years global experience. He is the developer of Systemkey™, a layered Enterprise Risk-Management (ERM) solution that uses proprietary software and custom data collection tools to introduce transparency and accountability at multiple organizational levels.

Financial Stability

How are you dealing with unexpected currency fluctuations? How would Ireland and Spain's defaults affect your business on Main Street? Insurance as a means of "load shedding" instead of genuine risk or hazard mitigation can actually increase accident probabilities, by inducing false economic incentives.

Health Care

The decades-long enigma of health care costs growing faster than the overall rate of inflation is perhaps the clearest example of how a thin-slice model can help address long-standing or "intractable" issues. Given the radical advances in technology and information handling, are third-party payors still useful? How can market-driven reforms reduce emergency room overloading? How can small-to-mid-size businesses participate in genuine solutions?

Knowledge Management/ Human Resources (KM/HR)

As baby boomers retire, they're taking their decades of experience with them. In round numbers *almost 11,000 per day will be retiring over the next fifteen years!*

The market's focus on short-term results has allowed companies in almost every sector to ignore the end-of-career. Our stock-market obsessed culture has effectively gutted the practice of investing the time to master technical crafts, skills which are learned truly on-the-job, under the watchful tutelage of an experienced practitioner.

Colleges can't do it; they don't know how to teach experientially (that's why they encourage internships). Technical Schools can't do it; they don't have the right combination of teaching mastery and in-depth experience. The people who are most qualified to solve your problem are the ones who have been actually making you money.

The Systemkey™ Solution

Systemkey™ is a scalable, tailor-made solution for companies that need to optimize innovation in operations, financial, knowledge and human resource management.

Using the same sort of thin-slice approach *that has been in place for decades* in aviation, military operations and electrical power generation control rooms, Systemkey "layers" the deep experience of the seasoned veteran so that each "slice" is thin enough for the novice to understand. The Systemkey thin-slice approach uses the product lifecycle and the real-life experience of the veterans to uncover layer upon layer of potential risks. Only the Systemkey approach allows senior leadership to understand the limits of the analysis.

By introducing risk management data collection at multiple operational levels, Systemkey harnesses the power and expertise of human capital to identify, assess and prioritize risks—and drive behavioral change, the most enduring means of long-term risk reduction.

Systemkey brings insight to the financial reporting processes by providing CFOs the documentation they need to demonstrate the benefits that are required to change processes, product lines and behaviors to mitigate disasters and to deliver operational improvements.

In Summary

Direct the Rider:

Through our approach, the newest members of the team have the capacity to "focus on the bright spots" because their questions leverage the deep experience of the long-time staff while they retain the fresh perspective that avoids groupthink.

Motivate the Elephant:

In change management, innovation and everyday life, nothing much happens without an emotional commitment. Systemkey is the only industrial engineering-derived method (with all the structure, repeatability, traceability and discipline that evokes) which scales to handle international defense contractor consortia at the high end or a "Mom & Pop" shop, start-up or non-profit charity/NGO on the other. People's wants, needs and desires have a well-established, yet flexible appearance in any Systemkey risk results reporting.

Shape the Path:

By focusing on structure, teams using Systemkey avoid the distractions and time/cost overruns associated with asking subsystem or piece/part questions at the systems level and vice versa.

Systemkey infuses the company culture with the means and the method to both enable and inspire positive change by fostering communication across disciplines, departments, market sectors and any other barrier constructs that may be present.

With our approach in place, organizational issues can be tackled piece-meal without losing focus, because the exclusive Systemkey discussion summaries serve as mile markers along the journey, a "social/cultural GPS" that gives the direction "out of the dark forest" back home.

Rider, Elephant, Path from Dan and Chip Heath's best-seller, *Switch*

Systemkey enables companies and teams that are operating effectively to leapfrog their competitors. Such groups can run toward the goal at full speed, while constantly scanning for course corrections required by outside events.

Austin's 360 Bridge

Deploying the Systemkey framework increases communications intimacy. The layering at the heart of the decision summaries provides access to the information richness so often lost in ordinary conversations.

The research and principles behind Systemkey form the basis of a new international consensus standard that compliments and supports ISO-31000. We can discuss at further length the driving need for this new standard and its advantages over both COSO and CAS. To bring the demonstrated benefits in operations, finance, health care and knowledge management/human resources to your firm or organization, contact us today by any of the means listed in the **About Us** section. We look forward to collaborating with you to *successfully implement* the Systemkey ERM framework at your location(s) in 2011!

About Us

Systems Thinking Institute LLC (systhink.info) delivers people-centered technology advantages to growing businesses and organizations. Our regional, national and international alliances keep us on the forefront of industrial advances across our five operating divisions. Our layered Enterprise Risk Management (ERM) solution Systemkey**™** integrates the strength of software with individual intuition to introduce transparency and accountability at multiple organizational levels.

Systemkey™ unlocks better ideas. For you. For your company. For good.ˢᴹ

Rock Eel Café (A Division of STI LLC)

Rock Eel Café (skerja.net) is a web-enabled, values-driven innovation forum focused on the startup, small office/home office (SOHO) and small-to-mid-size enterprise (SME) markets. Rock Eel's digital designs, both on-line and off-line, advance the practice of layering human intuition onto the architecture of science and technology. Our mission is to enhance how people understand, learn and collaborate from a systems thinking perspective. Patrons at the Café have access to enterprise class tools and talent, without the hype, the delays and the staggering cost typically associated with this calibre of market offerings.

STETA, a 501(c)6 Business League

The Institute's allied membership council, STETA: The Systems Thinking & Engineering Technical Alliance (systemkey.org) integrates head and heart to drive industrial innovation forward. All the buzz around social media and the power of storytelling shows yet once again that technology alone will never produce breakthroughs that transform industries and cultures. steta delivers B2B and B2A (academe) resources to connect the right people in the right places with the right resources—right now! Systems Thinking tells us how to scale our view to the right level of detail, accounting for both the forest and the trees. Systems Engineering tells us what to do with the data we find. Both corporate and individual memberships are available.

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Systemkey™ web site http://www.systemkey.net
Layering Information http://su.pr/7sl8tq
Martijn Linssen on how communications intimacy solves the problem of
 anonymity http://su.pr/Aam2Zb
Eric Ries on the strengths of the 5 Whys model http://is.gd/7XXEI
Venessa Miemis on voluntary data exchange in conversation
 http://su.pr/6Wz220
Matt Weilert on mindshare to marketshare "Systems Thinking and Sashimi"
 http://v.gd/YnezJs and as a QR Code: