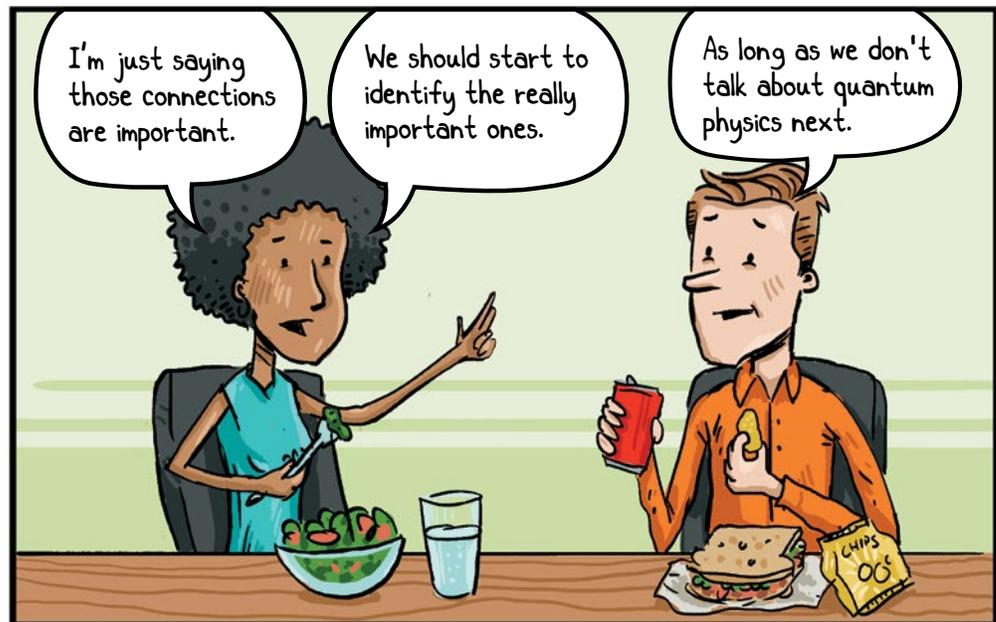


What Is A System (And How Does It Influence Who Wins and Loses)?

MODULE 2



Systems, systems thinking, systems-oriented . . . enough already! What the heck is a system anyway? Find out how understanding it can help your partnership or organization achieve its goals.

What Is a System (And How Does It Influence Who Wins and Loses)?

In this workbook, we often refer to systems. But what does “system” really mean?

A system at its most basic level is a set of interacting or interrelated parts with a specific purpose. We are all a part of a number of different systems. Our families, faith-based groups, and the organizations we work and volunteer for are all systems. Our bodies have systems. Our communities have numerous systems, such as the criminal justice system and educational system.

In health, talking about *systems* is particularly tricky because many people, when they say “health systems,” are actually referring to health *delivery* systems, which are comprised of hospitals, providers, and sometimes payers. In this workbook, you can be sure any reference to a *system* refers to the *health ecosystem*. Remember, health is a function of numerous conditions: employment, education, housing, neighborhoods, and social connections to name a few. All of these variables—and the interrelated stakeholders, multisector partnerships, and organizations associated with them—make up your region’s health ecosystem.

Why does a system matter?

The answer, simply put: impact.

Have you ever tried something—an intervention or other action—only to have it play out in ways you didn’t anticipate? (“I didn’t think that would happen!”) That’s actually a well-known systems phenomenon called “fixes that fail.” These sorts of failures can be avoided, but they happen when your solution doesn’t consider the whole system and all of its interacting parts.

Think of a system like a set of gears. Each gear represents a separate stakeholder in your system. As your work enters the system, some of the gears might be able to keep turning as they normally do, but your work might impair another gear—causing a backup, damaging the gear in some way, or even bringing part of the system to a complete stop. By exploring the connections, relationships, and motivations in your system, you can better understand how your work impacts the gears—or stakeholders—in positive and negative ways and how to design your work to address those impacts. This is an important early step to transformational change.



Think of a system like a set of gears.





Gaining insight

Studying systems—often called “systems thinking” or “systems dynamics”—can get highly complex and technical. There are, however, some simple ways to dip your toe into the system waters and begin to gain awareness of and explore the system you want to transform. This module will guide you through two exercises, each giving you a different kind of systemic insight.

The first worksheet, “Exploring Your System,” on pages 5-7 helps you identify key stakeholders in your system and think very generally about the impact those connections have on your work and theirs.

The second worksheet, “Considering Costs and Benefits,” on pages 9-12 asks you to consider a specific intervention and guides you through a process to understand how that particular intervention impacts stakeholders in your system—both positively and negatively.

These worksheets are best done with a group of people who represent the key players in your system. You might convene a handful of stakeholders and walk through the worksheets as a group, or you might just work with your own staff or board. *The more people participating in the completion of these worksheets, the more insightful the results will be.* Whoever you assemble, however, keep in mind that the work doesn’t have to be perfect. Just give it a go, view the results as a work-in-progress, and revisit them occasionally or share the results with different stakeholders and get their feedback.

What to Expect from the “Exploring Your System” Worksheet

The first step in understanding your system is simply identifying stakeholder connections, and the “Exploring Your System” worksheet steps you through a process to do that. Identifying the connections allows you to understand a number of important variables, including: (1) which stakeholders are a part of your system, (2) how the work of the various stakeholders ripples out across the system, and (3) how money flows between stakeholders.

The discussion questions at the end of the worksheet help you analyze your diagram. Pay particular attention to Question 4, which asks you to consider financial linkages. These can be harder to identify, but it is almost certain that your partnership’s financial well-being is connected in very meaningful ways to other stakeholders in the system, be they funders, insurers, providers, or others.

[Click here](#) to jump to the “Exploring Your System” worksheet (digital version) or turn to page 4 (print version).

“ It is almost certain that your partnership’s financial well-being is connected in very meaningful ways to other stakeholders in the system.

What to Expect from the “Considering Costs and Benefits” Worksheet

Change can be hard because it’s often not a win-win proposition: some will “win,” others will “lose.” Sometimes those impacts are clear; other times there are unintended or overlooked consequences. Understanding your system can help you sort through potential impacts.

The “Considering Costs and Benefits” worksheet will help you apply that logic to a specific intervention you have in mind. You could do this exercise for any part of your work that has any kind of impact, such as a capital project or your integrative activities, but for simplicity’s sake these directions will focus on an intervention.

When trying to create change within your system, it is important to collaborate with many system stakeholders to think through—at that detailed intervention level—how the change is likely to impact them (including stakeholders who might not be a part of your conversations and decision-making). Often, this means sorting

through elements of stakeholders' interests by asking questions such as: What issues and outcomes do they care about? How do they deliver their services? How do they make money or generate a profit? How will the proposed change show up in their work? How will their work show up in the proposed change?

Analyzing the impacts at the intervention level also helps you spot opportunities and potential partners because you can see where interests align and where conflict lurks. In the sugary drinks tax example, there will be tax revenue. How might that revenue be divvied up to mitigate any negative impacts? Who might gain from how the money is spent?

While fully exploring those interests—and norms and barriers to change—takes time, you can identify the elements that are most pressing to your work. The “Considering Costs and Benefits” worksheet will walk you through a process of analyzing the impact your interventions have on key stakeholders—i.e., the degree to which each “wins” or “loses” in a given intervention.

Two important considerations in this worksheet:

1. As you think about stakeholders, **pay attention to time horizon.** Sometimes the winners and losers can change over time. One party might appear to get the short end of the stick in the short run, but as time goes by they might see overall benefits. For example, bars and restaurants often lose revenue immediately after a smoke-free ordinance takes effect, but studies have shown that—over the long-term—their customers and revenue will increase.
2. **Pay attention to perception versus reality.** When possible, study actual effects by looking at other regions that engaged in similar activities or exploring data. Many times, people will offer up what they perceive to be the positive or negative impacts. Constructive conversations can help separate reality from perception.

The insights gained from completing this worksheet will allow you to optimize the design of your intervention, and open up new possibilities and questions to explore with key stakeholders. A well-designed intervention will ultimately yield better results and greater impact.

[Click here](#) to jump to the “Considering Costs and Benefits” worksheet (digital version) or turn to page 7 (print version).



BEYOND THE Grant TIP

Imagine you're planning to advocate for a sugar-sweetened beverage tax in your region and, in the planning stage, you see that local retailers might be negatively impacted by a decrease in their sales of sugary drinks. Since you are in the planning phase, you have options. For one, you can invite the local retailers to the table to explore how best to alleviate the negative impacts—perhaps, for example, you could plan for the tax to be phased in or you could develop materials to help retailers explain the tax to their customers.



WORKSHEET

Exploring Your System

MODULE 2

OBJECTIVE: To understand what a health ecosystem is and how stakeholders in that system impact one another, including financial connections.

TIME: 20-30 minutes (or more if you'd like)

MATERIALS:

- One copy of this worksheet (for leading the discussion)
- Flip chart or white board
- Markers

PARTICIPANTS: *The more stakeholders that participate in this worksheet, the more insightful your diagram will be, so assemble as many members of your multisector partnership or organizational stakeholders as possible; try to get a good sampling of perspectives/sectors.*

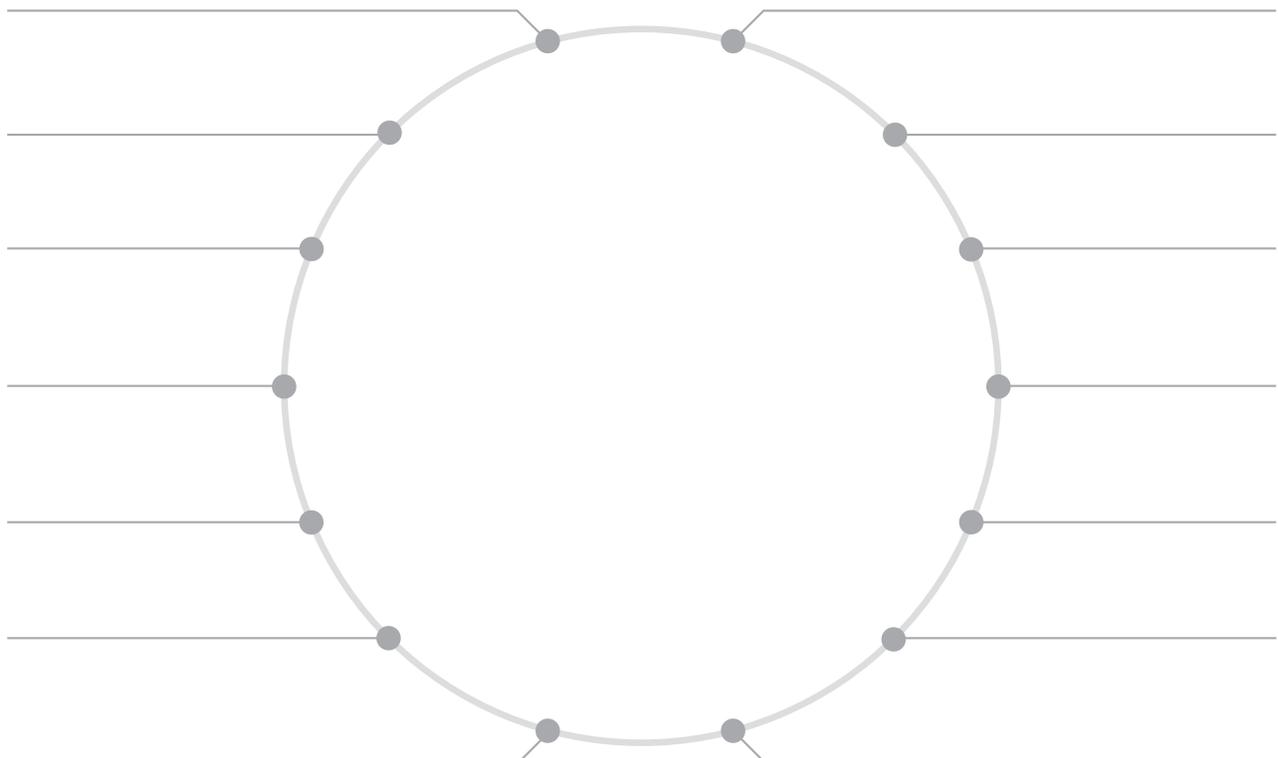
A note before starting

While you've been asked to think about a specific intervention as you step through this workbook, for this worksheet you should think generally about all of the activities in which your partnership or organization is engaged. You need to think broadly in this exercise, and getting too specific in this worksheet will actually limit your ability to do that.

STEP 1

On a white board or flip chart paper, draw a large circle, as shown in Figure 1. Ask each participant to write the name of their organization on the periphery.

Figure 1.

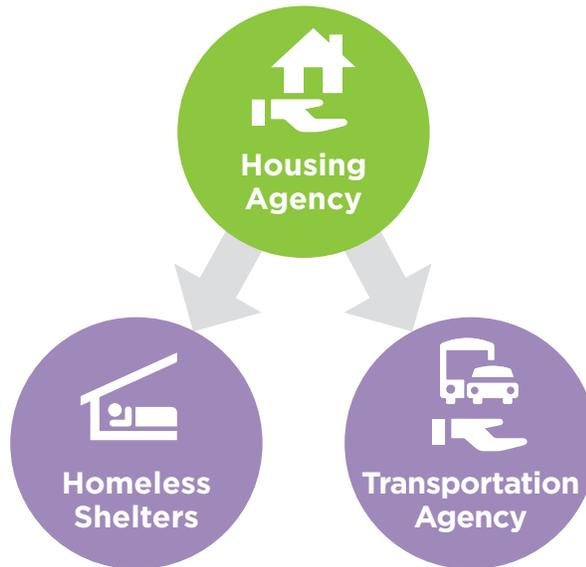


STEP 2

Ask each stakeholder to identify two other organizations represented on the circle whose decisions impact their work. (Examples: a lack of chemical dependency treatment in prison means more emergency department visits for my hospital, the local government's underinvestment in public transportation means less preventive care provided in local clinics, etc.).

On the circle, ask each stakeholder to draw a line between themselves and the other two organizations they identified.

FOR EXAMPLE



STEP 3

Once everyone has completed Step 2, go around the table again, but reverse the direction of the impact by asking each stakeholder to identify two organizations whose work is impacted by that stakeholder.

Ask each stakeholder to draw a line across the circle between themselves and the other two organizations they identified.

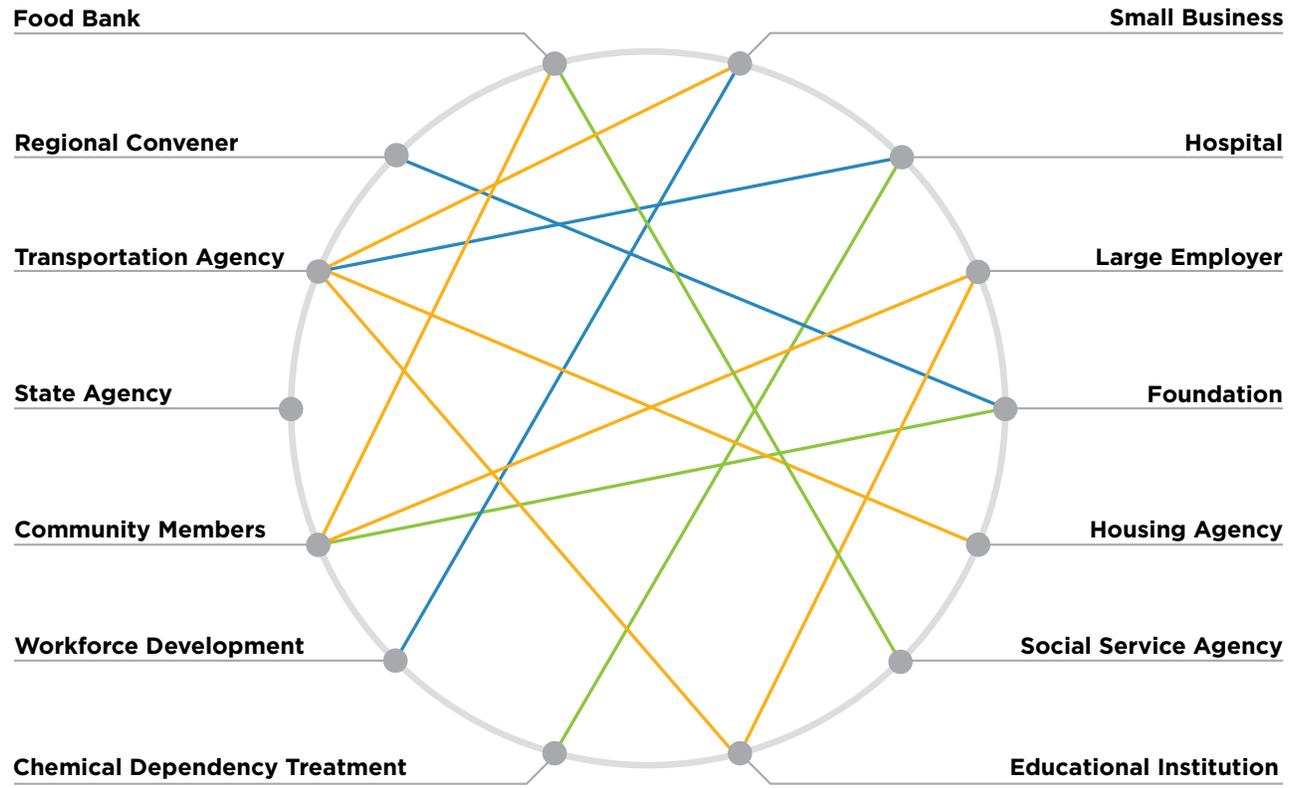
FOR EXAMPLE





Figure 2 below is an example of how your diagram may look after you finish this step. (The names provided are just examples; your diagram should have the names of specific organizations when possible.)

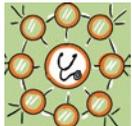
Figure 2.



STEP 4

As a group, look at the resulting diagram and discuss the following questions:

1. What sort of picture emerges? Do some organizations have more connections than others? If so, why is that? Are there any surprises?
2. Beyond the four connections (two in each direction) each participant already provided, what other critical connections may be missing?
3. Does the diagram suggest any important areas for alignment of interests? If so, what are those areas?
4. How are the identified organizations linked financially? What are the implications of those linkages? (For example, perhaps a multisector partnership improves the health of the community and reduces admissions to a local hospital. This would be an important financial connection.)



WORKSHEET

Considering Costs and Benefits

OBJECTIVE: To understand the impact specific interventions will have on other stakeholders within the system.

TIME: 60-90 minutes.

MATERIALS:

- Poker chips or similar tokens in two different colors (preferably red and blue), ten chips of each color for each participant
- Printed version of Sheets 1 and 2 on tabloid (11" x 17") paper

PARTICIPANTS: A group of people who represent the key players in your system. You might convene a handful of stakeholders and walk through the worksheets as a group, or you might just work with your own staff or board. The more people participating in the completion of these worksheets, the more insightful the results will be.

STEP 1

Give each member of your group 20 chips—10 red, 10 blue.

STEP 2

Ask the group to identify an intervention to explore for this exercise. This can be work your multisector partnership or organization is considering, or is in the early stages of planning. Write the intervention's name and/or a short project description in the space provided at the top of Sheet 1. We use the example of an intervention here, but you could use this exercise to consider the costs and benefits of any other aspect of your work.

STEP 3

Across the top of Sheet 1, in columns C-J, list up to eight stakeholders who will be impacted by this intervention. (Stakeholder 1, Stakeholder 2, etc.). These stakeholders can be active partners, but they can also be external stakeholders.

STEP 4

Together, make a list of the intervention's benefits. These do not have to be actual monetary benefits (e.g., increasing your partnership's public profile). Write those benefits in Column A.

STEP 5

Have each group member allocate their 10 blue chips to each benefit by placing them in Column B, according to how impactful they believe each benefit to be. There's no rule regarding how group members should allocate their chips—they can be spread across several boxes or placed all in one. Discuss as a group whether this allocation, as represented by the total chips in the various boxes, seems reasonable. Discuss and make any changes if you'd like. Reach consensus on a final allocation.



Pay attention to perception versus reality. When possible, study actual effects by exploring data and looking at other regions engaged in similar activities.



STEP 6

Once all of the chips are in Column B, discuss as a group how to allocate them across each corresponding row among the stakeholders.

For example, if group members have placed 15 blue chips in total on a benefit called “increased profile for partnership,” decide as a group the extent to which the various stakeholders are impacted by this benefit and allocate the 15 chips accordingly. Again, chips can be allocated to one stakeholder or spread across any number of them.

STEP 7

Now turn your attention to Sheet 2. Identify any burdens, costs, or negative consequences and list them in Column A.

STEP 8

Repeat Step 5, this time allocating the 10 red chips in Column B among the costs you just listed.

STEP 9

On the bottom of Sheet 1, enter the total benefits for each stakeholder in the Totals row. Then, go to Sheet 2 and enter the total costs for each stakeholder in the Totals row there. Now copy the totals from Sheet 1 into the Sheet 1 Totals row on Sheet 2. Finally, subtract the Sheet 2 totals from the Sheet 1 totals to fill in the Net Benefits/Costs row on Sheet 2.

Look over the outcomes, as shown in the Net Benefits/Costs row. As a group, discuss:

- Who are the big winners? Losers?
- Is the outcome what you expected?
- Is there an outcome you'd prefer?
- What, if anything, could move you closer to your preferred outcome?

Learn more at ReThinkHealth.org/FinancingWorkbook and contact us with questions and comments at ThinkWithUs@ReThinkHealth.org.

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Table 1: Benefits

COLUMN A Benefits/Positive Consequences (+)	COLUMN B Total Allocation	Columns C-J: Stakeholders							
		Stakeholder 1	Stakeholder 2	Stakeholder 3	Stakeholder 4	Stakeholder 5	Stakeholder 6	Stakeholder 7	Stakeholder 8
1									
2									
3									
4									
5									
Total									



Initiative Name:

Short Description:

Print on Tabloid (11x17) Paper.

Table 2: Costs

COLUMN A Costs/Negative Consequences (-)	COLUMN B Total Allocation	Columns C-J: Stakeholders							
		Stakeholder 1	Stakeholder 2	Stakeholder 3	Stakeholder 4	Stakeholder 5	Stakeholder 6	Stakeholder 7	Stakeholder 8
1									
2									
3									
4									
5									
Totals									
Sheet 1 Totals									
Net Benefits/Burdens (benefits minus burdens)									

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