Enterprise agility – the key to long-term success
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We are faced with an amazing array of challenges. We need to . . .
Build Trust? deliver the right products
in the optimal market windows
At the lowest cost
while increasing productivity
Protecting team boundaries and meeting customer’s changing needs.
and innovating!
All, in an increasingly dynamic and competitive market
but how?
The four pillars of Enterprise Agility:

Collaborate to unleash innovation.
Focus on competitive advantage.
Continuously improve.
Culture of Trust to reduce churn and time-to-market.
Pillar #1: collaborative leadership
‘Old school’
manages change
knows the answers
bureaucratic leader decides
authoritarian
‘New school’
embraces change
fosters new ideas
collaborates
gives ownership
influences
Believes that . . .
Leadership Challenges

- Get More Done by Doing Less
- Lead Change
- Deliver the Right Product
- Meet Customer’s Changing Needs
- Meet Market Windows

the answers are in my organization
None of us are as smart as all of us.

- Japanese Proverb
but how?
collaboration
model

process

leading

collaboration
Collaboration model
open environment
what makes it open?
fosters creativity and innovation, team commitment and ownership encourages ideas
trust
honesty
respect
communicates
listens
supportive and empowering
open environment right people
bring the right people together from the entire enterprise
customers
marketing
sales
finance
technology
manufacturing
stakeholders
open environment right people foster innovation
stimulate creativity through collaboration process
open

environment

right

people

foster

innovation

step

back
and let them work
open environment
right people
foster innovation
step back
collaboration process
agree to goals and objectives
brainstorm
prioritize based on business value
Business Value Model

Purpose

Considerations

Costs and Benefits
individuals volunteer for what and own “How”
Collaborative Leadership

the Right People
trust First!
Suspicion is a permanent condition.

- Marcus Buckingham
decisions by the teams...
where ever possible
step aside, let them work
keep the purpose alive
keep focus through questions
operate with total transparency
over communicate!
fix
to
processes
not
people
autocracy dampens people’s creativity and motivation

- Ricardo Semler,
  *The Seven-Day Weekend*
give up command and control
Pillar #2: Focus on competitive advantage
What if it all comes down to . . .

making better decisions?
what do we do?

when do we do it?

when do we decide?
recent research indicates

As we move up in the organization, we make decisions with less relevant information
Yet, we make numerous formal and informal decisions about projects, designs, implementation, et cetera
John Chambers on decision-making

“We moved from command and control. The future is about collaboration and teamwork, and making decisions with a replicable process that offers scale and speed, but also flexibility.”
what options do we have for making decision?
Micro-Manage!
I delegate all decisions and let chaos reign!
we define a framework that guides decisions
but, what framework?
Traditional approach

Costs \rightarrow \text{calculation} \rightarrow \text{Business Value} \rightarrow \text{Benefits}
Valuing the Inputs

Estimate → Calculation → Business Value

Guess
Software results using the traditional model

Never or Rarely Used: 64%

- Rarely: 19%
- Sometimes: 16%
- Often: 13%
- Always: 7%

Standish Group CHAOS Study
An “Always Used” Case Study

Legacy System ➔ Replacement System

**Name:**

**Phone:**

**Address:**

**Name:**

**Address:**

**Phone:**

what’s the **value of** this **required** change?
we need some help !
Business Value Model

Purpose

Considerations

Costs and Benefits
where do we start?
Purpose Alignment Model
Purpose Alignment Model

Market Differentiating

High

Low

Differentiating

High

Low

Partner?

Who cares?

Differentiate

Parity

Mission Critical

Who cares?
Purpose Alignment Model

Market Differentiating

High

Low

Mission Critical

Do we take this on?

Innovate, Create

Minimize or Eliminate

Achieve and Maintain Parity, Mimic, Simplify
How about an example?

Huge engineering/manufacturing company CPG
the “As Is”

System and process complexity.
New system design, selection, and implementation.
Lots of organizational churn.
Differentiator = proven products without channel conflicts
Before

Market Differentiating

High

Low

Mission Critical

Legal structure
Distribution
Packaging design
Accounting

Channel analysis

Product development
Channel segmentation
Analytics
Will this create proven products without channel conflicts?

**Market Differentiating**

**Mission Critical**

- High
- Low

- ERP
- CRM
- SFA
- Legal structure

- Channel analytics
- Market segmentation
- Product development
focused on differentiators simplified the rest
results:

**System project?**

cut time and budget by 50% and, an on-going, strategic decision framework
Differentiating Market

High

Low

Who cares?

Parity

Mission Critical

Differentiate

Partner?

Strategy?
strategy = sustainable competitive advantage
the 6 questions:

1. Who do we serve?
2. What do they want and need most?
3. What do we provide to help them?
4. What is the best way to provide this?
5. How do we know we are succeeding?
6. How should we organize to deliver?
the “billboard” test...
You Think My Products Are Good?
You Should See My Legal Structure
Who cares about our products? We will ask for your telephone Number 2\textsuperscript{nd}!
strategy creates decision filters
decision filters: make daily decisions

schedule projects

what to develop
cascade
decision
filters
throughout
organization
caveats
treat exceptions as exceptions
Managing Risks

List Three Professional Options

common sense

not common practice
parity IS mission critical
purpose is not priority
Differentiating changes over time
innovate!
Business Value Model
time to market
risks
uncertainty
market
uncertainty
technical
uncertainty
project duration
dependents
Business Value Model

Purpose

Considerations

Costs and Benefits
using the **value model**

- objectives / projects / ideas
- Value Model
- prioritized chunks
- build highest value chunks
- adjust VM if inputs changed
- discuss value and value to date

**Enough value to go to market?**
- Yes? Deploy
- No?

**Continue?**
- No? Stop.
- Yes?
Pillar #3: Continuously Improve Processes
Define value from the customer perspective (perfect link to purpose alignment)

Use lean tools (5S, VSM, Visual Controls, Standardized Work, et cetera) to focus processes on value

Use Six Sigma to identify areas for improvement
Waste = What Does Not Create Value For Customers

Forms of Waste:
- Rework
- Waiting
- Over processing
- Inventory
- Motion
- Movement
- Over production
Why?

Continuous improvement unleashes capacity

Process complexity limits agility

Continuous improvement keeps us, at a minimum, at parity
pillar #4: Trust to reduce churn and time-to-market
Lack of Trust
Price Tags?
Transaction Costs
Self Protection
broken Trust?
how can leaders help teams build Trust?
“Get Trustworthy People”
how often does that happen?
get the right people on the bus in the right seats.

- Jim Collins
get the **wrong** people off the bus.
create a Culture of trust
remove debilitating Fear
fostering trust in teams
team based measurements
build confidence
how ?
short iterations ... early wins
protect

team Boundaries
leadership role?
Authentic
purpose over personal agenda
Trustworthy
stay Positive
Focus on magnifying a person’s strengths rather than remedying weaknesses.

- Peter Drucker
continuous feedback
Tying It All Together

Collaboration to define

Collaboration to innovate

Lean creates excess capacity for

Lean simplifies and standardizes

Considerations → Decisions

Costs / Benefits

Culture of Trust to get all of it faster