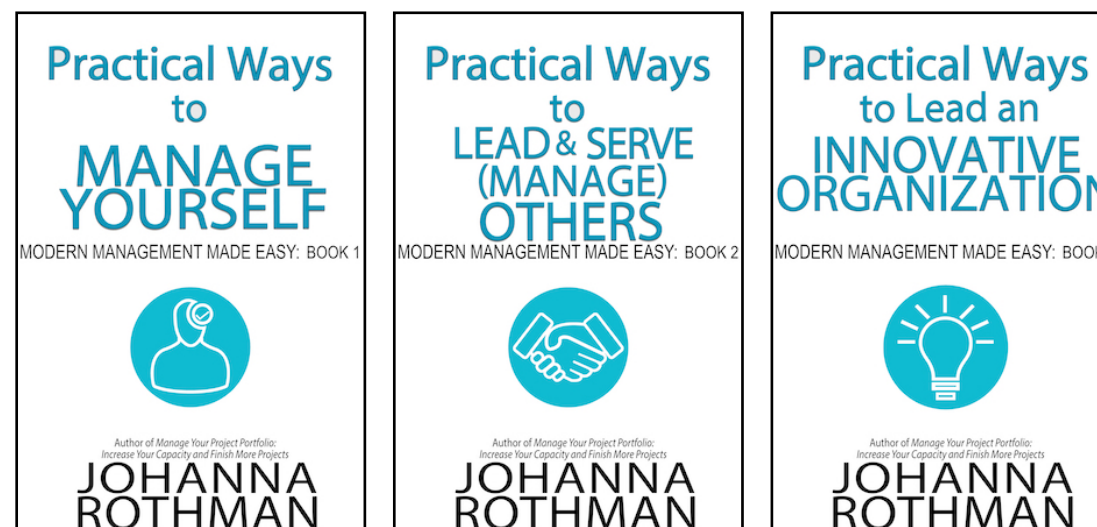# Management Innovation:

Fulfill the Agile Promise of More Innovation

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An Agile Transformation Story
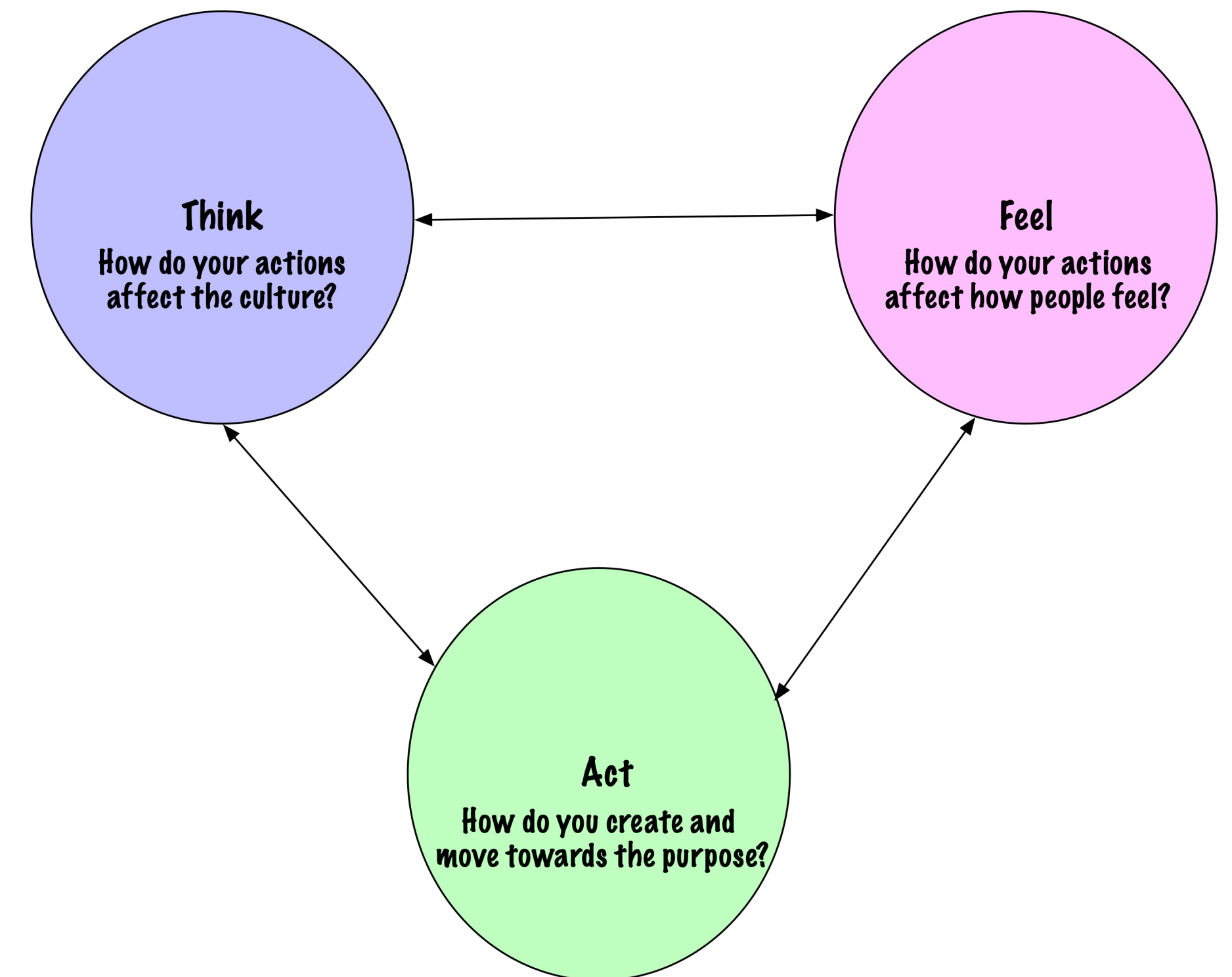
- "We need a transformation!"

  - Isn't a transformation something the people doing the work do?

  - We'll install a framework

- Where's the adaptation?

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Management innovation can create and refine the agile culture

Three Myths That Stifle Innovation

- Standardize on how people work

- 100% utilization works

- Performance management creates employee engagement

Think
How do your actions affect the culture?

Feel
How do your actions affect how people feel?

Act
How do you create and move towards the purpose?

Myth 1: We Can Use One Standard Agile Process

- "Let's install a framework for all teams!"

- Assumes all teams have the same work and the same pressures

What Teams Need Instead of Standardization

- Business outcomes (overarching goal)

- Guidelines (release something every week)

- Constraints (don't break existing product)

- Delegate problems and outcomes, not tasks

- Learn fast from experiments

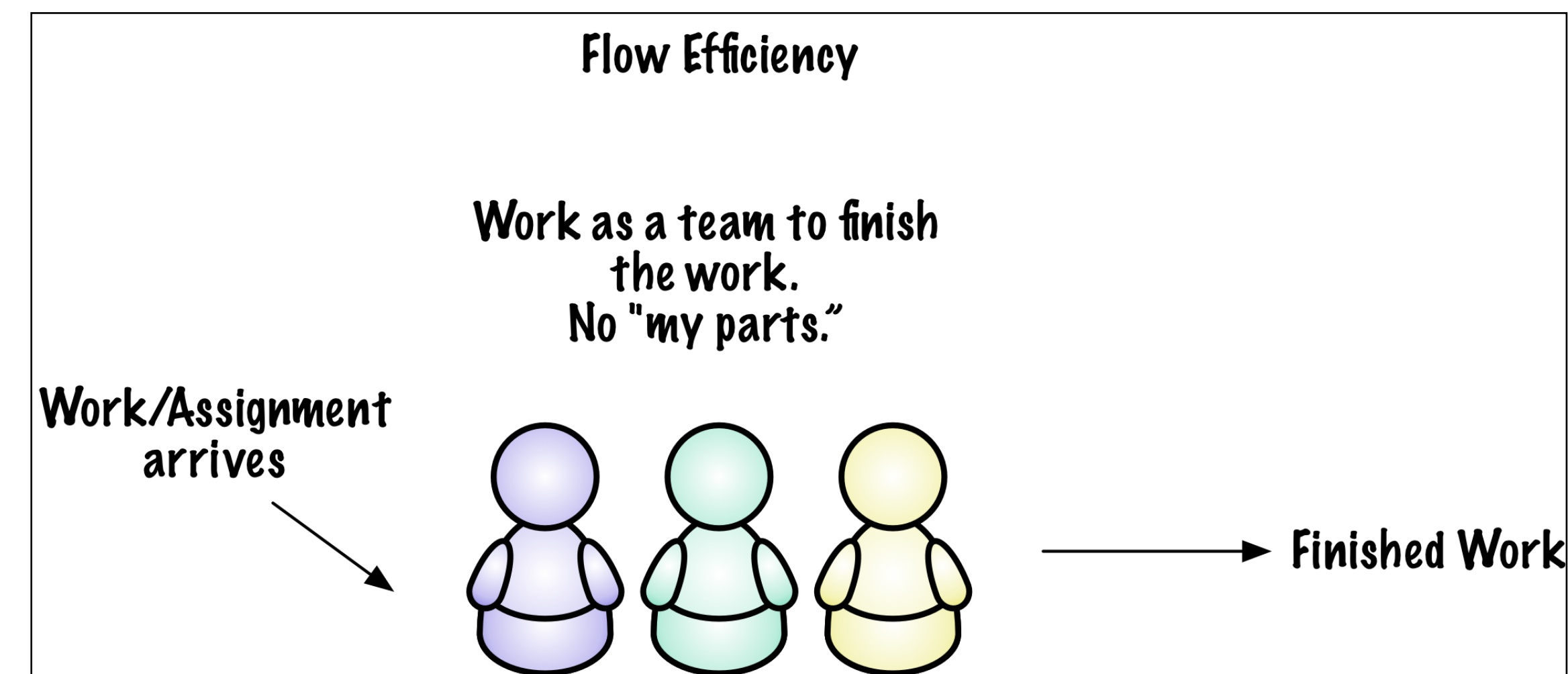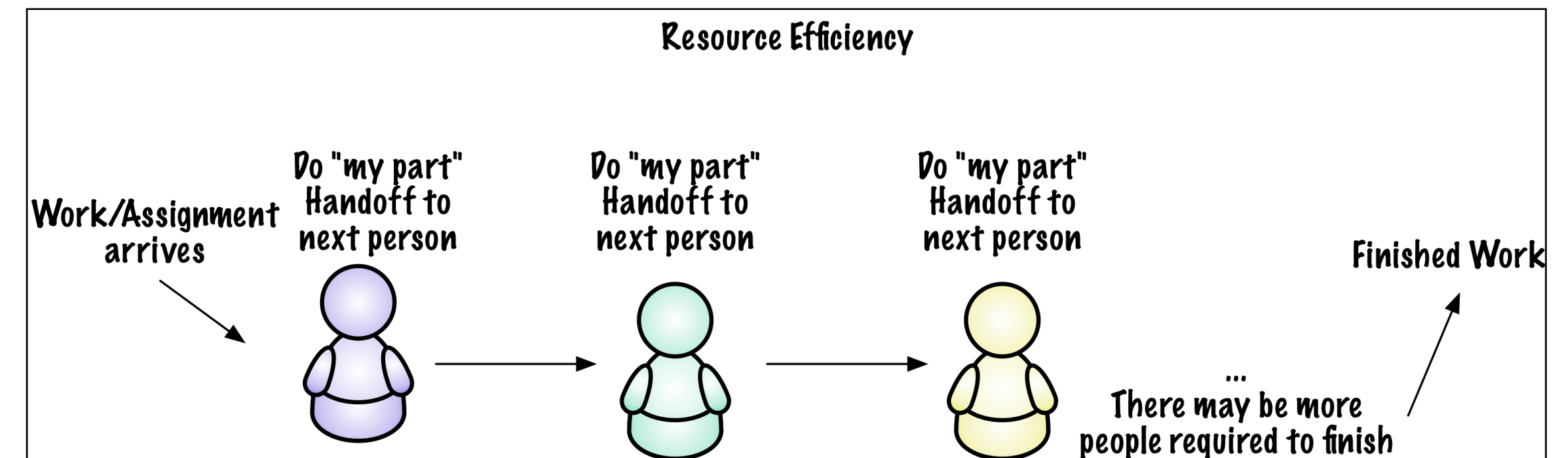# Every team creates *their* agile approach

Myth 2: 100% Utilization Works

- When everyone is busy, we'll get more work out of them!

- Optimize for outputs and time

- Instead, we need to optimize for deliverables and value
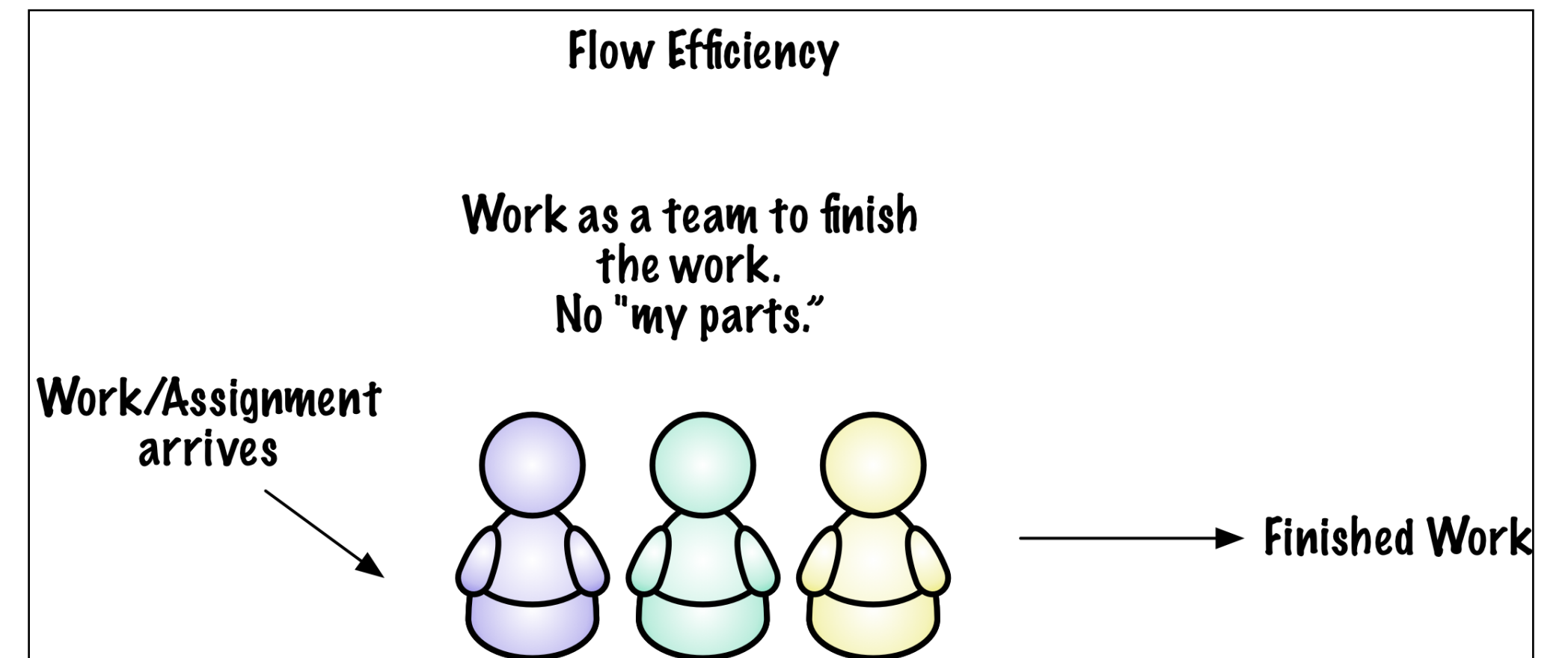
- The fallacy of resource efficiency
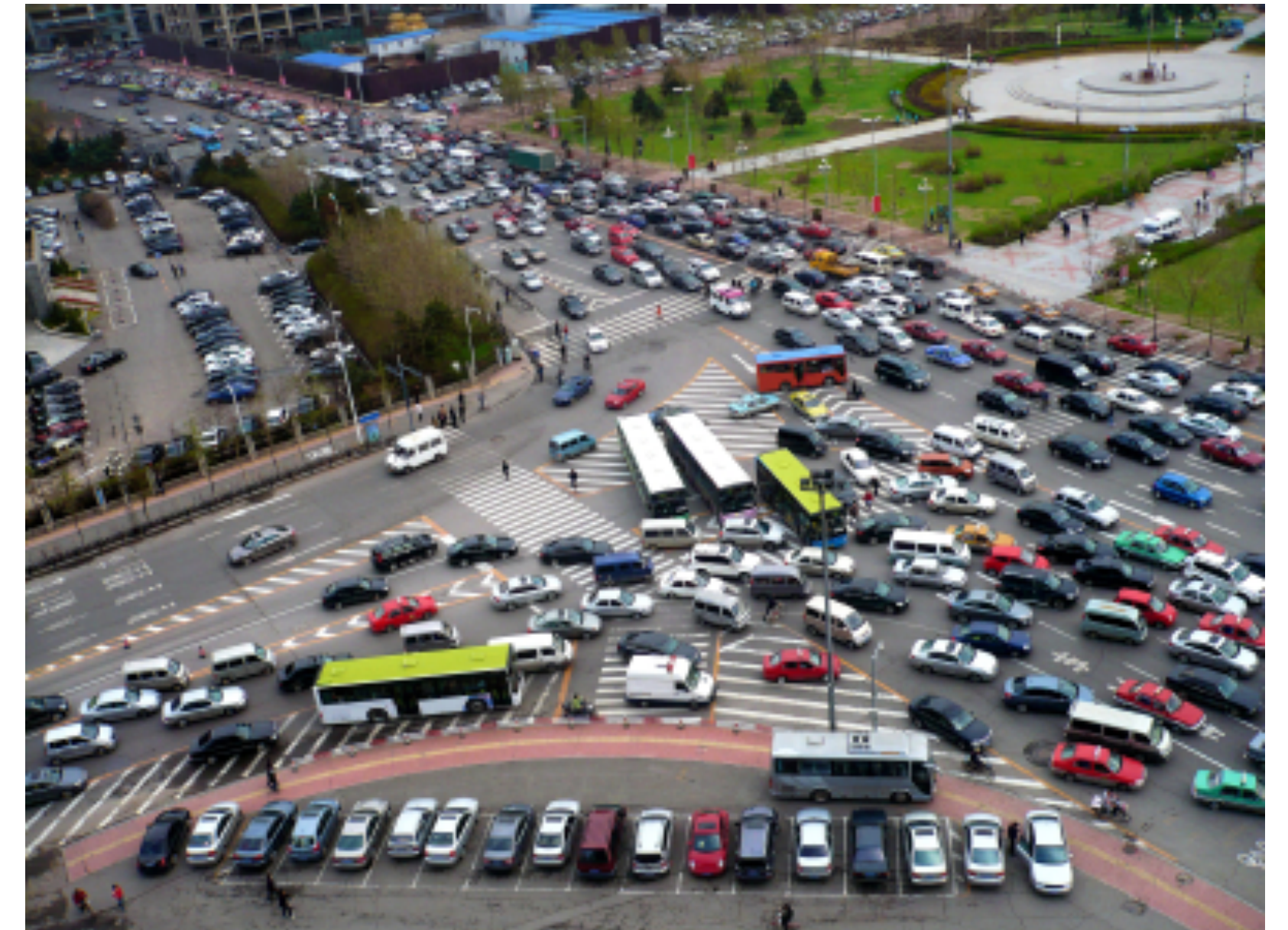
Focus on the Flow of Work, Not the Person

- Resource efficiency *looks* efficient

  - But, everything takes longer because of the delays between people

  - Delays increase the more projects everyone has

  - Multitasking costs

- Agile teams need to work in flow efficiency

Resource Efficiency

Work/Assignment arrives

Do "my part" Handoff to next person

Do "my part" Handoff to next person

Do "my part" Handoff to next person

... There may be more people required to finish

Finished Work

Flow Efficiency

Work as a team to finish the work. No "my parts."

Work/Assignment arrives

Finished Work

What Teams Need Instead of Utilization

- Decide why the organization exists: the overarching goal

- Reduce organizational WIP & decide what not to do for now

- Experiment to reduce/eliminate wait states

Flow Efficiency

Work as a team to finish the work.
No "my parts."

Work/Assignment arrives

Finished Work

Limit *organizational* WIP to support the flow of work through teams

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Myth 3: Performance Management Creates Engagement

- Performance management does not work

  - Ranking doesn't work

  - Comparing people or teams doesn't work

  - Competition doesn't work

- Creates pay disparity

- Evaluation on subordinate goals

Instead of Performance Management…

- Regular one-on-ones to build a trusting relationship

- Create goals that support the entire team

- Autonomy, mastery, purpose

- Create some team-based compensation

- Jungle-gym career ladders based on influence, not individual achievement

Performance "Management" Prevents Business Agility

Three Common Ideas

- Create and work towards *one* overarching goal

- Small experiments to optimize learning (learn early)

- Collaboration in small-world networks across the organization

BEHAVIOR
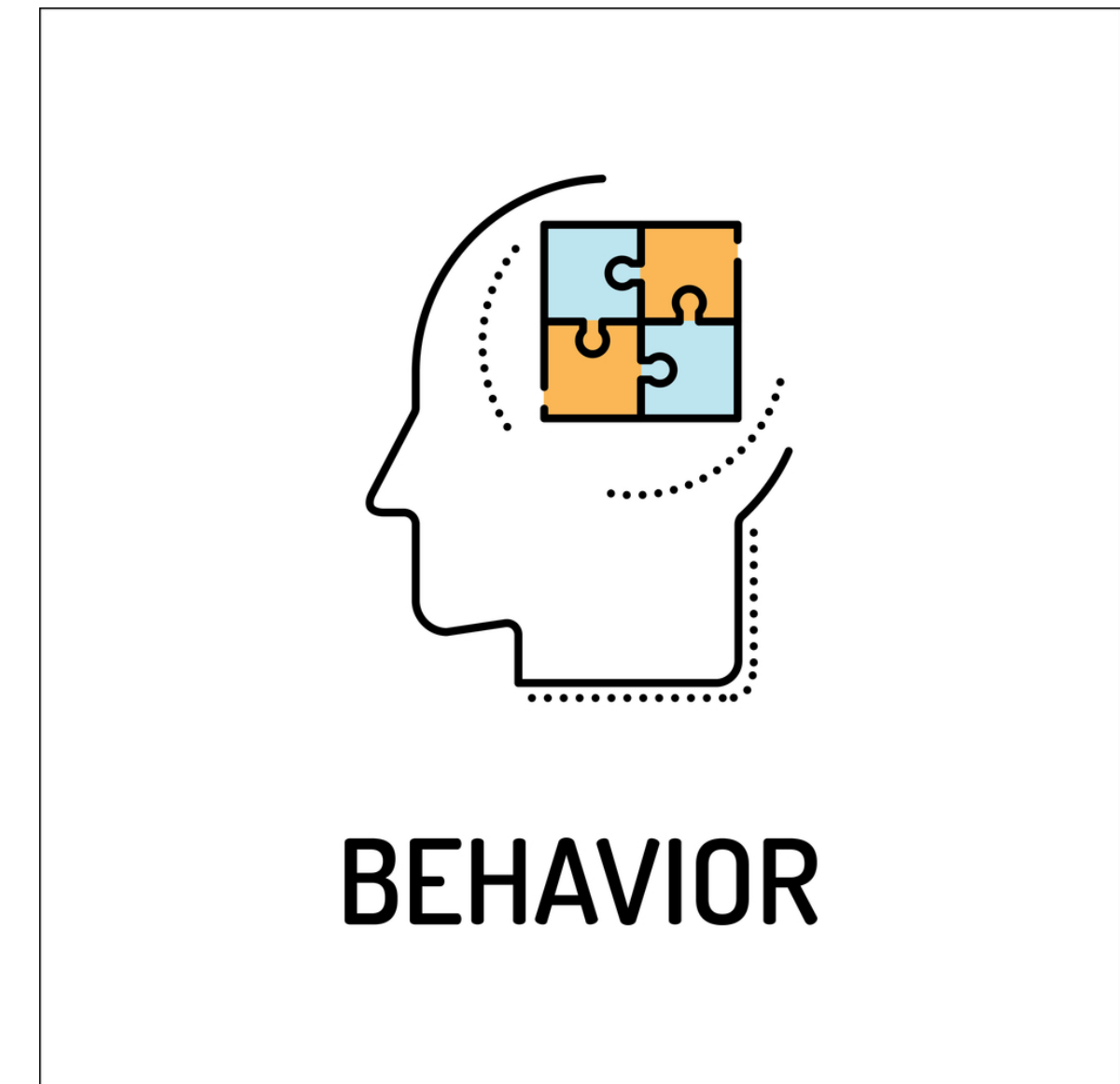
Management Innovation Optimizes *for* Change

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- Please link with me on LinkedIn

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