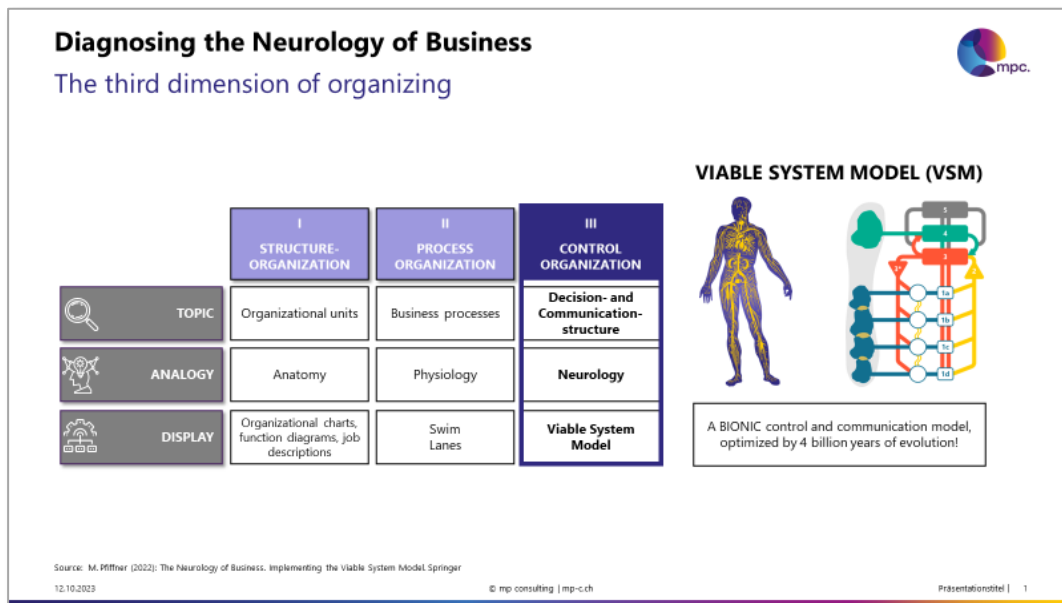


VIABLE SYSTEM MODEL (VSM)

The Neurology of Business – a third dimension of organizing

What is it? Why is it important?

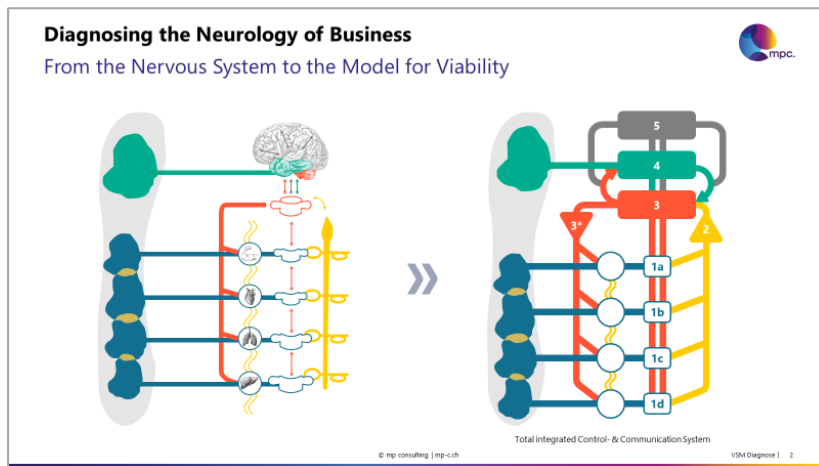
In many companies, a braking, frustrating and wearing organisation is the bottleneck of their effectiveness. Instead of being a brake block, the organisation could also be an accelerator - despite increasing complexity within the company and in its environment. The "state of the art" of organisational diagnosis is based on the model of a living organism and includes more than organization charts and processes. Organization charts correspond to the anatomy and processes to the physiology of the body. However, complexity can only be mastered with the right neurology. This third dimension of organising is the decision- and communication-structure in the company. Properly designed, it turns complexity into a company's strength.



The most important thing about organising is therefore to diagnose and design the neurology of your business. Poorly designed, it is difficult to be successful, even with the best management.

What is it used for?

The Viable System Model is used to diagnose and design the organisational structure of the entire company or a sub-area. Its ability to deal with complexity and dynamics, its control capacity and its communication performance is checked and adjusted where pathological patterns or design-errors are discovered. Organising with the VSM makes organisations comparable and assessable across sectors, regardless of whether it is a corporation, a ministry or an SME. The model provides orientation in organising decision-making structures. It serves to distinguish between "right and wrong" and to assess "complete and incomplete" in organising. It creates a clear basis and makes a company independent of fads and paradigms. The scientific basis is the science of control and communication in complex systems (cybernetics), the findings of which we successfully and systematically apply in all technical systems, but only now also in social systems such as a company.



What are the benefits?

- Tailor-made and seamless decision-making and communication structure (state of the art)
- Acceleration and effectiveness of the company
- Focus on customer benefits
- Ensuring the ability to cope with complexity while at the same time remaining robust
- Ensuring continuous adaptation (learning & renewal, innovation)
- Clarity of responsibilities and prerequisite for effective leadership
- Exploitation of flattening and simplification potentials
- Dissolution of conflict hotspots, shedding of "organisational ballast"
- Dissolving communication blockades

Application examples

- Bosch Mobility Solutions, automotive, 200,000 FTE, improvement of control capability
- Volkswagen AG, automotive, 190,000 FTE (VW brand), realignment after the diesel scandal
- Allianz Group, financial services provider, 150,000 employees, restructuring cyber security
- BMW AG, automotive, 120,000 FTE, group structure, optimisation of the global HR system
- Daimler Truck AG, automotive, 100,000 FTE, optimisation of cooperation
- MTU AG, high-tech capital goods, 10,000 FTE, optimisation of cooperation
- Panalpina AG, logistics, 15'000 FTE, performance improvement and flattening worldwide
- Peri GmbH, construction supplier, 10,000 FTE, restoration of management capability
- W.C. Heraeus, high-tech, 7'000 FTE, consistent design of all divisions and the group.
- ADG Akademie DE Genossenschaftsbanken, craining programme for top management
- Wilhelm Geiger GmbH, construction, 3'500 FTE, restructuring, group-wide training programme
- University of St. Gallen, 3'300 FTE, structuring of administration
- ETAS GmbH (Bosch Group), automotive software, 2'500 FTE, restructuring
- BHS Corrugated GmbH, mechanical and plant engineering, 2,000 FTE, restructuring
- Ypsomed AG, pharmaceuticals, 1,900 FTE, restructuring
- Swiss Paraplegic Centre Nottwil, 1,200 FTE, restructuring
- Ifolor AG, photo products, 300 FTE, ctructural requirements for the internalisation strategy