

# The Essence of Holistic Management

by Ann Adams and Jody Butterfield

We've all tried at one time or another to distill the essence of Holistic Management for someone. It can be challenging, especially if we want to tailor the material for a specific audience and address a variety of learning styles. We may not always be able to use Holistic Management terms (like *forms of production*) when we are working with a specific audience, but if we clearly understand how the Holistic Management® model functions, we can better adapt our materials or conversations in a way that captures the “functional properties” of Holistic Management.

In other words, we need to know *what* makes it work and *why*. Then we can more easily make points of comparison to other ideas, processes, and systems more familiar to our audience. Many of these systems, ideas, or processes have overlapping guiding principles, but Holistic Management's effectiveness comes from defined practices within the model that help people move toward consistently living those principles. It is the practice behind the principles of understanding, assessing, and working with nature (including humans) and adapting and adjusting our management in response to what nature is telling us.

For the most part, “A Holistic Primer” is the distillation of the model. While many of the following statements might seem elementary or obvious, many people have found that in returning to these basics they have improved their practice and, therefore, the results they have achieved. *Holistic Management: A New Framework for Decision Making* is still the best source for a deeper understanding of these principles, practices, and the model.

## A Holistic Management Primer



### Holistic Management

**The What:** Holistic Management is a decision-making process that helps people make

decisions that are socially, economically, and environmentally sound.

**The Why:** A cooking pot resting on three rocks will lose its balance and spill its content if one of those rocks is removed. So too, if we do not take into account the social, economic, and environmental consequences of our actions, we risk damaging the environment, our relationships, and our finances now and/or for future generations.



### Whole Under Management

**The What:** Determine the decision makers, resource base, and money

**The Why:** By defining the whole you are managing, you are better able to manage it. In identifying the **decision makers**, you are determining who will form the holistic goal. The key is to get the right people to the table. In defining your resource base you are identifying the resources—assets, including people—you have to work with. The money you identify is what you have available for management and can

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generate from your management.

Decision makers are routinely involved in decisions and actions that affect the whole. While it is important to think about who has veto power and include them in forming the holistic goal and in testing decisions that are within their veto power, they are not management decision makers. In larger situations or organizations you may have wholes within wholes to define structure and relationships.



## Statement of Purpose

**The What:** This statement is specifically for organizations, or entities within organizations, that were formed for a specific purpose. It answers the question of “Why do we exist as an organization or entity?”

**The Why:** This statement clarifies the purpose for which you were formed so you can ensure, when forming your holistic goal, that you don't

lose sight of it. At least one of the forms of production you describe will specify what you have to produce to ensure that purpose is met.



## Holistic Goal

**The What:** A written reference point or guide for making decisions. Contains quality of life, forms of production, and future resource base.

**The Why:** Decision-making can be complex, and humans can only really hold one thought at a time. Writing down what you want and what you need to do to make that happen both immediately and far into the future then becomes a guide toward which you test your decisions.

Above all else, the holistic goal is a guide for decision making and management. While it should also be inspiring and motivating, its key function is for more effective decision-making.

## The Four Key Insights

### 1) Holistic Perspective Is Essential to Management

**The What:** The need for managing holistically

**The Why:** Nature functions in wholes (patterns of matter, energy, and life whose qualities cannot be predicted by studying any aspect in isolation).

### 2) The Brittleness Scale

**The What:** Brittleness is defined as the distribution of moisture and biological decay present throughout the year in a given area. On a scale of one to ten, a rainforest would be a one and a desert would be a ten.

**The Why:** This scale is a way to quickly assess the level of brittleness of a region so you can better determine how the land will respond to the tools you apply.

### 3) Predator/Prey Connection

**The What:** In brittle environments, relatively high numbers of large, herding animals concentrated and moving as they naturally do in the presence of pack-hunting predators, are vital to maintaining the health of the lands we thought they destroyed.

**The Why:** Understanding this concept is critical to addressing the issue of overrested soils and plants, which results from too few animals wandering around.

### 4) Overgrazing is a Function of Time Not Numbers

**The What:** In any environment, overgrazing and damage from trampling bear little relationship to the numbers of animals, but rather to the amount of *time* plants and soils are exposed to the animals.

**The Why:** Understanding this concept focuses the discussion on how the animals are managed – how long they remain in any one place and how soon they will return to it.

The forms of production create the quality of life and address what you need to do in the short- and medium-term. The future resource base has to sustain what you produce (forms of production), over the long-term. In this way the holistic goal guides your decision-making for both the short- and long-term.

### Quality of Life

**The What:** These statements are how you want your life to be (i.e., We want meaningful relationships) in the particular whole you are managing.

**The Why:** In defining how you want your life to be right *nou*, you determine what you value, what makes life fulfilling. By determining what you want in life and writing it down, you are more likely to achieve it. The quality of life statements will likely tell you what people value, but they are not a string of values.

### Forms of Production

**The What:** What you need to produce to create the quality of life you have described (i.e., We will produce profit from meaningful work) and to meet your stated purpose (if you identified one).

**The Why:** You need to figure out the basic ways in which you will produce your quality of life (and meet your purpose). These statements should address all your quality of life statements. This is where people are tempted to include specific how to's. Keep these statements as open as possible so you don't pigeon-hole yourself later.

### Future Resource Base

**The What:** A description of how your future resource base must be many years from now, if it is to sustain what you must produce to create the quality of life you want. The three primary features are:

- 1) A description of how the decision makers in your whole must be perceived by the people listed in your resource base (i.e., We must be perceived by our clients, suppliers, and neighbors as honest, ethical, creative, etc.).
- 2) A description of how you want the land in your resource base to look in the future (i.e.,

Our land will have effective water and mineral cycles; solar energy flow will be maximized, with a biologically active soil, and diverse and stable plant and wildlife communities).

- 3) A description of your community and the services available in the community (i.e., We will have good schools, libraries, and other social services available with a thriving economic base).

### The Why:

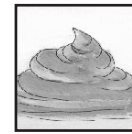
- 1) If you want people to perceive you long into the future as honest, creative, ethical, compassionate, etc., then you need to behave that way now.
- 2) If you want the land to be as you describe it in your future resource base, you have to make decisions now to move you in that direction.



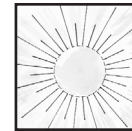
**Water Cycle**—Maximize cycling of water through plants & soils. Keep it local. Reduce export and import.



**Community Dynamics**—A way to view relationships within nature. Increased biodiversity leads to increased stability in plant and animal populations.



**Mineral Cycle**—Maximize the cycling of nutrients through plants and soils. Reduce export and import.

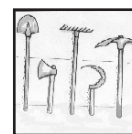


**Energy Flow**—Maximize the flow of solar fuel through plants and soils. It is the basis for regenerative natural resource management.

**The Why:** These processes are our life support system and all of our decisions must take them into account. Understanding the symptoms of effective or ineffective water and mineral cycles, impaired energy flow and succession in biological communities helps you read the land. The key to their effective functioning on land is the soil surface. If you managed to ensure the soil is covered, all four processes will be enhanced. In essence, bare ground is public enemy number one.

## Keys To An Effective Holistic Goal

- 1) No how to's (Those are tested).
- 2) It needs to be written (Decisions are complex with many factors. Writing things down clarifies what you want, what you need to do to create it, and addresses short and long-term issues).
- 3) Don't prejudice future action (Leave the playing field open for all the options. Your testing will weed things out).
- 4) Write what you want, not what you don't want.
- 5) No quantifying or qualifying elements. Don't make one item more important than the other or try to create a hierarchy or priority of quality of life items, etc.
- 6) Don't include issues or problems
- 7) Start with the quality of life, then list the forms of production, and finish with the future resource base, as they build on each other.
- 8) Be careful to not confuse or mix up the quality of life statements with forms of production statements or with the future resource base. They each have their purpose. If people are confused about these different elements, then they are less likely to develop these elements fully, which could affect the quality of their decision-making.
- 9) Revise your holistic goal if there has been any significant change in the whole under management (such as a change in decision makers).



### The Tools

**The What:** Inside the brackets are Technology, Rest, Fire, Grazing, Animal Impact, and Living Organisms. Outside the brackets are Human Creativity and Money & Labor.

**The Why:** Those tools inside the brackets are the *only* tools (or categories of tools) humans can use to modify the ecosystem processes. One or both of the tools outside the brackets have to be used in association with the tools inside the brackets.

The dotted line around Living Organisms in the tools line and around Community Dynamics on the Ecosystem Processes line reminds people that when you use the tool of

- 3) If you want a community or the services described, you need to make decisions now to make that happen.

This section ties the short- and medium-term with the long-term.

### Ecosystem Processes

**The What:** The four basic processes through which nature functions. They are the foundation of all human endeavors. If you affect one, you affect all.

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living organisms, you are by default affecting the dynamics of the biological community; they are same thing. Understanding the tools and their effect on the ecosystem processes is essential for diagnosing a resource management problem.

- Money & Labor—One or both of these tools is always required.
- Human Creativity—Key to using all the tools effectively.
- Fire—The most ancient tool.
- Rest—The most misunderstood tool.
- Grazing—The most abused tool.
- Animal Impact—The least used tool.
- Living Organisms—The most complex tool.
- Technology—The most used tool.



## Testing Guidelines

**The What:** Seven guidelines for testing to ensure your decisions are socially, environmentally, and economically sound and will take you toward your holistic goal.

**The Why:** The seven tests supplement all the factors that are normally considered when making a decision (conventional research, peer pressure, gut feel, legal concerns, cash flow, intuition, etc.). The testing is a check after all that work is completed.

As mentioned earlier, decision-making can be complex, particularly given certain decisions or in group situations. Having seven tests that address both thinking questions and feeling questions, as well as short-term consequences and long-term consequences, helps to make sure the decision is a sound one and addresses the complexity effectively.

The testing also tends to bring up questions that may have been missed in the first round of exploring a decision or plan. You can play with the order of how you ask the questions, but try to move quickly through the tests and not get mired. If you do get stuck, you probably need to do more research. Always save the society and culture test for last as it is the one *feeling* question to bring the

decision back to the gut or heart.

1) Cause and Effect: Does this action address the root cause of the problem?

**The Why:** This question forces you to define the problem and the root cause. Be sure you've defined the problem correctly. If it's a resource issue, try to figure out which of the ecosystem processes is most affected (i.e., a problem species means its probably a community dynamics issue). If it's a human issue, look to structure and leadership.

2) Weak Link

**—Social:** Have I/we considered and/or addressed any confusion, anger, or opposition this action could create with people whose support I/we need in the near or distant future?

**The Why:** It doesn't matter if your decision is

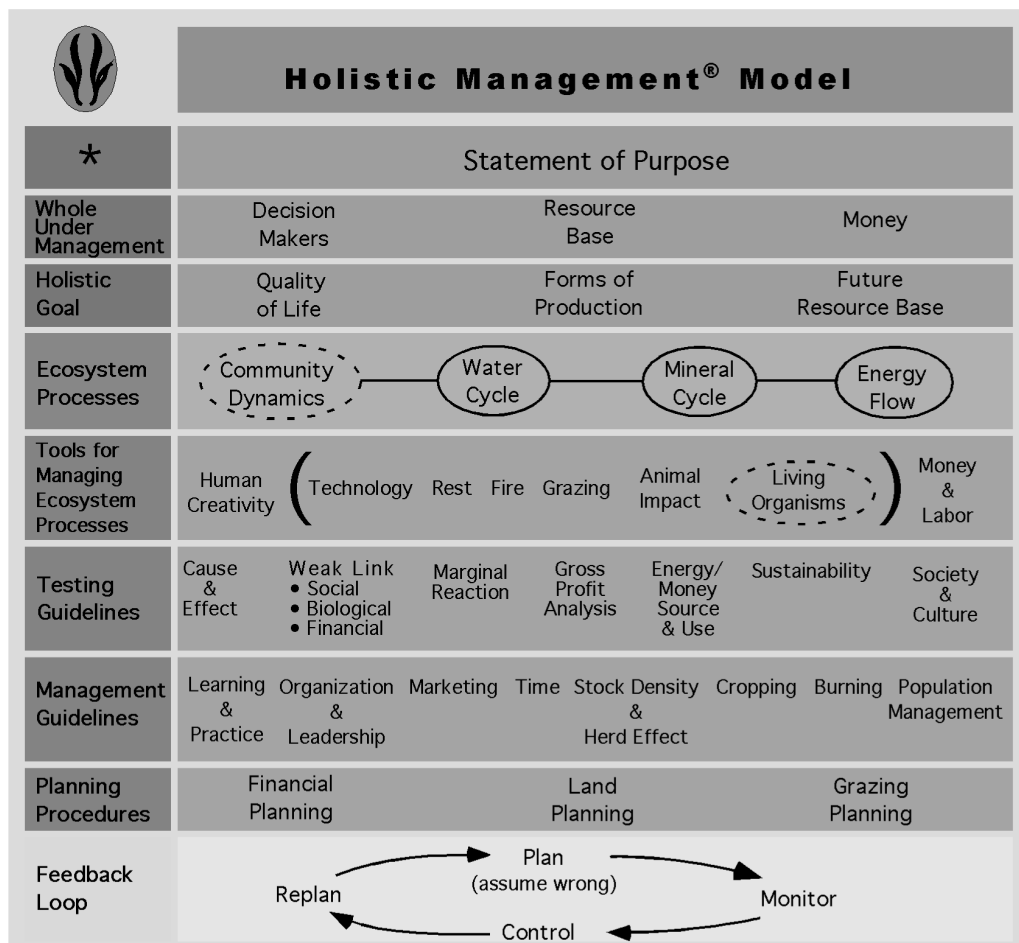
right if you don't have support from others or cause conflict. This question helps you figure out how to make sure you don't make any enemies or create misunderstanding.

**—Biological:** Does this action address the weakest point in the life cycle of this organism?

**The Why:** By determining the weakest link in the life cycle you increase your ability to effectively improve the ability of the organism to survive or to remove or reduce its numbers if it is a "problem" organism.

**—Financial:** Does this action strengthen the weakest link in the chain of production?

**The Why:** By determining where the weakest link is you will get the most return for any money or time invested in strengthening the whole chain. That's why expenditures addressing the weak link are considered *wealth generating*. This test is done in conjunction with financial planning when you determine what the weak link is in each enterprise. Decisions you test throughout the



This is a four color revision of the model developed by Certified Educator Ken Jacobson. You can view it in color on our website at [www.holisticmanagement.org/model2cfm](http://www.holisticmanagement.org/model2cfm).

year that involve an expenditure for a specific enterprise should refer back to the weak link you identified. The links in the chain of production are:

**Resource Conversion:** If it's an issue of having insufficient ability to convert sunlight into raw resources and/or not having sufficient raw resources (including money, capacity, talent, etc.), then it is a resource conversion weak link.

**Product Conversion:** If your raw resources are plentiful, but you lack the capacity to convert them to marketable form, you have a product conversion weak link (e.g., if you have more than enough forage, but lack enough animals to convert the bulk of that forage to meat).

**Marketing (Money) Conversion:** If you can't sell the products or services you have produced, then you have a marketing conversion weak link.

3) Marginal Reaction— (Comparing two or more actions): *Which action provides the greatest return, in terms of my/our holistic goal for the time and money spent?*

**The Why:** It helps you prioritize your efforts and expenditures so you can maximize progress toward your holistic goal.

4) Gross Profit Analysis—(Comparing two or more enterprises): *Which enterprises contribute the most to covering the overheads of the business?*

**The Why:** You want to see which enterprises, after the direct costs and risks associated with them have been factored in, produce the most income for the least additional cost. Enterprises that pass this test should pass the other testing questions as well to be considered.

5) Energy/Money, Source & Use: *Is the energy or money to be used in this action derived from the most appropriate source in terms of my/our holistic goal? Will the way in which the energy or money is to be used lead toward my/our holistic goal?*

**The Why:** You want to favor renewable or environmentally benign sources of energy and avoid nonrenewable or environmentally damaging sources whenever possible. Money derived internally (what your land or business generates) usually leaves you better off than money derived externally (from a lender).

Energy and money that are used to build infrastructure are preferable, as are uses for a one-time investment that will then sustain itself. What you want to avoid are

consumptive uses of energy or money that achieve no lasting effect, or worse, uses that become addictive in that, once initiated, you risk an undesirable dependence.

6) Sustainability: *If I/we take this action, will it lead toward or away from the future resource base described in my/our holistic goal?*

**The Why:** This question helps you keep in mind the long-term consequences of your actions in the context of your holistic goal.

7) Society & Culture: *How do I/we feel about this action now?*

**The Why:** This is the *feeling* question that processes all the information you have

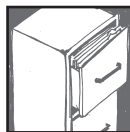
### Four Modes of Use

**The What:** Holistic Management has four modes of use—

- 1) Management,
- 2) Research,
- 3) Diagnosis, and
- 4) Policy Analysis & Design.

**The Why:** Using the Holistic Management® model, you can design research, perform a structured diagnosis of a resource management issue, and analyze or design policy all toward a generic holistic goal or one created by stakeholders. Your research, diagnosis, or design would be based on analysis of issues as they relate to the whole under management, ecosystem processes, and tools. All research, proposed action, or policy would be tested using the testing questions and monitored with a feedback loop. In turn, research, diagnosis, and policy influences management.

analyzed in the other six tests bearing in mind the quality of life you've described in your holistic goal. The only time this test is done first is to weed out new enterprises you may brainstorm in your financial planning that conflict with your quality of life statement.



### Management Guidelines

**The What:** These are management principles to help people better use the tools available. This section of the model is like a filing cabinet of insights and ideas based on the practical experience of people applying those tools.

**The Why:** The different guidelines apply to different tools or situations

- *Learning & Practice* (Shifting Paradigms)

relates to Human Creativity

- *Organization & Leadership* (Nurturing Creativity) relates to Human Creativity
- *Marketing* (Developing A Strategy in Line with Your Holistic Goal) relates to Human Creativity
- *Time* (When To Expose & Re-expose Plants to Soils) relates to Grazing
- *Stock Density & Herd Effect* (Using Animals to Shape the Landscape) relates to Animal Impact
- *Cropping* (Practice That More Closely Imitates Nature) relates to Living Organisms
- *Burning* (When & How, and What To Do Before & After) relates to Fire
- *Population Management* (Look to Age

Structure Instead of Numbers, Diversity Instead of Single Species) relates to Living Organisms

These guidelines help you work with Nature (and humans) more effectively in using the tools to move you toward your holistic goal.



### Planning Procedures:

**The What:** These are methodical planning and monitoring

processes unique to Holistic Management, which act like a road map for day-to-day decisions.

**The Why:** While there are other financial, grazing, and land planning processes, none of them address some of the key management concerns that arise when managing holistically.

### Financial Planning

**The What:** Creating a Financial Roadmap to Your Holistic Goal. It is done yearly before your fiscal year begins and is an essential cash flow tool.

**The Why:** Holistic financial planning has some unique features:

- 1) The planning is done with the holistic goal in mind.
- 2) The issue of expenses rising to the level of one's income is addressed through planning profit first and then using what is left for expenses.
- 3) Determines which expenses are wealth generating, inescapable, or maintenance.
- 4) It produces more accountability and

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knowledge around financial planning because everyone is involved and knows the figures.

## Identifying a Logjam

**The What:** This is an important part of the financial planning process to ensure that people take time to think each year about whether something might be holding up the operation/business as a whole in terms of progress toward the holistic goal. A logjam is truly a blockage.

**The Why:** If the business/organization as a whole is making reasonable progress toward your holistic goal, then you probably don't have a logjam. In the early stages of practice, the logjam might be people's lack of understanding or ownership in the holistic goal or Holistic Management. Later on, people issues, leadership issues, or the structure of the organization/business might become logjams. Logjam identification is tied to the financial planning process because you might need to allocate money toward addressing it as part of your financial plan.

## Holistic Grazing Planning

**The What:** A grazing planning procedure that helps you get your animals to the right place at the right time and for the right reasons. This procedure uses an *aide memoire* (French for *memory aid*), a "cheat sheet" developed by military planners to help simplify complex and ever-changing situations to produce desired outcomes.

**The Why:** Grazing planning involves the manipulation of time (of grazing), area (of land) and numbers (of animals), while catering for numerous variables related to management and weather. The aide memoire breaks everything down into simple steps, *in a specific order*, so you can effectively plan and manage your land and animals for the best outcome. Key features of holistic grazing planning are:

- 1) Planning is done with the holistic goal in mind
- 2) The length of grazing periods is based on the time it takes for grazed plants to recover.
- 3) In the growing season grazings are planned so you can produce the maximum amount

of forage.

- 4) In the non-growing season the aim is to ration out the forage so that it lasts until the next growing season begins, with minimal decrease in animal performance.
- 5) Livestock moves are planned backwards—you start with where the animals need to be at a certain time, then plan backwards so you know where they have to come from to get there.
- 6) Drought reserves are based on time, not reserved areas.

## Simple Appreciation

**The What:** This management tool is again borrowed from military planners who use it as an effective approach to planning their way out of a crisis situation.

### The Why:

This tool enables you to sort through the chaos of the crisis by writing down the information necessary to make an informed decision.

1. Aim – (What outcome would you like to see?)
2. Factors (List all the factors that might affect that outcome.)
3. Courses (What courses of action are open to you?)
4. Plan (Decide which one is best and make a plan.)

7) There is maximum coordination with cropping, wildlife needs, and other land uses, as well as with the personal schedules of those who will operate the plan.

8) Use of animal impact (stock density and herd effect) for land restoration is incorporated into the plan.

9) Stocking rate is based on *effectiveness of the water cycle* rather than rainfall received.

10) In operating the plan, grazing periods are adjusted to cater for daily growth rates of plants, livestock performance, and/or wildlife needs.

## Holistic Land Planning

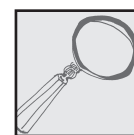
**The What:** A process for planning and developing the infrastructure (fencing, water, handling facilities, etc.) on large tracts of land where livestock are run. Implementation of the plan will likely take many years.

**The Why:** Whether you have well-developed infrastructure or not, you need to plan its ideal layout and gradually work toward it, as time and money allow. This will ensure you

will move toward your holistic goal more quickly, while increasing management efficiency and reducing overall costs. The land plan ties into the financial plan each year as you make decisions on which parts of the plan to implement—based on whether they will make money or cost you money (e.g., you might decide to build one internal fence that will enable you to grow more grass because the animals will now spend less time in all paddocks, giving them more recovery time).

## Feedback Loop

**The What:** Once you create your plan, or implement a decision, you should



determine what you will monitor to ensure the plan is on track or the decision was the correct one. If you find you are

going off track, then you need to implement some form of control (change what you're doing) to get back on track, or replan entirely if things have gone too far.

**The Why:** You must monitor to produce the result you desire, not to see what happens. The feedback loop is essential to creating a responsive plan. People usually make a decision or develop a plan and then hope for the best. If you recognize

that creating a feedback loop is actually part of the decision, then you develop a habit of determining monitoring criteria as part of your plan or decision so you can easily correct course at the earliest point rather than waiting until there is a train wreck. The key is to discern the *earliest* indicator of *change* and be sure to complete the feedback loop by controlling or replanning when things go off track.

When your plan or decision concerns the environment, always assume you are wrong—because nature's complexity is more than we can ever fathom. In monitoring your financial plan, you know you will never come out right on the money, so monthly control is imperative. In a social situation, don't assume you are wrong at the outset because a negative attitude can seriously affect morale, but still monitor carefully. 🌿

*Several of the images used in this article were taken from The Bespectacled Crocodile by John Hall. This document can be viewed in its entirety at: <http://managingwholes.com/crocodile/>.*