



# Editorial Note

## “Why Does Systems Thinking Matter?”

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The social and economic complexity of our times triggers intense transformations in the competitive logics of markets and, broadly speaking, of business systems. Business scenarios today are typified by dynamism, connectivity, nonlinearity, and emergent properties—in other words by “*complexity*”.

Asserting that the world, and consequently business systems, are complex means that it is impossible to understand them by considering their individual elements separately, and that there is no option of predicting the future, but only of grasping and proactively influencing future scenarios.

Reductionist models are unable to fully depict, or to allow us to deeply understand, new complex and dynamic business scenarios. Today more than ever, it is necessary to recognize the need for a paradigm shift that can carry science beyond the analytical reductionist approach, and towards a more comprehensive systemic perspective.

This, of course, does not imply rejecting all the discoveries and benefits that the reductionist approach has brought to science, but it does mean going further, being aware that the analytic way alone is not sufficient for obtaining a deeper understanding of complex phenomena. Hence, without rejecting the old paradigm, we must move ahead to embrace a systemic view of social and economic facts.

Growing complexity calls for new systemic skills, capable of giving directions to the management of firms. It is necessary to move beyond the mere application of models and algorithms. Managers and consultants need to develop the ability to grasp the “sense of events”, instead of merely classifying them into predefined patterns. In other words, they must learn to think in terms of the “possible”, and to deal with the “emergent”. The management of firms must be proactive in order to shape their activity, and to influence the business environment; managers and entrepreneurs must be able to decode the signs of continuous change, and to move fast enough to turn these into opportunities.

In today’s “liquid” society, intangible and irrational aspects manifest prominently in consumer choice. The very existence of marketing implies that the consumer does not choose as a “*homo oeconomicus*” who considers tangible costs and benefits, but who instead thinks and chooses according to the emotional and symbolic values of goods. This has implications for the whole value-creation process, and consequently for managerial practice.

The firm cannot be conceived as an isolated system. Each time we use reductionist logic to identify a system, we make a distinction between what is inside and what is outside the system. The systemic approach highlights the complexity of the relations between the system and the environment, and the constant interrelation and exchange of matter, energy, and information between the system and the environment.

Another relevant aspect for the management of firms in complex scenarios is the characteristic of “*emergency*”. An emergency, in a complex system, is a manifestation of something “new and unpredictable” from the point of view of the planner.

To deal with emergencies, it is important to consider that the position of the firm in its business environment is the result of different levels of relations, which create both internal and external dynamic hierarchies. These cannot be crystallized into a single pyramid; they evolve and coevolve with mutual relations at different levels. This allows the firm to have more chances of dealing with emergent patterns.

To be viable, a firm needs to be able to redefine itself continuously, changing its structure. We can refer to the new concept of dematerialized (liquid) structure, according to which firms can be considered as value constellations of intangible assets. This implies that twenty-first century enterprises depend much more on their portfolio of intangible assets than they did in the past. According to this view, the firm is not a static entity that can be produced with predefined functions, but can be seen as a tool for planning future scenarios.

To manage this conceptual paradigm shift, we need to use and develop new tools based on fuzzy logic and nonlinearity.

These are the reasons I think Systems Thinking matters in Business Science, and the challenges that I wish BSR to be able to face. BSR does not aim to be just one of the thousands of open-access journals on management and economics. My aim in these pages is to gather together authors who can bring us new ideas, new tools, and new theories that will expand the frontiers of Business Science. I am aware this is an ambitious project, but I believe that beginning a project without ambition means to fail in advance. I hope that many researchers from all fields will take up this challenge, and will contribute their ideas to help us make this journal a place of discussion and confrontation among bright minds full of bright ideas, who are not afraid to be proactive in the advancement of business science.

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