

The Adaptive Organizations Field Guide

A practical guide to applying the Adaptive Organizations Framework

SYSTEMS THINKING	INCLUSIVE LEADERSHIP	STRATEGIC INNOVATION
See connections dependencies weak signals	Expand intelligence challenge assumptions improve decisions	Turn constraints into experiments and new value

INSIGHTS. STRATEGY. IMPACT.

Flávia Sales | Marketing, Innovation & Sustainability Strategy

How to use this guide

Use this guide to translate the framework into organizational mechanisms, decision practices, experiments and measurable change. Start with one organizational challenge and work through the diagnostic and implementation tools.

From circular ambition to organizational capability

The circular economy is often discussed through technology, regulation and new business models. This guide starts one layer earlier: the organization that has to make those changes real.

The central question

Are our organizations actually designed to adapt?

A circular strategy can be technically sound and commercially attractive and still stall. The failure point may sit in incentives, decision rights, functional silos, risk processes, leadership criteria or assumptions that were designed for a linear model.

The shift

Do not ask only: “What circular solution should we implement?”

Also ask: “What would have to change inside the organization for this solution to work?”

The guide follows the logic of the framework

Changing context	Organizational response	Business outcome
Resources, regulation, risk and customer expectations are changing.	Build the ability to see dependencies, integrate perspectives and experiment.	Greater resilience, learning speed and competitive capacity.
Circular transformation changes value chains and business models.	Change the mechanisms that reward, fund, govern and coordinate work.	Circular ambition becomes executable strategy.
Different perspectives reveal different constraints.	Create mechanisms that allow those perspectives to influence decisions.	Broader organizational intelligence and better challenge.

This guide is not a maturity scorecard. It is a practical starting point: choose one organizational challenge, diagnose the mechanisms around it, and run a focused transformation cycle.

Why adaptability is becoming a business capability

The framework treats planetary and resource pressures as business exposure. The implementation implication is to treat external change as an input to organizational design?not only as a sustainability topic.

RESOURCES

Water, materials, energy and land can affect availability, cost, continuity and product choices.

Organizational question: Which resource dependencies are invisible in our current decisions?

RISK

Physical, operational, financial and geopolitical exposure can emerge from the same underlying dependency.

Organizational question: Where are we optimizing one metric while increasing exposure somewhere else?

REGULATION

New product, packaging, traceability and resource rules change the information, processes and capabilities companies need.

Organizational question: Which functions will need to work differently because of the new rules?

MARKET & CUSTOMER

Circular models can change what customers buy, how value is delivered and how revenue is generated.

Organizational question: Which assumptions about ownership, service and value are we treating as fixed?

A practical systems-thinking move

For one strategic product, service or value chain, create a one-page dependency map. Put the business objective in the centre. Around it, map resources, suppliers, regulation, customer requirements, technology, capital, operations and end-of-life flows. Then mark where a change in one element could create consequences in another.

Do not start with the org chart

Start with the problem and its dependencies. Only then ask whether the current organizational architecture is capable of managing those dependencies.

Regulation is changing the work—not just the compliance checklist

The framework connects ESPR, PPWR, EUDR, the Critical Raw Materials Act and the emerging Circular Economy Act to a broader organizational pattern: more product, material, traceability and data decisions become connected.

Policy	What changes	Organizational implication
ESPR	Product durability, repairability, resource efficiency, recycled content, remanufacturing/recycling and information requirements, including the Digital Product Passport.	Product / engineering + procurement + data/IT + service + compliance + commercial
PPWR	Packaging lifecycle, reuse, recyclability and harmonised requirements across the Single Market.	Packaging / product + procurement + logistics + operations + compliance
EUDR	Due diligence and traceability for covered commodities/products; large and medium operators apply from 30 Dec 2026.	Procurement + supplier data + traceability + legal/compliance + IT
Critical Raw Materials Act	2030 benchmarks for EU extraction, processing, recycling and supply diversification.	Procurement + risk + engineering + sourcing + recycling / recovery
Circular Economy Act	Planned EU framework to strengthen the Single Market for secondary raw materials, increase supply and stimulate demand.	Strategy + procurement + product + operations + policy / market intelligence

The implementation lens

The important question is not “Which regulation applies to us?” in isolation. It is “What information, decision, capability or cross-functional coordination does this regulation make newly important?”

Example: a product information requirement

A requirement for more product-level information can become a data architecture problem. If engineering owns product specifications, procurement owns supplier data, service owns repair history and sustainability owns environmental information, compliance cannot be solved by one team alone. The organization needs shared ownership, data definitions and a decision process.

Sources: European Commission / Eurostat policy and circular-economy pages. See References.

Circularity changes the value logic

Circularity is not simply what happens to waste at the end of a product's life. It changes how products, materials, services and value are designed, moved, recovered and retained.

Linear logic	Circular logic	Organizational implication
Optimize throughput	Optimize value retained over time	Finance and commercial teams need metrics beyond unit volume.
Sell product once	Extend use, repair, reuse, remanufacture or service	Product, service and commercial models need to connect.
Lowest purchase price	Total value / risk / resource exposure	Procurement criteria expand beyond unit cost.
End-of-life as externality	Design for recovery and secondary value	Design, operations and reverse logistics must connect earlier.
Departmental optimization	Value-chain optimization	Shared outcomes and cross-functional decision rights become important.

Familiar example: the €60 coffee machine

If a product is difficult to open, components are not replaceable, spare parts are unavailable and repair costs exceed replacement, the product may be commercially optimized for replacement. The individual product can look efficient while the surrounding system depends on continuous production, resource extraction and disposal.

Ask this before proposing a circular initiative

Where does value leak out of the current model? Is the leak caused by product design, commercial incentives, procurement, service design, customer behaviour, data gaps—or several of these at once?

The objective is not to make every product circular in the same way. It is to identify where circularity can reduce exposure, retain value or create a new source of customer value.

The Adaptive Organizations Framework

Three capabilities reinforce one another. The framework is deliberately organizational: it asks what the company can see, how it makes decisions, and how quickly it can turn insight into action.

01 SYSTEMS THINKING See connections, dependencies and weak signals across resources, value chains, regulation and markets.	02 INCLUSIVE LEADERSHIP Bring different experiences into decisions and make constructive disagreement useful.	03 STRATEGIC INNOVATION Turn signals, constraints and changing conditions into experiments, solutions and new value.
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How the capabilities connect

Capability	Core question	If missing...
Systems Thinking	What is connected to this decision, and what changes elsewhere if we optimize here?	Teams solve symptoms, miss dependencies or create unintended exposure.
Inclusive Leadership	Who sees the problem differently, and what mechanism allows that perspective to influence the decision?	The organization narrows the information available to the decision.
Strategic Innovation	What can we test, learn or redesign under the new constraint?	The organization understands the change but struggles to translate insight into action.

Organizational adaptability = the capacity to learn, adjust and act as conditions change. In business terms: resilience, learning speed and competitive capacity.

Capability 01 — Systems Thinking

Systems thinking is not about making every decision complicated. It is about seeing the dependencies that a narrow functional lens hides.

A practical diagnostic

01 Define the decision

State the business decision in one sentence. Example: “How should we reduce dependence on a volatile material while preserving customer performance and margin?”

Practical move: Write the decision before mapping solutions.

02 Map dependencies

List upstream resources and suppliers, internal functions, customers, regulations, technologies, financial assumptions and end-of-life flows.

Practical move: Circle the dependencies that could materially change the business case.

03 Look for second-order effects

Ask what happens if you optimize one variable. A cheaper material may increase failure rates; a repairable product may reduce new-unit sales but increase recurring service value.

Practical move: Add one “If we optimize X, what happens to Y?” question to major decisions.

04 Identify weak signals

Look for small changes that may become strategically relevant: supplier warnings, customer requests, regulatory pilots, material price shifts, repeated service failures or new secondary-material availability.

Practical move: Assign ownership for monitoring 3–5 weak signals.

05 Decide what needs integration

Practical move: Define who must be in the room before the decision is made.

Systems-thinking prompt: “What are we optimizing? and what might we be making worse somewhere else?”

Capability 02 — Inclusive Leadership

In this framework, inclusion is not a representation exercise. It is a decision-quality mechanism: different experiences can reveal different constraints, risks and possibilities.

Experience Perspective Challenge Decision

Stage	Leadership question	Mechanism
Experience	Who has encountered a different version of this problem?	Map relevant internal and external perspectives.
Perspective	What might they notice that the core team does not?	Ask for observations before asking for solutions.
Challenge	Which assumption should we actively test?	Assign a constructive challenger / red-team role.
Decision	How did the perspective change the decision?	Record what changed, what did not, and why.

The critical distinction

The strategic question is not simply who is in the room. It is whether the organization can use what they see. A meeting with many perspectives can still produce a narrow decision if the decision rights, incentives or discussion norms prevent challenge from influencing the outcome.

Make dissent operational

Before approving a major transformation decision, ask one person or team to answer: “What are we most likely to be wrong about?” Then require the decision owner to respond to the challenge explicitly.

Design principle

Do not ask people to “speak up” without changing the mechanism around them. Give challenge a defined role, time, owner and route into the decision.

Capability 03 — Strategic Innovation

Strategic innovation is the bridge between seeing a changing condition and changing the business. The goal is not endless ideation; it is disciplined experimentation under real constraints.

Constraint Insight Experiment Learning Value

Stage	Example	Leader's job
Constraint	A critical input becomes expensive or volatile.	Make the constraint visible as a strategic design variable.
Insight	A service team identifies a recurring component failure.	Bring the insight into the core transformation decision.
Experiment	Test a redesigned component or remanufacturing model.	Protect a small experiment from full-scale risk requirements.
Learning	Customer uptake is lower than expected but service value is higher.	Update the business case instead of defending the original assumption.
Value	A new service model reduces material dependence and creates recurring revenue.	Scale what works and redesign the operating model around it.

Example: the industrial equipment manufacturer

A company discovers that a key material is becoming more expensive and geopolitically exposed. Systems thinking maps suppliers, product design, customer needs and end-of-life flows. Inclusive leadership brings engineering, procurement, service, sales and finance into the decision and deliberately challenges the ownership model. Strategic innovation then tests a redesigned component, remanufacturing, a take-back model or a service-based offer.

The experiment rule

Every transformation initiative should be able to answer: What assumption are we testing? What evidence will change our mind? What is the smallest useful experiment?

Leadership Signals: what gets rewarded gets repeated

Adaptive organizations do not need to discard operational excellence. They need to add signals that reward the capabilities transformation requires.

Traditional signal	Adaptive signal	What it sounds like	Mechanism
Department target	Systems thinking	"What dependencies could affect this target—and what happens elsewhere if we optimize it?"	Shared or cross-functional measures for critical transformations.
Functional excellence	Cross-functional integration	"Who needs to work on this problem together before the decision is made?"	Transformation teams with shared outcomes and clear decision rights.
Agreement	Constructive dissent	"What are we missing? Which assumption should we challenge?"	Red-team / challenger role and explicit response to challenge.
Quarterly performance	Long-term resilience	"What resource, operational or geopolitical exposure are we reducing or creating?"	Investment and leadership criteria that include resilience.

Important nuance

Traditional signals are not "bad". Charisma, availability, functional performance and short-term results can all matter. The problem arises when they become the only signals used to select leaders or allocate resources in an environment that requires adaptation.

Leadership criterion to redesign

Instead of evaluating a leader only on whether their function delivered its target, add a transformation dimension: Did they identify dependencies outside their function? Did they integrate other teams? Did they surface a risk others had missed? Did they build capability that will matter beyond the next quarter?

Framework principle: We need leaders who can operate the current model ? and help redesign it.

Why transformation stalls

Most organizations have smart people. The question is whether the architecture around those people makes the old behavior more rational than the new one.

Barrier	How it appears in practice	First organizational response
Legacy incentives	A sales team is rewarded for new-unit revenue while a circular service model reduces new-unit volume.	Redesign incentives or add shared metrics for recurring / retained value.
Siloed decisions	Engineering redesigns for repairability; procurement optimizes unit cost; service joins after launch.	Create one cross-functional outcome and decision owner.
Risk aversion	A take-back model stays in analysis because leaders fear adoption or margin uncertainty.	Define a bounded experiment with a learning objective and explicit risk limits.
Cognitive lock-in	"Customers want to own." "Lowest price wins." "Sustainability belongs elsewhere."	Name assumptions and assign someone to challenge them before commitment.

Diagnostic question

"Is the organization resisting change—or is the current system making the old behavior perfectly rational?"

Use the barrier diagnosis before adding another initiative. If the incentive system, governance or decision rights are unchanged, another strategy document may simply add more work around the same architecture.

Five things leaders can change

These five actions translate the framework into places leaders can actually intervene: promotion, risk governance, teams, capital allocation and the composition of transformation work.

01 Redesign promotion criteria

Reward systems thinking, collaboration and long-term resilience—not only functional output.

Practical move: Add 2–3 transformation criteria to leadership reviews: cross-functional impact, dependency awareness, constructive challenge, long-term capability building. Example: A leader who delivers the quarter but repeatedly optimizes against other functions should not receive the same signal as a leader who improves the whole value chain.

02 Integrate inclusion into risk governance

Use different perspectives as part of risk detection, not as a separate people initiative.

Practical move: In major risk workshops, include people close to customers, suppliers, operations and different markets. Ask explicitly: “What are we not seeing?” Example: The output should be a changed risk register, scenario, assumption or mitigation—not simply a record that diverse people attended.

03 Incentivize cross-functional teams

Give circular transformation a shared outcome, owner and decision rights.

Practical move: Build a team around one value-chain problem: product + procurement + service + operations + finance + commercial/data. Example: Replace six disconnected departmental KPIs with one shared transformation objective plus functional guardrails.

04 Tie circular targets to capital allocation

Make resource resilience and circular value part of investment decisions.

Practical move: Add questions to investment cases: dependency reduced? supply risk removed? product life extended? recoverable value created? recurring revenue enabled? Example: If circularity matters strategically but capital allocation ignores it, the organization is sending two different messages.

05 Sponsor underutilized cognitive profiles

Put different perspectives into the work where assumptions are being made.

Practical move: Ask who is not normally part of this decision and why. Give that perspective a defined role in the decision. Example: The goal is not to assume every perspective is correct; it is to expand what the organization is capable of seeing and questioning.

Five steps. One organizational challenge.

Do not attempt to transform the whole organization at once. Choose one real challenge where the current operating model is visibly getting in the way.

01 Define the changing condition

What has changed outside the organization? Resource availability, regulation, customer demand, technology, cost, supply concentration or competitive pressure.

Practical move: Produce a one-page external-change brief with 3–5 evidence points.

02 Map the organizational dependencies

Which functions, decisions, incentives, data, suppliers and customer assumptions are connected to the challenge?

Practical move: Produce a dependency map and mark the 3 dependencies most likely to create failure.

03 Expand the intelligence

Who experiences the problem differently? Who is missing? Which assumptions have not been challenged?

Practical move: Run a 60–90 minute challenge session with a deliberately mixed group and one assigned challenger.

04 Change the mechanisms

Which incentive, governance, decision right, team structure or investment criterion currently reinforces the old model?

Practical move: Change one mechanism before asking for more strategic alignment.

05 Run one strategic experiment

What is the smallest test that can produce evidence about the new model?

Practical move: Define the hypothesis, metric, time box, owner, risk boundary and learning review.

Do not jump from Step 1 to a solution. The purpose of the cycle is to move from changing conditions dependencies broader intelligence changed mechanisms evidence.

One Organizational Challenge — Working Sheet

Choose one live challenge. Write enough to make the problem concrete, but keep the first cycle small enough to learn within 30–90 days.

Step	Question	Your notes
1. The challenge	What circular / resilience / transformation outcome are we trying to achieve?	_____
2. What changed?	What external condition makes the old model less effective?	_____
3. Dependencies	Which resources, suppliers, functions, customers, regulations or data are connected?	_____
4. Assumptions	What are we treating as true without testing?	_____
5. Missing perspectives	Who experiences the problem differently? Who is absent from the decision?	_____
6. Mechanisms	Which incentive, governance rule, KPI, budget or decision right reinforces the current model?	_____
7. Experiment	What is the smallest useful test? What would change our mind?	_____
8. Evidence	What will we measure, and when will we review the learning?	_____

Decision checkpoint

Before moving forward, ask the team to answer three questions:

What have we learned that changes our original assumption?

What mechanism needs to change if we want the new behavior to persist?

What should we stop, start or redesign as a result?

If the answer is “nothing changes”

The experiment may have produced information without producing organizational learning. Convert the learning into a change in a decision rule, KPI, incentive, team interaction, investment criterion or governance process.

Worked example — industrial equipment manufacturer

The following is an illustrative case designed to show how the three capabilities and five organizational mechanisms can work together in one transformation.

Element	Illustration
Context	A key material becomes more expensive and volatile; supply is concentrated; customers increasingly ask for longer product life.
Old model	Buy material manufacture new equipment sell unit service reactively replace.
Systems thinking	Map supplier concentration, material alternatives, failure points, product architecture, customer uptime requirements, reverse flows and end-of-life value.
Inclusive leadership	Bring engineering, procurement, service, sales, finance, operations and selected customers into the decision; assign a constructive challenger.
Strategic innovation	Test redesigned components, remanufacturing, take-back and a service-based offer against customer and economic evidence.
Mechanism change	Create shared transformation KPIs; add resilience to investment criteria; change leadership review criteria; establish a cross-functional owner.
Experiment	Pilot one product family with a defined customer segment and a 90-day learning cycle.
Learning	Measure material dependence, repair cycle time, customer uptime, recovered value, service revenue and customer adoption.
Scale decision	Scale only if the evidence supports both customer value and organizational feasibility; otherwise redesign the model and test again.

What changed?

The company did not “add a sustainability project”. It changed the way a strategic problem was seen, who participated in the decision, what was rewarded, how capital was evaluated and how learning happened.

That is the organizational meaning of adaptability.

How to know whether the organization is adapting

The goal is not to create a giant dashboard. Measure whether the mechanisms are changing and whether those changes improve the organization's ability to learn and act.

Capability outcome	Possible metric	What to look for	Primary capability
Seeing	Dependency coverage	How many critical transformation decisions include an explicit dependency / exposure map?	Systems Thinking
Seeing	Weak-signal capture	How many relevant signals are identified, owned and reviewed?	Systems Thinking
Questioning	Challenge quality	How often does a challenge change an assumption, risk or decision?	Inclusive Leadership
Integrating	Cross-functional decision speed	How quickly can the right functions reach a decision on a shared problem?	Inclusive Leadership
Experimenting	Experiment cycle time	How long from hypothesis to evidence?	Strategic Innovation
Learning	Learning-to-action rate	How many experiments lead to a changed decision, mechanism or next test?	Strategic Innovation
Resilience	Dependency reduction	Which critical resource / supplier / process dependencies are being reduced?	All three
Value	Retained / new value	What customer, cost, risk or revenue value is created or preserved?	All three

Avoid vanity metrics

Number of workshops, number of participants or number of ideas can show activity without showing adaptability. Prefer measures that reveal changed decisions, faster learning, reduced exposure or new value.

Governance cadence

Cadence	Purpose	Typical question
Weekly / biweekly	Experiment review	What did we learn? What changes this week?
Monthly	Transformation review	Which dependency or mechanism is still blocking progress?
Quarterly	Leadership / capital review	What should scale, stop or be redesigned? What exposure changed?

A practical 30–60–90 day implementation roadmap

Use this as a starting sequence for one transformation challenge. Adapt the cadence to the scale and risk of the organization.

Timing	Phase	What leaders do	Output
Days 0–30	Frame + map	Define one challenge; map external changes and dependencies; identify assumptions; choose stakeholders; appoint an owner; agree the learning question.	One-page challenge brief + dependency map + experiment hypothesis.
Days 31–60	Challenge + test	Run the cross-functional challenge session; introduce the adaptive leadership signal; launch the smallest useful experiment; establish learning metrics.	Evidence from the first test + identified mechanism to change.
Days 61–90	Learn + redesign	Review evidence; decide what to stop/start/scale; change one incentive/governance/capital mechanism; document learning for the next cycle.	A revised operating mechanism + scale / redesign decision.

Leadership checkpoint at Day 90

Did the organization learn something it did not know before?

Did a different perspective materially improve the decision?

Did any organizational mechanism change?

Did the experiment reduce exposure, preserve value or create a new value opportunity?

What should now be scaled—and what should be stopped?

Not to “finish circular transformation”. The goal is to prove that the organization can see challenge experiment learn adapt on a real business problem.

The question to take back to the organization

Circular transformation is not only a question of what the organization should do. It is a question of whether the organization is capable of changing how it sees, decides and acts.

“The strategic question is not simply who is in the room. It is whether the organization can use what they see.”

“If you change the mechanisms, you change the behavior. And if you change the behavior consistently, you start changing the organization.”

“Resilience does not come from thinking the same way. It comes from building organizations that can learn and adapt together.”

Use the guide as a conversation starter

Choose one challenge. Map the dependencies. Bring different perspectives into the decision. Change one mechanism. Run one experiment. Learn. Then repeat.

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This field guide is an implementation companion to the keynote Building Adaptive Organizations for the Circular Economy. The framework, terminology and strategic framing follow the keynote deck and presenter notes. Implementation tools and examples are designed to help leaders translate the framework into organizational practice.

Sources & reference notes

ABOUT THIS GUIDE

The Adaptive Organizations Field Guide is a practical resource for applying the Adaptive Organizations Framework to organizational transformation. It translates the framework into diagnostic questions, leadership mechanisms, implementation steps and working tools.

Created by Flávia Sales, a marketing, innovation and sustainability strategist working at the intersection of technology, business transformation and circular economy. Flávia Sales shares strategic insights, frameworks and practical tools at flaviasales.com.

SOURCES & REFERENCE NOTES

Selected sources supporting the factual and regulatory context in this guide. The framework and implementation model are attributed to Flávia Sales.

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Policy timelines and regulatory requirements can change. This guide is dated September 2026 and should be checked against current official sources before being used as a compliance document.

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