Generative Conditions Audit

Companion to Catalyst Leadership | John Coné

Determine what must become true for the system to behave differently

The Ignition Point Finder helped you identify where to touch the system. Now comes a different question: What conditions would allow the system to behave differently there?

Leaders frequently jump from identifying a problem to designing a solution. We need better collaboration, so we create a team. We need knowledge to travel, so we install a platform. We need experimentation, so we create a new innovation process. We need faster decisions, so we delegate authority. Any of those may help.

But a Catalyst Leader first asks what must become true in the system for the desired behavior to occur—and continue occurring without the leader having to orchestrate it. That is the purpose of the Generative Conditions Audit.

BEGIN WITH YOUR IGNITION POINT

From the previous tool:

Our ignition point is:

If this condition changed, what would people, teams, technologies, or the larger system be able to do that they cannot reliably do now?

What would become possible that is not possible today?

Keep those answers in mind as you examine these seven conditions. Remember, you are not trying to maximize all seven conditions. You are trying to discover which few would make the greatest difference at this ignition point. Here are the seven conditions:

1. ENABLE RECOMBINATION

New capability rarely begins with entirely new ingredients. More often, existing knowledge, experience, perspectives, technologies, relationships, and ideas need to be combined in ways they have not been combined before.

Ask:

• What knowledge relevant to this ignition point already exists somewhere in the organization?

• What experience exists elsewhere that might be analogous rather than identical?

• Which people or groups see different pieces of the problem?

• What expertise rarely encounters other expertise it could complement?

• What could technology help find, connect, compare, or recombine?

• What external knowledge should enter the system?

• What organizational boundaries keep potentially useful ingredients apart?

• How important is greater recombination at this ignition point?

LOW 1 — 2 — 3 — 4 — 5 HIGH

What needs to connect that does not connect today?

What could become possible if it did?

2. MOVE INFORMATION TOWARD JUDGMENT

People cannot exercise good judgment with information they cannot see. Nor does giving people more information necessarily improve judgment. The question is whether relevant information reaches the place where judgment must occur, when it is useful, in a form that can be understood and acted upon.

Ask:

• Where is important judgment being exercised?

• What information does that judgment require?

• Who currently possesses it?

• What information arrives too late?

• What is filtered, summarized, or distorted as it moves?

• What information is available but difficult to interpret?

• What context exists at higher levels that could safely move closer to the work?

• Could technology surface relevant information at the moment of judgment rather than merely make more information available?

• How important is moving information toward judgment at this ignition point?

LOW 1 — 2 — 3 — 4 — 5 HIGH

What information needs to move?

_____

Toward whose—or what—judgment?

_____

What might change if it did?

3. MOVE AUTHORITY TOWARD DISCOVERY

If the answer is not known in advance, authority may need to reside closer to the place where the answer can be discovered. This does not mean eliminating control. It means examining whether authority is located where useful action can occur.

Ask:

• Who currently has authority to act?

• Who possesses the information and experience closest to the problem?

• What must be escalated?

• Why?

• Which decisions genuinely require centralized authority?

• Which could move closer to the work?

• What boundaries would make distributed authority responsible?

• Where should a person decide?

• Where might a technology or agent act?

• Where should human judgment remain decisive?

• Where might authority shift as evidence accumulates?

• How important is moving authority toward discovery at this ignition point?

LOW 1 — 2 — 3 — 4 — 5 HIGH

What authority might need to move?

_____

Toward whom or what?

_____

What boundaries must remain?

4. LEGITIMIZE INTELLIGENT UNCERTAINTY

A system cannot discover an unfamiliar answer if people are expected to behave as though the answer is already known. Catalyst Leadership does not celebrate uncertainty. It makes it legitimate to acknowledge uncertainty where uncertainty actually exists—and then to act intelligently within it.

Ask:

• Where are people pretending to know more than they do?

• What questions are difficult to raise?

• What assumptions have become difficult to challenge?

• Can someone say, “We don't know yet” without appearing weak or unprepared?

• What happens when someone surfaces contradictory evidence?

• Can people distinguish intelligent uncertainty from lack of preparation?

• Are there clear boundaries around what may be explored and what must remain consistent?

• Can people run bounded, reversible experiments?

• What happens when a well-designed experiment produces an unwanted result?

• How important is legitimizing intelligent uncertainty at this ignition point?

LOW 1 — 2 — 3 — 4 — 5 HIGH

What uncertainty needs to become discussable?

_____

What would make exploration responsible rather than reckless?

5. ACCELERATE EXPERIENCE INTO LEARNING

Experience does not guarantee learning. An organization can encounter the same kind of problem repeatedly and become only marginally better at dealing with it. The question is: How quickly and reliably does useful experience change what the system understands?

Ask:

• What experiences at this ignition point are worth learning from?

• How quickly are they examined?

• Who participates in making sense of them?

• Are assumptions examined or merely outcomes?

• Are successes studied as carefully as failures?

• Can people see why a decision produced the result it did?

• What experience is captured by technology but never converted into useful understanding?

• How could feedback become faster?

• How could learning occur closer to the experience that produced it?

• How important is accelerating experience into learning at this ignition point?

LOW 1 — 2 — 3 — 4 — 5 HIGH

Which experiences are we repeatedly having without learning enough from them?

How could the learning cycle become faster?

6. MAKE UNFINISHED KNOWLEDGE TRAVEL

• Organizations are often better at distributing finished answers than unfinished learning. But in unfamiliar situations, the most valuable knowledge may still be incomplete:

• A weak signal.

• A surprising result.

• A failed experiment.

• An unresolved question.

• A hypothesis.

• An anomaly.

• A partial solution.

• A pattern someone has begun to notice.

If knowledge must be complete before it travels, much of the information needed for discovery arrives too late.

Ask:

• What potentially useful learning is currently trapped?

• What do people know that others would benefit from knowing before the answer is complete?

• What questions should travel?

• What failures should travel?

• What anomalies should travel?

• Who would know that this information existed?

• How could they find it?

• Could technology make emerging knowledge discoverable without overwhelming people with noise?

• What norms would allow unfinished thinking to travel without being mistaken for established fact?

• How important is making unfinished knowledge travel at this ignition point?

LOW 1 — 2 — 3 — 4 — 5 HIGH

What unfinished knowledge should travel?

_____

To whom?

_____

What would allow it to travel without creating confusion?

7. REWARD CAPABILITY CREATION

Systems teach people what is valued through consequences. If people are rewarded only for today's output, they may rationally consume every problem rather than use some problems to build tomorrow's capability.

• Ask:

• What behavior does the current system reward?

• What does it punish?

• What receives recognition?

• What happens to someone who helps another team become more capable?

• Is there any benefit to making expertise less dependent upon oneself?

• Do leaders receive credit for developing judgment in others?

• Are people rewarded for sharing learning?

• Does the system recognize responsible experimentation?

• Do measures encourage short-term performance at the expense of capability creation?

• Where might performance and capability creation reinforce rather than compete with one another?

• How important is changing consequences at this ignition point?

LOW 1 — 2 — 3 — 4 — 5 HIGH

What behavior does the system need more of?

_____

What currently happens when people behave that way?

_____

What should happen?

LOOK ACROSS THE SEVEN CONDITIONS

Now step back.

DON'T ADD THE SCORES

This is not a maturity assessment. A condition rated 5 is not evidence that your organization is “bad” at it. The rating means only: Changing this condition appears particularly important at this ignition point. Look for the few conditions that could materially alter what the system is able and inclined to do.

FIND THE CONDITION SET

Generative conditions often reinforce one another. Moving authority without moving information may produce poor decisions. Moving information without authority may simply make people better informed about decisions they cannot make. Encouraging experimentation without legitimizing uncertainty may produce caution disguised as experimentation. Capturing learning without helping it travel may improve one team while leaving the larger system unchanged. Rewarding capability creation without creating opportunities to build capability may change little.

So do not automatically select the highest-rated condition and act on it alone. Ask instead: What is the smallest combination of conditions that could allow the system to behave differently?

CONDITION 1 _____

CONDITION 2 _____

CONDITION 3 — if necessary

_____

Why do these conditions need to work together?

ADD THE HUMAN–MACHINE QUESTION

Before designing the intervention, examine one more dimension. The generative system is not simply a human system. Increasingly, it is a human–machine system. For each condition you selected, ask: Where should sensing, judgment, authority, experimentation, and learning reside—in people, technologies or agents, or some combination—to maximize generative capability while maintaining accountability?

Where is human judgment indispensable?

_____

Where could technology increase speed, reach, memory, connection, or pattern recognition?

_____

Where could technology inadvertently create a new dependency or bottleneck?

_____

Where must accountability ultimately reside?

TEST THE CATALYST AND

Remember the Catalyst AND: we should not create generative capability by unnecessarily sacrificing today's performance.

Ask:

Can these conditions help the system deliver what is required today AND become increasingly capable of generating what will be required tomorrow?

What must we protect in today's performance?

_____

What must become more generative?

_____

Where might the two conflict?

_____

How could we design for both?

DEFINE THE CONDITIONS—NOT THE SOLUTION

Now describe what must become true without prematurely deciding how to make it happen.

Avoid:

We need an AI knowledge platform.

Prefer:

People facing unfamiliar customer decisions need to be able to find relevant experience and reasoning elsewhere in the organization at the moment judgment is required.

Avoid:

We need an innovation lab.

Prefer:

Teams need a safe way to test consequential assumptions quickly without exposing the larger system to unacceptable risk.

Avoid:

We need a manager-development program.

Prefer:

Managers need repeated opportunities to exercise unfamiliar judgment, receive rapid feedback, and learn from one another's decisions.

At our ignition point, these conditions must become true:

1. _____

2. _____

3. _____

ONLY NOW IS IT TIME TO CONSIDER INTERVENTIONS

For each condition, identify several possible ways to create it.

Do not stop at the first plausible solution.

Then ask:

Which intervention—or combination—could create the required conditions with the least unnecessary complexity?

_____

What could we test before committing to a larger change?

_____

How will we know whether the condition actually changed rather than merely whether we implemented the intervention?

_____

That last question is critical.

Implementation is not evidence that the condition changed.

THE GENERATIVE CONDITIONS AUDIT IN PRACTICE

Returning again to the regional pricing example.

The Ignition Point Finder identified:

Make distributed experience accessible at the moment unfamiliar judgment is required.

Now ask what conditions would make that possible.

ENABLE RECOMBINATION — 5

Relevant experience exists across regions, but managers rarely encounter experience outside their own networks.

Needed condition: Managers confronting unfamiliar cases must be able to connect their situation with analogous experience elsewhere.

MOVE INFORMATION TOWARD JUDGMENT — 5

Regional managers lack some of the enterprise context headquarters uses in making decisions.

Needed condition: Relevant enterprise context must become available at the point where regional judgment occurs.

MOVE AUTHORITY TOWARD DISCOVERY — 3

Formal authority has already moved substantially toward the regions.

Moving more authority alone probably will not solve the problem.

Needed condition: Existing authority needs to become more usable rather than merely broader.

LEGITIMIZE INTELLIGENT UNCERTAINTY — 4

Managers are formally authorized to decide but remain concerned about being second-guessed.

Needed condition: Managers need clear boundaries within which a reasonable decision made under uncertainty will be supported even when the outcome is imperfect.

ACCELERATE EXPERIENCE INTO LEARNING — 5

Each unusual pricing case creates potentially useful experience, but little is systematically learned from it.

Needed condition: Significant cases and their reasoning need to become learning inputs rather than completed transactions.

MAKE UNFINISHED KNOWLEDGE TRAVEL — 5

Managers may benefit from knowing that another region is encountering a similar situation even before either region has determined the answer.

Needed condition: Emerging cases, questions, and partial learning need to become discoverable across regions.

REWARD CAPABILITY CREATION — 3

Consequences matter, particularly the perceived risk of making an imperfect decision. But a major incentive redesign may not be required.

Needed condition: Leaders must reinforce responsible use of judgment rather than inadvertently reward escalation.

THE CONDITION SET

Several conditions are significant, but they can be reduced to three mutually reinforcing requirements:

1. Relevant enterprise context reaches the regional manager at the moment of judgment.

2. Experience and emerging learning from analogous situations elsewhere can be found and recombined.

3. Managers can exercise judgment within clear boundaries without assuming that an imperfect outcome will automatically be treated as a failure of judgment.

Now the organization can consider interventions.

- It might create a searchable decision repository.
- It might establish a peer network.

- It might use an AI agent to identify analogous cases and surface relevant enterprise information.
- It might change how headquarters responds to escalations.
- It might institute short reviews of unusual decisions.
- It might combine several of these.

But those are interventions.

The conditions tell us what those interventions must actually accomplish.

That distinction gives the Catalyst Leader another test:

Don't ask only, “Did we implement the solution?” Ask, “Did we change the conditions?”

If the platform is installed but relevant experience remains difficult to find, the condition did not change.

If authority is formally delegated but managers still believe responsible mistakes will be punished, the condition did not change.

If lessons are documented but cannot travel to people who need them, the condition did not change.

The intervention is only a means.

The changed condition is the result.

And once the conditions begin to change, the Catalyst Leader faces another question: How should I lead now? Does this situation call for direction? Empowerment? Catalysis? Or some deliberate combination of all three?

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