

Welcome to [ASK] - Always Seeking Knowledge!

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1. Quick [ASK]

Modern systems theory tells us that there are three kind of systems - 'hard', 'natural' and 'soft'. Hard systems are an artefact of the human mind - a computer, a watch, a car etc. They are *complicated*, are created by specialist human beings, and rely on those humans for their on-going function. Natural systems include all living organisms, as well as 'stable' communities of those organisms such as a coral reef, a rain forest, and of course the animal maintained range-lands that once existed in most of the brittle tending environments of the world. These natural systems are *complex* rather than complicated, a critically important distinction.

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2. Welcome

The drought appears to be breaking if not broken, in NZ. Severe flooding was the recent order of the day in the southern parts of the North Island, and the results include thousands of hectares of silted pastures. Where did the silt come from, one is forced to wonder? Funny how the two things, droughts and floods, continue to be related, even though of course, it was a big rainfall that caused the severity of the problem.

During the peak of the flooding, I was driving into Christchurch. I was shocked, listening to a radio report describing one farmer who lost 700 of his dairy cows, who were simply swept down the mud-filled river in front of his eyes. The entire South Island had previously been in a difficult dry situation, but this appears to have eased now, right through the island.

Not so good news in much of NSW, in particular, where more than 50% of the state is drought declared. Recent rains have been very coastal. WA is in pretty good shape in most places, aided by one of the best 'wets' in years.

The next 6 - 8 weeks are the critical time for all of the southern or Mediterranean climates of Australia. When will the break occur, and how well?

In two weeks the trip to South Africa and Zimbabwe begins, led by Jim and Daniela Howell. Our trip takes in some excellent farms and farmers on the edge of the Kalahari, the African Holistic Management Conference, and a visit to Zimbabwe. We trust neither John Howard or Robert Mugabe antagonise each other too much in the next month. It has been an excellent wet season on Dibamgombe, the property where the Africa Centre for Holistic Management is based, and the wildlife should be terrific.

An opportunity:

Dr. Manuel Casas has this week written to advise me that the next International Gathering of people interested in Holistic Management has been brought forward from 2005 to:

December 7 - 9, 2004, at **Agro-Forestry & Pastoral Center for Learning Research & Extension, Chapa de Mota, Mexico**

Manuel advises the following:

"At the Center's oak forest, the multi-species herd of horses, cows, ewes, goats and pigs, shall greet you, and we are designing an interesting program with speakers from here, there and beyond. The whole idea is to make us think, reflect, know what is going on, and acknowledge that we must work together to tip the balance for a better world for us and the generations to come.

We'll hear about the work of the multi-species herd, the improvement of the soil, forest, wildlife, and of course, the watershed, all of which translates into a better quality of life for rural areas. You'll be able to witness how a small group from the US, calling themselves "Amigos de Chapa de Mota," have truly helped us with good quality Rambouillet ewes and rams from the northern state of Durango, Mexico. We want you to see, first-hand, the strategies used to improve animal impact, herd effect, and the way in which this is beneficial for mistreated forests.

But of course, none of these things shall take place, unless you commit yourselves to attending. The arrangements shall bear some similarities to the L. O. ranch gathering, yet it will be more austere, more fun—you will get to know the needs and charms of rural Mexico with all its needs and inequalities. Old México.

You'll hear about the efforts being made by the Mexican government to train Certified Educators in Holistic Management and the efforts being made by the Fundación with the Savory Center's support towards that end; as well as, the efforts being made by the National Autonomous University of Mexico to continue working at our Agroforestry Center at Chapa de Mota. This will create a reference point in the middle of rural Mexico. A hands-on and feet-

upon-the-soil demonstration of what can be done in alternative forms of production in order to make a decent living from the land, while at the same time produce food while in harmony with nature.

We are concerned about the imbalances we see today in our society—in which a few people grow richer everyday while most others appear condemned to grow poorer—imbalances that persist as long as we perpetuate erroneous forms of livestock production and farming practices. Practices that increasingly impoverish soils, cause biodiversity and soil fertility loss, and jeopardize the ability of the watersheds to supply enough water to cities and towns and agriculture.

Our Center has only 600 acres of forestland, grassland and farmland; acres which had deteriorated after years of malpractice; yet in the last 6 years, we have been able to maintain 100 standard animal units of the five-animal species. We have improved the soil, we have produced: kids, lambs, calves, honey, cheese, sausage, wool blankets, and harvest wood to make charcoal, as well as rain water for our animal's needs. And we are beginning to make an impression on people's minds throughout the region, since we belong to the local Union of Forest Farmers.

Nevertheless, your presence this December 2004 is very important to give witness—to farmers, university people, students and government officials—that we proudly belong to a worldwide movement aimed towards the "Health of the Land"—that we recognize Allan Savory's ability and genius for developing a valuable decision-making model; and that if we are consistent and professional in its application, will continue to help people in many parts of the world to reconcile with the land, achieve a better quality of life, and create a better future resource base for our children and grandchildren."

We are interested in supporting this event with lots of Aussies and Kiwis. We are seeking expressions of interest from anyone interested in attending this function - and also taking in a tour through parts of Mexico. **There are some outstanding early adopters of Holistic Management in Mexico.**

Please let me know immediately if you are interested - and let's see what we can put together. Manuel is one of the most interesting and dedicated people in the Holistic Management movement, and is currently a Director of the Savory Center in Albuquerque.

Hollie Jackes Memorial Scholarship

Less than a year ago one of the most vivacious young women I ever knew succumbed to mental illness. This was so unexpected, as she had seen her task in life as helping people deal with this illness, and her PhD. research was focused on assisting rural communities deal with this affliction. The University of Queensland has funded and is supporting the continuation of Hollie's work, which is a project known as Mental Health First Aid www.mhfa.com.au The project is run through the Australian National University.

Recently the Australian Foundation for Mental Health Research announced the Hollie Jackes Memorial Scholarship, providing scholarships for local people to train to run community courses, particularly in rural areas, where they can provide information about - and strategies - for coping and dealing with mental health. Donations over \$2 are tax deductible.

A memorial page for Hollie can be found at the Foundation's website: www.anu.edu.au/cmhr/foundation Click on the 'In Memorium' tab along the top, and then click on Hollie's name on the Memorial Wall.

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3. Systems theory

In the long run, it seems all businesses 'fail' - some quicker than others. Think how many of the so called 'Blue Chip' companies on the stock exchange 20 years ago still exist today. I am not sure of the number, but it is not many, I know that. Why does this happen?

Modern systems theory tells us that there are three kind of systems - 'hard', 'natural' and 'soft'. Hard systems are an artefact of the human mind - a computer, a watch, a car etc. They are *complicated*, are created by specialist human beings, and rely on those humans for their on-going function. Natural systems include all living organisms, as well as 'stable' communities of those organisms such as a coral reef, a rain forest, and of course the animal maintained range-lands that once existed in most of the brittle tending environments of the world. These natural systems are *complex* rather than complicated, a critically important distinction.

Soft systems are organisations of humans - such as tribes, governments, bureaucracies, social organisations and businesses. Both natural systems and soft systems are self organising and adaptive. That is, they naturally respond to outside influences and reorganise themselves in such a way that the whole is maintained. In the event that the outside influence is too great,

there may be death of wholes within the larger whole, but the larger whole continues on, adapted but still existing! Hence, natural systems are both dynamic and stable at the same time, depending on which greater or lesser whole you are observing at the time.

Here is the interesting part. When hard systems fail, the problems that emerge are known as *tame* problems, ie they are relatively easy to fix, and fixing them produces predictable outcomes. But in both natural and soft systems the problems that may appear, known as *emergent properties*, are termed *wicked* problems. The term 'wicked' is not used to make a moral judgement, but to emphasise the severity and difficulty of overcoming these problems. Think about one of the problems the Australian government is struggling with - salinity. Despite all the rhetoric, I suspect that deep in their minds the Government knows they are not yet addressing the real cause of the problem.

In their recent book, *Gaian Democracies*, Roy Madron and John Jopling describe the main features of wicked problems in soft (and natural) systems:

- There is no definitive statement of the problem because it is embedded in an evolving set of interlocking issues and constraints
- You only begin to understand the problem when you have developed and tested an interim solution
- There are many people who care about, or have something at stake in, how the problem is resolved. **This makes the problem solving process fundamentally social rather than technical (BLW emphasis)**
- Because there is no objectively 'right' answer¹, what is important is that the people involved work out and accept whatever solution looks most promising
- The constraints on the solution, such as limited resources and political ramifications, change over time. The constraints change ultimately because we live in a rapidly changing world. Operationally they change because many constraints are generated by the people involved, who come and go, change their minds, fail to communicate or otherwise change the rules by which the problem must be solved
- Since there is no objective version of the problem, there is no definitive solution
- The problem-solving process ends when you run out of time, money, energy or some other resource-not when some perfect solution emerges

Apart from the emergent problems we see in agriculture - the predominant reader base of this newsletter, there are fascinating business examples. Here I am talking about business failures or disruptions that are not the result of illegal activities such as those that apparently caused the end of HIH Insurance, but true emergent properties: AMP losing \$5.45bn of shareholder

capital in its UK expansion, NAB losing +\$4.00bn of shareholder capital through its Homeside acquisition in the USA, or Southcorp's recent loss of more than \$900m of shareholder capital following its acquisition of Rosemount Wines. I doubt that the directors of any of these companies set out to achieve these results, and when the rot set in, they clearly did not know what to do to fix it quickly.

The Southcorp story is intriguing. A recent *Australian Financial Review* story, 'Blood on the Vine' describes how both Southcorp and Rosemount had substantial infrastructure in the US, the major export market for each. By law, each state in the US must have its own importer (a hangover from the prohibition days). Clearly the merged company no longer needed all the existing importers, but at the time they disenfranchised 50% of their US importer base, were unaware of new arrangements to expand the Yellowtail brand of Australian wine in in the US. Yellowtail was struggling to sell 25,000 cases per year, when suddenly they were handed the benefit of a massive importer base, angry with Southcorp and looking to 'get even'. The new marriages have worked to the tune of millions of cases of Yellowtail a year now, each at the expense of Southcorp.

Soon after ripples became evident in the UK. The price of Australian wine came under pressure, leading to lost sales there as well. Quickly the pipeline was full all the way back to Australia, where the two angels in the local retail game, Coles and Woolworths enjoyed the experience of a continuing Dutch auction, pushing the price of almost all Australian produced wine lower. Check the prices in your bottle shop if you are not clear on this. The whole Australian wine industry is now in turmoil as a result of the decision to merge two companies, and one of the many emergent properties is that market power has probably permanently moved into the hands of two players, much like they did to the dairy industry! Emergent properties!!

Have a think about examples of emergent properties in your business. I am sure they are there.

Perhaps these example will assist people more clearly see why it is so important they move away from calling themselves a 'farmer', a 'wheat producer', or whatever, and focus instead on 'producing their holistic goal'. So far, Holistic Management• is the only process I can find that actively plans for - and has mechanisms (the feedback loop) to deal with the wicked emergent properties that will inevitably occur. Business complexity ensues they are unavoidable over time. When they occur, don't blame Holistic Management• , blame the "system" you are in, and be thankful you have a process for dealing with them. Most people in this world don't yet have that luxury.

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4. Update your Diary

Support Groups - can you let both ourselves and Ann Hodgens, editor of HDMA's 'Impact' know of your dates, so we can each let others know.

Scone support group March 18 at Elmswood, Gundy
NZ Lochaber Group May 5 -7, Gimmermore, Hawea Flat

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Coaching and policy

Policies are used to either solve an existing problem, or to avoid a future problem. They apply in every aspect of life, and are not a government domain. In fact, not surprisingly it is in that field they are most distorted!

Recently we have worked with people who are developing policies covering: Relocation of their business; managing inter-generational transfer of land; considering bush fire management in a private area of land that engages considerable public interest; assisting landowners involved in a catchment development; planning development of a potential off-property investment; determining a bull management program in a very large herd; and dealing with disposal of land under a government program.

What problem do you face? What problem you want to avoid? The Holistic Management[®] policy mode is an invaluable tool in addressing most issues. Give us a call.

Email blward@holisticresults.com.au to discuss your coaching time.

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5. Books and Materials you can use

"The Unconscious Civilisation"
John Ralston Saul

Saul argues that Western civilisation is a society addicted to ideologies. At the present time it has been hijacked by and become addicted to 'corporatism'.

He writes, "The acceptance of corporatism causes us to deny and undermine the legitimacy of the individual as citizen in a democracy. The result of such a denial is a growing imbalance which leads to our adoration of self-interest and our denial of the public good. Corporatism is an ideology which claims rationality as its central quality. The overall effects on the individual are are passivity and conformity in those areas which matter and non-conformism in

those which don't".

Saul argues that knowledge has not made us more conscious, and that we have sought refuge in a world of illusion, where language is cut off from reality. His book sets out, and does a remarkable job in aiding us reconnect our language to reality, to clarify the meaning of individualism and democracy - and to make those realities central to the citizen's life.

It is difficult to summarise the power of this book, written by one of our great contemporary thinkers. It takes some digesting, but you will be a much wiser and aware citizen for your efforts. Highly recommend.

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6. Quotes that mean something

'The thing always happens that you really believe in; and the belief in a thing makes it happen.'

--Frank Lloyd Wright

"Managerial language rarely evokes the physical world, another reason there is no life in it."

-- Don Watson, 'Death Sentence'

"Home is where the herd is"

-- Doug Paton

"Being challenged in life is inevitable. Being defeated is optional."

--Roger Crawford

"One sees great things from the valley; only small things from the peak."

--Gilbert K. Chesterton

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7. Joke

Our thanks this time to Jenny Watters, of Meekatharra, WA.

The Flower Show

Two old ladies were sitting on a park bench outside the local town hall where a flower show was in progress. One leaned over and said, "Life is so damned boring. We never have any fun anymore. For \$5.00, I'd take my clothes off and streak through that stupid flower show!"

"You're on!" said the old lady, holding up a \$5.00 bill.

As fast as she could, the first little old lady fumbled her way out of her clothes and, completely naked, streaked through the front door of the flower show. Waiting outside, her friend soon heard a huge commotion inside the hall, followed by loud applause. The naked lady burst out through the door surrounded by a cheering crowd.

"What happened?" asked her waiting friend.
"I won 1st prize as Best Dried Arrangement."

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Regards

Bruce Ward