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LEADING
IN A COMPLEX WORLD
AGILE 2015, WASHINGTON



LEADING IN A COMPLEX WORLD

AGILE 2015, WASHINGTON

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MENU

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 & MANAGEMENT



- › 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.



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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 and over again into our processes and organizational structure

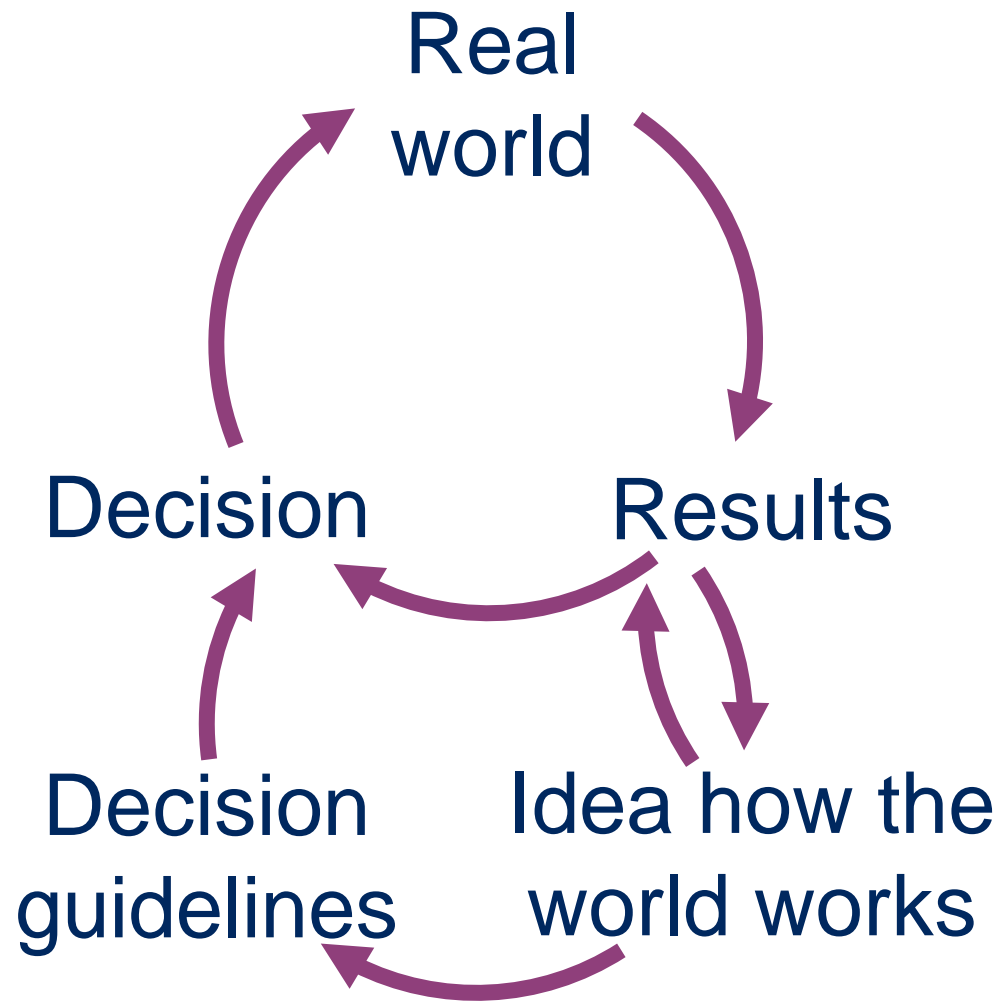
. . . to be competitive



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WHY DO WE
NOT GET THE DESIRED
RESULTS?

ARE WE ABLE TO LEARN?



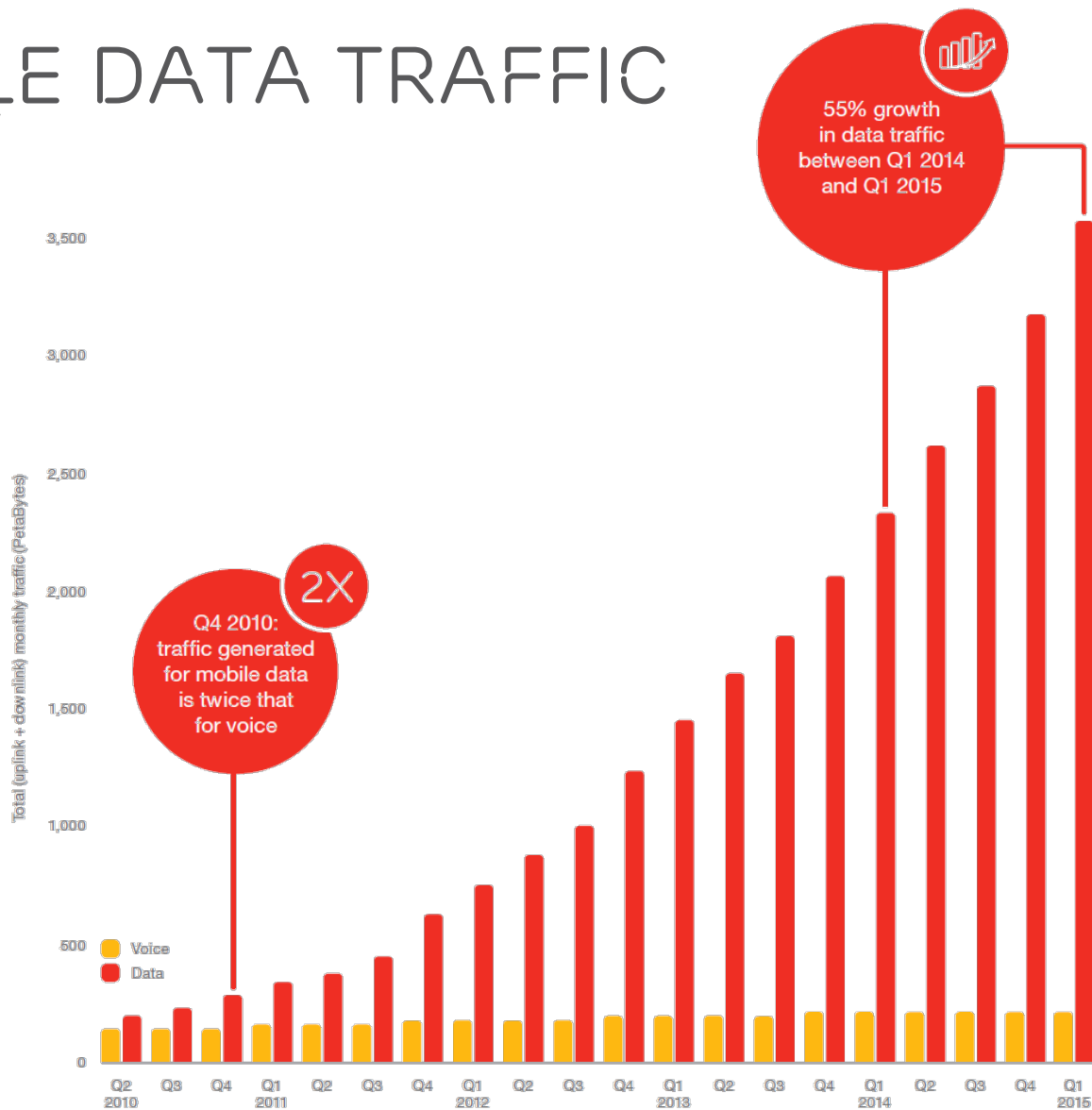


The world is changing ...

... but it has *always* been changing!

So: what is different today?

MOBILE DATA TRAFFIC



¹ Traffic does not include DVB-H, Wi-Fi, or Mobile WiMAX. Voice does not include VoIP

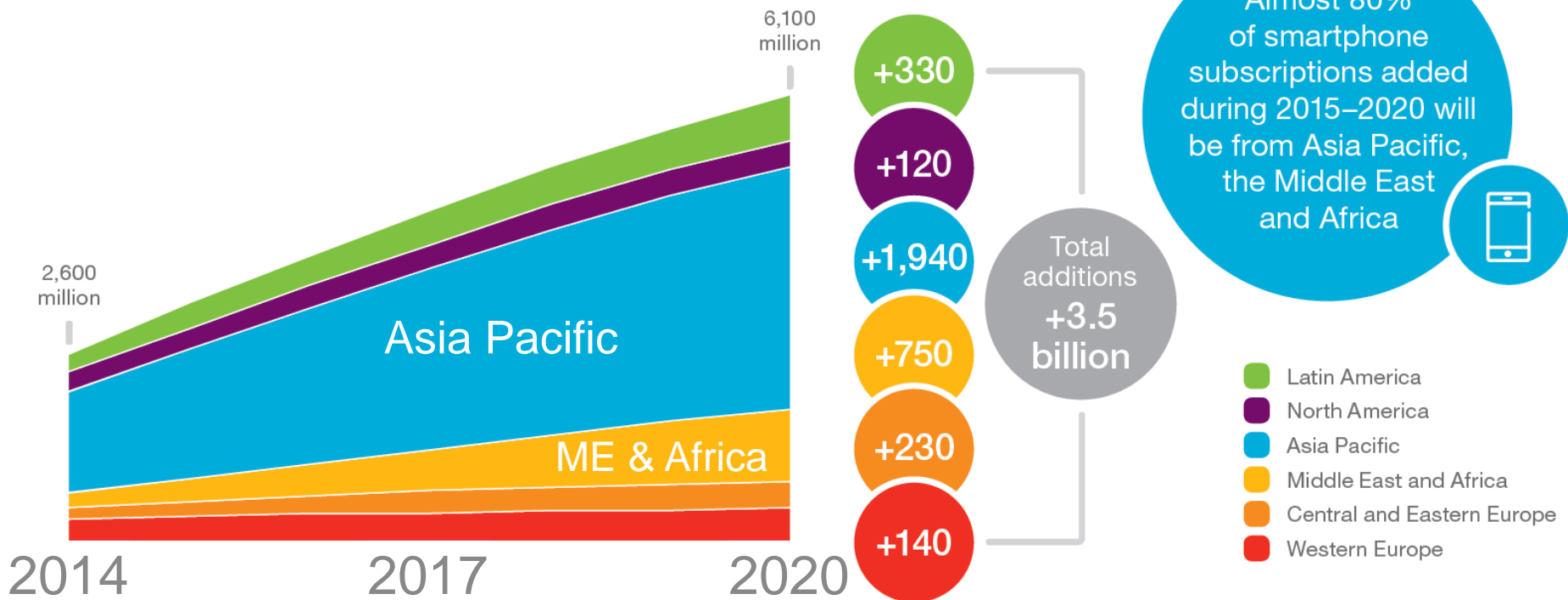
2010

2015

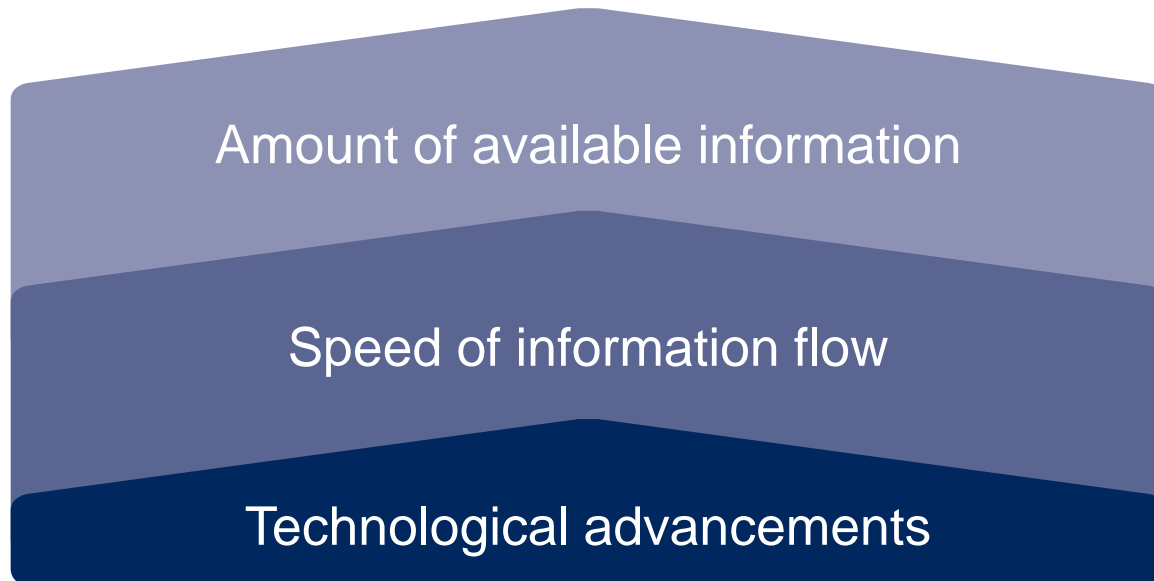
SMARTPHONES

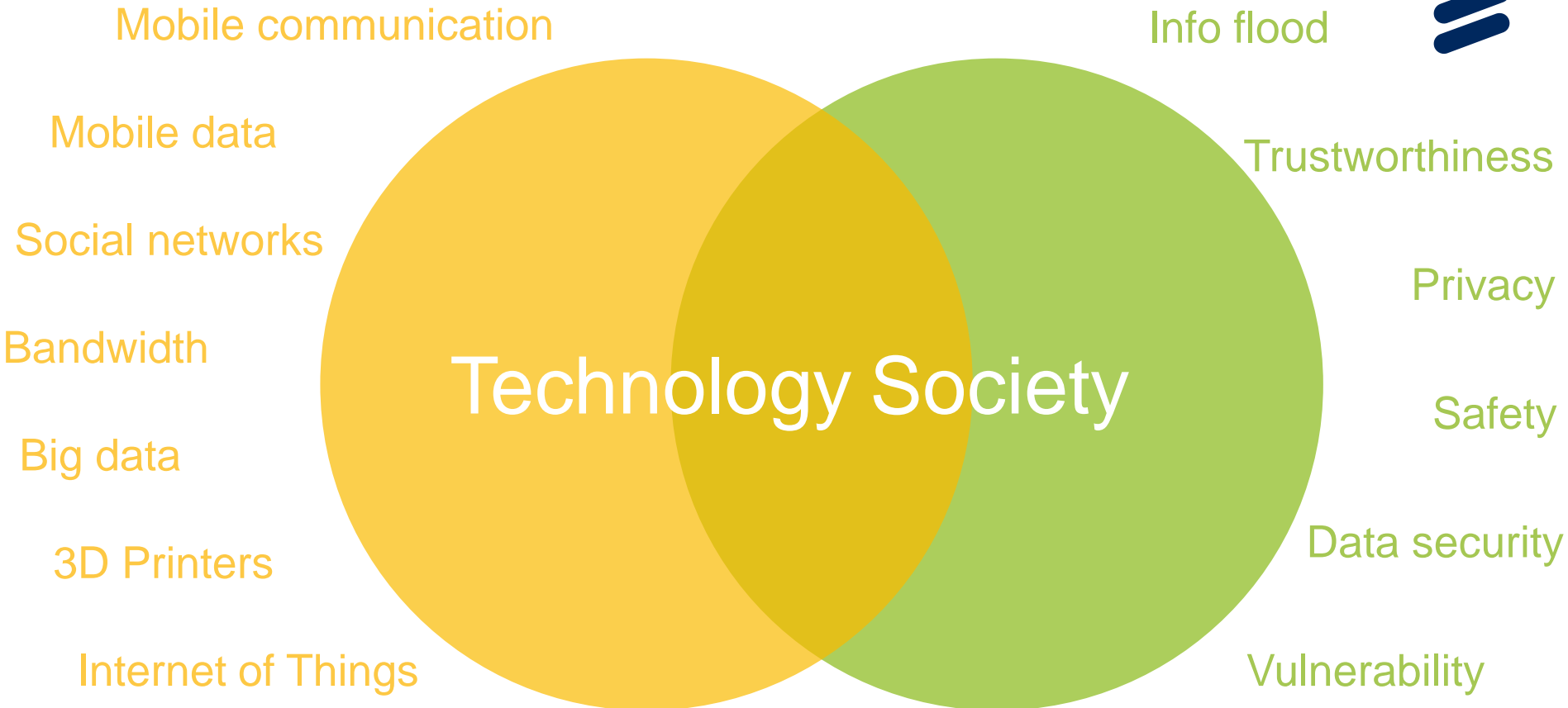


Smartphone subscriptions per region 2014–2020



NEW CHALLENGE





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

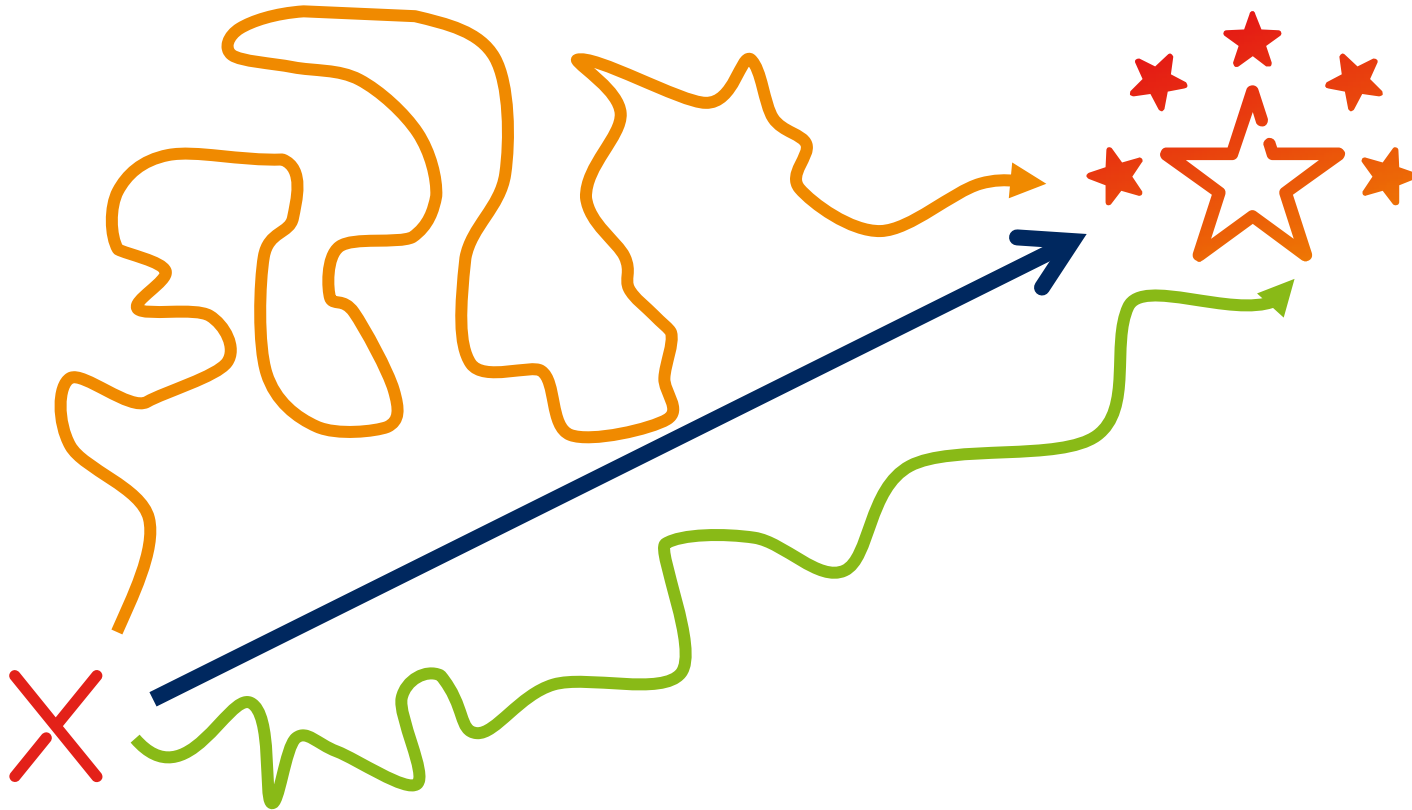
→ Corporate responsibility & sustainability

→ How will society and companies cope with these challenges?



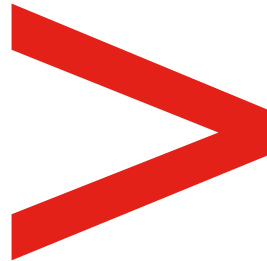
A company perspective

STRATEGY & VISION





Speed
of learning



Having
the “better”
guiding star

RAPLEX



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?

But Hendrik!

Yes?

Well, I think it already is!!

Hmm...
How do we then integrate these decentralized efforts?

And how do we align towards a company's vision & purpose?



The people in a company form a
complex
adaptive
human system



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A BETTER APPROACH:
WORK ON THE SYSTEM

SOME THEORY & MODELS

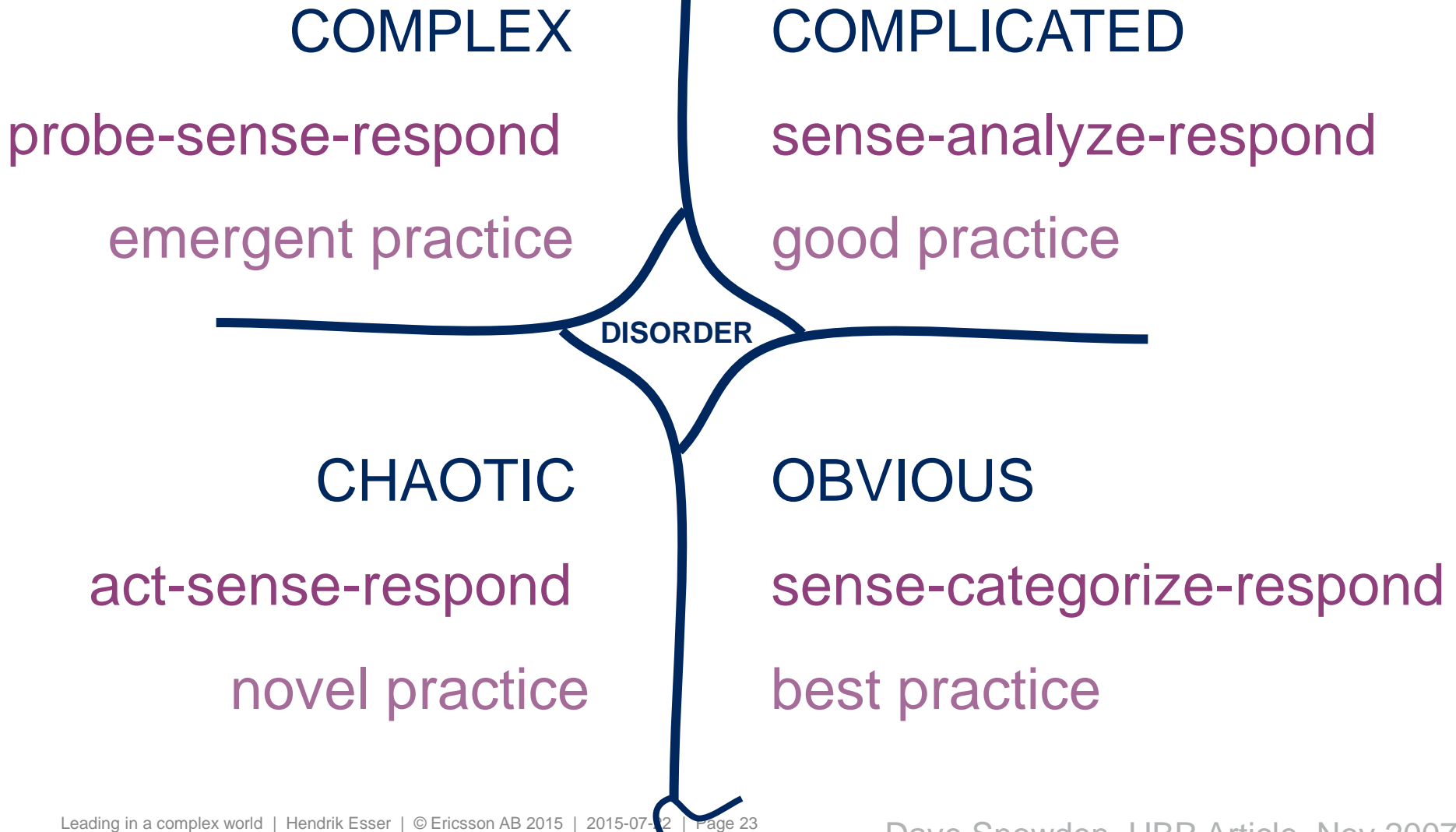


The limits of my language
mean the limits of my world



Ludwig Wittgenstein

CYNEFIN





A company's results
emerge from its human
system

HUMAN SYSTEMS DYNAMICS



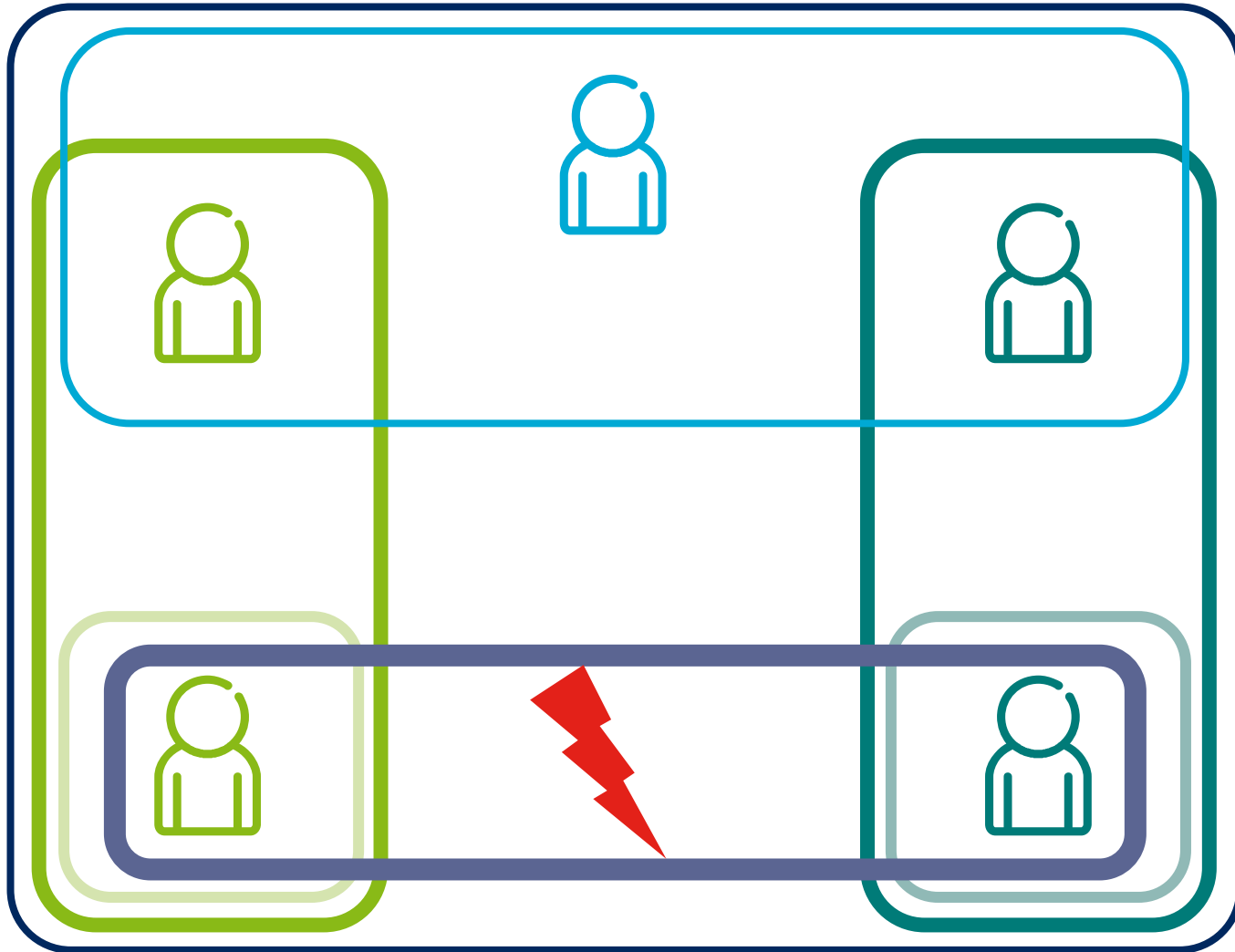
Basic, self-similar building blocks of systems:

Containers

Differences

Exchanges

CDE EXAMPLE





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HOW CAN WE
PRACTICALLY
MAKE USE OF THIS?

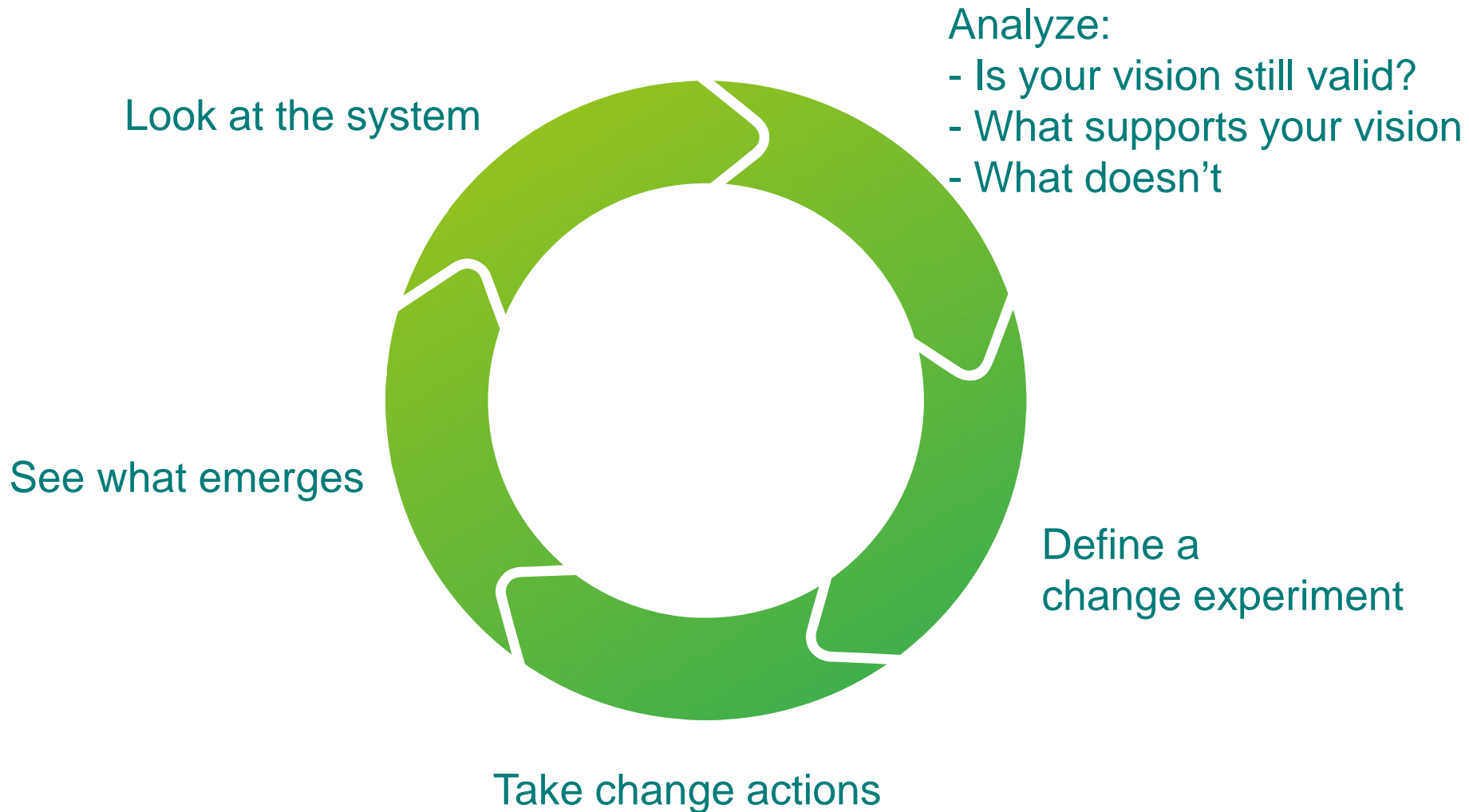


Become system-aware

Excel in learning fast

Adapt your system to
changing conditions

LEARNING CYCLE





How to define
the next change experiment?

How can you act on your system?

LEADING VIA CONSTRAINTS

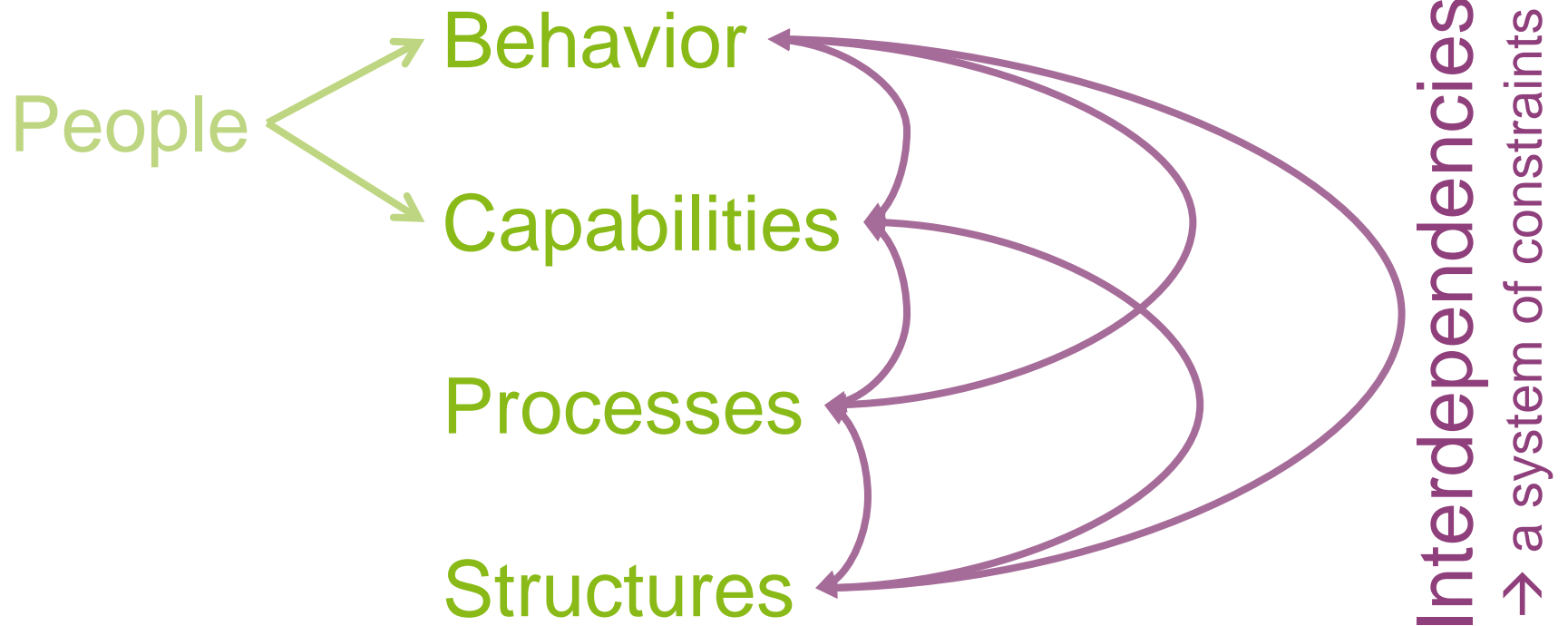


All societies have shared rules/constraints.

They are either set or they emerge.

→ In a company we usually set and manage constraints

CONSTRAINTS?

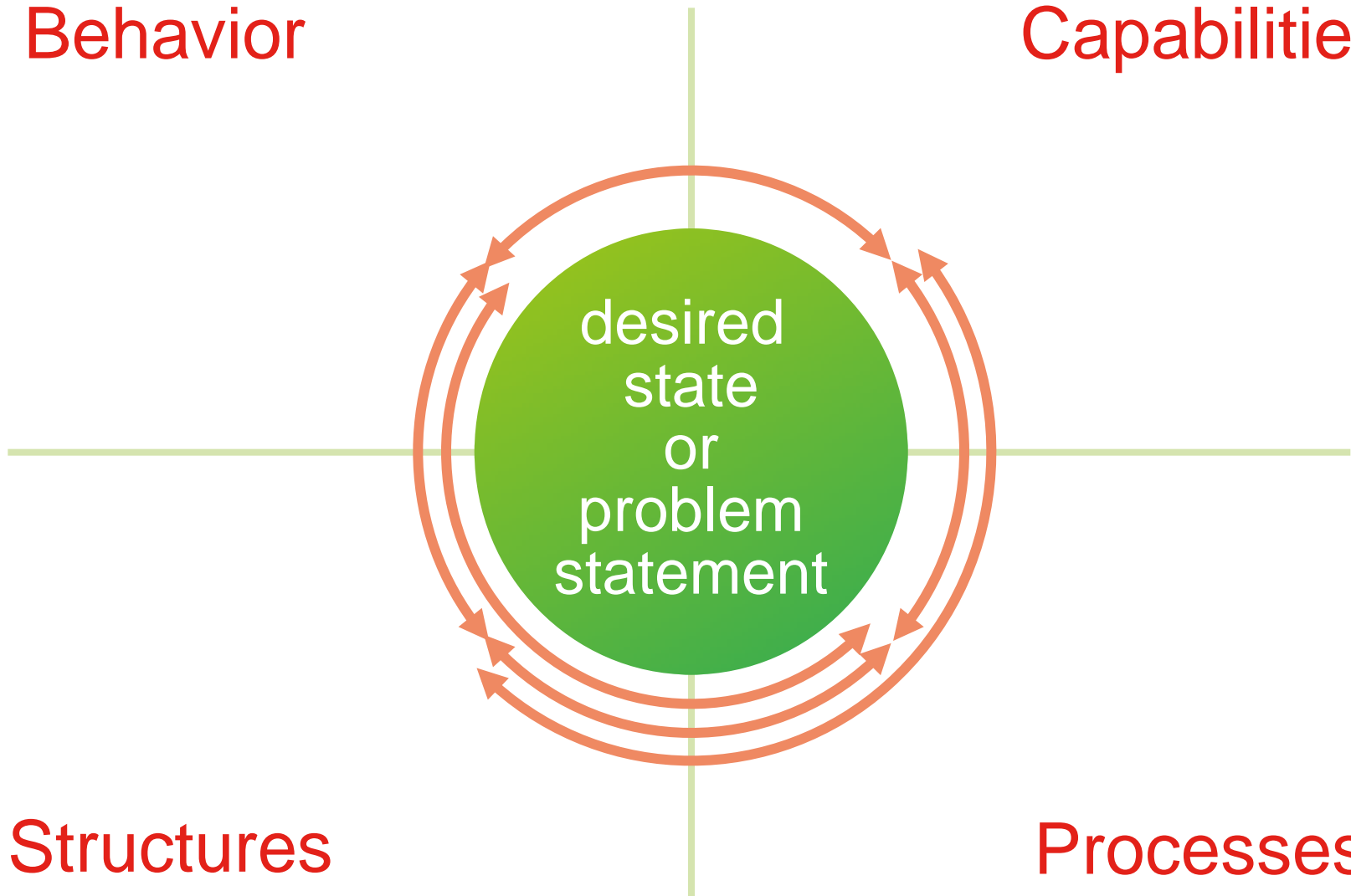


HUMAN SYSTEM ACTION TOOL



Behavior

Capabilities



Structures

Processes

HUMAN SYSTEM ACTION TOOL



Behavior

Behavior

- Mindset/attitude
- Values
- Needs

Capabilities

Competence

Skills

people

Hidden talent

desired
state
or
problem
statement

- Organization
- Governance
- Compensation
- Roles

(Informal) networks

Processes

Practices

Tools

Habits

Structures

Processes

LEARNING CYCLE

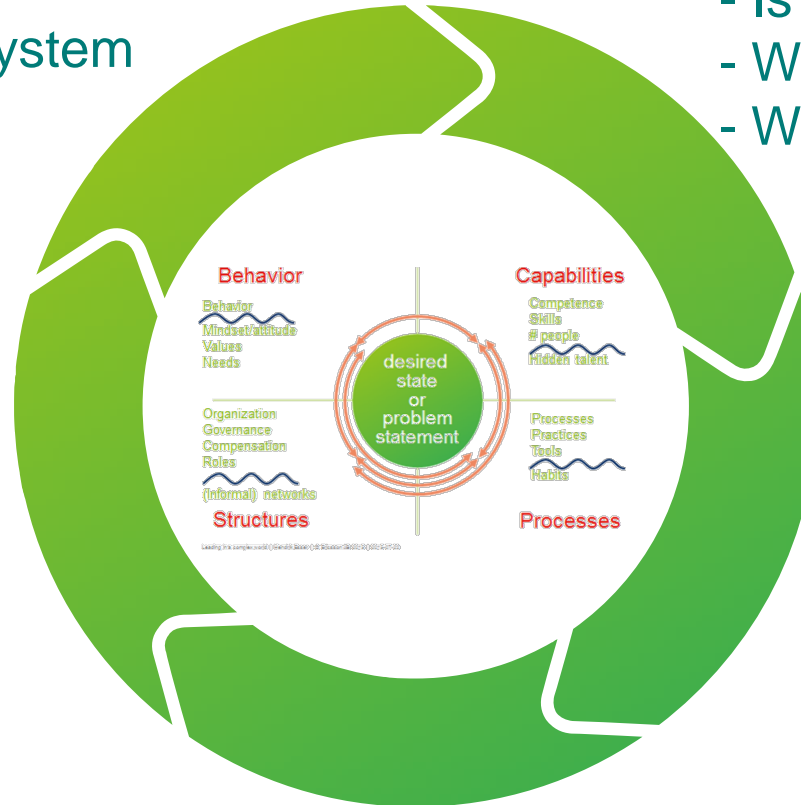


Look at the system

Analyze:

- Is your vision still valid?
- What supports your vision
- What doesn't

See what emerges



Define a change experiment

Take change actions



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EXAMPLE

DEAL PROFESSIONALLY WITH
UNCERTAINTY



Communicate

Behavior Capabilities

Speak up when you see something unexpected

Accept, that uncertainty is always there

Share views and insights

React constructively on surprises

Translate uncertainty into realistic expectations (customers, internal stakeholders)

Manage expectations
→ anticipate expectations & address them

Deal professionally with uncertainty

Communication structure

Make uncertainty visible

Frequent meetings to digest updates/new insights

Iterative development
→ feedback loop

Show and discuss uncertainty in governance meetings

Distributed planning on different levels

Structures Processes



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Iteration

1



Communicate

Behavior Capabilities

Speak up when you see something unexpected

Accept, that uncertainty is always there

Share views and insights

React constructively on surprises

Translate uncertainty into realistic expectations (customers, internal stakeholders)

Manage expectations
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Structures Processes



Behavior Capabilities

Accept, that uncertainty is always there

Recruit Portfolio Mgrs with "right" mindset & perseverance

Basic acceptance by PdM

Share views and insights



Portfolio Mgrs

Scrum

all plans with cost & time ranges

Show and discuss uncertainty in governance meetings

Decision model

Distributed planning on different levels

Structures Processes



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Iteration

2



Behavior Capabilities

Heavy debates
in governance
meetings

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

Teams don't
support the
ranges

Deal
professionally
with
uncertainty

Scrum

Lift the abstraction level
in governance meetings

all plans with cost & time
ranges
Tool support for ranges

POs asked to support
ranges

Structures Processes

Distributed planning on
different levels



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Iteration

3



Behavior Capabilities

Less debate
in governance
meetings

Recruit Portfolio Mgrs
with "right" mindset &
perceverance
Explain purpose of
ranges

Some
teams hate
the tool

Deal
professionally
with
uncertainty

Scrum

Make tool optional
all plans with cost & time
Add "give me ranges" to
process without telling
"how"

Structures Processes



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Iteration

4



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

Debate: why can't we commit earlier?



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

PdM understand development better

Developers understand PdM better

Regular work/scenario meetings between Development and PdM

Scrum

Provide customer oriented uncertainty view in governance meetings

Make tool optional all plans with cost & time
Add "give me ranges" to process without telling "how"
Distributed planning on different levels



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Iteration

5



Behavior Capabilities

PdM and Development starting to "join forces"

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



Share views and insights

Regular work/scenario meetings between Development and PdM in governance meetings

Closely pair PO with PdMgr

Provide customer and discuss uncertainty in governance meetings

Scrum

Make tool optional all plans with cost & time ranges
Add "give me ranges" to process without telling "how"
Distributed planning on different levels

Structures Processes



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Iteration

6



Behavior Capabilities

We don't need commitment decisions any more



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

Accept, that uncertainty is always there
Basic acceptance by PdM
Share views and insights

Regular work/scenario meetings between Development and PdM
Lift the abstraction level in governance meetings
Closely pair PO with Development
Provide customer show and discuss uncertainty in origin POs
Share uncertainty view in governance meetings

Scrum
Make tool optional
all plans with cost & time
"Add give the ranges" to process without telling "how"
Distributed planning on different levels

Structures Processes



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Iteration

7



Behavior Capabilities



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



Deal professionally with uncertainty

Recruit Portfolio Mgrs with "right" mindset & perveverance
Explain purpose of ranges
PdM understand development better
Developers understand PdM better

Regular work/scenario meetings between Development and PdM in governance meetings
Closely pair PO with Development and PdM
Provide customer and discuss uncertainty in governance meetings
Show uncertainty view in governance meetings

Scrum

Expectation for "ranges" to management?
Make tool optional all plans with cost & time
Distributed planning on different levels

Structures Processes



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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.



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SUMMING UP

SUMMARY



- › 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.





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