Learning Outcomes

- The proper role of management in Agile
- The challenges managers face
- Understanding the role of the servant leader – help their people while focusing the realization of business value
- Understanding why the system people are in greatly affects the way they behave
- How to affect culture and manage transitions
- The different aspects of an organization that need to be changed (e.g., social architecture vs operating architecture)

What is the difference between leadership and management?
The leader’s job is to rally people toward a better future. *Marcus Buckingham*

The manager’s job is to get the best out of people by understanding their people’s strengths, weaknesses and motivation. *Marcus Buckingham*
Lean Thinking for the 21st century

Lean Science

Lean Tools & Techniques

Lean

Lean Culture

Telling people “Just do it” just doesn’t do it
Resistance is not to change.

In practice, all systems do insist on exercising their own creativity. They never accept imposed solutions, pre-determined designs, or well-articulated plans that have been generated somewhere else.

Too often, we interpret their refusal as resistance. We say that people innately resist change.

But the resistance we experience from others is not to change itself. It is to the particular process of change that believes in imposition rather than creation. It is the resistance of a living system to being treated as a non-living thing.

It is an assertion of the system’s right to create. It is life insisting on its primary responsibility to create itself.

* A Simpler Way. Margaret Wheatley & Myron Kellner-Rogers

Lean -Thinking for the 21st century

Lean Science

Lean Tools & Techniques

Lean Management

Lean Culture
Leadership
- Leaders exhibit, drive, and sustain Lean values and behaviors
- Align on a shared vision and mission
- Decentralize decision-making
- Equip people with problem-solving tools and techniques
- Trust that people are doing their best
- When there are problems, change the system
**Systems Thinking**

- Most errors are due to the system.
- Must improve system.
- People doing the work have to do this.
- Local optimizations do not achieve global optimizations.
- Relationships between aspects of system interact with each other.
- Role of management is to facilitate the improvement of the system.

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**Systems Thinking: Russ Ackoff**

Systems Thinking is a mode of thought that begins with SYNTHESIS before ANALYSIS:

1. Identify the containing whole (system) of which the thing to be explained is part.
2. Explain the behavior or properties of the containing whole.
3. Now, explain the behavior or properties of the thing to be explained in terms of its role(s) or function(s) within its containing whole.
"A bad system will beat a good person every time. People are already doing their best, the problems are with the system."

Edwards Deming

“A system must be managed. It will not manage itself. Left to themselves, components become selfish, competitive, independent profit centers, and thus destroy the system ... The secret is cooperation between components toward the aim of the organization.”

— W. Edwards Deming
Lean Thinking for the 21st century

Process Integrity ("stop the line")
- People doing the work must attend to the process.
- Management facilitates the improvement of the system.
- When a defect is found, stop, fix the immediate issue and go. And look at root causes.

Lean Thinking for the 21st century

Business Value
- Best quality and benefit to people and society
- Quality of product is defined by the customer
- Must factor in technical quality
- High morale and safety
- Lowest cost
- Most customer delight
- Innovation comes from the producer; validation comes from the customer.
- Pivot without mercy or guilt
Lean Thinking for the 21st century

**Respect People**
- Culture is the context in which all change must happen
- Recognize all who consume your work as customers
- Attend to people’s needs and wants
- Focus on understanding others’ views and perspectives
- Build partnerships based on trust
- Create an environment of mutual influence

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**Make Things Visible**
- Prioritize systemic learning
- Make time and space for creativity
- Get out of the building
- Apply innovation accounting

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Based on House of Lean 2014, Lean Systems Society
Lean Thinking for the 21st century

**Just-in-Time / Flow**
- Delays cause extra work
- Take an economic view of the value stream
- Leverage fast feedback
- Reduce delay and therefore waste
- Reduce batch size
- Manage queues and limit WIP
- Manage flow for variability and uncertainty
- Foster psychological flow

**Relentless Improvement**
- A constant sense of danger
- Optimize the whole
- Consider all opportunities small, large, and in-between
- Apply Lean tools and techniques to identify and address root causes
- Reflect at key milestones to identify and address shortcomings
- Consider evidence carefully, then act quickly
Towards Middle Up Down Management:
Accelerating Information Creation
– Ikujiro Nonaka, 88

The New New Product Development Game – Hirotaka Takeuchi and Ikujiro Nonaka – ‘86
There is more value created with overall alignment than with local excellence.

Don Reinertsen

If you only quantify one thing, quantify the Cost of Delay.

Don Reinertsen 2009, Principles of Product Development Flow
the more **alignment** you have, the more **autonomy** you can grant

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**actions to realize intent**
what to do and how

**alignment**
what to achieve and why

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Stephen Bungay
*Art of Action*

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**Control the Intake Process**

**Reorganize the talent around products/services**

**Drive with Test-First**

**Small batches of work**

**Keep work within capacity**

**Short cycles to validate and release quickly**

**Get feedback quickly to avoid waste**

**Avoid overloading teams**

**Decide what’s important**

**Lightweight Agile at Mid-Scale**

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**Be able to move the work to the teams**

**Collaborate to understand what you are building before you build it**

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Across the board starting with MBIs

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NetObjectives
LEAN - AGILE PRODUCT MANAGEMENT

STRATEGIC PLANNING

What to invest in
Strategic Themes

Business Backlog
Business Increment

refining the backlog & controlling the intake process

Lean-Agile Product Management

Program Backlog

Team Backlog

implementation via collaboration & dependency management

release to realize value

Lightweight Agile at Mid-Scale

Why LeSS Framework?

control the intake Process

keep work within capacity

short cycles to validate & release quickly

drive with Test-First

small batches of work

Note: Feedback loops are not shown but are present throughout the value stream
The **minimum** amount of business value that can be built, deployed and consumed that makes sense from a **business** perspective.

**Minimum Business Increment (MBI).** *Not a reason to deliver less, but a reason to deliver sooner.*
**Strategic Planning**

- What to invest in
  - Business Stakeholder
  - Technology Stakeholder
  - Other Stakeholder

- Strategic Themes

- Business Backlog
  - Business Increment

**Lean-Agile Product Management**

- Refining the backlog & controlling the intake process

**Planning**

- Program Backlog

**Implementation & Integration**

- Team Backlogs
  - Shared Services

- Release to realize value

**Note:** Feedback loops are not shown but are present throughout the value stream.
What if you don’t have an Agile ‘culture’? 
Is there anything that we can do about it?

You get more trust by working together 
than you do by talking about why you 
need it.

Enterprise 
Transition Model

Social Architecture

Leadership
- Pervasive Business Value
- Common Language and Vision
- Continuous Improvement Mindset
- Lean Thinking
- Empirical

Management
- Business Value Planning
- Train and Deploy Experts
- Lean Business Rhythms

Whole Team
- High Bandwidth Value Delivery
- Continuous Improvement Routine
- Problem Solving

Operating Architecture

Leadership
- Business Value Driven Cycles
- Cross-organizational impact
- Improvement Targets
- Productivity – Value Metrics
- Technical Integrity

Management
- Standards and Technical Discipline
- Architectural Integrity
- Business Discovery & Business Delivery

Whole Team
- Controls
- Metrics
- Practices

Transition is a multi-dimensional journey
Culture is important, but changing it directly is not possible. Culture is no more likely a target than the air we breathe. It is not something to target for change. Culture is an idea arising from experience.

That is, our idea of culture of a place or organization is a result of what we experience there. In this way a company’s culture is a result of how people collaborate with each other.

Culture is critical, and to change it, you have to change your method of collaboration.

Focus on agreements, behaviors, specific expectations, tools and routine practices.

Lean systems make this easier because they emphasize explicitly defined agreements and use tools to make the work and agreements visible.

Paraphrased from Creating a Lean Culture
David Mann

Guardrails
- Drive from Business Value
- Collaborate across boundaries
- Make all work visible
- Increase Predictability
- Keep WIP within capacity
- Improve continuously
Facets of Leadership and Management

Servant Leadership or Management
Suggest that “servant management” is more accurate.
Summary
✓ The proper role of management in Agile
✓ The challenges managers face
✓ Understanding the role of the servant leader – help their people while focusing the realization of business value
✓ Understanding why the system people are in greatly affects the way they behave
✓ How to affect culture and manage transitions
✓ The different aspects of an organization that need to be changed (e.g., social architecture vs operating architecture)
Please complete your course evaluations.
Thank you!