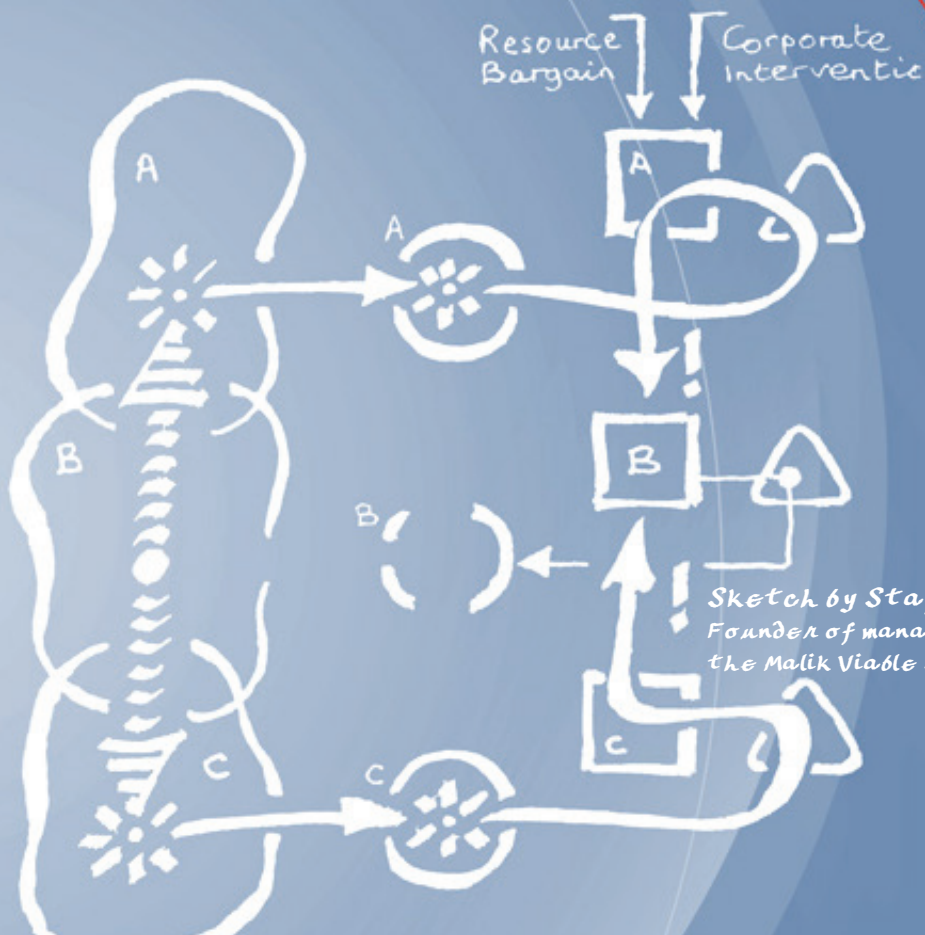


The Malik Viable System Model® (Malik VSM®)

A Company's "Nervous System"

New organizational structures for a New World

A. Malik



*Sketch by Stafford Beer,
Founder of management cybernetics and
the Malik Viable System Model*

The Malik Viable System Model® (Malik VSM®)

... makes complex organizations function

All over the world, economies and societies are going through one of the greatest transformations ever. Few things will remain the way they are. This presents most organizations and their management with challenges that they have not been facing in decades. The fastest way to a functioning organization able to cope with these challenges is the Malik VSM. Any type of organization can be diagnosed within a few days with regard to its strengths and weaknesses in coping with these challenges and (re-)designed accordingly to maximum effectiveness and efficiency.

The organizational forms widely known and used today have developed over the last hundred years under "fair weather conditions". They thus have been suitable for exactly such conditions, conditions which no longer exist today. Today, in times of turbulence, unpredictability, and crisis such organizational forms can't stand firm.

Things that worked yesterday no longer work today; organizational weaknesses can no longer be counterbalanced by good management practices. The management of an organization has other more important tasks to attend to; navigating those entities through "life-threatening" tides. This requires a radically different way of organization.

The Malik Viable System Model® (Malik VSM®) leads the way to a groundbreaking new approach of organizational design inspired by the operating principles of nature.

The Malik VSM is the answer to today's challenges; complexity, uncertainty, velocity, turbulence, and fierce competition. It is the solution when other conventional approaches are stretched beyond their limits.

"The Malik Viable System Model that we have been using for years has not only effected highly efficient changes but has also become our managers' everyday armamentarium."

Dr. Roland Gerner,
Board of Directors W.C. Heraeus*

Benefits of the Malik VSM®

- › Adaptability to dynamic markets; ability to grow / shrink without reorganization
- › Increased productivity – lower costs
- › Customer orientation versus self-absorption
- › Clarity and transparency
- › Improved innovation capacity and power

The Malik VSM is based on the natural laws of functionality discovered by cybernetics and neurosciences. These require organisms to have the correct degree of self-organization, self-coordination and self-adaptation. This ensures that problems and conflicts due to coordination and collaboration, responsibility and accountability do not even arise.

"Rather than solve problems it is smarter to dissolve them."
Stafford Beer, founder of management cybernetics and of the
Malik Viable System Model (Malik VSM)

* W. C. Heraeus is part of the worldwide precious metal and technology organization Heraeus with 12,900 employees. In 2010 the organization had a product turnover of 4,1 billion Euros and a precious metal turnover of 17,9 billion Euros. Please visit the homepage at: www.heraeus-materials-technology.de

The Malik VSM

- › Pulls the customer and his needs into the center of attention
- › Lays down robust structures that easily adapt to internal and external changes without the need for constant reorganization
- › Guarantees the coherence of structure, strategy, and culture providing a solid base for acceptance in the change process
- › Ensures the right allocation of roles and responsibilities freeing up time for management and establishing managerial thinking and action (on all levels)
- › Clarifies and resolves interface issues providing transparency and an efficient and smooth collaboration wherever required
- › Institutionalizes the necessary communication channels for an effective and efficient flow of information and knowledge, reducing the meeting times dramatically

Where to apply the Malik VSM

The model can be applied for various purposes in different situations:

- › Diagnosis and design of organizational structures, institutions and organizations of any kind, size, and field
- › Application on entire institutions and organizations or on selected management levels or individual divisions
- › Clarification of specific organizational issues, such as clarity of tasks, competencies and responsibilities or compatibility of structures with strategy, resources or culture
- › Establishment of common understanding of the organization and a common language for a quick and targeted resolution of burning issues
- › Implementation of the Malik VSM as official structure so as to support and speed up the change process using the Malik VSM^{interactive}® software application

Procedure

1. Diagnosis of the existing organization

- › identification of current operational units
- › mapping of all organizational units on the Malik VSM
- › reflection of the current segmentation in its ability to support the strategy and customer orientation

2. Design of the new organization through the Malik VSM

- › design of the basic structure: strategy enabling and customer-oriented segmentation

- › identification of critical management tasks which are necessary for the successful functioning and long term viability of each (newly) defined unit
- › allocation of the critical management tasks to the right level of management ensuring internal and external efficiency
- › deduction of job descriptions for all functions and units on all levels
- › design of the necessary information and communication channels

3. Implementation of the new organization

- › matching of job descriptions to personnel
- › design of customized coaching concept to support personnel in new positions
- › adaptation of existing / deduction of new organizational charts
- › adjust existing management processes and instruments to the new organization using the Malik IMS®
- › launching of the Malik VSM^{interactive}®

4. Implementation Management

- › communication with and alignment of the managers using the Malik SuperSyntegration®

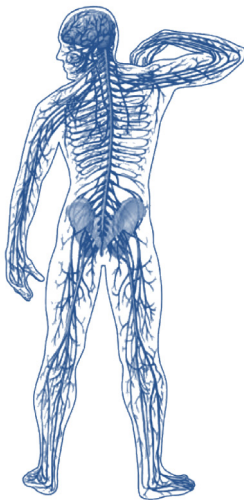
From nature's nervous system to viable organizations

Designing an organizations' "nervous system"

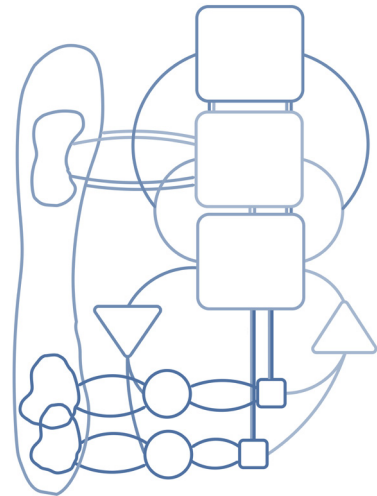
If you apply the Malik VSM you create the organizational basis for viability in the long run. In contrast neither organizational charts nor individual process descriptions get you very far with that. The functioning of the whole really results from the interactions of the deep structures of information flows, decision processes and communication channels. The model for functioning organizations should not be an intricately constructed clock-work mechanism, but instead a flexible organism capable of handling complexity.

Furthermore working with the Malik VSM implies saying farewell to the arbitrariness, gaps, and faddishness of conventional organizational approaches. The Malik VSM is the only model that can effectively and objectively benchmark your existing organization: where is it well organized and where not? Is it complete or are there gaps?

Finally, applying the Malik VSM means the ability to adapt and, where necessary, redesign an organization to handle complexity. It can then function as the transmission link between the organization's strategy, structure, and culture. Only when people are enabled to correctly align these three elements can dynamic change be unleashed.



From nature's nervous system
to
viable organizations



Scientific basis

The Malik VSM is based on research results of biology and cybernetics in the service of workable corporate structures. Studies on the structures of viable systems such as the human central nervous system have generated a general structural model

of viability that describes the necessary and sufficient elements of structures capable of handling complexity. If applied to a specific organization, this model identifies structural deficiencies and suggests how to eliminate them.

Malik – the organization

St. Gallen · Zurich · Vienna · Berlin · London · Shanghai · Beijing · Toronto

Functioning organizations – effective managers

Having offices in six countries and a network of partner science-based organizations, Malik is the world's leading knowledge organization for integrated management, leadership, and governance. Malik is the prime address for managers who would like to learn how to apply integrated top management systems for mastering complexity and, at the same time, to be offered advice, support, and coaching. We help individually tailor management systems for business enterprises, non-profit organizations, and public institutions.

Our unique combination of management consulting, education and training, change management, human resources, organizational development, and individual coaching (as well as completely new

methods such as sensitivity modeling) leads to immediate visible results for today's managers. The Malik SuperSyntegration Method® is of key importance: it enhances top management effectiveness on complex issues many times over.

Our solutions are the result of more than 30 years of research and practical experience in the field of general management of complex systems and of the functioning of organizations. They are based on the sciences of complexity: cybernetics, systems theory, and biology. Learn more about our organization and our solutions at malik-management.com

Fredmund Malik

*Corporate Policy and
Governance – How Organizations
Self-Organize*

Volume 2 of the book series:
"Management: Mastering Com-
plexity"

Campus publishing house, 2011

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Maria Sourlas is one of Malik's most skilled and experienced VSM experts. Her work ranges from a series of complex VSM projects across various organizational types, both business and non-business to the development of innovative tools within her field of expertise. Maria Sourlas is the program and product manager of *VSMinteractive*®, one of our latest and most promising innovations.



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Dr. Anja Christina Reissberg is one of Malik's top experts on VSM projects for the public sector. She is the author of the book *Managing natural catastrophies, a study on viable systems applied to prevent human tragedy by the example of Hawaii, unraveling deficiencies of the existing disaster management system used across the United States.*



Malik Management Systems®

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