



Management Innovation to Achieve Continuous Business Value Delivery



AGILE™
TRAILBLAZERS

What is Management Innovation?

“Anything that substantially alters the way in which the work of management is carried out, or significantly modifies customary organizational forms, and, by so doing, advances organizational goals.” *Gary Hamel*

It's usually harder for competitors to imitate an unconventional management model than it is for them to decode an unconventional business model.

Continuous Delivery

- Continuous Delivery is all about software delivery
- Conversation is about:
 - Release cycles
 - Test automation
 - Continuous integration
- Most of the conversation is about IT

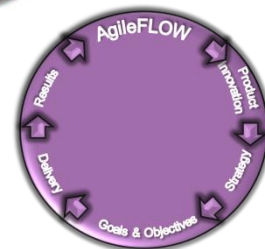
Continuous Delivery

Business Value

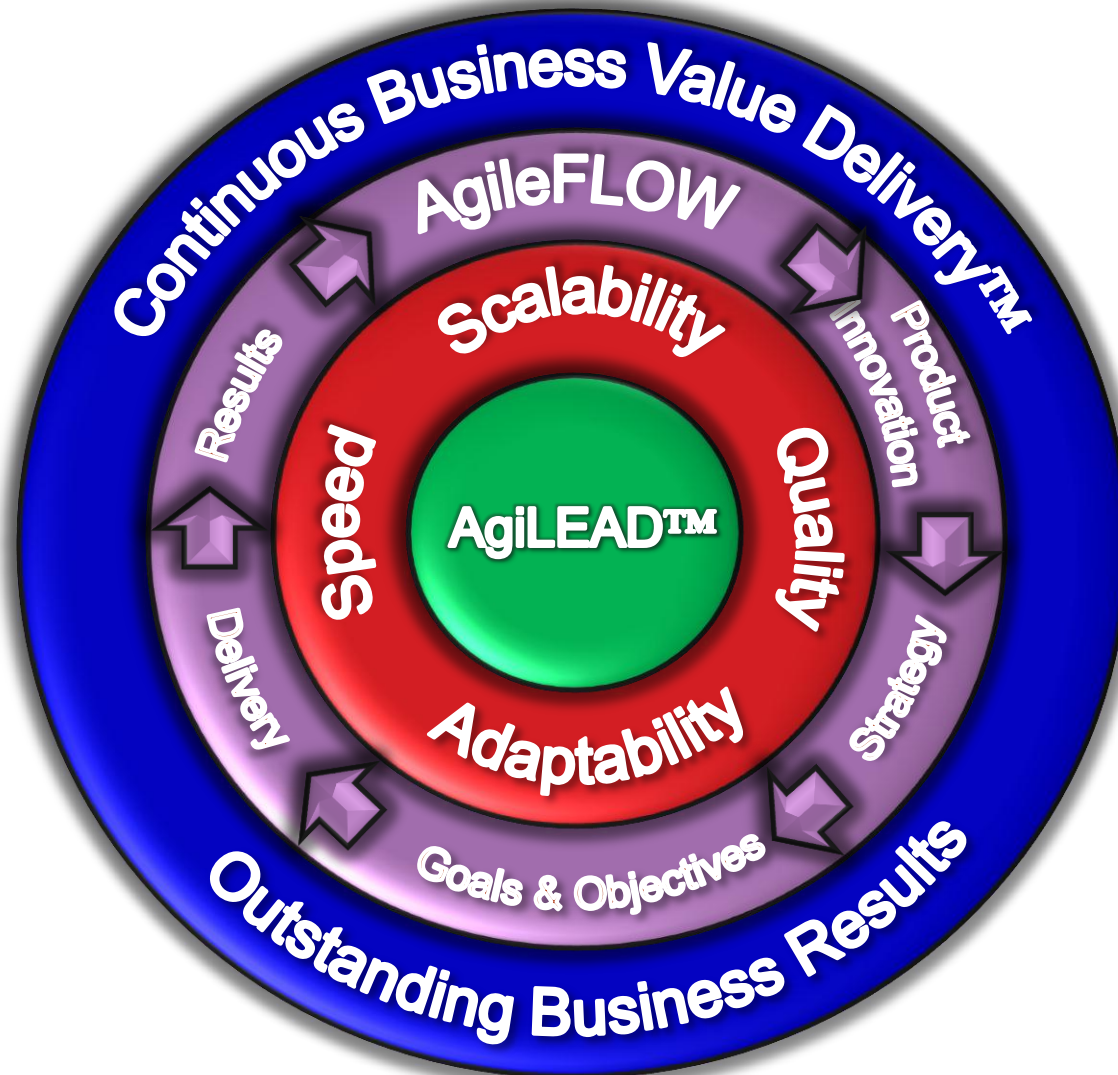
- Continuous Business Value Delivery is all about continually delivering the right product at the right time
- Conversation is about:
 - Rapidly adapting business strategy to market demands
 - Swiftly flowing from business strategy to delivery
- Most of the conversation is about business results

Leadership at the Core

- Injecting the management innovations into your company and individuals....
- Ensures that your organization has the sustainable core capabilities...
 - To enable a high-performing solution delivery cadence...
 - Which leads to Continuous Business Value Delivery™ – delivering the right product at the right time to your target market.



Continuous Business Value Delivery™ (CBVD)





Continuous Business Value Delivery™

Outstanding Business Results

CBVD™ Delivering Business Results

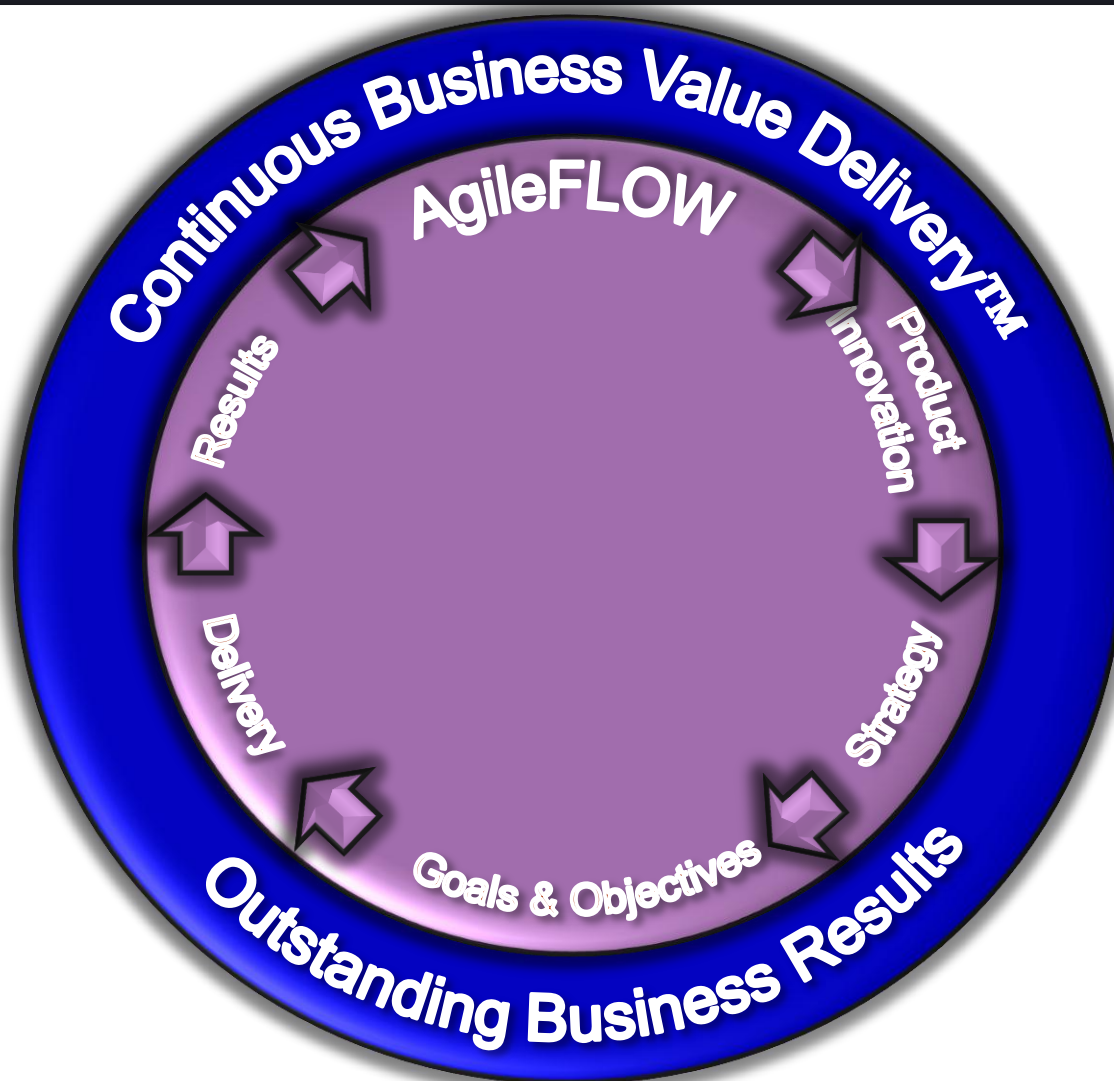
- In 3 years:
 - 8x's throughput increase
 - Directly impacts feature delivery for customer base
 - Enables company's top-line growth
 - Ability to double solution delivery team to 500 associates
 - Scale at will based on business needs
 - Scaling becomes purely an accounting exercise
 - 3x's improvement in quality
 - Operational expenses controlled, directly impacts bottom line
 - Organization focused on building new product
 - Monthly re-allocation of enterprise resources based on business needs driven by market priorities
 - Enterprise goals are king
 - Move already formed cross-skilled teams where needed

The Agilist

Tuesday, April 10, 2012

Flow Killers Stop CBVD

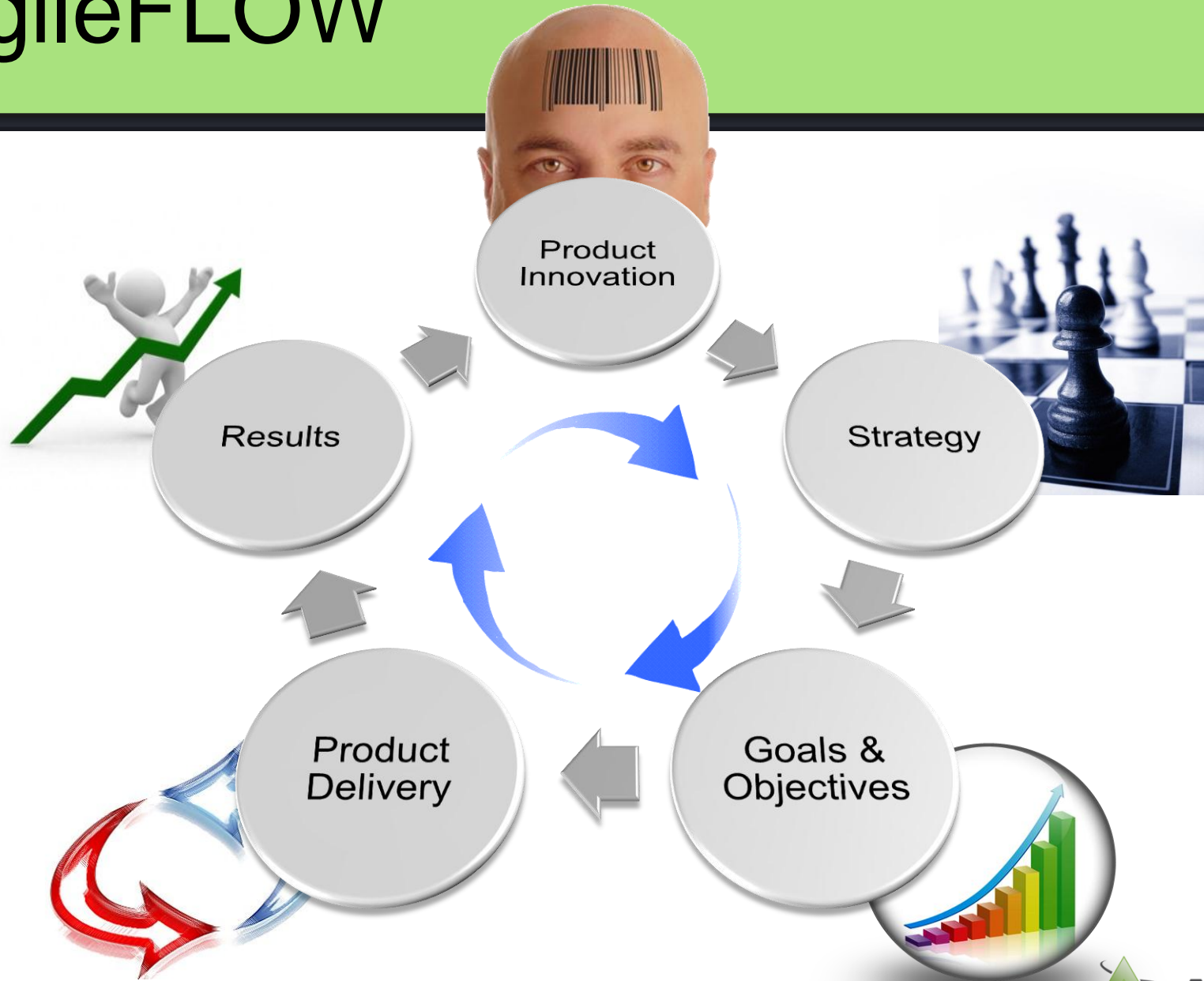
A huge flow killer we saw was de-constructing and re-constructing teams at the start of every project. Teams never got any opportunity to gel and we had to spend significant time waiting for all the right team members to become ready to get the project done. We also saw significantly fragmented delivery teams due to this team flux. If you want to get teams hot and bothered and kill the flow of solution delivery, try re-prioritizing projects a few days or weeks before any value is delivered. You can easily measure the immediate impacts of the wasted development efforts, but the impact on the teams' motivation level can be enormous. Ren follow imp The that rela the beh of a exp in li its beh



Continuous Delivery



AgileFLOW



Core Capabilities

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 - Enterprise goals are changing
 - Move already formed cross-skilled teams where needed

Speed

Scalability

Quality

Adaptability



Speed



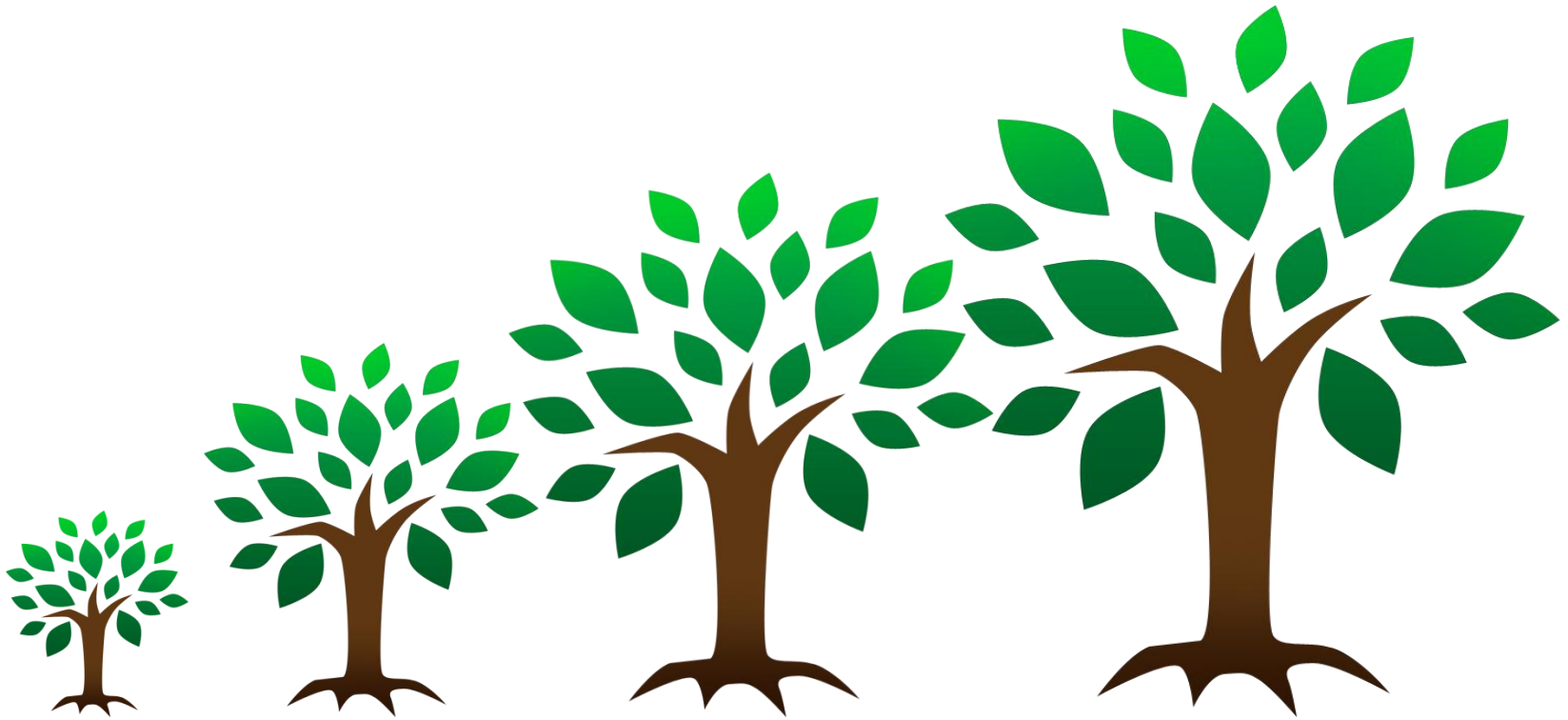
Time to Market - Idea to Production

Speed – What it feels like



- Any barrier to moving idea generation closer to actual product delivery is removed
 - Major product functions - 4 weeks from idea to delivery
 - Minor changes – 1 week
- Impediments removed continuously
 - 24 hours or less to remove for delivery barriers
- Rapid decision making
 - Empowered decision makers always there
- Teams organized around flow

Scalability



Grow At Will When the Time is Right

Scalability – What it feels like



- Foundational processes / tools in place
 - Portfolio management, continuous integration, automated testing, release management
- Formulaic “rinse and repeat” to grow capacity
 - Know how to grow when leadership says “Go”
 - Repeatable growth patterns
- Release improvement
 - 30+ teams releasing software at same time
- Clear and rapid escalation and impediment removal paths

Quality



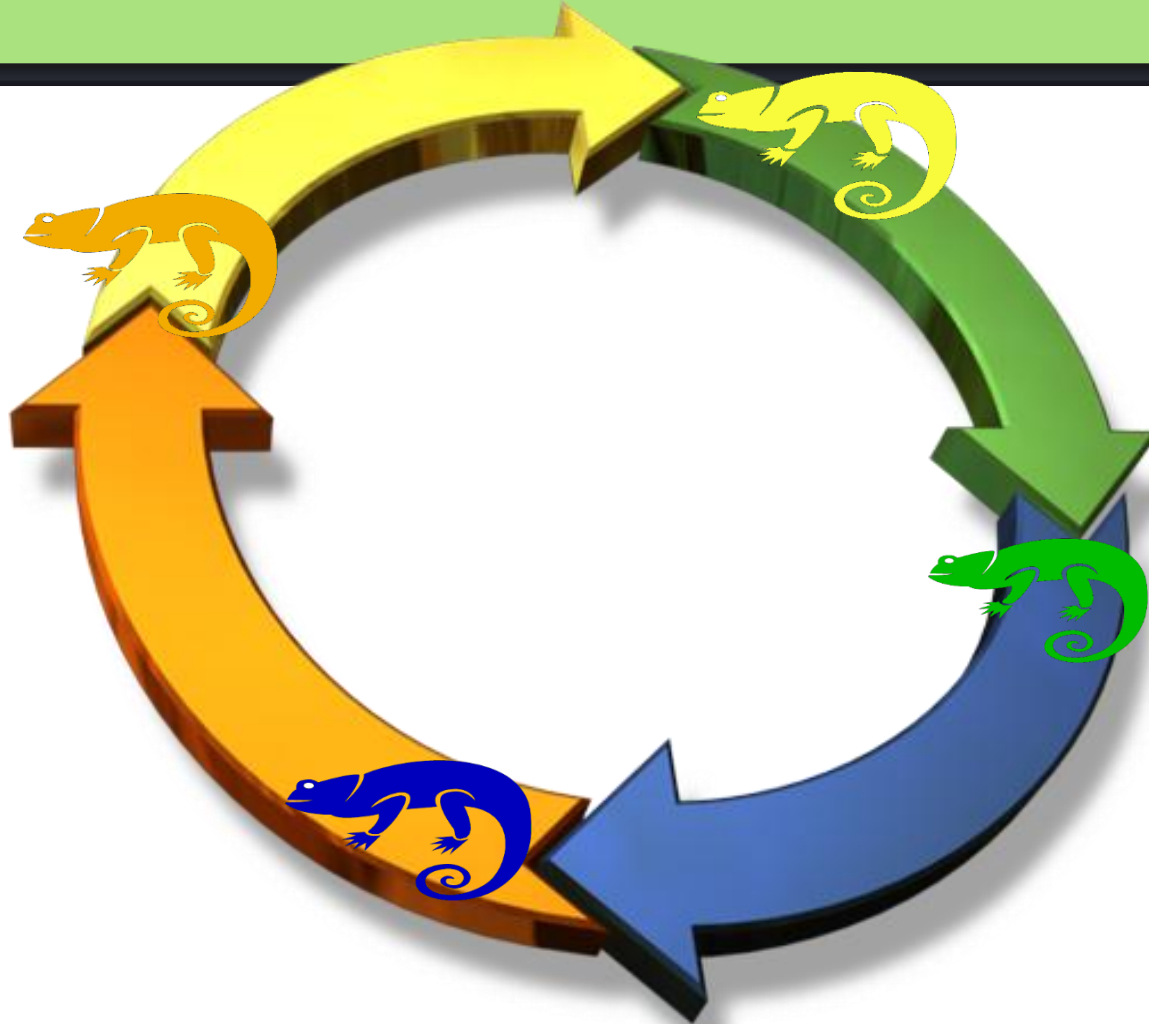
**Ensure Trust of Your Customers and
Get Time to Spend on Next Products**

Quality – What it feels like



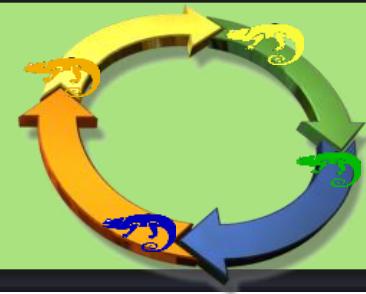
- Top priority enables focus on next product innovation
- Rapid quality feedback along every aspect of delivery flow
- Everyone owns it!
- Products just work!

Adaptability



Change Rapidly to Market Conditions

Adaptability – What it feels like



- Strategies updated in days, not months
 - Business and IT partner to build strategy
- Organizational memory of previous decision process
 - Not re-inventing the wheel at every strategy re-alignment
- Goals and objectives re-aligned in days
 - Resource re-allocation on regular cadence
 - Faster if needed

Impacts of Missing Capabilities

If Missing...

Flow Impacted



- Competition always beating you
- Less opportunities to test real product with customers

- Product Innovation
- Product Delivery



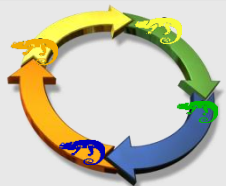
- Never get chance to grow
- Not capable to scale even with investment in R&D

- Product Delivery
- Results



- Customer confidence down
- Waste spent on product quality issues




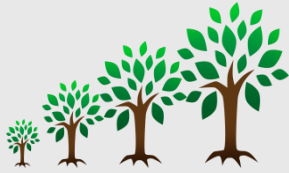
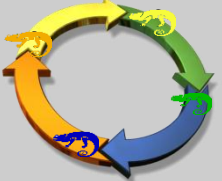


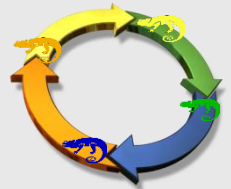
- Product Delivery
- Results

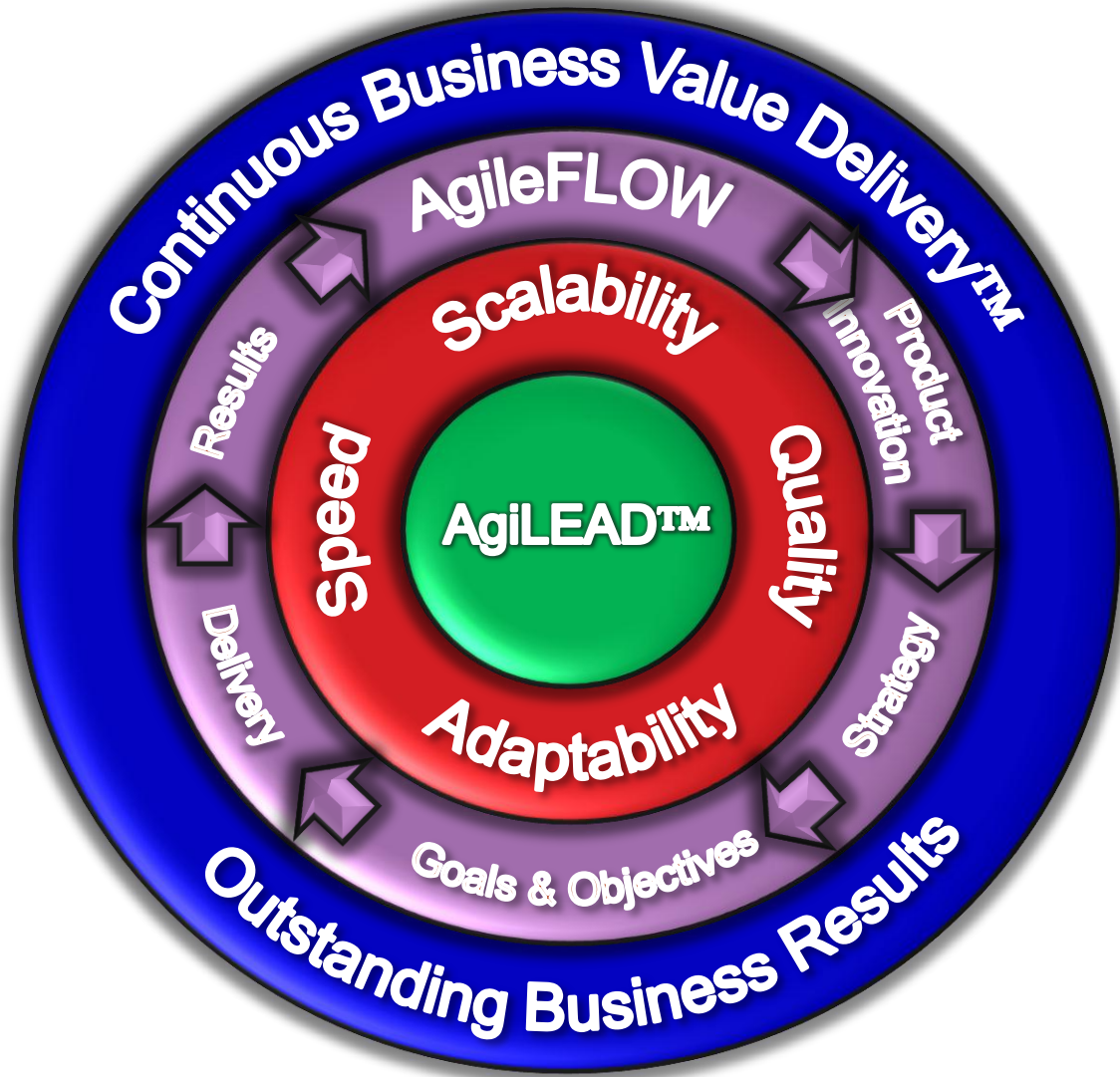


- “Seat-of-the-pants” change approach
- Organization runs with outdated processes

- Strategy
- Goals & Objectives

1+1=3

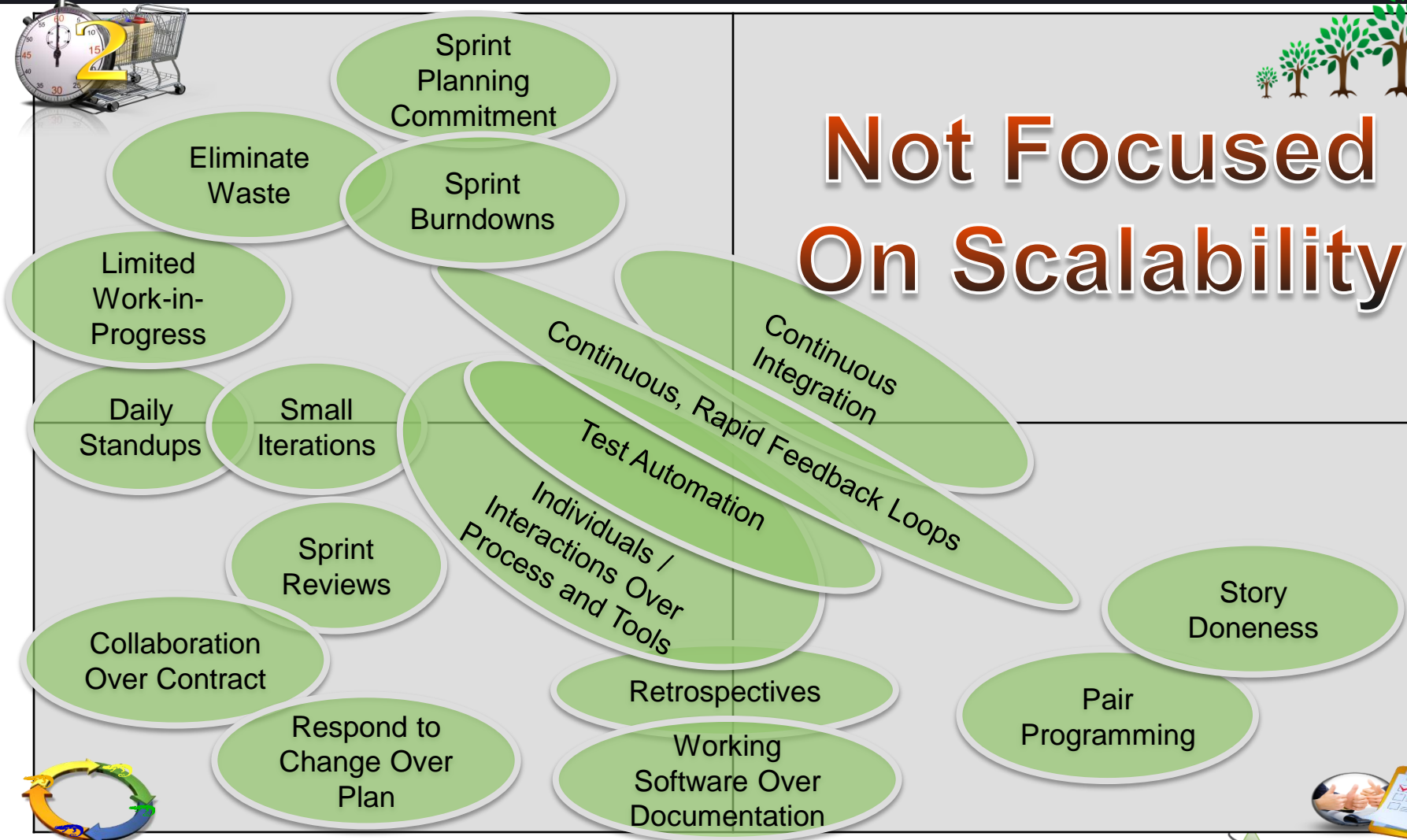
	Supports	Result
		More available time / resources for next generation of products
		Unit level can deliver with quality and then scale
		Adapting to market needs to deliver the right products at the right time
		Deliver rapidly to get products in front of customers and then adapt



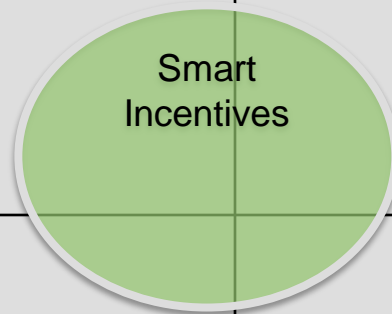
Scrum / Agile / XP / Lean – Built on Management Innovation



**Not Focused
On Scalability**



Management Innovations Enabling Core Capabilities



Smart Incentives – What Are They?

- Putting the right measurements that matter...
 - To drive the right behaviors across the enterprise,
 - So that the intended outcomes are achieved, and
 - There are keen insights to avoiding negative side effects.
- Lightweight, simple, and clear
 - Entire organization can sign up
- Realistic but stretch targets that associates believe are achievable
- Everyone who is responsible for delivery is incented and accountable regardless of function or specialty

Smart Incentives - Examples

- Reward all associates for achieving sprint committed goals
 - Infuses culture of accountability
 - Brings clarity to the importance of release cadence
 - Confidence and predictability of solution delivery grows
 - Model can expand and scale




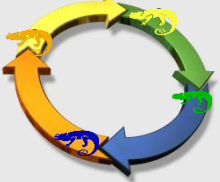
Smart Incentives - Examples

- Reward all associates for overall production release quality
 - 30+ teams incented for quality delivery
 - Breaks down development and QA barriers
 - Teams watchdog each other
 - Release (real customer value!) is king
 - When growing, team members want to seed new teams
 - Make sure they “get it right” as they are forming

Smart Incentives – First and Second Order Effects

- First-order effect
 - Each associate feels part of a larger purpose
 - Team members are incented to fight for change
- Second-order effect
 - Organization is always adjusting to the right course
 - Silos get broken down.
 - Teams are focused on real customer outcomes not interim measures.

Smart Incentives – Impact to Core Capabilities

Impact	Capabilities Impacted
<ul style="list-style-type: none">• Incenting for cadence leads to predictable speed and idea to production expectations	
<ul style="list-style-type: none">• Incenting for the small scale to work exceptionally well and thereby providing the template for scaling.	
<ul style="list-style-type: none">• Incenting for real customer value based in the quality of the product delivered.	
<ul style="list-style-type: none">• Incentives at the senior leadership level aligned with the most important organizational outcomes• Ensure leaders pivot and re-allocate resources for the larger goals.	

Management Innovations Enabling Core Capabilities



Smart
Incentives

Scorn-Free Environments



Scorn-Free Environments – What Are They?

- Culture supports ability to fail and fail fast
- Non-judgmental for worthy causes
- Constructive conflict happens at the idea level, not the personal/individual
- Impediments are not “invented” because you are doing something cool
- Freedom to grow based on your track record for solving tough problems and being bold
- Allowed to solve issues inside someone else’s territory
- Cultural belief that many “bad ideas” need to see the light of day to uncover the real gems.


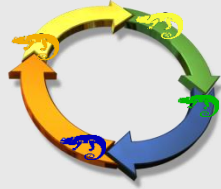
Scorn-Free Environments – How Are They Created?

- Leaders are made out of real meritocracy
- Find leaders with very high Emotional Intelligence Quotients
- Allow for experimentation
- Make sure that foundational team needs are clearly cared for
 - Team members do not need to point out weaknesses of others to gain access to resources.
- Organization shows it is always ready to invest in the “gem” ideas to scale

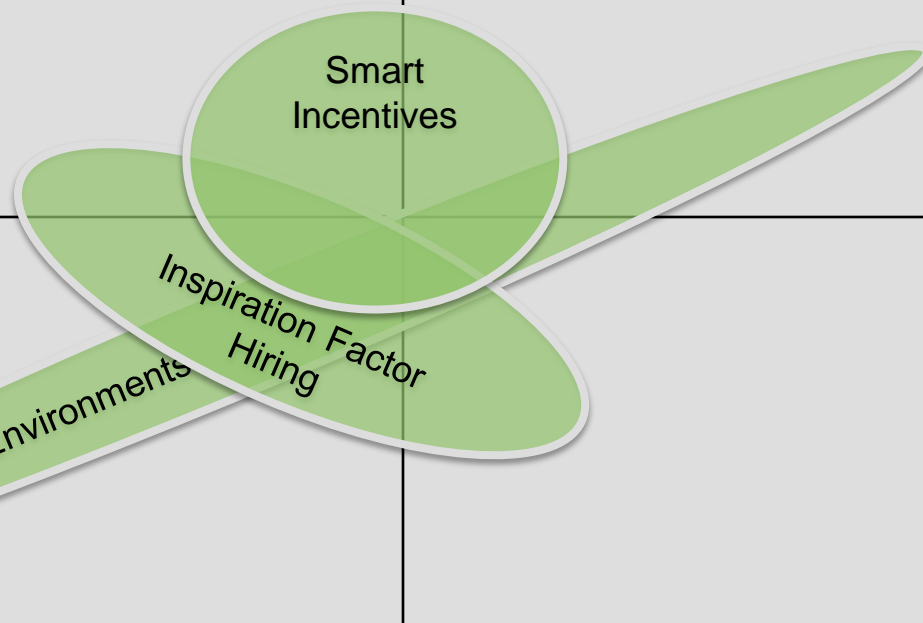
Scorn-Free Environments – First and Second Order Effects

- First-order effect
 - Staffing in the right spots to enable delivery
 - Big outcomes are never impacted by failures but there is continuous innovation
- Second-order effect
 - Harmony in the teams – trust is rampant
 - People support each other in innovations getting to real value for the business

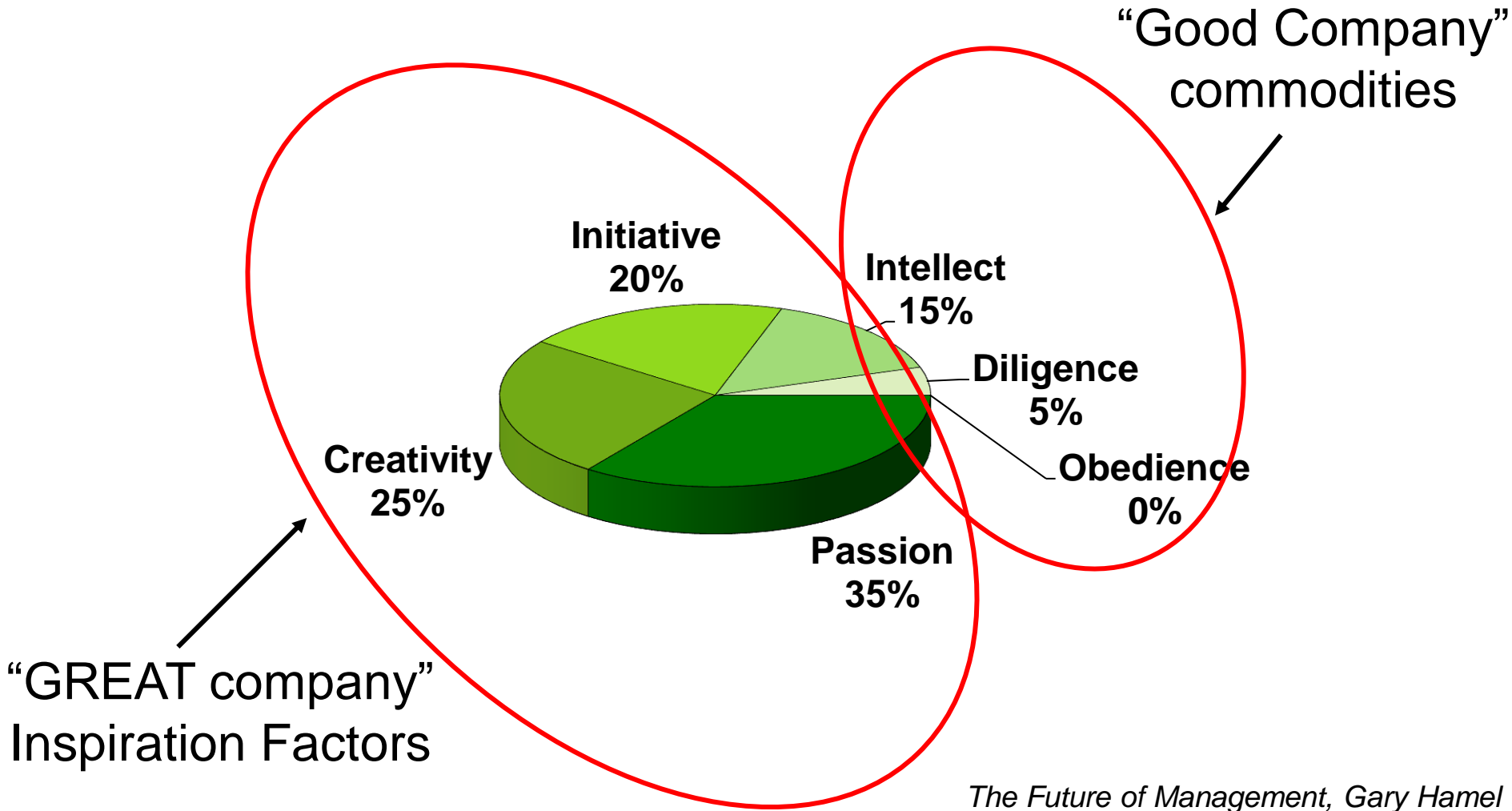
Scorn-Free Environments – Impact to Core Capabilities

Impact	Capabilities Impacted
<ul style="list-style-type: none">Innovations go across departments to allow everyone to benefit from them.	
<ul style="list-style-type: none">Big changes are allowed to occur and the organization embraces the adaptations needed to make those changes.	

Management Innovations Enabling Core Capabilities



Human Capabilities Contributing to Competitive Advantage – Value Creation



Inspiration Factor Hiring – What Is It?

- Inspiration factors determine entrepreneurial thinking
- Hiring for these capabilities brings in people who will lead, not be followers



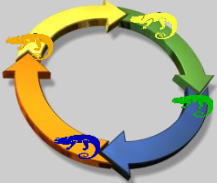
Inspiration Factor Hiring – Example Interview

- Take me through one of the most complex problems you have solved and give me insights on the problem, how you approached it, and how you solved it.
- Give examples of where you have enlisted others to follow your passions to achieve real outcomes.
- Give an example of a time where you were presented with a problem that has a significant amount of information presented that you sifted through to determine the root cause. Something that exhibits pattern recognition would be great.
- What are you most passionate about and give examples of where you have lived that passion out?
- Give an example of when you had some significant outcomes at work outside of your job function.
- Give example of a time when you had to pivot away from your core hypothesis given new information. How did that process work? What new outcomes were you able to achieve?
- What is the biggest risk you have taken?

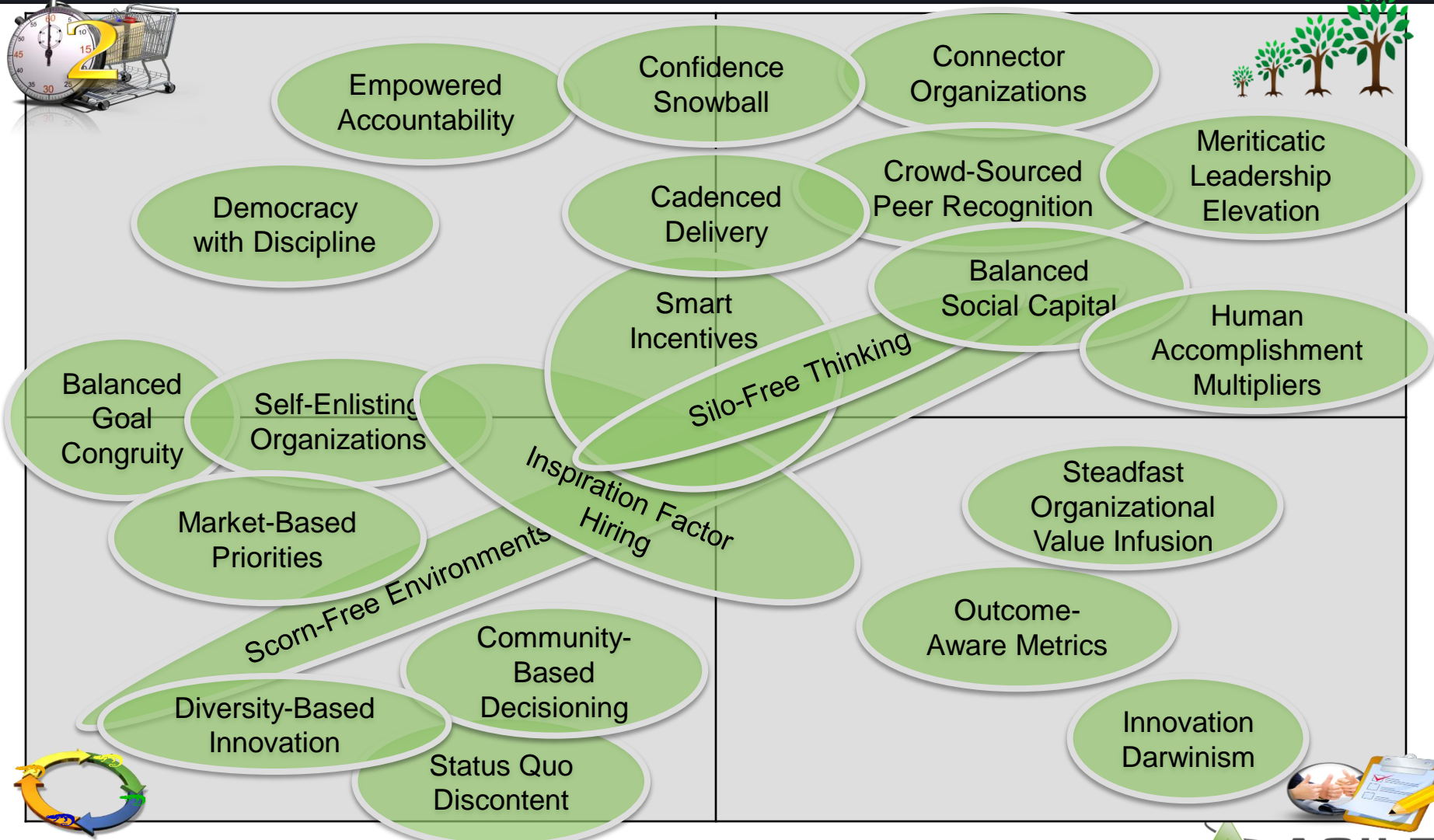
Inspiration Factor Hiring – First and Second Order Effects

- First-order effect
 - You have a workforce that is:
 - Continually inspiring
 - Looking at complex problems and resolving with simplicity
 - Enlisting others to deliver
 - Inspired workers get their “10,000 hours” in faster than anyone else – become virtuosos
- Second-order effect
 - They will never stop

Inspiration Factor Hiring – Impact to Core Capabilities

Impact	Capabilities Impacted
<ul style="list-style-type: none">• Experts (virtuosos) are getting the job done faster and better	
<ul style="list-style-type: none">• Relentless towards improving quality	
<ul style="list-style-type: none">• Individuals are tuned to pivot based on business needs vs. personal gains.• Selfless and purpose-driven decision making.	

Management Innovations Enabling Core Capabilities



Coming Back Out of the Onion

Management Innovation



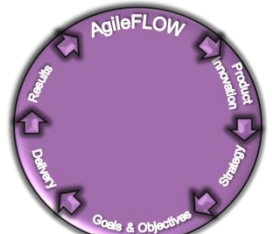
Core Capabilities



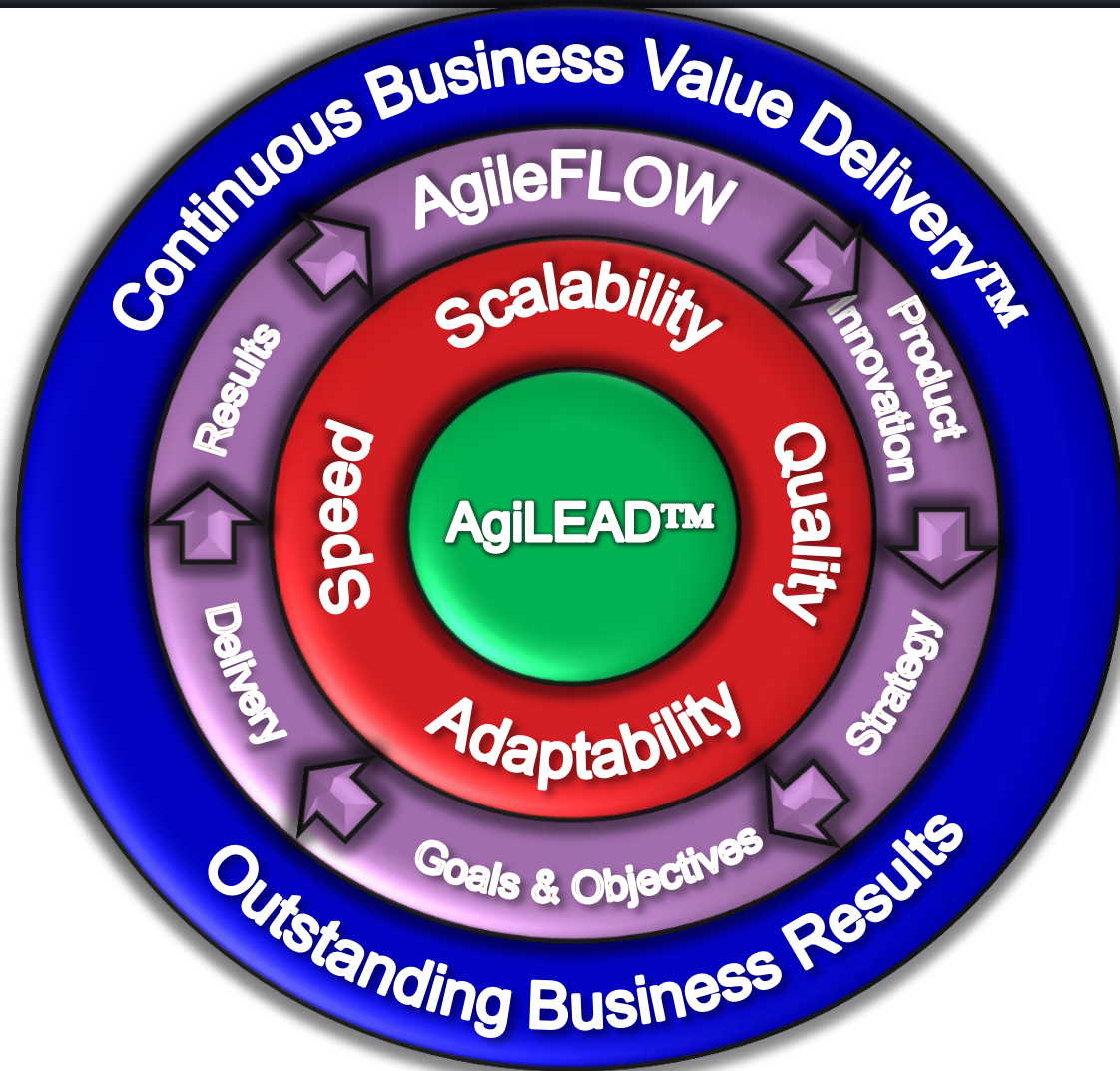
Flow



Continuous Business Value Delivery™



Continuous Business Value Delivery™ Delivery™ (CBVD)



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Q&A

