

# System Dynamics Society Presidential Address

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It is a great honor and a privilege to address you today as the President of the System Dynamics Society. I would like to present to you the state of our society, its current activities, plans, and likely future<sup>2</sup>.

I believe that we are in the business of thinking about change and trying to understand change. Our society is in the middle of a transition, the most important transition since its inception in the middle of the 1980s. We have been working hard on this transition and we know that, although it is necessary, this transformation is not easy. This transition has not been easy since it started. The transition requires a tremendous amount of work, creativity, determination, and resources, a lot of resources. Thankfully, our society has enough resources and is in a very good position to transform itself into a more professional and sustainable organization going forward. As we go through this transition, I would like to ask the officers and the membership, all of you, to continue all the dedicated, detailed, and tireless work that you are doing to ensure the future of our society and the success of its quest to improve and expand the field of System Dynamics.

As part of this purposeful transformation, I would like to ask everyone in our society to reflect on how best to improve our organization and how to include specific, appropriate actions to help our society flourish into the future. Only with your input, and your commitment and your effort, our society will flourish.

The transition process has amplified the need to clarify and explicitly define what type of professional association, or society, we want to become. We know that we have been examining this issue for many years, but this transition process has forced us to focus on clarifying this more than before. Each one of our society's members—every one of you—has a say in this decision. You have the opportunity, and responsibility, to shape the future of our society. Our society counts on your help much more than ever before. I am very happy to report that many people have approached me since I started my term as President, and in this conference, providing input and ideas about how to do this. Collectively, we must ponder the benefits and drawbacks of the different types of society that we can aim to become going forward—from a relatively small, niche-type organization to a large broad-based big-tent type, and many options in between. Each of these options has different implications in terms of inclusivity, size, values, the emphasis on the things that we do, our strategy, and our day-to-day actions, among many other things. We need to clarify the tradeoffs among the different options and be very thoughtful about such choices. However, as I said, this search for identity is not new.

For example, Rogelio Oliva, in his 2010 Presidential address, recognized this problem. Specifically, Oliva talked about the low visibility of the field and the existence of multiple constituencies that give rise to the need to clarify the type of society that we are and the one that we want to become. David Lane, in his 2011 presidential address, wrote “The key question for us is, where are we trying to get to? Let us talk about it. It is a task that confronts us.” Furthermore, Dave Ford in 2012, followed by Kim Warren in 2013, got us started in a strategic search which included a vision for the field. Ford and Warren clarified parts of the vision and said that “System Dynamics will transform society by making improvements to decision making in government, commerce, and other organizations globally.” This is a tall order, and it is only a little piece of all that our society aims to be. There is more to it. When Ford and Warren wrote that, it seemed like a huge mandate. Warren, in his presidential address, recognized that many people may be skeptical and think that such a statement would be considered overreaching and unrealistic, but also explained why it was achievable. That was back in 2013. I completely agree with him. It was a powerful call for action. Today, I would like to update that call for action.

During numerous conversations about the choices that we have as a society going forward, I learned that many people use the phrases *system dynamics society* and *system dynamics field* interchangeably. While doing so is appropriate in many cases, it is not completely useful, particularly in terms of the transition that we are leading right now. Using these two terms interchangeably prevents us from clarifying certain aspects of the type of organization that we want to become. Ed Anderson, in his 2014 Presidential address, very clearly distinguished *the society* from *the field*. I am in fervent agreement with him and would like to emphasize the same right now: that *system dynamics society* and the *system dynamics field* are two distinct entities that we need to consider.

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<sup>2</sup> The text here is based on the talk delivered at the 2018 Iceland conference.

The transition that we are currently experiencing is a very rare event in the life of our society. As I said before, the life of our society is not the same as the life of the field. And following on Anderson's idea, the society is distinct and apart from the field. We want to figure out how it is that we are interacting with the field and how we are helping the field (see Figure 1). The system dynamics society represents a subset of the system dynamics field which, in turn, is a subset of larger fields (e.g., the operations research field). During the transition, and in general, it will be very useful to make sure that we understand and clarify if we are talking about the system dynamics society or about the system dynamics field.

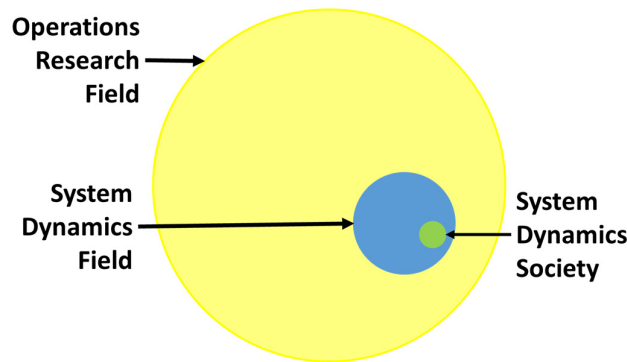


Figure 1.- System Dynamics Society and System Dynamics Field in Perspective.

As Homer and Richardson recognized in 2017, it is almost impossible to know certain things about the system dynamics field. However, what is happening in the system dynamics society can be used as proxy for what is going on in the field. Homer and Richardson did just that in their paper. One thing that we do know is that our society has been experiencing growth over time. However, starting in about 2007, we clearly see that the total number of members has stabilized, a fact that is neither good nor bad. It is something that the system dynamics society is experiencing. One interesting distinction that they make, and I want to emphasize that distinction here with you, is that two subgroups emerge out of the total membership, one that they termed “veterans” (members that have more than five years in our society) and another one termed “non-veterans” (members that have fewer than five years in our society). Starting in 2008, membership of veterans follows an increasing trend while that of non-veterans is experiencing a decline. We need to figure out why that is happening and what we need to do about it. Particularly the idea that veterans are increasing relative to others; we can see evidence of that in this meeting. We are growing old within our society, and we need to figure out what to do about it. Although Deming said, “it is not necessary to change, survival is not mandatory,” we believe we must change, and we are doing something about it. We are committed to not only surviving as a society but to thriving as well.

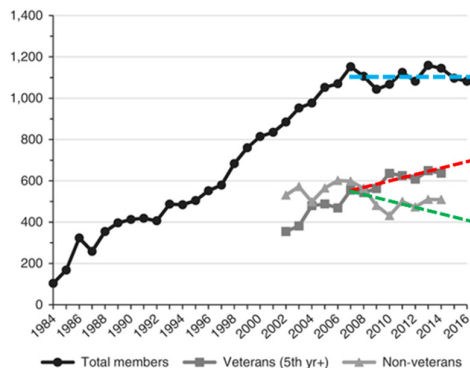


Figure 2.-On the Growth of the System Dynamics Field.<sup>3</sup>

<sup>3</sup> Modified from Homer JB, Richardson GP. 2017. On the growth of the system dynamics field. *System Dynamics Review*, **33**, 336-346.

We are engaging in new activities. As part of this transition, we are thinking about new issues. We want to accomplish more things. We want to incorporate new ideas. We want to incorporate new processes. We want to incorporate new people. We have been thinking about new governance mechanisms. We have engaged in many conversations about how to implement new governance in our society. We want a new type of communication with the membership and with other organizations that think like us. In general, we are thinking about new structures because, as system dynamicists, we understand that structure determines behavior.

To think about all the new ideas, the Policy Council has tapped into society resources, volunteer leaders, members, and our new partners CHMS—Capital Health Management Services—to develop actions and to continue making progress into completing the ongoing transition process. Creating new processes will position us in the right place to make sure that the operations are unparalleled, uninterrupted, and continuously improved going forward. To get to where we are now has taken a tremendous amount of work. I would like to recognize all the volunteer officers who have contributed to making this transformation a reality. The transformation started during the presidency of Etienne Rouwette in 2016 and was continued by Len Malczynski in 2017. I would like to thank both, and the transition team, all of whom did amazing work that culminated in finding our new partners CHMS. CHMS provides for us a professional association management platform that we urgently need to fulfill our vision and mission going forward. I would like to acknowledge the hard work of the transition team, David Andersen, Elliot Rich, and Roberta Spencer. As you all know, part of the transition process included finding a new executive director for our society.

Our executive director search team worked tirelessly for many months, first to understand the job of the executive director and to create an accurate and useful job description, then to find the right people to interview, select candidates, deliberate about the options found, culminating with the recommendation to hire Dr. Mark Nelson, our next Executive Director. I would like to acknowledge the efforts of the members of the committee, including Don Greer, John Pastor Ansah, John Richardson, Birgit Kopainsky, Etienne Rouwette, Hyunjung Kim, Len Malczynski, and Peter Hoffman. This committee consolidated a key decision process that is going to be used to drive the future of this society going forward. Thanks again.

I believe that the decision to partner with CHMS and Dr. Mark Nelson has already enabled us to continue accomplishing our goals, set new ambitious ones, and be on the road to flourishing in the best possible way. Starting September 1st, the new team will focus on tasks to complete the transition process, improve operating procedures, and, particularly, increase transparency in all aspects of operations. Increased transparency will allow us to increase accountability and will improve operations. It will also allow us to be more competitive in the more demanding fiscal and legal environment that we are facing in the non-for-profit world in the United States. Above all that, increasing transparency is the right thing to do.

Completing the transition will be done without discarding tradition. Of course. We do not want to throw away anything that works well; we have many things that work well in our society. Particularly, we will continue with the strategy work under development by the strategy committee led by Kim Warren implementing initiatives already identified and documented in several reports to the Policy Council of our System Dynamics Society. Some of the initiatives are already implemented. For example, we already have AVP Marketing and AVP Professional Practice in place.

Some people think that there is a tension between transition and tradition. This is not true. We do not want to discontinue effective activities only because there are new things that can be tried. No, we do want to do new things when it makes sense, but we want to continue doing the things that we are doing if these are effective and efficient.

We will continue working to implement the set of initiatives identified by the Strategy Committee in 2013 and we will continue to improve the set. We have a lot of work to do. It seems that the pending work is going to take a lot of effort. We need to figure out how we are going to do it. We need to be very conscious and deliberate about it. We need additional ideas; we need additional effort; and we need additional commitment from all members of our society. We need your help in figuring things out. We need your help in understanding how to accomplish the activities that we need accomplished. We need your commitment to get involved.

The system dynamics society, our society, is a volunteer-based organization that is commanded by the membership. Every single one of you influences what happens here. This is your society, and it is your input and point of view that matters. The initiatives under development were designed and defined by volunteer leaders, like you, over many years. These are the best initiatives that our society can come up with at this time. However, the set of initiatives is not set on stone (see Figure 3). We want to continuously verify that the set is the best now and that it is the best going forward. We want to continuously make sure that the set serves both the current and future membership.

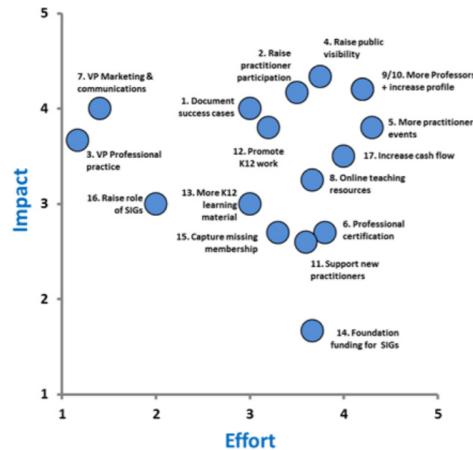


Figure 3.-Initiatives Identified by the Strategy Committee in 2013<sup>4</sup>.

The road ahead is stormy; we still have many challenges ahead of us. Our operating income in 2017 was negative (-\$141K), the net income for 2018 and 2019 are projected to be negative as well (-\$161K and -\$121K, respectively). Although our society has a healthy stock of cash that allows us to take care of these negative flows, we need to take decisive action with your commitment, creativity, and help. We need action.

Dear friends, this year has been incredibly taxing to accomplish the most important transition in the history of the System Dynamics Society. This year the transition will be completed. The System Dynamics Society will be operating 100% out of CHMS starting September 1, 2018. However, more work is needed. New activities are needed, and more transparency will allow us to become a better professional organization. The transition will allow us to be in a new place that we think is a better place with professionals that will allow us to be all that we want to be. The new activities planned, new people, and new ideas, will allow us to get to where we want to go. The transparency that we will implement will allow us to be all those things and will enable us to accomplish all the things that we want and need to accomplish. Most importantly, as I have mentioned today and as many have been discussing for quite some time, and as we heard from Peter Senge and Jorgen Randers this morning, first, we need to figure out where do we want to go, what type of society we want to become, and what is it that we want to do with our society.

It is my belief that the combination of the Transition work, the New activities planned, and the focus on Transparency (creating TNT), will lead to an explosive change that will produce an enormous amount of energy. We need to harness that energy to create the future that we imagine for our society. I am confident that together, we will achieve great results for our system dynamics society and for the system dynamics field.

Thank you all.

## References

Homer J.B., and G.P. Richardson. 2017. "On the growth of the system dynamics field." *System Dynamics Review*, **33**, 336-346.

<sup>4</sup> In items 14 and 16, "SIGs" refers to Special Interest Groups (see <https://systemdynamics.org/special-interest-groups/>).