Agile Organizations, Not Just Teams
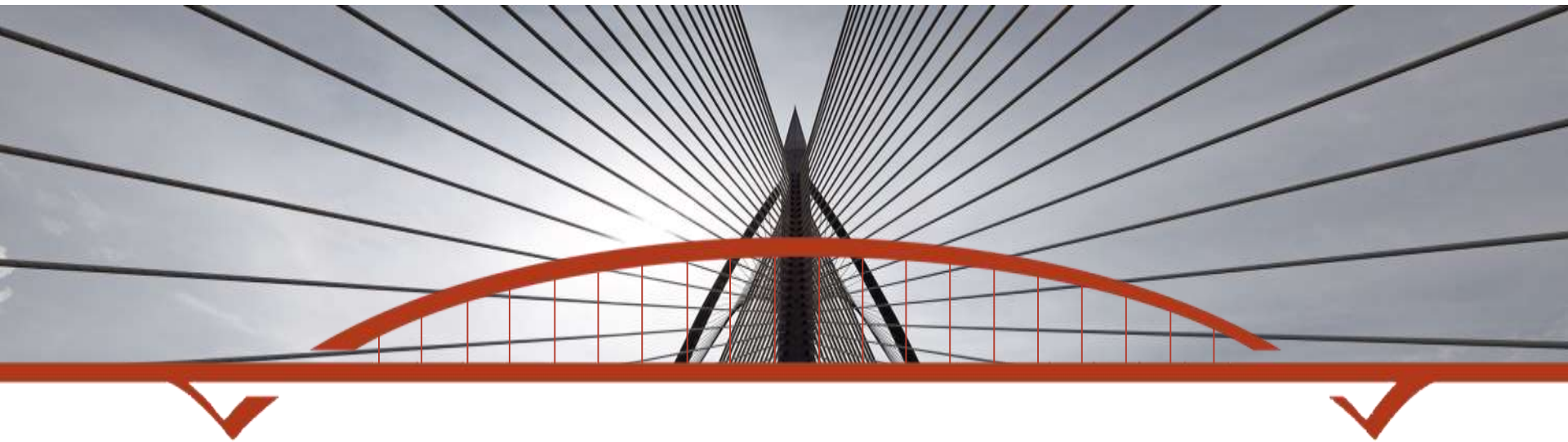
September 2019

- ❑ Why is speed so important to companies?

- ❑ How to build agile *organizations*, not just agile *teams*

- ❑ Table work and discussion

- ❑ Questions and comments

What are the difference between these groups?

Differences…

#1	#2	#3
PEPSICO **JOHN DEERE** **SIEMENS**	**NIKE** **Microsoft** **M·A·C**	**airbnb** **audible** an amazon company **MailChimp**
Reinventing the Legacy	*Maturing Leaders*	*High Growth Disruptors*
Mostly Product	**Product and Digital**	**Digital**
120 years +	**35 – 55 years**	**Less than 25 years**

#1

#2

#3

Complex strategies across products, services, and solutions

Global/Local tensions

Pressure to get (or stay) fast

New business incubation

Digital transformation

Social, political, and economic trends

Solutions and platforms

Omni-channel marketing

Workforce expectations

Shared Imagination

Yuval Harari (*Sapiens*)

"An organization is an information processing system"

Jay Galbraith (*Organization Design*)

The goal: Good, fast decisions

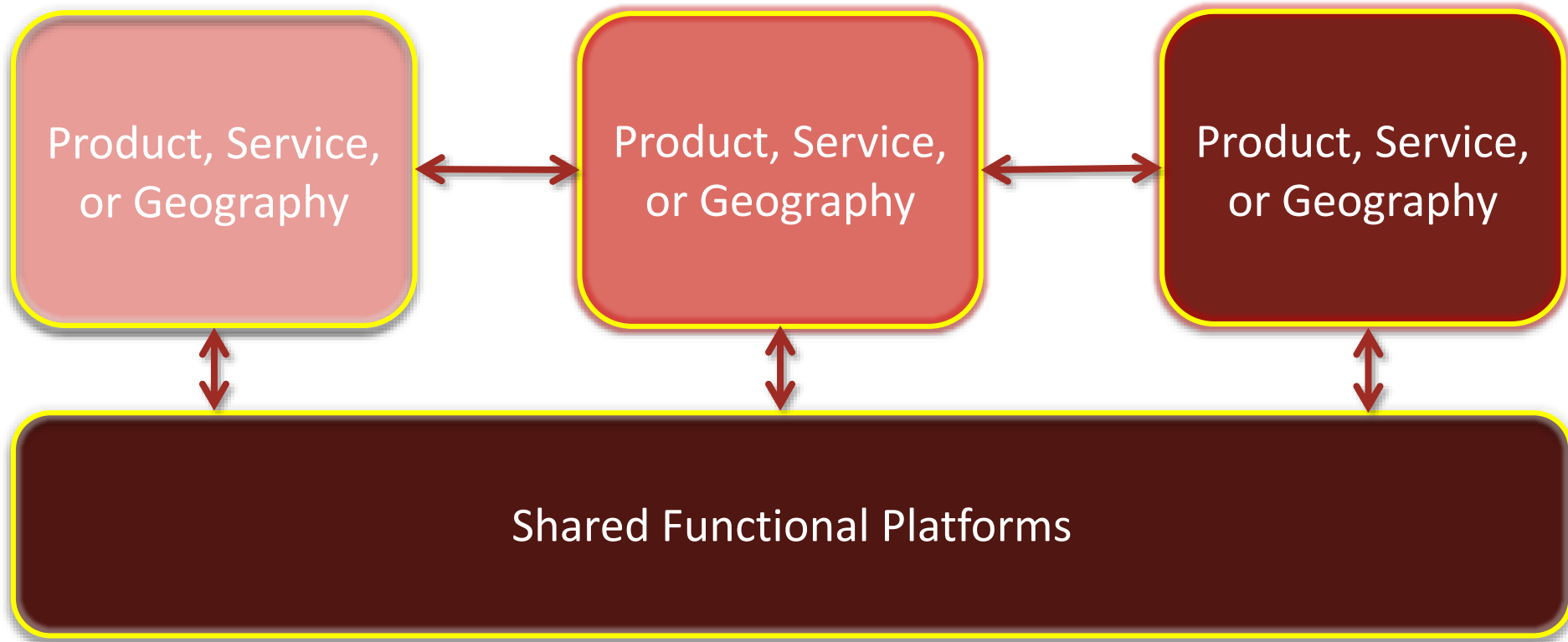# Five Ways to Build an Organization Able to Make Good, Fast Decisions
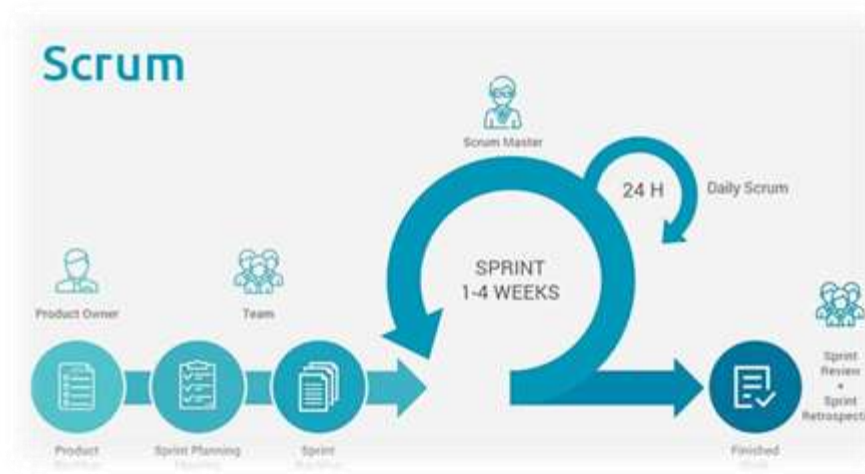
Agile teams

+ Rigorous approach

+ Empowering

+ Dynamic

But, Agile is not a way to run an organization…unless you have a very simple business
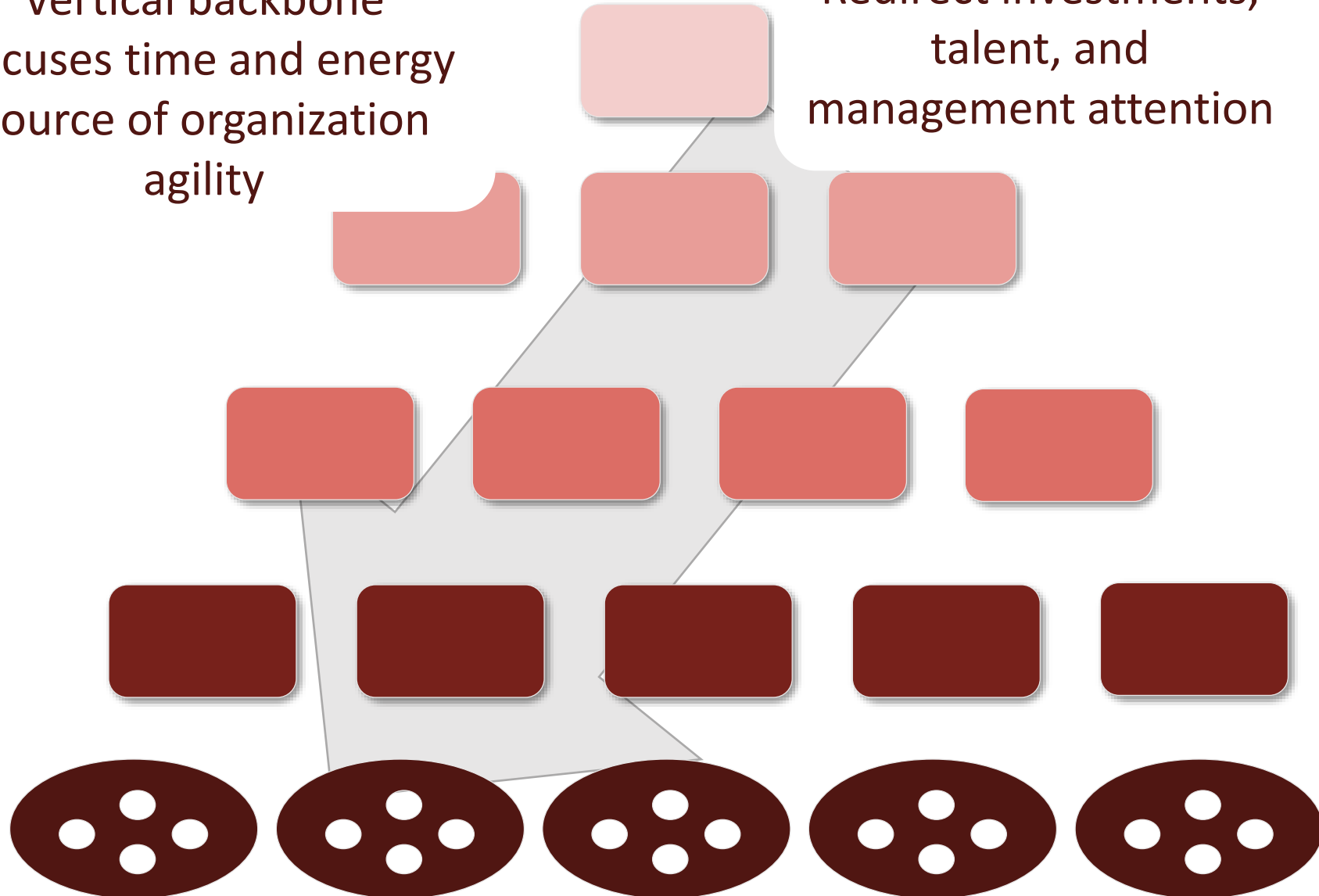
1. Organization – not only teams

| Product, Service, or Geography | Product, Service, or Geography | Product, Service, or Geography |

Shared Functional Platforms

Autonomy and boundaries   Integration and connection

✓ Vertical backbone
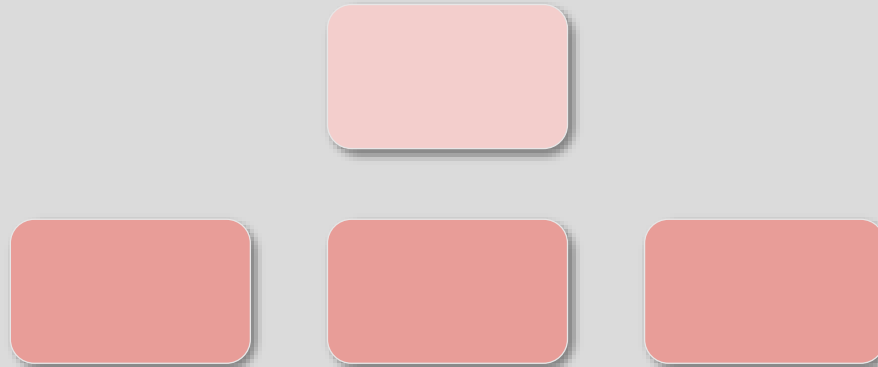✓ Focuses time and energy
✓ Source of organization agility

Redirect investments, talent, and management attention

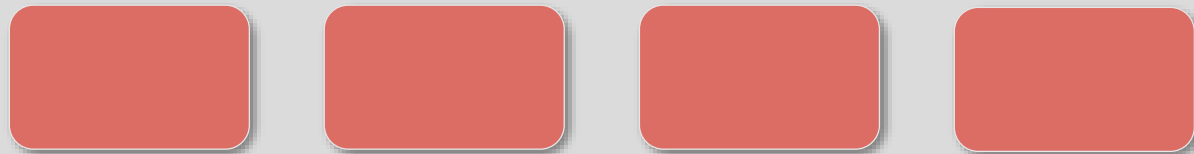# 3. Differential focus – unique value adding layers

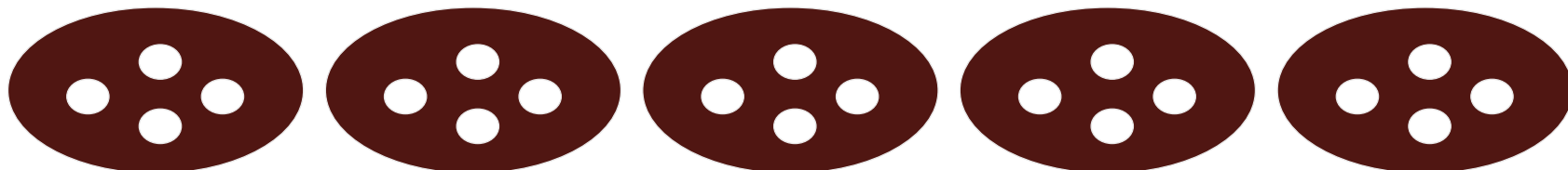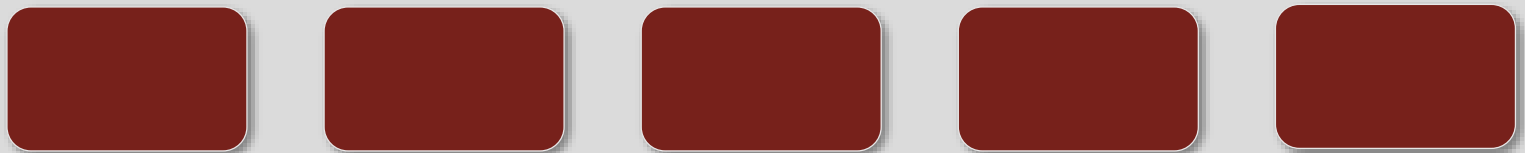– Overlap in decisions
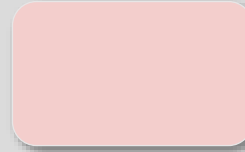– Working at the wrong level

Strategic Layer

Integrative Layer

Operational Layer

Strategic Layer

- ❑ Set clear direction and priorities
- ❑ Make trade-off decisions
- ❑ Communicate with one voice

"noses in, fingers out"

Collaborative leadership focused on fewer, bigger decisions:

- ❑ Acquisition
- ❑ New system
- ❑ Organization change
- ❑ New product line
- ❑ New customer segment

1. Listen more

2. Talk less

3. Be decisive when the time comes

(Microsoft meeting habits)

Management processes

Meeting culture

Decision rights

Team and project practices

1. How do you ensure that different layers of leadership focused on the right problems and opportunities?

2. How have you designed your organization to go at different speeds?

3. What is a positive "habit" in your organization? Where might being more disciplined actually make your organization more nimble?

1. Organization – not only teams

2. Hierarchy – organization agility

3. Differential focus – unique value adding layers

4. Differential velocity – faster is not always better

5. Discipline – the roots for flexibility