

Pasta Lasta Handout for Facilitators

Total session: 120 to 150 minutes, including VSM introduction, briefing, playing and reflection.

Pasta Lasta has three founders, a reputation for good pasta and a working week that will not quite go according to plan. Participants decide how to organise the business, make commitments, deal with interruptions and, occasionally, discover that the arrangement which looked perfectly reasonable a few minutes ago has become rather inconvenient.

The VSM helps them examine what happened. It should not spare them the experience of having to work things out.

Start with a quick introduction to the Viable System Model

It necessary to explain the very basic features of the VSM before the group can start to use the VSM as playing field. A quick introduction including a Q&Q should not last longer than 30 to 45 minutes:

- **Environment**, examples for various sub environments like customers, suppliers, competition, public regulator, etc.
- **S1 – S5**, quick example using a small business, family, or person as example.
- **Algedonic Channel**, Reward and Alarm Signals

Create the playing field

After the introduction the group shall recreate the VSM with painter's tape on the floor. Don't be too religious if the group misses out details like the operational dependencies or the direction of the triangles.

Viable System Model Simulation - Pasta Lasta

IMPORTANT: leave the operational units out, because defining them is the first part of the simulation. Put movable notes and pens nearby, together with a second sheet on which you can record decisions, commitments and unresolved questions. Give participants the briefing (restaurant background and roles), not this entire handout.

Three people, or three small teams, represent the founders. Other participants can appear as guests, employees, suppliers or business partners when needed. Anyone who prefers to observe should follow how decisions are made and information travels.

The schedule includes the initial briefing and all reflection. The 90-minute version is deliberately brisk: play towards a first workable decision and leave most optional complications unused. The longer version gives you more room for negotiation and a short replay of a revealing exchange.

Part of the session	90-minute version	120-minute version
Background, roles and instructions	8 minutes	10 minutes
Operational segmentation and recursion	17 minutes	22 minutes
Identity and policy	5 minutes	8 minutes

Part of the session	90-minute version	120-minute version
Playing the working week	48 minutes	65 minutes
Closing reflection	12 minutes	15 minutes
Total	90 minutes	120 minutes

The Briefing for the Players

The restaurant

Three friends from the local hospitality scene open Pasta Lasta in an up-and-coming neighbourhood of a medium-sized German city. Between them, they know how to cook, choose and prepare drinks, and make guests feel welcome.

The furniture is a cheerful collection of different tables and chairs. The rest of the interior is fairly simple, and the founders prefer the sound of people talking to a room filled with background music. There may be some quiet jazz early in the evening. Later, house music attracts guests who come mainly for drinks to the bar.

Pasta is interpreted generously. Italian classics share the menu with French, German and Asian variations. The team makes its own pasta, sources many ingredients locally and values organic produce. Around 20 indoor tables accommodate up to 100 guests, with space for approximately 50 more on the terrace.

Alongside on-site dining, Pasta Lasta offers delivery and takeaway. Its sauces have also become a small business of their own: guests buy them at the restaurant, customers across Germany order them online, and two local delicatessens stock the tomato sauce.

The founders

The **kitchen role** looks after food preparation and the menu, including the quarterly replacement of dishes that are not selling well.

The **bar and drinks role** combines the perspectives of a sommelier, cocktail-maker and barista, taking responsibility for the drinks selection, purchasing and preparation.

The **service role** looks after guests, table settings, decoration and reservations.

These roles give people somewhere to start. They do not settle the organisational design, and the three players do not have to represent the entire workforce. As the group develops its structure, clarify which additional responsibilities each person takes on. The players can assume that they have a small crew working for them (service, kitchen, bar).

Tell them:

"You are running this business together. Speak to each other, make decisions and act on them. You will not receive all the information at the beginning. You can ask questions, and you can change your organisation, but the commitments you make remain part of the story."

Supply missing details when they become relevant, or agree on a plausible assumption with the group. Once established, keep those details consistent. Improvisation is useful and highly recommended!

Fun fact: the players will start to transfer the scenes and generated insights to their business reality – so you do not have too it for them. That is a very nice collateral effect of this approach. People look out for familiar patterns and by applying them the learning effect is way stronger.

Lastly, encourage the players to **move** through the VSM and use the systems to explain the context or thoughts. At the end of each day ask the participants:

“Which systems of the VSM were involved in the discussion?”

That shall help them to internalize the model.

The first task: define the operational units

Ask the participants to complete the operational part of the diagram:

“What is the system we are looking at? How would you divide its primary activities into S1's (operational units), and what should those units be able to take responsibility for? In short: What is the primary steering dimension of the restaurant Pasta Lasta”

Let them propose a structure before offering alternatives. They should name their system in focus, explain its purpose and show the operational units they intend to organize.

If the group needs starting points include:

- functions such as kitchen, drinks and service;
- sales channels such as online and offline;
- or business models such as the restaurant, an independently operated bar and the sauce business.

Delivery and takeaway might form a distinct operation or sit within another unit. Let participants explain their choices rather than work through every option.

At a lower recursion, the group might consider service zones or the guest-serving operation around individual tables. Within the sauce business, it might explore online sales, sales through the restaurant and distribution through other retailers.

Facilitator note: If participants treat kitchen, drinks and service as S1 units simply because they are distinct functions, briefly explore the difference between a division of labour and a viable operational unit. A drinks function and an independently run bar are not the same proposition. If the group already understands the distinction, move on. Thinking about upcoming coordination efforts for different scenarios can help the players to find a feasible solution. BTW: My favorite segmentation option is the one of business models – that might be a personal bias ■ So “my” players use:

- Restaurant
- Bar
- Sauce Production

Lastly, you can ask:

“If you have chosen the business model segmentation, what is then the purpose of the kitchen? To which system belongs it to?”

The answer: the kitchen is then part of the infrastructure, supporting the restaurant and the sauce business. Therefore, one could map it to **S2**.

What makes this business Pasta Lasta?

Ask the founders:

"What are you trying to create together, and what would you be reluctant to give up, even if giving it up made the business easier to run?"

Use the background as material, not as a list of predetermined values. Handmade pasta, local sourcing, the atmosphere and the late-night bar may matter differently to different founders. Let those differences surface.

Ask for a few guiding commitments and an agreement about who may reconsider them. A phrase such as "quality comes first" needs an example: what would it permit, and what would it rule out?

Ask:

"In which system of the VSM have you been discussing the purpose and values of your business?"

Relate this to **S5**, which concerns identity and policy, including the terms on which current operations and future development are balanced. It is not simply the owner's chair. POSIWID!

Playing the week

Introduce each event in ordinary language and **let the participants act** before asking them to interpret it. The system references below are for you, not labels to announce as part of the problem. Ask players to make their perspective explicit when they switch from representing an operational unit to taking responsibility for Pasta Lasta as a whole, rather than assigning each founder a permanent VSM system.

Towards the end of each scene, pause and ask what arrangement made the response possible, or what they noticed about the dynamics of the situation – and of course in which system they were discussing (or better: physically standing).

Keep the recursion visible, too. Coordination between a restaurant and the bar belongs to a different recursion level from coordination between service zones inside one restaurant. Follow the structure the participants chose rather than quietly replacing it with your own.

Monday: planning the working week

6 / 8 minutes

"Today is the closing day. Plan the working week from Tuesday to Sunday. From bookings to the weekly shopping trip. A birthday party has booked half the terrace for Saturday; otherwise, you expect ordinary demand."

Have the founders negotiate what they need and what they can commit to. A large booking does not necessarily mean more guests overall, but it may mean that many guests want the same thing at the same time. Let participants establish what makes this booking different before adding extra staff to the shift or planning the shopping trip to the local vendor to replenish stocks.

When useful, have the organiser call and ask for all meals to be served together. This is an optional complication. The group could respond with additional support, a smaller agreed menu, preparation changes or a different arrangement with the organizer.

During the reflection, distinguish local operational decisions from shared (shopping) coordination and the **S3 resource bargain** across recursion levels: what a unit undertakes to deliver, what resources and support it receives, and how it accounts for the result. S3 contributes an overview of the whole; it need not take over every local S1 decision.

Tuesday: the restaurant is overbooked

8 / 10 minutes

"The digital reservation system has gone wrong. All the tables have been promised more than once, and the first guests are expecting their bookings to be honoured."

Play an arriving guest or a caller and let the group respond. They may contact customers, negotiate later times, rearrange space or limit what they can accept. If somebody proposes additional tables, ask what happens to food preparation and service rather than assuming that seating was the only constraint.

To make an oscillation visible, you can introduce a repeated reversal. Service sends waiting diners to the bar; the bar sends them back because those places are needed for drinks guests; service sends them across again because it still considers the space available. Adapt the example to the group's chosen units and recursion.

The initial overbooking is a capacity mismatch. The back-and-forth makes a different problem observable: local responses repeatedly undo one another. Use that distinction to introduce **S2**, whose stabilizing function concerns the interactions between operational units. Furthermore, you can show how the **distinction between S2 and S3** is hard and that the first half of a sentence is related to S2, while the second half is related to S3.

Ask the participants to establish an arrangement that prevents recurrence. That could involve an investigation why the reservation system failed, a common capacity picture, an agreed booking rule or a direct coordination practice. This is then a **S3*** activity.

Wednesday: a supermarket wants the sauce

8 / 12 minutes

"A buyer from a supermarket chain would like to put your tomato sauce on the shelves. They want to discuss what Pasta Lasta could supply. For the beginning 1000 glasses per week."

Let someone play the buyer. Have the founders ask about quantities, conditions and timing before discussing whether the opportunity is attractive. The sauce business already exists; the decision concerns its scale and direction, not whether Pasta Lasta should diversify for the first time.

As an optional complication, offer a regional trial with a firm delivery commitment. Make the terms explicit and keep them consistent. Participants can accept, decline, negotiate or ask for further work before deciding. Do not reward enthusiasm simply because growth sounds positive. What could this opportunity change about sourcing, preparation, attention or the balance between the different businesses?

In the reflection, examine the dialogue between **S4 and S3**: future possibilities need to meet an honest account of present capabilities, while current operations should not be able to dismiss every unfamiliar proposal merely

because it does not fit the existing routine. **S5** provides the policy context for that dialogue. In the highest sense, it is about the identity and purpose of Pasta Lasta – will it stay a small business of three friends, or will they break up because one of them is seeing an internationally scaling tomato sauce brand.

Thursday: guests report stomach pain

9 / 12 minutes

"While checking online reviews, one of you notices several negative reports in which guests mention stomach pain. You do not yet know whether the reports are connected or what caused the problem."

Let participants decide what needs immediate attention, who needs to know, and how they will investigate. The original situation raises a possible hygiene problem; it does not establish one. Contacting guests and discussing compensation may be appropriate parts of the response, but neither answers what happened or what can responsibly continue while the cause remains unclear. This scene is about organising a response, not practising diagnosis.

If the group needs material for its enquiry, introduce an optional discrepancy between a documented procedure and what actually happens during busy service. Reveal it when somebody makes an appropriate enquiry or observation.

Use **S3*** to examine the deliberate check on operational reality beyond ordinary reporting. The audit informs operational management; it does not mean that the person investigating takes over the kitchen. Separately, discuss the **algedonic channel**: which serious signal needs attention outside the normal reporting rhythm, who must receive it, and what response time applies?

Friday: energy costs rise

6 / 8 minutes

"Your energy supplier announces a price increase. At unchanged consumption and turnover, energy costs would rise from 7% to 14% of revenue. How do you respond?"

Keep the initial assumption clear, then let the group challenge what can change. Operating hours, preparation patterns, prices, the sizes of the menu and investments are all possible subjects. Ask what a proposed saving does to other parts of the business, especially when one unit's improvement quietly becomes another unit's problem.

If the group needs numbers, offer a fictional example: revenue of 100, energy costs of 7 and other costs of 87 leave a surplus of 6. With energy costs of 14 and everything else unchanged, the result is a loss of 1. These are game figures, not a restaurant benchmark.

Make it transparent how the group is constantly switching between the systems of the VSM. Operational reality is somewhere between **S1 and S3**, **S4** provides the long-term standpoint, while **S5** is trying to balance contradicting demands in order to stay stable. Eventually, the trigger an audit (**S3***) to acquire more information for decision making.

Close by asking which changes belong within local discretion, which require an agreement across units, and what will tell the founders whether their response is working. There is no need to force every VSM function into the scene merely because the shock affects the whole business.

Saturday: a new competitor

6 / 8 minutes

"You hear that another restaurant in the city also specialises in pasta. There is a social media hype about it showing long queues of people trying to get in."

Introduce the competitor news through a guest or colleague. Ask how they will respond and which systems are in which order involved to deal with the new competitor. Who investigates, what would make the information relevant, and who keeps today's service running while that happens. They do not need to formulate an entire competitive strategy during this scene. It is more about the steering approach.

An optional detail is a guest mentioning an attractive offer at the other restaurant. Let participants decide what they need to know before dealing with it.

Use the reflection to examine the relationship between attention to current operations and attention to future developments. Obviously, **S4** detected the new competitor, but what happened after receiving this signal? Did you involve **S5** for ethical decisions, or did the group jumped right to **S3** to optimize the operative business?

Closing reflection

12 / 15 minutes

Return to the original diagram and ask the participants to summarise their experience, then invite the whole group, including the observers, to share their impressions. What came easily? What was difficult? Was the VSM a useful lens for understanding what was happening? Did it provide orientation when they needed to make decisions?

At this point, participants usually have a few remaining questions about the theory. Use these to clarify what is still unclear and connect the concepts to particular moments in the simulation. This is often when the pieces fall into place and a basic understanding of the VSM takes shape, grounded in the group's own decisions, conversations and discoveries.