

 **human
insight**
inspiring leadership



The AEM-cube®

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Human Insight has developed a new approach to leadership and how to support leadership teams to execute strategy and deal with uncertainty, complexity and economic crises. We have discovered how to describe and assess the characteristics of an individual's personality which relate directly to their contribution in each of the phases of a business cycle.

This enables us to align the strengths of teams and individuals to their strategic goals.

We have achieved this by designing a method which captures and organizes data in such a way that the connection between a strategic task and an individual and the team to which they belong is immediately visible.

The analysis is presented in the form of a cube – the AEM-cube®. It is a 360 feedback instrument. The analysis shows an individual's and teams' postures towards change, challenge, task and purpose. It provides the basis for improving business performance and building trust.

The AEM-cube® is used in Europe, Asia and North America to help individuals, teams and organisations to;

- Predict where they can be most productive in the growth cycle of a business.
- Uncover hidden or unknown areas of risk or poor performance in execution.
- Integrate individual growth with the development of teams and the performance of an organisation in pursuit of the strategy as it develops over time.

Our approach adds the dimensions of strategic context, systems thinking and cultural independence when compared to other methods. A primary objective is to show how people can contribute to change rather than how people need to adjust to change.

Understanding the Framework

Our approach combines a common framework and a single language to connect personality directly to performance.

To capture and organise data about the strategic context and how it will change over time we use the S-curve.

The process by which a new idea, a dream, an investment, a start up or a new product or service flows through specific stages of growth follows the pattern of an S-curve. Growth starts slowly, with trial and error, then speeds up and at the end begins to slow down before decay sets in. It looks very much like the changing of the seasons for a farmer – from winter to spring, to summer and autumn.

We discovered that we can uncover and analyze the characteristics of people in exactly the same way - which means that we can identify where people make their best contribution to the S-curve.

Winter people perform at the start of the S-curve where creativity and innovation are most needed – inventors, scenario planners, creators of intellectual property.

Spring people perform at the start of the growth phase on the S-curve where converting the intangible to the tangible and up scaling are most needed – marketing strategists, business developers, programme and project managers.

Summer people perform along the growth phase of the S-curve where commercial and operational excellence is most needed – managers in production, operations and sales.

Autumn people perform at the top of the S-curve where protecting and harvesting the return on all the investment in earlier stages are most important – managers of resources, assets, finances, accountants and lawyers.

The main point is that everybody and every team will be particularly strong in one phase of the S-curve and relatively weak at another. Achieving growth is like a relay match – the baton must be passed otherwise nobody reaches the finish.

The data we collect about individuals and teams is organised into a cube – the AEM-cube®; data about an individual measures precisely where that individual makes their optimal contribution to the growth curve and also what kind of growth curve they prefer. The choice is between relationship based curves described as people attached and curves which are based on technical or professional content described as matter attached.

These two concepts ‘what curve’ and ‘where on the curve’ form the floor of the AEM-cube®.

The vertical axis corresponds to the span of the contribution an individual can make to the growth curve. A short vertical corresponds to a focus on only a part of the curve which means the individual contributes through their specialist competencies. A high vertical reflects a focus along the length of the curve which means the individual wants to invest time and energy to discuss, interact, and relate to all other points on the curve. In this case the individual is more of a generalist. An individual cannot be both.

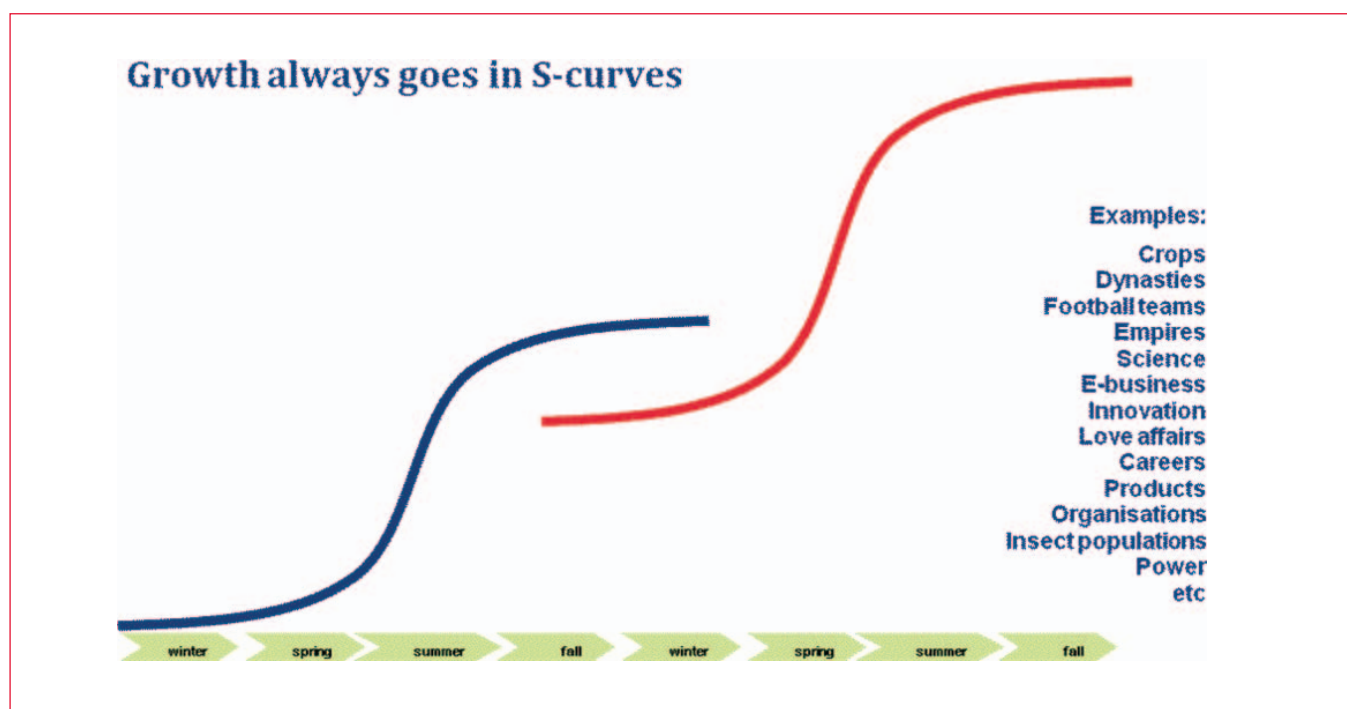
In summary the floor of the AEM-cube® illustrates which S-curve and where on that S-curve an individual's maximum contribution to growth will occur. The vertical axis illustrates how the individual contributes to change along an entire S-curve.

The data we gather is fundamental to an individual personality and independent of cultural differences. They describe the outcome which an individual works towards and not how they deliver the outcome or the behaviour used to deliver it. The predictability is the outcome and not the method.

The S-Curve

Here is the S-curve in its most simple form.

Figure 1: Growth always goes in S-curves

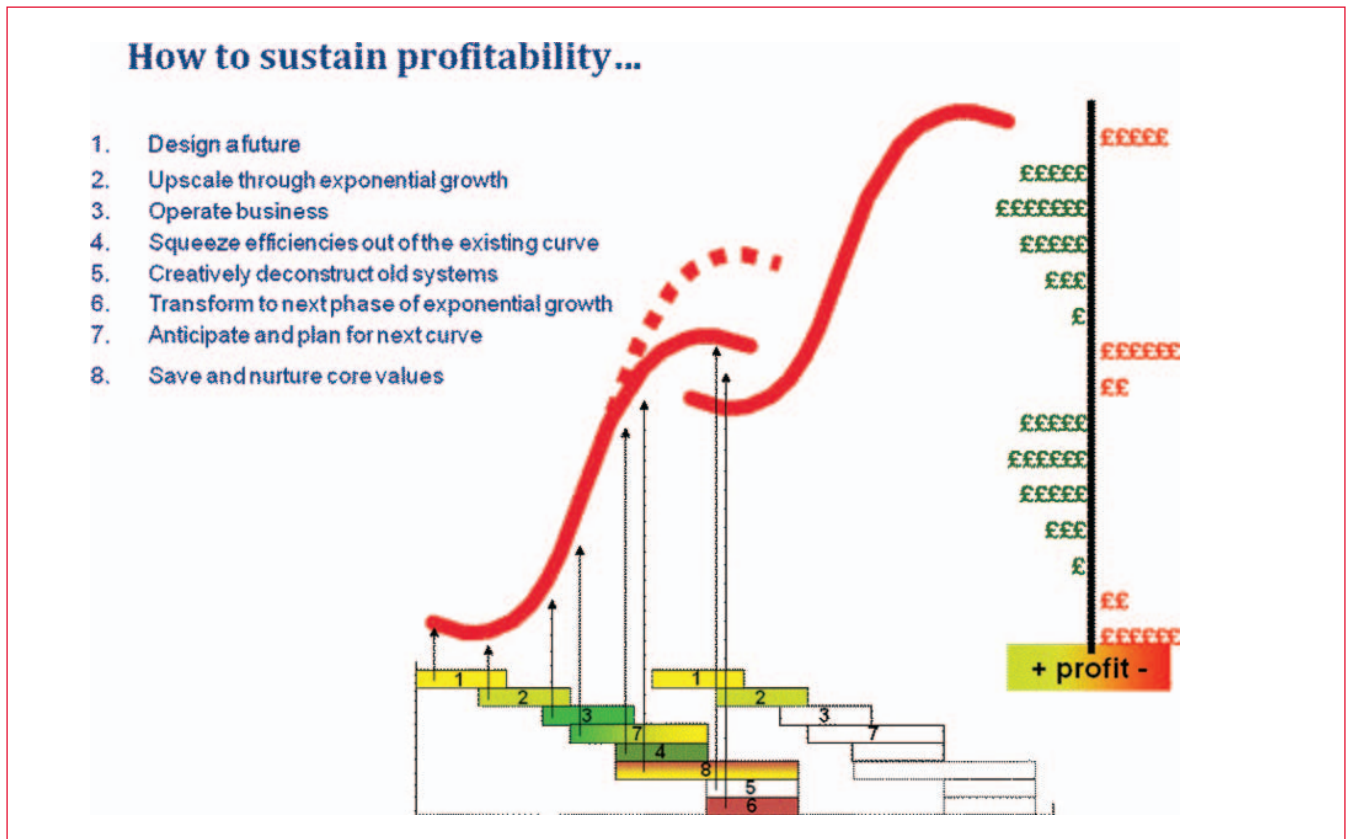


S-curves illustrate the flow from an intangible idea to a viable asset. The flow is always in one direction, it never flows back.

It starts with what we call feed forward control. This describes a process of scanning the horizon, collecting data, coming up with a new idea, and designing a new future not knowing whether it will be successful or not. It ends with what we call feedback control. This describes the process of maximizing the return on the past investments which created tangible assets.

We use eight phases in our analysis of the strategic context in which a team works. These start with an investment driven design of the future. They end at a time where an organization feels most successful with an optimal return on investment but with the need to anticipate and plan for the next growth curve.

Figure 2: How to sustain profitability.



The opportunity for achieving the maximum return on investment comes at the top of the S-curve. Our approach enables leadership to understand the feed forward-feedback continuum and where individuals, teams and organisations sit on that continuum and how they must connect to create some predictability of navigating the complete growth curve and delivering the return on their investment.

Key questions for leadership are:

- Where on this continuum is the organisation?
- Is the leadership team capable of moving to the next stage of growth in the required timescale?
- Does the leadership and management group cover the whole continuum; can they manage the dynamic of the S-curve and deliver the return on investment?

Using the AEM-cube® the leadership team can prepare to make appropriate and well timed steps on the S-curve and leap from one curve to the next.

Our approach provides the assessment needed to ensure there is sufficient complementarity in the leadership group to make successful steps along the S-curve and create the next stage of growth.

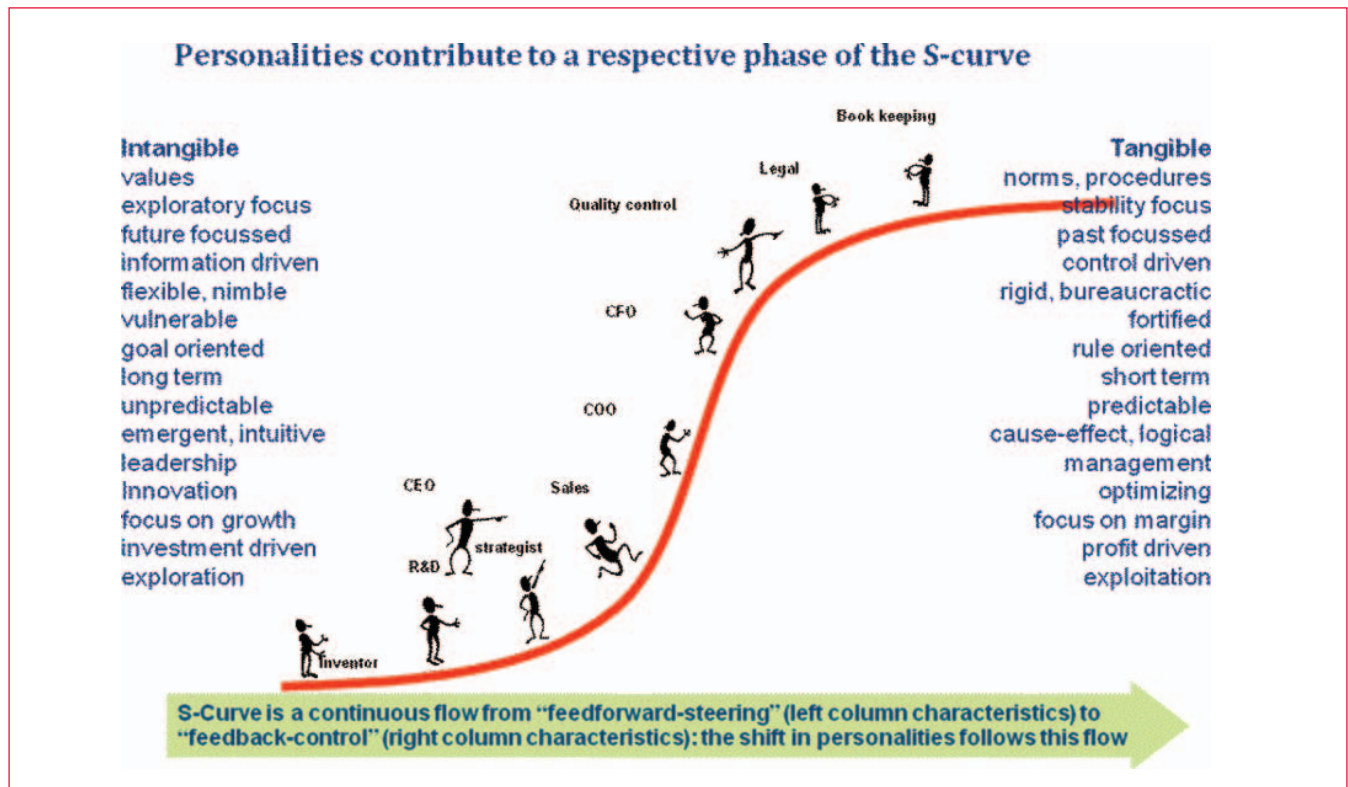
Complementarity and the AEM-Cube®

The innovation in our approach has come about through our discovering how to describe and assess the characteristics of an individual's personality which relate directly to their contribution in each of the phases of the growth curve.

By assembling the characteristics of the individuals in a team into one picture it is possible to see the complementarity. By this we mean how the contribution of each individual complements others in pursuit of the strategy and how it develops over time.

The S-curve describes the continuous flow from feed forward steering to feedback control. The characteristics of each of these are described in the figure below.

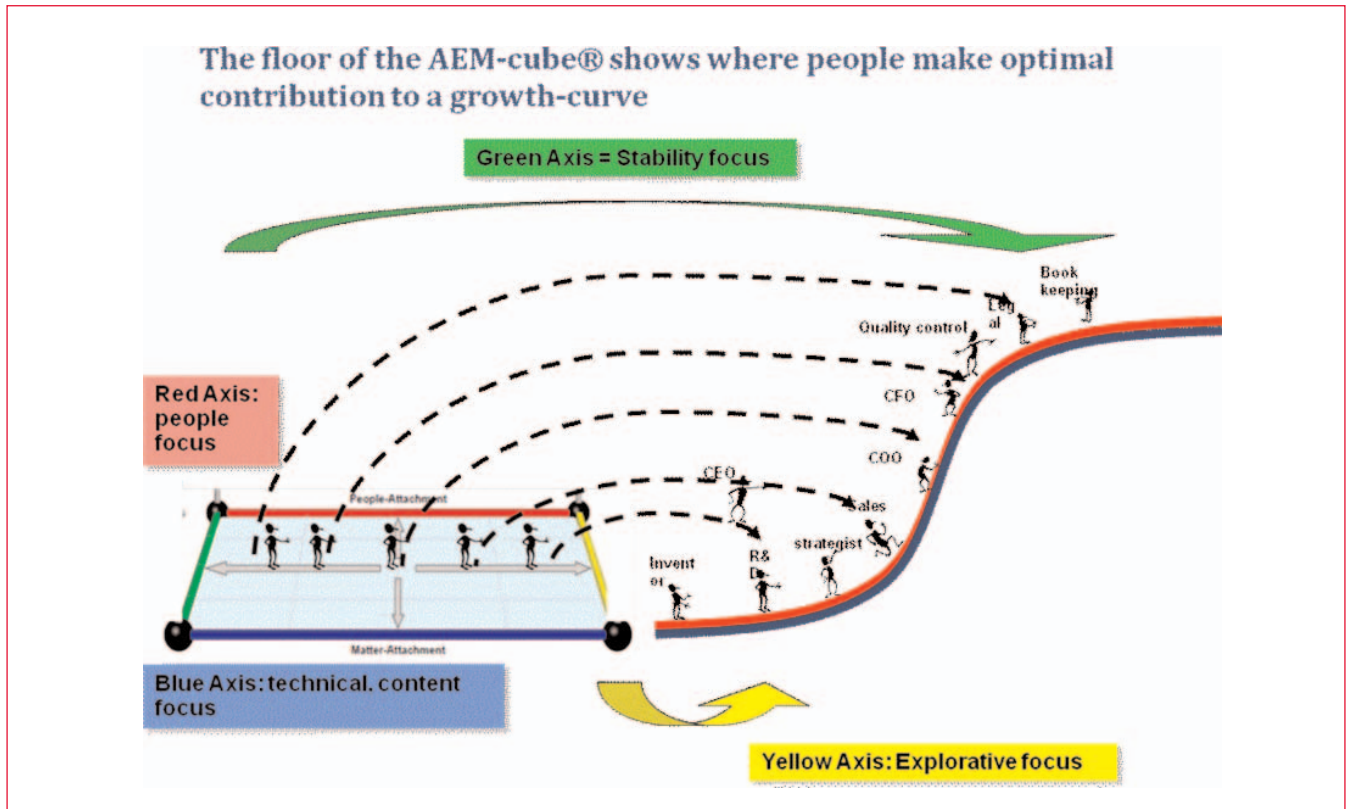
Figure 3: Personalities contribute to a respective phase of the S-curve.



The characteristics on the left relate to intangibles which describe activities which point the way in a business cycle. For example a vision is intangible; it has meaning and gives a possible direction. It is an example of the feed forward phase. The characteristics on the right relate to tangible things which describe activities which consolidate what has gone before. Moving up the S-curve brings that vision into reality, step by step moving from feed forward to feedback. The arrow points to this subtle shift from left to right and we have used this continuum in our research to assess the elements of personality.

In our work we have analyzed where individual and team roles fit best on the S-curve. Some examples would be research and development, production and finance.

Figure 4: The floor of the AEM-cube® shows where people optimally contribute to a growth curve.



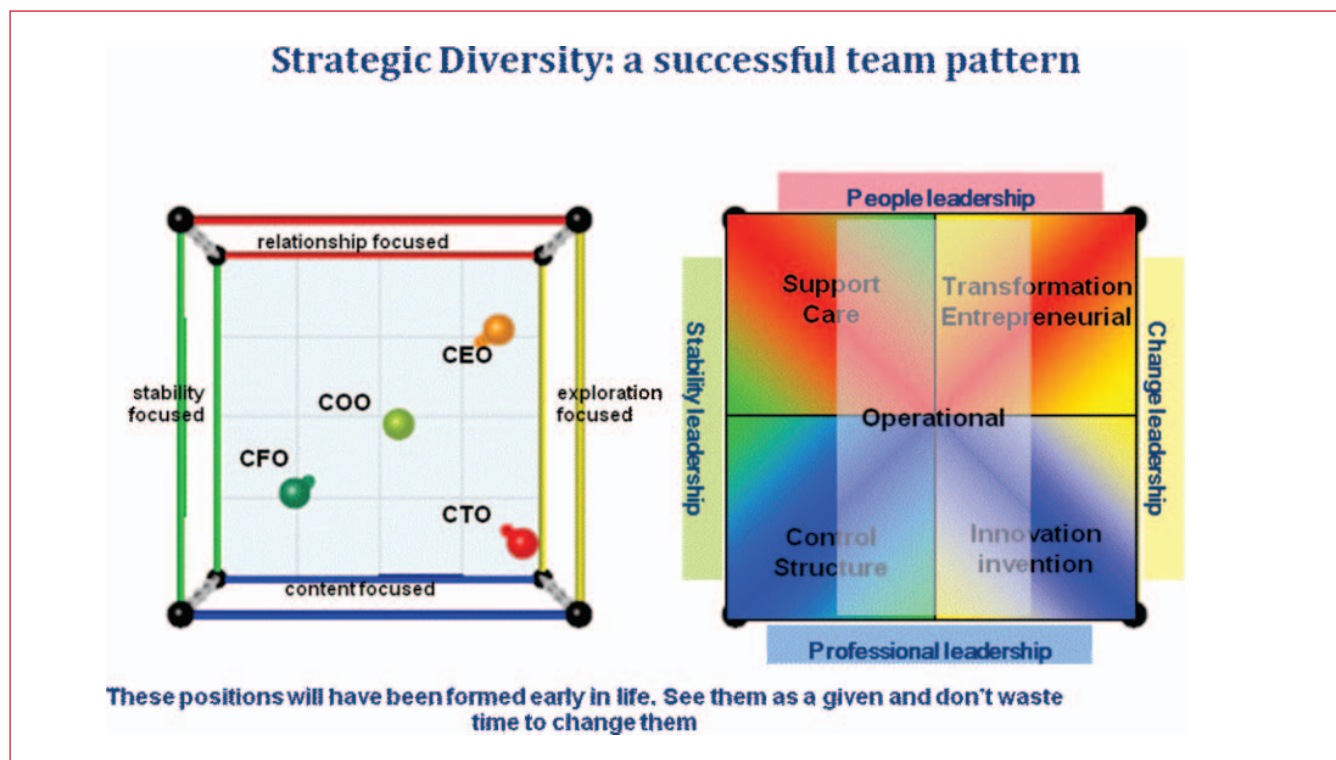
A research and development team contributes to the beginning of one or more S-curves as they bring an exploratory focus, innovation and an intuitive style of working to dealing with the uncertainty at this stage of the cycle.

A team leading a production facility would be quite different as they contribute to the middle of the curve, focusing more on the short term, building scale and profit from the earlier innovation.

The mission of a finance team will be to maximize the return on investment as an organisation moves from an innovative, investment driven phase focused on growth to the optimal point focused on margin, being profit driven and exploiting all the exploratory and development work in the early stages.

The floor of the cube informs how individuals think, react to change and make decisions. These positions are formed early in life. They should be seen as a given; time and money should not be wasted on trying to change them.

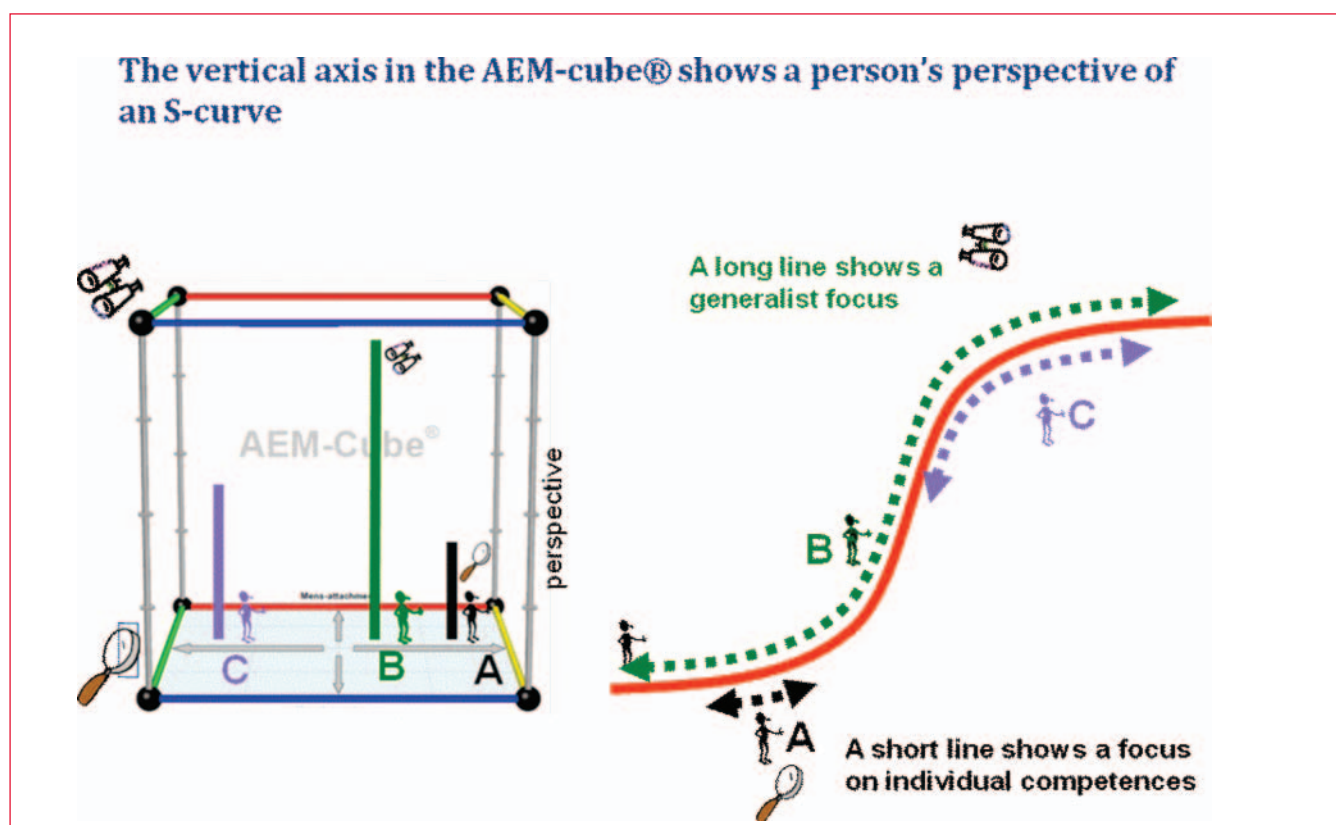
Figure 5: Strategic diversity: example showing a successful team pattern



The AEM-cube® reveals the complementarity in a leadership team and the wider leadership group. It provides a vital insight into whether or not the organisation has the strategic diversity to shift through innovation and entrepreneurship to operational excellence and support and control to achieve the return on investment and longer-term sustainability.

The vertical axis of the cube relates to the perspective an individual has on either the whole curve or the point at which their personality will contribute most.

Figure 6: The vertical axis in the AEM-cube® shows a person's perspective of an S-curve



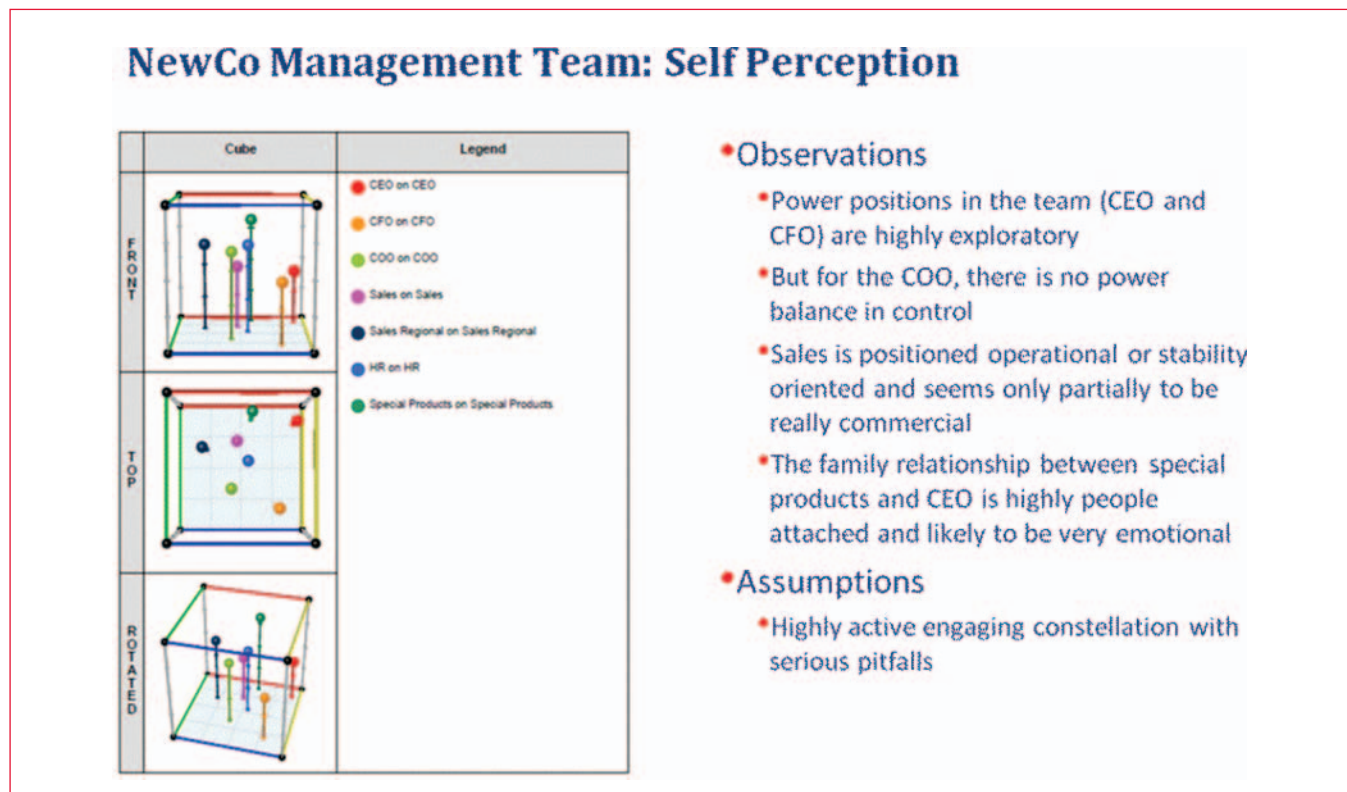
The AEM-cube® reveals the perspective in a leadership team and the wider leadership group. It provides the insight as to whether or not there is sufficient focus and competence on specific points on the curve to propel the organization forward at each stage but also the wider perspective to integrate these activities and help the organization make well timed steps up the curve and to transform to the next stage of growth.

An Example of a Team

In this example we interpret the assessment of a turnaround team from the view point of an investor.

An investor should start first with the self images and not try to immediately connect the perception by the individual with the perception of the individual by the environment.

Figure 7: NewCo Management Team: Self Perception



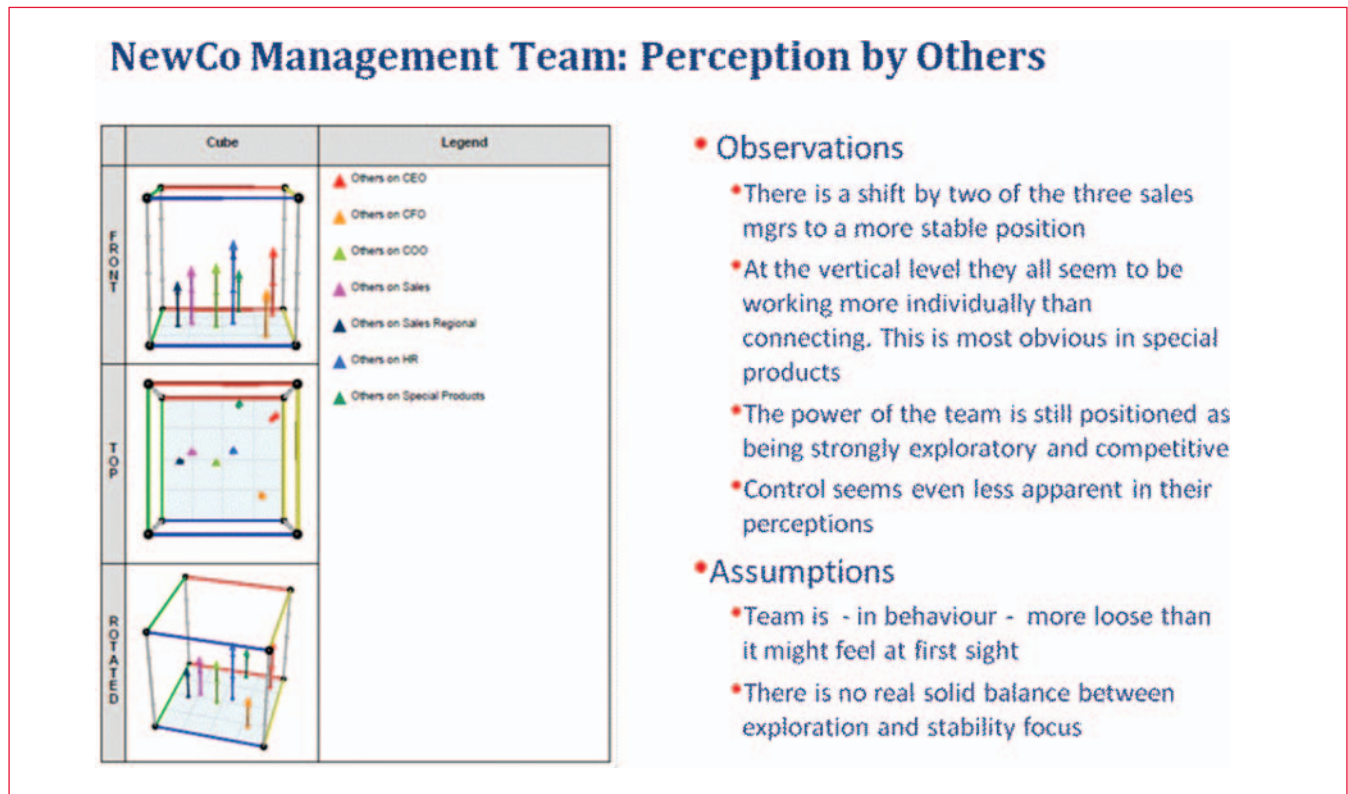
The message immediately visible is that no individual has placed themselves in the left front quadrant of the cube - neither the COO nor CFO. This position correlates with the role of people who are inclined to make sure that everything is working by controlling resources, checking results, overseeing the company's adherence to procedures, rules, and standards. These are people who can exploit the endeavours of others.

Along with this gap, the distribution also shows a bias towards the right side of the cube – especially the CEO and CFO. This position correlates with the role of people who are inclined to be exploratory and creative.

The first interpretation for the investor is that here is a constellation of self images portraying a highly active and engaging management team, with potentially serious pitfalls.

Turning to the feedback from the environment on each member of the management team, there is an overall lower level on the vertical 'perspective' axis. This reflects a lower level of coherence across the team and a higher level of individual activity which can be disconnected leading to less cooperation.

Figure 8: NewCo Management Team: Perception by Others



A second observation is that two of the three managers with sales responsibilities are shifting to the left of the cube. This position correlates with the role of people who are inclined to be more operational, less exploratory, keeping things stable and working. This would give the investor concern about the ability in the team to build new commercial arrangements and to meet the new sales challenges in the turnaround business model.

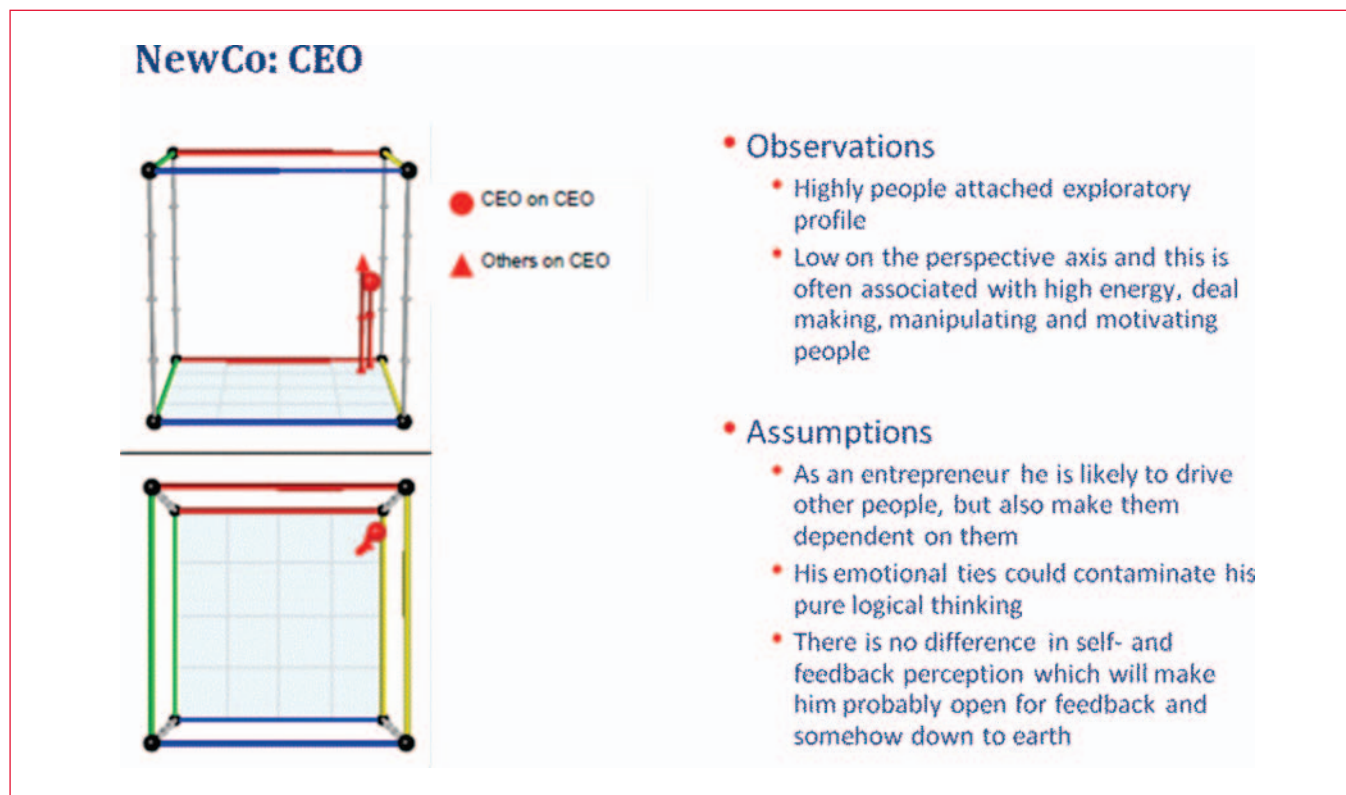
Putting these findings together from the self and feedback profiles the investor would have some caution around the apparent looseness in the team, the insight that each individual's best contribution to growing the new business may not be that suggested by their roles and past experience and the overall imbalance between an exploratory and a stability focus.

The investor can now look at the insight into each individual member on the management team.

An example of an individual -The CEO

This is a classical profile of an entrepreneur. The AEM-cube® shows this time after time. No entrepreneur acts alone to build a business. To become successful they must have the capacity to create that ability around them.

Figure 9: NewCo: CEO



In our terms, this position in the AEM-cube® is described as strongly exploratory-people attached and intermediate on the perspective axis.

The position correlates to people who are high energy, impulsive, engaging, manipulating, and forward thinking, visionary and capable of motivating others. They are successful with commercial activities such as managing finances, making deals and building networks of all kinds. The intermediate level on the vertical axis reflects a very individual drive to move forward before engaging with others.

Finally this profile relates to quite dominating behavior which can create a dependency in the relationships with others.

