THE JOURNAL OF BUSINESS AGILITY

emergence

CONFERENCE SPECIAL EDITION

BUSINESS **AGILITY** CONFERENCE

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Times Square

THE JOURNAL OF BUSINESS AGILITY

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2022 CONFERENCE SPECIAL EDITION

Contents

On Mar 23 & 24, Business Agility Conference will return to New York after two years with an apt theme - Moments of Connection. The focus this year is to reconnect the business agility community and re-create moments for collective intelligence and understanding through the conference. From the beginning, the fundamental premise of the conference has been such that anyone who is part of the conference should be able to get on stage and share their thoughts on what they have learned from their experience so that attendees should be able to draw inspiration from it. With this year's conference being in a hybrid state, I hope you're as excited as I am about what's in store for all of us. This special conference edition is curated as a testament to you and shares a rich and worthy combined knowledge and experience of our contributors - **Shannon Ewan (1), Todd Rebella (2), Aimee Palmer (3), Pia-Maria Thorén (4), Jeev Chugh (5), Sally Elatta (6), Trisha Hall (7), Rakesh Kondvilkar (8), Amol Pradhan (9), Pete Behrens (10), Nizar Khoja (11), Hendrik Esser (12), Marcin Floryan (13), Darja Smite (14), Jens Coldewey (15), Ram Bathija (16), Carol McEwan (17), Kemmy Raji (18), Howard Sublett (19).** As the business world is reshaping with the COVID era, we look at the dimensions of organizational resilience through community robustness and creative agility. Organizational resilience is an important driver for gaining a competitive advantage. We have some deeper conversations on organizational resilience, organizational ambidexterity, dynamic capabilities, and transformational leadership. We build on these insights to advance a more comprehensive and complex approach to resilience dynamics in organizations. Organizational resilience is an ambidextrous dynamic capability that allows firms to take competitive advantage by rapidly and efficiently coping with adversity. The strategic consequences are borne by organizations, which are the result of a combination of competing exploration and exploitation measures taken in the face of adversity. There's an articulated fundamental contradiction between robustness and agility. Attaining organizational resilience is possible by structurally separating robustness and agility, and shifting attention from and to inversely. And, recognizing the usefulness of organizational context which enables and encourages leaders to engage in a robust and agile behavior. Organizational resilience, it is a dynamic capability of firms that is built with sensing, seizing, and transforming opportunities.

I hope you connect, enjoy and cherish the experience of this conference with fellow leaders, and will share and expand on the collective knowledge and learning beyond the conference after these two days. We couldn't have been successful without your support, so thank you. Have fun!

Manoj Khanna,
Managing Editor & Publisher

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Contributors

Welcome

Two years ago, our community gathered in New York for the 2020 Business Agility Conference. We didn't know it at the time, but this was the last event before the world shut down. We laughed, we shared stories, and we even had the chance to enjoy a Broadway show together–not knowing it would be the last show for more than 12 months.

Those of you who attended the 2020 conference will remember us standing on stage to announce that the World Health Organization had just declared COVID-19 a global pandemic. New York shut down around us. The mood turned sombre and reflective as we all boarded our flights and returned to our everyday lives... lives which, for many of us, would soon become unrecognisable.

Now, in 2022, we're finally ready to get together again. And, as we were one of the last global agile events before the shutdown, It seems serendipitous that we are also one of the first global agile events to launch as the world reopens. We are delighted to have you with us for this long-overdue comeback.

This special edition of Emergence celebrates the 5th Business Agility Conference. In it, you will find articles and insights from many of our members and partners from around the world. Whether you are holding this in your hand while standing in NYC with us, or reading it online while waiting for the virtual conference to begin, these stories can help to connect us.

Which brings us to the theme for this conference—**Moments of Connection.**

For two years now, we've been talking about a "new normal," and we see and feel this supposed new normal everywhere. We see it in that slight hesitation people have when they meet. Should they simply wave? Should they extend their hand for a shake or an elbow bump? Or maybe their counterpart is comfortable putting aside social-distancing norms for a hug.

But it's no longer about a new normal. There is no new normal. It's unlikely that we'll ever return to the same ways of living that we enjoyed in 2019. COVID has continued to impact people around the world since it was first identified, and the world is slowly reshaping around it. Perhaps the only thing to do is to prioritize the one thing that will keep us sane through it all: human connection.

That is my ask of you over the next two days. Be deliberate and create those moments of connection. If you are physically with us, remember that connection doesn't have to be physical. Be empathetic to others. Not everyone is ready for a hug or a handshake. But be there for others—listen more than you speak.

For those joining virtually: Stay connected and talk. Most people, when given the option over the past two years, will leave an online conference immediately after it wraps up instead of staying behind to chat. They don't skip talks to hang out with people they meet or to get new ideas in the industry. This aspect of connection is missing from most of our lives. So, be deliberate.

This conference brings together amazing people like you; transformation leaders who have walked the path to greater agility and thrived along the way. Throughout each day, executives, practitioners, and thought leaders will share concise insights and authentic experiences, interspersed with facilitated deep-dives to give you the chance to share your own insights, discuss what you're learning, and brainstorm with other leaders.

Take the time to expand your local and international network and forge new connections that bring a newfound energy to your business agility journey.

Most importantly? You'll discover you are not alone.
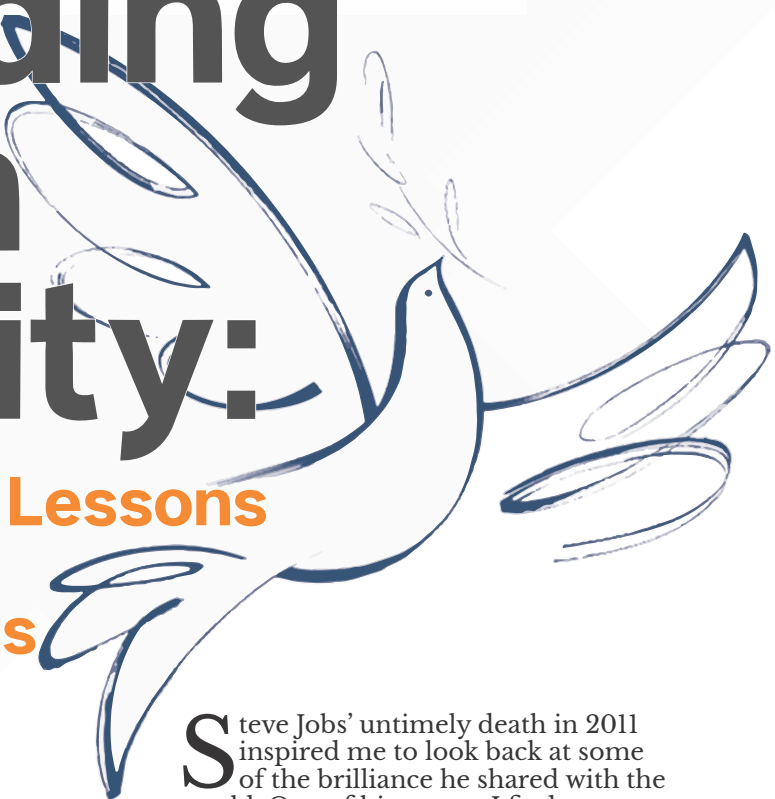
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CEO and Co-founder,
Business Agility Institute

Leading with Agility:

Grassroots Lessons from the Peace Corps

Shannon Ewan

S teve Jobs' untimely death in 2011 inspired me to look back at some of the brilliance he shared with the world. One of his quotes I find most resonant is from his commencement speech at Stanford when he said, "[Y]ou can't connect the dots looking forward; you can only connect them looking backward. So you have to trust that the dots will somehow connect in your future."

It was also in late 2011 that I attended a Peace Corps' 50th-anniversary celebration at the University of Notre Dame. The event's keynote was given by Father Theodore Hesburgh, Notre Dame president emeritus, who supported Sargent Shriver in making the case for President John F. Kennedy to create the Peace Corps in 1961. I attended the event both as an alumna of Notre Dame and as a Returned Peace Corps Volunteer (RPCV) having served in Ebolowa, Cameroon from 2003 to 2005. Father Hesburgh, who was 94 at the time, gave a captivating speech about Notre Dame's involvement in training the very first Peace Corps volunteers on campus before they embarked on a boat to Chile for their two years of service.

In 2003, it was not a boat, but an Air France plane from JFK airport that brought my fellow volunteers and me to Yaoundé, Cameroon via Paris, France. During my service, I worked as a Small Enterprise Development (SED) Volunteer in the South Province's rainforest-enveloped capital of Ebolowa. My work consisted of collaborating on initiatives with microfinance cooperatives, local entrepreneurs, civil servants, grassroots development organizations, and the international donor community.

Although I dove into the Peace Corps with naive idealism and a genuine desire to make the world a better place, I was more often the object of change than the subject throughout my two-plus years of service. While the experience transformed my worldview in a broader sense, this article focuses on connecting the dots where lessons that took root in the villages of Cameroon now influence my work both as an agile leader and as a mentor to others who lead in today's complex environment.

Before delving further, I want to acknowledge the stark differences between today's global business climate and the on-the-ground realities of life in developing countries like Cameroon. The paralleled anecdotes or lighthearted interpretations shared here are not meant to minimize the gravity of that contrast. Rather, they are relayed with a fondness and respect for the wisdom, resilience, and joie de vivre I witnessed during my time as a volunteer, and with gratitude for everything I learned from my community.

LET GO OF HAVING THE ANSWERS AND HONOR THE LARGER PURPOSE

As my fellow volunteers and I prepared to board our plane for Cameroon, those around us were in awe of our untempered idealism and self-sacrifice. We were the ones who were going to change the world.

Fast forward a couple of months into our service when reality started to become palpable. Beneath our crippling culture shock, inability to keep the mud off our shoes, and fatigue from those darned roosters that don't wait for dawn to crow, we realized we'd grossly underestimated the systems at play and overestimated our abilities and the power of our positive intentions. It seemed stunningly obvious in retrospect that if improving the world were that easy, the need for volunteers like us would have long passed.

This was a moment of truth for many of us and several volunteers decided to return home rather than face the suffocating feelings of futility for their remaining years of service. That's where the lesson took root for me: I was there for the mission, not to have all the answers or to be a savior. The Peace Corps' mission is to promote world peace and friendship, not to "show the world how it's done." The three goals in support of the mission are: 1) to help the people of interested countries meet their need for trained men and women, 2) to help promote a better understanding of Americans on the part of the peoples served, and 3) to help promote a better understanding of other peoples on the part of Americans. I didn't have to have all the answers or save the world. I was there to serve my host community and to learn.

This epiphany didn't crystallize in a moment; it germinated over time. I see the parallels between this example and what today's leaders face, especially when leading through complexity and constant change. If your motivations as a leader are not aligned with the overall purpose (i.e. the vision/mission), then you are not in the right place. If the misalignment is not obvious early on, it will quickly emerge when times get tough.

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There is also tremendous freedom in letting go of the belief that you must be the expert and have all the answers. After all, how exhausting and fruitless is this expectation? If all the answers were knowable, your expertise wouldn't be needed anyway. For today's leaders, letting go of the need to be the expert and shifting to curiosity and co-creation prove much more powerful. We will always have far more to learn than we will have to teach.

EMPATHIZE WITH THE DIFFICULTY OF CHANGE

During our second week in Cameroon, we transitioned from the capital of Yaoundé to the town of Bandjoun where we would live with host families for the three-month duration of our pre-service training. This is the Peace Corps' way of maximizing immersion, earning trust with the local community, and creating environments for shared understanding.

What I had perhaps thought about but not fully grasped was how much I would need to change and learn just to engage with day-to-day life. One of the first things that stood out to me about Cameroonians was how they showed respect for those around them by taking pride in their appearance. They could stay impeccably clean during the rainy season despite the lack of paved roads and umbrellas. They did not have that many clothes, but the ones they had were always cleaned and pressed. This astounded me even more once the reality of no indoor plumbing, unstable electricity, and lack of washing machines hit me. I literally had to relearn everything: how to bathe, how to clean clothes, how to cook, how to ensure I had a lantern handy in case I had to walk out to the pit latrine in the middle of the night, how not to trip over the mosquito net, etc.

I remember sitting with my head in my hands before one of our first days of training feeling like a four-year-old having to relearn EVERYTHING. Sure, my fellow volunteers and I were eventually able to look back on this phase and laugh, but I would have struggled so much more had it not been for the patience and understanding of my host family. I remember my little host sister, Ines, showing me the technique for hand-washing clothes while she marveled at the fact that my hands were the same color on both sides. My brother Roger showed me where to get water and the proper techniques for getting the mud off my shoes without getting too much on myself. I was fortunate that I already spoke French. Some of my fellow volunteers went through all these things with the added complication of a language barrier.

The parallel to organizational change here is not exact, but it involves a similar form of un-learning, re-learning, and forming new habits. As leaders, it's essential to empathize with the frustration people experience when their routine shifts suddenly and drastically. We also need to have the self-awareness to see how changing circumstances and disruptions destabilize and impact us. If we are not aware of the impacts on our sense-making and decision-making, we may not be positioned to act most effectively for our organizations during volatile times.

PARTNER WITH THE AGENTS OF CHANGE IN YOUR COMMUNITY/ORGANIZATION

During my service, I witnessed firsthand the disillusioning patterns of large global organizations granting large amounts of money to the governments of developing countries with scant oversight regarding impact and outcome. In some cases, these types of grants not only failed but worsened the problems and inequalities they were purported to address.

In contrast, one of the keys to the Peace Corps' success and longevity is that its methods emphasize making a lasting and meaningful impact over a quick fix or high-profile intervention. When Father Hesburgh was reflecting on the early days of the Peace Corps, he noted that "[I]t is important to look back on the Peace Corps because it was one of the Kennedy experiments that really stood the test of time and did much good to many people, many nations all over the world."

Part of the associated strategy involves the diligence Peace Corps devotes to partnering with local communities, doing a needs analysis, and ensuring that volunteers are matched with host country counterparts who are mission-aligned and positioned within the community with high potential for lasting impacts. In the SED project, this involved partnering with managers and influencers in local microfinance cooperatives as well as seeking out and supporting local microentrepreneurs. Working together, we increased both our relevance and impact on the community by providing access to capital in a sustainable way.

As is well-known in the world of microfinance, women in recipient communities have a much higher loan repayment rate than men. Given this and in an overall spirit of women's empowerment, I placed a special focus on women entrepreneurs. In the last nine months of my service, a fellow volunteer and I obtained grant funding and ran a series of Women's entrepreneurship seminars in four Cameroonian cities. A large part of the reason our grant proposal and our project ultimately succeeded is that in each city, we identified and partnered with strong and mission-aligned Cameroonian women to lead the seminars. As a result, many of the women who participated were able to use their new skills to start small businesses and/or enhance existing family and community projects. I also heard many awestruck anecdotes from the spouses of our attendees about the new skills, energy, and ambition their partners had gained.

To tie this to agile leadership, we've learned over the years how essential it is for change agents (e.g., Enterprise Agile Coaches) and leaders to work together in co-creating change strategies. It is also essential that leaders see themselves as part of, not distinct from, the organizational change. As I'll discuss in the next section, co-creation and collaboration can be messy and complex, but they are also much more conducive to sustainable change than approaches that are top-down or externally motivated and driven.

This brings to mind the African proverb, "If you want to go fast, go alone. If you want to go far, go together."

STAY FOCUSED ON THE SHARED GOAL

Although the women's entrepreneurship seminars were ultimately successful and impactful, the project had abundant chaos and nearly insurmountable stressors along the way. Each city had its nuances in terms of administrative protocol, logistics, attendance, etc. We had many conflicting opinions amongst our local counterparts, our funding agency, Peace Corps leadership, and our facilitation team. I remember, during a frenzy of planning calls and unexpected obstacles, our Cameroonian project sponsor pulled several of us into a room in Yaoundé. She vented a bit, but then mostly gave us a pep talk that culminated with her shouting, "Ce qui est important, c'est que les femmes aient les skills!" (Translation: "What's most important is that the women get the skills!")

That did it. Her passionate reminder of our shared goal pulled it all together and re-aligned us. From that point forward, the logistical hurdles, unexpected venue shifts, difficult local officials, and occasional corruption paled in comparison to our passion for the work we were doing. And that passion was contagious: although we focused primarily on entrepreneurship skills, the singing, dancing, and camaraderie stand out in my memory. That, and how much pride and joy our participants had when they received their certificates of completion.

As leaders, it is easy to lose sight of the overall goal in the chaos of today's complexity. It is even easier to assume shared understanding when it does not really exist. When in doubt, welcome discussion and re-calibrate on the vision, mission, and goals. Create a culture and environment that both serves as a magnet for those with whom the overall purpose resonates and as a fork in the road to respect differences for those who might self-select out of the organization or choose not to enter it in the first place. A mistake I've made over the years is trying to be all things to all people and keeping all doors open. Although this is a way to avoid tension and conflict, it also dilutes the overall impact.

RECOGNIZE THAT ENDURING SOLUTIONS COME FROM THOSE CLOSEST TO THE PROBLEM

Stories abound in international development circles about expensive projects falling flat because of a top-down, "one size fits all" approach. Some of the more common ones involve potable water systems either installed with equipment that is impossible to maintain or in locations that do not consider the realities and rhythms of local life.

No one denies the importance of potable water and thus, there is no lack of a shared goal in these cases. In fact, one of my favorite Cameroonian project partners would often exclaim, "l'eau, c'est la vie" (translation: water is life.) The downfall here is that the people with the deepest understanding of the problem and the surrounding environment are not part of the solution.

A Peace Corps experience that rivals the women's seminars in my memory is my collaboration with a local civil engineer on bringing suitable and maintainable potable water systems to villages. My collaborator brought engineering expertise and I served as a grant writer and project manager. We had a project structure that engaged and worked directly with the community to ensure we were building a specific and effective solution for their unique needs. The actual work of creating the water systems was done by a combined crew of civil engineers and able-bodied people from the recipient villages. It was amazing to see what was possible with the right combination of commitment, resourcefulness, determination, and local expertise.

As an agile leader, I've learned over the years that there is magic in setting the stage, then stepping back and letting the team create astonishing results. Our job as leaders is not to bring all the know-how and direction. Rather, it's about establishing a creative and safe environment, bringing the right people together, and enabling them to achieve a vision that is deeply resonant and important to them. This is by no means something I've mastered, but it is something I strive for as an ambition that took root in the Cameroonian rainforest.

These five lessons highlight the beauty of letting go, partnering, empathizing, staying focused, and creating an environment for others to shine. And as I reflect further, I notice a thematic synergy with our four brand values at ICAgile: Co-create. Honor. Inspire. Lead.

These ideas are beacons on my agile leadership journey, and they are grounded in a growth mindset and a spirit of continuous learning. There is so much to unleash by shifting from a stance of expertise to one of curiosity. None of this happens overnight and it is never a linear process. It is a continuous and circuitous path of self-development often marked by more setbacks than victories.

Be patient and resilient on the journey and, as Steve Jobs said, trust that the dots will connect. Thank you for that wisdom, Steve. And on behalf of all circa 2002 Peace Corps volunteers who could suddenly fit so many more songs in their limited baggage allowance, thank you for the iPod.

To my Cameroonian friends, thank you for never keeping the music inside you.

Shannon Ewan
RPCV Cameroon, 2003-2005
Managing Director, ICAgile

Shannon Ewan

currently serves as the Managing Director for the International Consortium for Agile (ICAgile) in Arlington, VA. She is a skilled Agile Coach, facilitator and trainer with extensive business and Information Technology (IT) experience in the commercial and government sectors. In addition to her work as an agile practitioner and leader, she has spent several years studying and working outside of the US, including a two-year stint as a Small Enterprise Developer in US Peace Corps / Cameroon. Shannon is also a Certified Professional Co-Active Coach (CPCC).

International
Consortium for Agile

Bringing Agile to Life in Finance

Five Ways to Get Started

Todd Rebella
Aimee Palmer

Finance has traditionally served as a corporate control function, as steward of the organization's capital, and as a provider of insight to inform business decisions. But the traditional role of Finance–and of the Chief Finance Officer (CFO)–is shifting to become more strategic and focused on value creation opportunities and the risks that accompany them. More and more CFOs are setting the agenda for their organizations in terms of future sources of possible growth.

CFOs are on board with this change in direction. Our research indicates that traditional finance roles are being replaced by higher, more strategic roles, and that over three-quarters of CFOs surveyed believe it is within their purview to drive business-wide operational transformation.[1] An almost equal number (78%) agree that Finance is better than other functions at guiding their enterprise on the adoption of emerging and evolving technologies.[2] The CFO and the Finance team are ready to take responsibility for digitizing and harnessing the power of data while leading the enterprise into new ways of working.

Before Finance can transform the organization, however, it should change its own mindset and practices to realize greater agility, clarity of strategy, and collaboration with key partners, including IT. The mindset shift to a more agile, product-focused function with continuously evolving capabilities is part of the agility equation. It starts the journey to a culture that is less "command and control" to one that is leading new ways of working. Finance establishing good practices and stability of delivery at the team level should allow the function to then scale its agile practices and develop the more advanced capabilities necessary to meet the increasing expectations of internal stakeholders and external customers.

FINANCE FACES MULTIPLE CHALLENGES

The CFO and the Finance team confront massive social, economic, and technological change as they evaluate their role within the organization and the structure, resources, and people they need going forward. At many companies, the Finance function has "prioritized" technology spending on regulatory initiatives without the latitude to re-think day-to-day activities such as reporting, compliance, planning, and forecasting. This has left Finance without the capacity—in terms of both technological and human resources—to adapt to a rapidly changing environment. Meanwhile, large-scale global trends—economic, social, health, and environmental—are pushing companies to make rapid changes or lose the confidence of customers and other stakeholders.

- Research from Accenture indicates that as many as half of Standard & Poor's (S&P) 500 companies may be replaced before 2027 as companies lose ground to newer, more nimble competitors.[3]

- Accenture has found that nearly three-quarters of companies are in a state of or on the brink of disruption.[4] No industry is immune, from manufacturing to banking.

- Only 20% of Chief Strategy Officers surveyed by Accenture say they are prepared for disruptive innovation.[5]

- Over half (53%) of CFOs surveyed by Accenture claim that the Finance function today is too reactive,[6] and we believe that data and information hold the key to creating true competitive differentiation.

- Over three-quarters (77%) of CFOs surveyed are exploring disruptive technologies to see how they could benefit the organization.[7]

- Similarly, surveyed CFOs recognize the need for change and believe that traditional roles may soon be obsolete—and more than three-quarters (78%) say that change should be rapid and drastic.[8]

Technological change has a particularly powerful impact on Finance. At one time, for example, Finance groups used to build data warehouses that stored structured data to aid reporting and answer business questions. Now CFOs create data lakes storing structured and unstructured data, while supported by a strong data governance capability. Within the lakes are answers to vital questions that may not yet have been asked. The ability to react quickly to the insights uncovered from newly accessible data increases the importance of business agility.
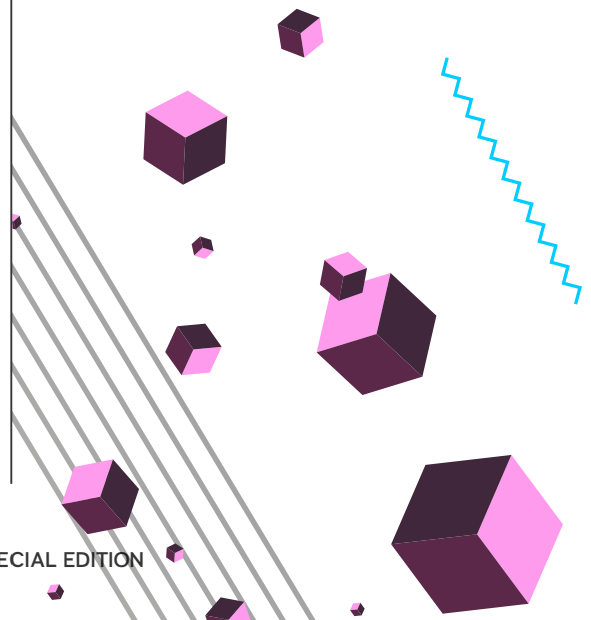
THE ROLE OF AGILE

As the need among organizations for flexibility, speed, and profitable growth increased, the definition of Agile expanded over time. Accenture Business Agility defines this as business agility, which includes four key competencies–Delivery Agility, Product Innovation, Organization Adaptability, and Leadership Effectiveness.

Business agility delivers significant overall benefits for companies. Research shows that the long-term EBITDA (earnings before interest, taxes, depreciation, and amortization) growth for truly agile organizations is 16% compared with only six percent on average for non-agile organizations.[9] Also, the 2019 Business Agility Report confirmed significant and encouraging benefits for organizations reporting higher levels of business agility including:[10]

- Increased revenue, brand recognition, and market share

- Faster turnaround times and higher quality offerings

- Improved relationships with customers

- Greater transparency and higher employee engagement

The Business Agility study also found that the key predictors of business agility were adaptive funding models, value streams, and relentless improvement.[11] These predictors should be realized in part by Finance developing the agile portfolio management competencies, outlined in Figure 1 below. These competencies should ultimately allow Finance to realize and sustain its full potential both in terms of its profits and its people, no matter how the environment changes around it.

Figure 1. Accenture Business Agility's Agile Portfolio Management Competency Areas
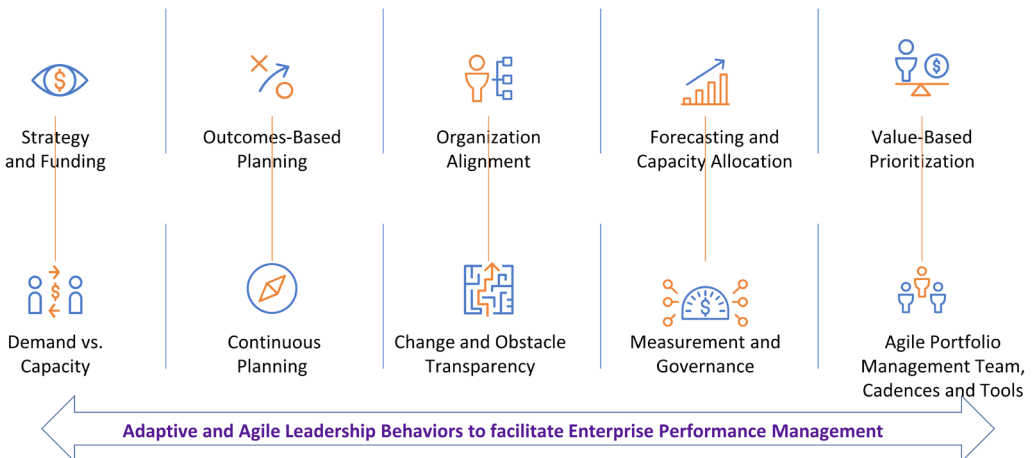
Source: Accenture Business Agility

Figure 2. Accenture Business Agility's Agile Portfolio Management Principles
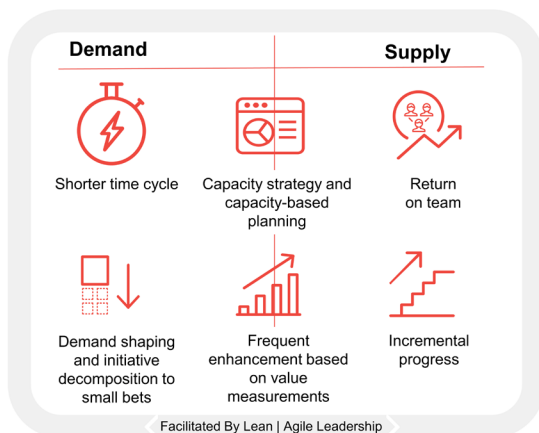
Source: Accenture Business Agility

GETTING THERE: HOW CFOS BECOME AGILE

These competencies should be developed in the context of the overall business agility transformation and Finance's role as strategic advisor. Finance should step back and ask:

- After fulfilling our recording and reporting responsibilities, do we have the capacity to identify and facilitate new value opportunities?

- What do our internal customers want from us beyond our recording and reporting responsibilities?

- Do we have the people, skills, data, and technology to fulfill our mission?

- How do we get the most from our investments?

The first step in attaining business agility is setting the vision for agile transformation that aligns Finance to the organization's strategic priorities.

Using this vision, the CFO and Finance team can move to agile portfolio management as part of the transition to business agility.

How do you know when moving to agile portfolio management, as part of a broader business agility transformation, is right for your Finance function? There are several pain points indicating the need for adopting agile portfolio management:

- Poor project outcomes and performance

- Ineffective use of capital

- Lack of flexibility to react to unplanned events and new customer needs

- Internal friction over competing priorities

- High overhead related to cumbersome planning and approval processes

Adopting the principles, identified in Figure 2, that build upon agile portfolio management competencies from Figure 1 should help to address these pain points. These principles should allow the CFO and Finance to embrace an incremental investment mindset across the Finance function rather than taking a siloed approach to investing and establish a structured discipline to continuously evaluate those incremental investments based on small bets.
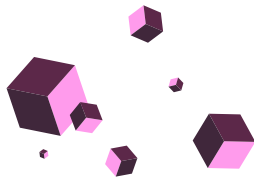
By applying the principles in Figure 2 through the five action steps that follow, the CFO and Finance can build agile portfolio management competence and more business agility within their function:

1. Decouple supply from demand and focus on product management that aligns delivery to strategic objectives.

One of the CFO's first concrete actions should be to appoint a business architect for Finance that is responsible for defining the value flow across the function. The resulting product areas (demand) and teams (supply) should be vertically aligned for quicker decision-making. Ideally, the product managers of these areas own the overall product visions for Finance and should report to the CFO. Governance should establish the process to match the unlimited demand to limited supply through "roughly right data"–e.g. estimating using number of team weeks instead of precisely wrong detailed hours by individual team members. Vertically aligned business product teams and IT teams should commit to delivering value, rather than project hours, as a measure of progress and success.

2. Focus on "Return on Teams" by funding technical excellence and empowering dedicated, cross-functional, high-performing teams.

In a process we call "Return on Teams," the CFO funds teams with persistent membership, historical knowledge and experience, and an understanding of the business product or value stream they support. The team becomes the unit of capitalization, not the individual; governance structures, including career pathing and incentivization, should reflect this mindset shift.

To build agile teams and skills within Finance, start by assessing the function's true capacity for change. Since departments have historically budgeted and provided resources on a siloed basis, it may be difficult to get a real understanding of this capacity. In an agile team structure, individuals should be aligned to a product or capability, and then organized into dedicated, cross-functional teams and groups of teams to deliver on specific initiatives. In many cases, this means expanding the horizons and skills of the existing team, rather than building up and tearing down teams after the conclusion of a specific project or initiative.

The roles that should exist in each team depend on the product being delivered but may include a product owner, business subject matter specialist/analysts, designers, quality engineers, software engineers, among others.

Agility calls for new skills as well as new teams and roles. Among new skills that should be developed are mastery of agile methodologies and tools, data and analytics, visualization, behavior-driven development, test-driven development, DevOps capabilities and user story writing, and estimating/planning.

3. Frequently review and fine tune the Finance portfolio through outcome- and capacity-based quarterly planning cycles and shared decision-making.

Looking at progress and demand more frequently and making small bets, permits iterative and incremental planning that aligns with longer-term strategies. As a result, this establishes a rhythm to constantly review and pivot, as necessary, empowering local decision-making to support trade-offs and start-stop-continue actions. Using agile demand management processes, the CFO can prioritize demand across all levels for faster decision-making, with frequent enhancement and finetuning based on value-add capacity.

Allocating budget across the Finance function (finance operations, corporate finance, and financial planning and analysis (FP&A)) helps address concerns about funding on-going activities such as statutory and regulatory reporting while providing capacity for newer analytical and decision-making responsibilities. As Finance becomes more effective in this area it can serve as a role model and source of expertise for the broader enterprise. This process is illustrated in Figure 3 below.

The CFO, in collaboration with IT, works from a vision/product roadmap that incorporates key finance activities including finance operations, corporate finance, and FP&A. Demand is managed at the start of the planning cycle, with alignment on strategic priorities for the Finance function. After approval of business priorities and budget, timelines are reviewed and budgets drawn down on a quarterly basis. Product backlog items are reviewed monthly and effort estimates are then revised.

4. Develop systems that allow transparent, accessible real-time data and don't withhold information (including bad news).

Decision-making should be decentralized as much as possible. A cross-functional portfolio team can take responsibility for strategic oversight, direction and budget allocation, budget setting for agreed products that align with the initiatives in each functional area, and among other tasks.

Product owners approve changes to the product capability roadmap and manage team capacity. Meanwhile, financial operations and corporate finance provide oversight and governance for end-to-end solutions, with responsibility for approving changes to the program solution roadmap.

Finally, delivery teams provide user stories and requirements based on business value and capacity. These are monitored and updated at least monthly. ➡

Figure 3. Agile Demand Management Process
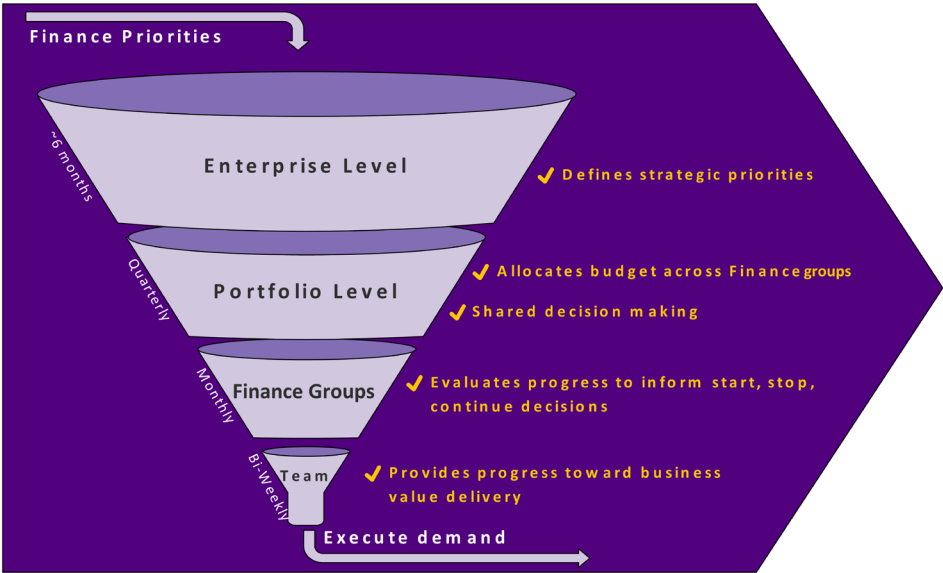
Source: Accenture Business Agility

5. Monitor incremental value commitments within the Finance function.

Rather than thinking in terms of large-scale projects, create incremental commitments within product areas and deliver on them quarterly. Agile calls for Finance to set objectives and key results (OKRs) which are ambitious, qualitative goals that can be tracked with key performance indicators (KPIs) to quantitatively manage and measure success. We recommend adopting four categories of OKRs to track performance and accountability:

- **Provide customers better insights**–assess the overall satisfaction of finance customers by focusing on engagement and on the quality of experience; a KPI might be business units' satisfaction score with Finance.

- **Deliver tangible business outcomes**–tie finance goals to KPIs so that change and/or business outcomes are jointly agreed to and delivered by both Finance and IT. KPIs used here include the cost of finance per billion in revenue, the cost of finance technology, and the cost of professional services used. Rather than thinking in terms of large-scale projects, create incremental commitments and deliver on them quarterly.

- **Improve delivery and operations**–measure the delivery performance and operational stability of Finance by focusing on quality and effectiveness of service, with KPIs including days to close, days sales outstanding, days payable outstanding, and days working capital. Operational KPIs might include the number of operational risk incidents, the number of management reports generated or the number of cost centers and/or legal entities.

- **Transform culture and ways of working**–assess key value propositions and transformation progress. Transformation KPIs could include faster delivery, increased productivity, number of agile teams, an agile maturity index, levels of finance employee satisfaction, and other workforce metrics including attrition and diversity.

As seen in Figure 4, the focus of these OKRs should evolve over time, and transformation metrics should be a primary focus in the early stages of the shift to agile. Once the Finance organization is thinking and operating with greater agility, there can be greater emphasis on customers, business outcomes, and delivery and operations.

Figure 4. Accenture Business Agility's Key Transformation Metrics During Shift to Agile

PHASE 1 (DAY 1)	PHASE 2 (1-2 YEARS)	PHASE 3 (3 YEARS)
DELIVERY AND OPERATIONS	*DELIVERY AND OPERATIONS*	*DELIVERY AND OPERATIONS*
CUSTOMER	*CUSTOMER*	*CUSTOMER*
BUSINESS OUTCOMES	*BUSINESS OUTCOMES*	*BUSINESS OUTCOMES*
TRANSFORMATION	*TRANSFORMATION*	
• Strong focus on transformation metrics to steer the setup and facilitate new technology company	• Increase focus on business outcomes, technology delivery and operations, and customer metrics	• Phase out transformation metrics as the new technology company stabilizes
• Support organization growth and maturity with talent coaching, organizational structure setup and test, and learn opportunities	• Provide at-speed delivery with aligned business priorities, efficient systems, and standardized processes	• Continuously improve and enhance metrics to drive business outcomes, technology delivery and operations, and end-user business/customer satisfaction

Source: Accenture Business Agility

WHAT IS REQUIRED FOR AN EFFECTIVE TRANSFORMATION?

The direction and actions we have discussed can help a Finance organization become more agile. To meet this goal, a strategy around change management is required to permit an effective transformation and adoption of agility, processes, and new ways of working. The focus of this strategy should be on the people within Finance and their employee experience, managing change with them rather than forcing change on them. Success should be measured by whether people adopt an agile mindset. An agile approach to portfolio management is the facilitator, not the target.

CONCLUSION

In a time of rapid technological advances and significant social and economic upheaval, Finance can no longer adhere to traditional ways of funding and doing business. Applying agile principles to Finance can lead to better use of capital, increased cooperation with IT and other allied functions, and greater overall flexibility. This is true both for traditional finance operations such as statutory and regulatory reporting, as well as for newer areas such as FP&A.

By adopting agile, the Finance function should be better positioned to support the new role of the CFO and the Finance organization. In addition, Finance can set the pace for the broader enterprise to achieve agility. Above all, agile principles can guide Finance though times of extraordinary disruption and change, helping to protect the survival and, ultimately, the continuing growth of the business.

To find out more about creating an agile Finance function, please contact one of the authors. ⓔ

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The Future Role for HR?

Pia-Maria Thoren

I've seen organizations slowly weaken and die when they don't manage to make the shift to increase business agility. On the other hand, the ones that do transform into a new culture and structure—those that are more adapted to today's needs and tomorrow's participation economy—will survive and flourish.

"Care for the People, and Manage the System "
   – Pia-Maria Thoren

In general, small and medium-sized companies can manage the shift more easily as they often have fewer top-down structures hindering people from realizing their potential. Whereas, the bigger the company, the more complex transformation becomes with entrenched systems, processes, and structures that resist change. You can try to change one (often functional) department of the company, but the problem remains in another. Since all parts are dependent on each other, the brave department that attempts to initiate change is typically forced to give up and return to the old structure, like a rubber ball after it's been squeezed.

WHY HR NEEDS TO DRIVE THE AGILE TRANSFORMATION

To accomplish organizational change, there is one functional department that can affect all the other parts simultaneously: **HR.** This function, in most companies, controls:

- Leadership programs and development
- Change management
- Organizational development
- Employee engagement and retention
- People development and learning
- Reward strategies and bonus systems
- Talent acquisition
- Performance management
- Long-term workforce management

All of the above areas cut through the entire organization. They are the processes that can either support the change to a learning organization—and, in turn, a more agile future—or stop it altogether. They can be developed to limit performance and engagement, or they can optimize performance and employee satisfaction. However, HR struggles with being criticized as being the organizational police; hindering performance and engagement by implementing the very processes that were supposed to increase the same. This needs to change.

HR has been sitting in the back seat for too long now. It's time to step up and take responsibility for change. The fact is, HR departments are the architects of organizations, and their leaders need to take the wheel. They need to lead the transition from traditional management practices to agile leadership if they want to compete in current and future business landscapes.

There is tremendous room to grow. People need to be given the freedom to create and experiment to explore new heights and ideas. Despite this necessity, much of management's fundamental mindset is still rooted in the idea of the old factory mentality. To keep up in today's world and compete, management needs to change with the times.

When HR managers hold on to traditional ways of working, learning, developing, and planning, they are severely reducing the possibilities of change.

Those companies will be outnumbered and outpaced by smaller, faster players in the market. Alternatively, if HR departments switch to a structure that focuses on customer value over rules and policies, they will lead their companies successfully through the change.

Organizations are complex social systems propelled by people and relationships. They are not machines that you can manage with routine care, and people are not cogs in the machine, despite how they may have been treated in the past. They are living organisms with feelings, dreams, and challenges. People, just like the future of work, cannot be controlled. But we can give the right prerequisites to people in the organizational system, and they will take care of the rest. We don't have to drive change; it will happen by itself when people realize that it's up to them and that they are trusted to take action in a psychologically safe environment.

The system needs to be managed, not the people. We don't need to implement difficult frameworks, methods, or models; we need to learn how to allow people to give their best effort to the company by providing support structures, not limiting structures. It's a path of trial and error to find the best way for each company. The only way to move forward is through continuous learning. The companies that learn faster than the others will be the winners.

Overall, employees will take responsibility for their learning, growth, and movement within organizations, rather than waiting for it to come from above. As different aspects of a company's growth trajectory become important, the traditional employee/manager roles will change irrevocably.

HR can either support or hinder the change toward a more agile organization, which is why HR needs to go first! By providing different structures and focusing on customer value instead of rules, HR can lead companies through a change in a way that no other department is capable of. ➲

THE AGILE PEOPLE COACH

The question is:

- *Where do managers and HR go from here?*
- *What will become of them when everyone is encouraged to lead themselves?*
- *Will they slowly become obsolete when information and knowledge are universally transparent?*

What do companies look like when the power is not exclusive to a few "talents" who were promoted because they were seen as High Potential Employees (AKA rising stars) back when we judged performance in a yearly performance review?

Is there an alternative future role for HR and managers when our complex reality forces businesses to replace process-oriented and transactional leadership styles with more transformational ways of leading work?

Agile People promote and celebrate the new role that HR and leaders need to take in all kinds of organizations—the Agile People Coach's role.

Agile People Coaches see organizations as social systems, not machines. They recognize that people and relationships build organizations, and if their motivation is high enough they will find ways to innovate and provide value together. We still need structures, but just enough to provide cohesion as opposed to restriction. We need to foster great business cultures to guide behaviors and incentivize people to do things that will help them perform in a common direction. In this scenario, the future career path for leaders and HR professionals is to adopt an Agile People Coach's competencies—a role that aims to create the right conditions for individuals, teams, and the whole organization to grow, develop, and change as needed to survive.

"We spend a lot of time helping leaders learn what to do; we don't spend enough time helping leaders learn what to stop."
–Peter Drucker

THE AGILE COACH'S COMPETENCIES AND LEVEL OF INTRUSION

In her book *Coaching Agile Teams*, Lyssa Adkins outlines three paths to agile coaching, all of which originate from the IT department: from Scrum Master, from Tech Lead, or from Project Manager. In agile organizations, an Agile Coach works with the following areas: people, product, technology, and process. The Agile Coach Competency Framework teaches us four competencies (stances) in an Agile Coach's toolbox.

Agile-Lean Practitioner
Applies Agile practices, lives Agile values

Teaching
Instructing others in specific knowledge, skills and perspective

Professional Coaching
Partnering with clients in a creative process that inspires their personal and professional potential (from ICF)

Sharing knowledge, skills & perspectives that foster the personal and professional growth of someone else
Mentoring

A neutral process holder who guides groups through processes that help them come to solutions and make decisions
Facilitator

Technical expertise as a software craftsperson
Technical Mastery

Expertise as an organizational development and change catalyst
Transformation Mastery

Expert at business-value-driven innovation and product development
Business Mastery

The Agile Coach Competency Framework: Original text courtesy of Coaching Agile Teams, Lyssa Adkins

Master of Agile
Living the principles & mindset

Leader/Explorer

HR Professional

Trainer
Instructing others in specific knowledge, skills perspective

Coach
Partnering with clients in a creative process that inspires their personal and professional potential (from ICF)

Sharing knowledge, skills & experience that enables the personal and professional growth of something else
Mentor

A neutral process holder who guides groups through processes that help them come to solutions and make decisions
Facilitator

Local expertise & full understanding of the business value chain
Guide

The ability to choose the right role to play depending on the context!
Observer

Understand the org. as a system. Change catalysts, apply emergent strategy & systems thinking
Navigator

THE AGILE PEOPLE COACH DIFFERENCE

An Agile People Coach is an evolution from an Agile Team Coach, although the basic understanding of agile values, agile tools and methods, systems theory, and organizations are the same. Agile People Coaches, versus Agile Team Coaches, coach people in all areas to continuously improve value and flow. The emphasis is on People over Process, and they have a broader, more inclusive approach based on three levels: "me and you," then "we as the people in a team," and finally "all of us as part of the organization."

It's about teaching people how to build themselves up through self-leadership, then developing a high-performing team that supports the company (and its culture) as a whole. Agile People Coaches understand basic human needs, behaviors, teamwork and support an emerging strategy towards the organization's purpose.
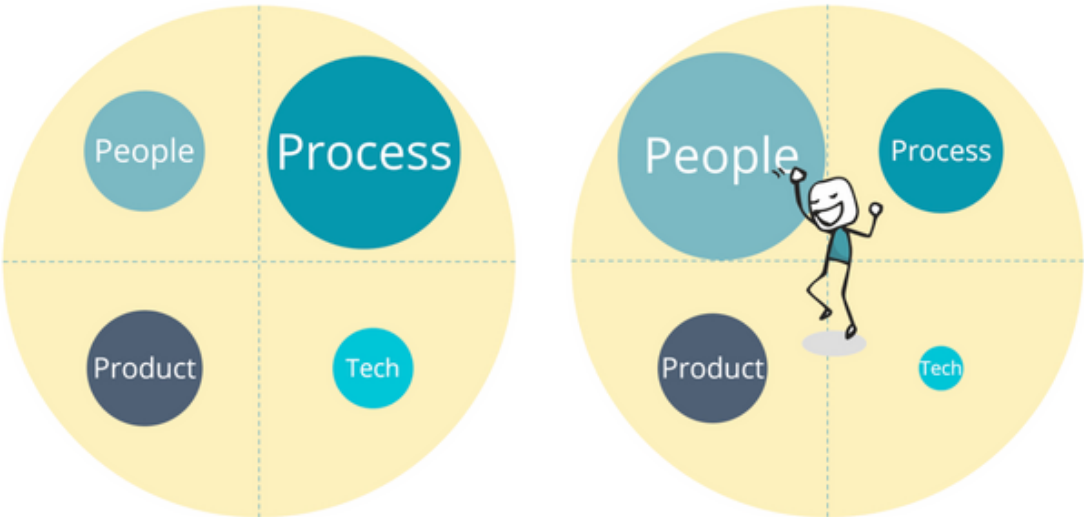
They need to know that the secret to success always comes from people's motivation to create value, and different things motivate different people to perform. How well you can create conditions for people to perform together will affect how much value is created for the organization. A core quality for an Agile People Coach is coaching people to find a place where they can be their best.

The Agile People Coach also needs awareness about tools, methods, models, and frameworks for making a regular business department or a management team (where they still exist) perform. Making people work cross-functionally between departments such as Finance, IT, HR, Legal, Marketing, or R&D requires knowledge about new ways of working that will promote communication across the usual boundaries. Finally, the Agile People Coach needs to have competence around how strategies emerge and adapt, and how to involve all people in the organization in the emerging strategy creation.

Moving from *Agile Coach* to Agile *People* Coach

From	To
Focus mainly on team coaching and coordination of teams	Focus on individual, team and /or enterprise coaching
Deep process skills (Scrum etc.)	Deep People skills
Working mainly in software development / IT / Tech	Working in any business function and between functions
Most commonly active in industries related to tech / digital development	Experience from a variety of different industries
Background in IT or project management of IT projects	Background in any business function (ie HR, legal, finance, marketing etc.)
No formal power or position	Can have formal power / position
No or little leadership / HR experience	Experience from leading people or supporting leaders leading people

Moving from Agile Coach to Agile People Coach

From HR professional	To Agile People Coach
Extensive HR Process competence	Understanding complex systems
Deep skills in some HR specialist area	Deeper general people skills (psychology etc.)
No formal power to lead transformation	More trust and influence to transform
Stuck in certain roles	Flexibility to wear different hats depending on the need
One size fits all training/solutions	Solutions tailored towards unique needs
Develop and deliver solutions to the business	Develop solutions together with the business
Mainly supporting the managers	Supporting all the people in the organization
Parental view	Treat employees as adults
Focus on individual performance	Enable system performance
Expecting answers	Listening/observing skills
Checking compliance	Enabling improvement
Back office workers	Walking the floor "go to gemba"

Moving From HR Professional To Agile People Coach

THE AGILE PEOPLE COACH'S SKILLS AND ROLES

In agile, a "T" shaped competency refers to the depth and breadth of one's skills. The top of the "T" is one's general experience and knowledge of several different topics. The stem part of the "T" represents a deeper understanding of a topic or one's expertise. Having a T-shaped competency means that you are great in one or more areas but have a general familiarity with several others.

On an individual level, T-shaped competency represents the possibility to broaden or deepen knowledge in specific areas. These could be areas someone is interested in learning more about, and/or areas needed to perform and contribute to the organization's goals. For a team, having people with T-shaped competencies creates increased flexibility so that everyone can take over each other's tasks. They learn from each other and try many different positions. On

the organizational level, it means that competency shifts are possible, which minimizes bottlenecks, and if someone isn't performing in one area, they can easily shift to another.

The concept of T-shaped competence very much applies to the role (or roles) an Agile People Coach can take on given the specific circumstances. No-one can be fantastic at all of the roles, but people can choose which role(s) they'd like to develop further. Becoming an Agile People Coach is a continuous learning journey: You never reach your destination, only become wiser with time. We can also talk about pi-shaped, M-shaped, or even comb-shaped competencies, depending on how many different roles you can take in the organization.

The more roles you can take, the more valuable you become for the organization, as your understanding of how things work together will increase with every role you master. Generally, people who gravitate toward Agile People Coaching come from one of three different backgrounds: HR, leadership, or as an Agile Team Coach in the tech arena.

There are nine (plus one) distinct Agile People Coach roles one can fulfill, but which one they choose to develop depends on both the individual's competence and the organization's needs. Below, we will explore each role of the Agile People Coach in more detail.

THE LEADER/EXPLORER ROLE

A leader can emerge from any department within an organization and has great leadership skills that have likely been in development for several years. They may come from a specialist role within a certain function, have a proficiency in various leadership frameworks, or possess a general, broad leadership competence. Worst case, they have been promoted from a specialist role and are not interested in leading people but would prefer to go back to work in their specialist area. In this case, let them do that. They will probably never become a good people manager.

They can make hard decisions when no one else is willing to take on the responsibility or put a stake in the ground. They're able to explore different strategies and consider a wide variety of factors when making decisions: the competitive landscape, market trends, people's passions, and competencies, and the advantages/disadvantages for the organization as a whole.

THE HR PROFESSIONAL ROLE

This individual has experience as an HR business partner, manager, or specialist. They have a solid general understanding of what makes people tick and can have hard conversations to inspire people to excel. They are also the only role in the organization that deals with unions' negotiations and have competence around labor law and societal regulations.
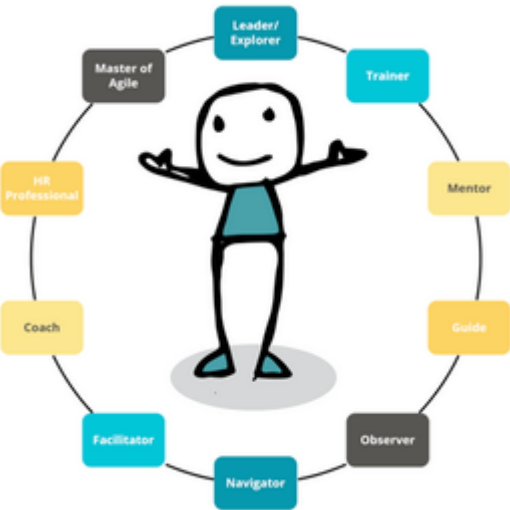
THE COACH ROLE

The coaching role is a keystone skillset that all Agile People Coaches need to master. It's about helping people succeed by asking questions, using active listening, and providing meaningful feedback so they can:

- Frame challenges
- Examine assumptions
- Articulate what they want and need
- Remove obstacles
- Formulate clear goals and action steps
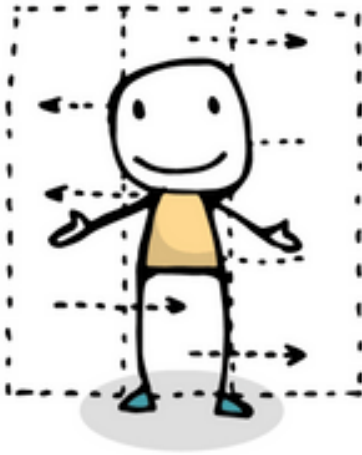
At the heart of the coaching role is the coaching mindset. Good coaches believe people are capable and smart enough to figure out their own best solutions when given an environment that allows them to think clearly about their issues or challenges. A common framework to start from is GROW.

- *Goal*: goals and aspirations
- *Reality*: current situation, internal and external obstacles
- *Options*: possibilities, strengths, and resources
- *Will*: actions and accountability

There are many different tools and coaching frameworks like GROW and a battery of coaching questions Which allow the coach to help the coachee realize (by themselves) what is needed to take the next step.

Use professional coaching when:

- Pure facilitation didn't give sufficient results
- You have done training and/or mentoring, and now you would like the clients to make decisions based on what you taught them
- You are working with a complex issue that requires a closer look and deeper insights
- You have enough capacity to work one-on-one with a person

THE FACILITATOR ROLE

A great facilitator helps move the process forward without inserting their own opinions, thoughts, and concerns. They will stay outside the specific topic discussed and move the discussion to make sure everyone in the room has a say. Conflict resolution is one of their greatest skills, and they have deep knowledge of when a conflict becomes harmful instead of useful. Competencies include knowing when to interfere and when to stand back while keeping an eye on the process.

A facilitator does for groups what a coach does for the individual. Using a similar mindset, the facilitator knows that if the group can communicate clearly, it can be fully capable of figuring out smart solutions and clarifying challenges. However, we also know that people are people; they tend to slip into inefficient or dysfunctional behavior patterns that get in the way of clear communication and effective work. Two examples are conflicts or inefficient meetings. In those situations, the facilitator's job is to help the group lead the process that allows them to communicate clearly and collaborate effectively.

Use facilitation when:

- You don't yet know the current maturity level of the client
- More obtrusive coaching is happening in another knowledge domain
- You have done some training and/or mentoring and believe the client now has all the required knowledge
- A whole group of people is engaged in the matter that needs help in driving their collaboration (e.g., building shared understanding or decision-making)

THE MENTOR ROLE

A mentor is someone who has experience in your domain, who can give you guidance, constructive feedback, and advice, and help you based on their own experience. Often, but not always, this person is from within the same area/company/role as the mentee. A good mentor can help you pick the right path to move forward and have the experience that could help you understand how to act in a given situation.

They are usually more experienced and senior to the mentee and have a "been there, done that" perspective.

Use mentoring when

- You have gained trust from the mentoree(s)
- You have solved similar issues in the past and have a set of proven methods
- You are an expert in the domain, and passing your skills on to the clients will make a change

THE TRAINER ROLE

In many situations, especially when the team or specific members don't have the basic knowledge of what to do, the most effective and quickest way forward is to teach the knowledge directly. A trainer's role is to develop the competence of the students in a particular area. ➔
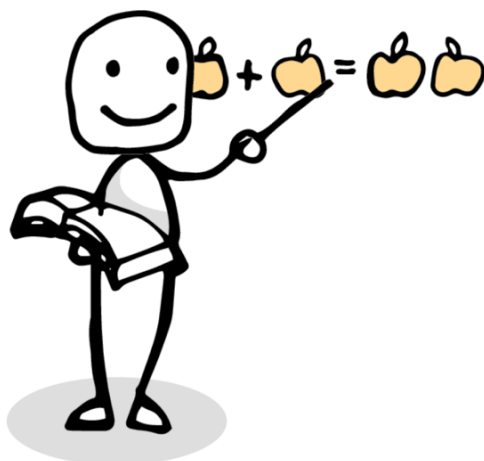
One great tool for this is "Training from the Back of the Room," a framework for Learning and Development that lets students go through reflective exercises and concretely practice the new solutions using trial and error. And in a training situation, people are in an environment where it is safe to fail.
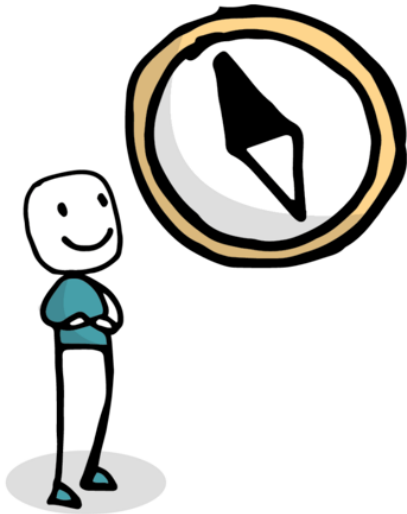
Use teaching when

- Previous facilitation and coaching resulted in a low level of insights
- It is possible to help the clients get insights by reviewing a case study or a made-up example
- You (or other coaches) can follow up on this topic later with coaching or mentoring

THE GUIDE ROLE

The guide has deep knowledge about the specific place you're in or the specific topic you're dealing with right now. They take you on a journey to understand the process and often teach or facilitate examples, stories, and expertise. A guide can demonstrate or share interesting information about the organization's history as they have probably been around for quite some time. They step in to help teams avoid specific pitfalls by knowing exactly what they are and how to get past them.

For example, if a team is developing a new solution to organize and structure work that needs to comply with labor law, an HR professional knowledgeable about labor law could step in as a guide to make sure the solution complies.

THE NAVIGATOR ROLE

Agile organizations and teams often deal with highly complex situations and challenges. The human tendency is to look for the easy way out (best practices) or copy what others are doing, but complex situations require an experimentation process: probe, sense, and respond. A navigator is comfortable with complexity and helps teams step into an explorer mentality so they can:

- Frame the issue
- Formulate a hypothesis
- Design safe-to-fail experiments
- Learn quickly what works and what doesn't
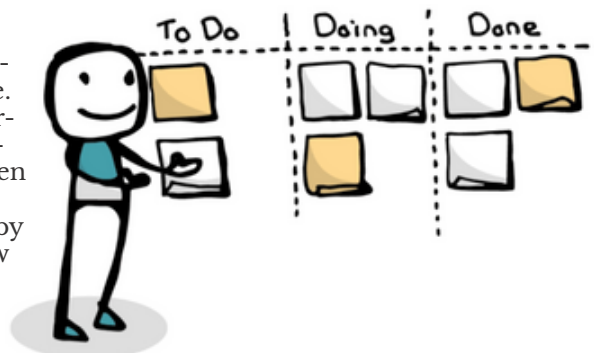
Navigation requires deep knowledge about systems theory and complexity, as well as experience using frameworks such as Cynefin 7 and knowing when to use which domain for guiding decisions. The navigator's best friend is the compass, especially useful when a map does not mirror the reality of the path ahead or a thick fog of uncertainty surrounds the situation. A good navigator knows which tool (or tools) to use and/or how to pivot when a roadblock presents itself.

THE REFLECTIVE OBSERVER ROLE

Depending on the needs of your people, you may take a different role to support them. The reflective observer role is that space in the middle of things, where rather than jump to conclusions or reacting too quickly (and possibly wrongly), you can figure out what is going on with the team and how you can best help them whatever scenario they are in.
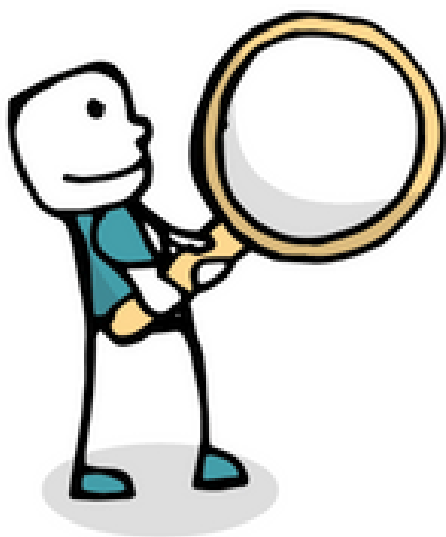

The skills you need to cultivate here are self-awareness and self-regulation, particularly being able to observe without judging. In doing so, you allow yourself to step outside of the situation, observe the group dynamics and the system, and assess for a moment before you step in and decide which of the other roles will give you the best response and offer the most help.

THE MASTER OF AGILE

All Agile People Coaches must be a Master of Agile, which is to say they contribute with agile and lean tools, methods, practices, and principles. They have deep experience from using agile in a variety of industries or situations—Scrum, Kanban, OKRs, and other agile or lean frameworks—and know which tools are right for the given scenario or problem. If the exact tools do not exist, the Agile Master can adapt something else or create the right solution from scratch.

A Master of Agile is not a role; it's an overall competency found in someone who fully understands agile values and principles and has a firm grasp of the mindset of agility.

The core competencies of an Agile People Coach are to lead yourself by:

- Knowing yourself
- Keeping yourself motivated
- Understanding mental models
- Having high EQ (Emotional Intelligence)
- Being a mindful leader

Agile People Coaches also help others to lead themselves by:

- Having basic skills in psychology
- Find motivation in others
- Asking appropriate questions
- Being able to coach and guide development in another person

When people continuously improve and learn in a common direction, and when mistakes are seen as learning opportunities, we can create a psychologically safe culture that forms the foundation for a learning organization. When people feel safe to be vulnerable in front of their peers, they are destined to thrive, and so are the companies they work for.

Don't get left behind the times. The Agile People Coach role represents an alternative career track for HR and managers in the new workplace. So if you have not already taken action to develop yourself in the desired direction, the timing could not be better. Constant change will be our new reality, and in that lies opportunity. ⓔ

*This article is an extract from the book "**Agile People Principles - Your Call to Action for the Future of Work**" by Pia-Maria Thorén and Agile People from Around the World.*

Pia-Maria Thoren

She was perhaps the first person in the world to link the terms "Agile" and "HR". Now it's becoming clear that Pia-Maria Thorén is the pioneer of a fast-growing global movement – Agile People. As Inspiration Director for her company, Pia-Maria is a key influencer in Agile HR, Leadership and Motivation, a popular guest at conferences, and participates in numerous interviews on podcasts and blogs. In a personal, informal way – Scandinavian style – she makes it very clear that leadership needs to change.

AGILE PEOPLE

Agility is Realized Through
~~Process~~ *People*

Unlock Their Potential
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Bringing Agility to Strategy

Is strategic misalignment silently eroding your company's success?

Jeev Chugh

A recent exercise we conducted for one of our clients, a large retail organization, highlighted that over 80% of the company's leaders and senior executives did not have a clear understanding of the organization's key strategic priorities and/or how their work contributed to achieving those priorities.

The results came as a shock to the Chief Strategist and the CEO as they communicated the strategy regularly through various channels. However, this is not unusual - recent studies on strategic misalignment conducted by Gartner, PMI, MIT Sloan, and HBR all confirm that most organizations fall far short when it comes to aligning strategy with execution.

For example, PMI reports that more than 10% of capital spent on projects is lost due to strategic misalignment, and Gartner insights suggest that 70% of organizations express little confidence in their ability to reduce the gap between strategy and execution. This alignment gap can determine the difference between success and failure.

Not surprisingly, we are seeing that monitoring strategy execution is a top priority in all our recent business agility engagements.

YOUR COMPANY'S FUTURE DEPENDS ON THEIR STRATEGY TODAY

Today's rapidly changing digital land-scape demands organizations execute their strategy with unprecedented speed and agility. Enterprises are fighting for that competitive edge. The promise of a methodology that can respond swiftly to unpredictability has sent interest soaring in Agile adoption, and yet business agility has remained elusive.

All my recent business agility engage-ments have been with organizations that adopted Agile at scale a few years ago but haven't yet managed to reap the prom-ised benefits of agility and productivity. A common theme across all these organiza-tions was the lack of strategic alignment as a key root cause for being stuck in the chasm.

As businesses pursue more ambitious and cross enterprise digital transforma-tion initiatives to stay relevant, minimiz-ing the alignment gap is paramount to thrive and beat the competition.

Typical effects or outcomes of this alignment gap include:

- Investments are disjointed from strategy, fractionalizing money and employee effort
- Significant wasted investment (time, money, resources)
- Individual over collective effort
- An overall slowing in the organiza-tion's response to changes in strate-gic priorities
- Change fatigue and, worse still, cynicism

STRATEGIC MISALIGNMENT: SYMPTOMS AND CAUSES

Strategic alignment is the process of unifying and cohering an organization's decisions and activities so that they sup-port the achievement of agreed strategic objectives. This entails both cascading the strategic objectives throughout the organization and ensuring the delivery of strategy by establishing accountability and reporting through regular check-points.

Strategic misalignment occurs when the operational activities of an organization are not aligned with the defined strategic goals and outcomes of the organization. The reason why most organizations fail to execute on their strategy is often not that there is a weak-ness in the strategy itself but because they are unable to maintain continuous alignment with execution.

Strategic misalignment can silently creep in and start to erode the compa-ny's performance. Early detection of the problem will allow businesses a chance to accomplish their strategic objectives and drive productivity gains. Companies should always look out for misalign-ment symptoms such as business and IT divide, cultural issues causing low employee morale, struggling to drive innovation and stalled growth etc. Let's explore some of the key symptoms and root causes in more detail.

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SYMPTOMS – HOW TO SPOT STRATEGIC MISALIGNMENT?

Let's examine the signs of strategic misalignment at different organizational levels, which can help lead to an early diagnosis:

Transactional Business and IT relationship: We have seen in many organizations that when there is an adversarial business and technology relationship, there is likely to be a misalignment of purpose. Partnership, teamwork and joint accountability must be incentivized to build a cohesive relationship. Also, IT strategy must be fully integrated with business strategy from the start for both sides to work towards shared outcomes.

Plagued with silo mentality: As companies pursue more cross-enterprise initiatives to drive their digital ambitions, another common symptom is that skill silos can form at a team or functional level. Functional silos are specifically designed to isolate and insulate workers from communication overheads. Theoretically, this improves productivity. Actually, it degrades real productivity by creating misalignment, bottlenecks, and delay.

Cultural erosion and reduced employee engagement: Often noticeable when leaders are being pressured to produce results in the short term, making it difficult to (re) align to new strategy. Working hand-to-mouth takes a toll, lowering engagement and eroding company culture and overall performance.

Stalled growth and struggle to innovate: The ability to innovate often requires the willingness to abandon sunk costs and sweep away the status quo—requiring rapid shifts in priorities based on iterative learnings. When there is misalignment, decisions take a long time to make and there is a lack of agreement on priorities, making innovation nearly impossible.

Promises of Lean-Agile transformation go unfulfilled: Wherever there is balkanization and individual optimization at the expense of collective objectives, there is strategic misalignment. This is a common issue across organizations that adopted Agile at scale but have not managed to reap the promised benefits of increased adaptability and productivity.

ROOT CAUSES – WHY STRATEGIC MISALIGNMENT OCCURS

There are many ways in which strategic misalignment can creep into an organization. Some of the root causes that I have often seen leading to misalignment include:

Alignment as an annual activity: If an organization wants to be able to respond to change that happens more frequently than once a year, then strategy monitoring, revision and realignment must happen on a frequency approximating the pace of change. Quarterly, at least. Monthly, if required.

Poor visibility and traceability of measurable strategic outcomes: One of the leading causes of misalignment is the lack of visibility and traceability of effort to measurable outcomes. The hierarchical refinement of a strategy and its desired outcomes downward and outward throughout the organization is essential. Local objectives must be within the reach of those being governed by them. If I cannot touch and affect it, then it is irrelevant to me, and I am disempowered.

Skill based organization structure: Organizing into silos, i.e. by skillset, is intended to create durable organizational structure, minimize communication overhead and, thereby, protect productivity. In truth, it maximizes miscommunication and misalignment, leading to waste. Why, though, is a durable organization structure a virtue? When the world changes, our strategy needs to change. Why shouldn't our organization *also* change? Such artificial stability is a root cause of the inability to respond to change.

Rigid annual planning and budgeting cycle: A project, as a bucket of capabilities and features, is too coarse-grained an object on which to optimize return on investment. Funding of outcomes needs to be tied to each capability and feature. Only agile planning supports this granularity with an intrinsic traceability structure. Then, the funding cycle must be synchronized with the strategy cycle. If the latter speeds up, the former must also.

Chinese Whispers - when strategy gets lost in communication: The cardinal strategic sin is when strategy is a corporate secret and not communicated at all. A close second is when the corporate strategy is communicated in vague PowerPoint decks and never refined and translated as it is communicated downward and outward through the organization. Again, my link to the strategy must be within my sight and reach.

ADAPTIVE STRATEGY EXECUTION: A KEY ENABLER TO STRATEGIC AGILITY

Strategy development and execution are two sides of the same coin. A successful business requires both. A well-developed strategy is where leadership is clearly aligned on the strategic objectives and the plans. On the other hand, strategy execution links objectives and outcomes at every level of the business so that strategy and direction flows down the organization and the results to achieve the strategy flows up.

Without adaptive strategy execution, by default we end up with strategic misalignment, which in turn leads to a lack of transparency on the delivery of strategy. This is very frustrating for CXOs as it impedes their ability to align to changing market conditions and implement new strategies quickly and decisively.

THE COVID ACCELERATOR

C-suites have, for years, slowly been realizing that their businesses aren't prepared to respond swiftly to changing market conditions. The global economic shocks delivered by COVID-19 provided the final wake-up call.

A business agility engagement that I led in 2020 was kickstarted after my conversation with the CIO of a large retail organization, who had had a similar awakening thanks to COVID-19. He had 300-odd projects currently running in his organization but had with very little confidence that most of his investments were committed to key strategic priorities. Furthermore, as some priorities needed to evolve to respond to the pandemic shocks, he didn't have an objective process to help determine which initiatives kept their funding.

The focus of the engagement was to establish an Adaptive strategy execution framework, leveraging the Objectives and Key Results (OKRs) methodology, and evolving the role of Program and Portfolio Management leaders from being "Auditors" to "Orchestrators"— focusing their attention on validating and maintaining continuous strategic alignment. This was a powerful combination that yielded phenomenal results for the organization by enabling strategic agility.

Below is an illustrative overview of the flow of strategy execution competency that we implemented in this organization, which enabled continuous strategy alignment with execution. ⊙→

Linking strategy and results through OKRs
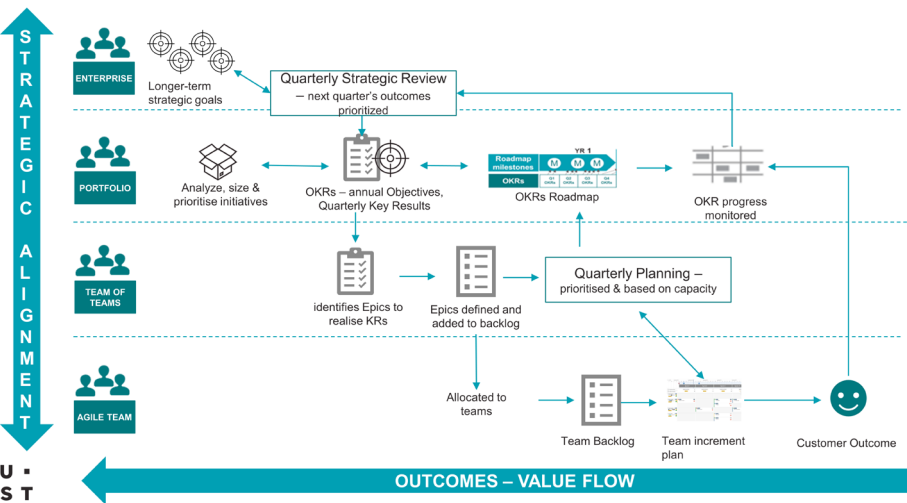
Please note that while the illustration highlights the change in the "process" elements of the operating model, it requires an equally significant change to the "people" (mindset and culture), "structure" and "technology" elements of the operating model, requiring time, intention, and good change management to implement. In the next section we explore how to make this change happen across the people, process and technology elements in order to amplify strategic agility.
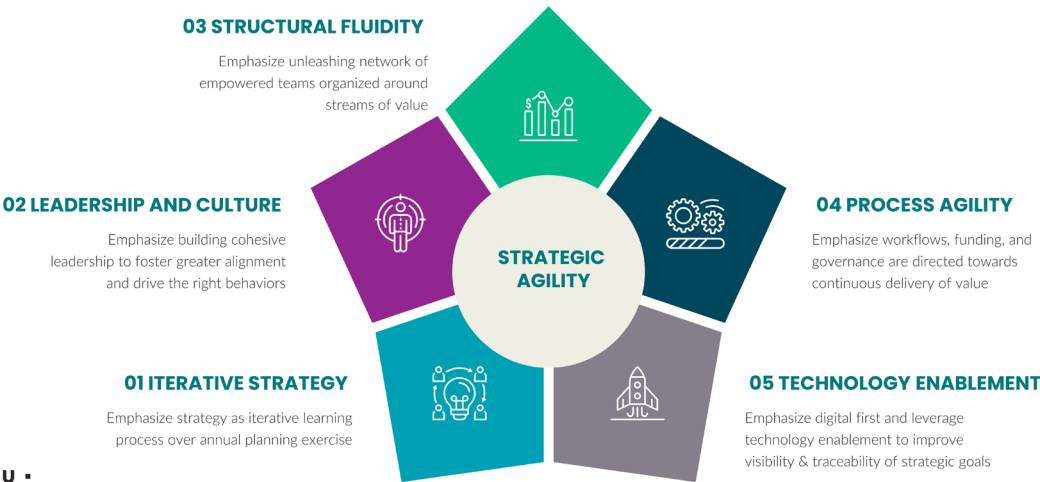
HOW TO REDUCE THE STRATEGIC ALIGNMENT GAP AND TRANSFORM OUR STRATEGY INTO DESIRED RESULTS?

By bringing together the collective experience of UST in enhancing strategic alignment for Fortune 500 clients, we have identified and illustrated below five pragmatic steps that organizations can take to build momentum and reduce the strategic alignment gap.

01 Iterative Strategy: Continuous monitoring, validation and iterative amendment of the strategy is key to implementing Strategic Agility. A linear approach to strategy cannot handle uncertainty. The adoption of OKRs as a strategy execution framework supports iteratively executing and evolving your strategy based on new learnings.

02 Leadership and Culture: The leadership team should unite on a common set of strategic objectives for the business, rather than each pursuing their own agenda. However, we have often seen that the leaders have a different interpretation of how the strategy fits into their business and career plans. This is the source of much local optimization and willful misalignment, and generally occurs when the leaders don't model the right servant leadership style behaviors. Servant leadership creates a culture of trust, empowerment and fast decision-making that builds the momentum for strategic agility in the organization. Hence it is vital to drive these cultural changes to enable strategic coherence.

03 Structural Fluidity: Traditional organizational structures are hierarchical, often create skill silos, and are slow to react to changes in strategy. Organizations looking to adopt customer-centric structure should focus on organizing a network of empowered, cross-functional and non-hierarchical teams around value streams. This new organizational structure is better equipped to respond to changes in strategy. As organizations pursue more ambitious cross-enterprise digital initiatives to stay relevant, they also see a need for integrating the portfolio management function to align and prioritize these change initiatives.

03 STRUCTURAL FLUIDITY
Emphasize unleashing network of empowered teams organized around streams of value

02 LEADERSHIP AND CULTURE
Emphasize building cohesive leadership to foster greater alignment and drive the right behaviors

01 ITERATIVE STRATEGY
Emphasize strategy as iterative learning process over annual planning exercise

STRATEGIC AGILITY

04 PROCESS AGILITY
Emphasize workflows, funding, and governance are directed towards continuous delivery of value

05 TECHNOLOGY ENABLEMENT
Emphasize digital first and leverage technology enablement to improve visibility & traceability of strategic goals

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emergence

04 Process Agility: Rigid planning, governance and investment processes can be a key contributor to strategic misalignment. Organizations looking to enhance strategic agility should therefore focus on implementing adaptive planning and investment processes, aligning investments with value streams and business outcomes to enhance strategic agility. In addition, a Lean approach to portfolio governance that emphasizes measuring business outcomes (using OKRs), decentralizing decision-making and visualizing the flow of value can significantly reduce the alignment gap.

05 Technology Enablement: Technology-enablement implies that an organization can leverage its IT infrastructure and architecture, products and platforms, data and insights to enhance visibility of value and constraints. This will drive data-led decisions on defining goals and tracking strategy. Investment in next-gen digital technologies is needed to strengthen the momentum of strategic agility.

KEY TAKEAWAYS

As you can see, enabling strategic agility isn't an easy process. However, alignment becomes easier when the enterprise can identify streams of value and organize people around it.

If implemented correctly, the Adaptive strategy execution framework, leveraging the OKRs methodology and the Lean-Agile approach to Portfolio Governance, combine to offer a path to continuously maintaining strategic focus and alignment. This enables dynamically repositioning investments if the strategy changes.

Final thoughts: Strive for progress, not perfection. You may have noticed that throughout this article I talk about "reducing" the alignment gap and not about how we fully "close" this gap, which only happens when an organization achieves perfect alignment. While this may appear a tempting immediate goal, it is not feasible given the uncertainty that surrounds enabling change. Successful implementations of strategic agility treat alignment as a continuous improvement journey—there is always room for improvement!

Hopefully, now you have a better understanding of what strategic agility is, why it is needed and how to implement it and make it stick. ⓔ

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Jeev Chugh

heads UST's Business Agility practice in UK&I and is responsible for developing and executing client partners' Digital and Agile strategy. He is passionate about creating synergies to unlock new opportunities, building high quality teams and partner ecosystems, and disrupting how people and organizations connect through technology and innovation. His experience has been gained across a diverse range of Fortune 500 organizations in the Financial Services, Retail and Telecoms sectors. You can connect with him at jeev.chugh@ust.com.

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Shaping Business Agility @ Amerisure

Amerisure Insurance
Founded in 1912
United States

Since 1912, Amerisure has worked tirelessly to make America's workplaces safer. Our expertise is providing business insurance solutions to the manufacturing, construction and healthcare industries.

https://www.amerisure.com/

Amjed Al-Zoubi
Chief Information Officer

Amerisure, one of the nation's leading commercial insurance providers, has been on a 3-year journey to shape their culture inside-out towards improved innovation, speed, and customer service. Their journey highlights the critical importance of involving top-level leaders not only in the discernment process, but in the ongoing engagement of the execution itself, especially as steps in the journey impacted every area of business including field marketing, risk management, claims, operations and more.

Amjed is a strategist and business leader with over 20 years of experience delivering results by bridging the business-technology gap. Amjed joined Amerisure in 2018 and currently serves as CIO with accountability for IT, Digital, Innovation, Business Agility, and the PMO.

Shaping Business Agility @ Amerisure

Agile Leadership Journey
United States

We inspire, educate and catalyze leaders and their organizations to improve business performance amid complexity, uncertainty and rapid change.

http://agileleadershipjourney.com/

Pete Behrens
Leadership Coach

Amerisure, one of the nation's leading commercial insurance providers, has been on a 3-year journey to shape their culture inside-out towards improved innovation, speed, and customer service. Their journey highlights the critical importance of involving top-level leaders not only in the discernment process, but in the ongoing engagement of the execution itself, especially as steps in the journey impacted every area of business including field marketing, risk management, claims, operations and more.

Pete Behrens develops leaders to transform themselves and their organizations to improve business outcomes. Pete is the founder of the Agile Leadership Journey, a collaborative community of leadership trainers and coaches.

How to include agile in Social Impact

SiAgile Social Impact Agile
Founded in 2016
Washington DC, United States

SiAgile is focused real social results using agile in multilateral organizations, and the social organizations with digitalization journey.

https://www.rociobriceno.com

Rocío Briceño
Co-founder

Real stories about the application of agile attitudes, mindset, frameworks, and methodologies in several social projects including on the water shortage in Tegucigalpa Honduras just before the covid19 started.

Rocío is the co-founder of SiAgile Social Impact Agile with Alistair Cockburn.

Ondrej Dvorak
CEO

Overcoming barriers to

Lawyers, attorneys, paralegals and others working in law firms are often in a rush, juggling constantly changing priorities, drowning in emails, calls and messages, while keeping track of their business activities with all their might. Ondrej will share his personal story of a law firm that gained the courage to experiment with Scrum to tackle these challenges. He will recount how this project garnered international recognition and brought agile disruption to the tradition-bound legal sector.

Ondrej is the CEO of AgiLawyer and COPS Financial Systems; promoting the needs of business agility in the legal and financial sectors.

Neil Fasen
*Senior Director of
Product Practices*

Resilience in the face of futility: How I've learned to stay positive and motivated as a change agent

Change is hard, and leading change can feel even harder. Many companies know enough to know they have to change, but often the environment can be negative if not outright hostile for the people who are invited in to lead the change. It can be a lonely and thankless position. In this talk, I explore practices and tactics that have helped me and other change agents stay positive, recognize progress, and maintain momentum in the face of what can often feel like utter futility.

Neil Fasen is change agent who helps Enterprises evolve to more effectively compete in today's complex world. He is both an evangelist and practitioner of business agility and product management with many years of experience working in Fortune 50-100 companies.

**Leandro
Gonzales**
Head of Legal

Leandro Gonzales will tell a story about a law firm within the largest bank in Brazil, which was facing a downward spiral, was mired in inefficiency, demotivation, low outcomes and long working days, and how, in response to these problems, he used the agile culture, the Scrum framework and a new strategic positioning from managers to achieve expressive outcomes like exponential productivity, cost reduction, a high degree of engagement of lawyers and unprecedented client satisfaction. He will also tell how, from the success of the agile law firm, business agility spread to many other areas and started a great agile integration project - the AdvOps.

What We Learned from over 4,600 Teams about Improving Team Performance

Sally Elatta
Trisha Hall
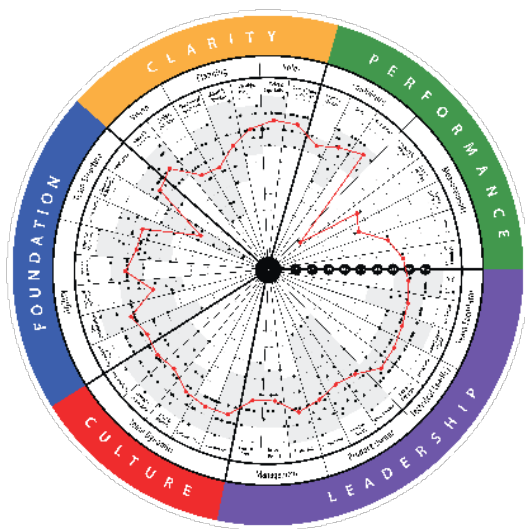
At AgilityHealth®, our team has always believed there's a relationship between qualitative metrics (defined by maturity) and quantitative metrics (defined by performance or flow) for teams. To prove this, a few years ago, we adjusted our Agile team assessments to gather both qualitative and quantitative data. Once we felt we had sufficient data to explore through our AgilityHealth platform, we partnered with the University of Nebraska's Center for Applied Psychological Services to undertake a review. The main question we wanted to answer was: What are the top competencies driving teams to higher performance?

Below are the five *quantitative* metrics that form the **Performance Dimension** within the TeamHealth® radar and the metrics we focused on during our analysis.

TeamHealth Performance Metrics				
Predictability	Value Delivered	Time to Market	Quality	Response to Change

To find out what the top drivers for team performance are, we analyzed both quantitative and qualitative data from teams surveyed between November 2018 and April 2021. Our analysis included 146 companies representing a total of 4,616 teams (some who took the assessment more than once) which equates to more than 46,000 individual survey responses.

We used **stepwise regression** to explore and identify the top drivers for each of the performance metrics. Stepwise regression is one approach in building a model that explains the most predictive set of competencies for the desired outcome. The results of our analysis identified the top drivers for each of the five performance metrics in the TeamHealth assessment, along with the corresponding "weight" of each driver.

Based on our insights, teams that focus on increasing the top drivers should see the highest gain on their performance metrics.

After analyzing the top drivers for each of the performance metrics (Predictability, Value Delivered, Time to Market, Quality, and Response to Change), we noticed that five qualitative practices kept showing up across these metrics. Those are Short Iterations, Generalizing Specialists, Planning and Estimating, Creativity and Innovation, and Self-Organization.

We found teams that scored in the highest maturity of these drivers achieved an average of 37% higher quantitative performance than teams in the lowest maturity.

Top Drivers of High Performance

We analyzed the data to identify which qualitative practices were driving these five quantitative performance metrics above. Here are the results:

Short Iterations
Planning and delivering in short increments.

Generalizing Specialists
Utilizing T-shaped team members so everyone can contribute towards the goal.

Planning & Estimating
Breaking work down, using relative sizing, and planning it into short iterations based on capacity.

Creativity & Innovation
Empowering teams to solve problems, challenge existing solutions, and feel safe to experiment and learn.

Self-Organization
Delegating decisions to the team and empowering the team to design solutions and manage their work. (Autonomous)

We knew from experience that Agile teams who incorporate shorter iterations, detailed planning and estimating, and team members with T-shaped skills are higher performing than teams that do not—and our results prove that. It was a welcome surprise to see self-organization and creativity take center stage. At Agility-Health, we have always coached managers to empower teams to solve problems, but for the first time, we have the data to back it up.

But what does this mean for you? Let's start by focusing on each of the five qualitative drivers and how they help drive quantitative performance metrics.

SHORT ITERATIONS

What defines a "short iteration"? Most guidance defines "short" as a time-box long enough to deliver increments of value, but short enough to pivot and make changes when needed—usually about 2-4 weeks. Some types of teams, like support teams, may use a weekly iteration based on the kind of work they do. But it is more than just the length of the iteration that matters—it is the quality of the planning that goes into an iteration that counts.

When teams have a good understanding of their backlog with complete stories—and by complete, we mean stories that include a Definition of Ready, Acceptance Criteria, and Definition of Done—the teams know what is expected of them. It is much easier to be productive and high-performing when you know what the customer is expecting.

It is also important to size the stories correctly. We all know the pressure we feel when there is too much work and not enough time to get it done, right? This is what happens to teams when stories aren't sized the right way, or when the backlog is filled to capacity. Being realistic about how long it takes to get work done, and about how much work can get done, in an iteration, is crucial.

Leaving capacity for unplanned work is another hallmark of high performance. We all know that there is some level of "unknown" in our work—someone on the team calls out sick (reducing capacity), something takes longer than expected (increasing the size of that piece of work), or something unexpected happens (requiring more work than expected). A good rule of thumb is to leave 20% of expected capacity open for unplanned work to allow for these inevitables.

Utilizing Short Iterations has a high impact on the team's ability to be **predictable.** When a team understands how to work well in shorter increments they can better predict how much work they can get done within the timebox they have, and therefore are more likely to get the work done that they have committed to completing.

GENERALIZING SPECIALISTS

What exactly is a Generalizing Specialist? These are team members who are deeply specialized or skilled in one specific area but acquire skills in another area through cross-training, allowing them to help other team members when needed. This enables teams to become cross-disciplined and cross-functional so they can more easily produce end-to-end value and reduce bottlenecks. When teams are T-shaped or full of Generalizing Specialists, team members help each other as needed to meet team timelines and objectives. If this is a goal for your organization, what steps can be taken to enable your teams?

First, make sure team members are open to learning about other roles on the team and new skill sets. Experiment with how they can expand on each other's knowledge. For example, if there is someone interested in learning how to be a Scrum Master, ask them to lead the Daily Stand Up meetings for a week and help with planning for the next iteration. If a team member is interested in learning about testing, ask them to sit in on the next test planning session to learn what is involved in developing these activities. Another suggestion is to have

Developers hold paired coding sessions for those interested in understanding how a system is constructed—the list of ideas is endless.

The superpower behind T-shaped teams is their ability to "swarm" when something needs immediate attention. In a cross-trained team, if something urgent happens and there is an overabundance of testing to get code out the door, those that don't have testing as a specialty can step in and help to meet the urgent deadline. If a team's Scrum Master is out sick or on vacation, key ceremonies can still effectively take place with cross-trained team members.

Intentionally creating Generalizing Specialists on teams not only enhances the skills of the individual, but it makes teams stronger by removing single points of failure and sharing the work across multiple people. **Quality** is measured by Mean Time to Recover, Change Failure Rate, and Defect Ratio, and when a T-shaped team can swarm to handle unexpected circumstances, you won't see these metrics negatively affected.

PLANNING & ESTIMATING

We touched on Planning and Estimating a little when we talked about Short Iterations, but let's dive a little deeper into this topic. In an ideal state, all of the team's work is tied back to the strategic outcomes of the organization, and this alignment is visible by creating and sharing Outcomes with fully defined Objectives and Key Results. In reality, most of us are not here yet, and that's okay. Some things can be done in the interim to mature Planning and Estimating for teams while working toward this ideal state for your organization.

It's important to understand there are three levels of planning: Release Planning, Iteration Planning, and Daily Planning. In Release Planning, the focus is on the overall time it takes to complete a feature (from a Scrum technology team perspective) or, if you want to timebox it, a 13-week increment. In Release Planning, the roadmap for the quarter is created:

What pieces of the feature can be created and released in what increments to provide value for the customer? An example from Human Resources, a team responsible for the benefits of an organization that uses 2-week iterations, may look something like this:

Week 1: Contact the broker to review benefits options for the coming plan year
Week 3: Receive benefits options from the broker
Week 5: Create comparison document for benefits options to present to stakeholders; get budget information from Finance
Week 7: Review benefits options with stakeholders and include budget information
Week 9: Finalize benefits options with the broker and make selections
Week 11: Distribute benefits information to employees and schedule four informational meetings
Week 13: Finalize benefits sign-ups for all employees

Iteration Planning takes Release Planning to the next level. Now that it is known what value the team wants to deliver in the next two weeks, what are the necessary steps or what stories need to be completed to deliver on this value? Continuing with the example above, we will look at Week 5, where the team wants to create a comparison for stakeholders so a decision can be made on which benefit options are offered to employees.

Day 1: Review information from the broker; ensure all requested information has been   received. Request any missing information.
Day 2: Request finalized benefits budget from Finance—ask for it to be received by day 5
Day 3: Receive any missing information from the broker
Day 4: Begin building comparison of benefits options
Day 5: Receive benefits budget from Finance; ensure the format will insert into the presentation. If not, add to the backlog for Day 6/7 to reformat
Day 6: Get peer review on comparison document; incorporate feedback into the format

Day 7: Insert budgetary information into the presentation

Day 8: Get peer review on presentation, incorporate feedback and any additional changes

Day 9: Final review and edit of presentation—both for content and grammar

Day 10: Presentation to stakeholders

The final level of planning is Daily Planning, which is done by the team in the Daily Stand Up—what did each person complete yesterday, what do they plan to do today, and what impediments do they have? By doing this level of planning together each day, teams can ensure they are staying on track to achieve their goals, learn where they need to help each other, and team members have the opportunity to ask for help.

Strong skills in the areas of Planning and Estimating have a direct impact on the **value delivered** by an organization. Value delivered is typically assessed by looking at the throughput of work items or story points, feature throughput, and how well teams are delivering on Business Outcomes. When teams can effectively plan the work being done, you can ensure that the highest value work is being completed by the organization.

For years, the idea was that the "boss" would decide how the work needed to be done and the "workers" would do what they were told. One of the changes that came about with the emergence of Agile was the idea that team members were better equipped to determine the "how" as long as they had a clear understanding of the problem they were trying to solve. We were so excited to see this theory supported by the data!

But what does it mean to allow for Creativity and Innovation within your teams? It can be as simple as allowing the team to decide how they will solve a problem rather than telling them the solution. Many organizations today are incorporating Creativity and Innovation exercises into their work cadences because they have learned that team members come up with great ideas when allowed to play. Some common options your teams might find worth trying are:

Hackathons—these are timeboxed events where teams come together to collaborate, design, build and present solutions to problems or new ideas. This is not restricted to software builds; this has also been done to build courseware for new learning and in supply chain management.

Innovation Games—developed by Luke Hohmann, these games are designed to generate feedback from customers about a product or service and allow the team to learn how their work is being used, or not used, by the customer. Additionally, the team can explore how a product or service can be improved to better serve the customer's needs. These are guided activities that help a team learn how to innovate with the customer in mind.

Mobius Loop—this discovery method, as taught by Gabrielle Benefield, helps teams to walk through what is possible by connecting strategy and design thinking. By going through the process associated with these concepts, team members are taught to think through the possibilities from multiple angles as they determine how to achieve outcomes.

The ways for teams to be creative and innovative are numerous, but it is important to share some guidelines, such as timeboxes, which problems to focus on, and if there are potential budgets the team needs to stay within for any proposed solutions. This way, when the team comes up with a solution, it can be implemented or experimented on and everyone finds value in the exercise.

The ability to be creative and innovative can highly impact the team's performance around the **time to market metrics**, which focus on deployment frequency and lead time to deployment. This is most likely because allowing them to be part of the solution and have upfront buy-in to how the work will be accomplished will enable them to get work done faster.

Last, but by far not least, is the concept of Self-Organizing Teams. This concept has ties to Creativity and Innovation—allowing teams to define how they will work together within a set of guidelines. Truly self-organizing teams are empowered (and encouraged) to decide how they will deliver on the vision of the Product Owner. If they have an impediment they need help solving or an obstacle they need help removing, the Product Owner is there to help, but only after the team raises their hand and asks for assistance.

One of the hallmarks of Self-Organization is when the team actively manages the work themselves—they are estimating the size of the work, defining their capacity, and keeping the work visible. Oftentimes team members will volunteer innovative ideas as a part of their normal process. The team has an understanding of what's most important because they have clear acceptance criteria and are not afraid to ask clarifying questions.

When teams are self-organized, the impact is most evident in their ability to **respond to change**. Because they are adept at designing solutions, managing their work, and understanding what is being asked of them, it is easier for team members to pivot when the world around them changes and they need to do something different than what was previously planned.

In summary, it is clear that if teams want to impact their performance metrics positively, the focus should be on following Short Iterations, establishing Generalized Specialists, utilizing effective Planning and Estimating, enabling Creativity and Innovation, and mastering Self-Organization. Our research showed us that teams that invested in these drivers saw a 37% performance improvement over teams that did not.

It may feel overwhelming to consider bringing these five ideas to your organization but try starting with one change at a time. Allow that change to become part of your process and then make the next change. Finding the best way to improve performance metrics will look different for every team and every organization—it truly only matters that you are implementing change for the better. ⓔ

Sally Elatta

is a thought leader in the space of Enterprise Business Agility and Measurement. She is a dynamic and engaging speaker who advises top executives of leading global organizations. Sally is passionate about using data to accelerate change by enabling companies to improve their Maturity, Performance and Outcomes/ OKRs at every level. This passion inspired the creation of AgilityHealth®, the leading Enterprise Agility Measurement platform that Accelerates business agility at all levels of the organization.

Trisha Hall

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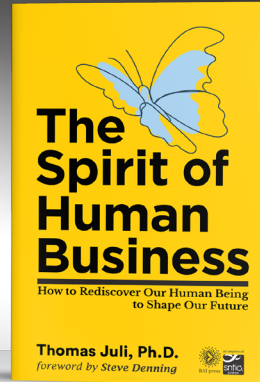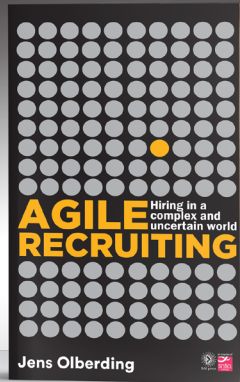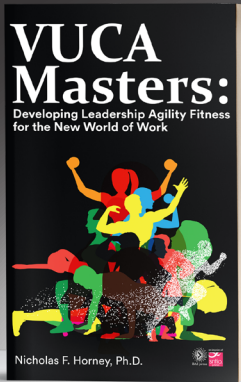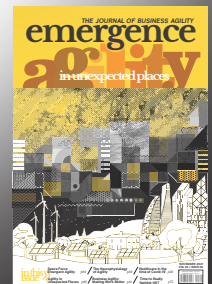
Moonshots for Net-Zero 2050
Transforming Oil & Gas

Rakesh Kondvilkar
Amol Pradhan

EXECUTIVE SUMMARY

The Paris Agreement aims to avoid dangerous climate change by limiting global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels. This treaty urges organizations around the world to take rigorous and immediate action to halve global emissions by 2030, achieving "net zero" carbon emissions by 2050 at the latest. The ultimate goal of this agreement is to deliver a healthier, fairer zero carbon world before levels of atmospheric carbon reach an irreversible tipping point . To clarify, net zero is a state in which greenhouse gases being released into the atmosphere are balanced by an equal or greater removal out of the atmosphere.

This document outlines an action guide based on key steps taken while co-designing and implementing a purpose-driven agile transformation with a large Oil & Gas Organization in South-East Asia. The document focuses more on the production and operation value stream, more commonly known as upstream. This part of the organization is mainly responsible for exploring, drilling and producing Oil and Natural Gas. Therefore, upstream is an area where immediate action is needed to support the global mission of halving emissions by 2030.

The document includes a brief summary of the following experiences:

- Inspiring and aligning people through World Work initiatives

- Embedding continuous prioritization as a regular habit for people, without relegating Safety & Quality to a lesser priority
- Cultivating a culture of personal transformation, innovation, collaboration, psychological safety, and growth mindset to support the organization's new-found purpose and business strategy

- A common—but often-neglected—problem introduced, as a result of agility in the organization: The adding of several meetings into everyone's calendar without first removing anything from the ecosystem
- Most coaches and change agents at the moment predominantly work in IT departments across several domains, and therefore lack necessary knowledge and experience regarding the needs of asset-heavy industries.

This document tends to avoid going into the details of any specific Scrum or Kanban implementation, as there is a lot of material already available online that better explains the specifics. Instead, this focuses on the leading asset-heavy industries (e.g. Oil & Gas, Aerospace, etc.) transformation approach and action steps.

Based on our first-hand experience, we believe the following recommendations will put you on a path to success:

- Identify a purpose that goes beyond mere profits and revenues;
- Give equal weight to encouraging Personal Transformations;
- Coach your leaders to create a culture that is supportive of your business strategy;
- The Agility Training must be relatable i.e. specific to your industry;
- Synchronize your cadences to optimize the business outcome; and
- Before adding new activities to the ecosystem, identify what non-valued activities can be removed
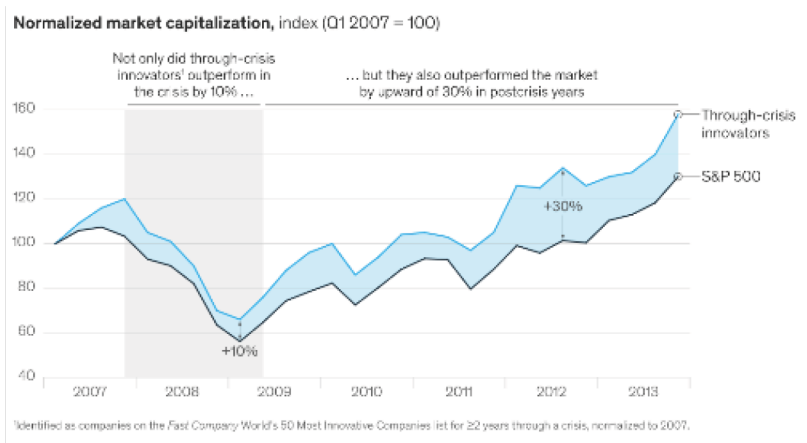
INTRODUCTION

Per World Energy Outlook 2018, the total indirect greenhouse gas (GHG) emissions from oil and gas operations is about 15% of the total energy sector GHG emissions. If we add the direct GHG emissions, then the total shoots up to 42% of global emissions. Even though climate change is a greater concern and immediate steps must be taken to rectify it, the world still needs Oil and Gas to run its economy. It, therefore, becomes crucial to reduce the immediate impacts associated with producing and consuming these fuels (given that Oil & Gas will be a part of the global energy system for decades to come).

2020 brought multifold challenges to the Oil & Gas industry. The United Nations had initiated a necessary call to action to save the planet while, at the same time, the COVID-19 pandemic was growing at a threatening pace. The pandemic's impacts upon the supply chain system made it increasingly difficult to keep industries in operation at remote locations. The world also saw a sudden change in the usage patterns of energy sources due to lockdowns in several countries. The Climate Change Conference (COP26), held at Glasgow in 2021, saw an announcement by the United Kingdom that it would end the sale of new petrol and diesel cars by 2030. This was a strong indication that the future would see different usage patterns and demands of Oil & Gas emerging across the world. The United Kingdom's leadership further announced a doubling of international climate finance, pledging £11.6bn to developing nations over the next five years (up to 2025/2026).

For Oil & Gas conglomerates, it was becoming increasingly clear that they had to reimagine and reinvent themselves if they were to survive the changes in the usage patterns of Oil & Gas. This was reinforced by the Paris Climate agreement, which strongly encouraged countries to pursue cleaner energy sources after the year 2030. For these conglomerates, onboarding a transformation journey to reach net-zero by 2050 and reinventing themselves as "energy companies" was nothing less than Moonshot Thinking. Now, Moonshot Thinking may not be difficult but Moonshot Execution definitely is. However, despite the inherent challenges, Moon-Shot Thinking has the potential to reap 10 times the amount of gains. Below is an exhibit from McKinsey & Company's article that shows how organizations that maintained their focus on innovation during the crisis outperformed the market during the later recovery.

Normalized market capitalization, index (Q1 2007 = 100)

Not only did through-crisis innovators' outperform in the crisis by 10% …

… but they also outperformed the market by upward of 30% in postcrisis years

Through-crisis innovators

S&P 500

+30%

+10%

'Identified as companies on the *Fast Company* World's 50 Most Innovative Companies list for ≥2 years through a crisis, normalized to 2007.

Jan 2022 Rakesh Kondvilkar and Amol Pradhan

While it's good to prepare for the future, it's also vital to recognize that the demand for Oil & Gas won't drop significantly for at least a few more decades, the pandemic won't continue forever, and as the world recovers from the crisis, organizations still have an uphill challenge to face as they reduce emissions from existing assets.

For the South-East Asian Oil & Gas Organization in question, adjusting their upstream to contribute to their net zero 2050 vision would require several changes to the ways of working to foster innovation, cultivate growth mindset, and support its strategic vision. This transformation might be the biggest in its 100+ year history.

significant investment has to be Authorized for Expenditure by the governing body agreed upon by the PS partners. The home country for these projects is a developing nation and may need additional finance to support such climate change initiatives. These factors may play a big role in the prioritization of business initiatives within the region. Therefore, transparency, governance, securing buy-ins, and complying with regulations are critical. However, it also has the potential to slow down the overall progress.

> A combination of UN's Climate change initiative and COVID-19 pandemic generated multitude of challenges to the Oil & Gas industry.

KEY CHALLENGES

Supply chain

Many of the assets belonging to this South-East Asian organization are in far-remote locations that require a minimum of three modes of transport to reach from the nearest city's main airport. In general, the procurement of materials had long lead times, and the COVID-19 pandemic was only adding to timeline woes. The pandemic created a new set of challenges regarding the organization's ability to deploy people at this asset location due to country-wide lockdowns, quarantine periods, and reduced workforces due to social distancing norms. The project that supports the operations of these assets had already suffered delays due to natural disasters that rocked Indonesia in 2018. The pandemic further affected this entire supply chain, thereby making the production and operations of these assets even more difficult.

Partnerships

Oil & Gas projects are executed through Production Sharing Contracts (PSC) where this organization is designated as the operator responsible for implementing the project on behalf of the PSCs. Therefore, each new idea that has

Lack of culture that supports the business strategy

The organization has been experimenting with agile and lean practices in randomly chosen internal business units. This approach struggled to create a conducive culture that was supportive of its business strategy, and failed to sustain agile practices and deliver desired business outcomes. In short, the siloed implementations created more problems than they could solve. Lack of strategic direction and a culture that was supportive of agility resulted in more dysfunction and silos in the production and operations value stream. As per the famous Peter Drucker quote: "Culture eats strategy for breakfast".

Possibility of chaos and anarchy

Most agile coaches, consultants, and transformation coaches are predominantly working in Banking or IT domains or have a background specific to those domains. The current talent pool within and outside of this organization may feature people with little experience in the Oil & Gas industry. Therefore the organization must focus on hiring experienced talent that can adapt to the industry context. If we get agile implementation wrong here (e.g. removal of a step in an established process under the presumption of it being a wasteful activity), it may result in human loss, safety, quality, or compliance issues.

Create a culture that is supportive of your organization's strategy

In the year 2020, the global leadership group identified a new purpose for the organization: Achieve net zero by 2050 or sooner. To transform itself into an "energy company", it started with a zero-based approach including restructuring, re-organization, re-imagining, and re-inventing itself. There were strategic goals identified for the immediate decade i.e. the year ending 2030.

Most transformations focus heavily on executing the implementation of a certain established agile framework or designing something of their own. These transformations often emphasize an agile mindset without giving attention to cultivating an agile culture. The expectation here is that the agility training delivered would enable that culture.

In most agility training packages, agile mindset or growth mindset concepts are delivered in a couple of slides focused only on the organization's agility perspective. The "What's in it for me?" factor is left unanswered or rather not given due importance. The regional transformation office in South-East Asia identified this as a potential problem in embedding a new culture, therefore it focused on activities that would encourage its people to undertake Personal Transformation. Below are some of the key activities undertaken to cultivate a culture that is supportive of the organization's purpose and strategy:

- A practical workshop on Growth Mindset, that successfully established a connection with the personal and professional lives of participants was facilitated for over 150 individuals. The workshop was full of exercises that connected the concepts with their personal lives. Once the "What's in it for me?" question was addressed, it was natural for people to implement the concepts into everyday practices, be it professional or personal.

- Agile Leadership Community of Practice was established to connect aspirants and established leaders within the region. The community enabled cross-training, accelerated learnings via the sharing of each other's embarrassing stories, and created a psychologically safe place for the group to hone their leadership skills.
- Regional Leadership members were encouraged to provide team-based recognitions over individual recognitions. Furthermore, the team-based recognitions were provided at consistent and regular intervals, and the guidelines for recognizing teams included "Being Agile" characteristics. Team members were encouraged to use the existing reward point system more often than usual to recognize or thank someone for good work and growth mindset behavior. The recognitions were a motivational factor for not only achieving the business outcomes but also to encourage living the desired culture by instilling the right behaviors.

Apply systems thinking

Just re-structuring your organization i.e. announcing Tribes, Squads and Chapters might be your 1st step towards agility, but that alone won't inject agility into your business processes. To enable agility, you will need Systems Thinking, a holistic approach to identify solutions that consider you as a part of a larger ecosystem. Adopting agility into just one small part of the value stream will not optimize the entire delivery system. Your speed of delivery will be limited to the slowest integration point in your value stream. Therefore if we are to accelerate the delivery, then the entire value delivery system needs to be a part of the transformation journey and their interactions should be systematically set up such that it provides clarity for the people involved.

In South-East Asia, there was increased focus on providing clear guidance. To facilitate this, a map of interactions was created to ensure the right people were involved in decision-making and delivery processes. This activity
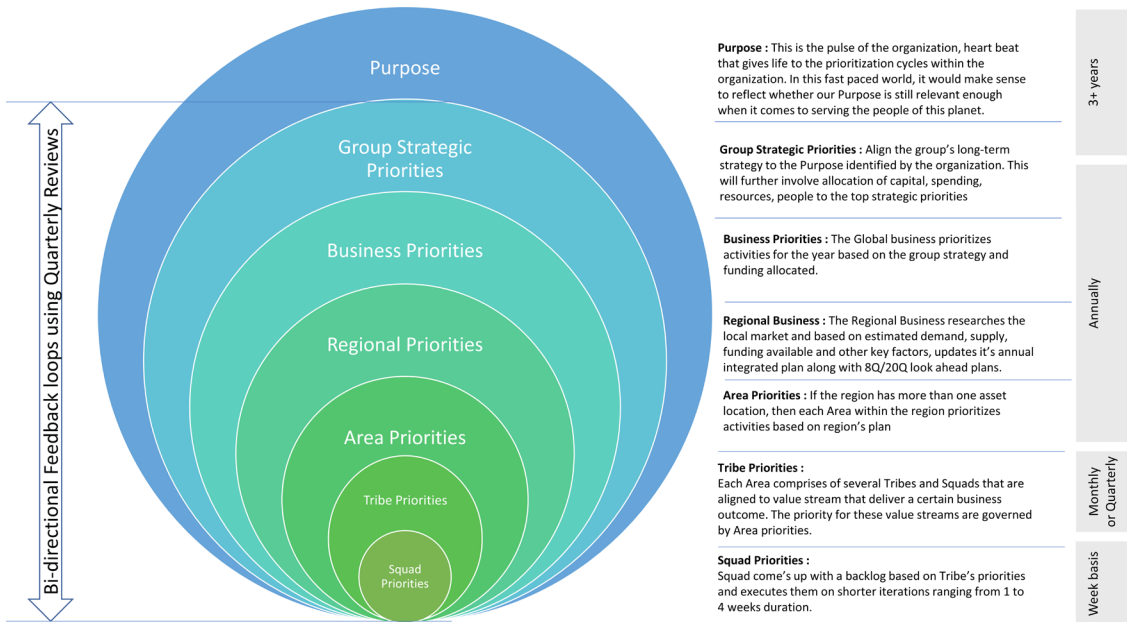
helped everyone within the value stream understand their role and expectations, and to achieve alignment on business solution delivery. The leadership of each tribe further acknowledged the foreseeable problems that could occur with the new setup, and offered to brainstorm together to resolve those problems.
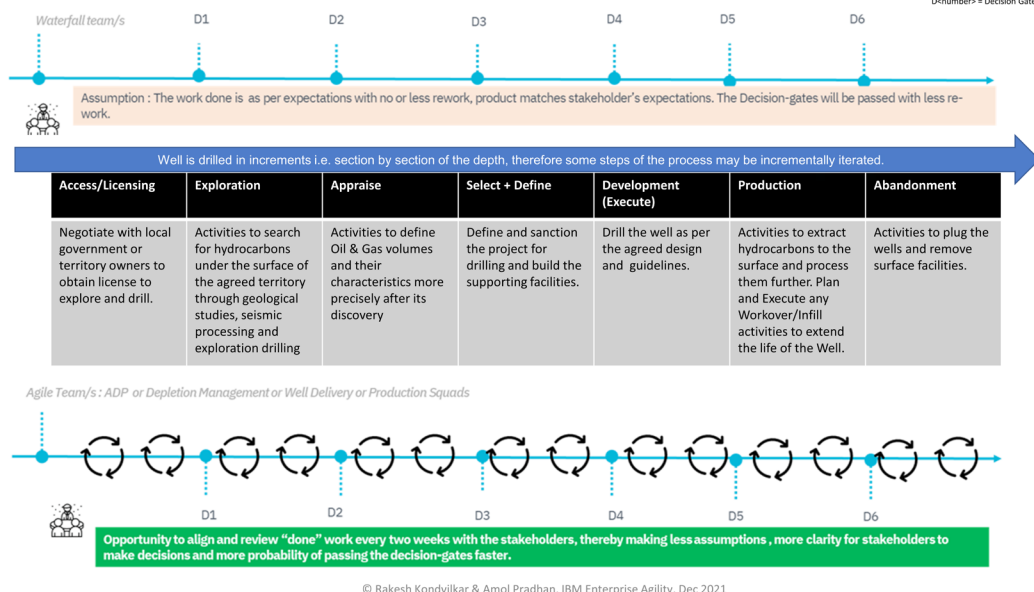
Meeting proliferations

Before setting up new agile meeting cadences, identify the current set of meetings on everyone's calendar. Free up their calendars by removing duplicate or obsolete meetings. Provide a guard-rail for setting new meeting cadences so that people are clear on the meeting's objectives and can self-validate if they need to be involved. This ensures that the people involved have the available capacity to engage themselves in the transformation initiative with more focus, less confusion, and peace of mind.

Prioritization & Planning

The Purpose adopted by the organization guides the business strategy at the group level, and this further sets the strategy for our regions. The regions prioritize the initiatives based on current economic conditions, geography, asset mixes i.e., gas vs oil, offshore vs onshore, upstream vs downstream, the local government's political will and practices, and current Production Sharing Contracts (PSCs). Techniques and ideas that align with Net-Zero 2050 mission are brainstormed by the tribes during Quarterly planning events. Once agreed upon, these ideas are executed through squads using either the Scrum framework or Kanban Methods where prioritization is done on a weekly to monthly basis. The below exhibit shows the planning onion along with its cadences. Each peel of the onion reviews the plan and the outcome delivered each quarter during its Quarterly Business Reviews (QBR). Based on these reviews, the plan is adjusted for safer, lesser emissions, faster execution and better delivery of Oil and Gas in the market. ➡

Purpose : This is the pulse of the organization, heart beat that gives life to the prioritization cycles within the organization. In this fast paced world, it would make sense to reflect whether our Purpose is still relevant enough when it comes to serving the people of this planet.

Group Strategic Priorities : Align the group's long-term strategy to the Purpose identified by the organization. This will further involve allocation of capital, spending, resources, people to the top strategic priorities

Business Priorities : The Global business prioritizes activities for the year based on the group strategy and funding allocated.

Regional Business : The Regional Business researches the local market and based on estimated demand, supply, funding available and other key factors, updates it's annual integrated plan along with 8Q/20Q look ahead plans.

Area Priorities : If the region has more than one asset location, then each Area within the region prioritizes activities based on region's plan

Tribe Priorities :
Each Area comprises of several Tribes and Squads that are aligned to value stream that deliver a certain business outcome. The priority for these value streams are governed by Area priorities.

Squad Priorities :
Squad come's up with a backlog based on Tribe's priorities and executes them on shorter iterations ranging from 1 to 4 weeks duration.

Diagram labels (concentric circles, outer to inner): Purpose, Group Strategic Priorities, Business Priorities, Regional Priorities, Area Priorities, Tribe Priorities, Squad Priorities

Left axis: Bi-directional Feedback loops using Quarterly Reviews

Right axis: 3+ years | Annually | Monthly or Quarterly | Week basis

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Access/Licensing	Exploration	Appraise	Select + Define	Development (Execute)	Production	Abandonment
Negotiate with local government or territory owners to obtain license to explore and drill.	Activities to search for hydrocarbons under the surface of the agreed territory through geological studies, seismic processing and exploration drilling	Activities to define Oil & Gas volumes and their characteristics more precisely after its discovery	Define and sanction the project for drilling and build the supporting facilities.	Drill the well as per the agreed design and guidelines.	Activities to extract hydrocarbons to the surface and process them further. Plan and Execute any Workover/Infill activities to extend the life of the Well.	Activities to plug the wells and remove surface facilities.

Agile Team/s : ADP or Depletion Management or Well Delivery or Production Squads

Opportunity to align and review "done" work every two weeks with the stakeholders, thereby making less assumptions , more clarity for stakeholders to make decisions and more probability of passing the decision-gates faster.

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With Agility, we can make this process more effective by:

- Identifying wasteful activities in this process that are performed as a part of prevailing culture but do not deliver significant value.
- Embedding regular and rigorous prioritization techniques in our squads to deprioritize low-valued objectives
- Planning for available capacity and asking for more when needed, thus avoiding burnouts and helping to deliver value more safely and with greater efficiency
- Keeping the squads closely aligned to stakeholder's expectations via consistent planning and review, thus ensuring the decision-making process becomes safer and faster
- Helping the squads learn and improve faster through consistent retrospectives. It is recommended that when a new squad is started, they implement frequent retrospectives until they are out of the storming **stage of the Tuckman model.**

CONCLUSION

Exploring, Drilling and Productionizing an "Oil & Gas Well" is not a stand-alone job requiring just one team. It is a complex process supported by finance, procurement, legal, partner teams, rig contractors and more. Therefore, when implementing an agile solution, it is imperative that these support systems are also engaged in your agile transformation journey.

Agility practices can be new to this industry, and the learning curve and resistance to change can be higher. Therefore, patience and perseverance is the key to success.

Most agile coaches and consultants have coaching experience in Banking, Digital and IT domains. As such, it's necessary to avoid copying the success formula from your earlier industries or frameworks. Let the coach within you do more work than the consultant, wear the coach's hat, and allow your coach to come up with solutions to their own problems while you lead them as a facilitator in their thinking process.

Using the action guide steps, the example organization in Southeast Asia demonstrated a successful implementation of agile ways of working by completing an extremely complex milestone of "Gas Well" Work Over mission (well repair and maintenance mission) in about half the time as compared to earlier missions undertaken by the organization. By increasing focus on the culture aspect, a tribe that looks into exploration recently completed over 90% of its prioritized work in one quarter despite COVID-19 pandemic issues that rattled the entire home country, thereby ensuring that they stayed ahead of meeting predicted Gas demands within the region. The agility journey continues for this organization by finding and implementing new techniques to lower GHG emissions, lowering production costs, and continuing to maintain high safety standards, high reliability, and availability. Net Zero 2050 might look like a far-fetched goal but this organization is on the way to making it a reality.

The action guide is a summary of key steps that lead to the start of a successful transformation with an Oil & Gas organization. More and more organizations in this industry are looking forward to adopting these practices to accelerate their transformation journeys and sustain agile practices, values, and behaviors. ⓔ

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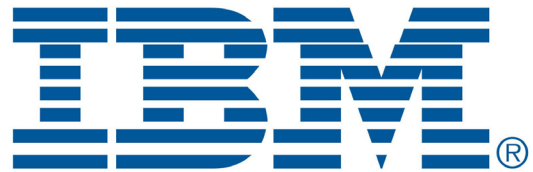https://ukcop26.org/wp-content/uploads/2021/07/COP26-Explained.pdf

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Rakesh Kondvilkar

has been working in IT, Investment Banking, Oil & Gas and Energy Sector for over 17 years with over 10 years in agile coaching and has joined IBM in 2019. He is an Agile Transformation Coach that focusses on business, personal and technical agility along with organizational design and development. His key strengths are his coaching skills, effective leadership of teams, ability to coach at different levels and sectors as per the requirement and a relentless focus on continuous improvement to help teams deliver excellence.

Amol Pradhan

has been leading an agile way of working approach for two decades, starting out as a developer with the start-up in 1999. Currently, Amol leads IBM's Enterprise Agility practice globally, to help organizations deliver business value early and often through Agile, Lean, and DevOps principles and practices enterprise wide. He helped numerous Fortune 500 clients in aerospace, oil & gas, retail, automotive, media & entertainment, information services, and financial industries.

BUSINESS AGILITY
CONFERENCE
SPEAKERS

Cal State - Fullerton
California, United States

I work with organizations to vertically develop their leaders through a focus on the most foundational aspect of their BEing: their mindsets.

www.ryangottfredson.com/

Ryan Gottfredson
Professor/Researcher

The Four (Justifiable) Fears that Limit Value Creation

There are four fears that commonly arise in organizations for well-intended reasons. But, these fears also hinder agility and value creation. In this talk, Ryan Gottfredson will clearly identify these four fears, explain why they exist, and how to overcome them at both a personal and corporate level so that we and our organizations can provide greater value for all stakeholders.

Ryan Gottfredson, Ph.D. helps organizations vertically develop their leaders primarily through a focus on mindsets. Ryan is the Wall Street Journal and USA Today best-selling author of "Success Mindsets: The Key to Unlocking Greater Success in Your Life, Work, & Leadership." He is also a leadership professor at the College of Business and Economics at California State University-Fullerton.

Twinxter
Founded in 2019
Amsterdam, Netherlands

We believe everyone wants to grow towards a happy and sustainable future for themselves and for the people around them.

http://www.twinxter.com/

Alize Hofmeester
Entrepreneur, author, speaker

Humanize business from the soul of your organization

Alize Hofmeester is a successful purpose driven entrepreneur, author of the book Purpose Driven People, speaker, and creator of the People Journey Circle© and Business Agility Scan©. As a passionate People & Change Executive, Alize helps organisations to stay relevant to their customers, by reshaping their future way of working and facilitating a fresh, new growth-mindset that leads to company-wide flow and business agility.

Sony Pictures
Founded in 1987
London, United Kingdom

Sony Pictures Entertainment (SPE) is a subsidiary of Tokyo-based Sony Group Corporation. SPE's global operations encompass motion picture and television production and distribution and more.

https://www.sonypictures.com

Nadya Ichinomiya
Exec Director, CFO Corporate Functions

Sony's Servant Leadership Journey From Adversity to Advantage

At Sony Pictures we first began our Servant Leadership journey a few months into the global pandemic. Since then, this way of leading has been avidly adopted in the firm. To accomplish this, we developed a deeply engaging 2-hour course on servant leadership, and over 15% of the company has taken it. More importantly, hundreds of graduates went on to enroll in our innovative 10-month follow on cohort program. This grass-roots movement went global, jumping over to sister company Sony PlayStation. Learn how the journey started, why we created the course and cohort program, and how the pandemic accelerated the program.

Nadya plays a catalytic role in inspiring Agile mindsets & practices in teams, leaders, and execs.

Ancient wisdom shedding light to a culture of growth

Koçfinans
Founded in 1995
Istanbul, Turkey

Koçfinans is Turkey's first financing company, which was established in 1995 and consisting of expert staff, innovative structure and dynamic processes.

http://www.kocfinans.com.tr/

Pınar Kitapçı
CEO

A business leader shares experience on overcoming challenges of change and building a growth culture. The talk unfolds around moving in the rhythm of change, the value in coherence, leveraging logic with empathy and openness, accompanied by wisdom from a 13th century mystic poet.

Yesim Pınar Kitapçı is the CEO and Board Member of Koçfinans, a pioneering financial services company in Turkey, specialised in consumer and SME lending. Pinar is an agile enthusiast, leading Kocfinans as a lighthouse to inspire other Koc Holding companies on their way to business agility. In addition, she holds 3 board membership positions in Turkey and is an AMP alumna of Harvard Business School.

Big Bang Theory meets LiDAR – transforming society

IBEO Automotive
Founded in 1998
Hamburg, Germany

Ibeo is a worldwide technology leader in the field of LiDAR sensors (acronym for Light Detection and Ranging), associated products, and software tools. It is Ibeo's goal to reinvent mobility by enabling cars to become cooperative partners in public transportation, thus making transportation safer.

http://www.ibeo-as.com/

Dr. Ulrich Lages
Chief Executive Officer

Change management and stories thereof are not new. Most change management efforts fail over time. At Ibeo a new approach was followed: the change was initiated fast, unexpectedly, and with no option of going back by disrupting the previously in place system altogether within one minute to the next. All of this happened May 9th, 2019. Our very own Big Bang. This is the art of the possible.

Ulrich started his officer career at the German armed forces. He studied mechanical engineering and did his PhD on active collision avoiding in autonomous vehicles at Helmut Schmidt University in Hamburg, Germany and his Executive MBA in Maryland. In 1998 he founded Ibeo Automotive and has been the CEO ever since.

Mirroring Community Process in a Community Development Organization

The Island Institute
Founded in 1983
Maine, United States

The Island Institute works to sustain Maine's island and coastal communities.

https://www.islandinstitute.org

Suzanne MacDonald
Chief Community Development Officer

In this time of rapid change, challenges posed to our community institutions and community leaders grow increasingly complex. How can community development organizations respond to this complexity? In the years following a founder transition, the Island Institute went through a massive redesign and adopted agile principles based on the anticipated future needs of its constituency.

As Chief Community Development Officer, Suzanne oversees strategy development for the Institute's programs, with a focus on the organization's climate and economic resilience initiatives. She has been a catalyst and leader of several national and global networks focused on island sustainability.

An Agile Leadership Journey

What does it take to transform business agility?

Pete Behrens

The 4th Edition of The Business Agility Report, released in late 2021, outlined several findings to inform organizational best practices and improve business agility. Of those, the highest rated organizations are those that:

1. Have business agility transformation programs led by their Board of Directors;
2. Transform multiple business units at once, usually along customer value streams;
3. Score highly in the 3 key predictive indicators of business agility: relentless improvement, value streams, and funding models; and
4. Invested in their transformation for a *minimum* of 2 years.

Do you notice anything about the list? *Read it again just to be clear*—the key indicators driving business agility maturity are only able to be influenced by the most senior leaders of the organization, including the involvement of the board of directors, impact to multiple business units, addressing funding models, and requiring investment over two years to see significant benefits, which requires patience and grit to work through the pain of change.

When we dig deeper into the report, we see key correlations between organizations and their aptitude toward business agility. The first of those correlations (and perhaps one of the least surprising) is that organization size plays a significant role in agility, with smaller organizations generally out-adapting their larger peers (although this is not a linear relationship). Larger organizations typically stratify leadership hierarchy deeper and depend further upon matrixed dependencies to accomplish shared goals. Larger organizations often rely more heavily on process controls and typically operate in more regulated industries that require such controls, including finance, healthcare, insurance, transportation, and government. But don't let size deter you; organizations of all sizes are seeking and achieving increased business agility to improve their performance.

This leads us to our second observation: industry is a major influence on business agility. The top performing industries are Consulting (5.5 average maturity rating) and IT (5.1 average maturity rating) which have the fewest regulations. However, industry should not be considered a deterrent, but rather seen as a friction toward improved business agility and performance. It is a positive signal that the third and fourth highest industries on the maturity scale are Manufacturing, Automotive & Aerospace (4.8 average maturity rating) and Financial Services (4.7 average maturity rating), which do operate in a realm of higher regulatory oversight. Leaders need to move away from the binary thinking that their industry either will or will not allow business agility. Rather, leaders must adopt the mindset that business agility may look different and require more nuance and effort to achieve given the complexities different industries face, including regulatory requirements.

Likely the most interesting relationship is one of time. Companies are finding the need to continue their journeys toward improved business agility over many years. Companies on the journey for eight or more years demonstrate 50% more business agility (6.42 average maturity) than those with two years or less (4.12 average maturity). Let's repeat that for emphasis - **companies on the journey for eight or more years!** The report indicates a first sign of improvement in two years with true impacts following much later.

This year we queried the inflection points in the data and found that the first significant step-change happens after two years on the journey, then grows through years three to eight, before benefitting from the last step change at eight or more years on journey.

The 4th Edition of the Business Agility Report

For those who have been on the journey, this will not come as a surprise. For those I speak to each week considering a journey or newly on their own path toward improved business agility, this often comes as a shocking realization. Personally, I often pause to emphasize this point. In order for you, the leadership team, to accomplish what you are seeking, you need to commit to a multi-year focus which includes people, money, and time. The difference between a day hike and a month-long backpacking trip is significant. Leaders underprepared for this reality, thinking that this journey is a one-and-done this-year's-leadership-initiative, are in for a reality check.

This leads us to our primary message: Leaders who do not transform themselves will have little impact in transforming business agility within their organizations. Why? Because changing organizational structures, processes and measures is only half the battle.

Think of organizational change like technology change. Improving technology comes in two forms: hardware upgrades and software upgrades. Both are required and co-dependent for improved features, functionality, usability, performance, etc. The same is true for organizational change for improved business agility. Hardware upgrades for organizations are represented by restructuring and reorganizing, mergers and acquisitions, and new tools and technologies. Software upgrades are represented by mindset and culture. Updating organizational structures, breaking down silos, and scaling more agile ways of working, are not enough. Updating personnel and leadership with a new mindset and culture are not enough. But combined, they can have a significant impact on business agility and performance.

Evidence that leaders must not only lead business agility transformation for their organizations, but indeed take an active role in transforming themselves, can be seen from the barriers identified in the report:

Top 10 Themes for Addressing Challenges Along the Journey
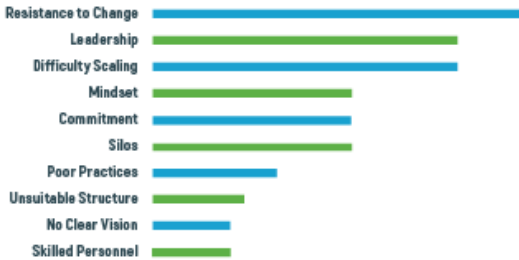
Once again, every barrier listed is related to leadership focus, beliefs and behaviors. While a few of the barriers relate to the organizational "hardware"—silos, unsuitable structures, and poor practices—a majority of the barriers more closely relate to the organizational "software"—resistance to change, leadership, mindset, commitment, and no clear vision. Whereas organizational hardware upgrades may be delegated to a change team or external consultancy, organizational software requires a more human connection and is directly related to the leadership mindset and behaviors.

Business agility requires leadership agility. So, what does it take to transform leadership?

Agile leadership is not a new concept and did not merely emerge from the technology-centric Agile movement of the last 20 years. In fact, adaptive leadership can be traced back to the beginnings of human development with surges of progress and roadblock setbacks along the journey. As technology has created workflow efficiencies, agile leadership developed from a need to be more adaptable in more complex scenarios. While the Agile movement formed at the turn of the century, the roots of agile leadership go much deeper.

Organizational leadership models today can be traced back to about 13,000 years ago. Around this time, agriculture enabled larger, formerly nomadic populations to form stable cities. As city populations grew, hierarchical leadership

structures emerged to manage them. Leadership divisions formed around functions, and the connection between leaders and members—along with their power and status—slowly pulled apart. Land boundaries connected cities to form states and royal families ruling class-based societies emerged through this period of time.

The foundations of modern management, often attributed to Frederick Taylor and his consequential paper on The Principles of Scientific Management (1911), can be traced back to these earlier leadership principles. Taylor was incredible for his time in improving system workflow, irrespective of human impact. While he routinely improved manufacturing workflow by many multiples and improved quality and repeatability at the same time, he looked upon the workforce as incompetent, unskilled and not of value to train beyond simple repetitive tasks. Leaders think, workers do; Not far from the viewpoint of monarchical leaders ruling over their subjects.

Following World War II, Japanese manufacturing was struggling with quality control of its products. In a chance meeting and speech given by Edward Deming on Statistical Product Quality, Toyota and Deming began a relationship that likely inspired one of the most significant leadership shifts in our lifetimes and held Toyota's position on top of the auto industry for the rest of the century.

At the time labeled The Toyota Way, and now known as Lean Manufacturing, Deming and Toyota not only shook up the manufacturing process but fundamentally challenged the foundational leadership principles that ruled royal families and Taylorism. Deming put the line worker in charge of both their process and quality control, thus shifting the power of control from the manager to the worker. They installed an andon cord that ran the length of the line that any worker could pull to stop the entire process. Any worker stopping the plant triggered a deep dive (five whys) into the root cause of the problem before restarting.

Other companies attempted to copy Toyota's new leadership model with little success. This wasn't because Toyota hid their approach as a competitive advantage. Indeed, they gave tours and provided many other manufacturers with their playbook. It was the limitations of the other manufacturers who failed to recognize that installing the Toyota "hardware" structure and processes was not enough. It further required a "software" upgrade to change the mindset of leadership. Other companies were either unable, unwilling, or simply didn't understand the new leadership principles that made the new processes work.

It wasn't until the second half of the twentieth century that the leadership development community began to shake up the foundational theories and instilled practices reinforced by Taylor. Theory X & Y (1960), Servant Leadership (1970), Situational Leadership (1975), and Transforming Leadership (1978) were a few of the forerunners of a radical shift in thinking about leadership. Taking their lead from Toyota and Deming, these new researchers were proposing the leader serve the employee and that employee motivation should come from within rather than from the leader via external threats and incentives. This was not too different than Copernicus proposing the earth revolves around the sun—much of it falling on deaf ears.

However, concepts of adaptive leadership can be traced back to primitive times in human evolution. 2.5 million years ago, leaders and followers likely emerged through a reciprocity relationship that has been labeled service-for-prestige[1]. Voluntary leader-follower relationships developed through the reciprocal exchange of demonstrated respect for valued services delivered (e.g. providing more food in exchange for hunting). Unlike the more hierarchical models, this reciprocal relationship had leaders more closely related to the work as direct service rather than overseeing others doing the work. Furthermore, the leaders more often emerged based on their experience rather than being instilled through lineage. Finally, these early leaders were more frequently challenged by their followers if they failed to provide services as opposed to later leaders who held the position regardless of results. In essence, followers had more status, relationship and autonomy with respect to their leader. Does this sound familiar? Essentially, Deming and the leadership models that followed are taking us back to our human roots rather than dramatically shifting away from them.

The reason this leader-follower relationship development is so critical is that for two millennia the human brain evolved to value this more dynamic, adaptive and reciprocal relationship. From our viewpoint in 2022, the past 13,000 years might feel like a very long time. However, from an evolutionary perspective, 13,000 years represents only 0.5% of the approximately 2.5 million years of human development! Our human desire for status, relationship and autonomy, along with the threat we feel when they are challenged or taken away, are deeply ingrained in all human DNA. The human brain codependency with status, certainty, autonomy, relatedness and fairness (SCARF) have been well documented through research by David Rock, author of *Your Brain at Work* and founder of the NeuroLeadership Institute.

Thus, we can see that through the lens of time, our last 13,000 years of leadership have been misguided. Businesses of today need to more closely resemble the nomadic nimbleness of our early human communities as compared to the stability and size of the later city-states. Larger organizations are finding that they are more adaptive and effective when operating as multiple smaller business units, each with the autonomy and relatedness to connect closely with their employees and customers. The leadership to drive these business units needs to be more connected, engaging, empowering, balanced, dynamic, and adaptive.

[1] *Service-for-Prestige Theory - https://www.frontiersin.org/articles/10.3389/fnhum.2014.00363/full*

Agile leadership is not new. More adaptive leadership models have been reentering the workforce since the 1940's when Deming and Toyota radically altered the power dynamics between leaders and workers. And yet, we are a long way from 1940. Today, the needs of business, and the leaders who lead them, need to change yet again. In the 1940s, leaders were seeking to optimize how to build a quality car in the most efficient manner. In the 2020s, leaders are seeking to innovate new ideas and technologies faster than competitors amidst rapid change and complexity that was inconceivable less than a hundred years earlier. While lean manufacturing processes and automation are dominant across the globe, lean leadership is more rare.

Today, the ability to effectively lead in a VUCA world is necessary at all levels of an organization. This is true regardless of whether you are leading an organization, a team, a project, or influencing in other ways. Leaders have the capacity to grow through multiple developmental stages to improve their effectiveness—what Bill Joiner and Stephen Josephs define as "leadership agility" in their book by the same name. As a leader develops agility, they increase their creativity to identify better outcomes, stakeholder engagement to co-create them, and the situational adaptiveness to achieve them. More agile leaders see more options, engage in more diverse dialogue, and make more informed decisions, resulting in the ability to take more effective actions and improve business agility. Leaders must combine real-time awareness with the openness and courage to situationally experiment on new approaches to everyday situations, thus developing new competencies. It not only depends on harnessing the leader's strengths, but also in managing their emotional triggers and balancing dualities with no "right" answers.

Furthermore, how leaders think and approach their work and their employees shapes their organizational culture. That's because how leaders think impacts their work—from what they focus on to how

they measure success, from who they hire to how they compensate employees, from the policies and structures they develop to how they engage with others. How leaders think shapes what they do, and what they do shapes the organizational culture, which supports or impedes business agility.

The Agile Leadership Journey™ approach to leadership development and shaping culture is based on the belief (and the research that supports it) that leaders have the capacity to grow through stages to improve their effectiveness, that leadership can be developed, and that everyone, regardless of role or title, can demonstrate more effective leadership. We take the approach that leadership and culture have a symbiotic relationship—in other words, leadership shapes culture and culture shapes leadership. Leaders can develop the capacity to deliberately shape organizational culture to improve business agility, health, and performance. Effective leadership is a journey, not a destination. ⓔ


Pete Behrens

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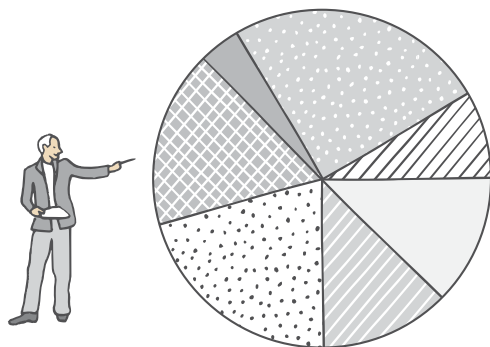

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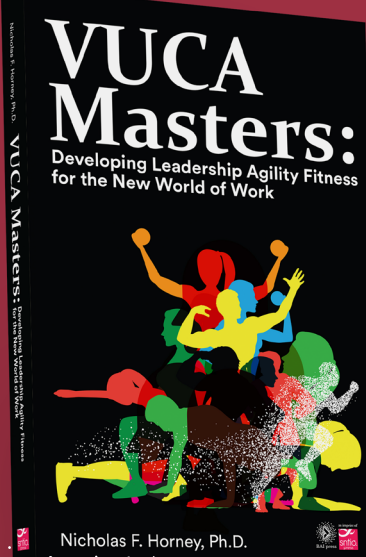
Focus on the outcome of the work, not the framework

Nizar Khoja

In my time as a transformation leader, I have watched many organizations try to create or enable agility through transformation at the execution level—where most of the focus is on the delivery of work. While not necessarily incorrect, However, this focus sometimes misses the purpose and value of the work. We also miss the connection between strategy and execution by not properly understanding business outcomes.

This challenge is often compounded when organizations rely on specific frameworks (such as Scrum, Kanban, or SAFe) and try to work within these rather than understanding whether the frameworks are appropriate for their type of work.

A better approach is to focus on outcomes so that the ways of working are secondary. In other words, the goal should be to bring agility in at the outcome level, not at the execution level. It is essential for organizations to understand how the implementation of the transformational approach can help an organization to have positive change with the right purpose and goals, without becoming rigidly focused on new ways of working.

In 2017, one of North America's top financial institutions, with more than 80,000+ employees and customers in over 40+ countries, decided to revitalize one of its key business units using Business Agility. This unit was responsible for bringing in the majority of company revenue and was so large that the transformation would directly impact almost 4,000 employees and indirectly impact 20,000+ employees. This was no small task: after all, it's never easy to create inertia in a large organization with almost 100 years of entrenched history and practices.

However, with the right leadership, defined outcomes, and engagement at all levels, the organization was able to successfully transition to a new way of working. The leadership group was on-boarded and willing to both learn and pivot in their approaches. They took readily to supporting and fostering the culture of continuous learning which was key to a new way of working. In other words, they were "not only singing the song but trying to understand the lyrics" at the same time.

SO, WHY TRANSFORM?

At the beginning, the organization identified the following key problems which they aimed to solve through their transformation:

1. Being busier and working harder than ever, but still struggling to deliver more value [employee engagement]
2. Being slow to respond to market opportunities and threats [speed to market]
3. Their execution not meeting their strategy [misaligned between outcome and output]
4. Competing business priorities across silos [lack of alignment and transparency on priorities between different groups and teams]

And how did it start?

As the transformation executive responsible, I had a first-hand role in initiating the transformation journey. With the problems clearly articulated, it was necessary for us to have alignment with senior leaders on the purpose and outcomes of the transformation. First, we brought all relevant parties together to agree on the guardrails for how to work through the transformation. They were:

1. Outcomes must be clear
2. Effort must be aligned to outcomes
3. Constantly learn
4. Pivot as needed

Next, we initiated the transformation journey with the following steps:

1. Create a common alignment on purpose
2. Introduce the guiding principles to support overall transformation
3. Understand the outcomes through OKRs and Transformation OKRs
4. Identify the key roles to support transformation
5. Define the path to Agility and Assessment
6. Develop the Change Management and Business Agility Transformation Roadmap
7. Provide simplified and unified Business Agility processes and practices that focus on outcomes for any group or team
8. Introducing measures and sustainment

1. Create a common alignment on purpose:

We our journey of change by bringing all the leaders together and aligning on purpose. This was necessary in order to enable New Ways of Working, by organizing teams to maximize agility in the form of efficiency and productivity. In turn, this accelerated the delivery of measurable outcomes. Furthermore, we explored how to manage unlimited demand with limited supply or capacity through prioritization on value delivery based on data. All of this was in service to achieving business outcomes.

As we pursued alignment, we used a top-down and bottom-up approach (AKA a sandwich approach) where direction and priorities (with the focus on 'what/why') was top-down and delivery progression and impediments that required support (with the focus on 'how') was bottom-up.

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2. Introduce the guiding principles to support overall transformation:

To ensure alignment of outcome across the transformation, we developed the following guiding principles:

1. Implement customer-centricity at every level of the organization.
2. Maintain an outcome-focused mindset (connection of strategy with work)
3. Employee engagement is the key
4. Change must impact the overall business ecosystem end to end
5. Foster a growth mindset and continuous-learning culture
6. Use Lean Change Management to make the transformation stick
7. Support outcome delivery through purposeful team design
8. Apply new Ways of Working appropriately to the type of work the teams are engaged in and outcomes they were trying to achieve. These Ways of Working should be guided and supported by BAI, EBA, Lean Startup, Management 3.0 and SAFe 5.0 (Business Agility track) as 'Fit for Purpose' Frameworks.
9. Ensure transparency and alignment across teams

3. Understand the outcomes through OKRs and Transformation OKRs

Once we identified our guiding principles, we introduced the concept of OKRs to the leadership team. OKRs (Objective and Key Results) are a lightweight strategy and alignment framework used to achieve an organization's desired outcomes through common goals, shared commitments, and clear accountability.

After introducing the concept, we worked with senior leaders to build a series of transformational OKRs and gain alignment on what we intended to achieve and how we would know we were successful in achieving it. We focused on three key themes that supported business outcomes:

1. Client/Partner Satisfaction
2. Employee Engagement
3. Operational Excellence/Continuous Improvement

We partnered with senior leaders to adopt and implement OKRs in their respective groups and use them as conversation points with colleagues.

4. Identify the key roles to support transformation

We identified four key roles required to support the transformation of this size: Transformation Strategists, Coaches, Enablement Leads and Change Managers. These roles are critical to support overall transformation and enable leaders to apply business agility practices and behaviours effectively.

Transformation Strategist: This seasoned role helps groups to strategize, organize and plan a business unit's transformation journey. They also act as a Leadership coach and work closely with senior leaders to explore new ways of tackling business problems, provide situational guidance for resolving long-standing problems in novel ways, and assist leaders in having a positive impact on downstream work. They make sure that each specific group transformation plan is aligned to overall business unit strategy. Usually, two or three individuals with specific skills were required to support this role.

Coaches: Provide overall support for specific groups to guide them through the transformation i.e., leadership support, coaching, and building capabilities. Usually, one or two individuals were required per group depending on the number of teams requiring support.

Enablement Leads: This role sits within specific groups. Individuals are identified within that group to support and were mandated with the following responsibilities:

- Leading Transformation efforts with a specific group
- Identifying One-Year group level 'New Way of Working' Transformation Outcomes
- Facilitates development of Outcomes
- Co-creation and ownership of Transformation roadmap with group leaders
- Ongoing creation and prioritization of Transformation backlog for the group
- Regular measurement of Outcomes (OKRs)
- Providing transparency (reporting out) overall health of Transformation
- Change Leadership on strategic initiatives

Two or three individuals per group were required to work closely with group leaders and teams.

Change Manager: The Change Management role is key to the transformation. Change Managers usually had the following responsibilities:

- Analysis of operational changes and assessing the change impact
- Communication with the affected employees and leaders
- Information transfer and documentation of process changes
- Creation of communication channels
- Development of a change plan
- Documentation and creation of change management reports

One Change Manager per group was required to work closely with Enablement Leads and teams.

5. Define the path to Agility and Assessment

We understood from the beginning of the transformation process that we were taking the teams on a journey, and that every group within the business unit were starting at different levels. As per our agreement with Leadership, we defined a maturity assessment that aligned Business Agility assessments based on the following criteria:

Category	Assessment for Mindset & Practices
Pre-crawl	Starting journey/awareness and understanding of agility
Crawl	Adopting agile practices/processes and learning about agility within delivery.
Walk	Applying agile practices and processes in delivery.
Run	Deliver by applying business agility processes & practices; apply growth mindset.
Fly	Living & fostering agility in the work environment.

On average, most of the groups were at the "Walk" state and some were heading towards the "Run" state in their journey. This was considered successful, considering the organization was only three years into their journey.

6. Develop the Change Management and Business Agility Transformation Roadmap

Once we had defined the path to agility, and OKRs were defined with appropriate Key Results to measure progression metrics, we created a change management plan along with a business agility roadmap to clarify how we could approach transformation within a certain timeframe. High-level activities included:

1. **Creating the climate for change:** Providing awareness through newsletters, town halls, sharing the path to agility and change plans.
2. **Mobilizing:** Providing training and coaching, identifying key enablement leads, and other on-boarding activities of the teams
3. **Beginning new way of working:** Identifying teams within groups to transition to applying business agility practices and behavioural coaching.
4. **Transitioning to self sufficiency:** Moving a matured team into the sustainment phase and applying agility practices and behaviours as per their needs.

7. Provide simplified and unified Business Agility processes and practices that focus on outcomes for any group or team

We started with a simple and tactical approach to apply Business Agility practices agnostic to any specific framework. However, we also empowered coaches to support teams and guide them with appropriate frameworks that complemented their work and purpose.

This approach requires teams to:

1. Have clear outcomes (OKRs) that align with the organizational OKRs so they can be achieved collectively
2. Understand the work that is required to achieve the outcomes (OKRs)
3. Prioritize what matters by focusing on value and the impact that has been made. Learn to make the tough decisions to more effectively deprioritize WIP
4. Have cadences and ceremonies to refine the OKRs, and to keep narrowing down to the Key Results that really measure success. Focus on alignment and collaboration through daily or weekly sync. Achieve effective planning through monthly or quarterly outcome check-ins
5. Maintain reflection and continuous improvement through retrospectives; monitor OKRs and adjust immediately based on what has been discovered

All in all, the Business Agility process ensured that:

- Outcomes defined the work
- Value was delivered frequently, and feedback is gained in response
- The teams took time to reflect on whether the work had the desired impact

88% of groups adhere to Business Agility practices and behaviours at all levels	100% of groups connect their strategy with work through Outcomes (OKRs)	Major improvement in Efficiency and Productivity Ratios.
10% improvement in employee engagement and happiness metrics.	80% of employees feel that their work is supporting business unit Strategy (an increase of 5%)	The organization has won several customer satisfaction awards in the last two years.

8. Introducing measures and sustainment

Finally, we introduced measures that helped the organization understand the impact of these practices and behaviours through outcomes (OKRs) and benefits while applying processes and practices that supported these "New Way of Working". These measures included:

a. Measuring the impact of agility practices and behaviours on operational excellence in terms of speed (lead time), outcome achievement (throughput and OKRs), and predictability (velocity)
b. Measuring the impact of a customer-centric and outcome-driven culture on client/partner satisfaction to achieve superior customer and partner values by simplifying delivery and optimising primarily for flow of outcomes.
c. Measuring the impact on people's engagement by determining the happiness and employee engagement pulses.

Additionally, we addressed sustainability by establishing a Community of Practice (CoP) and identifying individuals within specific groups to serve as Enablement Leads or Champions for agility transformation. Encouraging a culture of learning and experimentation among groups also helped increase efficiency and value delivered to customers.

WHAT IMPACTS HAVE BEEN REALIZED?

To date, there have been significant impacts as a result of this transformation.

Throughout the transformation, it became clear that if senior leaders focused on the outcomes and enabled individuals and teams to define the 'how', not only would our transformation solve the identified problems, but our people would own how they work. Instead of focusing on frameworks, we provided the destination through outcomes, educated the workforce on the frameworks, and then allowed adoption to be driven by what worked best for the teams.

As other organizations navigate their next transformation, they can use outcome-focused goals in the form of OKRs to provide the clarity, alignment and direction needed for their people to thrive.

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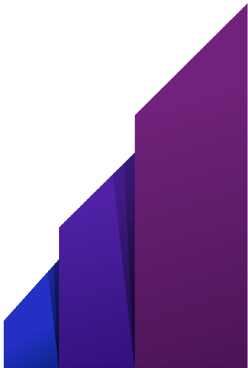
OKR
COHORT

Nizar Khoja

is considered a thinker, leader, and coach, and is curious about New Ways of Working, Remote Work, and Digital Enablement! He is passionate about finding ways to make organizations awesome through building cultures of efficiency, empowerment, engagement, and empathy. Nizar has extensive experience working in different setups and industries (from start-ups to large organizations) that enable him to understand how to impact sustainable change. He is a firm believer in creating a culture of purposeful and high performing teams to focus on continuous value delivery.

How not to scale

Hendrik Esser (Ericsson)
Jens Coldewey (Improuv)
Marcin Floryan (Spotify)
Darja Smite (Blekinge Institute of Technology)

FAILING WITH SCALING?

Let's imagine a newborn company. It is in its start-up phase. There is a brilliant new business idea and a small, very passionate, and dedicated team, to pursue that opportunity. It is a phase full of discoveries. The team communicates continuously, learning together how the new opportunity can be captured and realised, satisfying the early customers. With their relentless focus on the customer and their intense collaboration, where everybody brings in their skills, the company is on the rise.

As business increases, the company starts to grow. Features are added to the product, gradually increasing its overall value. The product architecture becomes progressively more sophisticated. New employees need to rely on the expertise of existing employees in order to learn the design of the product. A career model is added to signify who the experts are. The customers pull for greater functionality. Over the years, more and more people are hired to satisfy all the incoming demands. Subunits are created, managers are appointed, a project office and financial control unit are created, governance is added to orchestrate the growing business, suppliers are contracted to deliver parts of the product, and more.

Overhead is increasing, so the focus shifts towards optimising the internal structure of the company. Efficiency improvements are initiated and driven with a tight follow-up. But despite all the efforts, margins are decreasing. The company gets sluggish delivering new value. Competitors—small start-ups like the company once was—start eating from the margins. And a crisis emerges: How can we grow further? How can we be as large as we are and still have the speed and agility of the small start-up that we once were? How can we have good profitability from our legacy products to be able to invest in new opportunities? Why are our attempts to get into new opportunities failing frequently?

Nothing significant has emerged despite our initiatives to foster innovation and the number of smart people employed. The company feels it is not agile enough. But luckily there seems to be information available about becoming agile, even for companies on a larger scale. So a well-structured agile scaling model is introduced.

A few years later, however, the nimbleness of the company still hasn't improved much. Although, there has been a significant improvement in efficiency—for example, the introduction of software pipelines, enabling a digital flow in the project management allowing high levels of transparency. Yet the overhead to orchestrate all of it feels heavy and agility feels a distant dream.

The story of company growth described above is a typical example of organisational evolution that is well represented in Greiner's growth model[1]. The key learning Greiner offers is that crises, when growing, are inevitable. but managers, way too often, fail to learn from their own organisational history and thus fail to anticipate the need for an appropriate and timely organisational development.

WHAT IS THE CHALLENGE?

Most companies want to grow, as in—become large and powerful. The typical reasoning behind it equates to a simple equation: Scale the business up, do more tasks faster and better, including tasks conducted by the quality assurance.

Organisational growth often happens by increasing the number of people, hence increasing the capacity to deliver work and value. But growth does not come without its cost. At some point, the growth triggers thinking about the need to "scale" (Note: primarily scaling-up) in order to meet the demands of the ever-escalating organisational complexity. The first signs of that escalation tend to be seen in the increased dependencies between pieces of work across the value chain.

A common approach to dealing with this "scaling" leads organisations to focus on:

- uniformity or consistency of processes and ways of working
- optimising for efficiency
- focusing on predictability and increasing control

Many established scaling frameworks are promoted to satisfy these needs. However, starting from large-scale frameworks has shown to introduce a significant amount of management and orchestration overhead and decrease flexibility[2]. This comes mainly from the heritage of large organisations; all the steps and decisions are taken throughout its history from being a startup to being large. There is usually an established product and a strong bias towards sustaining it and increasing margins by enhancing efficiency.

On one hand, it seems obvious and necessary to protect established products. But this same protective mindset can lead to the entrenchment of existing paradigms such as "We need a central orchestration function (including a PMO, financial control, portfolio and product management, etc.) The most widespread scaling frameworks are "successful" (commercially) not because they improve business, but because they satisfy that established mindset.

Focusing on the above aspects is exactly what contributes to a further increase in complexity and leads to a general slow-down. Individual people tend to feel like they are just "a cog in the machine", their agency and autonomy are severely limited, bureaucracy takes over, and nobody seems happy with the outcomes. Organisational walls appear, alienation and structural holes emerge, and internal competition increases. Dependencies and collaboration that have been self-managed in the past, suddenly fail. This is also typically the time when company pioneers start leaving, disillusioned in the ability of the company to empower its staff to create new value.

The root cause of all these problems lies in several confusions:

The first one is the confusion of scaling and growth. Scaling and growth are related but are different concepts altogether. Looking back at the innovative start-up company that grew and turned into a bureaucratic machine, do we see any alternative way they could have grown? We believe that there indeed is an alternative. In contrast to rapid growth in size that causes efficiency problems, demands support functions, and often breaks the established culture turning the start-up into a machine bureaucracy[3], companies may want to grow a bit slower by focusing on expanding their capabilities by relying on highly trained professionals who have control of their own work, turning the start-up into a professional organisation[3]. The difference in these two ways of growth is reflected in the following two definitions:

- **Growing –** realised through business evolution—where more experts, capable of working autonomously and reaching their goals, are added to meet the growing demand.
- **Scaling –** realised through adding hierarchy, rigid roles, policies and guidelines, and designing communication flows with the goal to efficiently orchestrate a large number of people towards delivering customer value. (Both reduce flexibility and agility.)

When growth and scaling are seen as tightly correlated and handled together, organisational complicatedness increases. Agility and the ability to innovate decrease.

A second confusion is about complicatedness and complexity.

- **Complicatedness** means that a cause-effect relationship can be clearly determined. Consequently, it means that things are predictable and can be planned.
- **Complexity** means that influencing factors are entangled and partly not observable, resulting in very limited or no mid-term predictability.

Taking predictability as a controlled measure is another confusion on its own: Predictability only pays into control, if the plans are actually delivered accordingly. If your domain is inherently unpredictable, such as software development, control comes from transparency and the ability to react, rather than from the ability to predict. Trying to predict unpredictable things is a waste of time and effort. Unfortunately, many scaling efforts try to increase predictability and, thus, just increase cost, rather than control.

A third confusion is the confusion of competence and technical skills. As organisations grow they tend to focus recruitment on people with expert knowledge believed to be needed for growth. So the main focus is on their subject matter expertise. But these new people will be part of a large organisation, where they have to cooperate, collaborate and network with many other people. And for that – people skills are essential.

So **competence** relates to the overall competence, subject matter expertise, attitude, and people skills. **Technical skills** are just that: the subject matter expertise. For example, hiring the best AI expert won't have the desired effect on your business if that person isn't at the same time able to collaborate with and teach and mentor their colleagues.

In saying so, what is needed is::

- Learning to grow without scaling
- Learning to take advantage of unpredictability
- Learning to recruit socially competent people, not only people who are subject matter experts

WHEN SUPPORT FUNCTIONS GO WRONG

To understand what is going on when adding people, let's look at a little story: The story of Peter, Paul, and Mary.

Peter, Paul, and Mary can't agree. They have a common goal: to have fun. But Peter wants to go to the cinema, Paul wants to go to the zoo, and Mary wants to go to the swimming pool. They argue and fight and, because they can't agree, they go to Mummy so she can decide.

Mummy is a good mom. She really wants to be fair. But oh! There are so many kids! And their number is growing! To cope with it, she needs help. So she recruits some helpers into a staff function, Nanny. The mission of Nanny is to help make fair and good decisions. But this is difficult. The kids all have their own ideas, demands, and arguments—very confusing. To combat this confusion, Nanny wants to gather the facts behind all the needs and debates. They ask the kids for data: How much does a zoo ticket cost? How much is the swimming pool? How much is the cinema ticket? How risky is it to go to the zoo, swimming pool, or cinema? And so on.

As the family wants to continuously improve and learn, the kids need to write a report after each trip, where they reflect on how it was and whether the goal was achieved. To make everybody follow this setup, the strategy, and its execution, the roles and responsibilities are clearly defined.

Ok, you see where this is going: More and more overhead is created. As the family grows, having an orchestrator becomes more and more of a burden to everyone involved. The fun, creativity, and spontaneity are lost. What can be done to avoid this pattern?

All the overhead emerged as a result of one core problem: Peter, Paul, and Mary couldn't agree. Because of that, the decision was escalated to a "referee", which led to the creation of Nanny. Growing and scaling were confused, as a growth in the number of kids would cause a growth in the Nanny function. Additionally, complicatedness and complexity were also confused as Nanny wanted to create a guarantee for good decisions, and thus driving to remove any uncertainty—sometimes by just ignoring it.

A typical sign is when an organisation emphasises that all decisions must be based on only facts and data. If you can't provide data to prove your point, what you say is ignored or at least seen as fluffy or unreliable.

A better way would have been, to start at the root and empower Peter, Paul, and Mary to constructively work through their disagreements and arrive at good compromises by themselves. They should include Mummy only where a family-level alignment (direction and strategy) is needed. With an investment into the collaboration skills (psychological safety, speaking up, constructive confrontation, argumentation skills, skills to shift perspectives, ability to navigate ambiguity and uncertainty, etc.) the need to scale, and also the need for the rigid constraints for that matter, when growing, is significantly reduced and may be even eliminated.

BREAKING OUT AND SUCCEEDING

Learning to grow without scaling

The example in the side box clearly shows that the scaled support functions exemplified as Nannies not only fail to make the right decisions fast or satisfy the kids, but restrict individual autonomy and decrease the very motivation to solve similar challenges in the future, or resolve internal conflicts as a team. But what can be done in organisations? New structures and support functions are inevitably added throughout the organisational growth[1]. Can organisations grow without scaling? We believe they can. Our answer to this challenge lies in cultivating self-management, autonomy, and empowerment instead of centralised decision-making and bureaucratic management, and advocating for leaders with the role to guide the organisation instead of traditional managers[4].

For growing organisations we recommend resisting to address each crisis through scaling with yet another support function and organisational structure. Control and organisational bureaucracy are known to kill innovation and the ability to solve complex problems. The larger the organisation, the harder it is to manage through formal programs and rigid structures. By saying this, we by no means suggest that supporting structures are not required. They are, but instead of formal permanent management structures and roles, support can be ensured by implementing temporary, informal, professional participation-oriented structures, such as emergent task forces, communities of practice, leadership forums, and finally coaching efforts. Companies shall strive to foster collaboration and social control which replaces the formal one. Introduction of matrix structures and communities, as well as focus on developing strong cross-functional teams that can deliver their tasks end-to-end, are the next required transformation.

Next question – what is the role of managers in these transformations? Cultivation of self-management, autonomy, and empowerment clearly does not fit in the repertoire of traditional managers, who execute their tasks from the formal position of authority. When managerial positions are "reserved" for the few, and seen as a privilege, managers have the vested interest in keeping their power and justifying their existence by making decisions, issuing instructions, and controlling the execution.

This attitude to management no longer suffices if we want to tap into the full potential of our staff. The exclusivity of leadership roles needs to be removed and we have to instead recognise that leadership is situational - and everyone can and should take on leadership roles when the circumstances and opportunities make them the right leader - because they have the best understanding of the problem or strong relationships with people working through a project or because they have the vision that will motivate and engage others. The rigid formal systems have to be simplified, which means that numerous managerial roles should be reduced and people should be reassigned. Managers can be retrained to gain behavioural skills and integrated into interdisciplinary teams to consult, not to direct, and focus on leading by intent and on achieving better teamwork and conflict resolution. Participative decision-making and an increase in autonomy are eventually expected to transform the company into a learning organisation, which is able to react to the changes from the market and the customers in a more effective way.
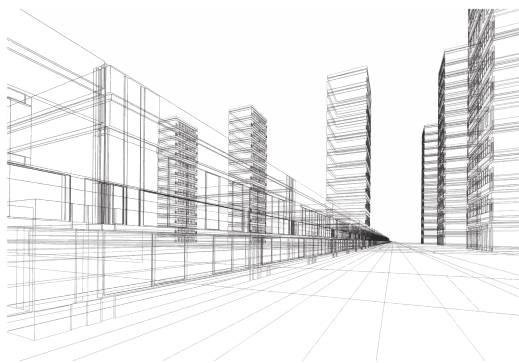
Learning to take advantage from unpredictability

"Life is what happens while you are busy planning other things" (John Lennon)

Seeking to avoid danger and failure is a very human desire. In companies, as described above, this can lead to ineffective ways to deal with operations and circumstances. This is because companies themselves are social systems: people are individuals and they have relationships with each other, forming a society in the context of the company.

People also have their free will. They think for themselves and self-organise - no matter how many rules you might put around them. Usually, people want to do a good job. So based on their own understanding of the context, they make their choices, take their decisions, and act accordingly. And as a society, the company responds to the customers, the business environment, and the market. Everything is entangled. Outcomes emerge. In other words: it is complex. As we have learned from people like Dave Snowden[5], a key characteristic of complexity is the lack of predictability. There might be cause and effect but it cannot be foreseen analytically. It can only be understood in hindsight: you might be able to say "we made decision X a year ago. And because of this A happened and then B happened and that's why we are where we are today". But you couldn't have foreseen all the dynamics a year ago.

In contrast, in a complicated context, cause and effect can be seen or computed. In these contexts, you can say "when I do X there is a 100% guarantee that Y will happen".

The way to act successfully differs dramatically between these two contexts. While in a complicated context, you can analyse and plan yourself to a solution, this won't work in a complex context. Here, a more iterative approach, with fast feedback loops is needed. You create an assumption, often based on experience, of what might be a good thing to do to reach your goal. But as there is no guarantee that what you think you should do will work out, you need to move in small steps, always looking for feedback indicating whether your assumption was correct or not. Only by going step-by-step can you learn your way forward.

In many companies, the desire for predictability drives people towards an illusion of control and thus towards an analytical approach rather than a learning approach. In a complex context, making a plan might make you feel psychologically good: you feel in control. Your stakeholders will like your figures and slides and your enthusiastic commitment. But no plan will hold and work out. Struggle and embarrassment are inevitable in the end. We can see this in the statistics of projects: about 70% of projects fail. [6][7]

Does that mean project management is futile? No! But what is needed is project management that embraces uncertainty and unpredictability. You can still plan and execute in situations and contexts where there is predictability. But where there is none or limited predictability it is not about the plan, it is about the act of planning. Instead of a one-off upfront planning, you plan continuously. You lay out a rough route of action towards your goal, but you only plan in detail your next step and you collect data points and insights from across the organisation, that help you observe in which way you need to adapt and change your direction. Replanning, if you will, becomes a daily activity informed by "sensors". For that, planning is no longer the activity of a project manager alone, but of a community of people - ideally distributed through the organisation - so that new insights and data can be communicated easily and corrective action can be identified fast.

Learning to recruit socially competent people, not only people who are subject matter experts

As we grow our organisations there is a very common perception that there is a "war on talent" and that we must "fight" for the scarce candidates in the market. It is true that demand outstrips supply when it comes to general availability for knowledge workers in domains like software engineering[8] However, in trying to chase talent - often understood as candidates with very strong technical skills and many years of experience - we may be forgetting what is really important when it comes to solving hard problems. Yes, skills and experience matter. Yet, there is also another, equally if not more important side that we must consider - social and interpersonal skills.

Most problems that we are trying to deal with today are "too big to fit into a single brain" – even a genius one. Instead, the solutions come from people, ideally with different backgrounds, coming together to collaborate and jointly work through a solution. But working together is not easy, especially if we are operating in a non-homogeneous environment. Different personalities, preferences, working styles, cultural backgrounds, and norms help get the best outcomes while at the same time making working together a little harder.

This is why we need to consider people's willingness and skills in understanding themselves and attitudes towards working with others. Our hiring approach should probe for people's experience and knowledge (especially if we are seeking specialist expertise that is hard to develop). It must also probe for their emotional intelligence, social skills, and values. Since our organisations are dynamic and growing we also cannot just stop at recruitment. Instead, we need to continue investing in our people, in what is often considered "soft skills" (though we prefer to call these "people skills"). Topics such as communication skills, self-leadership, learning agility, dealing with complexity, decision making, or unconscious bias should be the bread and butter of our Learning & Development departments.

But learning does not only happen in a classroom or through online courses. We also need to continue creating opportunities for our people to socialise, get to know each other, work through difficult situations and show vulnerability with each other. Our managers need to include a new skill set in their toolkit by becoming coaches for the people they support – offering observations, feedback, and a mirror that helps people grow in all dimensions.

As we equip our people with a broad set of emotional and technical skills we also need to change how we think about leadership roles. These are traditionally "reserved" for people in formal positions of authority. This attitude no longer suffices if we want to tap into the full potential of our staff. The exclusivity of leadership roles needs to be removed and we have to instead recognise that leadership is situational - everyone can and should take on leadership roles when the circumstances and opportunities make them the right leader: because they have the best understanding of the problem or strong relationships with people working through a project or because they have the vision that will motivate and engage others.

We recognise that going down this path in day-to-day business can be pretty hard. For a leader in the heat of the moment, it is often much faster to take control, cut the debate out, and just make a decision from the position of formal authority. There naturally are situations where this is needed to move fast. But it is also very deceiving: You get the (illusory) feeling of moving fast. You get a feeling of authority and power. You get a feeling of being in control. That's pleasant as our human psychology awards and encourages it. But when you do this too often, you become addicted to it as a leader and your people, over time, "learn to be helpless".

Instead, even if this might initially feel uncomfortable to you as a leader in an organisation, you need to take a different approach. Continuously work to enable people and teams to develop and strengthen their collaboration skills and their decision-making. This is the best investment you can make to avoid

becoming slow and losing innovation. That investment starts with recruiting people into your company.

This also means that leadership recruitment and development needs to focus on the full spectrum of craftsmanship; not only on subject matter expertise but also on teaching, coaching, and general people development skills.

Organisational Learning

Focusing on relationships and personal development alone won't solve the problem of growth. When the number of people in an organisation grows, the number of communication paths needed to deliver grows too - as the amount of knowledge and information grows faster with each added employee, communication needs grow faster than the size of the organisation. This leads to information overload first and then to a communication breakdown.

This is where hierarchies and bureaucracies enter the stage: They are a well-proven tactic to reduce communication human societies have literally developed for thousands of years. You just need to understand which person needs which information to do their job, design an appropriate form and everything is fine.

Unfortunately, in a complex world, you run into a new challenge: Since you cannot predict what is going to happen, you cannot predict which information needs to flow from one group to another. The classical, static means to organise a large group of people—clear responsibilities and communication channels—becomes a hindrance rather than an enabler. Trying to enforce the communication paths designed for a stable situation often leads to bad performance and dysfunction. Managers, who are trained that following the defined processes are key to performance, could easily come to the conclusion that bad performance is caused by bad individual performance or, even worse, bad compliance to the process. They may try to enforce the processes even harder, making an already bad situation worse.

A better way to deal with it is to make use of the benefits of hierarchical structures, but make the structures flexible and adaptable. A re-organization takes a lot of time and energy. What is needed is not a new line organisation, but a dynamic re-linking of people as the situation and context requires. Practically that means that people from different parts of the organisation team up as needed, forming a - potentially hierarchically organised - network. And as the situation and context evolve, re-link people and adapt the network or create new ones. For example: when there are a couple of cross-functional teams which discover that they have dependencies, build a light coordination structure to respond to the situation.

CONCLUSION

To succeed and grow in the complex world companies need to learn how to grow without scaling, take advantage of unpredictability, and recruit socially competent people, not only people who are subject matter experts.

Processes, communication channels, and collaborations need to adapt when circumstances change. If something new, innovative, or just unexpected happens, structures that have been designed for the known past may not work anymore. So when an organisation grows, its ability to adapt to unforeseen changes becomes its key capability.

Managers who look for a "scaling process" manoeuvre their organisation into the treacherous illusion of stability. Instead, leaders should focus on their organisation's ability to adapt dynamically from a process, structural, and communication flow perspective.

In your organisational growth journey pay attention to:

- **Transparency** of information and feedback loops: As organisations grow, it becomes more and more important to have a clear picture of whether the organisation is able to deliver. Bad throughput is not usually caused by individual failures, but by different parts of the organisation aiming for unaligned outcomes. Though you can look for an organisational structure that reduces dependencies, it is usually unavoidable. Having a good picture of where the company is heading and where things get stuck helps in understanding where delivery problems are caused and finding ways around them.

- **Empowerment and Enablement:** As organisations grow, many managers tend to keep a grip on the decisions to be made. Decisions travelling up and down the hierarchy are one of the major causes of slowness and delay. Especially in a complex world, there is so much knowledge and insights to be shared and decisions to be made, that they cannot all travel up the hierarchy every single time. The appropriate strategy is to push decision-making down the hierarchy. When most of the decisions are made immediately as the problem emerges, the organisation can react much faster. This requires that most individuals can make a decision. They should be allowed to and they should have the skills and contextual understanding to take the right decision to move forward. Managers can support this by recruiting experts with good social skills and by leading through intent and focusing on sharing contextual information.

- Learning: Individual learning takes place in organisations most of the time but a stable organisation does not adapt with that learning. It is unable to change even when something that has been considered right in the past turns out to be wrong for the future. In a complex world, the organisation should continuously adapt to new findings. This is what we call "organisational learning". Setting up for organisational learning requires a psychologically safe environment in which problems can be expressed and addressed. It requires continuous reflection to make sure that knowledge actually dissipates through the organisation. It also requires dynamic structures, where people are teaming up as the changing situation and evolving context requires. ⓔ

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Hendrik Esser

is a transformational change expert with 26 years of leadership experience at Ericsson a large tele-communication company. Being an engineer he has a pragmatic down to earth and systemic approach in helping organizations thrive. Over his career he worked as a SW developer, project manager, project office manager, portfolio manager and COO for large international organizations. Apart from his work at Ericsson, he is a keynote speaker, conference track organizer and co-author of numerous publications with global reach.

Marcin Floryan

A passionate technology leader focused on creating an environment where people can do their best work together. I see engineering teams as complex adaptive systems and work by applying principles and practises from many sources to allow for the desirable outcomes to emerge in presence of sensible guiding constraints. Striving to be an inclusive and compassionate leader who cares about creating an environment of psychological safety where failure is encouraged and used as an opportunity to learn.

Darja Šmite

spent the past 18 years studying distributed software development and outsourcing. Darja has a PhD in computer science from the University of Latvia, and is currently a full professor of software engineering at the Blekinge Institute of Technology, in Sweden. She is one of the leading experts in quantifying the impacts of offshoring in software companies and has led several research projects with industry partners including Ericsson, Spotify, ABB, DXC, Emerson Process Management, and Boss Media.

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Mindset + Behavior = Cultural Shifts

Ram Bathija

O ur goals, how we behave, as well as our values, influence what we perceive to be our journey from **Me** to **We**.

It's easy for an organization to get stuck in its ways, especially when business is booming. After all, if it's not broken, why fix it? This may be true for the short term, but in the long term it can spell disaster. January 2020 was business as usual. Then, seemingly overnight, the business environment changed so dramatically that "business as usual" became "business as unusual". Many companies were caught sleeping and suffered for it. Meanwhile, lean and nimble Agile organizations were able to adapt quickly to identify new opportunities and/or tailor their existing offerings to fit the "new normal".

This is why agility is so important for businesses. An Agile organization recognizes changes in the marketplace and adapts swiftly and efficiently to take advantage of emerging opportunities. These organizations are lean and optimized. They are in tune with consumer needs and know when and how to meet those needs. This not only gives them a critical edge over their competitors, but it is also crucial for survival in a ruthless and increasingly unpredictable business environment where change is the only certainty.

But becoming an Agile organization requires a transformation of the organization's culture: the organization's shared beliefs, behaviors, and thinking. The right culture can create clarity and alignment which in turn enables autonomy. This benefits the organization as it speeds up the transformation process and motivates the team to become more innovative, thereby creating valuable products and services. However, a change in mindset and culture can be challenging and takes commitment, perseverance, and a certain amount of business self-awareness.

It is important to acknowledge and accept that cultural evolution does not happen overnight. It is not possible to simply change cultures or mindsets by speaking about values, ideas, and thoughts. For a culture to change, you need to transform two things: **behaviors** and **habits.**

CHANGE IN BEHAVIORS

Behaviors are observable, measurable, and flexible. That is why, by focusing on behaviors rather than processes, there is a higher chance of creating a sustainable change. But which behaviors should you change?

This is determined by looking at the fundamental building blocks of the organization. For example, its values, strategies, process, and structure, etc. Each of these components are essential and interrelated—they cannot work independently. And they often have a domino effect, where a change in one factor will have an impact on the others. This is why collaboration and cooperation behaviors are fundamental to broader organizational change.

Collaboration and cooperation are key contributors to a company's success and determine how well a team can work together and execute a desired goal. The core of cooperation includes goals that are both collective and individual in nature. It's also important to note that giving and receiving help is an important part of cooperation and enables participation. When people collaborate, they work together towards a common objective.

CHANGE IN HABITS

While encouraging behavioral change is complicated, it all comes down to habits. To change a behavior, you have to map out all the factors that will actually bring about change and then create new habits in people. These habits may include things like diversity, inclusiveness, collaboration, along with related action-oriented behaviors, which eventually lead to culture shifts based on your organization's needs
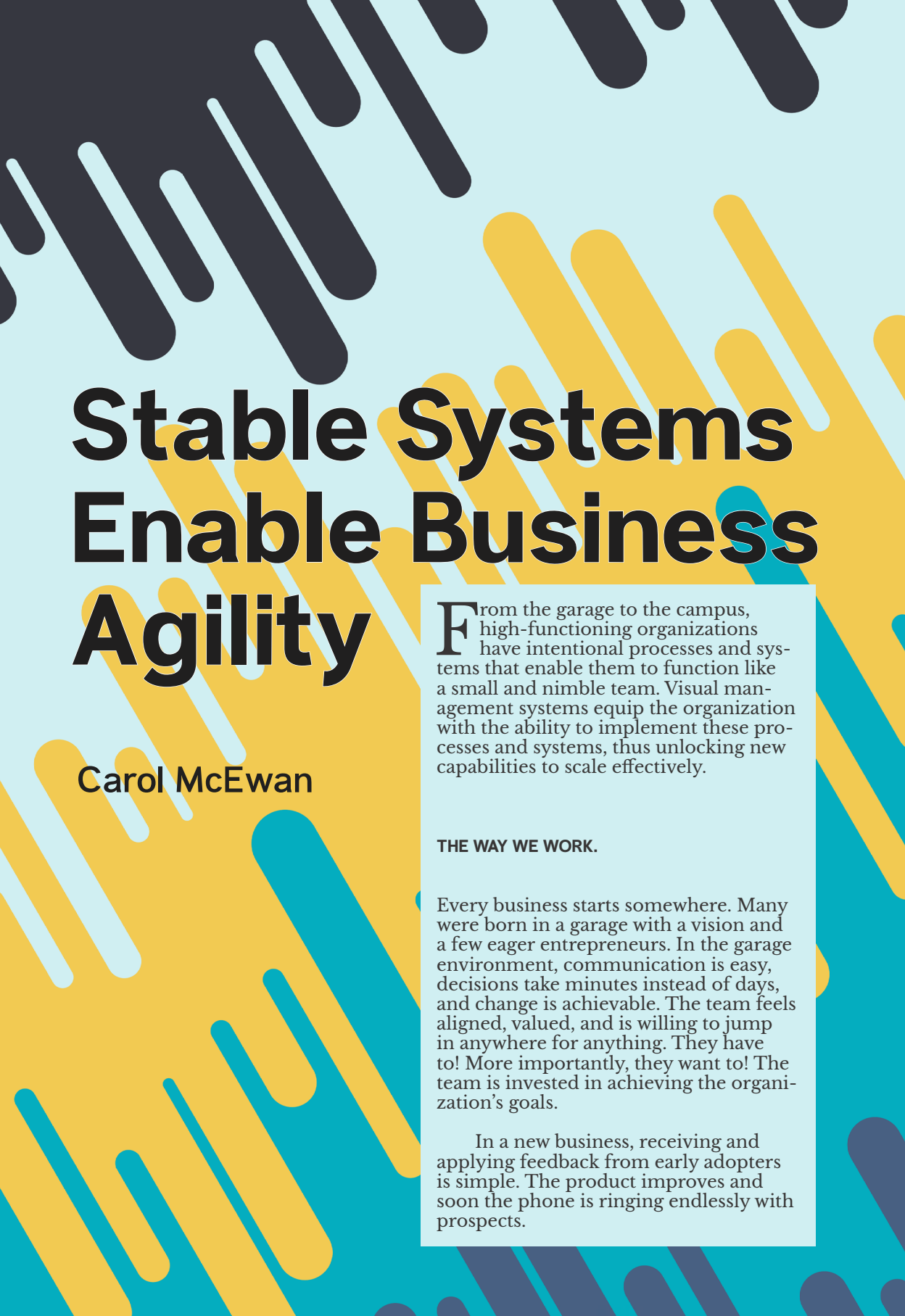
LESS TALK, MORE ACTION

To transform into an Agile organization requires a cultural shift within the organization, but simply talking about it won't make it a reality. You need to change many of the fundamental habits and behaviors that define the organization and its ways of thinking, working, collaborating, socializing, and engaging. Turning "can't" into "can", and plans into actions. It might not be easy, but as the saying goes,

"If you change nothing, nothing will change."

Ram Bathija

is a passionate Lean-Agile & Business Agility Enterprise Coach, mentor, facilitator, and trainer to individuals, teams, and organizations. He assists them on their journey to heightened consciousness and cultural transformation. He practices Leadership and Executive Coaching through self-authorship to help channel the inner leader. "I believe that Agile adoption, transformation, and enhanced productivity are only possible through intentional collaboration, meaningful relationships, and effective communication.

human (equation)
Liberate your organization's human potential

Stable Systems Enable Business Agility

Carol McEwan

From the garage to the campus, high-functioning organizations have intentional processes and systems that enable them to function like a small and nimble team. Visual management systems equip the organization with the ability to implement these processes and systems, thus unlocking new capabilities to scale effectively.

THE WAY WE WORK.

Every business starts somewhere. Many were born in a garage with a vision and a few eager entrepreneurs. In the garage environment, communication is easy, decisions take minutes instead of days, and change is achievable. The team feels aligned, valued, and is willing to jump in anywhere for anything. They have to! More importantly, they want to! The team is invested in achieving the organization's goals.

In a new business, receiving and applying feedback from early adopters is simple. The product improves and soon the phone is ringing endlessly with prospects.

It is inevitable that the organization grows, more or less, in sync with its customer base. What started as a few heads in the garage is now expanding to a small office or warehouse to fulfill the growing list of customer needs. As the footprint grows, so does the complexity of the business's value delivery system. This complexity trickles down into communications, and soon decisions grind to a halt. With growth comes the need to redefine everything!

In 500 BC, Heraclitus claimed, "Change is the only constant in life." Benjamin Franklin expanded upon this: "One's ability to adapt to those changes will determine your success in life." Sears is a prime example. Since its founding in 1892, Sears boomed, boomed, and boomed again... but couldn't adapt to advancements throughout the .com era, fell behind fast-moving competitors, and was stymied by, above all, a lack of innovation. An organization's capacity to adapt to change plays a pivotal role in determining its trajectory.

Over the years, we've seen many ways of working come into play. On-shore, off-shore, centralized, decentralized, waterfall, Lean, and Agile. Much like the weather in Colorado, wait ten minutes and it will change. Organizations go through a "paradigm shift" about every seven years.,often called the "Pendulum Swing," whether that shift was truly needed or not.

Today, we are still learning new ways of working to adapt to this ever-changing and complex world we live in.

Lean and Agile transformations are among the most recognized throughout every industry. The implementation of associated principles, practices, and patterns have proven effective at incrementally improving the speed, quality, and safety of delivering value. Similar to the small garage-based startup team, adopting Lean and Agile principles leads to simplified, almost painless, communication and decision-making within the team. A team culture rooted in Agile and Lean will develop positive working relationships, natural alignment to the vision, and reduce burnout.

I remember all too well; I was catching up with a friend excited to tell him all about my work at Scrum Alliance when he stopped me dead in my tracks! He said, "I hate that Agile stuff!" Of course, I asked why. He said, "Because our software teams are 'Doing Scrum' and we can't keep up with them. It doesn't help if they are delivering software faster than we can market it and get it out the door!" That's when I said, "If you can't beat 'em, join 'em." We discussed how they could work with the software teams and learn to collaborate and align around what was important. They hadn't considered that before and it wasn't long after that when he called me and said "I love this Agile stuff, we make our work visible and communicate across teams, collaborate, and make better decisions quicker." I couldn't have been more excited for my friend's newfound enthusiasm for his work.

It wasn't until recently that organizations recognized that these principles, practices, and patterns might be effective beyond the shop floor or software teams and have started to scale them throughout their organization. Some organizations have seen exponential improvements... and some have not.

The Business Agility Institute has defined Business Agility as "a set of organizational capabilities, behaviors, and ways of working that affords your business the freedom, flexibility, and resilience to achieve its purpose. *No matter what the future brings.*" Say it louder for those in the back.

STABLE SYSTEMS ENABLE AGILITY

"Float like a butterfly, sting like a bee. The hands can't hit what the eyes can't see."

Muhammad Ali had the ability to move fast—with speed, nimbleness, and responsiveness, to pivot and move. He developed this unique combination purposefully and intentionally. For Ali, it was about visualizing the fight, enabling rapid detection of features, patterns, and anomalies. This kind of agility didn't come easy to Ali. He developed a system—a set of rituals he followed. He worked out six days a week and would train anywhere between two to fourteen weeks ahead of a fight. Apparently, he hated every minute of training. He said, "Don't quit, suffer now and live the rest of your life as a champion." Ali relied on calisthenic training more than weightlifting. Jumping rope was a staple part of his workout, with around 10-20 dedicated minutes per session. Many considered him to be one of the best jump-ropers in boxing and believed that it aided his quickness in the ring. Ali developed a system to execute his strategy that led him to a 92% win rate across his 61 fights.

Organizations must do the same. The difference is they are not a one-man band training for a 12-round fight. It's day-in, day-out constant execution that requires a unique combination of skills, processes, technologies, and human abilities to achieve the goals you have set for yourself. To survive and thrive in today's business landscape, organizations must be ready to come out of their corners swinging, just like Ali did. They need to be able to visualize the work, enable rapid detection of features, patterns, and anomalies, and move fast—with speed, nimbleness, and responsiveness.

LEADERSHIP BEHAVIORS

A ship doesn't navigate the globe and command the crew by itself. Organizational leaders cast the vision, set the mission, and define the strategy. In my experience, I've seen too many business leaders abandon these five fundamental principles as their organization scales:,

1. Ensure organizational and team alignment—Aligned teams share the vision, understand goals, and leverage individual strengths. They are more engaged, more productive, and much happier employees.

2. Cultivate people-centric cultures— When leaders create cultures where employees feel valued, trusted, and supported to achieve their potential, employees tend to share their ideas for improvement more openly. This translates into higher productivity, innovation, better customer service, and stronger business results.

3. Create a learning organization—Employee knowledge and experience will enable new innovations and improve culture.

4. Visualize the System—While visual management practices have been used at the team level for years, it's time to bring this to the executive level. When you visualize the work throughout the entire system, you increase trust and transparency, improve collaboration, and increase the ability to respond quickly.

5. Leverage technology to enable and sustain these behaviors.

As a leader, it is imperative that you support the behaviors and ways of working necessary to develop the capabilities that aid in your organization's agility.

THE SYSTEM

Dr. Edward Deming (1900—1993) is widely acknowledged as the leading management thinker in the field of quality and is recognized for his work in hastening Japan's recovery.

The Red Bead Experiment is an interactive teaching tool designed in 1982 by Dr. Deming. Using statistical theory, the experiment demonstrates how "willing workers" have less control over their performance than the actual systems they're working within. "85% of the reasons for failure are deficiencies in the systems and processes rather than the employee. The role of management is to change the process rather than badgering individuals to do better." Additionally, Dr. Deming found that a bad system will beat a good person every time.

Organizations, where collaboration and teamwork are not a high priority, are rooted in toxic systems that contribute to staff burnout and the feeling that putting in their best effort is fruitless.

I have worked in organizations where collaboration and teamwork were not a high priority and the systems made it very difficult to feel like you had done your best work. I have also worked in organizations that took time to develop systems that supported the practices of visualizing work across teams and anyone internal was welcome to have a look. They were designed to promote transparency and provide insights into the work that was being done via methods that required little to no time to understand and would give everyone a clear picture of the day-to-day operations. These activities were critical to seeing the "Big Picture" across the project teams and highlighting any problems that might require immediate action. I thought everyone worked this way!

Today, we would refer to this as a Visual Management System. It was the team's responsibility to maintain the system. We didn't always like the work involved in maintaining it, but just like Ali said, "Don't quit, suffer now and live the rest of your life as a champion." We knew we couldn't quit; it was part of the system to ensure the successful completion of our project. We believed it aided us in our ability to finish ahead of schedule and under budget, and to win as a team.

Now, more than ever, it is important to have an enterprise visual management system, to create the stability that enables agility. A system that supports all ways of working, regardless of the development framework and no matter where the work is done. A foundation, a place where you can align on the vision, mission, values, goals, and objectives and have conversations across the organization at every level. A system that enables Business Agility and supports the capabilities, behaviors, and ways of working necessary to scale to any size of an organization, and still feel like you are a member of a start-up team in someone's garage, where it is easy to communicate, make decisions, and adapt to change. Where everyone is aligned, feels valued, and is willing to jump in and do whatever job needs to be done. Where the most important things are important to everyone, and everyone is invested in achieving the organization's goals.

Take time to develop Simple Ubiquitous Collaborative Communication Enterprise Scalable Systems that will set you up for SUCCESS now, and in the future. ℮

Carol McEwan

Carol has a proven track record of fostering innovation, leading change, and improving business outcomes. Prior to joining iObeya, Carol served as Managing Director at Scrum Alliance, VP of Community at Scaled Agile and CEO at Scrum@scale. She is often referred to as "Community Carol" for her contribution to the growth of the Agile Community. In 2020, Carol was nominated to LIA 100, a "Lean in Agile" initiative to identify women making significant contributions in Lean and Agile spaces across the globe.

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Barbara O'Connor
Director, Enterprise Agile Office

Culture Hacking In Action

Change follows action, and while that's easier said than done, I'll be sharing a "Culture Hacking" approach that you can take away and put into action. From where to start, how to start, and tips to navigate (all that troublesome) noise, we'll look at one of our latest Culture Hacking experiences.

Barbara is a Business Agility Transformation leader who simplifies complex change with an action-ori-entated focus on realizing business outcomes. With 20 years of experience across the Pharmaceutical, Insurance, Education, Public Health, and Energy industries, she is known for operationalizing leadership strategy through a special blend of terminology, organization design and operating models integration.

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https://www.hsbc.com/

Chris Orson
Director

Making agility relevant

Securities Services is in the midst of a Ways of Working transformation. Routed in the devops and agile transformation that started within technology, Securities Services has now established a business led practice to bring this to life as part of an end to end journey. Making agile relevant for our business, our clients and our staff is a cornerstone outcome for the team, and this talk explores how this is being achieved within a very large multi-national organisation.

Chris is the head of Ways of Working for Securities Services, a business unit part of Markets and Securities Services within HSBC. Chris has been in the financial services world for the last 18 years, and has covered roles within Technology, Operations and Change Management.

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*Capgemini
(ex British Army)*

Matt Spruce

Agility in an Austere environment (Battlefield to Business Agility)

From humble beginnings as a medic in a small unit, right through to becoming the senior advisor at a deployable field hospital, the priority is the "man on the stretcher". The patient represents a common goal, it brings the team together, pushing in the same direction to save life. There are not many situations where the pressure higher. As I have progressed through the ranks, I have ensured that I have served my team, removing impediments to allow them to flourish and deliver excellence. Giving not only ownership of the end goal, but also ownership of the process to achieve that goal has been key to my success within the military.

Matt is a Professionally Qualified Agile Delivery coach with extensive leadership experience from a successful 23-year career.

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Dr. Annika Steiber
Director

Leading Business Transformation in a Digital Age: From hierarchy to a fast-moving, agile, and innovative networked organization

Annika will present on her experiences with how Chinese management principles, based on agility philosophy, has been applied in the transformation of an over 100-year-old American company. In 2016, Haier acquired GE Appliances, a proud American company that was once a flagship division of the General Electric Company. After Haier's acquisition, all of GEA became a proving ground for the introduction and ongoing refinement of the Chinese RenDanHeyi model. This unique story is told here in comprehensive form. Ingrained with the story are lessons for managers who may wish to transform their whole companies and instead of adding new processes and practices, implement a whole new management system for agility and innovation.

Dr. Annika Steiber is a Professor, Best-Selling Author, Speaker, Founder, Investor and the Director of the Rendanheyi Silicon Valley Center.

Spotify is the most popular global audio streaming service with 365m users, including 165m subscribers across 178 markets.

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Jason Yip
Senior Agile Coach

The top 3 points you should have paid attention to in the Spotify Engineering Culture videos that aren't Squads, Chapters, Tribes, Guilds

When people say "Spotify Model" they're almost always thinking about org structure (Squads, Chapters, Guilds, Tribes). Structure is the last thing you should worry about. Before structure, I'll expand on what you should have been paying attention to.

Jason is a Senior Agile Coach at Spotify based in NYC. Previously he was a Principal Consultant at ThoughtWorks, primarily in Sydney, since 2001. He first encountered Extreme Programming in 1999 from XProgramming.com, comp.object, comp.software-eng, and the Portland Pattern Repository. These days he mostly posts to Twitter and his Medium blog.

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Margarita Yonova-Popova
People & Culture Transformation Lead

Humanize business from the soul of your organization

In her role, Margarita has a strong focus on people, culture, and leadership. Her expertise is in the reshape and implementation of adaptive organizational cultures and structures through collective input (crowdsourcing) and agile methods. Margarita is co-founder of the Agile Hub at Erste Group as a community of practice to support teams on their agile journey and to raise awareness about agile across the organization. Margarita is a strong believer that behind every successful organization there are great people with strong capabilities, courage and innovative mind. Therefore, she sees her purpose as a People & Culture Transformation Lead in enabling a healthy organizational culture for people to grow, co-create and collaborate in a better way. As part of that, she is passionate to contribute to the evolution of the HR function towards agile practices and mindset.

How Can You Tell if an Agile Coach is Effective?

The key to success in agile coaching depends on the coach's ability to measure impact

Contributors:
Kemmy Raji and Howard Sublett

The *2022 State of Agile Coaching Report* (released March 2022released DATE) focuses on one question: "How do agile coaches (and the organizations they serve) measure impact?" A joint effort of Scrum Alliance, ICAgile, and the Business Agility Institute, t The second annual release of the *State of Agile Coaching* (a joint effort of Scrum Alliance, ICAgile, and the Business Agility Institute) aims to shed light on the emerging profession of agile coaching. The intended audiences are agile coaches and the people who are looking to hire agile coaches. No matter where you fall on that spectrum, it's important to understand how much of a difference agile coaching is making to your organization's ultimate goal: to deliver value to your customers.

As one of the creators of the report, we've had a sneak peak at the data. We discovered a key fact that doesn't surprise us, but does concern us: Not all coaches know where to begin when it comes to measuring success. In fact, 9.5% of team coaches and 5% of enterprise-level coaches reported struggling to measure their impact at an organizational level. The good news, though, is that 98% of respondents reported that coaching had a measurable impact on one or more factors in their organization. The report also shows a direct correlation between a coach's ability to measure and articulate impact with that coach earning a higher income. So it's clear that the ability to gauge effectiveness is pivotal to a coach's success.

The ability to gauge effectiveness is pivotal to a coach's success.

To understand what it means to be an impactful coach and what metrics are truly meaningful to an organization, we reached out to two people on oppositeboth sides of an agile coaching engagement: an agile coach and a CEO.

The Agile Coach: Kemmy Raji
Nigerian-born and British, Kemmy Raji is currently a Scrum Alliance Certified Enterprise CoachSM based in Canada. Her background is in management and waterfall project management. She now works as a scrum master/agile coach and executive coach. Raji spends her spare time mentoring and coaching people who wish to explore ways to grow, and also supporting children from disadvantaged backgrounds in Nigeria to give them access and support to stay in education.

The CEO: Howard Sublett:
Howard Sublett has a tremendous breadth and depth of experience in leading companies and implementing a variety of agile practices. He most recently served as a CEO at Scrum Alliance. He also has a background as an agile coach and leader for several agile consultancies, including Solutions IQ/Accenture. Sublett is known for being a culture champion and community builder, and was the host of the popular *Agile Amped* podcast series.
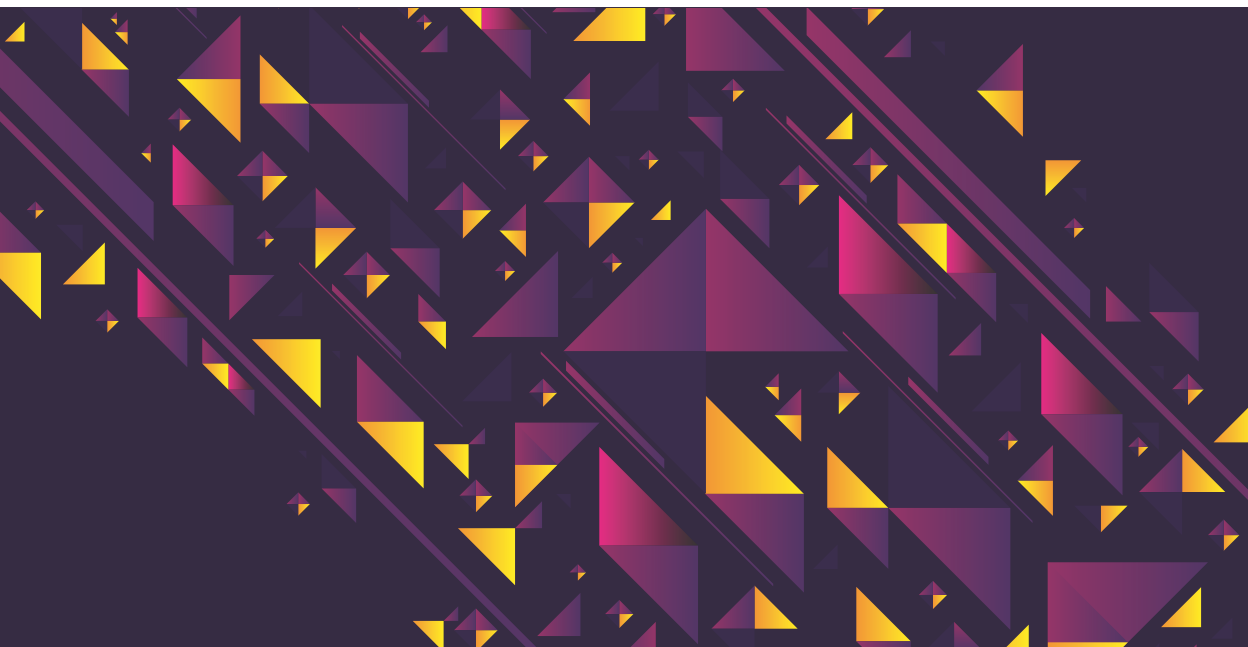
HOW DO YOU MEASURE THE IMPACT OF AGILE COACHING?

Organizations often hire coaches without having tangible goals in mind other than to "improve." This ambiguity makes measurement difficult for both the coaches and company leaders. Raji explains, "Measuring the impact of agile coaching is subjective and can be tricky. I have often received no direction from the management aside from "'Increase the teams' velocity.'" Sublett agrees with the need for clear direction: "Companies should hire agile coaches with achievable goals in mind, or at a minimum, be able to point to areas in which they feel the organization needs improvement. (i.e., our cycle times are far too long)." Measurement and goal setting, however, are keystones for success. Sublett says, " A failure to define the goals with a coach/client can lead to wasted time and capital as well as a lack of tangible results."

➡

"Measuring the impact of agile coaching is subjective and can be tricky."
– Kemmy Raji

Defining what to improve is just one way to measure the impact of agile coaching. Raji recommends shifting the collective language that the teams and organizations use to "center around common goals and how to collectively achieve those goals." Sublett adds that goal-setting should be part of the coaching agreement: "Many times these goals are co-created with the coach as they enter an engagement. Measurement onf the success of the coaching engagement should be based on those agreed goals."

WHAT CONCRETE METRICS HAVE YOU USED TO MEASURE COACHING SUCCESS?

Most organizations measure effectiveness based on overall organization goals like Key Performance Indicators (KPIs), Objective Key Results (OKRs), and similar metrics. Raji says, "These kinds of 'Concrete Metrics' often originate from the vision of the organization." Despite the prevalence of using these types of org-level goals as measures, this year's *State of Agile Coaching Report* found that coaches who are measured on overall product improvement tend to have a greater impact on improving delivery or operational processes.

Raji says that, whatever the coach is measuring, it's imperative that measurements are taken before and after coaching takes place. "However, you might first define the "'why'" and/or "'who'" you are measuring that will determine if the coaching is a success or not."

Sublett echoes this approach. "In the beginning of any coaching engagement, there is usually a discovery phase where you capture all of the metrics the organization is currently using to measure success. You also measure all aspects of the goals of the engagement."

As far as measurement tools go, both Sublett and Raji have had success with using surveys and tracking Net Promoter Score (NPS). Raji and Sublett can also rattle off a whole list of other potential measures, depending on what is of highest priority to the organization.

"I've seen organizations use cycle time, time to market, bug count reductions, employee engagement scores, predictable delivery, specific surveys on effectiveness of coaching, strategic alignment, employee retention, whole org strategic goals, and more," says Sublett.

Raji adds that if the focus is from the organizational leaders' stance, she uses:

- 360° Interviews
- Post-Coaching Evaluations
- Return on Investment (ROI) - % ROI = (Benefits Achieved – Coaching Costs) ÷ Coaching Costs X 100

If the focus is from the coach's stance, she uses:

- Coaching plans in place
- Number of teams lift off
- Number of people who access coaching
- Maturity assessments (per pod)
- Agile delivery metrics (per pod)
- Final coaching reports

"It's imperative that measurements are taken before and after coaching takes place."
– Kemmy Raji

> *"Joy doesn't come from foosball tables or new espresso machines. Joy happens when people understand what they should be doing, why they are doing it, and have autonomy in how to get it done."*
> – Howard Sublett

WHAT KIND OF ORGANIZATIONAL IMPROVE-MENTS DO LEADERS LOOK FOR WHEN THEY HIRE AN AGILE COACH?

There are a multitude of reasons to hire an agile coach, but a company's motive to do so may influence whether or not they'll see the results they're looking for. Raji explains that while some changes are market driven, the need for coaching can also be driven by "regulatory changes, internal factors, or unique situations like the COVID-19 pandemic." Sublett adds an unusual wrinkle to the usual list of reasons: "You also will see leaders hire agile coaches because it is the 'in' thing to do, or in order to increase perceived company value for a potential acquisition. This can be the most frustrating for a coach in terms of measuring results."

Sublett has seen companies bring in agile coaches to address problems ranging from team-level issues such as "missing sprint goals and increasing bug counts," to broader problems, such as "organizational design or lack of alignment between teams."

Raji has also been brought in to improve a variety of factors, including, she says:

- Continuous delivery
- Developers not able to handle frequent changes to product backlog items
- Improvement in quality
- Increase in the team's velocity

MANY LEADERS REPORT HIRING AGILE COACHES TO "IMPROVE CULTURE." HOW DO YOU DEFINE CULTURAL IMPROVEMENT?

Nearly 40% of respondents to the *State of Agile Coaching Report* cite difficulty changing company culture as a challenge for agile coaches. Yet 32% of respondents felt that the biggest impacts they have on organizations have to do with shifts in agile mindset and/or culture. Both Sublett and Raji offered solutions to this obstacle.

Company culture starts at the top. It's nearly impossible to improve company culture without the buy-in and standard-setting from leadership. "Culture, they say, eats transformation for breakfast," quips Raji. "Organizational agility isn't possible unless the leader has an agile mindset," cautions Sublett.

Often, a leader's early indication of a problem shows up in culture surveys. Once a problem is discovered, it takes some time to turn it around. Raji often has to remind leaders that cultures do not change overnight: "It takes time, patience, strong communication skills, and most importantly, trust between managers and their teams." It's also essential, Raji says, to have "a leadership team that actively seeks out opportunities to reduce waste, improve flow through the value stream, and increase the focus on the customer. What got you here won't get you there."

> *"Leaders have this notion that the delivery teams are the only ones that need coaching in order for transformation to occur."*
> - Kemmy Raji

Any organization-wide transformation effort is going to come with a hefty side of politics, says Raji, so your strategies have to adjust accordingly. Sublett agrees, adding, "Organizational coaching involves a much wider skillset and permissions for the coach [than team-level coaching]. To be successful at implementing organization-wide change, coaches need experience with systems thinking and organizational design."

WHERE ARE THE CHALLENGES AND IMPEDIMENTS TO EFFECTIVE COACHING?

Raji and Sublett are in complete agreement with this year's *State of Agile Coaching Report*: The biggest impediment in agile coaching is leadership. Sublett points to the problem as being one of perception: "Leaders who see agility as only applying to others and not themselves can severely impact the success of any agile adoption." Raji has experienced the same gap in understanding blind spot in leaders: "Leaders have this notion that the delivery teams are the only ones that need coaching in order for transformation to occur." Leadership isn't the only challenge to successful agile coaching. Raji lists several other factors that come into play:

Pressure from management and time constraints: It can be hard to coach a team when that team lacks knowledge or awareness onf the benefits of coaching. It's also tough to find adequate time to coach when teams are under huge pressure to deliver within a short timeframe.

Undefined roles and responsibilities: When the roles and responsibilities are not well defined, it creates confusion, builds a blame culture, and prevents people from taking ownership. When this happens, it can be hard for people to open up to the coach and to build relationships that help transform the teams.

Lack of buy-in or understanding of organizational goals on a team level: Often goals are set by top management, not the teams.

Some of the other challenges/impediments are:

- A coach assigned too many teams
- No coaching agreement or lack of buy-in from the team and/or organization
- Frequent changes to coaching goals or organizational goals
- Failing to provide adequate support for coaching and growth

KEY TAKEAWAYS

An agile coach can impact many facets of an organization for the better, but coaches and leaders need to align at the beginning on exactly what the goals are.

In order to calculate impact, an agile coach must gather benchmark data before they begin coaching. Capturing a baseline is a critical first step in determining impact.

There are good reasons to hire an agile coach and there are less authentic reasons. If an organization wants to see improvements, they need to be honest about their motives. Measures can then reflect the outcomes they truly want to achieve.

Company culture and agile transformations must first happen at the top. Hiring a coach isn't enough if leadership is not willing to adapt to an agile mindset and create a positive environment themselves. Recognizing that agility is not just "a team thing" is often the first step towards a shift in the leader mindset.

Sublett sums it up this way, "In any coaching engagement, measure everything. Organizational systems are human systems and are dynamic in nature. As you engage, constantly measure and adapt your coaching plan accordingly.

Your coaching plan, measurements, and results should be transparent to your key stakeholders. The best coaching engagement plans are co-created with your key stakeholders."

To learn more about the business of agile coaching and be the first to receive a copy of the *2022 State of Agile Coaching Report*, visit https://bit.ly/SOAC-22. ℮

Contributors:

Kemmy Raji

Nigerian-born and British, Kemmy Raji is currently a Scrum Alliance Certified Enterprise CoachSM based in Canada. Her background is in management and waterfall project management. She now works as scrum master/agile coach and executive coach. Raji spends her spare time mentoring and coaching people who wish to explore ways to grow, and also supporting children from disadvantaged backgrounds in Nigeria to give them access and support to stay in education.

Howard Sublett

has a tremendous breadth and depth of experience in leading companies and implementing a variety of agile practices. He most recently served as a CEO at Scrum Alliance. He also has a background as an agile coach and leader for several agile consultancies, including Solutions IQ/Accenture. Sublett is known for being a culture champion and community builder, and was the host of the popular Agile Amped podcast series.

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Evan Leybourn
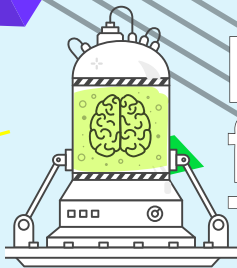
Stephen King described writing as a form of telepathy, while the late Brian Doyle described writing as a time machine. I agree with both. As I'm drafting this article, the Business Agility Conference is still four weeks away. But by the time you read this, the conference will have already started and I will have travelled halfway around the world to meet you. I could even be standing beside you as you read: my words and my voice inside your head, transmitted from four weeks in the past, without me moving my lips.

As I write, I'm asking myself, what is the most important thing to transmit using this incredible power of telepathic time travel? *"Thank you for joining us"? "Wasn't it a fantastic event"?* How can I make those assumptions? Nobody knows what will happen over the next four weeks. What I can say with certainty is that an incredible amount of care and thought has gone into every aspect of the conference by everyone involved. And so, I would like to take a moment to express my gratitude.

Marsha Acker and Zuzi Sochova invested their valuable time and expertise over the last few years to develop a cohort of highly skilled and dedicated facilitators to guide the deep-dives. For us, the deep-dives are the cornerstone of the conference. During the very first conference, back in 2017, I realised that we had a uniquely advanced audience. I could put almost any of you on stage to share your stories and expect to learn something. But I can't put 350 people on stage; so we developed the deep-dives to create a space for you to share your stories, put forward your challenges, and learn from your peers.

To the facilitators themselves: I owe each of you a debt of gratitude for creating a space where all participants could safely express themselves. Thank you Kari McLeod, Jardena London, Matias Nino, William Strydom, Mike Leber, Jason Hall, David Bujard, Elena Vassilieva, Cindy Peterson, Anthony Crain, and TC Gill. For those facilitators who were selected after we went to print, I may not have named you here, but know that you are truly appreciated and valued.

One of our core principles is that of Delight[1]. I don't know of any other conference that has a dedicated Experience Team, so I am grateful for the insights shared by Ross Libby, Heidi Ling, Tristan Amond, and Aaron Stewart that have allowed us to create delight. The experience team has been responsible for so many innovations over the years. A special thanks goes out to Heidi for stepping up to lead the virtual experience when we made the decision to go hybrid only eight weeks out from the conference.

While the programme team went through a few changes as time moved on, this team invested uncountable hours in identifying and selecting a diverse and authentic set of speakers to share their experiences with you. Each time you learn something new during this conference, give thanks to Jeff "Head-Jeff" Schroeder, Christina Hartikainen, Faye Thompson, Lisa Cooney, Melissa Boggs, Nizar Khoja, and Zach Bonaker.

And lastly, I want to acknowledge my colleagues in the Business Agility Institute, Laura Powers, Angela Mourtazalieva, and Ahmed Sidky, who worked tirelessly for months to ensure a smooth event. I have the luxury of expressing gratitude in person, but let me take a moment to say it in public as well. I truly enjoy working with you.

I hope you enjoy (or enjoyed) the conference. It may be a labour of love—but it's still a labour, and these folk deserve a round of applause (and probably a drink or two) for all they've done for the community. **e**

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1. https://en.wikipedia.org/wiki/Kano_model

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Dr. Ulrich Lages
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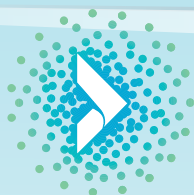
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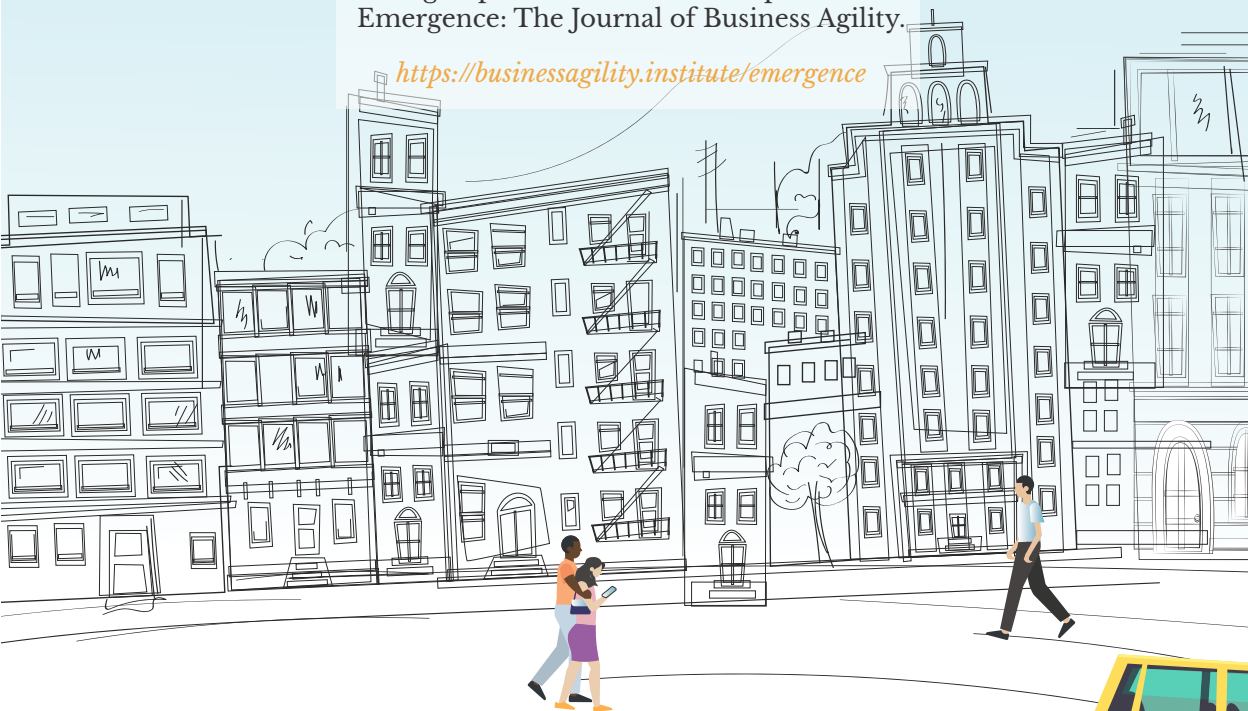
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