Organizing for Business Agility

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Observation
Innovator’s dilemma

How can we be a large company, that has the speed and agility of a small company?

Architecture
Collaboration structures
Communication
Decision making
...

source: pixabay
We are self-organized!
(The “hierarchical control” narrative is partly a myth!)

People use their brains!
- Empowerment
- Fit-for-purpose setups
- Local optimization

End-to-end flow
- Babylonian confusion
- Speed
- Depth of empowerment
- Purpose unclear
The challenge

Channel this self-organization, so we don’t sub-optimize on company level.

What is the bare-minimum
- structure,
- way of working and
- behavioral values
everybody must adhere to, but still leaves a maximum of freedom to adapt to local circumstances?

Focus on collaboration between people:
Focus on which people need to work together and how they should work together.
But leave it free to everyone to determine how to do their job.

What makes the good cases good?
A Meta-model?

Some helpful concepts
The self-organization eco-system

**Just-enough alignment**
(On common direction, common rules/culture)

**Maximum autonomy**
(In acting and deciding in line with the common direction)

**Optimal participation**
(People involvement)

**Continuous re-balancing**
(Embrace change)

Self-organization in a company is about continuously optimizing the balance between alignment, autonomy and participation.

Leadership structures

**DIRECTORS**
Masses

**MANAGERS**
Organizations

**LEADERS**
Groups

**ENABLERS**
Individuals

Authoritarian
Hierarchy
Participative
Heterarchy

using knowledge
complexity
using ideas
Can this marriage work?

Using people’s ideas → Balanced decisions when acting in a complex dynamic business environment.

Decision making can be slow when people with different perspectives can’t agree.

Fast decision making. Fast communication.

Decisions are not well balanced and not well anchored causing the illusion of fast execution.

Meta-framework elements
("BTO model")

Roles
Rules
People & Leadership Values
Concepts
Structures
Principles
Examples
Training
Teams are strongly empowered by having 3 perspectives

Customer & Business
- Job to be done, Business, market and customer trends and forecasts
- Desirability
- Business innovation

Technology & Architecture
- Technology trends and forecasts architectures, re-use, open source, inner source, product and solution integrity
- Technology innovation

People & Operations
- WoW trends, common approaches, competence and capabilities, partners, execution planning, flow
- People development & growth
- Operational and organizational innovation

Shared ownership
Simplicity @ scale via self-similarity

3 parallel hierarchies
- horizontal alignment

3 balanced perspectives (heterarchy)
- vertical alignment

All 3 perspectives present on all "levels"
- empowerment on all levels
- each "module" is a mini-enterprise

Each "mini-enterprise" can be either in exploration or exploitation mode.

Let’s try this...
Sandbox sessions...
Doing it for real...

Case 1
100 people operation in 2 sites

<table>
<thead>
<tr>
<th>Why and what do we change</th>
<th>Expected results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do the right things</td>
<td>Increase customer awareness and achieve architectural efficiencies</td>
</tr>
<tr>
<td>From:</td>
<td>• Business, architect and operations aligned</td>
</tr>
<tr>
<td></td>
<td>• Improved line of sight to customer needs</td>
</tr>
<tr>
<td></td>
<td>• Improved feature throughput for prioritized features</td>
</tr>
<tr>
<td></td>
<td>• Improved CU and customer understanding of value propositions</td>
</tr>
<tr>
<td></td>
<td>➢ 4 ProdMgr roles spread over 3 organizations</td>
</tr>
<tr>
<td></td>
<td>➢ Individual backlogs and separate budgets</td>
</tr>
<tr>
<td></td>
<td>➢ Capabilities unable to meet stakeholder needs for new features</td>
</tr>
<tr>
<td></td>
<td>➢ One Clear Business, Technology &amp; Operations ownership (B-T-O team)</td>
</tr>
<tr>
<td></td>
<td>➢ 1 backlog</td>
</tr>
<tr>
<td></td>
<td>➢ Team flexibility across products and implementation domains</td>
</tr>
</tbody>
</table>
Case 2
350 people operation in 3 sites

Newsletter

WHAT IS THE BTO MODEL [Link]
The BTO model is part of DGS; next organizational framework. The aim for the framework is to allow for each individual to do the right thing for Ericsson:

- Delight our customers in a profitable way.

It is built around BTO trio, where B role focuses on the Business and Customer perspective, T role on the Technology and Architecture and O role on the Operations and People.

You can find more information here and here. Watch the presentation of the BTO model to the PO community here.

NEW LEADERSHIP TEAM IS LIVE
The aim with the decision to extend the [ ] LT with BTO and PO representatives was to strengthen the operational and team view. The Leadership Team is now formed and team meetings are in place (proposed agenda). There have been only two meetings and it is great to see the impediments raised by POs and BTOs, both relating to the general operations and also to next. Leadership Team is the name of the new distribution list.
Retrospective

Here is the result (summary) of our Retro today:

What we are proud of:
- Reduced duration of the LT to 2 hours (from 5 h (LT+OSG))
- Timeboxed topics
- All impediments being addressed in one meeting
- Broader participation (BTO’s and PO’s)
- 1 chairman for a month
- Right level of moderation: more prepared topics, less spontaneous discussions
- Kanban board and visualization

What needs to be started:
- Equal activity from everyone on the meeting (laptop usage and level of focus!)
- More content on the regular agenda points:
- More strategic and tactical discussions
- AP handling: more crisp AP’s, deadline, update beforehand

Learnings and conclusions so far
Conclusions so far

Additions to our toolbox
- Draw people, not boxes
- Simple meta-role framework
  - purpose focused
  - language
  - visualization (color-code, whiteboard-discussion friendly)
- Framework consisting of
  - Rules
  - Principles
  - Values
  - Roles
  - Structures
- Usable as an assessment tool and as guidance for new setups

What we found so far
- The meta-framework aligns the language → constructive discussions about organizational setup.
- Implementing the BTO setup with joint decision making improved transparency and collaboration significantly. People want to continue as they see a huge benefit to work together that way.
- Decision making improved.
- Heterarchy on one level is embraced and works very well.
- Networking vertically is so-so. Existing line setup partly hindering this → change line setup and/or invest in coaching.

What it all boils down to

It is all about the efficient creation and transportation of knowledge and ideas across the organization and the use of these to effectively decide and take action.
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The means to do this is communication between people.

Trust people! People want to do a good job. People want to think and solve problems. Enable them to think together!

Organizational design needs to be centered around creating the “right” interactions.

A meta-model facilitates this by addressing:
- Helpful behaviors
- Needed capabilities
- Structures
- Processes

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