A new operating model for organizational change

Agile 2015

Enterprise Agile Track
About Us

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- Transformation Consultant with CA/Rally
- Coach/Trainer since 2007
- CST, CSC, SPC

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- Coach/Trainer since 2001
- SPC
Agenda

- Act 1 – The Transformation
- Act 2 – An Introduction to Outcome Driven Organizations (ODO)
- Act 3 – ODO in the Wild
Act 1

The Transformation
“The Transformation”
“Reasons to be Agile”
“Past success begets future success …”
“Start with a Pilot”

TRY IT
YOU’LL LIKE IT
“Ok, let’s get started”
“And …. they’re off!”
“So far, so good … but show me the money”
“As time goes by ...”
“Learn from the community”
“What do you mean, too much of a good thing?”**

**Alt: “Yes, I’m an expert – I’ve been doing this for 3 months!”**
“I’m always happy, except when I’m not ...”
“Enough with the cheese moving … sheesh!”
“Good for the goose is not necessarily good for the gander”
“Please sir, I want some more”
“Unlucky for some (read: most)”
“Closing time, every new beginning comes from some other beginning’s end ...”
“The End?”
“Crossing the [next] Chasm: Outcome Driven Organizations (ODO)”
Act 2

An Introduction to Outcome Driven Organizations (ODO)
How did we get here?

And what’s next?
Performance

- **Agile** help us build stuff right, and **Lean Startup** helps us build the right stuff

- Assumptions, Hypotheses, Experiments, Success and Failure == LEARNING

- … designing good experiments is hard and “FAILURE” is still a bitter pill to swallow (however valuable we might think it is)

- **Iterate** to evolve and refine understanding of the problem

- Highly **Collaborative** in nature and fosters collective ownership

- Teams understand that by being honest about our current state, past experiences, and future expectations, we can make better decisions and are more likely to achieve the desired project outcome

  [Transparent]

- Deliver value to the basis on a regular basis, in small **increments** of working software

- Optimized for **Flow over Capacity**

- Enable **Learning** cycles: Discover, Develop, Deliver, … rinse and repeat

Balance of high Performance …
Resilience

- Actively manage risk and exploit opportunities
- (Apply this thinking to Discovery, turn dials up to ‘11’)
- Responsibility of Leadership and Management

- We understand our value proposition in the market place
- We are aligned with the principle value streams we service to deliver our value proposition
- We share a common culture and mindset
- Responsibility of Leadership and Management

- We are accountable for our actions
- We are accountable to each other
- We prize continuous improvement and experimentation
- Responsibility of Leadership and Management (and everyone else)

... with Resilience to change
Purpose (over Passion)

“WHY?”: Our True North, Reason for Being

- **Vision**: Big, Hairy Audacious Goal
- **Values**: What do we care about?
- **Voice**: What defines “our way”?
Outcomes [What]

What does success look like?

- **Achievements**: Milestones we need to accomplish
- **Actions**: How people should be acting differently
- **Artifacts**: Deliverables that need to be in place
Improvements [How]

- What experiments can be run to impact outcomes?
- Where do we start?
- And how much is enough?
Capabilities [How]

What Capabilities do we need to develop to realize outcomes?

Purpose  Experiment  Capabilities + Improvements  Execute  Outcomes
Behaviors [How]

What Behaviors do we need to develop to achieve outcomes?
Elements of ODO Model

- Understand the **PURPOSE** through visioning, guiding values, and finding your organization’s “voice”
- Drive towards **OUTCOMES** that achieve your purpose through achievements, artifacts and actions
- Execute the **IMPROVEMENTS** needed against Tools, Process, Policies and People through small and incremental experiments
- Create and mature in **CAPABILITIES** needed for continuous discovery, development and delivery for greater **PERFORMANCE**
- Establish and improve in **BEHAVIORS** needed to adapt to change, align across organization, and hold each other accountable towards becoming a **RESILIENT** organization
Act 3

ODO in the Wild
Starting with Purpose

OUR PRIORITY FOR 2015

Fundamentally redesign our operating model and improve organizational health
Define Measures and Outcomes

- Employee NPS, Team Maturity
- Time in Process
- Customer NPS
- Defect Density and Decay
- Variability in Throughput

- Employee Engagement
- Productivity
- Organizational Agility
- Customer Satisfaction
- Responsiveness
- Quality
- Predictability

- Throughput
Describe the Journey

<table>
<thead>
<tr>
<th>KPI</th>
<th>Targeted Transformation Outcome</th>
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<tbody>
<tr>
<td><strong>Employee Engagement</strong></td>
<td><strong>Workforce of motivated employees with solid leadership</strong></td>
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<tr>
<td>Develop trans team (Agile CoE) to initiate efforts</td>
<td>Gain shared mindset around agility</td>
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<tr>
<td>Provide training needed to learn skills/behaviors</td>
<td>Develop knowledge sharing communities</td>
</tr>
<tr>
<td>Develop leaders to enable others</td>
<td>Hire people with desired agile mindset and skills</td>
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<tr>
<td>Reward outcomes achieved/exceeded by teams</td>
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<tr>
<th><strong>Productivity</strong></th>
<th><strong>Landscape of dedicated high-performing teams</strong></th>
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<tbody>
<tr>
<td>Form as close to dedicated teams as possible</td>
<td>Develop and implement ceremonies, roles, artifacts</td>
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<tr>
<td>Learn how to share responsibilities across teams</td>
<td>Move to collaborative team dynamic</td>
</tr>
<tr>
<td>Enable for teams to become a self-organizing unit</td>
<td>Focus on delivering value thru improved flow and pull system</td>
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<tr>
<td>Have a spirit of cont. improvement and learning</td>
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<tr>
<th><strong>Quality</strong></th>
<th><strong>Ability to create stable and sustainable solutions</strong></th>
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<tr>
<td>Shift testing from title to share role</td>
<td>Move to common cont. development &amp; iterative environ.</td>
</tr>
<tr>
<td>Rigorous refactoring, code reviews, and unit tests</td>
<td>Automated functional/customer testing</td>
</tr>
<tr>
<td>Reduce feature and technical complexity</td>
<td>Reduce technical debt</td>
</tr>
<tr>
<td>Identify &amp; handle under-performing features/solutions</td>
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<th><strong>Predictability</strong></th>
<th><strong>Landscape of consistent and reliable delivery</strong></th>
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<td>Identify individuals filling program roles</td>
<td>Teams plan &amp; execute on synchronized iterative cadences</td>
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<tr>
<td>Teams develop velocities enabling mid-range program-level planning</td>
<td>Product management team develops a vision and roadmap; grooms features</td>
</tr>
<tr>
<td>Team are able to resolve dependencies and integrate often to a releasable state</td>
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<th><strong>Customer Engagement</strong></th>
<th><strong>Meeting customer needs with innovative solutions</strong></th>
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<tr>
<td>Learn about market to determine value prop</td>
<td>Talk to real customers by “getting outside”</td>
</tr>
<tr>
<td>Prototype possible solutions before investing</td>
<td>Test different solutions to small groups to validate</td>
</tr>
<tr>
<td>Implement proven experiments</td>
<td>Determine how to launch products to the market</td>
</tr>
<tr>
<td>Measure results with data to make future decisions</td>
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<th><strong>Responsiveness</strong></th>
<th><strong>Faster time-to-market with the right products</strong></th>
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<td>Define portfolio: value, streams, etc.</td>
<td>Align teams &amp; programs to each value stream</td>
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<tr>
<td>Define initiatives into epics that can be delivered</td>
<td>Have an intake process to validate critical initiatives</td>
</tr>
<tr>
<td>Decouple supply with demand to understand capacity</td>
<td>Determine your investment areas and budgets</td>
</tr>
<tr>
<td>Plan and evaluate portfolio backlog against capacity</td>
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Organizational Maturity

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Lead the Change

**Right Things Built on Time**

- Initiatives
  - Communities of Practice (CoP) - OWNER
  - Agility Training
  - Internal Comms / Branding
  - Employee Surveys (NPS)
  - OTHERS...

**Employee Engagement**
Primary Stakeholder: "Spoke" Coordinator

- Spoke Responsibilities:
  1. Primary Stakeholder = Sponsor
  2. Orchestration with Initiative Owners
  3. Plan and Track Work (Coordinator)
  4. Provide Updates
  5. Escalate Issues and/or Blockers

**Responsive Engagement**
Primary Stakeholder:  

- Initiatives
  - Sales – Product Alignment
  - Customer Satisfaction Surveys (NPS)
  - OTHERS...

**Predictability**
Primary Stakeholder: 

- Initiatives
  - DevOps Implementation
  - Enterprise Tooling
  - OTHERS...

**Quality**
Primary Stakeholder: 

- Initiatives
  - QA Improvement
  - Tech Debt Retirement
  - Architectural Alignment
  - OTHERS...

**Productivity**
Primary Stakeholder: 

- Initiatives
  - Continuous Improvement Program
  - Agile Team / Train Maturity
  - OTHERS...

**Building the Right Things**

- Initiatives
  - Portfolio Management
  - Product Planning and Roadmaps
  - Quarterly Business Reviews (QBR)
  - OTHERS...

Hub Responsibilities:
1. Set Vision, Roadmap, Priorities
2. Communicate At All Levels
3. Handle Dependencies
4. Track Progress
5. Attack Identified Blockers
# Measure Capabilities and Behaviors

<table>
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<tr>
<th>Capability</th>
<th>Traditional / Fixed Mindset</th>
<th>Agile Competent / Consistent Mindset</th>
<th>Business Agility / Adaptive Mindset</th>
</tr>
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<tr>
<td>Quality Assurance</td>
<td>Manual testing; Shared testing team or department; testing happens at the end; fix and build is the norm.</td>
<td>Manual with some automated verification; dedicated testers on the team; testing should be done incrementally; some time might be needed before release to stabilize.</td>
<td>Automated validation and verification; goal = prevent defects; everybody is a tester; quality built-in throughout; potentially deliverable state.</td>
</tr>
<tr>
<td>Communication and Transparency</td>
<td>Decisions are made in formal meetings; written one-way communication; information is need to know beyond me.</td>
<td>Conversations within the team, record them for sharing; highest bandwidth possible; information is need to know outside of teams.</td>
<td>Conversations across teams to gain greater perspective; share information across teams for learning; everything happening within a team is known to everyone.</td>
</tr>
<tr>
<td>Collaboration</td>
<td>Individuals work primarily on their own tasks; collaboration through document sharing.</td>
<td>Team is finding opportunities to work on things together; collaboration through conversations and swarming.</td>
<td>Team is finding opportunities to solve problems together; collaboration through knowledge sharing and learning.</td>
</tr>
<tr>
<td>Code Quality</td>
<td>Software engineering practices are undisciplined. Code is brittle, outdated, hard to understand, and/or not easily extensible. There maybe a lot of duplication. Build processes are mostly manual.</td>
<td>Code is built using some established design patterns (building things the right way), but still have to address past technical debt. Some automation in place but takes 1-2 sprints (or more) to deliver and stabilize end-to-end.</td>
<td>Code is is extensible and adaptable. Refactoring is a way of life. Continuous delivery and integration, &quot;push a button&quot; when ready to release.</td>
</tr>
<tr>
<td>Release Frequency</td>
<td>Couple major releases/year coordinated across people and groups.</td>
<td>Frequent releases (monthly or quarterly) coordinated across teams.</td>
<td>Continuous deployment within teams on demand when needed.</td>
</tr>
<tr>
<td>Work Environment</td>
<td>Individual focused, spaces for individual privacy.</td>
<td>Team focused, spaces for collaboration.</td>
<td>Organic Focused, spaces are easily configurable for different groups/teams.</td>
</tr>
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Outcome Driven Organizational (ODO) Model
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