Agile and the Creative Economy

April 15 2015

Webinar will start 3 minutes after the hour
Who is presenting today?

• Steve Denning is a board member of Scrum Alliance and combines several decades of management experience at the World Bank with many years of consulting and research on leadership and management issues. He now writes for Forbes.com. He is the author of eight books, including *The Leader’s Guide To Radical Management* (2010) and *The Leader’s Guide To Storytelling* (2010).

• Peter Stevens a Swiss-American Scrum Trainer, based in Switzerland. His focus is on helping companies become better at innovation and product development. His coaching focus is on developing start-ups to medium organizations to meet the challenges of today economy. “I teach teams, their leaders, their management and their stakeholders to do Scrum well, to understand Scrum deeply, and to live Scrum values — without obsessing over the details!”

• Simon Roberts is a management consultant, Agile coach and Certified Scrum Trainer based in Berlin, Germany. He speaks regularly on topics such as Radical Management, Intrinsic Motivation in Scrum Teams and Enterprise Scrum Transitions. He works with organizations large and small to help them achieve better results by leveraging the power of self-organizing teams. He has contributed as coach, consultant and trainer to several large-scale Agile transitions, including at Allianz and Deutsche Telekom.
Our panel: Two other members of the Learning Consortium core team

• Jay Goldstein is an adjunct lecturer in entrepreneurship at McCormick School of Engineering at Northwestern University. He teaches Entrepreneurial Selling and Scaling with the application of advanced Agile mind-sets and methods; he is a serial entrepreneur and was a founding partner in Jabbok River Group, which invests in early-stage companies to accelerate innovation and growth.

• Michael Pacanowsky is the director of the Center for Innovative Cultures at the Bill and Vieve Gore School of Business at Westminster College in Salt Lake City, Utah. He is also the Gore-Giovale Chair in Business Innovation at Westminster College. He worked for several decades with W. L. Gore and Associates.
Poll

I participated or saw a recording of either the January 21 webinar or the February 19 webinar

Yes ☐

No ☐
Update on the Learning Consortium and the Creative Economy

Agenda

A. Update on the Creative Economy & the Learning Consortium
B. Radical Management\textsuperscript{sm} in Germany
C. Radical Management\textsuperscript{sm} in Switzerland
D. Q&A
What is the Creative Economy?

The term, “Creative Economy”, is passing into the common vocabulary

The New Yorker, February 2015
Update on the Learning Consortium and the Creative Economy

The Creative Economy at the team level: Scrum/Agile

Bureaucracy

- Boss
- Individuals

Agile/Scrum

- Team
- Product owner
- Customer
The Creative Economy at the level of the firm

Traditional economy

Creative economy

Cloud

Teams

Networks

Ecosystems

Platform

Customer
There are many partial transitions

Plugging Scrum teams into a bureaucracy creates friction
Poll results from the January webinar

“Where I work, there is tension between way Scrum teams are run and the way the rest of the organization is managed”

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<td>Yes</td>
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<td>Not sure</td>
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<td>Not relevant</td>
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76%
Poll:

Where I work, there is tension between the way Scrum teams are run and the way the rest of the organization is managed.

Yes ❑  No ❑  To some extent ❑  Not sure ❑  Not relevant to my firm ❑
What is the Learning Consortium?

The Learning Consortium is a group of firms that want to learn together about continuous customer-focused innovation.
Who is in the Learning Consortium?

Twelve firms have decided to join.

<table>
<thead>
<tr>
<th>Firm</th>
<th>Region</th>
<th>Industry</th>
<th>Revenue</th>
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</thead>
<tbody>
<tr>
<td>Agile42</td>
<td>Europe</td>
<td>Agile coaching/training</td>
<td>&lt;500</td>
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<tr>
<td>Autodesk</td>
<td>US</td>
<td>Design software</td>
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<td>Brillio</td>
<td>US/UK</td>
<td>Technology consultant</td>
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<td>CH Robinson</td>
<td>US</td>
<td>Logistics</td>
<td>~11,000</td>
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<td>Ericsson</td>
<td>Europe</td>
<td>Networks/telecom</td>
<td>~120,000</td>
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<td>Magna International</td>
<td>Europe</td>
<td>Auto parts</td>
<td>~130,000</td>
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<tr>
<td>Microsoft</td>
<td>US</td>
<td>Software/electronics</td>
<td>~130,000</td>
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<td>Menlo Innovations</td>
<td>US</td>
<td>Software design</td>
<td>&lt;500</td>
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<td>PENSCO Trust</td>
<td>US</td>
<td>Finance</td>
<td>&lt;500</td>
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<td>[gaming company]</td>
<td>US</td>
<td>Gaming</td>
<td>~1,000</td>
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<tr>
<td>SolutionsIQ</td>
<td>US</td>
<td>Agile enterprise solutions</td>
<td>&lt;500</td>
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<tr>
<td>SWIFT</td>
<td>Europe</td>
<td>Finance</td>
<td>~2,000</td>
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How the Learning Consortium will work

Members will select the **five most interesting firms for site visits**.

Site visits will take place from **May through September 2015**.

An **on-line conversation space** for members will be established.

An **informal advisory panel** will be available for consultation by members.

A **conference** will be organized **later in 2015**.

A **report on findings** of the consortium will be prepared in consultation with members.

In November 2015, the **Drucker Forum** will devote a session to the outcome.
Radical Management

Simon Roberts
What’s the Problem?

- Short-termism through over focus on shareholder value rather than customer delight
  - Success not sustainable
  - Poor quality
- Knowledge workers not engaged
- All of the creative things in companies are allergic to command and control management:
  - Product development
  - Marketing
  - Knowledge management
  - …

Goal

Make money for shareholders

Top down commands

Managers as controller

Efficiency, cost cutting

Bureaucracy: rules, plans, reports

Values

Coordination

Communications
The Five Shifts of Radical Management

Goal: Delighting customers
Role: From controller to enabler

Values: Direct Line of Sight Agile, Scrum, Kanban
Coordination

From value to values

Peer to peer collaboration

Communication

Goals: Make money for shareholders
Role: Managers as controller
Coordination

Values: Efficiency, cost cutting

Bureaucracy: rules, plans, reports

Communication

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Communication
Radical Management in Germany

Simon Roberts
Poll:

Where I work, my organization fits on the spectrum at:

Shareholder value
Manager = controller
Waterfall monitoring
Efficiency, predictability
Top down communications

Delight customers
Managers = enablers
Agile, iterative coordination
Transparency, improvement
Horizontal communications
Radical Management in Germany

- Early 2011: Read "A Leaders Guide To Radical Management"
- 2011: Steve Denning's Keynote on Radical Management @ Scrum Gathering London
- January 2012: Stoos Gathering
- July 2012: Radical Management workshop in Berlin with Steve Denning and Simon Roberts
- March 2012: Radical Management workshop in Washington D.C. with Steve Denning and Peter Stevens
- March 2012: Radical Management integrated into Agile Training and Coaching
- Around 10 clients where Radical Management is an active topic
- Integrated into CSM and CSPO training and as separate 2-day Agile Manager training

My Journey with Radical Management – Simon Roberts (Berlin)
Example 1: Advertising Sales Company

- Company’s clients are advertising agencies in Madison Avenue NYC
- 2-day Radical Management training for whole leadership team (CEOs + direct reports)
- Follow up feedback / coaching
- After two months
  - New focus on customer delight, cross-functional teams and pair-working
Example 2: Medium-Sized Product Development Company

- Company is using Scrum for product development, wants to extend use of Agile
- Management consulting project
- Board members rated their approach on a sliding scale on the five shifts (using flip-charts and sticky dots)
  - Where are they currently?
  - Where do they want to be?
- Generated SMART actions on how to get to where they want to be
Example 3: Business Unit in a Large Enterprise

- Complex product development (used by millions of households in Germany)
- Radical Management workshop for leadership team (circa 20)
- Follow up feedback and coaching
- After two months:
  - Managers working more as enablers, less as directors
  - Leadership storytelling used actively
  - Managers have more time for strategy!
Radical Management in Practice: Key Learnings

• Provides the missing link - how to scale Agile into the whole organisation

• Not a magic bullet – needs disciplined execution combined with continuous innovation

• Raises awareness in management of:
  • The importance of customer delight for sustainable success
  • What managers need to do to help knowledge-workers be engaged
  • That Agile is not just for product development

• The C-Suite needs to be involved!
Radical Management in Switzerland

Peter Stevens
My Journey with Radical Management – Peter Stevens (Zürich)

Radical Management Gathering
Washington DC

Scrum Gathering in London

Stoos Gathering
Stoos, Switzerland

Collaboration with Steve, Simon

Sustainability
Communities

Today

A. Pre-Publishing Reviewer for TLG to Radical Management
2010

“Pushing Granite”

B. Scrum Gathering in London
October 2011

“Soap on a wet floor”

C. Collaboration with Steve, Simon
Spring 2012

D. Radical Management in Switzerland

Communities

A.

B.

C.

D.

“Pushing Granite”

“Soap on a wet floor”

Sustainability

Communities
Radical management in Switzerland

Peter’s Tales from Switzerland

A.

B.

C.  

D.

Make money for shareholders

Goal

Managers as controller

Top down commands

Efficiency, cost cutting

Communication

Bureaucracy: rules, plans, reports

Coordination

Communication

Delighting customers

Goal

Peer to peer collaboration

From value to values

Direct Line of Sight Agile, Scrum, Kanban

From controller to enabler

Coordination

Values

Transparency Improvement Sustainability

Role

Coordination

Values
Using traditional management methods to transform is risky

- Large Insurance Company
- CTO decided: “Do Scrum”

- Good news
  - 4 years later, still doing Scrum

- Bad news
  - Rocky road
  - Internal conflict
Think about your best project ever...!

Is this your current project?

Radical Management transformed how I help transformations
The transition to a “radical” mindset must occur at all levels

- Large, recently merged Media Company
- Before starting, informed and consulted everyone
- Management gave permission and support
- Minimal passive resistance, grief response, or other traditional headaches of transformation
The transition is only complete when the governance is on board

- C2C company
- CTO
  - wanted the change,
  - proceeded much like the media company
  - Got everyone, including the CEO
    on to support the new approach
- Company restructured around lines of business
- One day, there was a new CEO...
What does Scrum have to do with running a company?

Product Development

Pre-Funding Startup

Feature requests

Inspect and Adapt

Time-boxing

Something that works

Option A.

Option B.

Option C.

Option D.
The product isn’t the product. The company is the product.

**Product Development**

- Feature requests
- Inspect and Adapt
- Time-boxing
- Something that works
- Impediments

**Pre-Funding Startup**

- Goals, objectives
- Inspect and Adapt
- Time-boxing
- Impediments

Radical management in Switzerland
A leader must make decisions. Why this decision now? Why is this decision difficult?

**Product Development**

- Feature requests
- Impediments

Inspect and Adapt
Time-boxing

Something that works

**Pre-Funding Startup**

- Decisions
- Goals, objectives
- Impediments

Inspect and Adapt
Time-boxing

Closer to a viable business

Radical management in Switzerland
Radical Management in Practice: Key Learnings

• People are their own best storytellers!

• The traditional eco-system is naturally stable. The “radical” ecosystem requires energy and passion to keep it in place.

• Changing the goal and the role are key

• Radical Management and Scrum complement each other perfectly!
Jay Goldstein

Is Radical Management a method for “scaling Agile”? 
Michael Pacanowksy

In your successful cases, was management already disposed to embrace Agile? Or was it something transferable to other companies’ situations?
More questions?
Poll

I want to be kept informed about progress of the Learning Consortium

I want to participate in a series of webinars on the Creative Economy

I want to participate in an (asynchronous) online Google group discussion about the Learning Consortium.

I want to participate in a "community of practice" on the Creative Economy.

I am interested in establishing and leading such a community of practice.
Next month’s webinar on the Creative Economy: May 20 at 11am US ET

Discussants:

• Rod Collins, author of *Wiki Management* (2014) and former chief operating officer of Federal Blue Cross Blue Shiedl

• Dawna Jones, author of *Decision-making For Dummies* (2014)
More Information on Radical Management

- Steve Denning’s blog on forbes.com (600+ articles)
- [http://radicalmanagement.org](http://radicalmanagement.org)

ALSO:

- These slides, and a recording of this session:
Thank you for attending

The Learning Consortium for the Creative Economy

February 19, 2015