

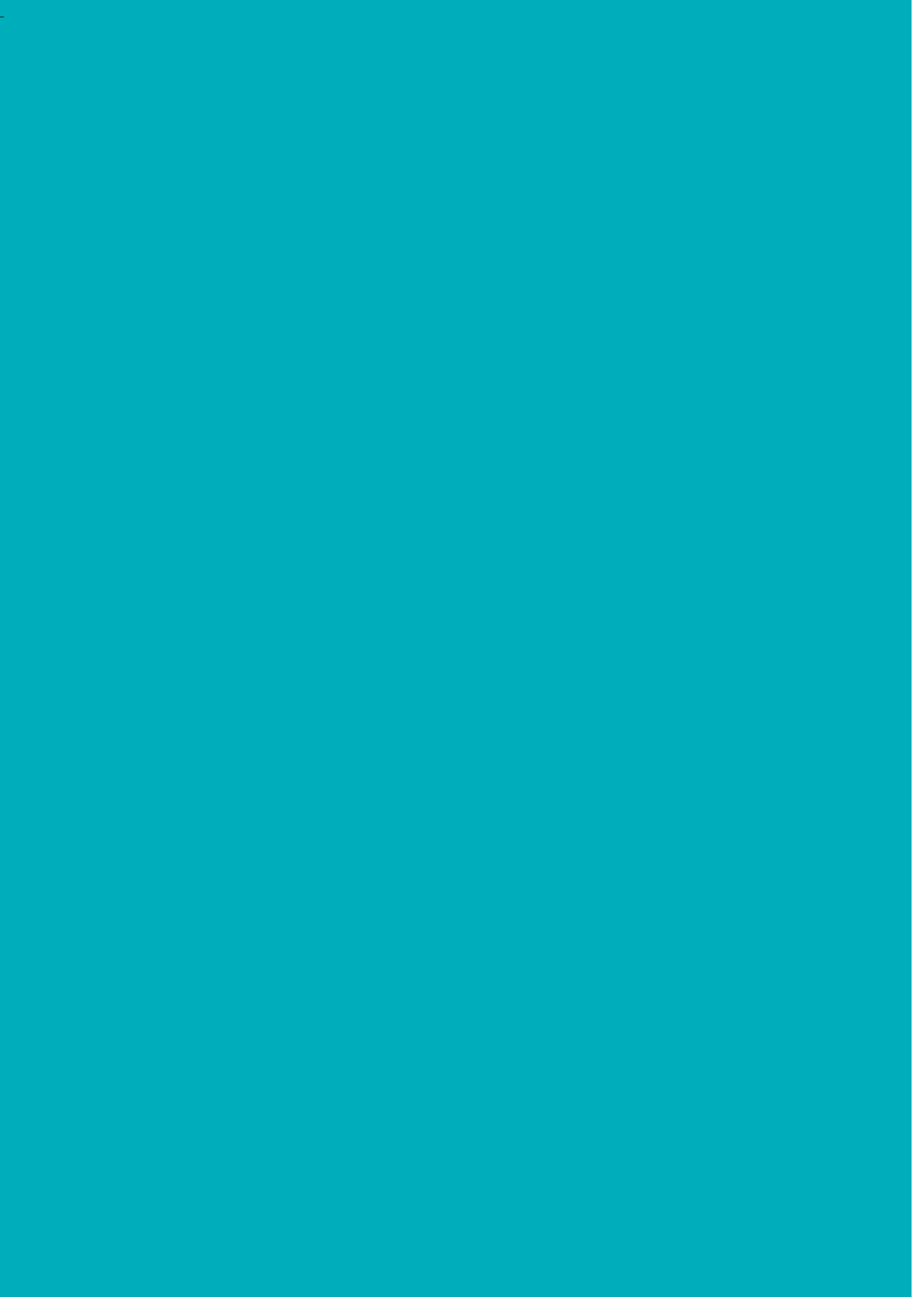
# Change

Magazine for High Impact Transformation



BEYOND THE HYPE

## Leading in an Agile World



# EDITORIAL



**Manfred Höfler**  
Managing Partner ICG



Dear Reader,

»What is the best way to lead agile?« is one of the burning issues for leaders working with us, making it one of the most important questions for us to answer. From experience, we have seen a lot of good intentions to search for the »best« way of leading in our agile 21<sup>st</sup> century environment. As a consequence, we made this question the central premise for this magazine. Our ambitious goal was to serve you with the »best« way to become agile. Unfortunately, the »best« way does not exist.

Hundreds of books try to sell Holacracy, Design Thinking, Lean Start-Up, Sprints, SCRUM, Teal Organizations, Organizations without Managers, Digital Transformations, and so on as pure doctrine for success. Luckily, you don't have enough time to read all of these clever books trying to convince you about the best way of future-fit management, anyway. Time is precious. So, we stuck to another premise: we decided to be exceptionally useful for your upcoming transformation.

We asked ourselves how we could provide an overview in the jungle of agile buzzwords. What new ways of leading create real impact and what's just the next management trend with a fixed expiry date? With this special edition of our Change Magazine, we are contributing to the need for a good overview of the most relevant »state of the art« leadership issues in an agile world.

The structure is designed to make it useful for any purpose. The first segment shows some condensed basic concepts as an introduction. The second part focuses on the roles of leaders in an agile environment, while the third part provides 24 practical tools for leading with higher impact in our complex world. Additional cases from frontrunners like ING, Buurtzorg or KEBA illustrate how a new organizational setup can create a strong competitive advantage in the 21<sup>st</sup> century. And last but not least, we spotlight the change towards a more agile organization, either by creating agile »islands« or by means of comprehensive transformation processes.

We hope you enjoy reading different angles and perspectives on this future-oriented topic. It's a pleasure for us to share our knowledge with you and give you an insight into how agility works within ICG. It's easy to dive into agility and use some practical tips for your daily work. There is definitely no harm in putting this magazine somewhere you can find it again, whenever you need to reflect on how to make your organization a bit more agile.

We are curious about your feedback and look forward to deepening the exchange about practices and experiences with you.

Afraid of not finding the magazine again when you need it? You can also download all articles from our website.



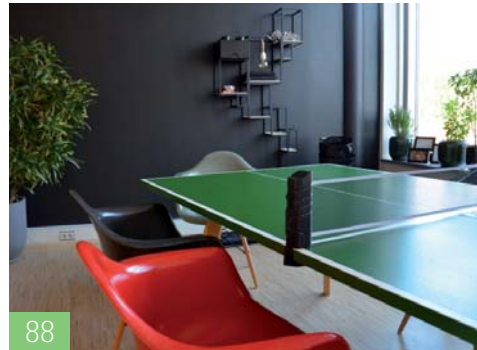
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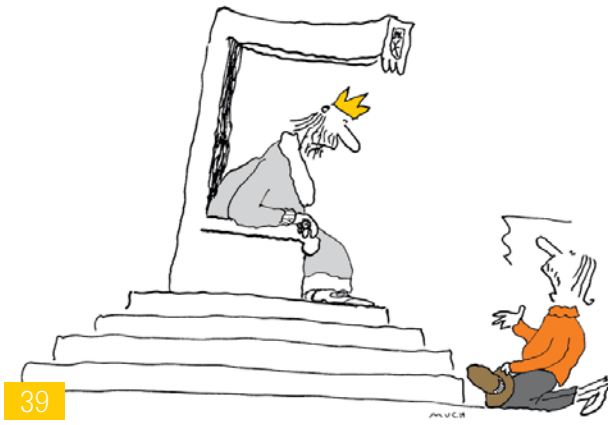
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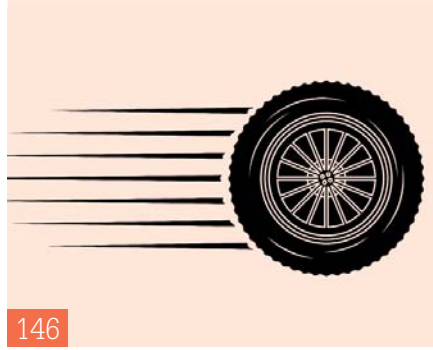
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**GETTING STARTED**

Basic  
Concepts



# Beyond Digital Technologies

Deeper understanding of digital as a driver of our VUCA world will decide about the future of your organization





Håkan Samuelsson, CEO of Volvo Cars, is a bold man. In January 2016 he stepped up to a podium and announced: »Our Vision Zero is that by 2020, nobody should be injured or killed in a new Volvo car.« It was instantly celebrated as a milestone by some and dismissed as illusory by others. Both sides could only agree on the fact that this would mean a revolution for mobility – and an iconic symbol that can be reached by the intelligent use of digital technologies.

by Markus Heingärtner and Richard Hübner



#### Recommended reading

»The Inevitable: Understanding the 12 Technological Forces That Will Shape Our Future«  
Kevin Kelly; Penguin Books; 2017

For a public accustomed to deaths and injuries on the road, the announcement shows a welcomed future of safe mobility. But is it even possible? It's safe to assume that Håkan Samuelsson is also a smart man who knows his organization's capabilities very well. A future of safe cars is achievable thanks to digitalization. Furthermore, it is only one of many examples giving an indication of the dynamics that arise with digitalization. Volvo aims to reach zero injuries within a very short time frame. Linearity and predictability of developments in a digitalized world no longer exist. The »exponential surprise factor« is becoming an important element of strategic planning (see illustration).

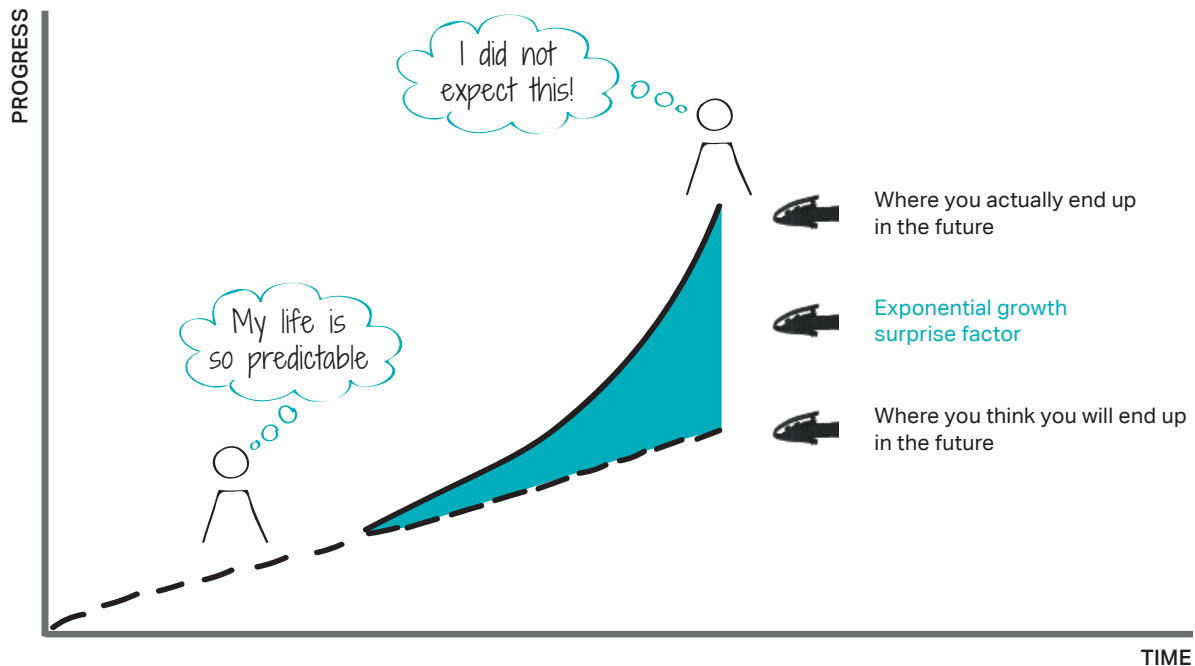
#### Stepping ahead

Understanding what is different about digital technologies and grasping their exponential dynamics is key. Kevin Kelly, longtime publisher of Wired magazine, derived twelve driving forces of digital technologies. For Kelly, such a force is described as development that, due to the inherent logic of technology, is similar to a law of nature, but its specific shapes like business models or technological solutions are not yet clear. Take mobile communication as an example. As a driving force, it was inevitable and also foreseeable in its general development many years ago. What was unforeseeable was that SMS would be one of its major applications. What could be such driving forces for the future?

#### »Cognify« / Artificial Intelligence (AI)

The next major technological step is comparable with the invention of electricity; AI is a way of creating »intelligent objects« that can make us more powerful. These objects are not limited to the physical realm, but also apply to scientific discovery processes such as chemistry as well as broad digital tools that we use. In comparison to the human mind, AI is extremely good at data memorization and processing. Based on AI, organizations will redefine their ways of problem solving, decision-making, administrating, information and communication management and other core processes of today's organization management. Significant improvements to savings in power generation, process quality and breast cancer diagnosis, for example already give a bold signal today as to what can be expected from AI and machine learning. ►

## The exponential surprise



Source: Singularity University

### From product to process

There will be a shift from pure physical products to digitalized physical products. This acceleration allows new types of usage and services. A washing machine might offer an individualized washing process, based on the specification from the smart/RFID chip-equipped T-shirt. This might lead to less water and energy consumption and better results. These newly digitalized products will redefine today's separation of product (T-shirt) and service (washing) and lead to as yet unknown new offerings.

#### »Sharing«

This trend is influencing how the overall economy works. Over two billion photos are shared on social media every day. Every person is becoming a producer of content and their own »Media Company.« Wikipedia and Stack Overflow are great examples of community-managed »knowledge bases of civilization.« For a long period of time this was a centralized business, run by editors like Encyclopedia Britannica and others.

Sharing is already destroying business models and developing new ones in parallel. Organizations need to review their own activities from a sharing perspective.

#### »Accessing«

Airbnb does not actually own any of the properties rentable through their platform. They are beyond possession and that marks the beginning of a new trend. More and more, we are using services instead of buying physical goods. Mobility-as-a-service (Car2go), software-as-a-service (SaaS) and even food-as-a-service are being discussed as future business models. Service-based businesses are focusing on access and timeliness rather than ownership of their underlying assets. This will result in faster customer service and cheaper prices.

#### »Screening«

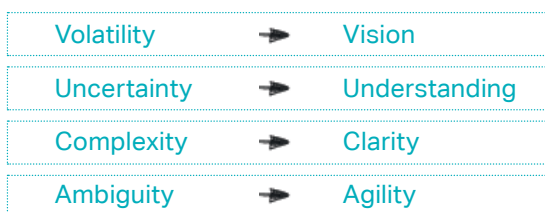
Every display delivers dynamic information and encourages interaction. Each screen is easy to manage

and allows one- or bi-directional communication. The result is a more connected world. »A smartphone as a service, anywhere« is a possibility, such as »built-in screen, instead of drywall,« as well as »screens built in to stuff.« Screens will replace many signs, badges and shields and will thus deeply change the way information and communication are organized. There will be a shift from addressing the group to targeting individuals.

### Be prepared

These driving forces show some of the chances digitalization brings. For organizations, great potential means a wide range of possibilities. With the increasing (exponential) number of possibilities, disorientation also increases. Failure through misuse or uncertainty in dealing with the new technologies leads to helplessness. The risk that we have to start over again from scratch increases, as well.

We know a lot of the emotions from VUCA environments which can be characterized by volatile dynamics, uncertain situations, complex relations and ambiguity. To use the dynamics of digitalization it is necessary to find answers for this environment:



So, with a good vision, understanding of digitalization, clarity about next steps and objectives as well as an agile approach to organization, leadership and project management, we will master digitalization fully.

In this sense, we understand an additional layer in Håkan Samuelsson's vision. By giving Volvo employees and customers the necessary orientation, the company is one step closer to successfully mastering the path to digitalization. They are therefore more likely to make profitable use of the potential digital technologies bring. It's worth taking them as an example and finding your version of a »Vision Zero« like Volvo did.

In our magazine you will find various methods for helping your organization master the dynamics of digitalization. ●

## Requirements for a vision in the digital age

(Singularity University)

### Massive

Audaciously big and aspirational.

### Transformative

Can bring about significant transformation to an industry, community or the planet.

### Purpose

There's a clear »why« behind the work being done. Something that unites and inspires action.

## Examples of far-reaching visions

TED: »Ideas worth spreading.«

Google: »Organize the world's information.«

Tesla: »Accelerate the transition to sustainable transportation.«

Github: »Social Coding.«

Uber: »The best way to get wherever you're going.«

Pinterest: »The world's catalogue of ideas.«



# Dinosaur Management

## Why traditional management fails in a VUCA world

Forget what you learned at business school. With its focus on hierarchy, detailed planning and fixed structures, traditional management is designed for a world that no longer exists.

by Dietmar Bodingbauer and Michael Faschingbauer

Traditional management is based on forecasting, planning, rewarding, organizing or developing. These strategies proved to be successful for the entire last century. Most of the concepts are rooted in the thinking of F. W. Taylor, who successfully boosted productivity in the context of stable mass production. Generations of managers were trained applying these 20<sup>th</sup> century principles. Unfortunately, this context no longer exists. Simply sharpening the old tools and concepts no longer works in a world of volatility, uncertainty, complexity and ambiguity (VUCA). Time to question some fundamental assumptions:

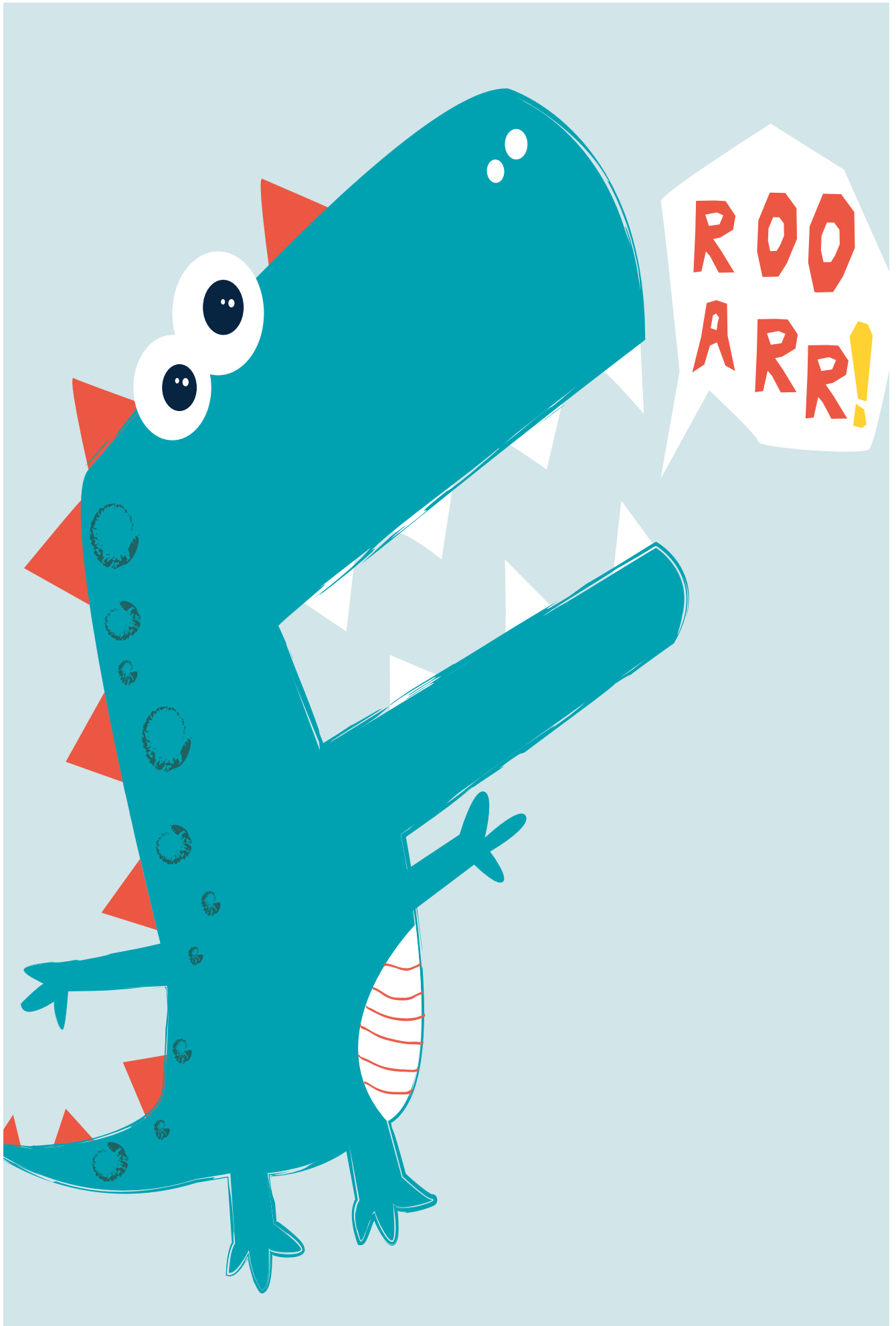
### Thinking vs. doing – the hierarchical concept

A clear decision hierarchy can be very useful: it provides management with levers of control and scale even in a big enterprise. But hierarchy also separates decision-making from doing. This separation works well in environments where the outcome of doing is predictable. As outcomes in a VUCA context are rarely predictable, the whole structure needs a deep understanding of context and quick reactions to the unforeseen. The higher the uncertainty, the more it makes sense to change the focus of decisions. It ideally shifts from the managers' offices to the point of operation or customer contact. ►



#### Recommended reading

»Drive: The Surprising Truth About What Motivates Us«  
Daniel Pink; Canongate Books Ltd.; 2018



### The trap of detail data

IT provides managers with instant access to detailed data about very specific aspects of a business. Numbers become the basis for remote decisions. As it is highly unlikely that the figures show the whole picture, oftentimes management has no clue what is really going on face-to-face with customers. Modern management takes a step back. The more complex the situation is locally, the more autonomy and self-responsibility it gets.

### Clearing structures

Generations of managers dreamed of friction-free organizations, with clearly separated tasks and a minimum of interfaces. Many organizations were built like this; enforced competition between units made things even worse. To enable innovation, we need to replace interference and competition with the idea of interfaces and cooperation. People working together and involvement of all relevant functions is a promising way out.

### Fixed and individual targets

In a stable environment, fixed, pre-negotiated targets like growing efficiency or turnover by a determined rate make sense. With volatile markets, too much fixation can lead to missed opportunities. Is your company sufficiently prepared if a certain market boosts or collapses? Ready if new technologies appear? Suddenly, a pre-negotiated goal can be out of reach as well as much too low. Targets have to accommodate fast-changing markets; it's advisable to link them to the development of the industry. And individual, function-

oriented targets might be counter-productive in situations where teamwork and a »widely held view« are necessary.

### Bonuses to foster performance

Variable, performance-oriented income is still considered a way to improve output and create motivation. This concept from the field of production – the more pieces you produce, the more you get paid – is not applicable for mental work. What is the problem with monetary incentives for brainwork? Recent studies (see author Daniel Pink) show that a bonus system only works to a certain extent. As soon as your income hits »no longer really having to worry about money,« these incentives even become counterproductive. The higher the bonuses, the lower the performance. Mismanagement by people in banking with enormous bonuses led to the financial crisis of 2008 and proves this observation in dramatic clarity. What brain-workers really need is summarized by Daniel Pink: Purpose (knowing what my work is good for), Mastery (growing my abilities through my work) and Self-Direction (a certain autonomy) rule.

That is what management in the 21<sup>st</sup> century must provide!

### Remove or get removed

Naturally, many people rely on often-practiced and well-learned behavior in complex and therefore threatening situations. To succeed, we dare you to try something new. Let go of outdated management paradigms and remove outdated thinking from your organization. Otherwise, it's quite possible that the next meteor will hit your business. ●

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»Control leads to compliance;  
autonomy leads to engagement.«

Daniel H. Pink



# A Holistic Model for Agility

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## Elements for future-fit organizations

Fast prototyping instead of detailed concepts, iterative steps, early results for reflection and learning, involving customers, self-organized teams, inspiring working environment, Kanban boards and some more aspects form the core of agile working. During the past few years, many organizations have made substantial progress in adopting agile methods in their way of working.

by Eva Grieshuber and Franz Schwarenthorer

Based on the learnings from our close collaboration with these successful projects, we have further developed our model »more agile organizations,« published in 2017. One of the key learnings from recent years is that organizations need a common basis before starting the journey towards more agility. Agility is not just a way of working, but a special kind of mindset. People in agile organizations share certain values and attitudes and act accordingly.

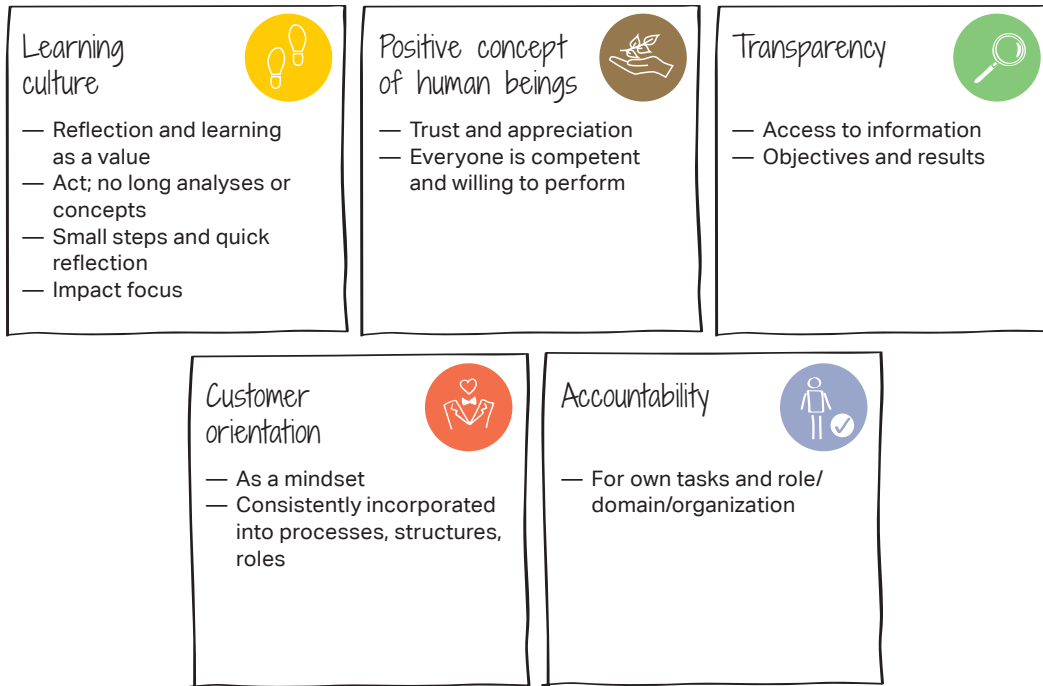
As long as the agreement on agile principles and beliefs is strong, agile organizational structures, tools and instruments (described later in the »seven elements«) can show the desired benefits. For more information, see the illustration on the next page.

### **Principles and beliefs**

#### **Learning culture**

Team goals, transparency, iterative steps and early results are the basis for common reflection and learning. In regular loops (e. g. on a weekly basis), teams review the status and, if necessary, adapt their approach. Once every four to six weeks they systematically review goal achievement and reflect on their cooperation in the team (retrospective). What counts most is the attitude of trying things out, being curious and seeing failures as a source of improvement and learning. ►

## Principles and beliefs as fundamental building blocks for future-fit organizations



### Positive concept of human beings

Agile teams define the goals they want to achieve and the way to achieve them on their own. Trust from the organization, and most notably, from the leaders, is required so that teams and individuals are able and willing to perform. Self-organized teams have to act highly autonomously within a specific framework. They need a common purpose and objectives, a clearly defined scope and conditions regarding infrastructure and resources. Our concept corresponds to »Theory Y – Concept of Human Being« (management professor at MIT Sloan D. McGregor). He states that »People want to grow and achieve goals.« Nevertheless, most companies are organized along »Theory X« (»People don't like to work and have to be forced«), which results in a leadership style of command, control and mistrust.

### Transparency

Self-steering without transparency concerning results is impossible. Committed teams need to know the actual status of progress and achievements on every

level. Transparency supports coordination and alignment, and fosters self-steering. Furthermore, when information is no longer an instrument of hierarchy but accessible to everyone, it can become a powerful tool to work with.

### Customer orientation

In a fast-changing environment, the constant involvement of customers in innovation and delivering processes is key. Find out what the customers need, present minimum viable products, receive feedback, improve and get a good product. This shifts the mindset from »we assume we know what the customer wants« to »we understand what the customer needs.«

### Accountability

In order to earn trust, teams and individuals have to show accountability for objectives, their own area of responsibility, as well as for the organization as a whole. They are able to fulfill their commitments and rise above their own »silo« to keep the common goals in mind.

## Model of seven elements

There is neither one unique vision of an agile organization nor a single path to agility. Each organization has to find its own approach. Before you are able to define the future picture of »your agile organization,« you will have to ask: What should agility be the answer to? What do we want to achieve?

On the one hand, you will find several reasons outside the organization (VUCA, ever-faster changing environment, more demanding customers, ...). On the other hand, you can identify reasons inside the organization (Generation Z, more demanding employees concerning an attractive purpose of the organization, the leadership style, their involvement in goal setting and decisions, ...). These conditions form the basis for applying the seven elements of our model (see illustration on the next page). What could be a good vision of our company being more agile? Which elements could be helpful for us to head in this direction? Where should we start?

### Strong purpose

We don't just randomly start our journey through the model at the center. The purpose forms the foundation for collaboration in the organization. It provides answers to the important questions: »What do we want to bring to the world and to our stakeholders?« »What is our contribution to society?«

#### EXAMPLES

- ➔ **IDEO:** »We create positive impact through design.«
- ➔ **Google:** »Organize the world's information and make it universally useful and accessible.«
- ➔ **Singularity University:** »We want to make a better living for 1 billion people.«

Strong purpose, a clear strategic ambition and shared values serve as the guiding framework for teams and individuals to act in a self-directed manner within these clear boundaries.

An attractive and meaningful purpose brings orientation to teams, helps prioritize their resources and defines how they can best contribute to fulfilling the common goal. In (more) agile organizations, so much time

is spent on dialogue. This serves as a reminder of purpose and strategic ambition and helps translate it into more concrete goals. It is also necessary to pay close attention to the organizational culture by reflecting and further developing the norms, values and basic beliefs regularly. Which aspects of our culture support our purpose, strategy and agility? Which aspects hinder living this purpose? Can we implement trust, transparency, accountability, appreciation and openness to support agility?

### Agile structures

With the second element of our model, we describe an organizational setup that combines the »best of both worlds.« We aim to operate efficiently and effectively (OPEX) while being able to quickly adapt to changing needs with a combination of stable and flexible elements. Stable elements are, e. g. clear roles and responsibilities combined with a small set of core processes. This allows quick reactions since there is no longer the need to agree on »who is doing what« every time. These roles and processes are certainly not carved in stone; they are reviewed regularly and changed if necessary.

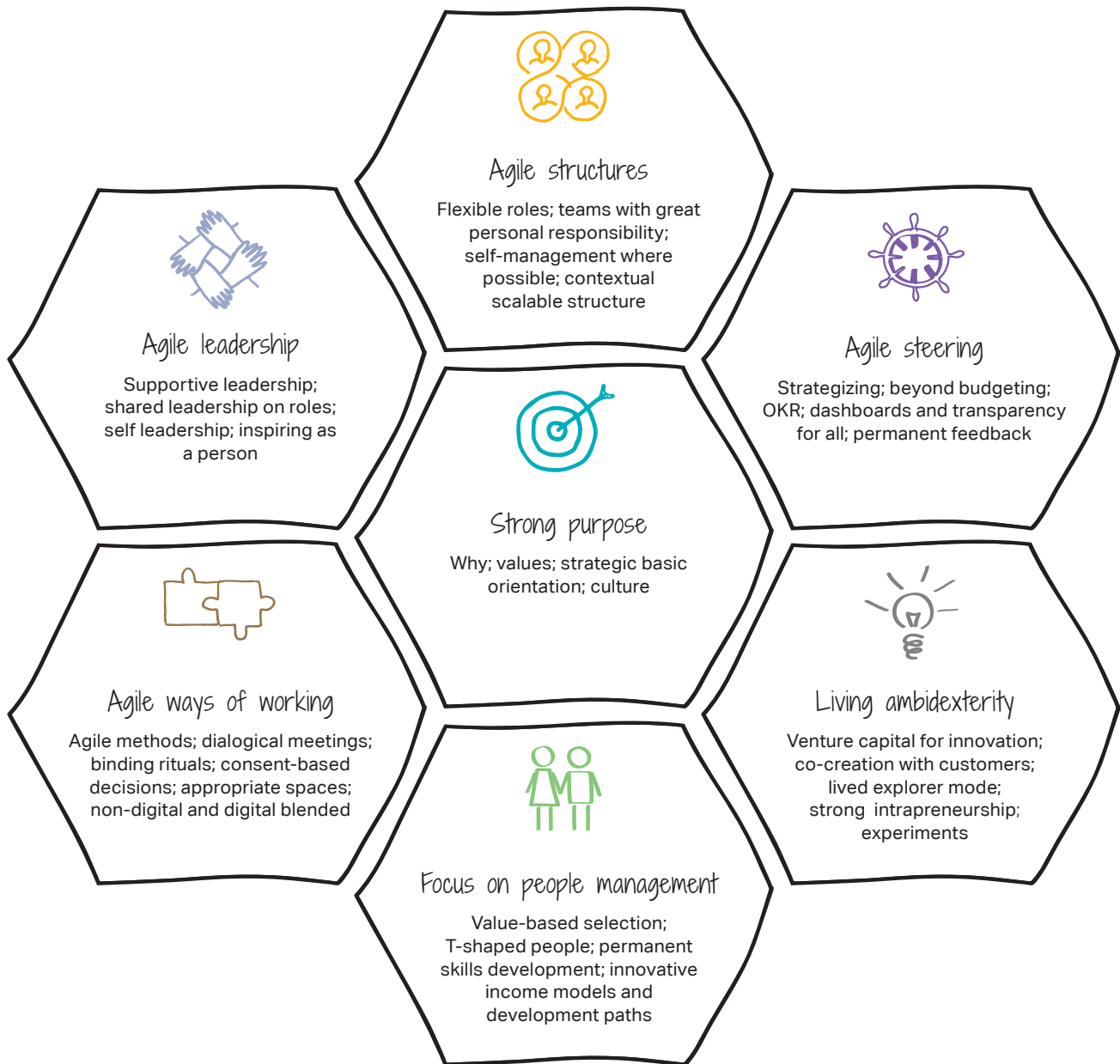
We create (high-)performing, self-organized teams with end-to-end perspective and full accountability. Teams can be seen as organizations' smallest building blocks. Ideally, the whole organization works as »a team of teams« (see book recommendation). By focusing on the support and development of the team structure – if necessary, break up teams or kick off new teams – agile organizations can adapt more quickly to changing needs. Multiplication and the coupling of teams allow you to scale the organization quickly.

### Agile steering

Steering in a (more) agile organization differs in various aspects, one of the most important ones being transparency. An agile structure needs openness and full access to all kinds of information as well as a timely and accurate overview of activities and results. Kanban boards or dashboards on objectives and results on individual, team and aggregate levels (OKR – Objectives and Key Results) help to achieve transparency. Additionally, it fosters a high level of self-steering in contrast to steering centrally (by superiors, by program or project managers, etc.). Based on the data provided, reflection and feedback are key for (self-)steering and learning. In agile organizations, feedback is anchored on various ►



Our model of seven elements for more agile and future-fit organizations



»You get the best out of employees when you treat them as entrepreneurs.«

Jurgen Appelo

levels: mindset, culture, processes and tools. On the mindset level, this means giving and receiving feedback is seen as a value and gift; it is a natural part of culture. Feedback ideally takes place informally and timely, as well as in an institutionalized, structured way by using proper tools. Steering in an agile organization always relates to the strategy. Instead of long-term strategic plans and huge project portfolios, organizations need to focus on observing outside and inside developments, quick interpretation, regular reflection and, if useful, adaptation on the operative, strategic level.

### Living ambidexterity

»It's not either or; it's both and more.« This principle is especially true when it comes to the question of whether to focus on operational excellence or innovation, a question we still frequently hear. In agile organizations, both can be achieved with an ambidextrous operating system. This does not only afford appropriate processes and roles, but is also a specific mindset. While many organizations have a strong OPEX mindset, the innovation mindset is often less developed. It includes a strong emphasis on co-creation with customers, intrapreneurship and exploring. Prototyping – and failing – is seen as normal and therefore appreciated. An agile mindset opens possibilities for innovative budgeting and funding. Venture capital is no longer steered merely by expected return and costs, but regarded as a bundle of investments.

### Focus on people management

Good human resource management is a strong enabler for future fitness. Beginning with the selection and hiring process, focusing on attitude instead of skills and a strong fit between individual and organizational values supports team development. Ideally, teams are diverse. Individuals are »T-shaped,« ensuring the necessary depth of expertise in a special field as well as a kind of higher-level understanding of other fields of expertise. The feedforward process of permanent skill development in various learning formats and continuous performance management supports self-development to mastery. Combined with innovative development paths, like expert careers instead of hierarchical career paths, new income models and team or cross-team instead of individual incentives, you gain a highly attractive environment for committed people.

### Agile ways of working

Agile methods foster creativity and the generation of ideas. Many methods like Design Thinking, or consistent and clearly structured development and deployment, e. g. SCRUM – i. e. working in sprints – play a crucial role. Dialogical meetings in a professional way – clear objectives, agendas, roles, time-boxed, adequately prepared and followed-up – and appropriate ways of decision-making, e. g. consent, integrative decision-making or systemic consensing – are key elements of agile working as well. Multi-usable spaces for collaboration, a digital mindset, tools and processes combined with non-digital ways of working in a »blended« mode top this off. Applied consistently and reflected regularly, it will not only improve the application, but also support the necessary mindset change.

### Agile leadership

It is not true that agile organizations do not have leaders and hierarchy. But the understanding of leadership is quite different from the status quo in many organizations today. Agile leaders see their role as supporter, as servants of the organization and their teams. Their role is to coach, ensure the right framework and conditions, and take care of alignment instead of »order and control.« Leadership is not assumed by one single person, but »shared« by having different roles and accountability for different domains. It may happen that one attends a meeting in a leading role and the next meeting as a »normal« team member. Last but not least: A central concept of leadership in an agile organization is self-leadership: »lead yourself instead of being led.« Everybody feels accountable for doing the right things in the right way and for their own development. In this sense: there is no need to wait for your boss to become agile; you can start in your own circle of influence today. ●



### Recommended reading

»Team of Teams: New Rules of Engagement for a Complex World«  
General Stanley McChrystal, David Silverman, Tatum Collins and  
Chris Fussell; Portfolio Penguin; 2015

# Understanding SCARF

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Use a key success factor to work effectively in agile environments

The better your people work together, the better your organization will meet the complex challenges of today's interconnected environments. By anticipating human nature and using effective means of communication, you will be able to shape a better team.

by Hans Bodingbauer

Let's find an example many of us can relate to. Since Nicole got her well-deserved promotion, she has been extremely motivated to manage her team properly. During her first meeting in a leading role, she notices that one of her team members is using a software tool incorrectly. She offers Tom some advice and continues with the meeting. Several days later, Tom is still misusing the tool. So, she decides to sit down with him to help him get it right.

Over the next few days, Nicole notices that Tom has become distant and somewhat detached from his work. He refuses her offers of support and avoids talking to her whenever possible. Nicole is perplexed and confused. All she wanted was to help Tom get it right. What went wrong? If Nicole had known the SCARF model, she might have been able to find a clue. She would have realized that Tom's intention was not to be difficult; he felt threatened. The way she handled the situation, she made Tom feel silly and stupid instead of empowered.

## What is SCARF?

The model was first published by David Rock in 2008 in his paper »SCARF: a brain-based model for collaborating with and influencing others.« The model was developed based on results from studying the brain in the



### Recommended reading

»SCARF: A Brain-Based Model for Collaborating with and Influencing Others«  
NeuroLeadership Journal; David Rock; 2008





field of social, cognitive and affective neuroscience, which explores the biological foundations of how humans relate to each other and to themselves.

SCARF is an acronym and stands for the five key domains that influence our behavior in social experiences:

- S** **Status** – our relative importance to others.
- C** **Certainty** – concerns about being able to predict the future.
- A** **Autonomy** – the sense of control over events.
- R** **Relatedness** – the sense of how safe we feel with others.
- F** **Fairness** – our perception of fair exchanges between people.

Each of these five domains either activate the threat or the reward responses in our brain. According to integrative neuroscientist Evian Gordon, the principle of »minimizing danger and maximizing reward« is an overarching organizing principle of our brain. It will either tag a stimulus as »good,« and the person will approach it, or tag it as »bad,« and the person will avoid it. This approach-avoid response is an important survival mechanism helping us to quickly decide what's good for us and what's bad.

### Feeling left out

These decisions are primarily triggered in the limbic system of our brain. Our reaction has often been determined even before we are consciously aware of the stimulus. This explains that we sometimes show strong emotional reactions to social situations – and why it's ►

often hard to control them. Not being part of a group might be perceived as a threat to our status and relatedness. Research has shown that this response stimulates the same brain region as physical pain; our brain is sending out the signal that we're in danger. When we feel threatened – either physically or socially – the release of cortisol (the »stress hormone«) affects our creativity and productivity. We literally can't think straight, and this increases the feeling of being threatened even further. On the other hand, when we feel rewarded, our brains release dopamine – the »happy hormone.« Eager for more, we seek out ways to be rewarded again.

### Utilizing SCARF

Understanding these principles helps minimize the easily activated threat response and maximize positive engagement states of the mind while collaborating with and influencing others:

#### Status

Our lives revolve around relative importance and how we experience our importance compared to others. It is about »pecking order,« seniority and our understanding of our place in the group as well as the world. Status needs to be established following every organizational change. As a leader in the digital age and of a more and more agile organization, you might need to think deeper about how to increase commitment levels and find new roles and rewards.

#### Certainty

Being able to predict the future is a safety feature. As our brain is a pattern-recognition machine, finding a pattern to predict the future allows the brain to save energy. Drive down a familiar road and your brain switches to an energy-saving mode, which feels like running on »autopilot« in this state. Every small amount of uncertainty generates an »error« response which cannot be ignored until it is resolved. Uncertainty generates stress and can even be debilitating. A big part of leadership is decreasing uncertainty and increasing certainty.

#### Autonomy

Provide people with control over their environment. The sense of having choices feels rewarding. Working

in teams, however, reduces autonomy. This effect can be counteracted through an increase in status or relatedness or by setting up self-organizing teams. It may be hard sometimes for managers to provide choices instead of giving how-to directions, but it always pays off, as perceived autonomy releases dopamine and increases commitment.

#### Relatedness

How safe we can feel being around others is very important. We are very quick at deciding whether others are friends or foes. Over millions of years, we have learned to recognize whether we are inside or outside of a group. To form a team, it is essential to increase rewards in the form of relatedness. Fostering social networking and providing time for building personal relationships shows great effects.

#### Fairness

Have a close look at the perception of exchange; unfair exchange generates a strong threat response. Fairness influences engagement heavily. Statements like, »they talk the talk about cost-reduction, but at the top they still get their huge bonuses!« is a clear threat response. Transparency, clear expectations, an increase in communication and more involvement in business issues can help reduce the threat of unfairness. Perception of fairness is key; even a slight reduction in executive pay in difficult times will go a long way in lessening the feeling of unfairness.

Adopting the domains of SCARF as both a leader and a team member will lead to better and more effective cooperation. ●

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»SCARF: a brain-based model for collaborating with and influencing others.«

David Rock

# Overtaking Lanes

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New ways with new organizational setups

Agile organizations are outpacing their competitors in many fields. Based on their business model and structure, companies use different models of agility to move ahead.

by Eva Grieshuber



## Suggestions for lazy Sundays, traveling times or other kinds of quality time

»Accelerate: Building Strategic Agility for a Faster-Moving World«

John P. Kotter; Harvard Business Review Press; 2014

»Reinventing Organizations: An Illustrated Invitation to Join the Conversation on Next-Stage Organizations«

Frederic Laloux; Nelson Parker; 2016

»Holacracy: The New Management System for a Rapidly Changing World«

Brian J. Robertson; HENRY HOLT; 2015

»Exponential Organizations: Why new organizations are ten times better, faster, and cheaper than yours (and what to do about it)«

Salim Ismail; Diversion Publishing; 2014

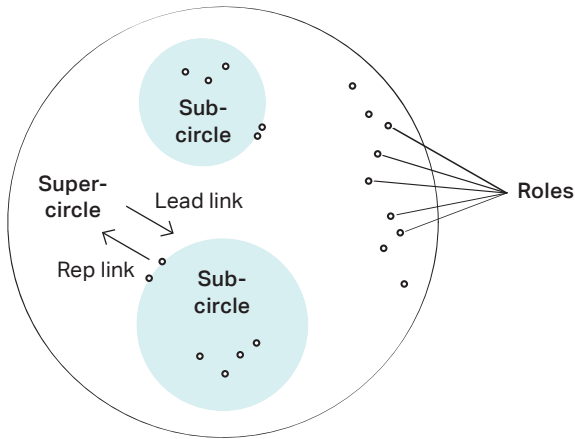
While in some companies the confusion as to the meaning and concept of agility prevails, others use their knowledge advantage for a head start. With many successful examples, agility itself has left its infancy behind. New ways of working are well elaborated, described and applied in an increasing number of organizations. This is not just true for well-known methods like SCRUM, Kanban or Design Thinking, but also for organizational setups. A huge number of different organizational types are categorized nowadays as agile. You may have heard about »Holacracy« or read Laloux's »Reinventing Organizations,« to name just two prominent ones. To keep track and stay ahead, we have compiled this brief overview of different types of agile organizations, without claiming completeness. We focus on the most famous ones with the most potential in a fast-changing, volatile and uncertain world.

## Overview: five types of agile organizations

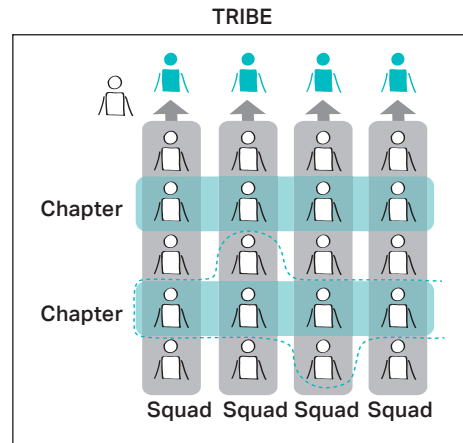
These agile structures take advantage of fast opening and even faster closing windows of opportunity. They outperform traditional organizations in terms of dealing with uncertainty, in terms of velocity and often also growth. Furthermore, they offer attractive working environments for committed and competent people. ►



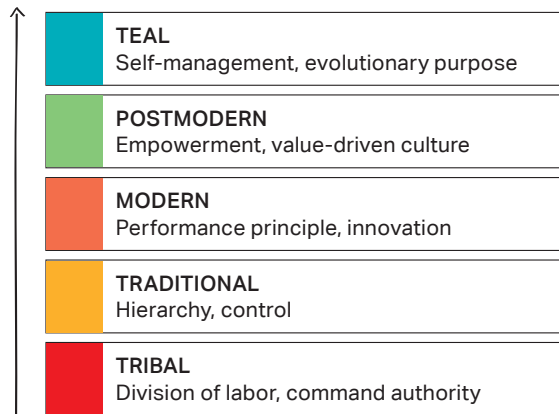
1 HOLACRACY



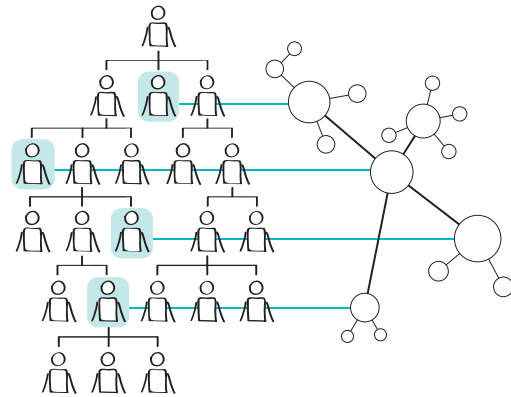
2 LARGE SCALE SCRUM



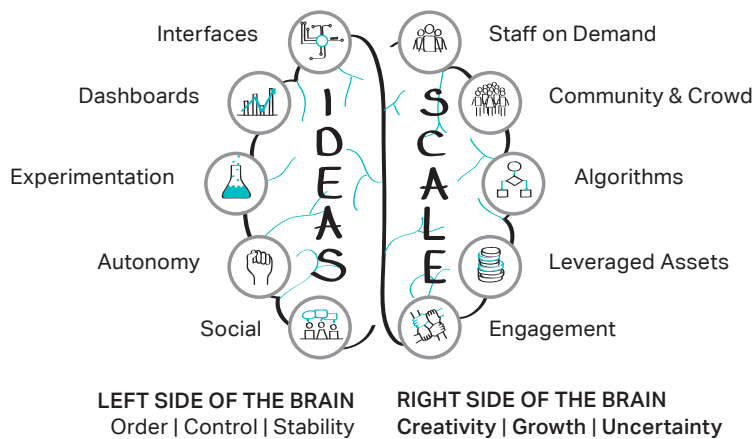
3 TEAL ORGANIZATIONS



5 DUAL OPERATING SYSTEM



4 EXPONENTIAL ORGANIZATIONS ExO



Sources: Fig. 1 in Brian Robertson: Holacracy, 2015; Fig. 2 The Spotify Model; Fig. 3 in Frederic Laloux: Reinventing Organizations, 2015; Fig. 4 in Salim Ismail: Exponential Organizations, 2014; Fig. 5 in John P. Kotter: Accelerate: Building Strategic Agility for a Faster-Moving World, 2014

1

## HOLACRACY

### »Crystal clear rules, roles and responsibilities«

One of most radical approaches throws the existing paradigms of hierarchy and traditional management overboard. The US online shop Zappos is one of the most well-known examples successfully implementing this new operating system. Top-down management is no longer needed. Members of the organization do not have hierarchical positions, but are structured in circles and roles. All roles come with the responsibility for a bundle of tasks. Several roles belonging together are grouped in a circle for a certain area. These circles cover all functions necessary for the organization to perform and develop – such as marketing, finance, etc. All levels of scale – circles, teams, individuals – act purpose-driven. Power is distributed throughout the organization, aligned to a common purpose. In combination with a high level of transparency regarding activities, projects and achievements, this allows individuals and teams freedom to self-manage within their and the organization's purpose. Agility is not only realized through this greater autonomy, but also through a taking-action mindset and elements supporting responsiveness. Every organizational member acts as a sensor for internal or external developments and needs for change. Structured ways help to address these needs and offer proposals for solutions in dedicated meetings. The concept of holacracy shows great potential but is still discussed controversially. Critics find it overstructured, too technical (also referring to the central idea of holacracy as a new operating system), too narrow. Others underline the human side effects of the transformation. Losing (too) many competent staff members due to irritation or loss of formal power and sometimes also money, in case managers are not being paid like managers any more, is one of the downsides.

2

## SCRUM

### »The organization as a team of teams«

Types of organizations not strictly defined in the principle of holacracy can be summarized as »SCRUM-

derived organizations.« Spotify and ING are well-known examples. The central element of this type of organization is a high degree of autonomy and self-management on both team and individual levels. SCRUM-team-based setups are scaled up to much larger organizational units. In this sense, they can be called a »team of teams.« Teams, often called squads, are the smallest building block of the organization and set up according to SCRUM principles. Interdisciplinary T-shaped teams work end-to-end toward achieving their own missions. They have full responsibility for a defined area, often a product/service or parts of it. Squads define by themselves what to do and how to do it. They are very closely aligned to the organizational purpose and internally organized by means of clear roles – expert/developer, agile coach, product owner. Squads are grouped into larger entities, called tribes. Tribes are often defined as product or service groups – in any case strongly customer and market-oriented. Leadership is again distributed in the organization: self-management on individual and team levels, by product owner, tribe leads, etc. shape the responsibility for alignment with the organizational purpose and coordination between and with squads, tribes or chapters (kind of teams of expertise).

3

## TEAL ORGANIZATIONS

### »Evolutionary purpose and strong values«

Many of the aspects described until now – high autonomy of teams and individuals, distributed leadership, strong purpose, teams as building blocks of an organization – are true for teal organizations, as well. Whereas holacracy stands for a very precisely defined operating system for the organization, teal organizations show quite a huge variety in terms of concrete organizational setups. What they have in common is a foundation of purpose and strong values applied in everyday life. These organizations are mature, and achieve »a new stage of consciousness.« They represent the highest level of development. Coming from (1) tribal types of organizations (red) as the first stage with fear, power, command and control as key elements to (2) strongly hierarchical, conformist organizations (amber) like churches, schools and military to (3) goal-, competition- and achievement-driven organizations (orange), ►

and (4) culture-driven organizations (still in the logic of the classic pyramid but focusing on empowerment) (green) and to finally (5) end-up in the teal organization with purpose as the guiding principle. This strong context provides orientation and alignment throughout the structure. Teams and individuals strongly focus on their best contribution to the organizational mission according to the defined values. Teal organizations often share a set of similar values. Wholeness, community-orientation and individuals who engage, show competence and are willing and able to work and perform are also found. So, command and control are not necessary; on the contrary they hinder individuals from living up to their full potential. Teal organizations often share openness, transparency and a high level of customer orientation. Buurtzorg, one of the most prominent examples, shows how the transformation of an organization can contribute to a better world. It offers staff-members the best conditions possible and unfolds the highest service quality for their customers' needs.

4

#### EXPONENTIAL ORGANIZATIONS ExO »Faster, better and cheaper«

Looking at exponential organizations, the concept of a purpose occupies a pivotal position. It is no longer purely a guiding principle, but also a driving force as a »massive transformative purpose (MTP).« ExOs have the ambition to change the world or, at least, disrupt industries. In order to do so, they have the drive to grow much faster than average and be faster, better and cheaper. As other agile organizations, ExOs focus on purpose, autonomy, transparency and experimentation. What distinguishes ExOs from others is their even stronger focus on elements that allow scaling up rapidly by outsourcing and the use of technology, namely »staff-on-demand,« »leveraged assets« and »algorithms« – three out of five external factors of the ExO-organizational model. This is very obvious in the case of Uber: no own cars, no employed drivers, multiplication of services by the use of a technological platform built for high flexibility, low costs, strong growth. By breaking existing rules and utilizing non-regulated areas (some might call it exploitation of »gray areas«),

Uber has disrupted the personal transportation industry, leaving taxi services behind. The challenge of ExOs is to attract, coordinate and retain external resources. The answer is to find an attractive purpose and a range of technical and non-technical approaches for community management and collaboration in a network. In the ExO model, the internal and external factors are summarized by two acronyms: IDEAS (interfaces, dashboards, experimentation, autonomy, social technologies) and SCALE (staff-on-demand, community and crowd, algorithms, leveraged assets, engagement).

#### Radically pure or a successful compromise?

All organizational types described above are presented as archetypes; their different aspects are not mutually exclusive. On the contrary, some of the companies described could be assigned to more than just one type. What all models have in common is that they are radical new types of organizations breaking with the paradigms of traditional hierarchy. In most cases, rather young organizations apply the principles of agile organizations from scratch and to the full scope of their organization. But there are also successful examples of organizations pacing a fundamental transformation in an agile manner. They usually start with pilots in parts of the organization in a reflecting and (r)evolving process. ING, for example, started transformation in their branches with market and customer interfaces such as product/service development and delivery. Sometimes, administrative units like finance keep their setup and just adapt to the more agile units as far as it is needed and useful. In the long run, they face an ongoing challenge, as well. This might be the reason why some organizations like Buurtzorg, also coming from a traditional setup, have totally transformed all administrative units of their organization.

5

#### DUAL OPERATING SYSTEM »Best of both worlds«

Another way of embracing »the best of both worlds« is what Kotter calls a »dual operating system.« The traditional hierarchical operating system is complemented

by a second, more agile network structure. This second layer within the organization works in an agile manner, more dynamic and freed from bureaucracy. Ideally, it provides space for innovation and transformation initiatives. In order to avoid pitfalls like conservative budgeting/investment approaches, cultural misfits or isolation from the rest of the organization this second layer is connected to the traditional organization by some structural elements, the core of which is the »guiding coalition« representing each level and department of the classic organization. Together with the »army of volunteers,« people who are committed to

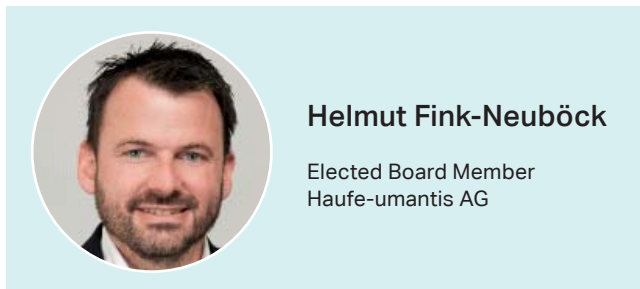
the strategic ambition, they drive institutional change. Leadership supports engagement, provides transparency and celebrates success.

### There is no »one size fits all«

Unsurprisingly, there is no blueprint for the only possible structure; one principle does not fit all. For the last few years, a huge variety of agile organizations have emerged, evolved and thrived. Watching them closely, we gain valuable insights into successful strategies for developing organizations. ●

## INTERVIEW

# What does agile mean for Haufe-umantis?



**What does the organizational setup of Haufe-umantis look like and what was the decisive factor in shaping the organization in this way?**

Helmut Fink-Neuböck: Haufe-umantis abolished functional organizational design and created so-called missions. These are strategic business units geared to different markets. The missions as independently operating business units assume end-to-end customer responsibility over the lifecycle from early innovations to the exit from mature markets. This means that they are in line with the maturity of the respective segment – from the long-standing mature existing business where predatory competition, profitability and scaling are at stake, to internal start-ups that jointly develop innovations with customers and test them in the market and disrupt the existing business.

**What do you see as the greatest force?**

Helmut Fink-Neuböck: We compare these independently operating units with boats – a white water raft needs other talents, has a different dynamic and timing and is controlled according to different performance criteria than a cruise ship. Functional units such as sales and marketing, product development or technology are part of the missions and are networked with each other in Communities of Practice. The strategic framework is defined centrally by an internal »venture capitalist« and »business angel.« Strategic decisions are coordinated in cross-mission committees. Successful start-ups are not transferred to the existing business units, but are developed according to their maturity level. Talents from more mature units go on board. Over time, people who are good at scaling business complement the early founding teams.

**What happens next ...?**

Helmut Fink-Neuböck: Inspired by Geoffrey Moores ([www.geoffreyamoore.com/](http://www.geoffreyamoore.com/)) »Zone to Win,« we will continue to develop our organization and combine the best of both worlds of start-ups and corporates.

Thank you for the interview!



# Entrepreneurial Effectuation

Thrive (and don't just survive)  
in a VUCA world

Imagine if the Kodak management could time travel back to the meeting in 1977 where they dismissed the idea of commercializing their patent for a digital camera. With knowledge from today, they would almost certainly take a different decision. How to deal accordingly with this kind of uncertainty in an entrepreneurial way will help you thrive under VUCA.

by Michael Faschingbauer

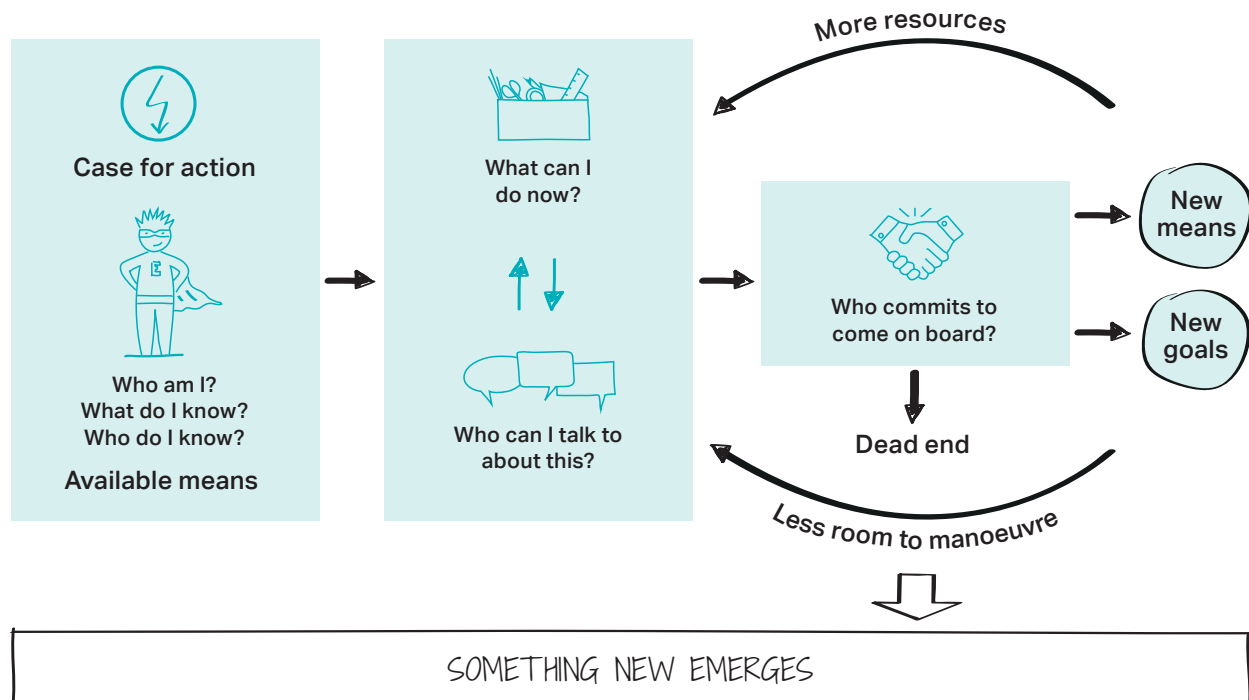
What happens if people walk into a corporate meeting with an uncertain idea that might have a positive impact on the company's business? Chances are high that they will be asked to provide a viable business case before they get the »license to act.« But what if you just can't provide reliable data, because both idea and context are highly uncertain? Most likely, your proposal will be dismissed. As seen in history, basing early stage business decisions on prediction and planning logic can kill a whole company. At the minimum, it is a serious barrier to innovation. What are the options when prediction and planning just do not work yet?

## Entrepreneurial vs. managerial expertise

It might make sense to look at the breed, that thrives under uncertainty: expert entrepreneurs. Two decades ago, Professor Saras D. Sarasvathy started to study them through the lens of a cognitive scientist and made a fascinating discovery. Expert entrepreneurs (unlike corporate managers) tend to wave predictive information when making decisions under uncertainty. With gaining experience, they all tend towards a logic of non-predictive control, which Sarasvathy named »Effectuation.« Today, in times of an ever-increasing level of volatility, uncertainty, complexity and ambiguity, Effectuation as a way of thinking, deciding and act- ▶



## Effectuation – how entrepreneurs create value in the VUCA-world



ing is becoming highly relevant for companies. It provides a rational remedy for analysis paralysis and makes them capable of acting again, when sit-and-think just does not do the job (see illustration).

### What to do if prediction is impossible?

At its core, Effectuation as the logic of non-predictive control can be described in these four principles:

#### 1 Start with the means at hand

Take action based on what you (personally as well as on the company level) have available (your purpose and preferences, what you know already, and who you know) instead of trying to set SMART targets to reach a predicted optimal position.

#### 2 Think about »affordable loss«

Pursue interesting but uncertain opportunities, despite not being able to predict the expected return. Limit your downside potential, however. Only invest resources up to a level you can afford to lose.

#### 3 Leverage contingencies

Surprises are good in an uncertain context. New developments encourage imaginative re-thinking of possibilities and continual transformation of your preliminary targets.

#### 4 Engage in early partnerships

Don't try to find the perfect partners – start out with the ones who are available and willing to commit to something early in the process. Strategy is created jointly through partnerships that shape new opportunities where everyone who commits, benefits.

Note that these principles are the exact opposite of what you learned at business school. In the predictive MBA logic, you would start by defining clear targets (instead of starting with available means). You would decide based on expected return (instead of affordable loss), avoiding (instead of embracing) contingencies. And you would seek the perfect (instead of the available) partnerships based on thorough stakeholder analysis. That makes perfect sense, because all of



these corporate principles are optimized for an environment where prediction works. But all of them fail in the VUCA context (see also article »Dinosaur Management,« page 12).

### How companies benefit from Effectuation

The predictive corporate mindset works like a native language: It goes without saying. But in the contexts where uncertainty caused by new technologies, fickle customers, creative competitors and even government regulation is on the rise, thoughtful prediction and planning – the dominant elements in this language – are close to useless. As a cure, Effectuation can be introduced to a company like a foreign language:

- As the working language for those, who are confronted with highly uncertain tasks in e. g. innovation, corporate venturing and business development.
- Managers and leaders can learn Effectuation as a second language. They need to be able to switch to the other non-predictive tongue whenever they deal with highly uncertain topics.
- Finally, everyone at a company in the VUCA environment should learn some basic vocabulary in the foreign language; perhaps not to actively use it in their daily business, but to understand why the ones dealing with the uncertain »sound« (think, decide and act) so different.

That said, you might wonder how to get started. Well, you can learn the basics from books or in the classroom, but in the end you will only learn a language by applying it.

To get a first practical idea as to how to change your company to be bilingual, read the article »The Market of Makers« on page 77 in this magazine. ●

### Hard to unlearn: The habit of prediction

Recent scientific experiments at International Institute for Management Development (IMD) in Lausanne show how deeply we have internalized the necessity and benefit of prediction. Experienced managers had to act out a decision-making scenario. The more they were confronted with a volatile and uncertain situation (new or merging competitors, new technologies or changes in the environment), the more they tried to apply predictions, even if it proved useless. Unsure what to do next, they relied even more on their proven recipes than a group of peers who acted out a scenario in a predictable environment.



#### Recommended reading

»Effectual Entrepreneurship«  
Stuart Read, Saras Sarasvathy, Nick Dew,  
and Robert Wiltbank; Taylor & Francis Ltd.;  
2016

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»The expert entrepreneurs think in terms  
of control, not in terms of uncertainty.«

Saras D. Sarasvathy







**GETTING SUCCESSFUL**  
Me as a  
Leader



# Accountability

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## Get to the core of agile leadership

How does leadership change in an agile scenario? What is the leader's role in a transition towards more organizational agility? And what does leadership need to make an impact in an agile environment? These are the main questions we need to answer.

by Kurt Mayer

The business world is changing dramatically. Acceleration, growing complexity and permanently facing the unknown have become the norm. Organizations must respond faster with fewer resources to keep up with the ever-changing environment. Staying successful requires agility and hence, organizations that are more like »tent cities,« »speed boats« or »drones« and less like »castles,« »oil tankers« or »jumbo jets.« But how does this look in practice?

Here is a story of non-accountability from my own experience. In 2011, a client sought coaching and wanted to reflect her own role and leadership responsibility on the crisis of her own corporation. She was working as an executive in the department of innovative financial products at an Austrian bank. This bank was still deeply affected by the world financial crisis of 2008/09 due to a series of risky derivative transactions the institute had been involved in. The story she told was one of a lack of space for reflection and feedback in this environment. Any critical examination of risky business practices was interpreted as the personal weakness of the person who had the courage to point it out. It was a story of a lack of synopsis of the complex transactions whose overall risk was spread across several departments. Everyone could only see – like in the parable of the blind men and the elephant – the part of the elephant he or she was specialized in. And it was a story of financial targets aimed at the interests of shareholders only. From 12 percent ROI (Return On Investment), to 15 percent, to 18 percent and finally to 25 percent; they were set by the share-

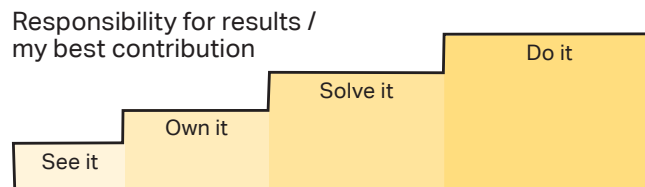


### Recommended reading

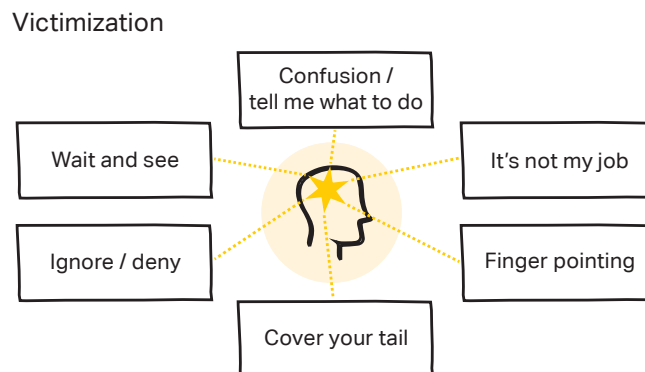
»Fix It: Getting Accountability Right«  
Roger Connors and Tom Smith; Portfolio; 2016

## The Oz Principle

ABOVE THE LINE  
Steps to accountability



BELOW THE LINE  
The blame game /  
the spiral of victimization



holders without any negotiation with management and employees as to if and how this could possibly be fulfilled. A potential negative impact of these unrealistic targets for the actions and mindset of the people inside were completely neglected.

### Playing the blame game

The consequences were clearly noticeable. People inside the bank – both employees and executives – focused entirely on avoiding failure within their own individual responsibility. They sensed that something was going down but were no longer able to see the wood for the trees. Furthermore, in a basic atmosphere of anxiety and merciless pressure from outside, they felt unable to speak about it. Instead, they fell increasingly below the line (playing the blame game in the victims' spiral). Connors and Smith (see e. g. recommended reading) described this phenomenon, referring to a behavior of excuse making, blaming others, confusion and an attitude of helplessness (see illustration). In their famous study »The Oz Principle,« they found out that in modern business environments full of dynamics, uncer-

tainty and interdependencies, there is a lot of seduction and emotional incentives for managers and employees to keep themselves as a victim. This dynamic is often so powerful that it can trigger a major corporate crisis like in the case of Arthur Andersen, WorldCom or Enron or in the case of the Austrian bank mentioned above. Once stuck in the victim cycle, managers and teams play the blame game. They begin to lose their spirit until, eventually, they feel completely powerless.

### Unstoppable descent

It usually begins with »ignore and deny« – creating an environment where no one acknowledges the truth and people don't speak up since they perceive themselves as victims. As victims, they are hardly inclined any longer to devote additional effort without sufficient reward. »It's not my job« becomes the typical excuse for inaction and avoiding responsibility. Finger pointing is the next stage aiming at denying responsibility for poor results and trying to shift the blame to others. Confusion is the third stage of pushing away responsibility. People fall back into typical hierarchical patterns and ►



ask for clear commands. »Given all these mixed signals, just tell me exactly what to do and I'll do it« is a typical request here seeking to avoid any risk of failure. It leads directly to a »cover your tail« behavior including actions like documenting everything in writing or sending back-up e-mail messages that can be used later as proof of innocence. The last stage of »wait and see« keeps people stuck in the victim cycle as spectators. They just watch to see if things will improve, enjoying the comfortable feeling of not having to admit to being wrong, nor losing face, nor doing anything differently in the future.

### Get above the line

To overcome the victim cycle, an organization needs to build a leadership culture of accountability as well as a culture of shared responsibility for sustainable results. One of the biggest obstacles is that accountability is often afflicted with a negative touch. Webster's Dictionary, for example, defines the word as »subject to having to report, explain, or justify; being answerable, responsible.« Accountability in this traditional concept impels people to account for what they have done in the past and is therefore often misused as an assignment of blame for failures. Following the ideas of Connors et al., accountability goes along with the ability to influence future events and outcomes before they happen. In a more agile mindset, the key question becomes »What can be my best contribution *now* in the given circumstances?« In this respect, accountability is experienced as a desirable result-oriented personal attitude of people in organizations shaping the organizational culture. Or in Connors' words, »Accountability: A personal choice to rise above one's circumstances and demonstrate the ownership necessary for achieving desired results – to see it, own it, solve it, and do it.«

### Four steps to accountability

A guiding concept for agile leaders is based on four steps:

#### See it

I want to have clarity about what is happening in order to become better and grow. I consciously ask for feedback and other perspectives. I want to sense weak signals and look into them.

#### Own it

I ask myself honestly, »What has *my* contribution been to us facing this challenge/problem? What have I done? What haven't I done?« Then I ask myself: »What can be *my* best role and contribution to find a solution so that we really can do better?«

#### Solve it

I am really involved in the solving process and ask myself continually, »What else can I do?« I stay mindful and challenge my own beliefs and assumptions about how I do things. I create new linkages and try to discover new ways of thinking to boost innovative solutions and avoid »downloading.«

#### Do it

I am prepared for the forces that could pull me back down below the line. I have clear priorities, a commitment to staying focused, and I am constantly measuring progress towards set goals. If obstacles emerge on the way toward implementation, I stay committed and keep myself »seeing,« »owning,« »solving« and »doing« until the desired results are achieved.

### Achieving accountability

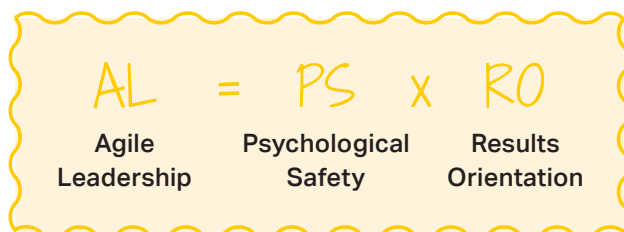
Agility is a concept with stable elements (purpose, principles and basic rules). It aims at enabling both commitment and reliability as well as a high degree of autonomy and trust for individuals and teams simultaneously. Leaders provide for and support agility by leaving behind the hierarchical framework of command, control and micromanagement. Instead, they become enablers and supporters. They lead with a coaching mindset and see to alignment and the level of energy in their teams and departments. In this regard, accountability is at the core of leading towards agility. By overcoming the deceptive traps of the victim cycle, a culture of accountability stives to mobilize the potential of every single person. Regardless of whether it's an employee or manager, results come from people who take over accountability for accomplishing them. Hence, a culture of accountability enables an energetic, committed and mindful relationship between the behavior of people in an organization on the one hand and the desired results on the other. So, always keep in mind: see it, own it, solve it, and do it. ●

# Leadership Formula

## A landscape for an agile leader

Learning your tables is essential for success from primary school on. In an agile context, leaders need to internalize another set of basics for the desired achievements.

by Kurt Mayer

A hand-drawn diagram on a yellow background with a scalloped border. It shows the formula 'AL = PS x RO' in yellow. Below 'AL' is 'Agile Leadership', below 'PS' is 'Psychological Safety', and below 'RO' is 'Results Orientation'.
$$\begin{array}{ccc} AL & = & PS \times RO \\ \text{Agile Leadership} & & \text{Psychological Safety} \quad \text{Results Orientation} \end{array}$$



### Recommended reading

»Change the Culture, Change the Game: The Breakthrough Strategy for Energizing Your Organization and Creating Accountability for Results«  
Roger Connors and Tom Smith; Portfolio; 2012

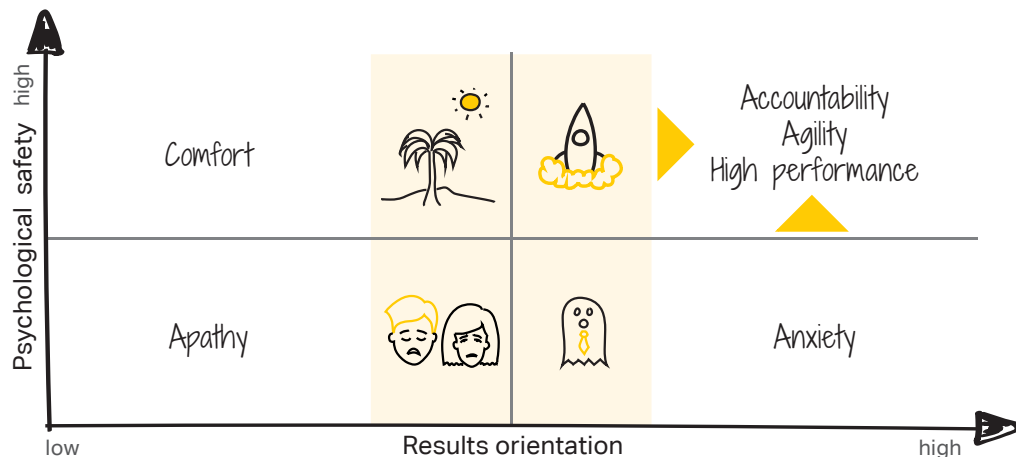
Accountability serves as the core of agile leadership. It helps overcome the victim cycle, mobilize the potential of every single team member and establish an energetic, mindful relationship between the people's behavior and the desired results. To support the emergence of such a culture, agile leaders have to act as enablers. Based on a coaching mindset they are responsible for alignment as well as the level of energy within themselves and their teams. Nevertheless, this is still a rather vague description of how agile leaders actually try to boost performance. During consulting processes and leadership programs, we often observe leaders getting lost in these vague descriptions of agility.

What does it actually mean to be an enabler, supporter and coach? What should I do, if I am a framework setter, aligner and energy manager now? And how is this different from what I have always done? Reflecting on these major concerns, we developed a simple formula with the aim of directing leadership towards agility:

$$\text{agile leadership} = \text{psychological safety} \times \text{results orientation}$$

One point is really striking: To boost agility and performance, leaders have to focus on psychological safety *and* results orientation at the same time. Focusing only on psychological safety will create a powerless culture of comfort; focusing just on results will shape a powerless culture of anxiety (see illustration). ►

## Landscape for agile leadership



### Psychological safety

All members feel confident that no one will embarrass or punish anyone else for admitting to a mistake, asking a question or contributing a new idea. Teammates feel accepted and respected and safe to take risks and be vulnerable in front of each other. As an external observer, you can recognize a psychologically safe team immediately by two features: You see equality in the distribution of conversational turn-taking and ostentatious listening with full attention and respect. In Project Aristotle, Google tried to find out what makes a team effective. They examined 180 teams (115 project teams in engineering and 65 sales pods) and the results were stunning; who was on the team mattered less than how they worked together. Psychological safety was the most important factor.

### Results orientation

In their famous books »Change the Culture – Change the Game« and »Fix it: Getting Accountability Right« Connors and Smith refer to a huge amount of empirical evidence for one simple but crucial factor for an organization's success. The more clearly and unambiguously results are defined, the more likely employees will take responsibility and align their actions towards them. Confusion over results opens the door for maintaining the status quo and keeping an attitude of just

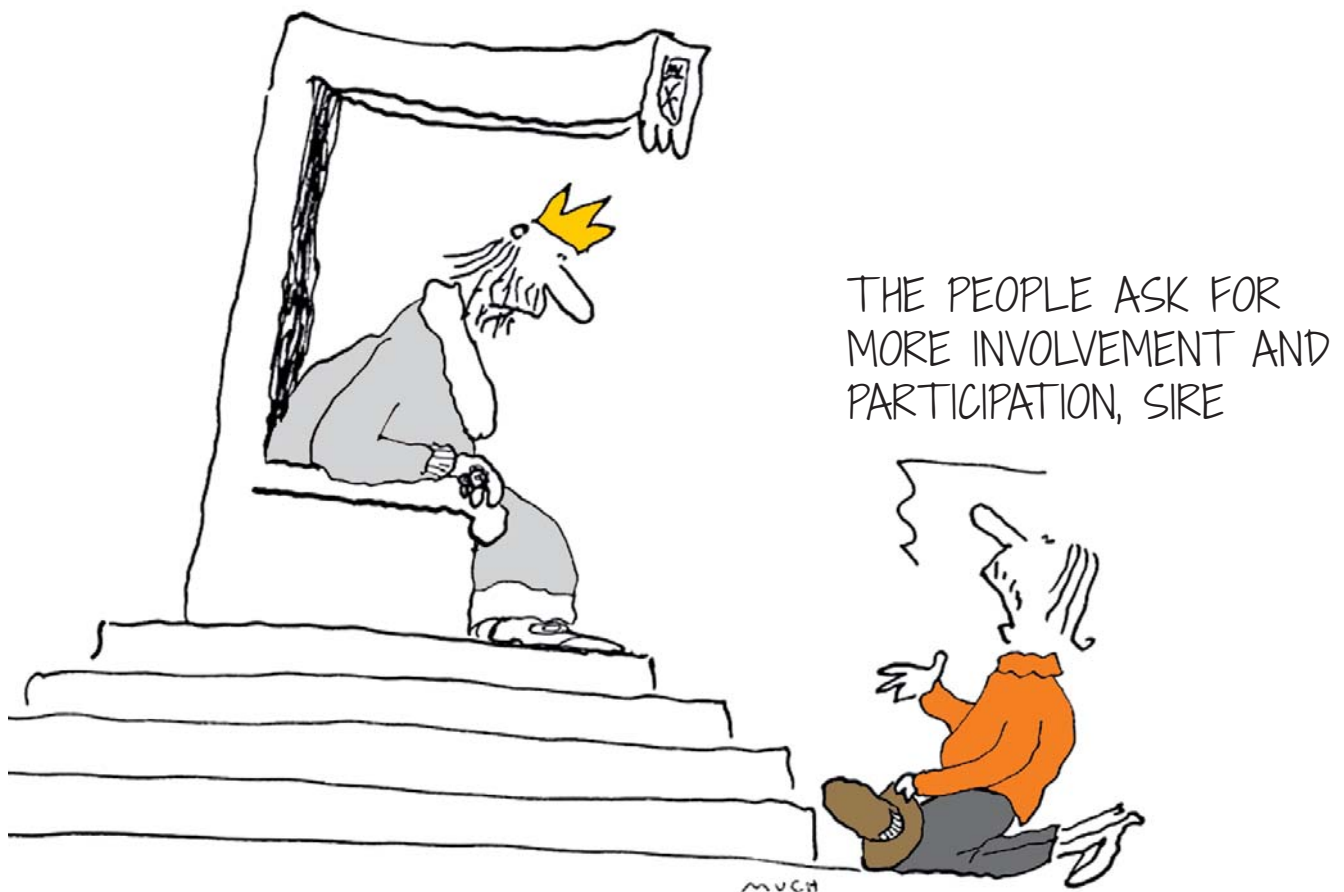
fulfilling your own job description. From their own experience, Connors and Smith report that nine out of ten management teams are not able to name the key results their companies need to achieve.

### AL = PS x RO

Through our consulting work, we often meet managers who try to overcome the lack of energy and commitment they face by just putting the pressure on to achieve results. Following the undefined premise that »We must become more dynamic and flexible more quickly,« objectives are pushed top-down and cascaded downwards within the established hierarchy. A performance management system is often installed to diligently track the status of goal achievement and tied to the system of remuneration and bonuses. Individuals and teams are held accountable for results they have never even committed to.

Spoiler alert: It is hardly ever successful. The good news is that agility and performance can be acquired if psychological safety is developed together with results orientation. Due to that, future enablers have to ask themselves the right questions at the end of the day. What have I done today to strengthen the psychological safety in my team? And what have I done at the same time to improve the results orientation? And last but not least: What can I do to enable even more success? ●

# Leading Towards Agility



Organizations are developing more and more into fleets of self-organizing teams. To be successful, a high-level framework for an overview of an organization's evolution and its corresponding leadership styles is essential. Changed leadership needs require different roles and mindsets as well as a new set of competences. by Bas van der Velde, Monika Meirer and András Karácsonyi



Organizations have evolved from simple closed systems with a hierarchical top towards more complex systems. Defining (business) units was the first answer to handle upcoming complexity. At the moment, more and more organizations are developing into fleets of self-organizing teams with open boundaries to other organizations in the supply chain. This development is the natural answer to the increase in complexity within and outside the organization. The development from command and control type of organizations via unit organizations towards network organizations\* also has an impact on the characteristics of impactful leadership inside those organizations (see chart).

### Changing characteristics of leadership

Hierarchy and power have a different meaning in all three typologies described above. In a network organization, power is no longer centralized or deliberately dispersed over units. Hierarchy is gone and power becomes a fuzzy process with changing coalitions. This change requires extra flexibility and tolerance for ambiguity from all of the stakeholders. The table below shows the most important changes in the characteristics of leadership as well as the shift in orientation over the years.

### Is this the end of leadership?

Not at all. Charismatic leadership is called for as never before, but a new set of competences is needed. Leadership theories have evolved significantly over the past decades. As a starting point, researchers tried to grasp the essential traits necessary for good leadership to turn it into theories of transformational leadership. In a majority of these models, the leaders play a central role in influencing the organization. Leaders do, create, empower, act, trust, etc. – focusing on the action centrality of leadership.

How do these approaches fit into network organizations where everything is about decentralization, the evolution of teams, having space for dialogue and collective decision-making? How can a leader provide positive impact in an environment like this? Transforming the traditional workflow is an easy step; many tools can be applied to an organization. The most significant change is on the mindset level – for both leaders and employees alike. Enabling agility requires a certain attitude. It demands an open, self-reflective and learning approach as well as the ability to learn from difficult situations. You need to lower control, tolerate uncertainty, trust people, and be open to adaptations. Leading teams towards more agility calls for leadership by

## Evolution of characteristics of leadership within different organizations

	Command/control organizations	Unit organizations	Network organizations
Focus	Inwards: efficiency	Client	Community <i>and</i> client
Co-ordination and steering	Command and control	Balance and delegation	Teams of teams
Attitude towards uncertainty	Reduce/eliminate	Manage risks, have scenarios	Opportunity
Boundaries	Narrow instructions	Targets and set of rules	Purpose over boundaries
Judgement/decision-making	Imposing/hierarchy	Negotiation	Dialogue
View of employees	People are labor force	People are employees	People are human beings
Dominant thinking	Cause and effect	Processes	Relationships

role instead of position and works best with humbleness and service-orientation. Imagine a sentence like »I do not know, we have to find out« in a traditional environment and compare it to an agile one. Empowering and involving those who might know better to come up with solutions is key. This leads to actions like asking questions and listening closely rather than giving all the answers. For many, this is quite a shift. Give up power, enable participation, invite self-organization, creativity and cooperation, to gain what? You will evolve from controlling to empowering and a one-man/woman-show will turn into shared responsibility. It will definitely change your role from supervising to setting the framework and defining your way of working – eyes-on, but hands-off.

### Winning perspectives

In a world of fast changes and hyper-connected developments, leaders can no longer rely solely on their own information and knowledge to make good decisions. Complex challenges can be tackled more effectively with a collective problem-solving approach, involving the know-how and experience of as many in the organization as needed. Many employees have more direct access to information than their leaders.

Sometimes they are very close to an obstructive business problem or have other ideas about how to solve open tasks.

To create the best results for an organization, a leader's task is to enable the team-members to make in their best contributions. If you believe that good ideas can evolve in any part of the organization, structure and leadership must facilitate participation. This new approach dismisses micromanagement and control as well as a certain degree of power and status. In return, it brings involvement and accountability. Leadership is less connected to specific individuals and is now becoming a role, a function.

### How to develop as a leader

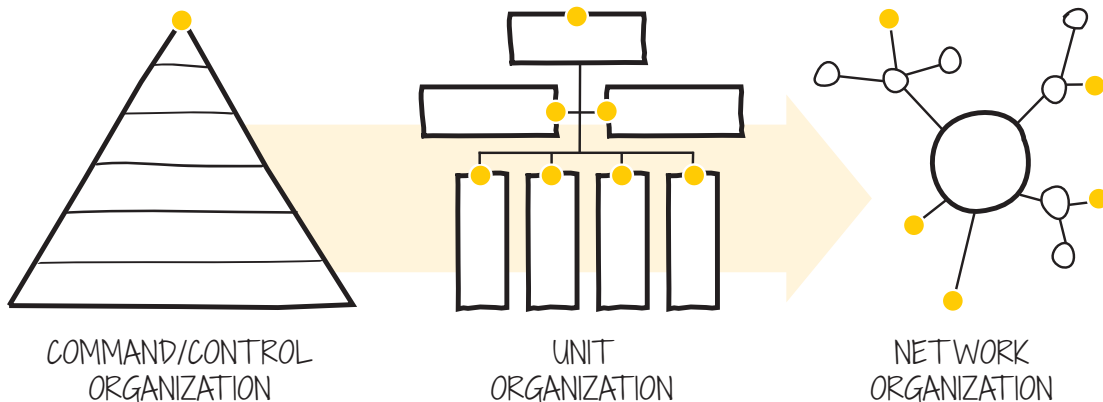
Some levers for leadership towards agility:

#### Work on your purpose

It is always an energizing moment during leadership development programs when participants gain clarity about their personal purpose and see how all those individual purposes eventually connect through the team and organizational purpose. Teams make a step towards becoming communities; team objectives start to serve a broader purpose. ►

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## Types of organizations



**Provide time and space for communities to form**

People need to connect. Accelerate personal links by allocating time and space for them, or invite your employees to connect with each other and with their partners outside the organization.

**Open up the space for accountability**

Energy can be boosted and development can be self-driven if employees are given the chance to decide what should be improved in their everyday work. It is always fascinating to see how much energy is unleashed every time top management steps back and opens up the space for employees to run development initiatives.

**Let things evolve and happen**

Leaders should not do much and just let things happen: connect your people and teams will support each other in their objectives and in serving the customer together, without getting entrenched in narrow team objectives. Your task here is basically to let them do their work.

**Reflect, learn and adapt**

Spend time frequently looking back on achievements and learnings as well as looking ahead at priorities for the future. Take it to the next level and share this with your team. Finding out what was supportive and what hindered is not your task as a leader. Just ensure a process where employees and partners in the network can do the work and provide feedback.

**Presence, attention and relationships**

Looking at the points above, it might seem that a leader shouldn't do much anymore. It would, however, be a big mistake to spend your time behind your lap-

top. Being present and approachable for people inside and outside the organization is very important. Give your attention, listen, and work on relationships with and between people.

**Organize decision-making**

Don't take over decision-making, but make sure to empower those who have the information to make decisions. Your task as a leader is to set up a process that clarifies who decides what in which situation.

**Is it there or will it grow?**

Some lucky organizations carry agility in their DNA; most organizations develop and grow these abilities through continuous development. The same applies for leaders: for some, it is very natural to lead like this, while others struggle. The most difficult challenge is a transition from one stage to another. During a transition phase, confusion and ambiguity increase as the »old« behavioral patterns are not valid anymore and the new ones have not proven their efficiency yet. They might also feel »uncomfortable.« In this phase, leaders have to find their authenticity within the new framework, and this takes time. Being out of the comfort zone requires extra energy, so it is important to support your leaders in their transition. Provide time in the management team and among peers to exchange their thoughts about the new leadership approach. Appreciate what is already there and works well, because it is not all new. And encourage the sharing of little success stories. ●

\* These three stages and the translation into leadership characteristics were inspired by the article »Leiderschap in Netwerken«, written by Boris van de Woestijne and Henk Folkerts in Rijnconsult Business Review (2014).

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»A change in role and mindset helps to overcome the limitations of classical management principles.«

# Good Practice

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## Examples from our clients

Some initiatives start with tiny interventions but have a major impact. Others are implemented on a larger scale from the beginning. Many changes turn out to be very successful and support the creation of a living agile culture. We would like to share some examples that intrigue us with their energy and impact. They show that significant improvements can be achieved without a full organizational transformation.

by Monika Meirer and András Karácsonyi

Success can sometimes be achieved indirectly. Some years ago, one of our clients from the automotive industry sought coaching during the merger of two factories under one management. At a certain point, the freshly-appointed CEO launched a bi-weekly alignment day for key people from both factories. Every two weeks, 30 key people spent one day together outside the factories discussing key results from the past two weeks and setting priorities for the coming weeks. Each area presented their objectives and challenges and they all worked on a common KPI system.

This time-consuming schedule caused controversy, since most of the data was easily available. But the CEO attached great importance to the time together. It was a space for alignment, so transparency, awareness of each other's objectives and challenges and cross-functional cooperation improved. After a few months, a shift in mindset emerged. People talked more about »we« instead of »I,« and needs and benefits of the entire organization had a higher priority. Finger-pointing and blaming stopped; people formed alliances. The CFO worked together with production and engineering in order to ensure the common KPIs.

### **Develop a leadership team**

In one of our core programs, we work together with leaders for nine to 12 months. We usually start with exercises for personal mastery and finish with working on an individual leadership credo. We have experienced that this effectively brings participants closer to ►







their own purpose. Making this a team event, people strengthen bonds with each other. As a result, leaders get a lot of clarity, ego-battles are minimized and the majority focuses on how to contribute to the organizational goals.

The sponsors of the program report that participants assume much more responsibility both individually and as a team. They see a shift in cross-functional cooperation, and joint development initiatives (e. g. developing an innovative product). Each participant becomes more autonomous, self-directed and willing to take responsibility for their actions. However, it can be a difficult journey for the participants: they have to slow down, become more conscious of themselves and others, learn how to listen and support. This allows them to be receptive to each other and joint efforts.

### The impact of space

Through one of our leadership development programs, we were able to follow the evolution of one client for many years; it developed from software development to complex healthcare platforms. The unit responsible for the platform was set up like an agile start-up; they used agile methodology and aimed toward an agile culture. They had a new office space designed for collaboration, with smaller and bigger meeting spaces, a kitchen designed for interactions, walls to jot down ideas and much more. The software unit also worked with agile working methods, but their office space was quite traditional.

We observed three big differences between the two units:

- 1 In problem-solving exercises which required collaboration, the new unit was much faster at reaching a solution together than the »old« one.
- 2 The leaders of the new unit were much more willing to take a joint risk – they easily agreed on an 80 percent good solution, while the leaders from the first unit were aiming for a less risky solution.
- 3 Natural use of visual aids. The new setup invited leaders to use a more visual approach, which corresponded with the quality and speed of the problem solving.

Same company, same top management, different office environment and a huge difference.

### Full transparency with the client

In one of our culture change programs at a company on a global scale, as a final step, the top leaders defined 90-day initiatives to have an impact on the strategic goals of the entire company. Cross-functional, cross-unit, cross-regional initiatives, with the urge to connect and align better, surfaced. One of the country leaders mapped out his relationship with his main client. Up to that point, this relationship had been shaped by the company's attempt to keep pace with the client, trying to meet his requirements, and accepting the given conditions in order not to lose him. The proposal was bold: Invite the client to their next internal meeting, share strategies and thoughts with him, and set up a joint strategy for the following months. The team was puzzled at first, but excitement took over. The meeting with the client's representatives became a big success. In two subsequent meetings, common ground and goals were developed and everyone wanted to proceed with this new way of cooperation.

### Quick alignments for a better connection

The freshly-appointed CEO of a small but global organization tried unsuccessfully to connect the members of his team. In his experience, information was generally not available, a lot of work was done in parallel, and long meetings and many rumors due to a lack of information caused inefficiency. To change this culture, a simple tool was developed. The CEO set up a weekly stand-up meeting every Monday. The objective was to promote good communication between different teams, ensure information about key opportunities or issues and celebrate successes. Each functional team was asked to give a two-minute presentation. The teams had to focus on information relevant to those present and relevant for the improvement for cooperation. Picking up and raising awareness about current hot topics strengthens the possibility to ask for needed support. The awareness of what was happening increased radically and people started to follow up on the initial information they had received during this meeting.

Looking at these examples, there are many ways to start living agile. Since every organization has their individual needs and strengths, there are many promising ways to achieve an impact. ●







GETTING USED TO IT

# Agile Concepts and Tools



# SCRUM

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Looking for a project management framework to enable your teams to get the right things done in the right order while maximizing the value of the outcome simultaneously? Then this highly efficient methodology to realize and organize product development processes might be just right for you.

by Christopher Bickford

SCRUM is less a creativity tool – than for instance Design Thinking and others – but helps to gain traction in specific tasks. It aims at performing everything with a high focus on realization by self-organized teams. The agility in SCRUM is often misunderstood as a hyper flexibility to shift priorities. But this ad-hoc attitude is far removed from reality. SCRUM is highly structured, and it works best if you get to the heart of it.

## Start with a sprint

Basic elements of the methodology are a specific timeframe and certain events which recur on a regular basis. Every sprint of approximately three to six weeks starts with sprint planning and is followed by a full circle of the SCRUM events (sprint planning I/II, the daily stand-ups, review, retrospective). Before we start, we define a capable product owner to handle the user stories. The user stories are short feature descriptions in a certain syntax like: »I as a <role> would like to have the following <feature> in order to have a certain <value>.« All user stories are put in the product backlog, where prioritization takes place during sprint planning. Additionally, the product owner defines some acceptance criteria to give the developers a frame in which they can find a proper solution to the requested feature. The subsequent effort is estimated and broken down into tasks by the project team.

## Lead with crisp events

Stand-up, review and retrospective as regular events structure your sprint. The daily stand-up, as the name already suggests, is a morning meeting where all developers meet in front of their sprint backlog. Every person discusses the questions: What did I do yesterday? What challenges did I have to master? What am I going





to do today? Almost all meetings in SCRUM are time-boxed; the stand-up is scheduled to last for 15 to 30 minutes.

The review meeting is generally at the end of every sprint, where product owners and developers come together to explain their solutions. If all user stories meet the defined criteria and are therefore accepted, this means the sprint was successful.

The sprint is followed by a retrospective meeting, where the development team meets to reflect on how the collaboration within the team worked. The retrospective meeting is one of the key elements to make a team perform better.

### **Stick to your role**

All meetings are facilitated by the SCRUM master, who is not to be mixed up with the project manager of a classic project management approach. As a moderator, the SCRUM master makes sure that agreements are honored and SCRUM-specific structures are followed. It is the role of a *servant leader* and the SCRUM master can be a member of the development team, as well. In any other situation it is impossible for the prod-

uct owner to be a member of the development team, due to conflict of interest. After the effort estimation, the development team commits to the tasks for the next sprint. It is solely a team decision; there is no excuse if the committed user stories are not delivered at the end of a sprint. The development team shifts their tasks from the product backlog to their sprint backlog autonomously.

The development team is responsible for developing usable software or a product increment as a result of every sprint. The team usually consists of six to nine members with all abilities to deliver a working product. The development team decides how to realize the requested features.

This short summary illuminates the basic components of SCRUM as a tool for agile product development. Sticking to the methodology will lead to a higher pace and better output. Some of the principles are easily transferable into agile settings. Alternatively, it can be used as a stand alone tool. You will never know if SCRUM can achieve the desired success in your setting if you don't try it. If you need to get some assistance for your first agile projects, ICG is here to support you. ●

# Steps Towards Effectiveness



Organizations struggle continuously to increase sales, improve processes and innovate new services. Developing effective practices and implementing them into your daily business is the key to success. Sustainable change can be achieved if you are able to avoid common shortcomings in the change PROCESS. by Kai Laamanen and Mikko Lehtonen

Why do approaches like Six Sigma, creative problem solving, Kaizen workshops and Lean have the potential to misfire? Recapped from our experience, these are the most likely reasons for failure:

- Too much effort is spent on project planning and analysis instead of meaningful action.
- After a great start, inspiration is lost when managers are only interested in results instead of the meaningful work leading to better results.
- Without clear focus, complexity grows and nobody really knows what to do.

These shortcomings lead to poor results and growing frustration in the organization. Management then shifts the attention somewhere else and the ineffective process is often repeated in a different setting.

### Our suggestions for relief

Keep these six tenets in mind to achieve sustainable change and avoid the common shortcomings:

<b>1 Simple problems need a simple approach</b> Start experimenting and observe what happens.
<b>2 Break complex problems down into simple ones</b> Experiment and observe; repeat many times.
<b>3 Follow the scientific principle of learning</b> Observe the current situation, describe the future situation, formulate hypotheses, experiment, observe and reflect.
<b>4 Collect systematic feedback and observe what happens</b> Keep what works from your experiments and discard the rest.
<b>5 Don't guess</b> You will not know what works in advance; experiments will tell you the results.
<b>6 Learn through reflection</b> Facilitate individual and collective reflection to enable learning.

If you agree with these principles, you are ready to approach agile improvements with Rapid Results. Together we can strive for practices with dramatically higher effectiveness.

### Agile improvements

Here are the key features of the agile improvements using the Rapid Results methodology.

#### 1 Set the challenge

Start by setting a challenge that is aligned with your strategic objectives. Note that this is not about defining concrete outcomes for a project as we typically do; it is about defining the problem or opportunity you need to solve. Here are three guiding questions to help formulate a challenge statement that is focused and concrete:

- What problems or needs do we have?
- What improvements are we looking for?
- What performance improvements do we want to achieve?

Remember principle two: a complex problem must be broken down into simple problems – simple issues that can be solved with a simple approach (principle one).

#### 2 Choose the right people

Who should be involved in working on the challenge? You will need to win over both key process owners and owners from your organization for the simple issues to be solved. Choose individuals close to the challenges to be solved. Let the owners of challenges and issues build their teams at their own discretion.

#### 3 Align the work with backlogs

Use three backlogs to manage and prioritize work:

- The issue backlog contains the simple issues to be solved derived from the main challenge.
- The idea list contains small and large ideas, from which concrete solutions can be built.
- The sprint backlog contains only experiments and tasks you can implement within one sprint.

The challenge owner owns the issue backlog, while the issue owner owns the sprint backlogs. The backlogs form the basis for maintaining principles one and two. ►

#### 4 Work in sprints

Proceed through the three types of sprints:

- Data collection sprints to understand the issues. How do we deal with the issue right now? What kinds of ideas are available for improvement?
- Development sprints to design and experiment solutions. What works and what does not work? Perform many, small practical experiments.
- Deployment sprints to scale up well-working solutions. Once you have concrete, working solutions, proceed to implement them in your organization right away.

Work in four-week sprints. They are long enough to perform experiments, but also short enough to react rapidly to unforeseeable problems. After each development sprint you should have results and experiences from a practical experiment regarding a solution, new practice, tool or model. The three types of sprints structure your work to follow principles three to five: working with the scientific principle of learning systematically. You will get fast feedback on results without second guessing or arguing about an uncertain future.

#### 5 Use effective tools

Three key tools help you perform systematically during agile improvements with Rapid Results:

- A facilitator taking care of the process, letting the challenge owner, issue owners and their teams focus on the issues and solutions.
- A toolbox of templates to help the facilitator and the teams manage the process effectively.
- Regular follow-up meetings guarantee that you will make progress. Well designed sprint planning and sprint review workshops make sure you stop and learn.

#### 6 Task for the manager

The manager's task is to help people learn, to focus on the most important issues in the business and provide the resources. This brings us to the last principle; experience without reflection will not result in learning. You will only produce the Rapid Results from systematic and simple experiments if you have the patience to learn in the process. Many practitioners of agile approaches ignore the last principle and end up with increasing complexity and team members losing sight of the purpose of the improvements.

#### Towards effective practices

The best solutions and experiments are simple and bring great results. Here are some examples of effective new practices produced with the agile improvement process:

- ➔ **Developing a new sales pitch to help customers understand the benefits of service**  
Increased sales, happy customers and inspired sales people.
- ➔ **Reanalyzing your potential customer base**  
Increase hit rate for sales contacts from ten to 60 percent.
- ➔ **Changing the way you run everyday meetings**  
Better understanding of issues, more relevant decision-making, giant leaps in participants' commitment to act.
- ➔ **Developing a new way of processing service requests**  
Faster resolving of issues, better customer experience.

Inspiration starts when we feel the opportunities to produce something great and valuable for our customers. We often generate this feeling through solving simple, but essential issues through practical experiments. How do you achieve inspiration? ●



# Rapid Innovation Teams

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What started as an experiment has proven to be a very effective way to help move the needle on innovation progress in dozens of organizations; the small, powerful, multi-disciplinary teams that are formed on a temporary basis to advance and concretize an innovation task with a very clear focus. Applied properly, this tool might boost the desired outcome.

by Markus Spiegel and Stefan Posch

Over the last few years, we have had very positive experiences with three different types of Rapid Innovation Team applications. Tangible outcomes stretch over the entire spectrum of the innovation process. As an additional benefit, this tool helps understand what it takes to make innovation successful in your organization and which barriers have to be removed. The three main areas for impactful application have proven to be:

## Identification and validation of early product, service or business model concepts

Teams focus on quickly identifying and validating innovation opportunities in a customer-orientated way. It efficiently uncovers where to invest more time and resources and develop the idea further.

## Acceleration of existing innovation opportunities and validation of economic and technical viability

In this area, teams are used to accelerate the specification of the technical and commercial viability of ideas that have already been identified by customers as desirable. Their task is to create a transition between front-end idea validation and commercialization as well as find new ways to launch products with innovative »go-to-market strategies.«

## Strengthening organizational innovation fitness with achievement learning

Teams can also be applied to drive real innovation challenges while putting a focus on building or practicing new skills (e. g. around Design Thinking, agile ways of working or Lean Start-Up). It is called achievement learning because teams don't practice unimportant or ►





even imaginary cases, but challenge what truly matters for the organization instead.

## Tangible results

In all three applications, the pursuit of tangible outcomes and results is essential. They might be quite different, depending on the phase in which the opportunity is seized in the innovation process. On the front-end and in transitions, we mostly observe »insight goals« (e. g. ideas, assumptions, potential validated or prototypes tested), while in later stages, we see more traditional »business goals« (e. g. new customers won, distribution secured, sales achieved). In all stages, these outcomes can be combined with »enabling goals« (teams trained, skills and capabilities improved, processes piloted).

## Creating conditions for success

The power Rapid Innovation Teams generate is not so much from a genius new methodology, but rather from creating the conditions where teams can actually function well for these types of challenges. Most organizations are set up to operate efficiently and avoid risk – running in »execution mode,« while innovation tasks require teams to navigate uncertainty and operate in a different »discovery mode.« Organizations usually tend to favor the more familiar execution mode. To push innovation, it is almost certain that organizations need to be able to run on both modes. To start with Rapid Innovation Teams, five conditions need to be put in place:

### 1 Volunteer Teams

Put together a multi-disciplinary team with people who either volunteered to support the project or who truly care about the challenge. Don't staff the team with whomever »just is available« at that time. All members need to care.

### 2 Time Boxing

The team only has a finite amount of time (usually three to four months or sometimes less) as well as a set focus. This enforces clear start and end dates during which they spend a minimum of 20 percent (20 to 50

percent are most common) of their time on this innovation challenge. This allows people to stay involved with the »day-to-day« business, but at the same time requires them to move into action quickly.

### 3 War Room

Teams need a dedicated project space where they can keep their materials, Kanban board and other related things. It serves multiple purposes, makes it easy to meet, enhances transparency and visibility and supports the interaction among the team members. As a side effect, this visibility often generates interest in and interaction with the project among others in the organization.

### 4 Resources

To allow teams to move fast without getting slowed down by normal processes, it is wise to ensure the availability of a small budget for the team upfront. It can be spent on travel, prototyping or even small team events without having to get approval. Access to special resources (lab's or 3D printers) or experts (internal and external) might also be secured upfront to boost the team's performance and allow them to go fast.

### 5 Methods and Tools

In addition, teams benefit from having expert support to implement methods and tools that might be new. Teams trying to learn to use agile work methods will benefit from a coach for the duration of the project.

#### CHECKLIST TO GET STARTED

- ➔ Identify an innovation opportunity to accelerate.
- ➔ Find a sponsor for the project and get the person on board.
- ➔ Develop a project charter describing the challenge, focus and scope.
- ➔ Recruit a team of volunteers.
- ➔ Prepare/secure the right conditions for the team.
- ➔ Invite to the kick-off.

# The Google Sprint

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If you want to find out if your ideas for a new digital process or a new business model work – a trial run is indispensable. The logic »build a prototype – measure usage – learn from it – develop further« shows if an idea is embraced in a short time and with little resources. The Google Sprint is a special expression of this logic with a clear process and a tight five-day timeframe.

by Markus Heingärtner

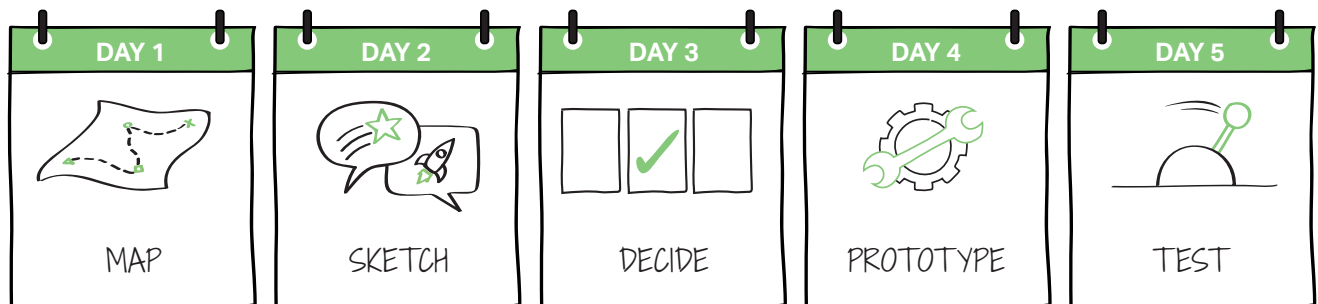
Do you want to achieve high impact in very little time? Google Sprint might be your weapon of choice. Set your goal to realize a new process (internal or customer-oriented) or (further) develop a new product within a very short time frame. The focus lies on the development of a prototype and is usually executed by a team and supported by user input. With the mixture of business strategy, innovation, Design Thinking, and more it will be highly useful for every team. The method was established and tested by GV (Google Ventures) and adopted by teams around the world. We hope this article might serve as an appetizer and guide for running your own sprint.

## Five days to reach ambitious goals

By working together in a sprint, you can condense months of time into five days. Skip waiting for the launch of a basic product and use a realistic prototype in order to find out if an idea works. The biggest advantage is that you can very quickly see your finished product and test customer reactions before making any expensive commitments.

Preparation is essential. Before the sprint begins, you'll need to have the right challenge and the right team. You'll also need full five days of time and a space to run your sprint. It is very important to use the precious time in the best way possible. To be successful, stick to the process strictly. On the day your sprint starts, your team will identify the problem and choose an important part of it to focus on. The following day, you'll design different solutions on paper. On day three, hard choices will come up and your ideas will turn into

## The five steps of a Google Sprint



a testable hypothesis. On day four, you'll quickly produce a prototype. On the fifth day, you'll test it with people. So, whether you want to innovate processes or products that you consider critical, the Google Sprint may give you a big jump ahead (see illustration).

### The right setup is essential

#### DAY 1: Clear view of the problems and goals

The discussions on Day 1 create the path for the sprint week. You will start by agreeing on a long-term goal. Next, you will describe and map out the challenge. Then you will ask the experts at your company to share what they know. Finally, you'll pick a target: an ambitious but manageable piece of the problem that you can solve in one week.

#### DAY 2: Inspiration and sketching solutions

After the first full day of understanding the problem and choosing a target for your sprint, you get to focus on solutions. The second day starts with inspiration: a review of existing ideas to remix and improve. In the afternoon, each person will sketch, following a four-step process that emphasizes critical thinking over artistry. You'll also begin to plan the customer test on Day 5 by recruiting customers that fit your target profile.

#### DAY 3: Decide which solution to go with

By this morning, you and your team will have a stack of solutions. That's great, but there is also one problem: You can't prototype and test them all. You'll start the day by criticizing each solution, and deciding which ones have the best chance of achieving your long-

term goal. In the afternoon, you'll take the winning scenes from your sketches and weave them into a storyboard: a step-by-step plan for your prototype.

#### DAY 4: Build a prototype

On Day 4, you'll adopt a »fake it« philosophy to turn that storyboard into a prototype. A realistic front is all you need to test with customers. Here's the best part: by focusing on the customer-facing surface of your product or service, you can finish your prototype in just one day. On this day, you'll also make sure everything is ready for the final Day 5 test by confirming the schedule, reviewing the prototype and writing an interview script.

#### DAY 5: Test with your customers

Your sprint began with a big challenge, an excellent team and not much else. By Day 5, you've created promising solutions, chosen the best one and built a realistic prototype. That alone would make for an impressively productive week. But you'll take it one step further as you interview customers and learn by watching how they react to your prototype. This test makes the entire sprint worthwhile. At the end of the day, you'll know how far you have to go and just what to do next.

**A last word about the team:** We suggest having around four to seven people be involved in a sprint team. They can include the facilitator, a designer, a decision-maker, a product manager, an engineer and someone from the company's core business departments. ●



# Rapid Results

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The original Rapid Results approach was developed long before anybody ever talked about »Agility.« Robert H. Schaffer and his colleagues at Schaffer Consulting, our strategic partner in the USA, invented the concept and distributed it successfully around the globe.

by Markus Spiegel and Thomas Mandl



Schaffer Consulting has over 55 years of experience helping its clients focus on results. They do so by working side by side with clients to translate strategic objectives into well-defined, short-term targets. To go after these targets, Schaffer convenes teams and coaches them, so they make measurable progress right away. The approach cuts through complexity and unlocks hidden capacity to drive change while at the same time developing skills and competencies in the organization.

[www.schafferresults.com](http://www.schafferresults.com)

Rapid Results is based on the observation that in times of crisis, many organizations seem to be able to tap into a »hidden reserve« to perform at a much higher level than usual. The idea is to reproduce the same dynamics without actually having a crisis at hand. Many of its principles and practices are shared with critical elements for any agile methods and approaches.

## Use it for breakthrough

Rapid Results can help mobilize teams in an organization when there is a need to overcome barriers of change and tackle business challenges in a tangible way. These may vary from gaining momentum for a new strategy, to process improvement, post-merger integration, sales acceleration or even cost reduction. As a key requirement, the challenge must be seen as highly important, so that it compels the organization to learn (solution is not obvious), and that it usually needs some cross-functional collaboration to make anything happen (see illustration).

## Three essential ingredients

One of the main advantages of Rapid Results is that it helps to create space and conditions for teams to be successful within a specific challenge. By shifting the focus towards what matters most and ensuring leadership support, it gains strength. In addition, it can be combined with almost any set of tools that is available. You can rely on Six Sigma, Lean and all types of agile tools. In any case, these three essential ingredients shouldn't be omitted.

### 1 Fast moving and autonomous teams

By setting the team up for the challenge, it is important to ensure that it does not grow too large and has enough empowerment. This makes sure that it can be easily coordinated and move with great speed. In our experience, teams should consist of four to six members. If more people are necessary for a successful strategy, it is crucial to create additional team units that closely coordinate with each other but can deliver value independently. This needs to be complemented by decision rights within defined boundaries and flexibility to come up with their own solutions.

### 2 Uncompromised focus on results

To create a tangible impact with Rapid Results, it is crucial to ensure that the team itself sets an ambitious goal and delivers a measurable business outcome or result such as revenue generation, time savings, process time cutting or customer commitment. It is also important to go for the final business benefit and not deliver an easier activity like »recommendations delivered« or »number of people trained« and critical that the goal can be measured during the implementation period, so the team understands whether or not they have made progress or need to shift gears.

### 3 Timeboxing

Rapid Results teams usually have to deliver results in +/- 100 days. The time frame has proven to provide enough time to experiment with different ways to achieve the goal while at the same time requiring that they swing into action immediately. A firm date in the near term forces the team to break away from endless preparation and get into »doing.« During that time, all team members usually work on the project for a minimum 20 percent of their time and often more. The defined time horizon not only requires fast action, but also helps the team to see »the light at the end of the tunnel.« It's a short, but intense period where most teams deliver incredible impact.

### Résumé

In short, whenever you need or want to show tangible progress in a short timeframe for a high priority topic and the solution is not obvious, Rapid Results might be your intervention of choice. Not only does it deliver measurable impact, but it also helps you to build execution skills and capabilities in your organization to achieve even more. Robert H. Schaffer expresses it the following way: »The most powerful driver of better performance is better performance itself.« ●

## Four phases to set up and conduct Rapid Results projects





»Becoming agile means that you have to become more structured first in order to become more flexible then.«

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To start with agility, it is very helpful to sort out some basic principles for your organization. The first thing we need to realize is that agile is the opposite of ad hoc. Where agile is a way of managing processes or projects, ad hoc is just institutionalized chaos.

So, where is the difference in the setup? One of the main objectives in Agile Project Management is to synchronize your project partners and members. It helps to differentiate times for planning und prioritization and times for the team members to focus on the tasks. Even if this sounds easy, both management level and customers are involved in this process and everybody needs to understand exactly when and how they are asked to make decisions and set priorities. To achieve agility, you need to adhere to some basic principles:

- Stick to an agreement when your agile project team meets and synchronizes.
- Set dates for your customers to review the project progress and prioritize the next steps.
- Commitment and trust from management are essential; leadership has to avoid order and command when things get sticky.

### Implementing agile methodology

An often-heard request is: »We need an agile coach because we want to run agile projects.« For a quick start, many organizations can create necessary conditions quite easily. We know from experience that Agile Project Management is more a question of some basic agile principles, some helpful tools and common sense rather than frameworks and sophisticated methodologies. Indisputably, SCRUM or DevOps will exploit its strengths in certain projects. But very little is needed to run a project in an agile way, while the increase in outcome and productivity can be enormous. Our agile starter kit covers the four most important topics:

- Create a defined workspace, physical as well as virtual, like a »war room« or project corner.
- Visualize work with a project board (Kanban).
- Synchronize project working times and stick to meetings, e. g. weekly status every Wednesday at 10:00 sharp.
- Let self-organized project teams work; in agile projects, there is neither need nor time to micro-manage colleagues.

### Learn to improve

Organized learning is one of the most important tasks for agile structures. While learnings in SCRUM are gained through retrospective, Kanban focuses on continuous improvement. It is essential to regularly learn and reflect on what happened and how to improve as a team. This is the key to enhancing productivity. The best performing teams are those who have organized their learning best. I can highly recommend the film »Groundhog Day« in this context; you have most likely already watched Bill Murray become an expert through continuous improvement and endless repetition.

### Where to start

Actually, there is never or hardly ever one right project to start with. Most often, the question is what situation an organization is currently in. Agile Project Management is neither a new miracle cure nor will it replace your traditional approach immediately. Agile Project Management is an additional competency, coming in handy for situations where we face a lot of uncertainty. A further advantage is producing far less overhead in situations when agile teams decide as they go. It saves resources for project management, which are often rare. We will be happy to hear from you if you need a hand replacing ad hoc with agile in your organization. ●



# Design Thinking

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Most customers don't know what they want. But they immediately know what they don't want. Annoying design failures may not only decline sales, but also even alienate the most loyal customers from the brand.

by Julia Jantschgi and Mihai Svasta

Such things happen even at the best of companies. Have you ever tried using Apple's Magic Mouse and recharging it at the same time? Or bought yet another bad product you wanted to return the next day? Good design adds a lot of value to a product. Today's customers are becoming more and more demanding, self-confident and critical. We expect new products or services to enrich our lives and integrate seamlessly. How well an innovation meets our needs has become the yardstick for success. Only if we feel completely understood as a customer will we be able to develop enthusiasm for it. Design Thinking helps us navigate through the uncertainty of our very often hidden and sometimes even contradictory needs.

## Design Thinking in a nutshell

The power of Design Thinking reveals itself by paying attention to a few core principles and applying them seriously:

### 1 Always focus on the users and their needs

Try to understand the behavior of people before brainstorming for solutions.

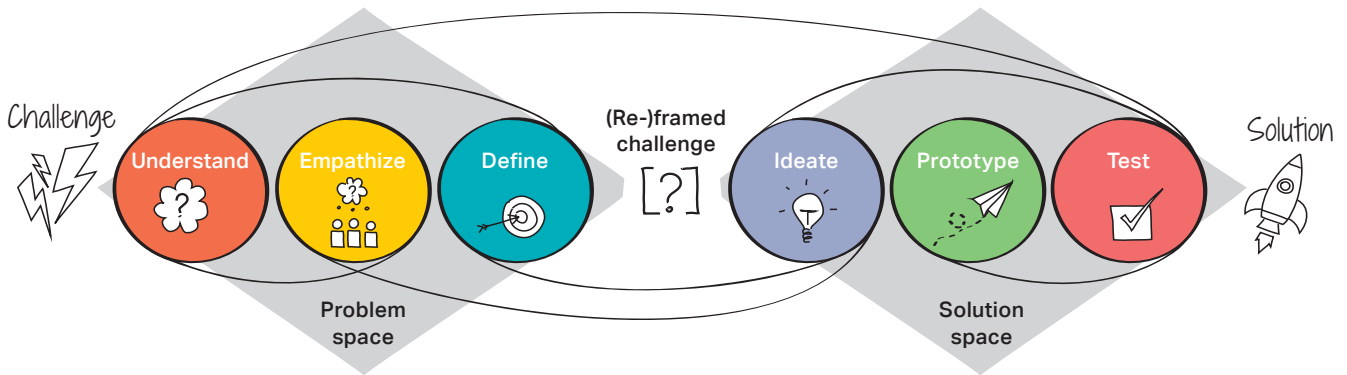
### 2 Talk less and do more

Try to get tangible as early as possible using prototyping methods to get a clearer picture of your ideas.

### 3 Understand iteration as progress

Every step you take brings a lesson and sometimes those which make you go back are the most important ones.

## The Design Thinking process



The innovation methodology addresses product, service and even process innovation. It might be used for the design or redesign of any product, service or internal process as long as there is a direct interaction with a human being.

Understanding problems from the customer's point of view generates valuable insights and an even more valuable solution (see illustration).

### Find the problem to identify the solution

While designing a new juicer, Philips used interviews, live tests and even home visits to figure out how to make their new model more attractive. By observing carefully, they found the cleaning process to be one of the biggest hurdles in its daily use. But contrary to popular belief, the main pain point was less the task of cleaning itself and more how prominent the thought of cleaning was throughout the process. This realization turned into an important starting point for the redesign. Philips came up with a solution to hide the thought of cleaning as long as possible. The rapidly prototyped model only showed pure juice but no pulp on the surface and test users loved the device.

### Understanding humans

Consulting many companies and teams in recent years has provided us with valuable insights. We have learned that not every need detected at the beginning of the

process stays relevant until the end. And that people's behavior can never be predicted. Listening to users, their stories often seem so clear and logical. Ideas for solving the problem are painfully obvious. But when we start testing those ideas, customers suddenly seem to change their minds. Confronted with solutions for their articulated needs, a process of understanding and qualifying starts and we frequently go back to step one. Because of the fact that human behavior is so unpredictable, iteration is the key to success when applying Design Thinking.

### Expanding the toolbox

Dozens of tools and working templates for each stage of the Design Thinking process have been developed and marketed. Using some of them while thinking outside the box promises quick success. Let's take the example of an Austrian electronics company. Instead of interviewing hundreds of people to understand the hidden needs of their target group, the company took the method of cultural probing and matched it with an online campaign to increase the range. The development team partnered up with marketing and launched a Facebook contest, »Show us your open and filled fridge and provide us with a quick description to win a new fridge.« Within a couple of days, the company got thousands of pictures and customer voices. They gained the most valuable insight into what are usually hidden needs, and with that a considerable lead over their competitors. ●

# Lean Start-Up

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Imagine it's 2009 again. You have the brilliant idea of selling shoes online, but everyone is calling you crazy. Who would buy shoes without having tried them on, right? What would you do – test out if it could work or stop dreaming about being a millionaire?

by Julia Jantschgi and Mikko Lehtonen

In retrospect, every great innovation story is built on a few simple and logical steps. When working on innovative ideas, the most important question to have in mind right from the beginning is: Will we find a customer who uses or better yet, pays for our solution? In many cases, this important question is raised way too late in the development process. Months are wasted by working on technical details for the proof of concept at the beginning, while figuring out later that no one is interested in using it. Eric Ries, co-founder of the methodology Lean Start-Up, also learned this lesson the hard way, working as a software developer. Nowadays, he dedicates his life to educating organizations on how to do better. He emphasizes that every innovation should be built based on experimentation, not assumptions.

## Lean Start-Up in a nutshell

The Lean Start-Up methodology supports organizations in improving their product introduction success rate by putting the focus on the customer during the development of an innovation. It accelerates innovation activities by emphasizing fast prototypes, quick customer feedback and instant learning. Moreover, it has the power to boost the innovation culture by adding entrepreneurial passion, energy and commitment to the development process. Like Design Thinking, Lean Start-Up can also be understood as a process, toolbox or mindset. Due to this flexibility in the concept, it can also be easily introduced into companies with more traditional development processes by tailoring the approach to the specific situation.

## Applying Lean Start-Up

The Lean Start-Up process is highly iterative by nature and understands itself as a circle between the three main steps *build, measure* and *learn*.

To be able to focus on the right learnings, a first step even before starting to build something is understanding that every idea we have is always based on a certain assumption we have about the customer. Making this assumption or hypothesis clear to us helps to figure out how we can test if we are right and if the idea will be successful in the end. Like in our story at the beginning, back in 2009, Nik Swinmurn, founder of Zappos, had the hypothesis that customers would buy shoes online without having tried them on, and he proved himself right by intuitively applying the following five steps when developing his idea:

### STEP 1: Identify hypotheses

Formulate concrete hypotheses about the most important value assumptions. Make it clear to everyone that we can't know what customers really want as long as we don't give them the chance to tell or show us.

### STEP 2: Build an MVP

Lean Start-Up uses the term »minimum viable product« (MVP) to describe the smallest »product« version that allows customer reactions to be tested. Sometimes it's not even necessary to build a product version instead, any experiment can help test a hypothesis, like a newsletter with a concrete call to action.

### STEP 3: Test the MVP and measure the outcome

As soon as possible, get in touch with the customer. Do not try to obtain the feedback as to whether or not ►





he or she »likes« your idea, but rather try to get an answer to the question of if he or she would buy or use it.

#### STEP 4: Learn and reflect

Be honest with yourself and do not sugarcoat the results. In the best case, you defined upfront what result would make you happy and what outcome would make you reconsider your concept.

#### STEP 5: Iterate and start again

You learned how to do it better – perfect. Iterate your concept, build a new MVP and test it again. Real experts know that the first version is never the winning one.

### Beyond the theory

Think about yourself: If someone came over and asked you for feedback on an idea he wanted to realize, would you be honest and tell him you didn't like it? Most probably not. You might say it's nice and point to people who might also like it to get out of the scope or elude and answer you are not the expert about it. Therefore, we must change our interview technique or even think of better ways to test the people's reactions. The community around Lean Start-Up promotes multiple ways of how to test effectively and get the right answers.

Secondly, there's always a way to start smaller. When planning how to test your hypothesis, always ask yourself if you can test it faster with fewer resources. Instead of building an MVP that already shows functionality, you could start with a fake webpage promoting the product without having done one step in production. As further action, it is advisable to apply for a Kickstarter campaign or send out a newsletter with the information about your great new innovation with a click option to see if you get a positive reaction from customers.

### Is it just for start-ups?

We know Lean Start-Up from rapidly growing start-ups raising millions in venture capital. Still, it is not just for start-ups, but also for organizations of any size and age. It is a way of dealing with uncertainty when developing new products and services without analyzing new ideas to death, by experimenting with the ideas and involving the customers in the process. How do you get involved with your customers in developing your business? ●

## Tips for your toolbox

### The Lean Canvas

Use the Lean Canvas to draft your idea in a few minutes and get an overview of your hypotheses. Adapted from the Business Model Canvas, the Lean Canvas is especially suitable for new ideas. It considers important information like the problem you want to address, possible lead customers and available substitutes which will compete with your idea on the market.

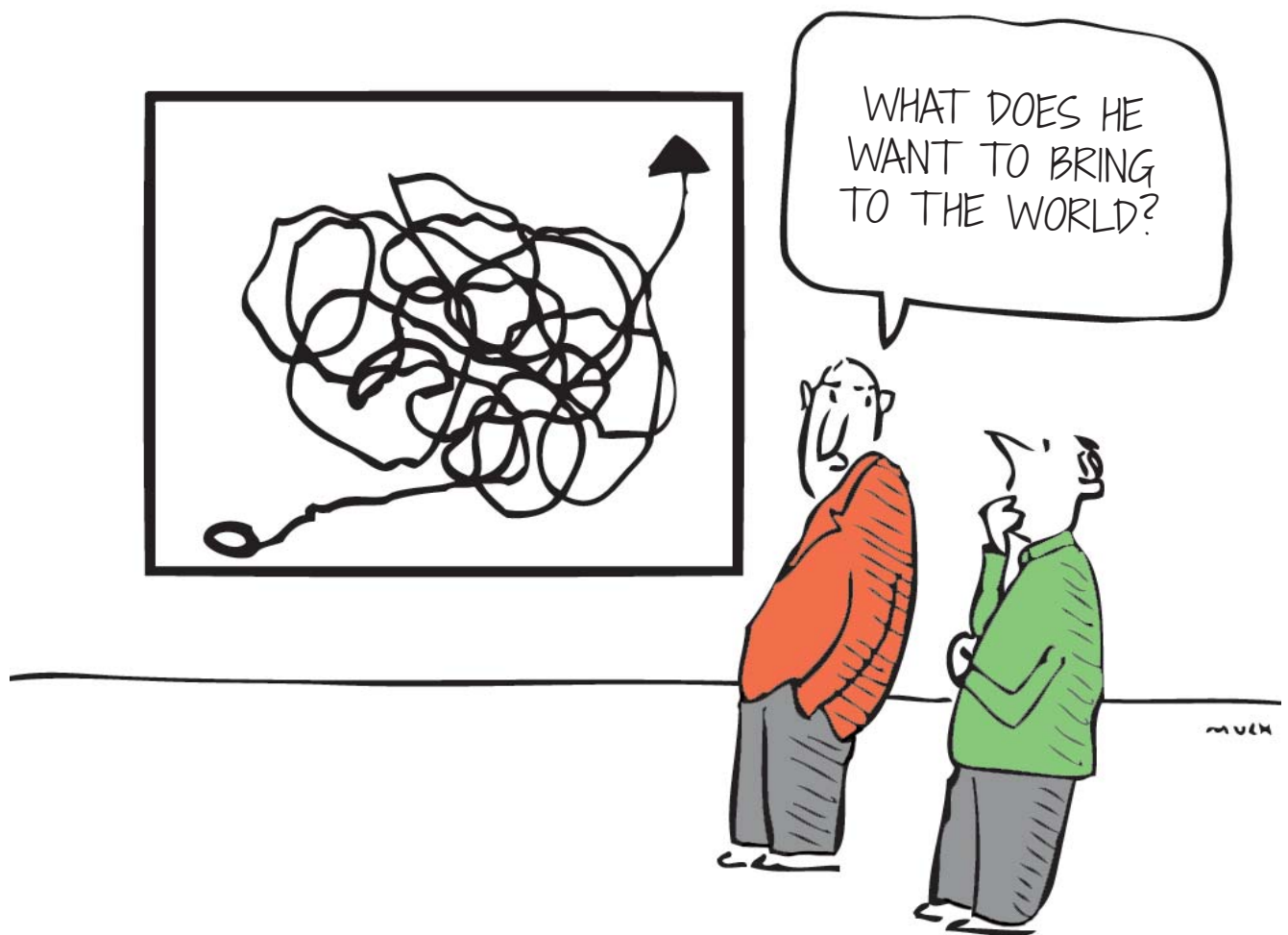
Problem	Solution	USP	Unfair advantage	Target group
	Key metrics		Channel	
Cost and investment			Revenue	

### The hypothesis template

Complete the following four sentences before even thinking about setting something in motion:

- 1 We believe that ...  
(your key assumption)
- 2 We want to test this hypothesis with/by ...  
(your MVP)
- 3 We will measure if ...  
(the reaction the customer should give)
- 4 We will be satisfied when ...  
(the result you want to have)

# Creating Purpose



Without purpose, there can be no orientation. According to our agility model (see page 15), a strong purpose forms the foundation for collaboration within the organization. To gain a powerful center, you will need an equally powerful purpose statement. by Franz Schwarenthorer

## »Want to know how an outstanding company differs from an average one? Follow us this way.«

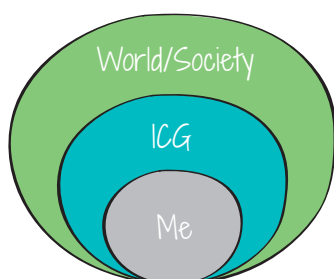
### Finding or defining your purpose?

In discussions about purpose, two different worlds appear. One side claims: »Purpose is already there. The foundation was laid when the organization was founded and it has been lived by the organization.« This means in a purpose process, you would *find* your purpose. The other side states: »Purpose is the result of discussions about the future.« This means you would *define* your purpose. Are these sides mutually exclusive? Experience shows that both sides are valid. When starting our own purpose process in 2016, we built it on both worlds.

ICG is a consulting company founded more than 35 years ago. 140 senior consultants are active in 12 European countries. And they all have one thing in common, even though the personalities, competences and cultures are very different: We have always been a partner in change. When defining our purpose, we wanted to show this intrinsic motivation clearly to our customers and potential employees.

### Leading by example

At the beginning of our process, we formed a core group of 12 people representing our whole organization.



To work on your purpose, you have to reflect how you and your organization are connected to the world. This is symbolized by the »purpose onion« (see illustration). We started with the individuals and questions like »How am I connected to myself?« or »What is my true purpose in life?« Afterwards, we followed with the organization. In our ICG case we asked ourselves »How are we connected to each other?« In the third round, we evaluated how we are connected to the world and what we want to bring into it. Let's take a look at these steps in more detail.

### Where to go

To reach the core of ICG, we started an honest exploration of very individual questions. In which situations in my professional life have I really felt successful and connected to myself? What qualities, values and sense could be found in these situations? In a second step, we formed groups of three and took a good look at ICG. We listed all the situations where we have been successful as an organization and really proud to be part of this team. By analyzing these situations, we shaped clarity and visibility with Post-its, carrying our past and present purpose.

### Connect it to the world

A very important final step in this process was to connect the purpose to the world with its current and future developments. We needed to ask ourselves which trends and developments are emerging at the moment. What touches us? Gives us hope? Makes us afraid? How would we like things to develop and where are possibilities to contribute? With all these aspects in mind, we sharpened our purpose along three central questions:

- What impact do we achieve for whom?
- What is our contribution?
- Which values are our guidelines?

Based on the answers, we developed a first draft of our purpose. It was sounded out in several rounds within the whole organization and constantly refined. All in all, the whole process took around six months, and we recommend a similar approach to our customers. You may ask yourself: »Did they find or define their purpose?« The answer is: both. We found established parts like co-develop and live up to their full potential and defined more up-to-date parts like more responsive and meaningful.

### The result

**ICG's purpose:** »We co-develop organizations to be more responsive, innovative and meaningful, enabling people to live up to their full potential.«

**ICG's values:** Honesty, transparency, passion, reliability, respect.

### Condensed advice

Feeling inclined to initiate a purpose process in your organization, as well? Great! Ensure that you involve people who are really eager to shape this process. Don't let motivation be withdrawn from people who do not see the need. We recommend booking a nice hotel surrounded by nature. Going out for walks will help you listen to your inner voice. Generally speaking, a purpose process is more about feelings and intuition than a cognitive approach, which is why we recommend exercises with individual reflection and exchanges in small groups, using intuitive and creative methods like drawing, modelling or business theater. ●

## Purpose statements

**Airbnb:** »Provide hospitality, create a sense of belonging to wherever you go in the world.«

**Apple:** »We challenge the status quo, think differently and offer individuals simpler alternatives, so that they can challenge the status quo as well.«

**SpaceX:** »Enable people to live on other planets.«

**Zappos:** »Deliver happiness to the world.«

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## Guideline to better statements

Analyzing our examples helps us find a valuable pattern. Ask yourself:

- 1 Who are we acting for? Who are our stakeholders?
- 2 What do we want to achieve? What should our impact be on these stakeholders?
- 3 What is our contribution? What do we do to achieve this impact for our stakeholders?

In the case of our ICG purpose, it works like this:

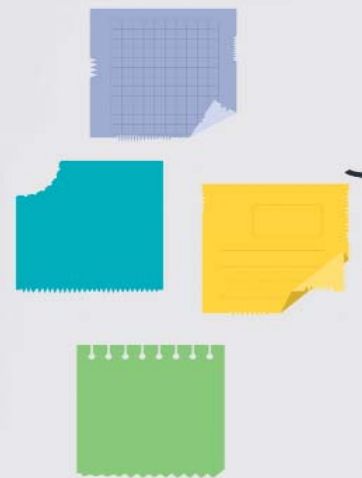
- 1 **Who are we acting for?**  
Organizations
- 2 **What do we want to achieve?**  
To be more responsive, innovative and meaningful, enabling people to live up to their full potential
- 3 **What is our contribution?**  
We co-develop

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»Never forget that better principles, not better practices, are what organizations really need.«



# Kanban



Forget about multitasking; it simply does not work. While new tasks are constantly flooding our inbox, it is nearly impossible to stay focused and efficient. To deliver good results, time and peace of mind are essential. Kanban is a very useful approach for agile work in demanding projects.

by Stefan Posch

If you are looking for a way to keep your energy high and your work in balance, Kanban provides you with a powerful tool. The core element is the Kanban board, visible to the team. From left to right, the four segments backlog, to do, doing and done provide all members with a quick overview. To set up your first board, you don't need much.

Start with the **backlog**. It collects all the items that are planned to do. Do not bother about size or priority of tasks and who is responsible for them. In a following activity called backlog grooming these items are broken down into chunks of tasks. Reasonable pieces are crucial; these tasks should typically be processable within a week or less.

The most urgent tasks are now sorted and moved into the **to do** section. Higher priorities move to the top. Kanban ensures that the team experiences a constant flow of tasks appropriate in size progressing over the board. Tasks are not pushed onto team members; everybody is responsible for picking tasks from the top of the to do pile. With this pull instead of a push principle, the team can handle the workload properly.

While working on the task, it is moved into the column **doing**. The team also sets an adequate »work in progress« (WIP) limit for the doing column. No more than a certain number of tasks may be handled at the same time. Once the WIP limit is reached, no new tasks may be pulled until one of the items currently being processed is finished. Sticking to the WIP limit helps the team stay focused while the outside world may completely change priorities; therefore, backlog and to do change as a consequence.

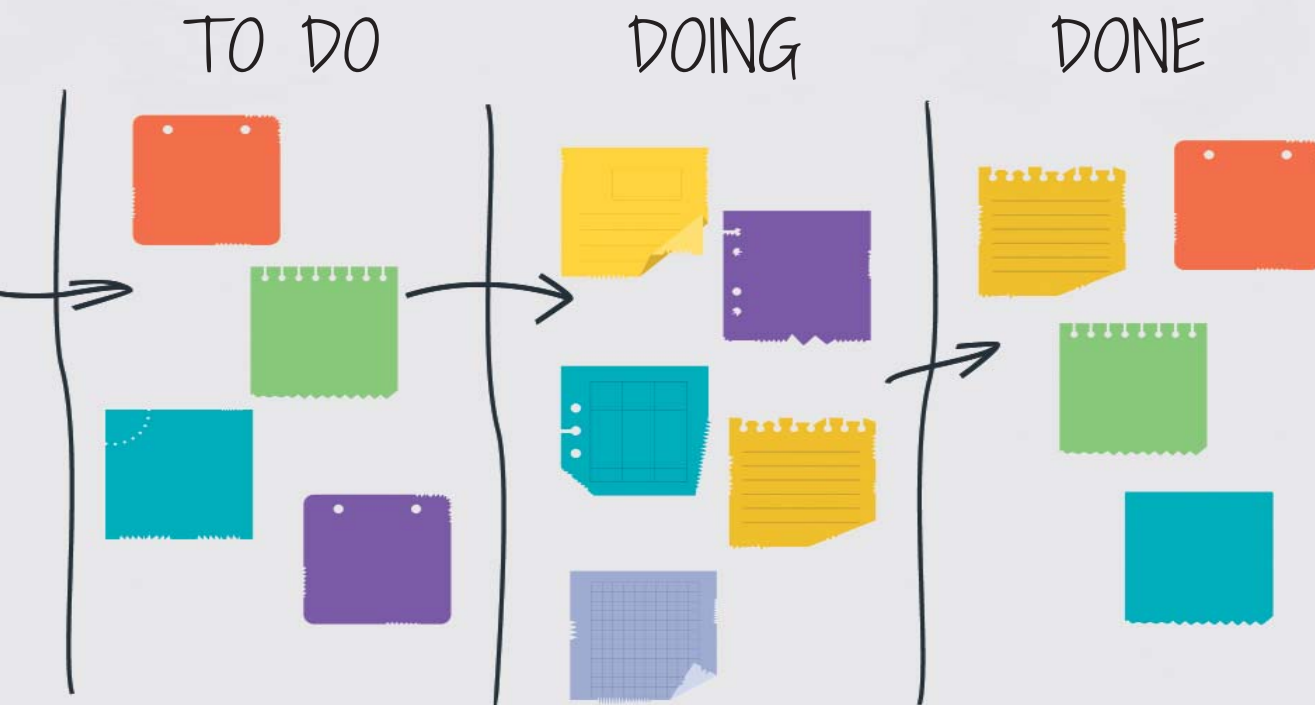


## Dive into Kanban with these recommendations

»Agile Project Management with Kanban«  
Eric Brechner; Microsoft Press; 2015

»Kanban Roadmap – How to Get Started in Five Steps«  
[www.leankit.com](http://www.leankit.com)

»Agile Retrospectives: Making Good Teams Great«  
Esther Derby, Diana Larsen; O'Reilly UK Ltd.; 2006



Finally, a finished item is moved into the **done** column and stays there for a certain while (for two weeks, for example). Making your team achievements visible distributes dopamine and keeps the energy and motivation of your team members high.

### Starting with Kanban is easy

First of all, you have to define the objective of your Kanban board. Rule out which activities will be monitored within the board and which not. Never form a Kanban team without a clear purpose. Assigning the right team members to the board is also very relevant. Make the purpose clear for all participants during a kick-off meeting. Invite every team member to write down at least five tasks they think should be reflected on the board. Use Post-its and sort all the tasks into the right column afterwards. Now you have created your first Kanban board.

### Make it work

To implement the Kanban board into your daily business seamlessly, it will be important to clarify some basic principles. Who will fill the backlog of your board? In a service or support organization, it may be filled by customers. It is also possible to entrust a product owner of a development project or all team members with the task. It is also necessary to agree on who is responsible for breaking backlog items into tasks and prioritizing them. Establish a regular short meeting. A typical stand-up takes 15 to 25 minutes

and is held in front of the board with the whole team. Check the Kanban board right to left during the meeting, starting with done and moving to backlog. Focus mainly on tasks that are stuck in the doing column. Quickly agree how the team can help the responsible member unfreeze the task right away. Never skip this meeting – it defines the rhythm of the team and may become its heartbeat.

### Keep the pace

Kanban needs thorough and regular maintenance in order to develop its full potential in a team. The first retrospective meeting should take place four to six weeks after the kick-off. In this facilitated session (between one and two hours), the team reflects on the way it works together. All team members shape new rules for agility and high performance. For further improvement, monthly well-facilitated retrospectives in the first half year after the start help to develop its full potential in a team.

### Your benefit

The framework itself offers some significant benefits. It is easily adaptable and can be used for any kind of work. It is appropriate for both temporary and permanent teams. It offers agile working with continuous delivery and does not need fixed sprints. It works with minimal overhead. It needs no dogmatic introduction of new roles or artefacts. And last, but definitely not least: You can start with it immediately. ●

# Improving Your Decisions

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Decisions are powerful and little is more costly than bad ones.

Amongst others, the actual decision process has a big impact on the outcome.

by Dietmar Bodingbauer and Nonno Breuss

It is surprising how little many decision-makers know about the broad variety of available decision-making tools for teams. Most of us rely on what we know: unilateral decisions (with/without consultation), consensus or a majority vote. That's about it. In many cases, using other modes for deciding produces more thoughtful decisions with broader support. Expanding your know-how about state-of-the-art decision-making modes might be one of the smartest investments you can make. In many cases, a half-day training session is sufficient to test out new tools and build the confidence to use them when it counts.

## **If you rely on a majority vote, you might lose half the group – unnecessarily**

Politics showcase how deciding by majority tends to foster competition and frames the decision in winners and losers. In an organizational culture characterized by mutual trust, open dialogue, commitment and strong group identification, this process can lead to poisoning of the structure. Taking a vote might never result in open hostility, but under the surface, harmful dynamics start coming into play.

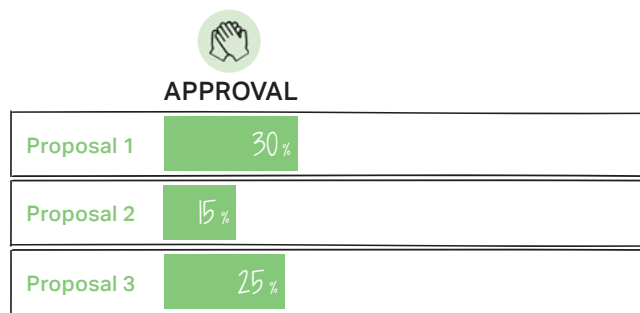
## **Avoiding poor decisions with low commitment**

To illustrate this, we invite you to think of a concrete upcoming decision at work. It should be a team decision where group buy-in is important but where consensus is unlikely and where you may end up voting on a number of proposals.

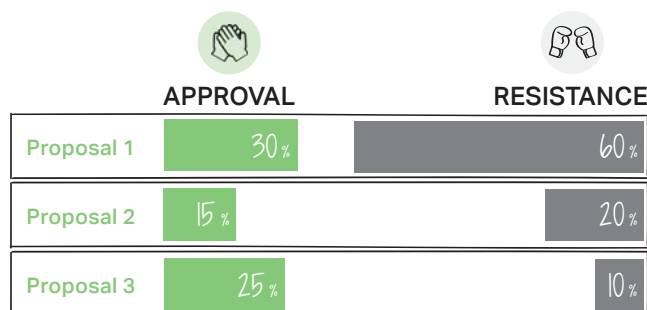
### Room for your proposals

Proposal 1	Proposal 2	Proposal 3
------------	------------	------------

Here are the assumed results of your vote:



The biggest drawback of this mode is that *you have little indication as to how those who were not in favor feel about the options*. Are they just indifferent or do they strongly oppose? Once the decision is made, this might be critical for its success in implementation. How can you be confident if there is no information? You are basically playing in the dark by lighting only half of the court. Let us assume that we ask not only how much they favor a proposal, but also how much resistance they feel forward each proposal. Each team member might, for example, give one to ten »resistance points« for any of the proposals. After the vote, there is a chart of the measured resistance (the percentages are the proportion of resistance points given/points that could be given):



Although option three has got slightly less agreement, objection is by far the lowest. *If group buy-in is important, stop the dynamics of majority-voting and decide for the option with the least resistance.*

There are a number of ways to do so. The key is that you have to measure resistance (on the right, you will find short descriptions of two concrete methods). ●

### How to decide by »Systemic Consensus« (simplified)

- 1 Ask for points of resistance for each proposal. This can be done, for example, by raising one or two hands or by giving one to ten »resistance points.«
- 2 Sum up the resistance points for each proposal and select the proposal with the least resistance.

For more information see: [www.sk-prinzip.eu/](http://www.sk-prinzip.eu/)

### How to decide by »Consent« (not consensus)

- 1 Agree on the overall goal (what is it we want to achieve?).
- 2 Formulate action proposals that might serve this goal.
- 3 Ask for objections to each proposal. If there are no objections, you have reached consent.
- 4 Objections should be raised if the proposal might not serve the common goal or if there are ways to improve the proposal. As such, they shall be considered as gifts. It is vital to foster a culture where they are honored as gifts and as a chance for improvement.
- 5 If the proposal can be improved by incorporating the objections, do so and run through the process again until you have reached consent.
- 6 Implement it if the proposal is good enough for now and save enough to try.

This is a simplified version. For more information, see for example: [www.sociocracy30.org](http://www.sociocracy30.org)





# Mission Control to Steer in Uncertainty

Mission control is known as a facility for managing space flights from launch till landing or the end of a mission. The idea of gathering all relevant people and information in a single location improves the decision-making process as well as the quality of decisions.

by Zsolt Szabó-Jilek

Today's rockets are agile projects and it is necessary to steer them accordingly. Organizations are operating more and more in quick agile iterative sequences, where the success of single projects provides the key business results. To ensure that what is being decided is the right thing to do, access to information is essential. Creating an operating space will boost agility right away. The project team place provides a location for accountable teams to meet and carry out planning, communication, problem-solving and status reporting associated with a project. Equipped with Kanban boards, whiteboards or projectors, visual information is easily shared. Activity plans and information for participants improve decision-making. An agile project room is one of the greatest assets for transformation; its setup provides so many benefits. A high level of visualization brings fast understanding. Direct communication eliminates misinterpretations delivered via email and saves time. Kanban boards with Post-its (to do, doing, done), documentation and a wall for posters all create a comprehensive overview. Gathering the team in one room increases commitment and cooperation and shapes team spirit and a sense of togetherness. Furthermore, a project room allows for a focus on the effort and its end goal and leads to higher performance through faster decision-making and quicker reactions. Here are some examples of working structures from different agile principles:

### Go to Gemba

Gemba walks are a source of improvement coming from lean management. Gemba is a Japanese term meaning »the actual place.« Japanese detectives call the crime scene Gemba, and Japanese TV reporters may refer to themselves as reporting from Gemba. In business, Gemba refers to the place where value is created. By visiting the place where the work is done, leaders gain valuable insight into the flow of value through the organization and often uncover opportunities for improvement and learn new ways to support employees.

Today's organizations are rarely flat, i. e. more organizational levels separate top management from operational staff. This situation extends communication paths and reduces confidence in the information received. It slows down decision-making and often leads to wrong decisions and a reduced over-all perfor- ►



#### Recommended reading

»How to Do a Gemba Walk: Coaching Gemba Walkers«  
Michael Bremer; Independently published; 2018

»Measure What Matters: How Google, Bono, and the Gates Foundation Rock the World with OKRs«  
John Doerr and Larry Page; Portfolio; 2018

»A new era is dawning over the horizon. Agile operating teams are taking over many organizations, often steered from new control rooms.«

mance. Go to Gemba methods help managers and board members save time. Instead of long presentations, a quick visit to the agile project place provides first-hand reliable information on progress, the status of problem solving and achievements. It also speeds up decision-making and effectiveness.

### Open opportunities with an EVR

Widening this concept to the whole company or organization will change the way of working. An »Enterprise Visibility Room« (EVR) concept supports the strategic ambitions of the organization in four major directions:

- 1 Clear transparency about the work in progress activities for the strategic overview.
- 2 Easier communication about the key programs to empower people.
- 3 Better alignment with the functional organizations; fewer delays in cross-functional work.
- 4 More understanding of how to contribute to the corporate strategy; more sense of engagement.

The EVR visualizes the active strategy work and which teams are involved in delivering that value. These attributes can help limit organizational work in progress (WIP), reconsider the organizational structure, clarify the top priorities for the enterprise, and make it obvious how teams are helping deliver on the strategy. In addition to the physical elements of the EVR, five ceremonies embody the formal operation of the room: prioritization run, planning circle, SCRUM of SCRUMS stand-ups, demonstrations, and retrospectives, all occurring throughout a quarterly cycle with the dedicated teams.

### Build your own EVR concept

Every company is special, so it makes sense to strive for a tailored way of EVR for any organization. Three main steps always form the key elements. First, we have to build viable foundations. Creating reliable executive support, cross training the organization and breaking down the strategic targets with defining necessary OKRs (Objectives and Key Results) with clear descriptions of value for each and every strategic outcome is essential. Second, a sustainable framework is set up. Designing a motivating, inviting EVR space, defining the cross-functional teams and launching the five ceremonies serves as a manifestation for change. Third, reviewing and fine-tuning the concept leads to better results. Use the quarterly retrospectives to align the processes and improve your way of working. And never forget; a control center is not only useful for achieving individual Mars missions of an organization. It can also add a lot of fun to your daily work. ●



Source: »War room,« [www.workdesign.com](http://www.workdesign.com)

# Market of Makers



This is a challenge to prove your courage. Are you able to let 15 to 30 speedboats be steered autonomously by employees over three to four months? Can you imagine what results they can deliver and how they can shape the future? Think about the speedboat as a powerful way to gain entrepreneurial culture in your company. by Michael Faschingbauer



Recognize opportunities and act: that's what entrepreneurs do for a living. They don't analyze or ask for permission. Instead, they use what they have and do what they can do. When established companies ask for intrapreneurship, empowerment and innovation culture, they want employees to show exactly that entrepreneurial behavior. The »Market of Makers« provides a setting for unleashing the entrepreneurial spirit. It opens a space where every employee can become the captain of their autonomous speedboat.

### Design your own vessel

A speedboat is the opposite of a tanker; it moves fast and nimbly. It is equivalent to an innovative initiative a single person can initiate in their working environment. Speedboats can be not only about services or products, but also about processes. As long as the boat stays within certain guardrails, it does not even need specific approval or permission to start. In a speedboat regatta, those speedboats that successfully attract contributions by crew and supporters will survive and strive. While tankers need a lot of governance, speedboats are self-sufficient, autonomous and fast.

### Preparing the regatta

#### Define the strategic ambition

Motivating employees to get out of their comfort zone and start a speedboat needs a thorough setup. Setting a clear strategic ambition for the process is key. The ambition can be broad (such as »fostering entrepreneurial culture« or »getting ready for upcoming challenges«) or more specific (such as »mastering digitalization« or »getting our new business unit up to speed«).

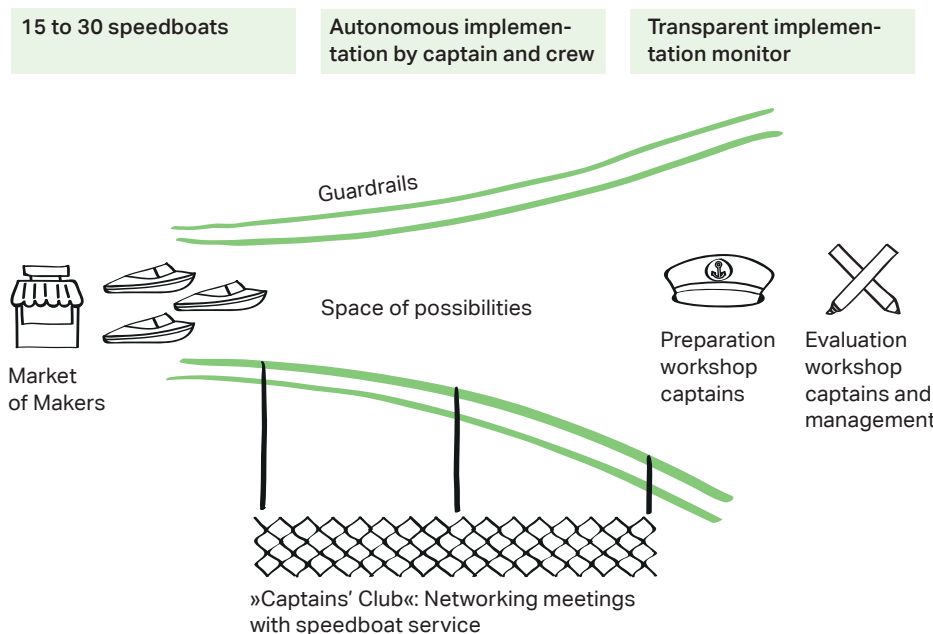
#### Describe guardrails

Guardrails describe the space in which captains maneuver their speedboats. It does not usually take an awful lot of them to get going. If questions like »How much time can I invest?« – »Is there a budget and how can I get it?« or »(Who) do I have to ask for permission if ...?« are answered, captains and crews have the orientation they need.

#### Invite to the Market of Makers

Engagement and intrapreneurship cannot be forced. The invitation to join the regatta should therefore ideally be open to anyone with an idea or just an ambition

## Process and rules



### RULES FOR SPEEDBOAT CAPTAINS

- Do the doable based on what you know and have
- Take small, concrete steps
- Only invest what you can afford to lose
- If you fail, fail elegantly (early and cheaply)
- Action beats analysis and planning

to start a speedboat. Management attention and organizational support are further crucial ingredients for a successful regatta. Defining a sponsor from the management team and forming a regatta service group have proven to be helpful as well (see illustration).

### Gather at the starting line

In a kick-off workshop called the »Market of Makers,« potential captains spend a day tailoring their individual speedboats. At its heart, there is a series of speed dialogues in which participants expose speedboat ideas to collect contributions and recruit the crew. After those dialogues, captains usually know which speedboats are feasible within their environment. At the end of the workshop, 15 to 30 participants typically start as many as 15 to 30 speedboats. They have also learned to apply the basics of Effectuation (see page 28), the entrepreneurial method for steering their speedboats on an uncertain journey.

### The regatta

In the following three to four months, speedboats compete with daily business. As captains and crew work on their boats on top of their jobs, their boats can hit rough waters. In learning and networking meetings along the journey, the captains discuss their experiences and support each other. The sponsor and the regatta service will make sure that management support and decisions are provided on short notice. Some boats will change course, lose and gain crew members or even return to the harbor. The regatta overview is captured in a »speedboat monitor« showing the status, including parameters such as »speedboat weather,« progress,« »support« and »spirit.«

### Results on two levels

When captains and the management team meet for the final presentation, it is time to appreciate what the captains achieved with their speedboats. Equally important, learnings and hot issues for the organization can be derived. The hurdles and supporting factors encountered by the captains indicate the levers for building a culture of innovativeness, empowerment and intrapreneurship; a culture in which doing the doable wherever opportunities arise becomes second nature. ●

## Experiences with the Market of Makers within ÖBB BCC in the context of culture development



Karl Paukner

Strategy and organizational development  
ÖBB Business Competence Center

»Young network,« »tender highway« and »urban garden« are just three out of 27 speedboats shaping the change of the ÖBB Business Competence Center (BCC), a 1500-person spin-off from the Austrian railways. Starting speedboats in the »Market of Makers« was a core activity for cultural development. Its strategic ambition was to help turn the melting pot of former railroad departments into a modern service organization. Eyed with skepticism at first, the initiative greatly contributed to the core notions of the cultural change, including a strong »we« as well as a convincing service mindset. »But also the management learned a lot,« Karl Paukner adds. As head of the cultural development initiative, he emphasized evaluating the unconscious mechanisms hindering speedboats and thus identifying hot issues for the management team. While preparing the result workshop for the first Market of Makers, a next speedboat wave is already being planned. Paukner: »At the end of the day, we want a culture where employees seeing a potential for innovation start speedboats by default to map the uncertain territory. The process of the Market of Makers is a big and direct step in this direction.«

# Delegation Poker

© Jurgen Appelo, www.management30.com



One of the most important topics in all leadership development processes is to uncover the benefits of delegating. Many leaders and employees still struggle when trying to put it into practice.

by András Karácsonyi

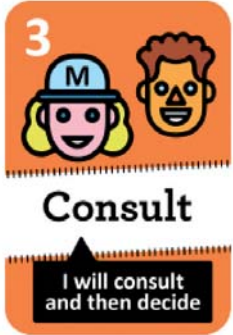
The struggle is noticeable on both sides. Questions for the leaders arise regarding what, how, to what extent and why they should delegate. Employees are mostly unsure about the framework, space and freedom of each action, the authority received, the nature of the task («is this something I will grow from or is it only dumping work on me?«), and the quality expectations.

For agile teams delegation has to be turned into participation. How do we use individual and collective intelligence to take good decisions in a fast way, while ensuring the commitment of the entire team?

## Tackling mission impossible

You will find many valuable suggestions as to how to set up a better decision-making and delegation process. Once you start exploring, you will for sure discover some options for yourself. We have had very good experiences with »Delegation Poker,« a tool published on the Management 3.0 website. It allows individuals and teams to explore and discuss their options for taking decisions. The basic concept differentiates among seven ways of taking decisions. These options resemble the Leadership Continuum Model described by Tannenbaum and Schmidt in 1958 (see illustration):

- 1 **Tell** – the leader takes the decision and tells the team.
- 2 **Sell** – the leader decides and sells the decision.
- 3 **Consult** – the leader asks for opinions and then decides.
- 4 **Agree** – the leader and the team agree about the decision.



- 5 **Advise** – the leader advises and lets the team decide.
- 6 **Inquire** – the leader lets the team decide and inquires about the result.
- 7 **Delegate** – the leader fully delegates the decision.

### Implementing the concept

One successful way of becoming familiar with the concept is to explore the options along some decisions you've made in the past. List some of the decisions the team and/or leader have had to take in the following grid:

Decision	1	2	3	4	5	6	7
Selecting a new trainee							
Vacation times							
Bonus distribution							
...							

Gather your team. Each member can express his or her preference along the seven options for every specific decision. Hand out different colored dots to place them in one of the columns. If voting happens at the same time, you will get a clear snapshot of individual and team preferences. In a subsequent step, discussing and understanding individual preferences and expecta-

tations is the next interesting part. Once there is a thorough understanding of team preferences, you can turn toward finding solutions for the eventual differences. One possibility is to start from the most far-flung opinions to find out if they can be brought closer together. Several rounds of voting may help to form some kind of consensus. Experience shows that focusing on past decisions turns the discussion more specific and tangible with good conclusions for the future. Using the tool and exploring it in an open discussion helps leaders and team members incorporate the most important guiding principles. This will help in selecting the right decision-making method for the future.

### Practice makes perfect

The challenge of good decision making is about finding a balance between pace and involvement, speed and quality, participation and chaos. Not every decision can be delegated: content-related expertise is one of the most important factors for agile teams. Different people also have different preferences concerning how decisions should be taken. Therefore, teams should spend some time exploring these preferences and finding their own best-fit principles. Not everybody is willing to take accountability for certain decisions. Address the several reasons accordingly to find a suitable solution. A more participative process will take longer, but it will certainly generate more commitment. Is it worth it? For sure, yes! You and your team members will become much more aware of your own expectations and options for making jointly-accepted decisions. ●



# Effective Meetings

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Long and unstructured meetings have the same effect as a jammed printer. They paralyze the workflow and consume precious time. You can easily scale this effect by inviting more people to this kind of small talk.

by Franz Schwarenthorer

Many organizations are unsatisfied with their meetings and decision-making processes. There are many mistakes to be made. Meetings can last too long. Agendas can be overloaded with topics nobody is really working on. Meetings grow into endless discussions, often postponing decisions or trying to go for consensus for hours. Worst case: participants are unprepared or working on emails or slides. As a result, they often show an inappropriate discussion style by hopping between topics without any focus.

## An agile structure needs more meetings

This may sound like a threat to you, but as a matter of fact, agile organizations tend to hold more meetings than traditional ones. The good news is that as a result, agile organizations have developed several methods, tools and formats to overcome this dissatisfaction. Before shaping a laser-focused meeting, it may be very helpful to remind ourselves why we need this special meeting. One essential thing might be to ensure transparency of progress (How do we proceed? What is the status of goal achievement of individuals and the team? What do people need from others to fulfill their goals?). Another important function of a meeting might be to analyze and develop topics on strategic and operational level. Furthermore, meetings can be fruitful to ensure efficient and accepted decisions and to further develop your organization (adapt roles, teams, circles, etc.).

## The secret recipe of agile organizations

To make meetings and communication more efficient, agile organizations have developed a set of meeting principles. It is very important to stick to these principles. First, meetings are structured and short. Second, participation is consciously decided: Who attends re-



### Recommended reading

See how Holacracy tactical meetings work:  
[youtu.be/12KBvyJlwxA](https://youtu.be/12KBvyJlwxA)

For more details on Holacracy watch:  
[www.holacracy.org](http://www.holacracy.org)

gularly? Who is a guest? Who is not needed? Third, clear roles are defined to ensure efficiency: a host who organizes the meeting, a facilitator, a minute taker. Regarding facilitation, those meetings are much more straightforward than »conventional« ones. The facilitator is equipped with the necessary authority to act powerful (timeboxing, stopping people, dealing with one topic at a time, etc.). Agendas are reduced and focused; they usually follow a standard agenda with timeboxes for a limited number of discussion topics. As a result, people table topics with personal ambition, clear intentions and their proposals concerning how to handle them. Once applied, you will feel the gain in interest and energy. Discussions are stopped as soon as the proposers have gotten what they needed or when time is up. Decisions are not merely taken in consensus, but, e. g. in consent: the proposal is accepted unless there is an objection, the crucial question being: Do we see any reasons why adopting this proposal would cause harm or move us backward? This ensures faster decision making and supports a culture of accountability.

### Best practice examples

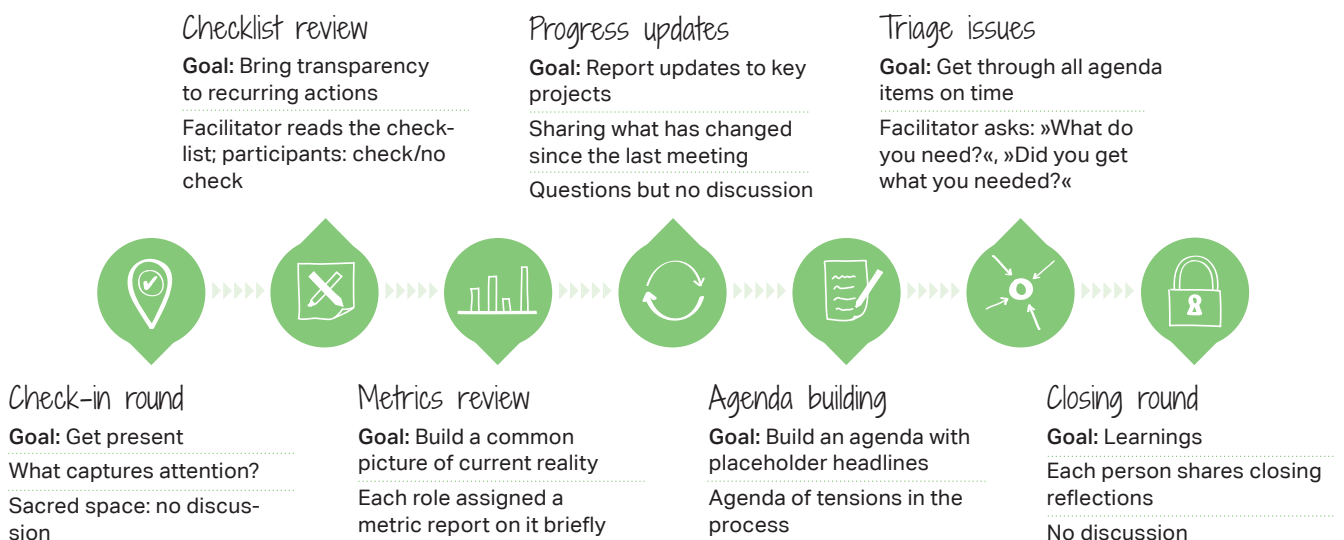
Looking into the practice of agile organizations, we can find many successful examples. For a start, Holacracy

or SCRUM (see page 48) are highly recommended. The developed standard formats obey the established principles and are therefore rather structured and strict. Holacracy basically differentiates among three formats: the tactical meeting, the governance meeting and the strategic meeting. The tactical meeting takes place weekly and its goals are to ensure transparency, update everyone and solve operational issues. A governance meeting is held every 4 to 12 weeks and it has the task of further developing the organization: »Looking back at the past few weeks ... did we realize tasks which are not assigned to a role? Should we adapt some roles? Should we define a new role (or skip an existing one)? Should we adapt a circle or any other element of our organization?« Compared to a »traditional organization,« these questions are asked more often than every 1 to 2 years. Adapting to the answers on a monthly or quarterly basis helps to develop an agile organization much faster. The semi-annual or annual strategic meeting helps to shape the vision of your organization (see illustration).

Interested in a better meeting structure with more promising results? The good news is, you can easily start experimenting with meeting principles or formats. You will most definitely see a difference immediately – even in a non-agile organizational environment. ●

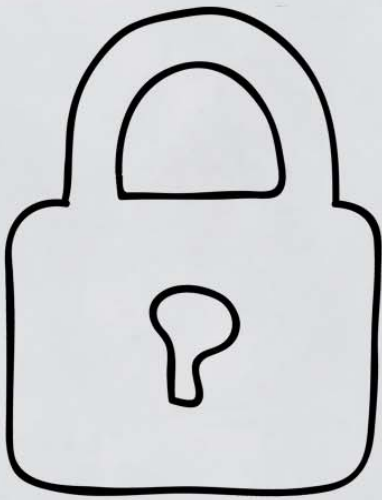
## Tactical meeting

weekly, lasting 60 to 90 minutes





# Unlock Team Potential



Potential



Performance

Organizing a structure to achieve high performance is one of the biggest strengths agility can help you gain. Acquiring certain methodologies will boost team performance almost immediately. by Stefan Posch and Julia Fadler

Are you working in a team – or even more than one team? If you belong to Generation Y or Z, this question might strike you as a strange one; how else could somebody work? You participated in team projects at school and university and all your work environments had team-based structures. The interchange of ideas was on an eye-to-eye level, with everyone contributing to a commonly agreed-upon goal. You will be surprised that your »normal« is what many old-fashioned and ancient industries are desperately craving for. Experimenting and learning how to work in team-based structures is very hard for many businesses; but moving fast in small groups is crucial in our fast-changing environment.

### What it takes to boost performance

How to build such teams and prepare them for high performance has been a hot topic for years. In our research, we have identified three essential dimensions for the development of high-performance teams:

- 1 Framework conditions
- 2 Psychological safety
- 3 Shared mental models

An especially interesting perspective on how to nurture a high-performance team is relying on agile working models. When diving into agile methodologies, we find a wide range of settings, routines and tools in place to enable high performance in teams. How does a retrospective serve to constantly shape the framework conditions? What does a stand-up meeting have to do with psychological safety in teams? How does visualization of the joint work support the emergence of a shared mental model? Let's connect the dots and have a look at successful strategies (see illustration).

### Retrospectives – time and space for us as a team

Coming from SCRUM, the retrospective is a facilitated team meeting taking place after every sprint. The team comes together to talk about the quality of cooperation in the team and proactively works on what to do differently to improve the process in the future. Teams work around the following guiding questions:

- What did we do well (and why)? What did not work well (and why)?
- How well are we cooperating in this team?
- What do we want to do to perform better as a team in the future?

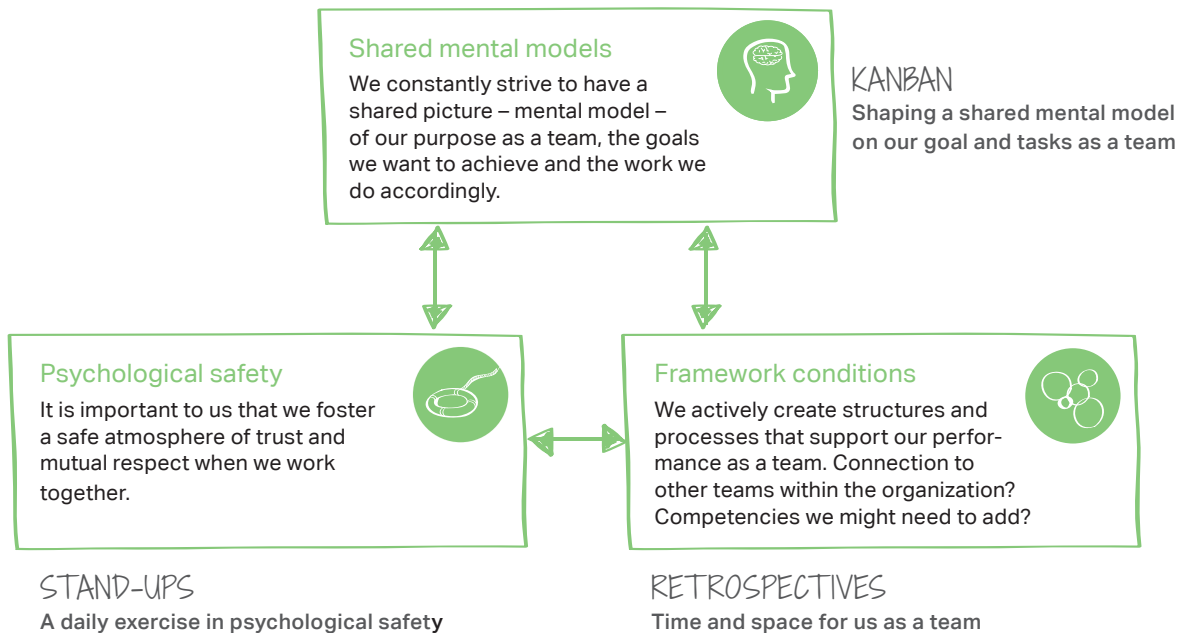
From a team development perspective, retrospectives are a very valuable format to work on the team (and not only in the team). Why is that important? Research shows that one aspect to make a team better is a shared understanding among members about the desired quality. This includes performance requirements and goals as well as the important aspect of how the team should work together (cf. DeChurch and Mesmer-Magnus, American Psychological Association 2010b). These »shared mental models« are not to be shaped once and fixed as long as the team exists – they need an ongoing dialogue around individual expectations and perspectives, as interests and focus may change over time. In a well-facilitated retrospective, these aspects are explicitly put into the focus of attention.

### Stand-ups – a daily exercise in psychological safety

Another element used in agile frameworks such as SCRUM or Kanban is the daily stand-up meeting. It is a ►



## Dimensions for the development of high-performance teams



short, compact meeting taking place every day where a team comes together to have a look at the progress made. The goal of the meeting is to have everyone on the same page and facilitate an overview of what everyone is currently doing as well as how the team/project as a whole is progressing. The team usually works around these three questions, answered by every team member:

- What have I achieved since our last stand-up?
- What do I want to achieve by our next one?
- What is currently getting in my way to progress as planned in my work?

What makes the daily stand-up an especially interesting learning field is gained from togetherness. Research has shown that high performance teams are characterized by a feeling of »psychological safety.« Harvard Business School professor Amy Edmondson defines psychological safety as »a shared belief that the team is safe for interpersonal risk taking.« In psychologically safe teams, team members feel confident to speak up if they have a problem, doubt decisions or share open critique. In our experience, leaders often struggle to foster psychological safety. In this context,

a daily stand-up can be an excellent starting point to practice openness by talking about personal achievements and struggles. Realize equal speaking times and let everyone participate in a time-boxed manner to create »visible« signs of psychological safety in your team.

### Kanban – shaping a shared mental model on our goal and tasks

This is about our purpose as a team, the goals we want to achieve and the work we do accordingly. Only if all of these aspects are constantly transparent to all team members can coherence and high performance develop. A Kanban board (see page 70) helps a team visualize the progress on the joint work. It shows all currently important activities and helps identify the highest priorities and achieve the team's common goal. The board is updated on a regular basis (at the latest at the daily stand-up) and constantly reminds all members of the upcoming tasks. The board supports the reprioritizing of tasks, and what is most important, allows every fulfilled task to be jointly »celebrated« as a little success. Every visit of the Kanban board is also a revisit of the shared mental model in action and a shared identity. ●

# New Workspaces

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»Stop starting – start finishing« is a very powerful credo for your agile organization. What does it really take to get this agile mindset started and implement it into your organization? We know from experience: you need authorized, autonomous teams who have a joint work time with a certain rhythm. People with knowledge and experience of agile tools and methods to support the teams. And ideally, every team has its own project space to work in.

by Christina Duller and Julia Jantschgi



**Annie Kerguenne**

Leading Design Thinking expert,  
Hasso-Plattner-Institute for  
Digital Engineering in Potsdam

Annie Kerguenne, a leading Design Thinking expert from the renowned HPI in Potsdam, supports our view. Read on to learn what Annie told us about the impact of space and how we at ICG just recently turned our own office into an agile and inspiring environment.

**What is one of the most promising starting points to successfully transform an organization from your expert point of view?**

**Annie Kerguenne:** If you want to change the way people work and interact, space design is one of the most impactful vehicles to support that. Human beings belong to the species with the highest skills of adaptivity; we naturally adapt our behavior to our environment. Just observe yourself and your physical reactions on a crowded tram in comparison to a free space like a park or rooftop terrace. Meeting rooms with big tables have a similar effect. They hinder the attendees movement and support a hierarchical, passive mode of communication. If we want to be agile in our work and interactions, we have to build spaces that encourage agility, cooperation and activity. It should be easier to interact in those spaces and harder to stay passive. It should be more fun to build on the ideas of others than protect an individual idea. It should be more natural to get inspiration from other areas and raise your views above ►



your market segment. All of these behaviors can be supported by space design.

**What do you consider the biggest impediments in traditional spaces when it comes to agile working?**

Annie Kerguenne: There is nothing wrong with traditional spaces – if people are allowed to hack them. Just skip the chairs, cover the desks with whiteboard paper and use the windows as whiteboards. Things can be transformed very quickly in a way that agile working is supported. Everybody talks about agility and innovation – but when it comes to changing spaces and furniture, obstructive corporate identity rules are set in stone. A perfect block for space transformation and participation of people who have the biggest intrinsic motivation to start a new way of working. Summed up, there are no wrong spaces; just wrong rules.

**What do you consider to be the core elements of agile spaces?**

Annie Kerguenne: From my perspective, there is no »one-size-all« recipe, but some guiding principles.

First, flexibility of the furniture is key. It supports the switch of different work modes for the team. Second, participation of future users while designing a space helps to obtain valuable insights about their needs and increases the motivation to use the opportunities afterwards. Last but not least, the new spaces must be integrated into the existing culture. Otherwise, the spaces will be abandoned after the first hype and turn into »Post-it & Lego« departments, losing all of their effect.

**Is the »paperless office« an obvious contradiction to working in a creative mode?**

Annie Kerguenne: No, not at all. Paperless office means that I stop printing and avoid physical files. Collaborative creativity needs physical artefacts to get the intangible ideas out of our individual minds and into a collective tangible space. Prototyping material and visual communication are the key to high-performance teamwork processes. We should therefore not be too strict about the »paperless office.« Use it where it makes sense within the process of agile work and transformation.

**Thank you for your time!**

## The new Austrian ICG office

A lot of what we have learned from Annie's insights corresponds with what we as ICG experienced when redesigning our office in Graz recently and when supporting our clients in similar processes.

Reflecting on intense meetings with heated discussions, we experienced how important iteration is for such a process. Redesigning a workspace brings up a lot of emotion amongst those affected and has a huge impact on their behavior. User participation in a carefully planned process avoids big pitfalls. By redesigning our own space, we gained a very valuable lesson. We know first-hand that there is no recipe for the perfect agile space. Best case: an agile space is created in an agile way, with a lot of trial and error, stepping back and reflecting, learning by doing and iterating.

## Concrete lessons from our own process

The redesign and renovation of an office is such an immense project that even if you do it in an agile way, it needs a well-thought-out roadmap which does not include details, but a timeline of what to do when. Not only will this roadmap give guidance; but it will also save money, time and energy by avoiding doing things twice. A roadmap along with a defined budget right from the start will facilitate decision-making along the way. It can be painful to have to let go of many great ideas that you will just not be able to implement due to budget limits. Even if you have the attitude of »just do it,« don't think you can do everything by yourself – there are reasons why there are experts for everything: acoustics, color design, plants, etc. Talk to these experts – or at least someone experienced with renovations – early on and tell them about your plans. You will get a lot of advice and tips that will make your project run more smoothly. Timing is also an important issue. It needs to be realistic. The project team needs to carefully consider when the time has come to communicate schedules to the rest of the staff. It is nerve-racking for everyone involved to read that planned actions are being postponed over and over again.

As with any project, the redesign of an office needs a well-balanced core team and a project manager with a lot of power and stamina. We had such people on our core team and are so glad about our happy ending. ●

## 10 tips for designing an agile space

- 1 **Room concept:** make sure to learn what the users need and customize the concept accordingly.
- 2 **Home base:** make sure that everyone has the feeling they have a home base even if you consider shared desks.
- 3 **Networking:** open up the space where it makes sense to create room for exchange.
- 4 **Flexibility:** when furnishing the room, look for flexible elements (on wheels, vertically adjustable, ...).
- 5 **Identity:** create a feeling of »we« by integrating artefacts that make your company special.
- 6 **Creativity:** offer elements like flipcharts and pin boards as well as workshop materials to be taken freely by everyone.
- 7 **Well-being:** make sure to create an atmosphere where people will feel comfortable by using plants, offering libraries with great books and magazines and installing good lighting.
- 8 Don't expect everyone to be happy from the beginning – many people need time to adapt their behaviors.
- 9 Create areas for different working situations like quiet areas, chat areas and dialogue spaces.
- 10 Create the »we feeling« for the whole and make people proud of their common space.

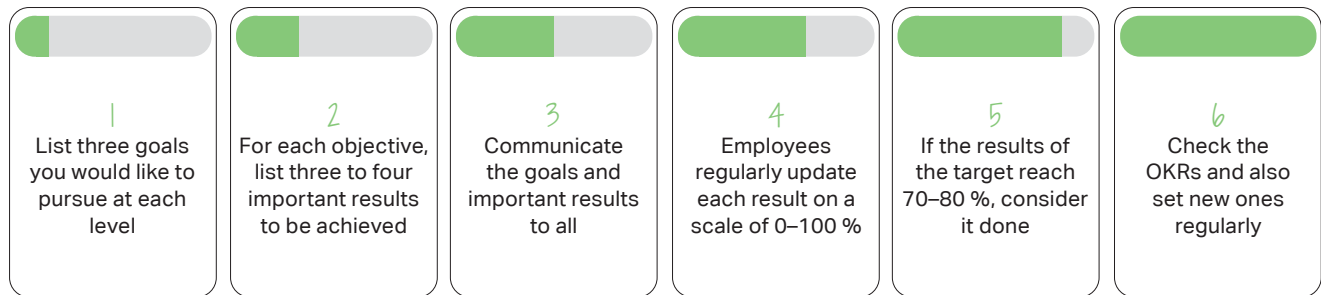
Prototype every idea of yours to check whether it works how you imagine it.







## Introducing OKR in six steps



tifiable statement that demonstrates achievement of an objective – »how«). Every quarter, an agile company uses Objectives to structure and motivate themselves. Objectives are inspirational (qualitative), time-bound goals that communicate business outcomes you're looking to reach. An example might be »Create an awesome customer experience.« This sounds great, but how do you know if the experience is awesome? Always remember that without measurement, you don't have a goal. That is why we need Key Results. How can we measure if we are providing an awesome customer experience? Net Promoter Score and Repurchase Rate can be two good options. Do our customers feel well when dealing with us? Do they buy again, and would they recommend us? To succeed sustainably, it is advisable to include a countermeasure such as Customer Acquisition Cost.

So, by definition, Key Results are a set of metrics to measure your progress towards the Objective. For each Objective, you should have a set of two to five Key Results. More won't be remembered! What's most important is to choose Key Results that are clearly measurable and will be transparent, communicated and evaluated after three months. After each quarterly retrospective, new goals are defined and set again, including further milestones. You will see your success at a glance. If 70 percent of the Key Result is reached, it stays within the green area of the scale. If all Key Results land in this area, the overall Objective counts as implemented and a new one should follow. If the traffic light isn't green (under 70 percent), the Key Result needs to be revised, sharpened or discarded. In any case, make sure that movement and speed remain, as

the short-term nature is one of the most critical success factors in the OKR framework (see illustration).

### Answer to VUCA requirements

OKR brings an innovative approach to modern environments, where high stability and predictability are things of the past. In times of VUCA requirements, 100 percent isn't possible anymore. Setting different goals opens the opportunity to respond quickly and consistently to changing environments and conditions. An essential step in this process is to select only a few optimal measures and pursue these with a relatively short-term perspective, purposefully and quickly. Concentration and consistency in the implementation of the corporate strategy and immediate reactions to changes are the keys to success. Another essential part lies in the selection of the right strategic goals and their implementation in an iterative controlling process according to the new rules of the game. Transparency is central to OKR. As for the question regarding whether a Key Result has been reached or not, there ►

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»If everything is important, nothing is important.«

## OKR examples

### Head of sales

o	Achieve record revenues while increasing profitability	10%
KR	Hit quarterly revenue of \$ 100,000	36 \$
KR	Start sales in two new countries	0 countries
KR	Achieve first quarter revenues totaling over \$ 100,000	22 \$
KR	Increase gross profit margin from 23 to 54 percent	4%

O... Objective; KR ... Key Result

### Sales manager

o	Kickstart sales process activity indicator improvements	10%
KR	Increase calls per salesperson to 6300 per quarter	3716 calls
KR	Achieve at least 315 demo calls per salesperson per quarter	291 calls
KR	Reach at least 33 percent of online signups via calling them back	56%
KR	Have each salesperson spend at least 84 hours/mo. on support chat	77 hours

Source: [www.okrexamples.co](http://www.okrexamples.co)

can only be two possible answers: YES or NO – nothing in between (see some OKR examples above).

### Why OKR?

Has your organization lacked alignment as divisions or teams with conflicting goals row in different directions? Then OKR might be right for you. It improves communication, focus and alignment to drive better business results. Clearly defined goals underline what's important across the organization.

If you're in a leadership position, you might have a good understanding about why things are as they are in your company. It's easy to forget that employees, doing their daily routines or dealing with all the small mundane tasks, don't have access to this big picture. One big benefit of the OKR concept is that it connects people to the big picture and ensures that everyone knows what they are expected to do and why.

Of course, there is no guarantee of success for OKR. It's not a substitute for a strong corporate culture or outstanding leadership. Nevertheless, you can profit from it. OKR is not a one size fits all approach. Think about it as a set of customizable building blocks that can be leveraged to transform how your company uses goals. There is no use in copying Google blindly. But if you believe in one of John Doerr's speeches, OKR might take your business up to the top of the mountains or even higher. ●

### Summary of benefits you can expect from a well-constructed OKR implementation

- 1 **Communication:** Easy to understand system increases buy-in and use.
- 2 **Agility:** Frequent cycles foster agility and change-readiness.
- 3 **Focus:** OKRs ensure everyone is clear about what matters most.
- 4 **Transparency:** Making measurable goals visible promotes cross-functional alignment.
- 5 **Engagement:** Most OKRs originate bottom-up so teams and individuals own their goals.
- 6 **Visionary thinking:** OKRs stretch our thinking about what's possible.

# Online Meetings

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Lead them in such a way  
that really exciting thoughts  
are exchanged





Virtual meetings can cut traveling and radically reduce expenditure of time for team members. Used in the right way, they really boost effectivity; used wrongly, they turn into a plain pain for everyone involved. With this practical guide, you will have a good recipe for avoiding pitfalls and making the most of teleconferences for your team.

by Kinga Illyés

### Boost workplace interactions

The new generational organizations (agile, teal, holocracy) share a key to success: multidisciplinary teams with more real-time, transparent and intense communication across the members of that community.

The working methods in these companies promote speedy and frequent communication across different teams, resulting in an increased number of interactions. In today's meeting-intense world, it is essential to participate in virtual meetings and use them right!

### Boon and bane of online meetings

Meetings with online tools don't have to be boring. Virtual communication serves as an opportunity to involve team members who often stay silent in the meeting room, like introverts or less talkative people, by attaching less importance to physical appearance and rhetoric skills. Using text-based tools during a call at the right time – like whiteboards, online idea boards or voting – is an effective way to share power and decision-making by allowing all participants sufficient time to think and phrase their ideas. On the downside, the absence of nonverbal and visual cues reduces the efficiency of transmitting information radically – lowering it to only seven percent, like\* – hence, talking virtually is often seen as a makeshift solution and is usually only used with remote teams. In modern organizations, people work in several and often remote teams, so it is essential to overcome the limitations and exploit the opportunities virtual communication provides for you.

### Manage virtual communication

To get into a productive meeting culture, a first step could be to have a dialogue and agreement – not just within, but also across teams – about the rules you all want to follow in virtual meetings. After laying down the basic rules, proceed with discussing how to get the most out of teleconferences, sharing best practices, tips and tricks. In the matrix of available communication tools (e-mail, chat, personal, web, etc.) and the intended effect of communication, where do you place teleconferences? Repeat this exercise for other virtual communication channels that are in use in your company and build an effective, consistent communication culture in the virtual space!

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\* »The Mehrabian communication model in An Approach to Environmental Psychology«  
Albert Mehrabian and James A. Russell; MIT Press; 1974

## The dos and don'ts of online meetings

### BEFORE

#### Dos

Use it for complex tasks, problem solving or negotiating, which all require interaction and squaring different ideas and perspectives.

Send out the agenda in advance and highlight if any prework is needed. After seeing the agenda, some may decide to stay away or forward the invite to those who need to be there in order to be more effective.

Use a web meeting tool with a dial-in function to reduce the time spent on technical trouble-shooting.

#### Don'ts

For agenda points that cover only one-way information, sharing an e-mail might be a much better alternative.

Don't invite everyone as required unless they are key participants. Most calendar tools offer additional attendee groups for efficient planning.

Don't send out a meeting invite without including a link to join or specifying the tool you want to use for the call.

### DURING

#### Dos

In the absence of visual cues, more effort has to be devoted to detailed explanations and correct phrasing. Remember to ask if there are any questions about what you've just said.

Increase interactivity and use the wide range of tools offered by most of the web meeting apps:

- Screen sharing: if you take notes or talk about a specific doc.
- Voting: to generate interest in a topic.
- Whiteboard: to gather ideas or understand participants' backgrounds.
- Sub-calls: to promote pair discussions followed by plenary sharing.
- APERA: a new generation online brainstorming tool we like to use at ICG.

Start every question with a person's name to address them directly.

Using a webcam (at least at the beginning of a call) can help create a trustful atmosphere.

Hit the mute button if your surroundings are not ideal for a call (noise, a colleague next to you on the phone, etc.).

#### Don'ts

Avoid using abbreviations or terminology that might not be familiar to everyone, especially if it's a cross-cultural team.

Private channels have limited functionality, so don't use them for a professional call. Instead of searching for the most cutting-edge webinar tool, choose the one that serves your real needs best.

Don't shoot out messages into the virtual space hoping that someone will feel addressed.

Webcam usage without any specific reason during the call can draw attention to unnecessary details and limit introverts' willingness to contribute.

Don't use the mute button to hide your multitasking; if you need to focus on something else, be transparent with the team and together with them, find a workaround.

### AFTER

#### Dos

Take notes preferably on a shared online platform and summarize the outcomes at the end with a shared screen.

#### Don'ts

It shouldn't be the leader who takes notes; he/she has to manage the process.

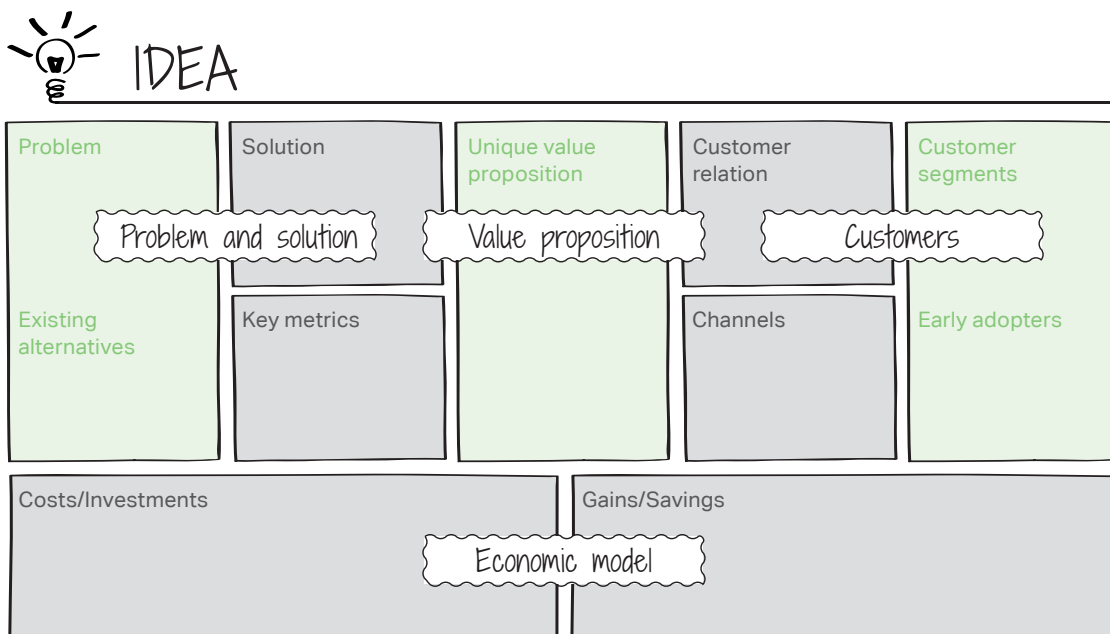
# Lean Canvas

This method from the start-up scene was originally designed to help founders systematically present their ideas according to success-driven criteria. Implementing the model into your organization, will enable you to master continuous digital innovation and transformation.

by Richard Hübner

Faced with complex challenges like digitalization, the creation of new business models or other sophisticated developments, companies are in a similar situation to start-ups. There are lots of ideas and opportunities but limited resources regarding time, people and money. Therefore, it is particularly important to find and develop the best ideas from the countless possibilities. Lean canvas is a way of identifying the most relevant and promising ones and gaining a good overview. Our wide-ranging experience from many projects shows the effectiveness of the methodology, as soon as an organization has committed to it.

Let's dive in. The word canvas underlines the clarity of the presentation. With Lean Canvas, a project, an idea or a business model can be described simply on one page (see illustration).



Based on Leanstack

By implementing digital technologies, most ideas are unclear in regard to the precise group of users, the concrete problems or the specific features of the digital solution itself. A closer look at the nine fields of the canvas shows four relevant areas that are crucial for the further development of an idea:

**Problem and solution:** What are the detailed problems of the users that this solution is intended to solve? How do users solve the problem now? What features of a good solution do we have to consider?

**Unique value proposition:** What benefits does the solution provide for the user?

**Customers:** Which customers or user groups will particularly benefit from this idea? Which customer group needs to use the solution first, so that the ideas will be successful at all (early adopters)? How should the customer-supplier relationship be designed? How should customers be reached?

**Economic model of benefits and efforts:** Elements of cost, efforts and gains or benefits, e. g. time savings?

### Use it widely and wisely

For an organization-wide introduction and systematic application, it has been proven successful to stick to the structure of the Lean Canvas method. Focusing on the user groups and early adopters you want to target will be crucial. One of the most important pieces of advice we can share is »Love the problem, not the solution.« Many idea makers are in love with their solution and convinced of their success. However, what is much more important for a good solution is a profound understanding and good resolution of user problems. Take sufficient time to understand the challenges you intend to solve as well as the relevant context or concrete situation the users are in.

### Transfer your challenge into a prototype

Once the problem is analyzed in depth, make sure the idea is described properly along the nine Lean Canvas dimensions. The idea generator and their innovation team should not spend more than 45 to 60 minutes on this task at the very beginning. Make sure that at least one colleague inside and one outside the team support the idea before you further process it. Select two to three people from the early adopters circle and invite them for a personal interview. In this test setting, you

will be able to verify your assumptions about the problems. Are these really the challenges people are facing and are existing alternatives to your idea already sufficient enough? If the interview results are still promising, it's time for an aligned strategy and a first prototype designed to incorporate the essential features of the solution. Positive feedback on the prototype will turn your idea into a development project, implemented in the responsible department until it is fully matured.

### Principles of the Lean Canvas

To exploit the full power of the Lean Canvas as a supporting model of digital transformation, bear some important principles in mind. No idea is good or bad per se. All ideas are hypotheses that have to be verified or falsified through systematic customer feedback. Ideas are pivoting, so turn and evolve them until they fit (customer needs). Use ideas as starting points for digital innovation projects to be systematically developed along the users' problems. Developing many ideas is key for success and survival in a digitalized world. Working with the Lean Canvas provides executives with the ability to quickly find their way around a new idea, communicate it across the board, and make swift and informed decisions about a large number of digital ideas.

### Why use the Lean Canvas method?

- Create a clear presentation for a new idea.
- Motivate people to introduce new ideas.
- Allow systematic decision-making about many ideas at the same time.
- Find the essential features of a solution on one page.
- Avoid investing in costly ideas without any benefit.

### Résumé

Experience shows that systematic application of the Lean Canvas leads to a continuous innovation process and future-fit culture in organizations. The canvas supports efficient management and transparent decision-making around innovative ideas while employees are invited to spread ideas by using a simple tool. This way digital innovation can grow efficiently and effectively all over the organization. ●



# Digital Workshops

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The room is quiet; only the sound of typing can be heard. The noise of the keyboards is growing, filling the room with intensity. Suddenly, the typing stops and a loud, energetic discussion erupts among the people. Several groups start discussing something clearly important and engaging. What is going on?

by Tommi Gustafsson and Antti Miettinen

Actually, this is not a scene from a financial marketplace, but rather very normal for a group working session with Orchidea. The tool was originally developed for managing the innovation process of organizations, but it has now evolved into an effective ideation tool. It can be used for engaging groups in creating ideas and solutions for different challenges or creating engagement and concrete plans for the implementation of those ideas. The group size may vary from a few people up to 100 or more, working in parallel on different tasks. You can have all participants in the same room or call for a virtual meeting.

## Get better results

You may wonder why you should use a digital tool to brainstorm with people in the same room. There are several persuasive arguments. Everyone is able to submit their ideas instantly; the writing speed of a facilitator is no longer the bottleneck. When you start creating ideas for your challenge with Orchidea, everyone gets involved intensively while simultaneously seeing all the ideas that the others in the group submit. Ideas flicker past you quickly on the screen and give you impulses for further ideas. Everyone benefits, in different ways. While introverts can focus on their rich inner world, where they find their best ideas, extroverts get enough impulses from the others, creating their best ideas together with the others. The results are astonishing. A group typically develops and documents ideas three to four times faster compared to a traditional brainstorming session. This is often surprising. And it is furthermore very rewarding and energiz-



ing for the participants who realize that they are being very effective both individually and as a group.

### Strengths of the Orchidea workshop tools

- Quicker brainstorming, more ideas. The paradox of focusing on your own ideas while seeing all ideas of everyone, simultaneous increased divergence and convergence.
- Ideas are documented in a useful way.
- Development of proposals and good descriptions of solutions.
- Both quiet concentration and effective verbal communication are included in the process, creating a rhythm that makes groupwork efficient.
- High creative value and high engagement in practical solutions.
- You can set up local, remote or hybrid meetings.

— Several groups can be facilitated in parallel by one facilitator.

### Bring ideas to life

A typical problem of a traditional brainstorming session using flipcharts or Post-its is widely known. The content captured in writing or drawing is very limited, but it still becomes a large volume of paper. This pile or roll of paper is difficult to transform into a useful digital format other than photos. The results and therefore the impact on reality can be very limited; most ideas are simply forgotten. With Orchidea, all ideas are neatly documented. Not only that; the ones that become a basis for solutions evolve into well-described plans that are easy to understand even for those who were not part of the brainstorming. Evolution continues naturally and the plans can be easily incorporated into strategies. ►

# »Better results from workshops through innovative and digital participation.«

## How do typical sessions work?

Orchidea Brainstorming starts with one or several defined challenges, either concerning future ideas or the implementation of ideas and guidelines already decided on. Lots of raw ideas are generated and proposals are created based on them. These are fed into a template that includes clarifying questions for good solutions. All proposals created in the session are thoroughly thought out and well connected to the original challenge. It's easy for the owner of the challenge to build final solutions based on submitted proposals.

You can also use Orchidea Brainstorming for participative problem solving. The participants can find a common solution to their challenge by using the process called APERA, described below.

- |          |   |
|----------|---|
| <b>A</b> | All ideas of all participants appear in a long list on-screen; each participant chooses their favorite ideas. |
| <b>P</b> | Pair's views on the ideas.  |
| <b>E</b> | Explaining the ideas to the rest of the participants.   |
| <b>R</b> | Ranking the best ideas.   |
| <b>A</b> | Arranging, grouping ideas into clusters.  |

Orchidea workshops are held most effectively in the same room, but a remote or hybrid workshop with some participants outside the room can also be run very effectively. ●

## CUSTOMER CASE



**Jukka Rantamäki**  
Development manager,  
business development at Metsä Fibre

We have used different options of the Orchidea idea management tools since 2012. We process our ideas and initiatives with Orchidea and we like its functionality.

Innotiimi-ICG introduced Orchidea Brainstorming to us some time ago and we see good potential in the digital brainstorming method to gain input to develop our operations, products and services both internally and together with business partners. Innotiimi'-ICG's OPERA workshop tool has been in use in our factories for over ten years and now we had the first sessions with the new digitalized APERA process. It improves the traditional process of OPERA and this makes our workshops more efficient.

The participants of Orchidea Brainstorming and the APERA process have been very satisfied and reported: »this was the best meeting in a long time.«



# Feedback Feeds Learning

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The art of using feedback as a source of learning is often ignored by organizations. By moving beyond yearly performance reviews, we can start to exploit the whole development potential from the power of feedback. by Julia Fadler and Kinga Illyés

Even if one or a few excellent leaders set the right strategic direction, it will not be enough in today's unpredictable world. The key to keeping up with the fast-changing business environment is to decentralize decisions. Expert colleagues with direct day-to-day client contact – and therefore the most immediate source of feedback – must be empowered for change. Rapid reaction is key even in larger-scope development or improvement projects. That implies that companies largely rely on the excellence and continuous development of its employees, who are steering the direction bottom-up with their initiatives. We see feedback as one of the most powerful sources of learning, and as a central topic when we talk about agility. We invite you to think about feedback in a different way and will provide you with some ideas on how you could make the first steps toward developing the feedback culture in your organization.

### What is new – what stays the same?

Feedback processes in more agile organizations follow the pattern of »sense and respond.« Annual feedback in the form of pre-planned meetings between managers and subordinates is replaced by regular learning conversations among peers and between all levels of hierarchy. In this context, the role of leadership changes significantly. Whereas traditionally, a leader's job was to create a good performance evaluation process and to be an excellent feedback giver himself/herself, the key role of leadership in more agile organizations is to create a different corporate culture. A new way of thinking enables people to be open towards feedback and ready to share their opinion whenever needed. Only if people feel safe enough to speak up and to admit faults is learning possible, so the new challenge is how to create this containing environment to foster feedback. While leaders' attention is shifted towards creating a new feedback culture, it remains equally important that leaders still promote, practice and expect to apply the golden rules of having feedback. Shaping a conversation in an appreciative and respectful way is the basis for human interaction. Phrasing feedback in an acceptable way remains as important as before and must be practiced by everyone in the organization.

The following table delivers a comprehensive overview comparing the key features of feedback in both a traditional and in a more agile organization.

»Interesting approach – how can I start right from here?«

### First steps to create a new feedback culture

The most challenging aspect of this transformation is that common learning needs more openness to exchange perspectives and more willingness to change and grow accordingly. There are a lot of opportunities where you can start from – as an inspiration, we put together a »leader's shortlist to create a new feedback culture«: Gain allies and involve your team members to define together the pillars of the feedback culture you want to build:

- Try to get a feeling of where the topic of feedback stands in your team/department, answering the following questions: How often have you/your closest colleagues proactively asked for feedback in the last two months? What does that result tell you about learning in your organization? What works well already; where do you see opportunities for improvement? You might want to consider feeding that back to your colleagues, and with that, creating a feedback loop itself.
- Develop and agree on »rules we want to give ourselves for providing feedback« in your team.
- Go beyond sharing inspirational input about feedback; use it as a starting point for a conversation about your own practices in the team (e. g. next jump feedback app, radical candor).
- Foster a team atmosphere where everyone feels comfortable speaking up by explicitly inviting all team members to share their ideas/thoughts on a topic of interest.
- Support the team, showing that the rules agreed on really come to life – especially by thanking others for feedback you received and referring to »feedback success stories.«
- Model the new behavior that you want to see in others – ask for different perspectives and feedback regularly, i. e. »What could I do better to be more effective as a leader?«



Set frameworks to make sure the new way of feedback becomes a habit:

### Time

Bear in mind that deep, honest feedback needs time; prolong meetings with an additional 15 to 20 minutes dedicated to feedback.

### Space

Have more face-to-face meetings, book a meeting room and book it for ten minutes longer, so the team can be on their own without being interrupted.

### Platform

Institutionalize feedback in platforms that you already have in place, i. e. make feedback loops part of your meetings: »On a scale from 0 to 10 ... How well was our time together spent here today? What could we do

differently the next time to be more effective?« Promote new platforms e. g. demo sessions and rapid prototyping to use a great opportunity to obtain early feedback and practice evaluation for your team.

### Channel

Could be in-person, a feedback app or a board with post-its; the important thing is to introduce the right channels of feedback aligned with the goals you set for feedback.

### Stay ready to explore

Curious about the opportunities a new feedback culture can bring along? Very good; we promise you will be surprised about the bold ideas dozing in your organization. ●

## The rebirth of performance evaluation

### Traditional feedback approach

#### Feedback is »another leadership task«

Understanding feedback mainly as a task to be done, sometimes even »because HR asks us to do that.«

#### Pre-planned feedback

Feedback mainly happens during the annual appraisal interview once or twice a year.

#### Consequences of negative feedback

The feedback recipient is trying to hide errors and protect him/herself during the evaluation talk; the stake is often the promotion, pay raise, etc.

#### Feedback providers: Managers

Feedback is typically provided one-way down the hierarchy, from the leader to the employee.

#### Goals are not always clear/transparent

Quite often, goals are not really used to steer performance. Instead of transparency about goals and expectations, feedback often happens »behind closed doors.«

#### Focus of feedback – individuals

Feedback is focused on the employee's performance in the recent past.

#### Golden rules for feedback

Appreciation, respect, specific insights about behavior.

### New feedback approach

#### Feedback is important

Common understanding that feedback is necessary to learn and grow together.

#### Feedback on demand

Feedback is provided regularly and immediately after specific experiences.

#### Failing early

Consequences are not dramatic; because small steps are being taken, everybody knows that it is a constant learning process.

#### Feedback providers: Everyone

Feedback is exchanged across the organization – by managers, between peers, up the hierarchy.

#### Transparent goals as a source of feedback

Clearly set and transparent goals are used as a source of feedback, especially on a team level.

#### Focus of feedback – individuals and performance as a team

Multiple focuses of the regular feedback: the actual delivery, the individual development, lessons learned about the cooperation in the team.

#### Golden rules for feedback

Appreciation, respect, specific insights about behavior.

# Finding Your Purpose

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Your personal purpose is essential for good leadership. Like a compass, it provides you with orientation, helps you to make the right decisions and adds meaning to your everyday actions. by Susanna Frech and András Karácsonyi



Once you find purpose for yourself, you can make a big step up the ladder by adding purpose to your organization. With a meaningful target in mind, self-organized teams will work better aligned to reach that common goal.

We offer you a tool here that you can use for yourself and your team to take an important step towards determining or clarifying your goal.

### Ready to gain purpose?

Create a relaxed atmosphere, get a pen and paper ready and dive into our little thought experiment.

Imagine yourself at your own retirement party. After a warm welcome and your first glass of champagne, one of the biggest talents you discovered and hired 20 years ago makes a surprise appearance on stage. In an emotional speech, the person talks about the support you gave and the career you made possible.

#### ASK YOURSELF

- ➔ How did you initially meet?
- ➔ How did you convince the person to join?
- ➔ How did you support the person in the most difficult moments?
- ➔ What was your most successful moment together?

Later that evening, one of your most important customers takes the microphone. The person talks about the difficult start you had, about challenges you had to satisfy demands, how you engaged in making things happen, how you acted towards a common goal, and the person talks about the qualities you showed during these difficult times.

#### WRITE DOWN

- ➔ What motivated you during the hard times?
- ➔ Why did you think this business relationship could be fruitful?

At the peak of the party, one of your closest friends/ family members shares some personal things about what you experienced at work, your successes and challenges, valuing the commitment and passion you brought into your work as well as your personal relationships.

#### THINK ABOUT

- ➔ What did you do for family and friends despite the demanding job you had?
- ➔ What important private things did you miss?
- ➔ What are you respected and appreciated for?

The morning after the party you get up easily, having plenty of time to do whatever you want to do. You take a walk, or run through the woods and recount the memories of the night before and the three speeches.

#### SYNTHESIZE

- ➔ What made your career meaningful?
- ➔ Where did you bring color and energy to the organization?
- ➔ Where did you make a difference?

### Now you are ready for your final task

Please write down a few words that come to mind; who would it be for, what are the verbs, the attributes ... create your »motto!«

How do you feel about your final outcome? Does it inspire you? If so, you might have found some purpose for yourself and your organization.

#### One last hint

Don't only apply this for yourself; try it with your team in order to find or clarify your purpose and your way of interacting. ●

GET STARTED

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# Agility Assessment

# Future-Fitness Check

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Do you want to start a journey towards more agility in your organization? With this quick-check you will easily find the right starting points and perspectives to look at.

by Eva Grieshuber

This little assessment is based on our holistic model for agility (see page 15). It is about the actual status regarding agility along the seven core elements of future-fit organizations:

- 1 strong purpose
- 2 agile structures
- 3 agile steering
- 4 living ambidexterity
- 5 focus on people management
- 6 agile ways of working
- 7 agile leadership





In order to start quickly, there are just a handful of questions to every element. You can work on them on your own. Even better, the assessment questions are used as an impulse for exchanging perspectives with others interested in the topic. It's worth taking a few minutes to go through them (see next page).


## How to proceed

Looking at your organization from these various perspectives will provide you with a basis. Maybe you have identified a few clear starting points; then you can feel pretty happy now. Don't feel too discouraged if everything looks a little disorienting. There are still some things you can do. Take time for a reflection for yourself, ideally followed by sharing pictures and reflection in the group. What insights did you gain? Which strengths and resources can you build on? Where do you see need for improvement? What could concrete actions or next steps for development be? Feeling a little inspired right now? Congratulations, you have achieved a lot. ►




## Agility assessment: How future-fit is your organization?

		Does not apply at all	...	Applies to full extent
	<b>STRONG PURPOSE</b>			
	Everybody in the organization knows the purpose.	●	●	●
	Everybody knows her/his contribution to the purpose.	●	●	●
	We have clear and strong values and behave according to them.	●	●	●
	Our purpose, values and core principles support guidance and orientation.	●	●	●
	<b>AGILE STRUCTURES</b>			
	We are able to change/adapt our organization quickly and easily.	●	●	●
	We are aware of and discuss external developments regarding relevance for us.	●	●	●
	If necessary we adapt our organization according to external or internal developments and new demands quickly.	●	●	●
	Our processes and structures are »outside-in« and customer-oriented instead of internally focused.	●	●	●
	Our organization could be seen as a »team of teams« – teams as the smallest »building blocks.«	●	●	●
	Individuals and teams act with a high degree of autonomy within the framework of purpose and roles.	●	●	●
	<b>AGILE STEERING</b>			
	Everybody has access to all information as long as no other aspects speak against it.	●	●	●
	We know our KPIs/OKR on time, they are available for all and are discussed on a regular basis by the accountable teams in order to learn and define measures.	●	●	●
	We use all available data (including observations, perceptions) in order to improve collaboration.	●	●	●
	Giving and receiving feedback is regarded and appreciated.	●	●	●
	Feedback is a fixed element in our meetings, processes and collaboration in general.	●	●	●
	<b>LIVING AMBIDEXTERITY</b>			
	We have an experimentation culture, rapid prototype ideas, learn and adapt.	●	●	●
	We use customer/user feedback for the development of improved or new solutions, services or business models.	●	●	●
	We prototype with clients and partners for service, product or business innovation.	●	●	●
	We have agile ways of funding and controlling innovation projects.	●	●	●




### FOCUS ON PEOPLE MANAGEMENT

	Does not apply at all	...	Applies to full extent		
We predominantly recruit for attitude and fit of values instead of skills.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Continuous learning and development is possible and supported.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Diversity and »T-shapedness« are important elements and actively strengthened.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have a performance management based on feedforward and dialogue, in different formats.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We offer different career paths as part of an active talent management.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our teams have common, interrelated goals and an incentive system supporting collaboration.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We seek the highest possible match between the required and realized competence profile – everyone should be in a place where he/she can contribute and develop in the best possible way.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



### AGILE WAYS OF WORKING

	Does not apply at all	...	Applies to full extent		
We are able to apply agile methods appropriately and in a competent way.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our meetings are structured and focused: objectives, content, agenda, roles, etc. are clear.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We differentiate between operative/coordinative, strategic/governance meetings and reflection and further development of collaboration.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We make decisions quickly.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We know different modes of decision-making and apply them in an appropriate way.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



### AGILE LEADERSHIP

	Does not apply at all	...	Applies to full extent		
Everybody is responsible for his/her performance and development within his/her capabilities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We ask: »What can I contribute?« instead of saying: »This is not my job.«	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Leaders act as coaches, empower their teams and ensure appropriate working conditions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Leaders inspire by their personalities and by continuously reminding about and translating the »big picture,« the purpose, with their teams.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Leadership is not (only) associated with the management team (as formal roles) but is taken by different people in fulfilling their respective roles.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Now you have already started a transformation journey for your organization.  
Find out more about steering the transformation on page 112 or contact us for more information.**









**GETTING INTO CHANGE**

# Trans- formation Processes

# Change to More Agility

## A journey in five stages

Many large organizations aim for stability and can be described as »castles,« »oil tankers« or »Jumbo jets.« Being successful in our modern environment, however, requires more agile organizational structures – symbolically speaking, we are talking about »tent cities,« »speedboats« or »drones.« But how can you successfully transform your organization into becoming (more) agile?

by Manfred Höfler and Franz Schwarenthorer

The journey towards an agile organization has five stages. This Agile Transformation Journey is more of a challenging expedition than a comfortable cruise. The order of the five stages makes sense and still, you might have to repeat certain stages or go back to the base camp.

### 1 Initiating a journey



Agile transformations require a starting impetus similar to that required by start-ups. There, energetic pioneers, a business idea meeting, a certain customer demand and starting capital funded by FFF (friends, fools and family) provide that impulse. The first stage in



an agile transformation calls for similar prerequisites: Intrinsically motivated pioneers who believe in agility, a strong purpose, a number of supporters (ideally in the top management too) and a powerful transformation story that shows how more agility can strengthen the company's future business. In this first stage, the pioneers mentioned need to have a good feeling for the interests of the stakeholders (who are our supporters, our opponents and what interests exist?) and the »buy-in« of those in power. A first rough route planning (transformation roadmap) provides orientation and the top management with the securities it needs to set off on this journey.

**Tools to get started**

Change story	Stakeholder portfolio
Learning story	Agility check

act towards agile developments and emotionally commit to agile work methods. Clarity about required actions alone is not enough, however. In order to steer the energy in the right direction, you need to generate a powerful vision of the future that provides an idea of your »new way of working« and trigger positive energy among the top management as well as at the base. From the interplay between required actions (away from ...), vision of the future (towards ...) and the knowledge of existing qualities (carry on ...), you can derive your first action areas that lead towards a more agile organization and »release« them to be tested in stage three.

**Tools to specify the journey**

Customer forum	Bottom-up feedback
Future creation	Change architecture

**2**  
**Creating awareness and orientation**



Stage two is about initiating a movement. Movements are always created through positive tension. People and organizations have to step outside their comfort zones. Feedback from customers who authentically contribute their insights into strengths and deficits of the traditional organization helps. The same applies to feedback from employees at the base who provide the top management with a taste of real life and formulate their expectations towards a cool employer. Classic project assignments won't help you get an agile movement off the ground. In order to initiate such a mobilization, you need fellow campaigners who volunteer to

**3**  
**Prototyping your »new way of working«**



Learning and development only work through productive action. Developments towards agility follow the logic of sprints with short learning cycles. Following the testing of new ways of working and the evaluation of success, the next steps are made. Prototypes should always be tested with volunteers – people who are willing to commit to learning processes, not afraid of failing and exceptionally dedicated. Typical prototyping formats include »Agile Islands«, Design Thinking initiatives, Google Sprints, Rapid Innovation Teams, Rapid Results Teams and cross-functional agile project teams. You may also choose to concentrate on units or ►

teams in which managers can simply give agile work methods (e. g. Kanban, OKR, delegation, new decision-making processes) a go together with their employees. In this context, the top management’s job is to provide the required framework conditions. They need to invest in cool physical spaces that support agile working. And executives have to provide time and organizational freedom for the volunteers. To make sure these developments can take their course professionally, agile prototypes require the support of professional coaches and corresponding method training. On top of everything, they require the »permission to fail;« in other words, signals from the top management that prototypes are allowed to fail and that the organization is supposed to learn from these failures. Nevertheless, all activities need to be connected to business challenges. Without any impact on current or future business success, agile working is perceived as »l’art pour l’art« and will not get executives’ buy-in. Overall, the goal of this third stage is to obtain practical experience, evaluate effects on the business and, above all, identify cultural opportunities and pitfalls through consistent debriefing.

**Formats for prototyping**

Google Sprint projects	Experiment agile methods
Rapid Results	Design Thinking initiatives
Agile Islands	Rapid Innovation Teams

**4  
Scaling up**



Up to stage three, the top management issued the »license to play.« This is where it gets serious. Stage four requires a bigger leap to turn a traditional organization into an agile organization. It’s about adapting organizational structures, fundamentally rethinking planning and control systems (see page 90) and re-defining the role of leadership. Agile work methods are to be implemented across the board. And more often than not, it’s also about sacrificing some »sacred cows.« All that can only work if the top management fully commits itself to these steps and if it itself is convinced of the effectiveness of agile organizational models (see page 15). More agile organizations are not an end in themselves, however. Top managers must sense that their business is better prepared for the future if they adopt agile design elements. Most often, this stage is also one involving serious staffing decisions. The organization has to ask itself who matches the leadership requirements of an agile organization (capability for delegating, embodying shared leadership and letting go of command and control). Who needs intensive leadership training? And what do you do with managers who are incapable of changing their roles? More often than not, you will have to find new jobs inside or outside the organization for those who had been valuable in the past. In a nutshell, managers require lots of attention, sound coaching and enough time to immerse themselves in this new agile mindset during this hot phase. Systems such as performance management, controlling, strategic planning and the like must also be consistently reshaped. The functions of Finance, HR and IT are particularly important in this context. They need to be important supporters of an agile development. In order to foster the development of behavioral patterns towards agility across the board, »outside-in effects,« meaning designing rooms and work environments promoting agile work (see page 87) can also help.

**Possible blueprints for agile organizational models**

Spotify Model	Exponential Organization
Holacracy	Teal Organization
Dual Operating System	LeSS

## 5

### Anchoring the agile mindset



The development towards a (more) agile organization is never complete and an ongoing process. In stage five, the organization focuses on designing a continuous learning process in order to embed the agile mindset in the DNA of the organization. Critical success factors in this stage include the design of feedback processes, the tailoring of agile work methods and the further development of organizational ambidexterity (balance between operational excellence and innovation). The examples of ING, Buurtzorg or KEBA described in the »Cases« chapter that it pays off to embody agile principles.

#### Five principles to be agile

Customer orientation	Learning mindset
Accountability	Transparency
Positive concept of human being	

### Leadership essentials during the journey

To make sure an organization is able to move freely on its way to becoming an agile organization, it requires consistently practiced leadership attention and communication processes that support a positive atmosphere within the company. This means in detail:

#### Leading the transformation journey

- Uphold the priority of this process even in daily business.
- Consistently manage stakeholder interests.
- Be aware of your own role as a leader and »walk the talk.«
- Work on your own development as a manager (see page 34).
- Appreciate success and openly address pain points.

#### Ensure a positive mood for transformation

- Share success stories and celebrate success.
- Communicate believable stories about agility.
- Utilize vivid interactive communication formats.
- Support agile grassroots movements in the company.
- Continuously make pulse checks testing the mood for transformation.

Are you now infected with the travel bug and want to explore the land of agility? If the answer is yes, set about designing your own individual transformation journey. You can't simply book one at your local travel agent's! ●

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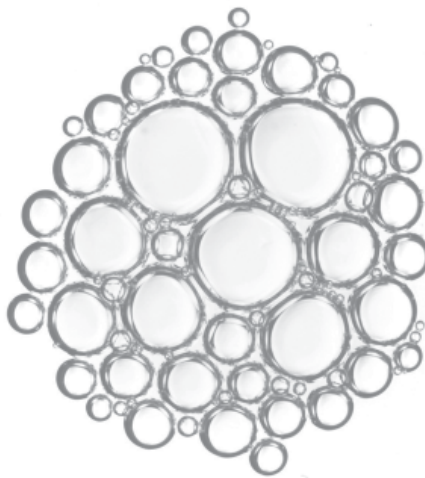
»It does not matter how slowly you go  
as long as you do not stop.«

Confucius

# Agile Islands

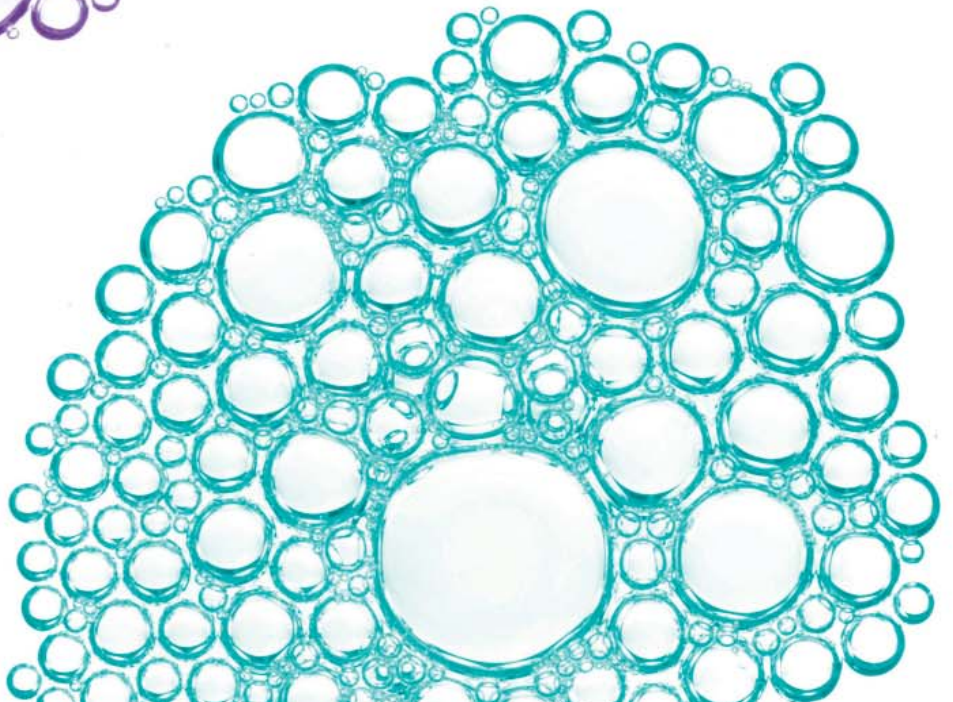
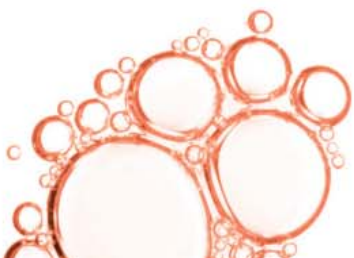
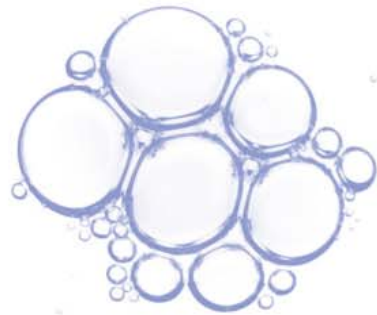
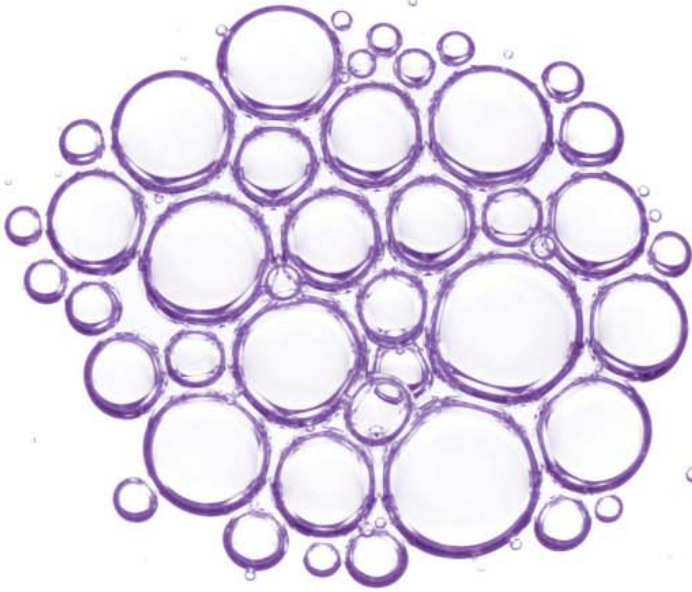
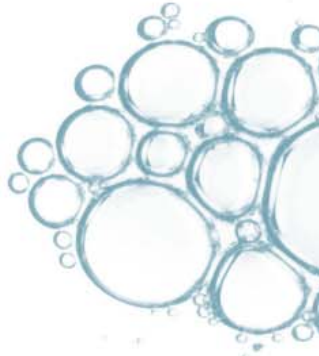
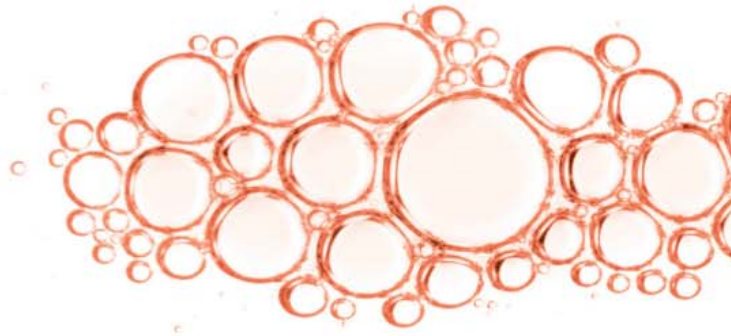
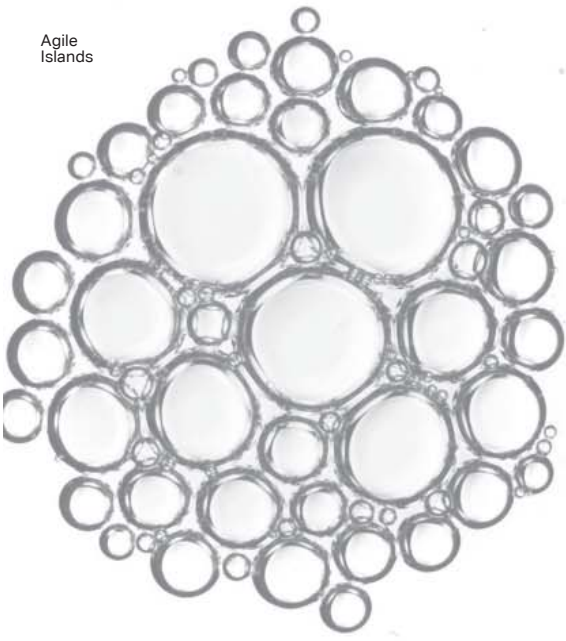
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Starting a transformation journey  
within your company



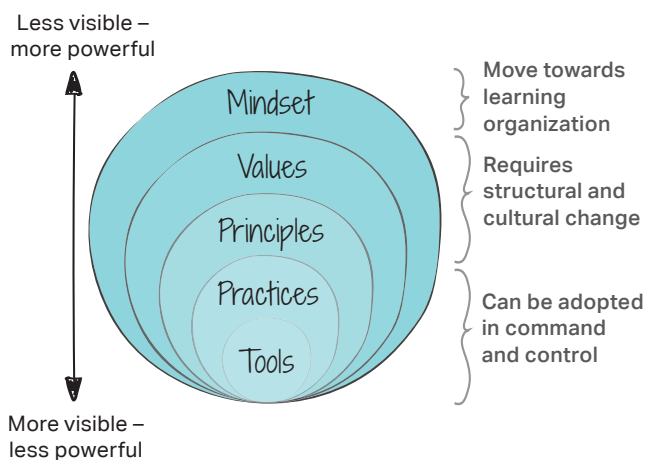
It is often a very long way to transform enterprise culture towards agile. As a result, many companies just start agile working without a big change in company culture. With the right setup, this might work out pretty well. Agile bubbles or agile islands within the company can be good fields for piloting and gaining experience. by Klaus Birkbauer and Thomas Mandl





## »Building agile islands or bubbles within your company can be a good piloting and learning field.«

In recent years, the word agile has taken on many meanings and been used in multiple contexts. Some definitions focus on different methodologies for getting projects done, but agile as a whole is much more than that. For lasting success, it is important to understand the different layers as well as the challenges and power of an agile mindset. Let's peel the Agile Onion (based on AWA, Simon Powers):



### Doing agile – tools and practices as an entry point

Many organizations start their agile journey by implementing tools and processes, often tools for managing the work backlog. Alternatively, they set up a process in which teams start doing a daily stand-up or weekly planning session. These tools and processes are frequently part of practices (frameworks, methodologies) like SCRUM or Kanban. Using these tools, processes and practices is a great start to an agile journey. But it shouldn't be the end state.

### Living agile – new principles and values transforming the culture

Agile is much more about people than processes. The main value lies in the cultural shift that develops individual core competencies to be adaptive, transparent, collaborative and responsive. Even with a lot of agile practice, organizations often fail by dealing with complexity. Changing the company culture is generally one of the harder parts. The true possibilities of agile appear when an organization focuses on the underlying principles and values. Agile transformation is about establishing a culture that fosters open communication and collaboration between business and technical people across the enterprise. It relies on continuous improvement through inspection and adaptation, and a culture of transparency and accountability.

### Being agile – embracing the agile mindset

This desired mindset seems to be a mythical abstract quality that is hard to define and often glossed over in agile discussions. The onion model shows it as the most powerful layer to gain agility. But what does this really mean? The mindset can be defined by three major beliefs:

#### The complexity belief

Many of the challenges we face are complex adaptive problems. By trying to solve these problems, we change the nature of the problem itself. As an implication to the complexity belief, an attribute of complex adaptive problems is that the end solution is not predictable at the outset. Or in practical terms: the business will not follow a plan.

### The people belief

Individuals are both independent from and dependent on their teams and organizations. Human beings are interdependent. Given the right environment (safety, respect, diversity and inclusion) and a motivating purpose, it is possible for trust and self-organization to arise. For this to happen, it is necessary to treat everyone with unconditional positive regard.

### The proactive belief

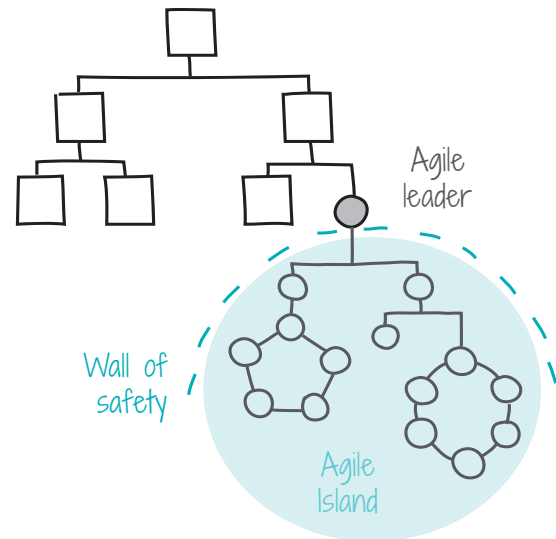
Proactivity is the relentless pursuit of improvement. This belief is derived from and a consequence of the other two beliefs. »Fail fast – learn fast« is an integrated part of this belief.

## Every journey starts with a first step

There are different starting points to become a more agile enterprise. You can achieve it bottom-up by scaling up agile doing. For software development, there are some well-defined frameworks for scaling beyond a single team, like Large-Scale SCRUM. Outside the software development industry, these scaling models are often quite unknown. Another entry point can be a charismatic leader, who tries to apply his or her (radical) agile mindset throughout the whole organization. Mindset-driven agile organizational models like Spotify's tribe structure, Holacracy's consent and role principles or Sociocracy 3.0 are very much dependent on the level of trust and »level 5« leadership – self-realizing leaders. Therefore, it is promising in many cases to start within the organization with Agile Islands or bubbles.

## Agile Islands – piloting fields for enterprise agility

You will hardly find an »agile only« organization; there will always be the need to manage the link to the non-agile/hierarchical world. This might be the link to accounting and legal systems/requirements, to your supervisory board, to suppliers and customers, or even to different regional setups within your enterprise. This happens as soon as you change to an agile framework in one country but not in all of your regional setups at the same time. Building Agile Islands or bubbles within your company can be a good piloting and learning field.



## Managing a wall of safety to protect the agile team culture

There is a lot of outside pressure on the Agile Islands. Company rules and regulations like reward systems, performance reports, working hours, but also time and result pressure and many invisible effects of old company culture could interfere with the teams inside the island. The most challenging and important task for the agile leader is to build a wall of safety for the Agile Island and the teams working in this mode of trust, accountability and self-steering. The wall of safety ensures agile team culture on Agile Islands and prevents non-agile worlds from confusion and misunderstanding.

## Dealing with complexity as a main driver for agile structures

How can you find the piloting field for your transformation process? Agile Islands often emerge driven by business needs and leaders with the right agile mindset. In many cases, this is extremely fragile in a hierarchical environment. The first step is to identify the fields with the most volatile, unpredictable and complex business environments, suffering the most from a hierarchical mindset. Make sure people in this area are ready to work based on trust, transparency and accountability. Empower an agile leader with the right agile mindset to build a wall of safety around the agile island. Do that, and you have already started the journey to reach the first Agile Island. ●

# Transforming Culture

How to influence culture to fit your future business needs

A corporate culture that has developed over many years is often THE most significant barrier when it comes to transformations leading to a digital and dynamic future. Transforming such a culture is extremely challenging – well-founded cultural awareness and our seven levers can help.

by Manfred Höfler and Franz Schwarenthorer

The list of companies that failed because of their culture is long. It includes heroes previously deemed unbeatable such as Nokia, Kodak, Lehman Brothers and General Motors. Others like ING, IBM and GE have adjusted the right cultural knobs at the right time to create a sustainable transformation. Currently, many large corporations are coming to realize how important changing their culture is and are initiating programs aimed at positive transformation. All too often, however, this includes magnificently staged culture campaigns that are barely capable of changing anything about their cultures. What are the reasons for that? Most of the time, they lack understanding about what culture actually is, how it develops and what can be used to shape it. Generally speaking, corporate culture is the sum of all values, norms and mindsets within an organization. The culture defines »what is rewarded within a company, what is punished and what one has to do to not stand out.« Oftentimes, people then follow these unwritten laws without being aware of them.

## READY FOR A CULTURAL EXPERIMENT?

Ask your employee the following: »Over a nice cup of coffee, how would you recommend that a friend behave in order not to stand out within our company – how to behave like most other people in our company?«





### The foundation of corporate culture

The way a company works is often connected to the personal values and opinions of its founders or powerful leaders in its history. Reading the biographies of people like Ingvar Kamprad, Steve Jobs or Elon Musk, one gets an idea of what really counts at IKEA, Apple and Tesla. By the way, not only the heroes of a company have a long-term impact on it; despots also shape a company for many years to come. Fear within a company can often be felt in the everyday work even 50 years after the fact.

A second important source that influences the current culture of a company is success stories from its past. What kind of behavior has made the company successful and what collective mindset has been engraved over time? Most employees believe in the »unwritten laws of success« and few dare to officially question them.

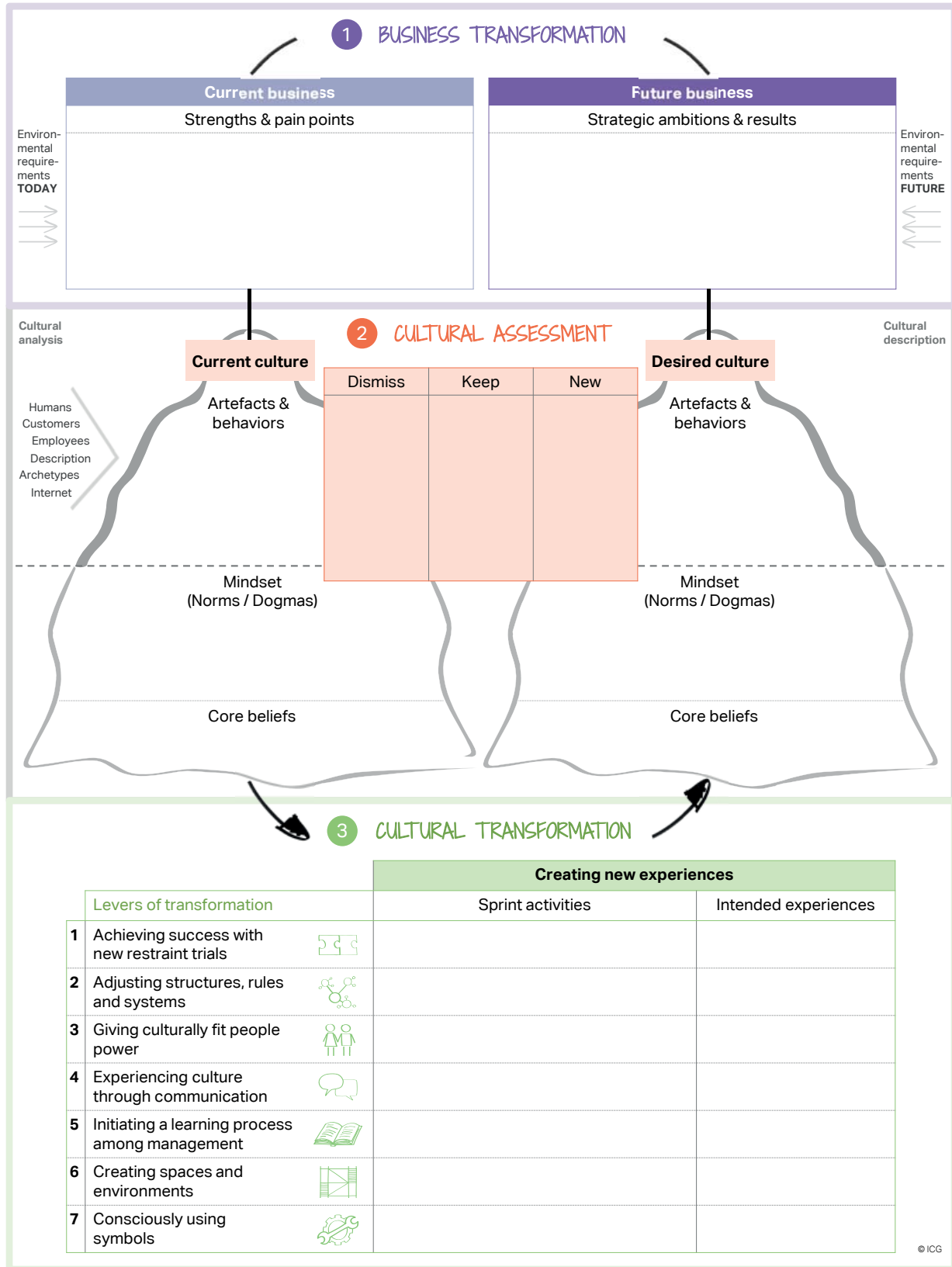
### It is like an iceberg

Edgar Schein, one of our most outstanding teachers, narrows his understanding of culture down as follows: Culture is like a large iceberg. Artefacts are visible above the water line (rooms, structures, symbols, language, ...) and we can observe obvious behavior. This involves how meetings are conducted, how the management communicates with the staff how risks and conflicts are dealt with, etc. Below the water line are the mindsets that are usually hidden, the practiced values and principles that guide our actions. And located deep inside the iceberg are the core beliefs, i. e. those one or two dogmas that make up the company's identity. These are never questioned and it is difficult to impossible to change them (see illustration).

Let's look at a practical example. An international corporation had the sentence »be the architect of your own fortune, seize every opportunity and don't mirror ►



## Cultural Transformation Canvas



»Behavior and mindset are twins – based on successes of the past – influencing each other. If you want to transform culture you have to create new experiences for your people.«

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the others!« ingrained in its DNA as its success-generating fundamental belief. Does it surprise you that this company has been struggling to control its global business, practice matrix structures and sustainably invest in innovation for more than ten years?

### **Culture is neither good nor bad; culture is**

Assessing culture is primarily about the way we look at it: Is it functional or dysfunctional for a successful future? Does it attract the right people? Does it produce behavioral patterns and beliefs that match the future requirements of the market and surroundings? And most importantly: Does this culture support our visions and ambitions, and does it help us implement our strategy or does it stifle us?

### **Shaping cultural transformation**

The effective development of corporate culture starts with the following three steps:

- 1 Record your future visions for your business. Where do you want your company to go? Preferably, condense the essence of all strategic visions and papers to two to three pages in a top management meeting.
- 2 From this, derive the cultural demands for your company's future. What kind of behavior do we need to implement our strategy? What values and dogmas are essential for our success in the future? To achieve this, we recommend holding a workshop involving top management to work out causal relationships between culture and business. This gener-

ates joint visions regarding a company's desired culture via stories, images and vivid descriptions.

- 3 Explore the existing culture. What artefacts can be observed? What dogmas and unwritten laws are adhered to? What unshakable basic beliefs govern the company's actions?

### **Methods from cultural analysis**

Even though there are countless questionnaires on cultural analysis, we also recommend using dialogic and analogue exploration methods when exploring culture. We use the following methods successfully in practice:

#### **Analogue representation**

Groups of employees draw pictures of people who symbolize this culture. The following question helps: Let's pretend our company was turned into a person over night. What does this person look like (age, sex, clothes, hobbies, character traits, behavioral patterns, etc.)? After that, this person's behavior can be explored in terms of future topics, requirements to change, etc. and the essence of the findings can be evaluated.

#### **Workshops with randomly chosen groups**

Initiate a dialogue based on the dimensions of the cultural web. What heroic stories and symbols can we find, what taboos are there, what is being rewarded/punished, how can we make a career, how do we deal with customers, how does management behave, how do we communicate, what structures and rules govern our actions, how do we learn? In these workshops, assessments from different perspectives are collected ►

and dominant patterns are established. This way, you can get to the basic assumptions. »Scenic representations« (sketches) of dominant behavioral patterns that help emotionally experience those basic assumptions are particularly effective and fun.

**Obtain external perspectives**

Exploration interviews with key customers/internal process partners or invitations to workshops (with questions similar to those in the employee workshops) contribute to exploring corporate values from the external perspective, too.

**Work with archetypes**

Exchanging thoughts and ideas on archetypes in an inspiring workshop helps explore dominant patterns and enables you to talk about culture.

**Defining areas of cultural tension**

Based on this cultural exploration and the business's cultural standards, you can work out the cultural development needs very easily. A simple list with three columns works well:

Like before	Away from	Towards
What behaviors and dogmas can we continue to use?	What dysfunctional behaviors and dogmas do we have to let go of?	What new behaviors do we need that will strengthen our future?

**Seven levers to trigger transformation**

Culture can never be transformed directly. The dysfunctional pattern of »in our company, mistakes are punished socially, which is why we always tread carefully« can never directly evolve into the desired behavior of »we trust in ourselves and try out new things and in this context, mistakes are naturally made that we can use to learn for the future.«

The least useful – but all too often practiced – methods are cultural campaigns, road shows, events and indoctrination events. These formats only produce lots of hot air and promise a brave new world and yet

little ends up in the daily business. The result includes growing cynicism among staff and a wasted opportunity to actually change something.

What levers can now lead to creating new experiences for people to transform mindset and behavior? The following seven starting points have proven particularly effective:



**Achieving success with new restraint trials**

This requires room to experiment – in agile language, this means sprints, rapid results and initiatives in which small groups are encouraged to try out new behaviors. If this makes them more successful than they used to be with previously practiced behavior, new dogmas are created. If the desired culture requires more cooperation and less of a silo mentality, sprints in »cross-functional« teams are a good fuel for generating new behavioral patterns.



**Adjusting structures, rules and systems**

Structures and systems (organizations, rulebooks, systems of remuneration, performance management, ...) impact behavior and thus, the development of unwritten laws. In order to trigger a cultural transformation towards »more collaboration,« the remuneration of managers and employees must not be based on individual success only. Structures and systems must support the development towards the desired culture. This requires the courage to reconstruct the silos, abandon traditional systems and consistently introduce new systems.



**Giving culturally fit people power**

People follow those in power, which is why staffing decisions (new hires, career steps or dismissals) are significant measures, as they shape the culture. Leadership requires people whose personal value structure and dogmas match the desired culture. Also be prepared to get rid of people who poison the desired culture.



### Experiencing culture through communication

Communication rituals, dances, parties and the like have influenced trial cultures for millennia. The rituals of 21<sup>st</sup> century organizations include meetings, pitches, management conferences, town halls, employee events, workshops, off-sites and many more. In the spirit of the desired culture, these must then be designed differently to actively influence the corporate culture. If your goal is »more transparency and openness,« for instance, you need communication formats that make these values perceptible. Power-Point battles or staged show events are being replaced by formats such as tactical or governance meetings from Holocracy, Go to Gemba, dialogue-oriented settings in workshops or large group events. Using good communication formats, you can easily influence culture; people can feel if they are being treated authentically or just seen as resources to achieve economic figures.



### Initiating a learning process among management

Cultural transformation cannot happen without development within the management. Managers must themselves become the place of cultural renewal. Ideally, you should start by reflecting on your own values and convictions. That way, managers can become aware of their role model status for the employees' behavior. If you strive for a culture of commitment and increased individual responsibility, for instance, you can only be successful if you (the managers) consistently stick to agreements yourselves. When you assume full responsibility, you should follow the motto of »follow me« instead of »forward.« This lever can only be triggered by joint development among management teams (this applies to executives as well as management teams on the shop floor). This requires personal reflection and thinking in management teams where new behaviors are experienced and directly implemented in the everyday work. This joint cultural work in management teams typically triggers practical momentum that can be felt by the employees. It's all about creating new experiences to develop a new mindset and new behavior patterns.



### Creating spaces and environments

Humans are influenced by their surroundings. City dwellers have a different culture from people living in the countryside; those living in the mountains think differently than island inhabitants. Artefacts such as offices, meeting rooms, customer areas or factory buildings also strongly influence the life that is possible inside. In the spirit of the »outside-in« principle, cultural transformation also requires spatial change and the »reconstruction« of artefacts.



### Consciously using symbols

People get their bearings from symbols (as we sadly know from history) and love to retell stories. Cultural transformation requires credible symbols of the desired culture. In the film »Invictus,« Nelson Mandela shows how symbols can be transformed by means of tenacity and how a united country spurred its »Springbocks« on to win the title at the 1995 Rugby World Cup in South Africa. Above all, to make symbols work, you need credibility and authenticity – we strongly urge you not to use staged campaigns. Stories influence unwritten laws particularly strongly. Heroic stories from the past live on to this day. Effective cultural transformation creates new, positive stories that initiate a new cultural era and that people proudly retell. Strong emotions and the feeling of »I want to be a part of this« generate unexpected levels of power.

## A journey worth going on

Cultural transformation is an exciting journey into an unforeseeable future. It can never be planned in detail beforehand. Successful cultural transformation requires a few committed people, strong pioneers and an invitation to participate. It pays to follow the principles described earlier. Additionally, you will need a lot of endurance. Ideally, excitement is contagious. After all, there are few more exciting things than making your corporate culture fit for the demands of the future. And as many leaders experience: It's also a journey where you grow as a person. ●









**GETTING INSPIRED**

# Best Practices

## CASE 1

# Administration and NGOs

For several years now, agility has been the number one trend in organizational design. The whole world is talking and writing about agility. One interesting question is whether or not agile methods such as SCRUM, Design Thinking or OKR can actually be applied unchanged to administration and NGOs.

by Günter Kradischnig

In what form would agility have to be adjusted, expanded or even restricted? ICG experts have been thinking about these questions for years and have developed an agile administration model.

There are not many examples of agile public organizations. Does that indicate that agility is a model not suitable for the public sector? If we only look at negative manifestations such as cultures of mistrust, intolerance towards errors and the predominance of bureaucratic principles, it would hardly be surprising. Maybe, however, we simply lack methods and tools for transferring this model to the realm of administration. Early attempts at successfully implementing agile methods can be found in the Swedish city of Ängelholm, which has been a much-cited and -visited example of agile administration for many years. More recent attempts have been made in German municipalities such as Heidelberg and Karlsruhe.

## Agile administration must-haves

All of these pioneers share certain essential elements of agile organizations. They use new and far-reaching participation models. They successfully utilize agile work methods such as Kanban boards, SCRUM, Design Thinking and the like as well as agile principles in their

projects. They also rely on far-reaching approaches towards digital transformation in administration. Now, is agility the new messiah that will succeed paradigms such as New Public Management and Good Governance? Will it make all approaches of these movements – that haven't been broadly implemented so far anyway – obsolete? Probably not, since many of these methods have proven their worth in practical use within administrative organizations and have been consistently well received. For several reasons, however, many of them were not used for long or ever comprehensively rolled out. Yet using only a few agile methods and innovative participation models alone will not be enough to strike the organizations' nerve and initiate extensive change.

## The ICG model

With this in mind, our model describes an (ideal) target state. It also aims to serve as an orientation for administrative developments in the sense of a desired vision for the future. It combines proven elements from previous reform models that haven't been implemented sufficiently with agile principles. When it comes to holistic change processes, all elements should be reviewed for their usefulness and purpose for the respective orga-

## The ICG-agility-model for public administration and NGOs



nization and could be applied in the context of a transformation process lasting several years (see illustration).

### Impact orientation

Agile control starts with transparency in the sense of the wide availability of all required information. In an age of widely available communication technology, this is more about basic values than major organizational measures. Apart from aiming for impact targets, an organization above all else needs to leave behind the ambition to check all individual cases without exception. A cycle consisting of target definition, planning and regulation of implementation and (self) control serves as the central element of modern agile control. Self-control replaces excessive review and control.

### Decentralized resources and decisions

According to evaluations, consistently shifting decisions, competences and responsibilities to the (leadership) base of an organization has shown that decentralized units reach their goals with less funding and higher management and employee satisfaction. It goes without saying that this requires adequate framework conditions such as target and performance agreements, functioning controlling and correspond-

ing organizational and quality standards. Global budgeting can safely be called the crown jewel of decentralized resources and decisions.

### Citizen orientation/participation

As mentioned above, this element is at the core of all known agility models for administrative organizations. Examples include situational arenas in Ängelholm or the IQ (innovativ und quer – literally »innovative and unconventional«) workshops in Karlsruhe. The systematic involvement of the population and civil society into solution finding is also facilitated and promoted by the use of digital communication possibilities (see digital public forums, etc.).

### Agile working methods

A suitable application of agile work methods increases the efficiency and effectiveness of administrative action in various ways. On the one hand it's through methods such as Design Thinking that are aimed at boosting creativity and idea generation as well as exploration and experimentation. SCRUM and working with sprints are two ways to improve development and implementation speed. The quality of meetings can be enhanced by means of timeboxing, agile moderation and the consent method of decision-making. Kanban ►



boards, daily/weekly stand-ups, review and retrospective significantly contribute to improving communication and cooperation.

### Digital transformation

Arguably, digitalization currently has the strongest impact on administrative development, both internally (ELAK – electronic file management/electronic workflow) and externally (E-government). Principles applied all across Europe such as once-only or digital-by-default promote and require a paradigm shift in communication and process design.

### Space for innovation and experiments

This field is hardly a core skill of public institutions. And yet: Agile Project Management as well as modern approaches such as Design Thinking and the like create a sound foundation for solution finding outside of everyday business and standard routines. Opportunities present themselves left, right and center – the refugee crisis from a few years ago comes to mind as one example.

### Networking/cooperation

In this field, approaches such as administrative cooperation, cross-sector cooperation/teams and shared services have been making a name for themselves in recent years. Such new forms of cooperation between administrative organizations as well as between them and external stakeholders increasingly prove their worth in the context of solving complex issues as well as budget problems and improve the quality of problem solution and result acceptance.

### Leadership and team culture

Leadership in agile organizations is all about more support, coaching and the increased provision of optimal framework conditions. Commands and instructions remain ineffective. Clear target agreements and corresponding leeway inspire individual responsibility and self-control at all levels. Team targets and team responsibility gain in importance and replace »lone wolf« experts in complex environments. Professional HR management supports these developments; performance-oriented, innovative remuneration models and career paths as well as professional feedback processes are becoming increasingly important.

### Agility for NGOs? Sure!

Due to an increasingly volatile and complex environment as well as the trend towards digitalization – which no organization can get around – NGOs are facing new challenges, too. These require a more agile approach with regards to both structures and processes. The prime example of Buurtzorg (see page 137) serves as proof of the associated positive effects. In the Netherlands, the entire care section of the outpatient nursing service is administrated using agile methods. Self-managed and self-responsible teams serve their clients in individual care settings. There is no conventional leadership; the roles within the teams change regularly. Their numbers prove their success. And patients as well as care personnel are significantly happier than before. **by Maria Laura Bono**

### Agility as a means for transformation

Coming back to our introductory question, the answer is therefore clear: Agile methods are more than suitable for the public sector. What we are lacking is a clear (political) vision regarding this model. This would require commitment from political and administrative managers and the consistent implementation of accepted principles of change management. Or: the success of such a transformation process is not primarily decided by the content and goals but much more by process, communication and individual change support like training and coaching. Is a revolutionary approach the only effective way of implementing agility? Not necessarily, as practical experience shows. Even the implementation of individual aspects of our model can support administrative organizations and NGOs with being better prepared for a dynamic environment. ●



#### Recommended reading

»Adventure Change Management: Practical tips for all those who want to make a difference«  
Manfred Höfler, Dietmar Bodingbauer, Hubert Dolleschall, Franz Schwarenthor et al.; Frankfurter Allgemeine Buch; 2018



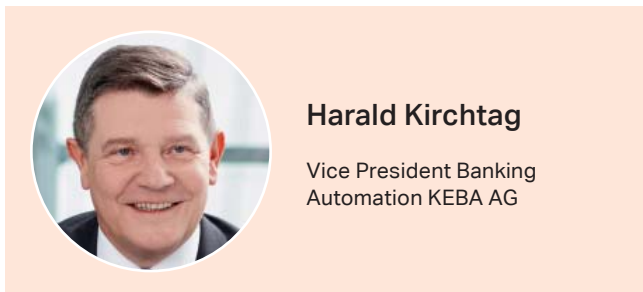
CASE 2

# New KEBA DNA

The internationally operating company KEBA, with its headquarters in Linz and subsidiaries around the world, has always been at the forefront of innovation. Methods like Design Thinking, cocreation with customers, fast prototyping and SCRUM (in software development) have already been implemented. In January 2016, they started their extensive restructuring for the future. Harald Kirchtag, Lead Link Banking, experienced the transformation first-hand.

Interview by Franz Schwarenthorer

»Transforming an entire organization is always risky. KEBA took the step and can look back on a successful process.«



#### Why is KEBA interested in agility?

Harald Kirchttag: Times are changing and speed is increasing dramatically. In former days, our customers in the banking sector planned years ahead, ordering ATMs far in advance and giving us some time to develop improvements for every rollout. Nowadays, customers expect product development and delivery in much shorter times. As a consequence, we have to be much more responsive.

#### How did your agile journey start?

Harald Kirchttag: During our quarterly leadership event in January 2016, our CEO Mr. Luftensteiner held an inspirational speech which became the starting point to »renew our DNA« and become even more customer-centric. He invited us to dive into VUCA, into Frederic Laloux's thoughts about Reinventing Organizations, Niels Pfläging or Gerald Hüther. After an intense learning journey and controversial discussions, we decided to become a Beta company. Organized as a peach organization (see Niels Pfläging) with business cells (including end-to-end responsibility as well as a profit and loss statement) and support cells. In October 2016, all employees were informed about the upcoming change and invited to become part of one

of 20 teams to design our new organization. Three months later, the teams presented the new structure of the organization and by the last week of March 2017, everyone had found her/his new home cell. This initiated our go-live; as of August 2017, the new organization was fully accountable.

#### What was your master plan to become agile?

Harald Kirchttag: We collected inspiration from Pfläging, Spotify, Laloux and many others and created a new structure. Furthermore, we asked ourselves: How will we work together within these new cells? Some of our core members reached out for different ways of agile working. Finally, we decided to use Holacracy.

#### How did you implement Holacracy?

Harald Kirchttag: In the second quarter of 2017, we had our first Practitioner Training, which was attended by more than 100 people. In the next step, we elected our lead links. In August, the tribes started with Holacracy and by the end of 2017, nearly all cells were adhering to the rules and meeting structures. From the very beginning, we invested a lot in communication and support. We organized four »DNA forums« with 250 to 400 participants. We offered coaching, info documents, facilitated kick-offs for each tribe, DNA buddies and a facilitator pool.

#### How did your employees react?

Harald Kirchttag: In spite of our good preparation, a lot of employees were afraid of the new organization. It was hard to imagine how this would work. Some did not like losing their home department. When the



new organization started to run, these concerns faded away.

### What was easy?

Harald Kirchtag: Nothing is ever easy. But we already had experience with some kind of self-organization and knew that people would excel when having an attractive purpose. This has proven true.

### What did not work so well at the beginning?

Harald Kirchtag: On a personal level, I would say my own transformation from a manager to a lead link was pretty hard for me. I learned not to take decisions for the team and stopped telling others what to do and hopefully turned into a supportive leader very quickly. Constant feedback from team members and peers was immensely helpful in this process. On the company level, some of the people who defined their »career« by being managers lost interest in the process. While most of the former management colleagues found their place in the different roles of the new organization, some also left. We learned that self-organization is not suitable for everyone. Furthermore, at the beginning, people wanted to be invited to every meeting and be part of every decision – somehow, they misinterpreted agility as some sort of grassroots democracy. But finally, they realized that time is valuable and some things were slowing them down – this helped a lot.

### What would you recommend to others starting an agile journey?

Harald Kirchtag: Take your time finding your ideal way of organizing, finding the »whys.« Involve a lot of people in this phase of orientation and don't be tempted to rush a decision. Consider Holacracy as a tool to run a future organization, not as a starting point for the process. Ensure sufficient support (coaching, facilitators, large group events, ...). Organize common reflection: Why agility? What will be the benefits? How do we proceed? What did we learn?... And last but not least: every organization needs full top management commitment and support.

Mr. Kirchtag, thank you for your time. ●



## KEBA

KEBA was founded 50 years ago in Linz, Upper Austria, and offers industry solutions in Industrial Automation, Banking Automation, Logistics Automation, Lottery Solutions, Heating Control Systems and Electro Mobility. In the fiscal year 2018, KEBA recorded a turnover of € 253.6 million with approximately 1,050 employees.

[www.keba.com](http://www.keba.com)



## CASE 3

# ING as a Frontrunner

For many people, banks stand for solid, big, arrogant and somewhat dull organizations. Outdated constructs and systems led the banks to a position which is no longer viable. In order to adapt to the swiftly changing context and increase their chances of survival, banks need to be more agile. The example of ING provides us with an insight into transformation triggers and how to successfully create an agile organization.

by Marit Ubachs and Bas van der Velde

In the banking sector, new technologies (like Blockchain, AI, Robotics, Data Analytics, etc.) and new players that act like banks (e. g. Alibaba, Apple Pay, Google, Amazon) are constantly challenging the status quo of the financial industry. As a result, many banks are becoming IT companies with a banking license. Most of them use data mining as a growing field of possibilities. With the huge amount of data a bank possesses, it can have an enormous impact on clients. IT companies and departments are frontrunners in agile transformations and can function as an »agile push« within organizations. Change is in their DNA and regarded as normal practice. This can set an example for the rest of the organization.

## Winning an exchangeable sector

Most of the products banks offer their customers are quite similar; the differences are mostly in the customer experience. IT companies are setting the standard for that experience and forcing banks to change their way of delivering their services. Nowadays, the virtual world (e. g. Facebook, WeChat, YouTube) is where people spend most of their time buying products, being

entertained, learning, communicating, and so on. To reach customers, a bank has to be present on the same platforms. In order to ensure their chances of survival, they have to respond to these trends and consequently redevelop their ways of working. Doing nothing is not an option; banks in their »old« form are no longer needed.

## An example of scaled agility

Let's take a closer look at how ING transformed itself. Like every other organization starting its journey towards agility, ING was looking for examples in order to become inspired. Companies like Spotify, Zappos, Netflix, Google, etc. created a way of agility that ING wanted to achieve. However, copy/paste alone would not have worked. As a pioneer in its field, ING had to adapt the principles of these non-banks and make them their own. Agility is about process, structure and – above all – mindset.

A common challenge for all those companies is the scaling factor. This applies to all organizations where digitalization is key. Teams form the basis of every agile organization. They should be as autonomous as possi-

ble within their team purpose and the defined strategy of the organization. When thousands of those teams exist, the need for scaling or aligned autonomy is born.

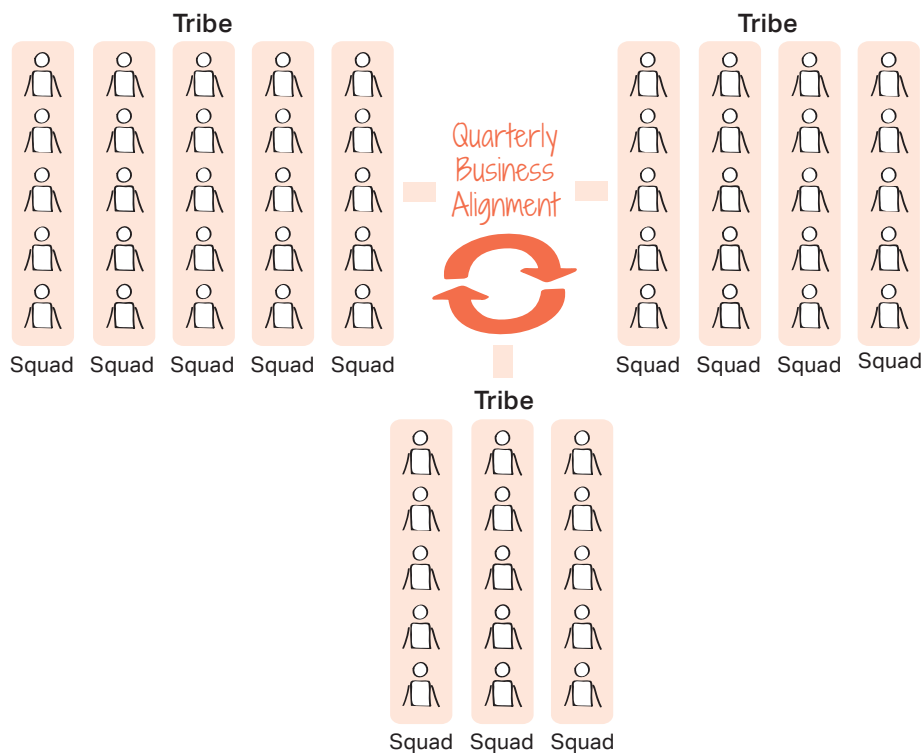
### Building on a vision

In the world of banks, ING is a frontrunner. They aimed for more agility in order to have a shorter time to market, boost employee engagement, reduce impediments and handovers, and – most importantly – improve client experience. They follow the vision that in the end, the entire organization is built around aligned autonomous teams; not only in the traditional domain where products and services are created and maintained, but also in the domain where the products are sold to the customers, the domain where the sold products are serviced (like operations, credit risk, IT) and all the teams in the support organization that help the other domains to excel (like HR, Legal, etc.). ING combines process, structure and mindset in order to globally align all of those teams.

### Creating a flexible structure

In terms of structure, ING created models that apply best for every domain. Squads define their own purpose in light of the service created and explicitly define what they contribute to clients. All teams with the same purpose are brought together in tribes, circles or centers of expertise (the name differs in each domain). They guard the alignment of the different squads contributing to a product or service. Part of ING’s success lies in the fact that differences in structure are allowed within different domains. Being agile in a support function requires a different structure than being agile in the sales organization. In terms of process, ING created a flow around quarterly business alignment between the different tribes, circles and centers of expertise. This process assures that the combined change is geared towards the purposes of the domains while also contributing to the strategic themes of the entire enterprise. Besides, this is also the place to celebrate achievements and share learnings (see illustration). ▶

## The ING organizational model



»To change the financial market, it is crucial to be faster than the competition. ING shows the way with an agile constellation.«

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### Leading a cultural shift

Process and structure alone will not bring the desired agility to an organization. Changing the system but not the people does not lead to a full change, which is why so much attention was given to the cultural shift within ING. They were in need of leaders that can truly empower teams, quickly resolve team impediments and continuously define the strategy. Leading by example and establishing the right culture and mindset was achieved with a series of activities. A set of norms and values was developed – in line with the strategy – which people are supposed to adhere to in their work. Another activity was a global program for all leaders to become authentic leaders; to define their personal purpose and how this fits their role. And last but not least, it is important to assess all leaders in the agile organization on an agile mindset and behavior. Good leadership creates a safe environment for teams to act as autonomously as possible, where constant learning and developing is the norm and is perhaps the most crucial element.

### Do we all need to become agile?

In the financial sector, there is an absolute necessity for banks to become agile. The future is uncertain and the landscape is changing. The ones that are best equipped to adapt to the changing circumstances have the highest chance of survival. If your business sector is changing as dramatically as the financial world, the answer to the question above is definitely yes. But bear in mind: Being agile is a means, not a purpose. Therefore, a company that wants to become agile should ask themselves why. It needs reasoning

that can be recognized by everyone, especially by the higher management, if you want the entire organization to embrace it. Being agile also comes with a price. It requires focus, letting go of cherished habits and the ability to appreciate failure in order to grow.

The following questions can help you define your own road towards agility:

- How important is agility with respect to my vision and strategy? Does this apply to all parts of the company? Be aware: agility is not only about operations and IT!
- Where is the current structure hindering or supporting agility? What can we learn from others? Don't be a copycat!
- Do I already have people in the organization with an agile mindset? How can I use this energy in the change process? It is not a change in the minds of everybody! You already have frontrunners and people who will never catch up – accept this phenomenon. ●



The purpose of ING is to empower people to stay a step ahead in life and business. With 53,000 employees in more than 40 countries, ING is the market leader in The Netherlands, Belgium and Luxembourg. They have 38.4 million retail customers. ING creates a differentiating customer experience by earning the primary relationship, developing analytics skills to understand the customer better, increasing the pace of innovation to serve changing customer needs and thinking beyond traditional banking to develop new services and business models.

[www.ING.com](http://www.ING.com)

## CASE 4

# The Success of Buurtzorg

In Frederic Laloux's book – Reinventing Organizations – this company is set as prime example of a teal and cyan organization. Its success can be explained by looking at the nature of the work of the company, a consistent application of simple principles and the context of the Dutch healthcare system at the time the organization was created.

by Marit Ubachs and Bas van der Velde

Is it advisable to copy the principles from Buurtzorg? Will that make you as successful as them? This analysis might help you understand if it may work in your own context – a context which will most likely be a different one. We will analyze what made Buurtzorg a success and what context enabled them to do so. This article is based on the collaboration between our ICG-network and Jos de Blok, founder of Buurtzorg, on one of our Learning Days (first quarter of 2018). We know for sure he would agree with most of this analysis. Where he is convinced his model is applicable to all kinds of organizations, we think it is important to consider the nature and context of the work thoroughly before deciding to embrace his concept entirely. This is the part where our opinions might differ. The information provided might help you understand if it is advisable to copy its principles. And the analysis might offer you insight into whether it will work in your own context, which will most likely be a different one. Because who would not want this success for his own organization? Especially now in healthcare institutions, where margins are extremely slim if they exist at all and costs are increasing due to an increase in both the complexity of care needed and in demand (more people are getting older). This makes Buurtzorg an appealing case study.

### Growth and happy people

Buurtzorg started in 2007, offering nursing and personal care to clients at home with a revolutionary model that became a success instantly. Autonomous teams consist of a maximum of 12 people and work in a specified neighborhood with 5,000 to 10,000 inhabitants. The old adage »prevention is better than cure« is the underlying principle. Therefore, nurses primarily focus on preventive health measures in order to maintain the clients' independence. Of course, they also provide care when issues arise. The patients' informal networks of relatives, friends and acquaintances are also used by the team in order to provide the best fitting care. The model finds great satisfaction with both patients and employees and earns high ratings (nine on a scale of one to ten). The organization has also won the Best Employer of the Year award five times already.

Since 2007, Buurtzorg has grown into a financially sustainable business model with 50 to 100 new nurses a month and more than 80,000 patients a year. As a matter of principle, at least 61 percent of the nurses' time is spent with patients. In order to cut overhead, nurses have access to a »real-time« information system, which is connected to the individual care process and translates the needs into administrative require- ▶





ments. Reducing tasks and costs has led to an extremely lean organization with no managers, 20 to 30 coaches and only 50 people in the back office (eight percent overhead). This efficient way of working has led to cost savings up to 40 percent for the care, an amount many companies struggle to reach and is one of the reasons organizations try to copy Buurtzorg' model. Who would not want this success for his own organization?

### A closer look

What made the model work? Buurtzorg has internalized individual work based on high standards by highly skilled professionals. It has smartly taken advantage of a niche in the market. Their straightforward and easy-to-protocolize type of care is designed for a client population with no demanding/complex needs. More difficult cases requiring night care or dealing with multiple health care issues rely on existing institutions. This is very similar to the behavior of many start-ups, especially in the field of fintech. For their services, they still depend on the public utility function provided by traditional banks. Specialized IT tools bring highly scalable

additions to the market. Buurtzorg started in an era where it was quite easy to attract qualified personnel. Finding skilled people who are motivated to work in a self-organizing context is much harder now in the Dutch market. What is of similar importance is the fact that nursing at home is very individual. Independent decision-making is important and there is no great dependence on group dynamics or the assessments of colleagues. The combination of these three factors made for a very good starting point for Buurtzorg's concept.

### Starting from a greenfield situation

Buurtzorg is an exemplary institution when it comes to the consistent application of simple principles for self-organization. While growing, the organization did not compromise on this; they stuck to the same basic routines and agreements designed at the beginning. An important test of endurance took place when Buurtzorg took over the nurses and clients of a larger classical organization (TSN). Overnight, their principles were copied and implemented and most newly acquired people felt comfortable with them. Not everybody though, Jos had to admit. After a starting period

»The Dutch organization is a well-known success story of applying self-organizing principles on a large scale.«

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of several months, the informal leaders, who were once appreciated because of their »fire-fighting attitude,« didn't feel appreciated enough anymore as the self-organizing principles started to work and their role was no longer required or was divided and taken over by other members from the team. This provides an interesting insight into the group dynamics of a transformed organization. It will most likely appear when an existing structure is dissolved and employees have to settle into their new way of working.

### Dutch healthcare was ready for disruption

The cost of elderly care was growing much faster than the economy as a whole; Dutch authorities were desperately seeking reforms. Traditionally, the care was financed by the state and provided by big residential institutions. Government and politicians needed challengers for this system and Buurtzorg was one of them. This opened opportunities for rules and regulations for the organization. While Buurtzorg is now growing outside of The Netherlands and wants to make a global impact, some questions have been raised about the business model from the point of view that public healthcare shouldn't shovel money into private pockets. Jos de Blok's initiative to create a health insurance company failed. The tailwind Buurtzorg has had from the transformation in Dutch healthcare might have turned.

### Behind the scenes

Buurtzorg is undisputedly an ongoing entrepreneurial success and a landmark in the innovations of organizations. So should we all copy them? Probably so, but in any case, it is wise to consider the following questions first:

- Does a self-organizing concept fit to the nature of my work? A workflow easy to protocolize and enough skilled people willing to work in a self-organizing context and individualized work are recommended.
- Are you willing and able to implement a small and simple set of self-organizing principles in a consistent way? This is easier to do in a greenfield situation, than when transforming an existing structure.
- Does the system support you and give you sufficient tailwind to develop your business? Success is necessary to inject your internal organization with a positive vibe. ●



Buurtzorg is a pioneering healthcare organization established 12 years ago with a model of holistic care that has revolutionized community care in the Netherlands. Buurtzorg scaled very quickly across the country from one to 850 teams in just ten years. Currently, there are 10,000 nurses employed. Buurtzorg is now active in 24 countries and has the highest client (patient) satisfaction as well as 40 percent lower costs than its peers. The company received the »Best Employer« prize five years in a row.

[www.buurtzorg.com](http://www.buurtzorg.com)



### Recommended reading

»Reinventing Organizations«  
LALOUX; Knowledge Partners; 2018

## CASE 5

# Agility in Health Care

Keeping people healthy is one of the biggest challenges for all communities and countries. Finland started a promising approach to make people healthy and happy at the same time. This disrupting formula may be a cure for high costs.

by Sanna Kallankari

Like in many other countries, Finland's health services are built upon two pillars: the basic medical care is part of public services and private options are further available. Almost all health care services have traditionally been organized in a hierarchical way, with little variation between different organizations. Two health care organizations count on agility and celebrate a successful launch in their field: the private health care company Heltti and the city of Järvenpää's home care.

## Private health care on new paths

Heltti was founded five years ago in the conservative and quite homogeneous field of health services. CEO Timo Lappi brought something new to the market. He organized his health services as agilely as a software business. He dived into new models of organizations and explored the problems of traditional private health care from a customer perspective. Heltti wanted to offer a new solution to the needs of their customers. This required quick decision-making without hierarchies. Heltti's own shaped »ball pool organization,« inspired by Spotify, Holacracy and Buurtzorg, was born. »An important part of our DNA is our decision-making model: we have no superiors or masters. Everyone makes decisions according to our consultation process,« says Lappi.

## Focus on the patient

At the heart of all activities, Heltti has customer teams consisting of medical staff, doctors, therapists and sales people. Each team works independently in its territory. The structure is expanding in a cellular way. As the customer base grows, every team is split into two even parts, enabling efficient scaling. An important part of the organization is also a balanced partnership of equals. Employees work in open spaces; doctors skip status symbols like their well-known white coats. All customers are faced with informal reception.

## Clear benefits of a new kind of organization

The new »ball pool organization« was started more than a year ago and benefits are clearly showing. The new organizational structure is very helpful in recruiting new employees. Innovative operating models are a real unique selling proposition, especially agile customer organizations are attracted by these services. Furthermore, the new structure is a real time saver. Meetings have decreased since decision-making and responsiveness turned agile. In the future, Heltti anticipates with reduced wage costs due to the design of the organization. As the structure expands, administration and support functions will not grow in the same proportion.



On the other hand, new challenges in organizing have emerged. Without hierarchy, a new set of self-management skills is required. The personnel and organization need continuous coaching to succeed. Likewise, it is necessary to repeat the principles of action so as not to forget what is being done and why. The most important realization so far: Leadership has not diminished, but its role has changed.

### **Järvenpää adapts successful care model**

Buurtzorg is a synonym for a very lean and agile Dutch home care model. The pioneering healthcare organization shows the highest satisfaction rates among their clients combined with cost savings up to 40 per cent. Teams of 12 people work self-organized and autonomously for 40 to 50 clients in different care settings. The project has been running very successfully for more than ten years now. The city of Järvenpää was looking for more agile alternatives to home care services when it was introduced to Buurtzorg in 2017.

### **Piloting Buurtzorg**

2018 Järvenpää started with an adaption of the Buurtzorg model. During the pilot phase, the public organization found many obstacles. The boundary conditions by law and further responsibilities had to be taken into

account; the role of leadership had to be shifted to a coaching approach. According to Päivi Autere, HR director, the most important thing was to make supervisors understand what self-directedness meant, why the reform was implemented and what the new managers role was. »Managers need to find their own internal motivation for coaching, engaging and motivating the staff. Like supervisors, their new role is to help in solving problems, set ambitious goals or settle conflicts,« says Autere.

### **Gain for all parties involved**

The most outstanding benefits of the new structure are economic advantages and increased well-being among staff. Sick leave has dropped by over 20 per cent. Cutting costs leads to significant savings. In the future, the number of supervisors will be reduced since their preparatory role enables them to lead more teams. Overall, the first step of the project is a huge success. Caregivers are empowered to develop solutions and make decisions close to their clients needs, which leads to a greater well-being on both sides. With the structural reform of basic services in central Uusimaa province in January 2019, Järvenpää home care was integrated into the services of the Keusote's social and healthcare coalition, where Päivi Autere also joined as HR director. ●



## CASE 6

# Cities and Local Communities

Municipalities represent the level of government that is closest to its citizens. They are currently experiencing a general increase in customer expectations in terms of service quality, while human and financial resources continue to tighten. Furthermore, there is a growing complexity of the regulatory context. Agility can be helpful to improve service and cut frustration.

by Christina Duller and Veronika Meszarits

In the private sector, future-fitness is currently often associated with agility, which means using agile tools and working methods and aiming for an agile mindset. A high degree of adaptability and a strong focus on the customers' needs are at the core of every agile concept. Needs and wishes are anticipated and solved before future consumers are actually aware of them. Technological solutions have become an integral part of our daily lives, so why not apply agility in this context to improve the efficiency and customer orientation of municipalities? The good news is that agility is starting to play a vital role at the local government level with very interesting frontrunners. The most cited example is Ängelholm, a Swedish town with 41,000 inhabitants calling itself »Sweden's first agile municipality.« Its city administration was literally turned upside down in a radical adjustment to the needs of its citizens.

## Working in arenas

Starting with the organizational changes in 2013, the city defined three main goals:

- 1 Clear citizen focus and reaching a high level of service quality.

- 2 Better collaboration and mutual respect by valuing diverse skills and fostering cooperation.
- 3 A high degree of employee participation in the process design.

One specific outcome was the reorganization of the administration by establishing only three core processes (»education and family,« »health« and »society and development«) and adding a few support processes like »finance« and »personnel.« What is strikingly different is the systematic involvement of externals, such as residents, businesses, other civil servant agencies or other forms of associations in many tasks and the so-called arenas, the »heart« of the new agile approach. An arena is a multidisciplinary taskforce with limited time resources, where all required competences for solving a complex issue are compiled in the team. In addition to incorporating all necessary skills, arenas are also very attractive because they are authorized to decide on possible solutions. Arenas can only be constituted on the demand of an employee and there are clear conditions that have to be fulfilled. Arenas only serve citizens' needs and cannot be applied to internal organizational issues. They must require a high degree

of cooperation and issues have to be solvable within three to five months, which is a great way of overcoming the well-known silos within the administration and also beneficial for externals. This new approach has led to a completely new, more citizen-focused and agile mindset.

### Agile initiatives in different cities

In 2017, the city council of Karlsruhe decided to introduce a new, innovative, cross-functional structure for important issues of the city and administration development. This decision also included a change of their working style into what they call the »IQ« way of work, where »IQ« stands for »innovative« and »cross-functional,« involving not only employees of governmental bodies working at all levels, but also citizens. This new way of working aims at improving the decision-making process. Complex projects are set up to connect different departments at the earliest possible stage and foster communication. As a result, all these measures should lead to innovative, customized and transparent solutions, telling success stories that are visible to both the residents and the administration. Furthermore, there are many other initiatives where agile principles are at least partly applied. One example is Vienna's Smart City initiative, where the city reaches out to its inhabitants in order to co-create different innovative solutions. Its main goal for 2050 is to provide the best quality of life for all citizens of Vienna, while at the same time minimizing the consumption of resources.

### An important project has to start

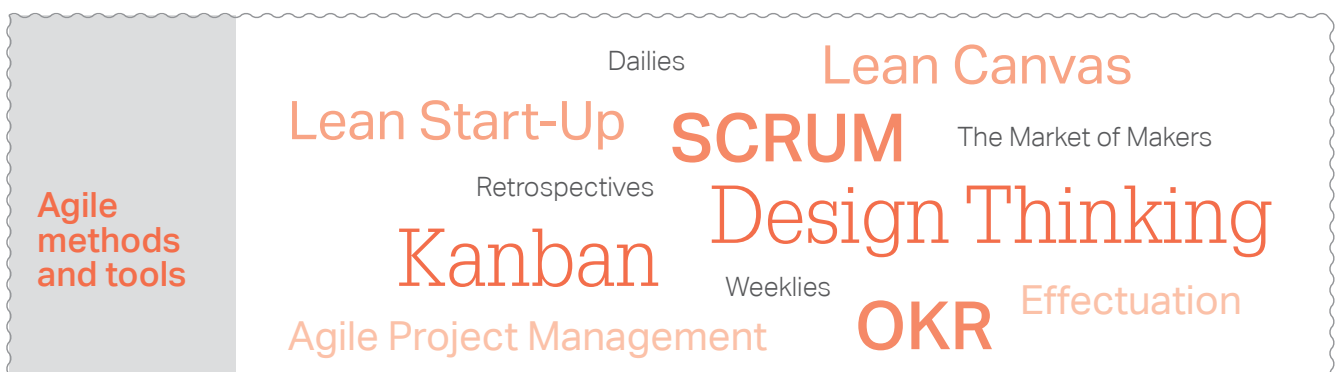
Agility is never a goal, per se. It can provide the right tools for certain means but may not help in every case. One decisive criterion as to when to apply the concept of agility is uncertainty. Under the traditional framework conditions, we assume (or at least pretend to) that the principal knows what she/he wants, the agent knows how to solve the issue, and framework conditions will remain stable over the course of the project.

The higher the degree of uncertainty, the more likely classic project management methods are going to fail. On the contrary, many agile methods such as SCRUM, Design Thinking, Lean Start-Up and Rapid Prototyping stem from software development and are based on an iterative and incremental approach. A project managed by means of a classic approach is often involved in the following sequence of project phases:

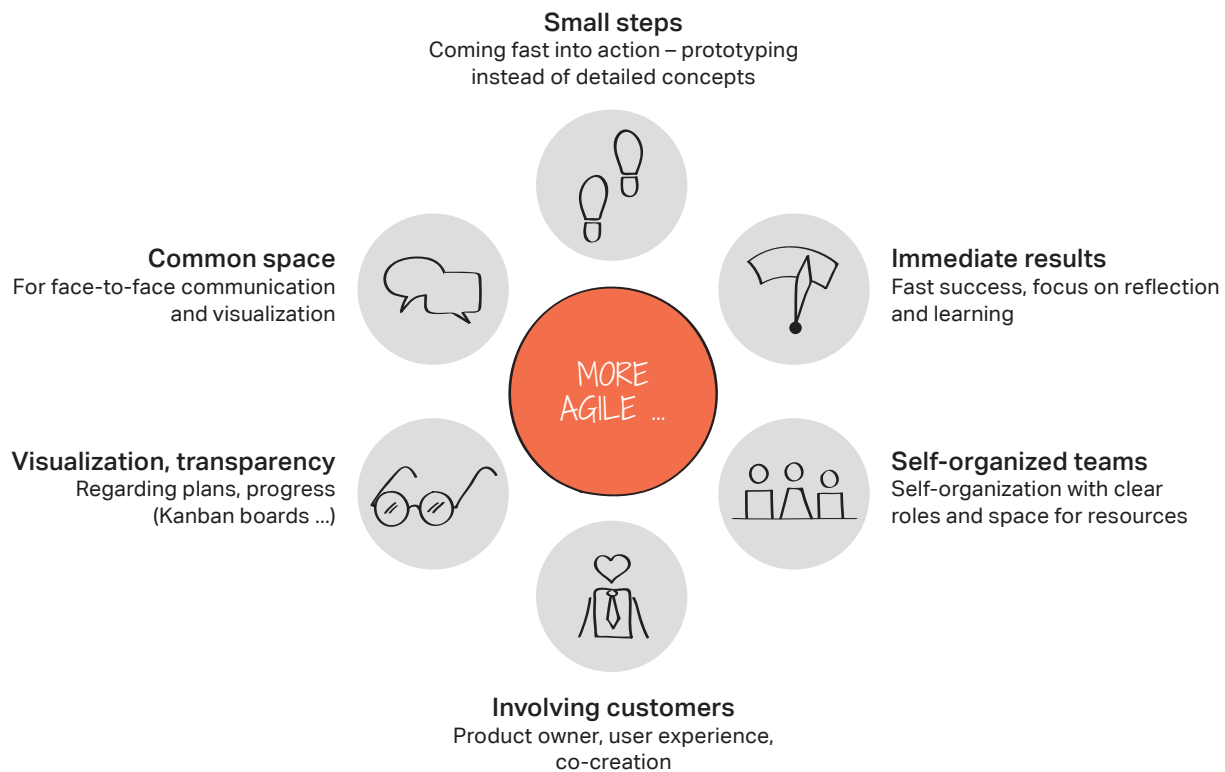
- 1 Requirement gathering and analysis
- 2 Design
- 3 Implementation
- 4 Piloting/testing
- 5 Go live in a big bang
- 6 Maintenance

### The quick way to success

In a complex and/or large-scale project, the »go live« can take years. At the same time, the risk of a big bang failure is quite high. One such example is public transport. Customers usually need to have adequate back- ▶



## Common principles of agile methods to solve complex problems



ground information in order to buy the right ticket and find the best connection, particularly when combining local, regional, national and international services. In order to develop an »anywhere, anytime and any device« service, a classic project approach would be far too slow. Instead, agile methods and tools are more appropriate, since they are based on different principles.

### Common principles of agile methods

The term »small steps« means that the testing phase starts immediately, even with unfinished ideas and partial solutions. Therefore, »immediate results« can be taken into account for further improvement. Testing and improvement are accomplished in several self-organized teams. The feedback itself comes from actual customers/citizens; negative feedback is considered a valuable gift that provides a source for further ideas. Visualization helps in understanding others' ideas and is also necessary for the (self-)coor-

dination between and in the teams (see illustration). Agility helps where, due to the high degree of complexity, rigid, hierarchical structures with a strong silo mentality reach their limits. It also helps municipalities understand their citizens' needs much better and effectively exploit new potentials for participation. ●

»Introducing agility at the community level helps find the right means for serving customers.«

## CASE 7

# Automotive Industries

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Huge companies work like huge machines. Up to seven organizational layers, scattered tasks, the main focus on efficiency based on ISO processes, long-term business plans and sophisticated systems for performance management and financial steering have been put in place. Great cars and reasonable profits for shareholders were the earnings for a very long time. Times have changed, and the automotive industry has to adapt to a new speed.

by Manfred Höfler, Stefan Posch and Markus Spiegel

In today's VUCA world, operational excellence is still needed. But to compete with the new drivers in the mobility business or new car producers like Tesla, NIO, Geely and Byton, a race setup is required. Big players in the automotive industry face several challenges at the same time. Their engineering processes need to speed up while handling an even larger number of powertrain concepts (combustion, hybrid, electric, hydrogen, ...) and having to deal with the challenges of digitalization (especially autonomous driving) in parallel. Additionally, employer expectations drive them towards more agility. Top talents are rare and not attracted to traditional ways of working. They expect meaningful tasks in an environment with a flat hierarchy and sufficient room for self-fulfillment. The cool, innovative corporate culture found at start-ups or Google-style tech companies has become very relevant in the »war for talents.« Existing organizational operating systems, which mainly focus on stability and predictability, are no longer good enough to ensure long-term success. European car manufacturers and second-tier suppliers must become more agile. A second operating system opens the fast lane for many of these companies.

### Both hands on the steering wheel

Companies like Mercedes, VW or BMW will not instantly transform into an agile company like Google, Netflix or Spotify. And it does not make sense to disrupt a functioning organizational operating system, which will remain an important success factor. The answer to many of the previously-described challenges is the »ambidextrous organization.« This concept is able to align operational excellence with fresh thinking; it balances efficiency and innovation. The solution combines traditional management with focused agile developments; we call this model a »second operating system.« The mindset for running organizational ambidexterity is not »either-or«; it is »as well as.« Tested in practice, it works quite well.

Specific interventions have proven to be very effective in helping create first steps towards a more agile organization and cultivating the soil for the »second operating system.« If you want to turbocharge your organization and find out what an ambidextrous organization can look like in practice, you will find plenty of recommendations in this magazine. ►



## Bringing concept cars to series production

To cope with current business requirements, future-fit companies have to speed up processes, adapt faster to market conditions, boost innovation and integrate fragmented work processes. There are many ways to implement the right tools for the right task; these working concepts can be started pretty quickly.

### Rapid Innovation Teams

Small, powerful, multi-disciplinary teams that are formed on a temporary basis to advance and concretize an innovation task with a very strong focus.

### Agile Project Teams

Cross-functional teams where people leave their home base for a limited time to work on a specific challenge. These teams have a clear sponsor (e. g. product owner) who is responsible for connecting the team to the traditional organization and practicing people from outside influences.

### Agile Islands

Teams, units, divisions or departments organize themselves along agile structures, run agile processes and

use agile systems. These Islands have a clear purpose, an agreed setup and sometimes their own performance management system which is different from the rest of the organization.

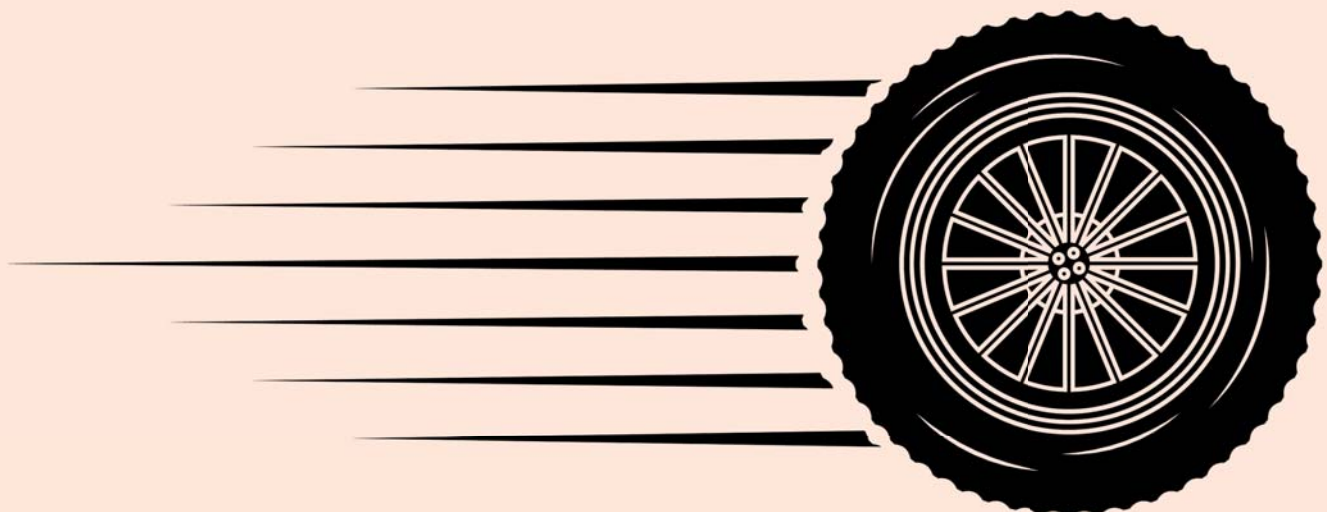
### Working with an agile mindset

An agile mindset and methods can be used for the work of teams or departments without changing the organizational structure. Applying creativity or Design Thinking methodology in innovation workshops, using Kanban to steer internal projects or working with agile communication formats (like »stand-ups« or »retrospectives«) improves organizational learning.

All of these interventions can be helpful for a head start. To achieve real and sustainable ambidexterity, a lot more is needed.

## Creating a clear framework

Fostering a mindset that allows both systems to co-exist, work in parallel and most importantly interact in a productive way is no easy task. To successfully run the dual operating system, some elements are crucial. First of all, this process must be carried by senior man-



agement ownership. The person committed to this kind of change must be strong enough to safeguard the second operating system against negative influences and keep up sustained attention. It will take some time to learn and figure out where and how it can be implemented. If attention and ambition fade, initial embryonic successes will quickly dry out.

A second very important task concerns resources and prioritization. It is essential to staff-teams and task forces for the second operating system. It needs to be clear how to prioritize topics from both of the operating systems and how much capacity should be dedicated to them. Another important challenge is a new process for decision-making. The second operating system often requires faster decisions and needs to work outside the »traditional« pathways and commitments. Equipping people with the right to make decisions will speed things up a lot.

### **Develop agile skills**

Beyond the new framework, a change of mind is necessary for success. Every agile structure needs support to develop skills, tools and roles with coaches and training. Organizations have to build up the resources

to shape teams to work in agile ways and keep key principles in focus. Tools and training should be made available to everyone who likes to learn and experiment with new ways of working. Differentiating between situations and using the best mindset is much harder than it sounds at the beginning, but pays off later. Another valuable investment is placed right on physical space and communication enhancement tools. Flexible spaces equipped with agile furniture to practice agile and innovative working methods can make a real difference. Last but not least, recognition and awareness throughout the organization have to be created. Working in the second operating system calls for the same appreciation and attention by top management as working in the efficient operating system. Fostering awareness of the new topics in communication and events helps a lot. Ultimately, achievements of agile working should also be reflected in the reward systems of the organization.

To sum it up, making the first steps towards a more agile organization can be done very quickly with a few specific interventions. However, transitioning into a hybrid organization or running two operating systems sustainably is a lot of work. We know from experience that it can also be a lot of fun. ●

»Big automotive companies have been built to last, but in comparison to their products, their steering is pretty slow. To deal with the VUCA challenges, a new operating system is essential.«





# Agility Within ICG

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Within the ICG we walk the talk. Over the past two decades, we have developed into an agile organization. Today we are happy to share first-hand experiences.

by Manfred Höfler



# Aspects of Our More Agile Setup

Getting to know ICG, the difference is clearly palpable. We truly believe in the uniqueness of people and the potential of human beings. We are based on a strong learning mindset and deeply ingrained values like honesty and respect. We believe in partnering at eye level both within ICG and in collaboration with our clients. And yes, we trust in the power of shared leadership. People take responsibility for management processes and care for developing the next generation of the ICG structure. Living accountability and contribution to our common purpose is one of the key responsibilities for high appreciation within our group. All of this combined makes for our unique culture.



140

CONSULTANTS

We act combining state of the art expertise and systemic social competences

12

EUROPEAN COUNTRIES

We live a common approach with local understanding and a European mindset

35

YEARS OF EXPERIENCE

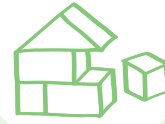
We have many years of practical experience and work with innovative, future-oriented methods



## MEANINGFUL PURPOSE

*»We co-develop organizations to be more responsive, innovative and meaningful, enabling people to live up to their full potential.«*

Our purpose is embedded in the DNA of being »Your Partner in Change.« Some years ago, we ran a group-wide process to find our mission and define what we want to bring to the world. Each ICG country specifies its own local team purpose while keeping our common goal in mind.



## COMMON WAY OF WORKING

In co-creation we design tailor-made change processes with positive energy. Our approach is based on three pillars: Integrating hard and soft skills, focusing on practical action and building authentic partnerships.



## FLEXIBLE CELLULAR STRUCTURE

ICG is a group of self-organized regional companies linked to each other by mutual shareholding. Our values and consultancy approach form a shared principle about how we run the business and common strategic developments. Within these principles, local and cross-border teams act with strong entrepreneurial spirit based on customer needs and local ambitions. The self-organized country teams are free to run different economic business models and organizational setups.



## STEERING IN SELF-ORGANIZED CIRCLES

Our group consists of many self-organized circles. Our cross-border knowledge circles, a marketing and a people development circle, a group management circle for overall processes, a sales sparks circle and temporary project-based circles are good examples. Decisions are made within the circles by representatives of involved countries and the group management circle.



## STRATEGYING

Strategies – typically not an easy part for a consulting company – are developed by a permanent strategizing process within a group of around 20 ICG partners. They meet twice a year for workshops and development activities. The rest of the time teams work on committed strategic hot issues.



## QUALITATIVE GROWTH MINDSET

Based on our approach, we are able to attract the right strategic partners and integrate new teams with specific niche competences into our group. We aim for qualitative growth in order to fulfill customer needs in the current VUCA world.



### LEARNING

We are a learning community. During our bi-yearly group learning days, about 120 consultants spend three days exchanging practices, learning new methods and running case-work. Every two to three years, we organize an eight-day learning journey for all of our people – the last destinations were India, Silicon Valley and China. Africa is one of the favorites for the near future.



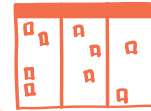
### TRANSPARENCY

Everyone at ICG has full transparency about knowledge, commercial figures and ICG strategies. Team spirit is one of the key features of ICG culture. Wherever you need help in your project from someone, you can be sure that you are supported with pleasure.



### SHARED LEADERSHIP

Teams for group and local management circles are elected periodically. They are accountable to contribute their best to our overall goals and development needs. Partners can deliberately become part of group-wide strategy teams and shape the future of the group. Becoming an ICG partner is primarily based on personal ambitions and cultural fit and therefore open to all who want to shape the ICG group.



### AGILE WORKING METHODS

We count on many of the typical agile working methods for our own work. Kanban is often used to steer working processes in teams. Design Thinking helps us to shape developments like our own consultancy academy. Work in our back offices is fully self-organized.



### NEW WORK ENVIRONMENT

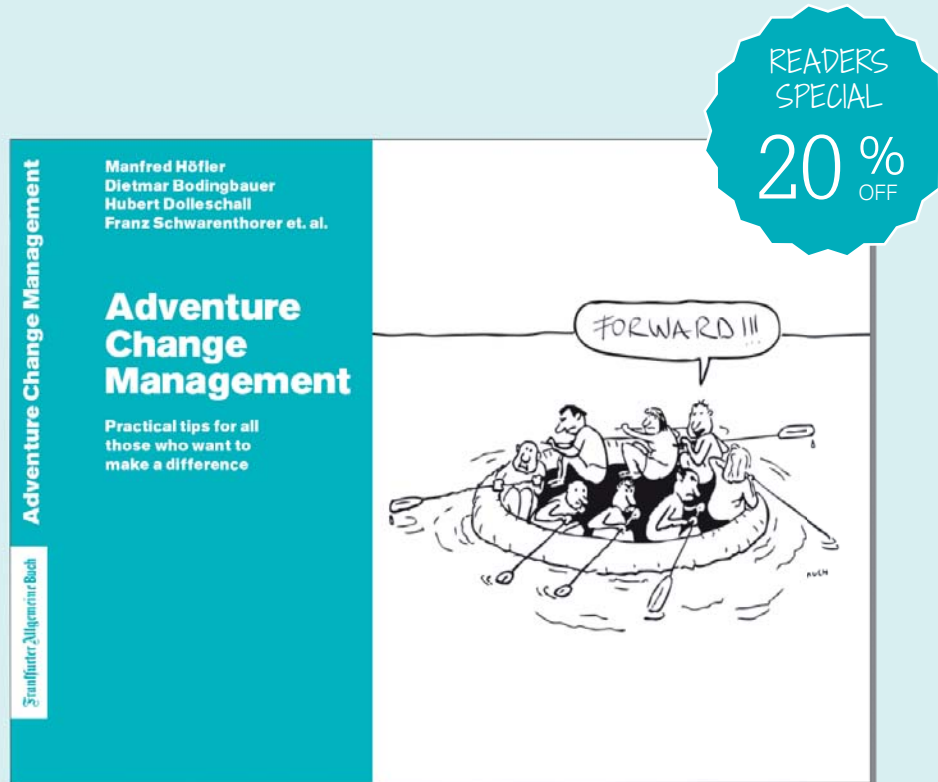
In many countries, we have implemented office spaces to support agile working methods. We all benefit from the new atmosphere with flexible desk sharing, workshop areas, quiet spaces for conceptual work and communication spaces. This environment helps create an attractive physical home base for consultants who spend most of their time at client locations.



Are you interested in learning more about ICG and opportunities for collaboration in a unique organization?

Please contact us:

[collaboration@integratedconsulting.eu](mailto:collaboration@integratedconsulting.eu)



## Adventure Change Management

An inspiring book to browse through for day-to-day management. 85 stories, models and experiences from day-to-day leadership show managers and their employees what really matters when it comes to effectively managing change and agile transformation.

More than 250 practical tips will help your change project succeed. Some 100 cartoons will make you smile. The mix is innovative and funny: Sound, theoretically established models, the essence of practical experience from successful and failed change projects – garnished with out-of-the-box thinking and humorously translated into cartoons by Michael Unterleitner.

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For reasons of readability the male form is used when referring to people; however, the female form is also always intended.

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Errors and printing errors excepted.

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