

# Ongoing Discussion “Thought Piece”

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**September 2009**

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for

**Pratt & Whitney Rocketdyne’s  
Enterprise Thinking Network**



## Menlo Lab: Pathways to Change

Menlo Lab is a global network of leaders from both the public and private sectors dedicated to the cultivation of economic, ecological, and social well being—in our institutions, and our communities. As a self-organizing network, participants work with leaders from business, education, social services agencies, government, and civic groups to develop their individual and collective capacities to create the futures they want.

Drawing its name from Thomas Edison’s famous Menlo Park, which supposedly generated the largest number of technology innovations in the shortest time, Menlo Lab formed in January 2007 out of the shared intention to co-create the social innovations needed to address persisting challenges in complex systems. With support from leaders at Cigna Healthcare, DTE Energy, Nissan, Pratt & Whitney Rocketdyne and other corporations, along with leaders from local government and non-profits, such as the City of Los Angeles, EcoPark, Presencing Institute, the In2:InThinking Network, and Volunteers of America - LA, the diverse network of Menlo participants has since evolved a set of practices and change approaches—“pathways”—that have been tested in a variety of organizational and community contexts, with breakthrough results in record-breaking time. This thought piece shares some of the learning from the many individuals and institutions that have participated in Menlo’s “living labs”, distilled from patterns that have emerged across the Menlo projects, including:

- ❖ Cross-company and cross-sector energy and mobility innovation project with Nissan, Pratt & Whitney Rocketdyne, and local community leaders that in 2 days led to a breakthrough innovation in solar power tied to electric vehicles, at significantly reduced cost and in a way that will create local jobs for low income people
- ❖ Whole community transformation projects in Los Angeles and Detroit, engaging local stakeholders (business, government, non-profits, and residents, including youth and seniors) in a visioning and prototyping process that removes blight and addresses the need for both safety and ‘community’, creates jobs, and develops models for sustainable living through innovations in live-work space, green energy, water conservation, and local food production and distribution
- ❖ Leadership development linked with organization change processes at DTE Energy, Nissan, Ricardo Engineering, and many others that have forged cross-functional and multi-stakeholder

alliances and led to both business model and cultural innovations with significant improvements in financial results and employee well being

- ❖ Education system transformation in a district-wide initiative in Southern California, engaging teachers with administrators, community leaders, and youth in ways that allowed them to co-evolve lasting solutions to failing schools and persisting social issues that were obstructing learning and well being of students

### Menlo Lab Principles

While each project context was distinct, participants in the Menlo network began to see a set of change principles that applied equally to all, adopting them as a framework to guide them in their approaches to change.

- ❖ **Whole System:** We must see the ‘whole’ comprised of many interdependent ‘parts’; thus, we must address *all* the conditions and structures within the system *concurrently* (e.g., creation of meaningful jobs is dependent on quality of education, which, in turn, affects physical and social health, etc.)
- ❖ **Inside-Out:** Change happens when it comes from what we most love and aspire to create—and when we have the courage to “be the changes we wish to see in the world”. We therefore begin by surfacing what people most want and need, develop what capacities and support systems are needed to ‘be’ those changes, and then develop the structures to support those aspirations.
- ❖ **Real Work:** Systems are transformed when concrete, sustainable outcomes are generated in a short amount of time. We use prototyping approaches to start small and show real results in “low risk” contexts. As we learn from those efforts, we expand the scale and evolve replication models that can extend the scope of impact to other systems.
- ❖ **Sustainability:** Success is measured by the creation of the social, economic, and ecological conditions that enable *self-reliance* (i.e., the system continues to generate what it needs to ensure well being of people today, without compromising the needs of future generations, and without relying on external support).

These principles guide decisions about what projects are addressed and how each one is initiated and sustained. Additionally, the principles inform the leadership practices used, individually and collectively, as well as generate questions to explore that can evolve our capacity to enact sustainable change. Further, we ensure each project and our work overall contains explicit checkpoints to ensure that we learn in action and can continually improve the results we create.

### Menlo Lab Approaches

Based on the principles and research from thought leaders and successful practitioners in global and local institutions, Menlo participants co-evolved a set of approaches for initiating and sustaining whole system change projects. While each context is unique, over the past years network members developed a change process and set of tools that have proven to accelerate results while generating lasting capacities to sustain change, even in highly complex systems like struggling corporations, failing school districts, and impoverished urban communities.

Using the principles as guidelines for the change process, they begin by engaging all key stakeholders (and particularly those in conflict or who for whatever reasons fail to work effectively

#### **Assumption:**

**We have the collective wisdom within us to solve even the most complex problems and to generate profound breakthroughs.**

together)—if we are to make systemic change, we must ‘get the whole system in the room’!



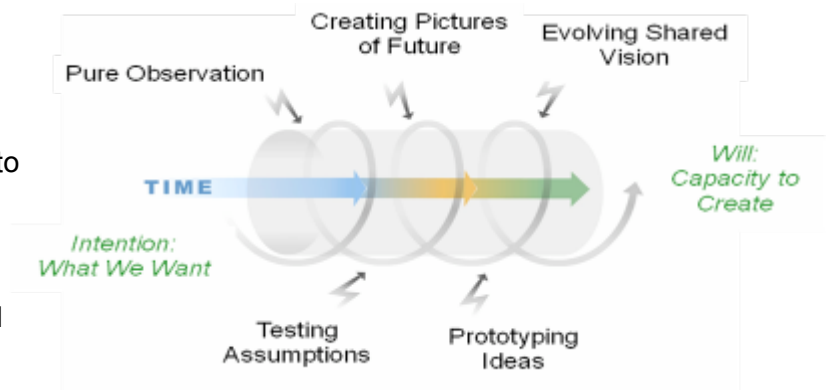
Rather than prescribing ‘fixes’ or embarking on ‘problem-solving’ as many groups tend to do, Menlo participants found it was necessary to first build shared ways of seeing ‘what is’, then surfaces shared aspirations for the future (what we want to be). The creative tension between the current reality and future aspirations forms the foundation for a shared vision that diverse stakeholders can evolve together.

The relational bonds that form in this process allow a group to quickly generate intentions (goals for what they want to create to move from current state to their desired future). Ideas for concrete actions surface in hours or days rather than months or years. These ideas are tested through rapid prototyping that allows for learning-in-action at low risk and low cost. Successes are then scaled or replicated.

Through the process, Menlo engages leaders from all parts of the system in:

- ❖ Expanding our ways of seeing both the challenges and opportunities
- ❖ Connecting to what matters most (the ‘real work’), and our aspirations for the future
- ❖ Co-evolving shared, whole system vision
- ❖ Generating concrete and achievable ideas for breakthrough
- ❖ Testing innovations through rapid prototyping
- ❖ Developing individual and shared capacity to sustain changes over time

Because we must continue to evolve as we learn and as conditions change, Menlo members developed a set of pathways that allow groups to continue to transform their systems over time. For each phase of the change cycle, Menlo offers tools to accelerate and leverage the results, and that allow local leaders to sustain changes, even when the going gets tough.



(For details on the Menlo Tool Kit, write [MenloLab@ca.rr.com](mailto:MenloLab@ca.rr.com).)

### Co-evolving Our Thinking and Doing: Questions to Explore Together

In a two-part series, join Menlo Lab co-founders David Flanigan and Tracy Huston to explore what has been learned from Menlo projects so far, and some core questions they and leaders everywhere seem to want to address.

In preparation for our thought leader calls, please reflect on the following questions:

**PRACTICE CREATING YOUR FUTURE FROM INSIDE-OUT:** Consider yourself and your life -- as an individual, a teammate, a leader, a family member, part of the community, a citizen of the planet ...

- What are the 2 to 3 greatest challenges that confront your work life?
- When you are most successful in addressing your work challenges, what is it in you that allows you to prevail?
- What are your 3 highest aspirations for the future that you most want to bring through you in your work?
- What unique gifts do you bring that can help realize those aspirations?
- Now crystallize what you want to create in the next 3-5 years to achieve those aspirations. Does it appeal to your heart as well as your head?
- To accomplish that vision, what old behaviors and old ways of being must you shed? What current or new behaviors must you nourish?
- What could you do to more quickly learn about what you want to create (quick experiment)?
- Who are five people in your life that could help you achieve your future?
- What 3 things must you do in the next week to launch that change?

**THE ROLE OF LEADER:** Think about times when you have been in a leadership role or had the opportunity as a team member to observe a really effective leader in action...

- When conditions were changing rapidly and unpredictably, what important attributes were called for in order to 'lead at the speed of change'? In what way did the role of 'leader' change? How did other team members' roles change?
- When the team really hit its stride, what sports teams often call playing 'in the flow', what happened to the team? What caused the collective group to step up performance several notches? What role did the leader play? How did other team members change?
- What is required to surface individual and collective wisdom to meet a challenge? How can this condition be used to innovate? How can this condition be used to cause breakthroughs to happen that would not have occurred otherwise?
- What one word or short phrase best describes you as a leader?

**Tracy Huston**, co-founder, brings over 20 years experience in supporting global corporations, educators, non-profits, and community leaders in affecting whole system change. She works with top management at Nissan in strategy and leadership development, and co-leads the Menlo Lab work locally and globally. She is the author of numerous articles on the personal, relational, and structural dimensions of change, and wrote the book *Inside-Out: Stories and Methods for Generating the Collective Will to Create the Future We Want* (Society for Organizational Learning 2007).

**David Flanigan**, co-founder, has 33 years of global business experience in the automotive and financial service sectors. Dave was President of Ford Credit International where he led 9,500 employees and developed highly profitable financial services businesses in 38 countries. After retiring from Ford, he now employs his leadership and business transformation experience to coach other leaders in building high-performing teams and creating whole-system, cross-sector change. He is Chairman of the Detroit Institute for Children, serves as Trustee of the Society for Organizational Learning, and actively supports projects throughout the global Menlo network.