LEADING
IN A COMPLEX WORLD
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Leadership? Management?

We have tried so many things…

Why do we not get the desired results?

A better approach
- Some theory & models
- A tool
- Examples

Q&A
Leadership is about connecting and aligning people with vision and purpose.

Management is about planning and taking action to get to the shared vision and achieve a purpose.

All of us do both.
WE HAVE TRIED
SO MANY THINGS...
WE TRIED . . .

› 1980s/90s: Scaling by specifying processes, roles, detailed work instructions, …

› 90s/00s: improvement programs to fix issues (Q, TTM)
  – World Class Provisioning
  – 2x better quality
  – 10x better quality
  – 1/2 TTM
  – Re-organization

› Looking over and over and over and over and over again into our processes and organizational structure

. . . to be competitive
WHY DO WE NOT GET THE DESIRED RESULTS?
ARE WE ABLE TO LEARN?

Real world

Decision

Decision guidelines

Results

Idea how the world works
The world is changing …

… but it has *always* been changing!

So: what is different today?
MOBILE DATA TRAFFIC

2010 2015

Q4 2010: traffic generated for mobile data is twice that for voice

55% growth in data traffic between Q1 2014 and Q1 2015

Traffic does not include 3GPP, Wi-Fi, or Mobile WiMAX. Voice does not include VoIP.
SMARTPHONES

Smartphone subscriptions per region 2014–2020

Almost 80% of smartphone subscriptions added during 2015–2020 will be from Asia Pacific, the Middle East and Africa.
NEW CHALLENGE

- Amount of available information
- Speed of information flow
- Technological advancements

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With a growing impact of technology on society, the responsibility of people creating the new fantastic technology for the planet grows!

→ Corporate responsibility & sustainability

→ How will society and companies cope with these challenges?
A company perspective
Speed of learning > Having the “better” guiding star
Rapidly changing complex eco-system
This can’t be controlled by a few people
→ Decentralized approach
Do you mean we need to decentralize leadership and management?

Hmm… How do we then integrate these decentralized efforts?

But Hendrik!

Yes?

Well, I think it already is!!

And how do we align towards a company’s vision & purpose?
The people in a company form a complex adaptive human system
A BETTER APPROACH: WORK ON THE SYSTEM
SOME THEORY & MODELS
“The limits of my language mean the limits of my world”

Ludwig Wittgenstein
Dave Snowden, HBR Article, Nov 2007
A company’s results emerge from its human system
Basic, self-similar building blocks of systems:

Containers

Differences

Exchanges
CDE EXAMPLE
HOW CAN WE PRACTICALLY MAKE USE OF THIS?
Become system-aware

Excel in learning fast

Adapt your system to changing conditions
LEARNING CYCLE

Look at the system

Analyze:
- Is your vision still valid?
- What supports your vision
- What doesn’t

Define a change experiment

See what emerges

Take change actions
How to define the next change experiment?

How can you act on your system?
Leading via Constraints

All societies have shared rules/constraints.

They are either set or they emerge.

→ In a company we usually set and manage constraints
CONSTRAINTS?

People → Behavior → Capabilities → Processes → Structures

Interdependencies → a system of constraints
HUMAN SYSTEM ACTION TOOL

Behavior

Capabilities

Structures

 Processes

desired state or problem statement
LEARNING CYCLE

Look at the system

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- What doesn’t

Define a change experiment

Take change actions

See what emerges
EXAMPLE
Deal professionally with uncertainty
Deal professionally with uncertainty

**Communicate**
- Speak up when you see something unexpected
- Accept, that uncertainty is always there
- Share views and insights
- React constructively on surprises

**Capabilities**
- Translate uncertainty into realistic expectations (customers, internal stakeholders)
- Manage expectations → anticipate expectations & address them
- Make uncertainty visible
- Iterative development → feedback loop

**Structures**
- Frequent meetings to digest updates/new insights
- Show and discuss uncertainty in governance meetings

**Processes**
- Distributed planning on different levels
Iteration 1
Deal professionally with uncertainty

**Processes**
- Manage expectations → anticipate expectations & address them
- Make uncertainty visible
- Iterative development → feedback loop
- Distributed planning on different levels

**Structures**
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**Communication structure**
- Translate uncertainty into realistic expectations (customers, internal stakeholders)

**Behavior**
- Accept, that uncertainty is always there
- Share views and insights
- React constructively on surprises
- Speak up when you see something unexpected
- Communicate
  - Accept, that uncertainty is always there
  - Share views and insights
  - React constructively on surprises
  - Speak up when you see something unexpected
  - Communicate
Accept, that uncertainty is always there

Basic acceptance by PdM

Share views and insights

Deal professionally with uncertainty

Recruit Portfolio Mgrs with “right” mindset & perseverance

Portfolio Mgrs

Show and discuss uncertainty in governance meetings

Scrum

distributed planning on different levels

Decision model

all plans with cost & time ranges

Basic acceptance by PdM
Accept, that uncertainty is always there.

Share views and insights.

Show and discuss uncertainty in governance meetings.

Lift the abstraction level in governance meetings.

POs asked to support ranges.

Heavy debates in governance meetings.

Teams don’t support the ranges.

Distributed planning on different levels.

Scrum.

Recruit Portfolio Mgrs with “right” mindset & perseverance.

Basic acceptance by BdM.

Tool support for ranges.

All plans with cost & time ranges.

Deal professionally with uncertainty.
Iteration 3
Deal professionally with uncertainty

Less debate in governance meetings

Accept, that uncertainty is always there
Share views and insights

Recruit Portfolio Mgrs with “right” mindset & perseverance
Explain purpose of ranges

Distributed planning on different levels
Scrum

Basic acceptance by PdM

Show and discuss uncertainty in governance meetings
POs asked to support ranges

Lift the abstraction level in governance meetings

Some teams hate the tool

Make tool optional
Add “give me ranges” to process without telling “how”
Iteration 4
Deal professionally with uncertainty

- Accept, that uncertainty is always there
- Share views and insights
- Show and discuss uncertainty in governance meetings
- Distributed planning on different levels
- Recruit Portfolio Mgrs with "right" mindset & perseverance
- Basic acceptance by PdM
- Scrum
- Explain purpose of ranges
- Tool support for ranges, POs asked to support
- Lift the abstraction level in governance meetings
- Make tool optional
- “Give me ranges” process without telling “how”
- Provide customer oriented uncertainty view in governance meetings
- Regular work/scenario meetings between Development and PdM
- PdM understand development better
- Developers understand PdM better

In governance meetings: range is used to discuss what we can tell to the customer

Debate: why can’t we commit earlier?
Iteration 5
Accept, that uncertainty is always there
Share views and insights
Show and discuss uncertainty in governance meetings
Lift the abstraction level in governance meetings
Closely pair PO with PdM

PdM and Development starting to “join forces”

Deal professionally with uncertainty

Basic acceptance by PdM
Developers understand PdM better
Scrum
Make tool optional all plans with cost & time

Recruit Portfolio Mgrs with “right” mindset & perseverance
Explain purpose of ranges
PdM understand development better

Provide customer oriented uncertainty view in governance meetings

Regular work/scenario meetings between Development and PdM

To add “give me ranges” to process without telling “how”
Distributed planning on different levels

Structures
Processes

Behavior
Capabilities
Deal professionally with uncertainty

- We don’t need commitment decisions any more
- Accept that uncertainty is always there
- Basic acceptance by PdM
- Share views and insights
- Show and discuss uncertainty in governance meetings
- Distributed planning on different levels
- Scrum
- Basic acceptance by PdM
- Recruit Portfolio Mgrs with “right” mindset & perseverance
- Explain purpose of ranges
- Tool support for ranges POs asked to support
- Lift the abstraction level in governance meetings
- Make tool optional
- We don’t need commitment decisions any more
- Add “give me ranges” to process without telling "how"
- Regular work/scenario meetings between Development and PdM
- Closely pair PO with PdMgr
- Make commitment decisions optional
- Provide customer insights and discuss uncertainty in governance meetings
- Developers understand PdM better
- PdM understand development better
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- Add “give me ranges” to process without telling "how"
How could we manage expectations more professionally together with the customers?

Deal professionally with uncertainty

Accept, that uncertainty is always there.

Share views and insights.

Basic acceptance by PdM.

Recruit Portfolio Mgrs with “right” mindset & perseverance.

Explain purpose of ranges.

Distributed planning on different levels.

Scrum.

Tool support for ranges.

POs asked to support.

Lift the abstraction level in governance meetings.

Make tool optional.

How could we manage expectations more professionally together with the customers?

Expectation management?

Regular work/scenario meetings between Development and PdM.

Closely pair PO with PdM.

Provide customer representation.

Show and discuss uncertainty in governance meetings.

Lifting abstraction in governance meetings.

Developers understand PdM better.

PdM understand development better.

Developers understand PdM better.

Regularity in governance meetings.

Provide customer representation.

Lifting abstraction in governance meetings.

Expectation management?

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Expectation management?
To be continued
LEADERSHIP CHALLENGE

You can’t stop emergence and self-organization
You need to embrace and support it!

Often we are torn apart between
speed (tendency towards command & control) and
emergence (waiting for our company to find our response)

It is a balancing act we need to master.
This is not an easy journey.
SUMMING UP
Change has always been there and society has always been struggling with it.

Due to technological advancements, the speed of information flow and the amount of information has surpassed human ability to consume, filter and make sense.

This calls for “parallel processing”: Centralized management and leadership can’t work in such an environment.

The people working in a company form a complex adaptive human system.

A company’s results emerge from that human system.

Leaders need to become system aware and learn how to influence the system.

The HSA-Tool is helping to start going that path.