

Business Agility Mindset in the Face of VUCA

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Business Agility Foundations

ABOUT THIS CERTIFICATION

Achieving the ICAgile Certified Professional in Business Agility Foundations (ICP-BAF) demonstrates an ability to articulate the values, principles, and dimensions of business agility. Business agilists can formulate an action plan for applying agility in their workplaces and can appraise and use a variety of frameworks, tools, and techniques to jumpstart the organizational and individual transformation towards a more responsive, value-driven reality.

FEATURED LEARNING OUTCOMES

- The Need for Business Agility
- Developing a Growth Mindset
- Implementing and Sustaining Business Agility
- Action Plans and Tools to Accelerate Business Agility

CERTIFICATION CONTRIBUTORS

Andy Cooper, Evan Leybourn, Pat Reed

Invitation

As the world becomes increasingly volatile and unpredictable, imagine the possibilities if you and your business develops the capabilities to quickly and easily adapt to changing business conditions and create change to outpace emergent competitors and delight customers.

To compete in this rapidly changing world, your organization has found a way to fundamentally reshape itself to become critical drivers of value and become a new type of organization—one designed around highly nimble, engaged, innovative and adaptive talent, learning, improving and innovating faster than the speed of change.

Introduction

Reality check

VUCA

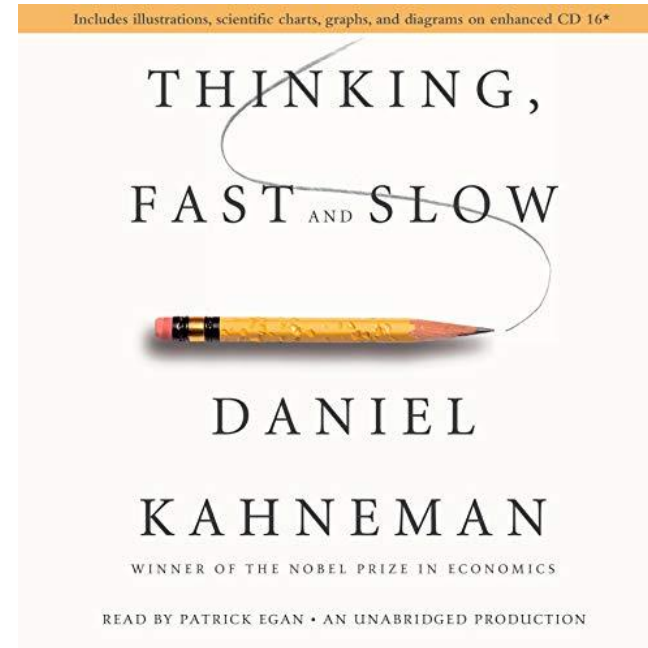
- Unprecedented complexity, volatility, uncertainty
- Exponential pace of change
- Options: improve, innovate or die
- Overwhelmed
- Hyper competitiveness: disruptive threats
- Unpredictable and evolving customer needs
- Lack new capabilities
- Don't know what we don't know
- What else?



ASK YOURSELF
IF WHAT YOU
ARE DOING TODAY
IS GETTING YOU
CLOSER TO WHERE
YOU WANT TO
BE TOMORROW

To make matters worse...

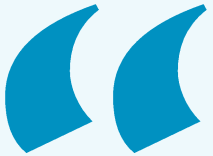
- We're not good at dealing with complexity
- Overly focused on risk and surrounded by high risk of failure
- Time and energy is scarce
- We lack confidence and competencies for dealing with uncertainty
- Fear is debilitating and blocks improvement, innovation and learning



Amplified by Digital Transformation / AI / ML / DL

- Disruptions will radically impact everything
- Countermeasure: Agility of everything: enterprise, business, every employee
- Success relies on **continuous improvement**, **value innovation**, **adaptive mindset**, new principles, practices, tools and behaviors and creating a learning environment

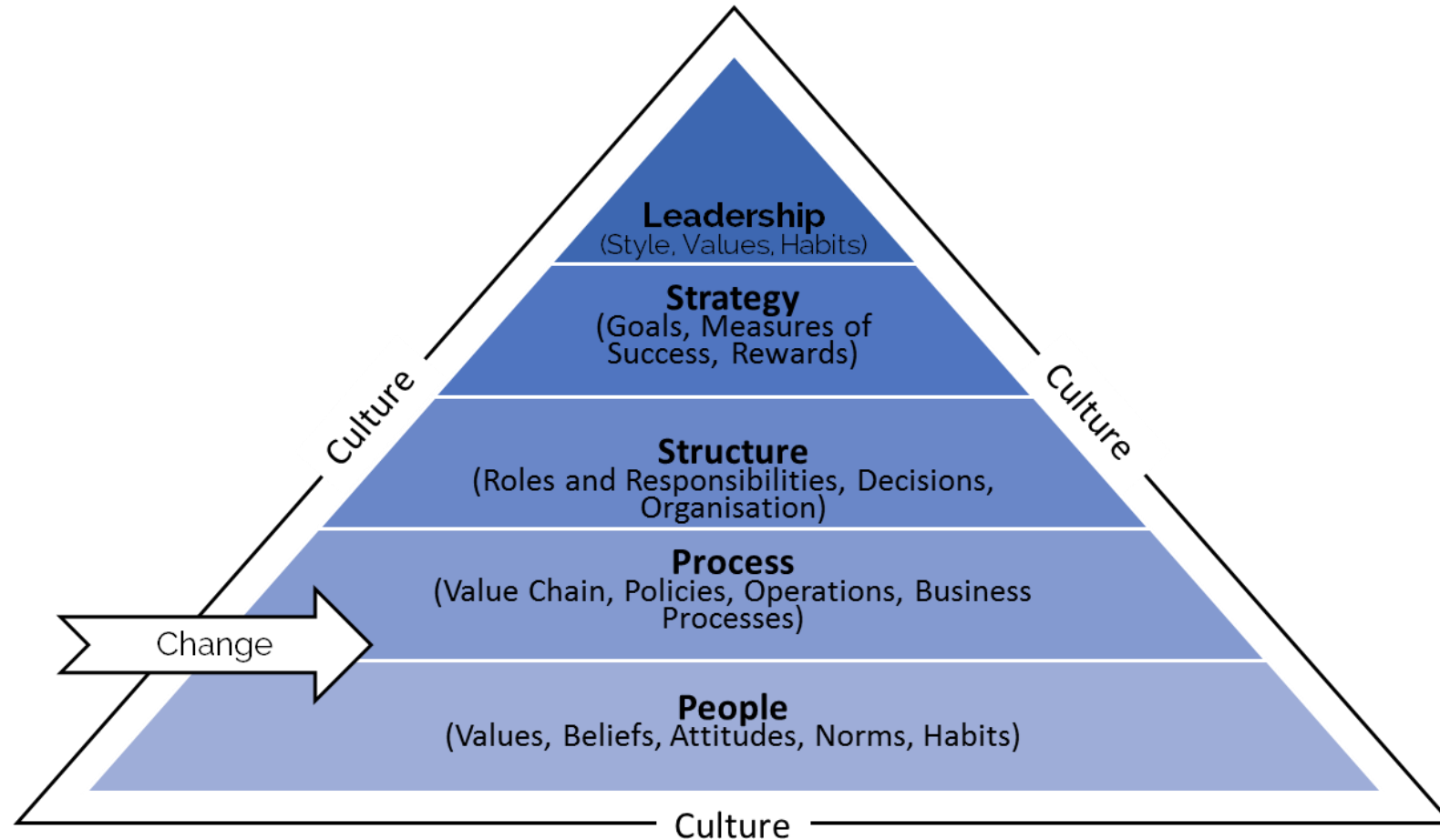
What is business agility?



In a business context, agility is the ability of an organization to rapidly adapt to market and environmental changes in productive and cost-effective ways. The agile enterprise is an extension of this concept, referring to an organization that utilizes key principles of [complex adaptive systems](#) and [complexity science](#) to achieve success.^[3] One can say that business agility is the outcome of [Organizational intelligence](#).

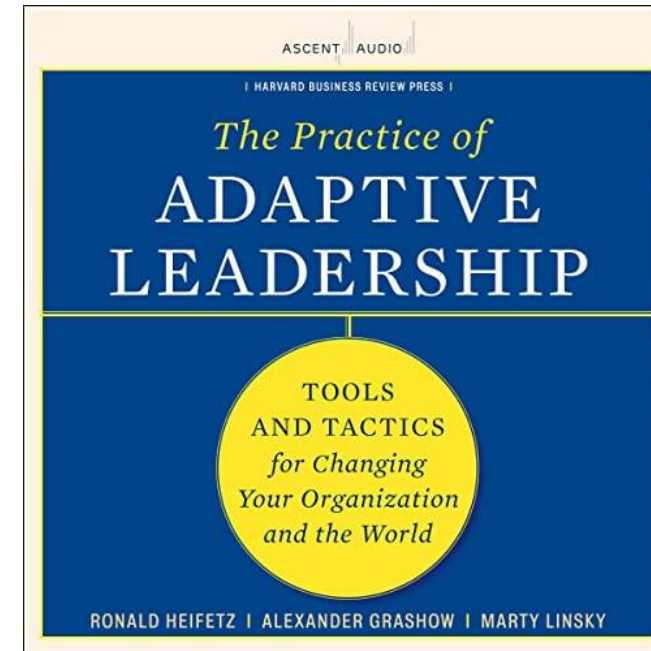
Wikipedia

Organizational ecosystem ****Business Agility and Initial Focus****



Business agility requires deep change

- Is about driving change
- Change is pain
- Change is messy
- Change is not an event – but a way of working (systemically)
- Focus is power
- Expectation shapes reality
- We all win together and need each other's help...



Business Agility Leadership (Leadership as a Verb)

Assumes That:

We cannot predict the future
Things will change in unexpected ways
We cannot anticipate all of the relevant variables of any situation ahead of time
Cause and effect is not easily observable (re: time, complexity)

To create value....

As Leaders We:

Plan and strategize as we go
Set things up to increase learning
Continually adjust our thinking
planning and action
Make decisions quickly with limited information
Give and receive useful feedback
Are highly flexible in how we structure, organize, and execute work

We accurately sense what's happening, effectively respond true to our values, purpose and mission without waiting to be told what to do

1: The business agility framework

See: Heightened awareness of the truth of where we are. Understand how we think and how our customers think; Develop a growth mindset and create a space for innovation; adapt quickly; learn and innovate continuously.

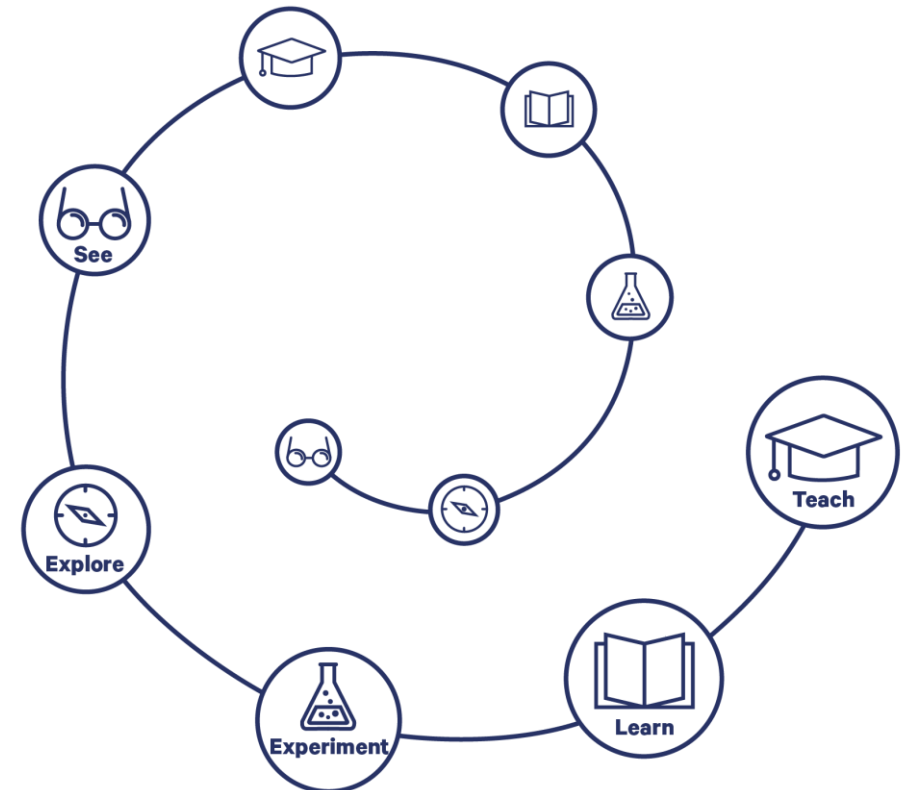
Explore: Strategic Agility: Focusing on the near horizon, define the desired future state, align on a clear vision and destination; develop a strategy on how best to get there, and what we need to quickly get on our way.

Experiment: Execution Agility; complex problem-solving, rapid decision making; experimenting; building high performance teams and communities; fearless follow-through and closure; drive for results; optimize end to end delivery engine; Innovate, create.

Learn: Metrics that matter; analytical and critical thinking; visual tools and information radiators; adapting and responding; knowledge creation through reflection and retrospectives.

Teach: Deepen capabilities for adaptation, innovation and knowledge creation; curation; organizational capability building and talent development through learning organizations.

Repeat the cycle of learning continuously as we adapt and evolve as an organization.



Business agility framework



SEE

Visioning Agility; Empathy Maps, Focus & Clarity: A3's & Personal Kanban, Lean Project Chartering; Eliminate Blind spots: Mental Models, NLP; Sense Making; Cynefin; Canvases, Expanding Awareness & Context: Envisioning, Value modeling and Mapping; Value Stream Mapping, Adopting Agile Mindset and Breaking Paradigms, Visual Tools, Transparency & Information Radiators, Assessments & Alternate Perspectives.



EXPLORE

Design Storming & Thinking; Innovation Games; Strategic Agility. Strategy Maps; Impact Maps, 5 Whys; Mind maps; OODA Loops; Canvases & Story Boards & Maps, Assessing Opportunities, Developing & Testing, Hypotheses, Metrics that Matter: Baselining & Benchmarking, Thin Slices; MVP, Managing Dilemmas & Paradoxes with Polarity Management.



EXPERIMENT/CREATE

Execution Agility; Putting People First, Complex Problem-Solving, Rapid Decision-Making, Building High Performing Teams, Business Process Re-engineering, Experimenting, Value Based Prioritization, Project, Program, Product & Portfolio Mgmt., Operational Excellence, Creating a Learning Organization, Fearless Follow-thru & Closure.



LEARN

Learning Agility, Let Learning Lead, Appreciative Inquiry, Fierce Conversations, Empirical Data Driven Learning, Patterns, Reflections and Retrospectives, Self Renewing Cycle of Growth, Capability Building, Innovation



TEACH Organization

Teaching Agility, Knowledge Creation, Knowledge Networking, Organization Capability Building, Creating Learning

Pre-conditions for business agility

Creating a
Growth
Mindsets

Lean
Systems
Thinking

Making
Value
Visible

Creating
Space for
Innovation

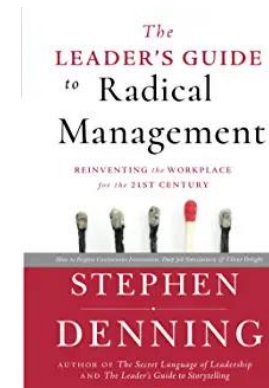
Seeing
Everything
As An
Experiment

Learning
Continuously

What: focus on creating customer value and eliminating waste.

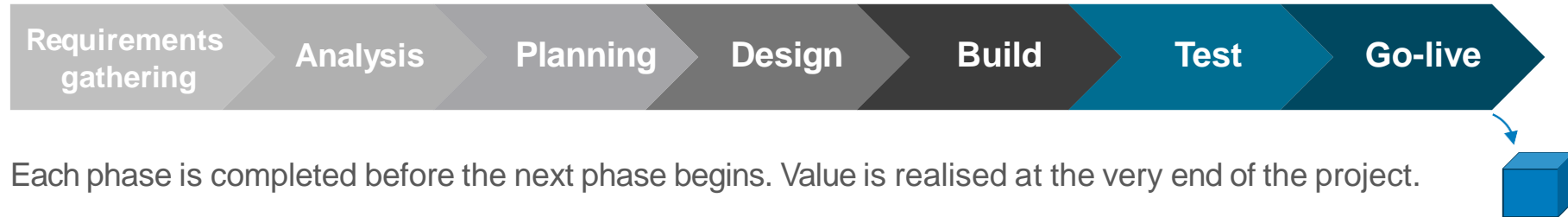
Why: create an adaptive ecosystem to innovate on new opportunities.

Read “A Leader’s Guide to Radical Management” by Steve Denning



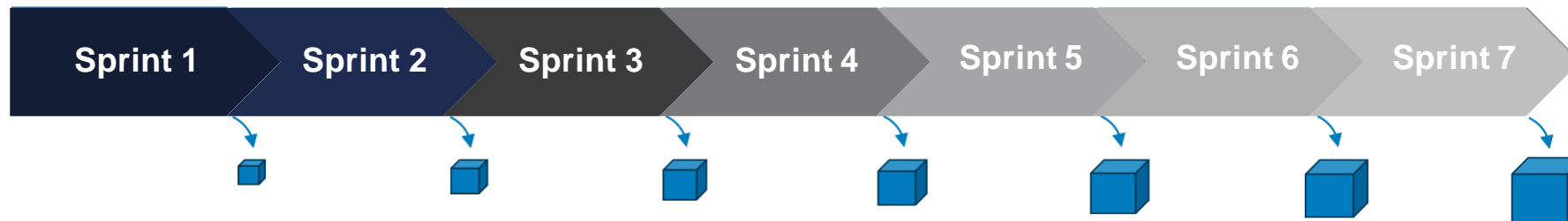
Business Agility Cultural Foundation #1: Embracing Iterative work

In traditional plan-driven approaches, the project is typically laid out like this:



Each phase is completed before the next phase begins. Value is realised at the very end of the project.

In Agile, we don't have phases. We have short Sprints of 1-4 weeks:



Each Sprint contains some requirements-work, some analysis and design work, some building and some testing. This means that every Sprint results in a production-ready product increment. Value is realised throughout the project.

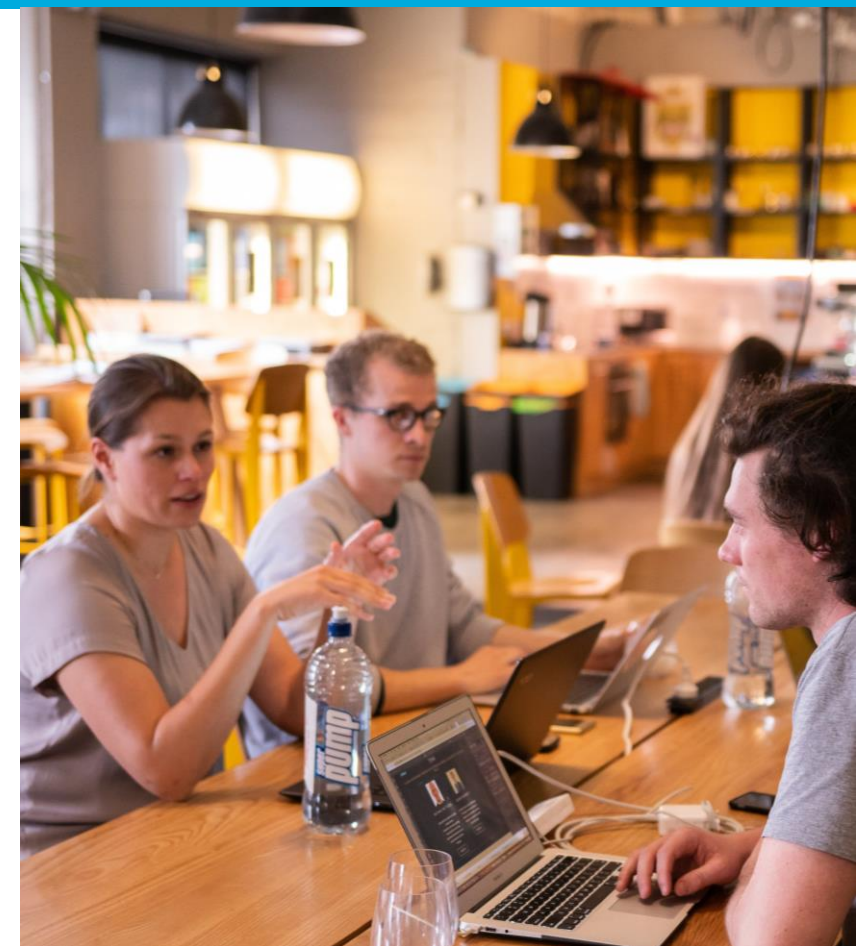
Business Agility Cultural Foundation #2 Self-Organization

A self-organizing team is one where the team takes both individual and collective accountability for its success and approach to work

Each individual takes responsibility for:

- Their contribution to the team's success
- Their interactions with and support of other team members
- The joint decisions the team makes

Primary outcome: Pushing decisions to where work is done and driving ownership in outcomes of work

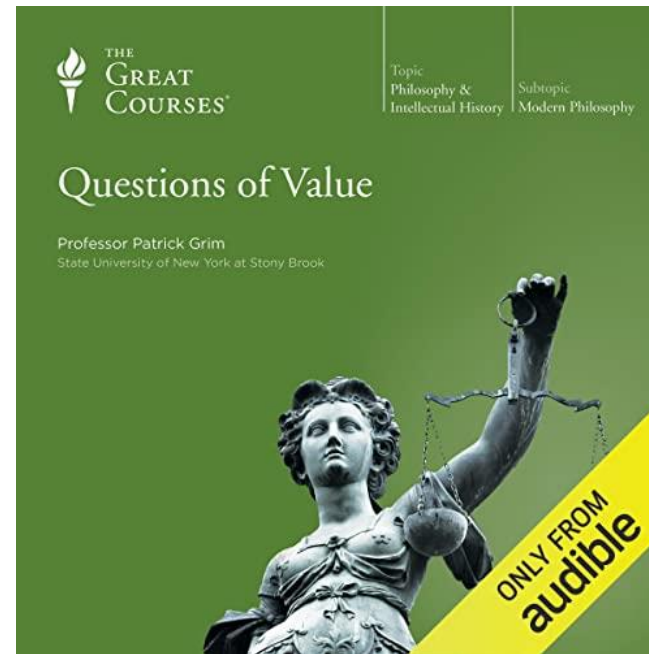


Business Agility Cultural Foundation #3 Value

...Value driven management and Business Agility is becoming exponentially more important...

The study of Value is call Axiology

- Behavioral economics
- Philosophy
- Psychology
- Anthropology



Value is in the mind and experience of each customer



I believe that my **[work]** is locked-down or fixed.
My requirements are determined at the start.
They shouldn't change.

Fixed Mindset



Context of Work

- Desire to **avoid failure and be on schedule** regardless of the changes.
- **Avoids challenges** and obstacles because risk of failure.
- **Stick to what they know** and can do.
- **Failure** is an impression of **lack of planning**, therefore quick to blame and be defensive.
- Feedback and criticism is **the team** as it impacts self-image.
- They **don't welcome change** or learn so to but rather push away the change as much as possible.

I believe that my **[work]** can be continuously developed.
The true requirements are unknown and unknowable.

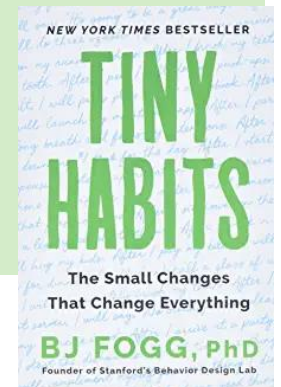
Growth Mindset



Context of Work

- Desire continuous learning. Confront uncertainties.
- **Embracing challenges** because will learn something new.
- **Not afraid to fail** – an opportunity to learn.
- **Prioritize learning and mastery**.
- **Focus on outcome** vs. output.
- **Elicit feedback as** a source of new information and learning.

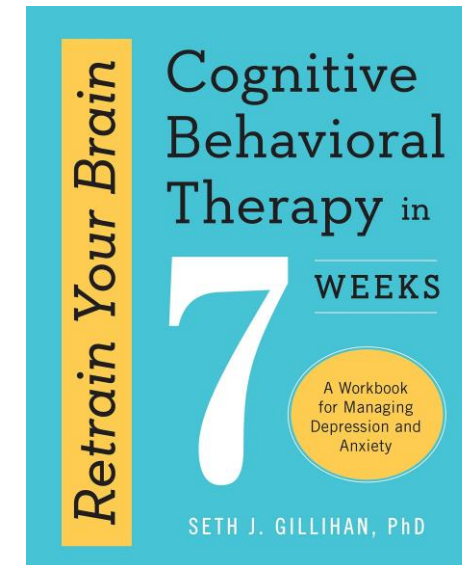
Mindset shift to accept
uncertainty embrace change



Where do we begin?

New ways of thinking? Are they Built on True Beliefs

1. See our world through a new lens: what if our organization is less like a machine and more like a living system which can learn, grow and adapt?
2. Embrace Paradox and Tension. Healthy, adaptable organizations display both order and disorder; regularity and randomness; analysis and intuition; science and art
3. Tune in to the “Edge of Chaos” to create new possibility for generative, innovative and creative behaviors... and continuous learning
4. Make the space to create, reflect and learn



How to Learn agility: Not Practices

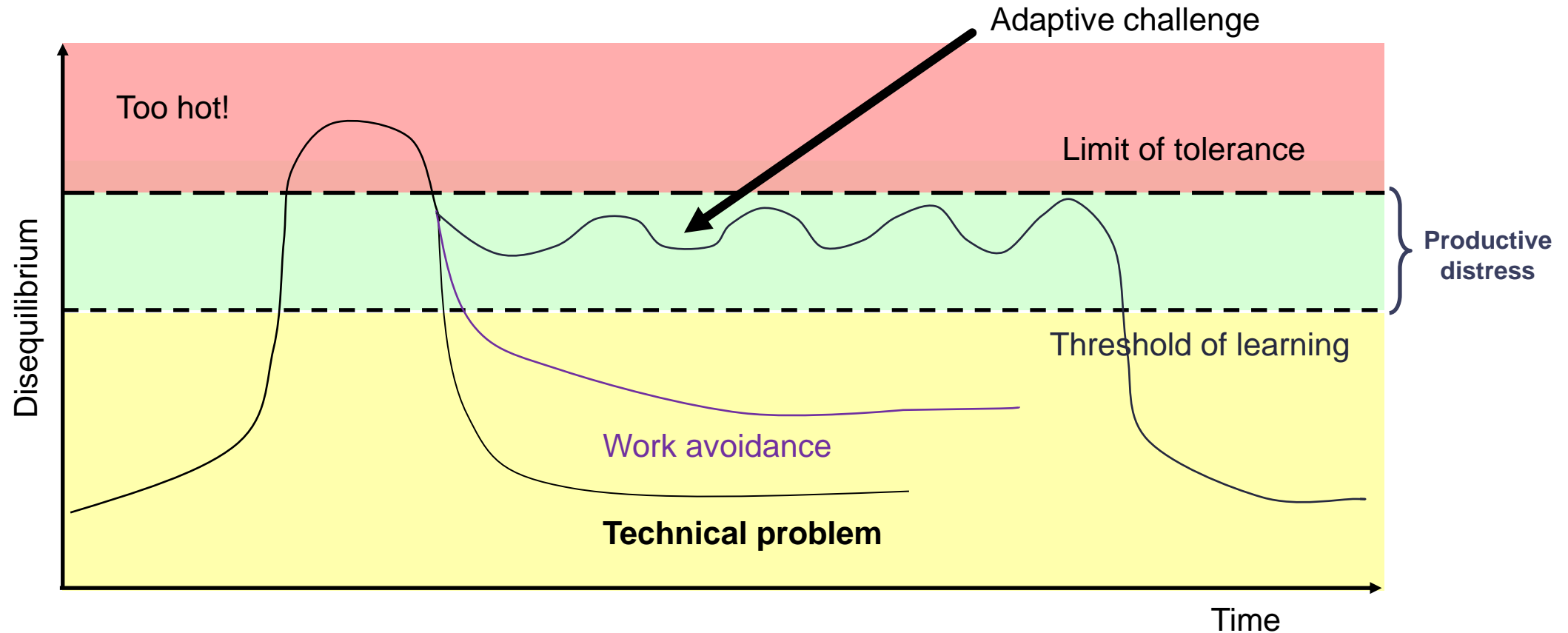
Agility = Better value delivery by learning faster than our competitors

- Delight customers and deliver value to market faster.
- Optimize value delivery engine and eliminate waste.
- Recognize and leverage emerging market opportunities.
- Continuously improve org capabilities: collaboration, adaptability, quality and value focus and alignment.
- Increase our competitive edge by learning and adapting continuously.
- Create an environment where every employee will achieve their full potential.
- Work Iteratively

How to Create a learning enterprise...

- Catalyst style of leadership
- Continuous learning, improvement and innovation from experiments
- Fosters trust, safety, transparency and open communication
- Governance and rewards based on measurable value and adaptation
- Aligned, empowered employees seek and develop mastery in new skills, competencies, experiences and driven to making a difference everyday to delight customers...to our organization's competitive advantage
- **Do you know how to Learn??**

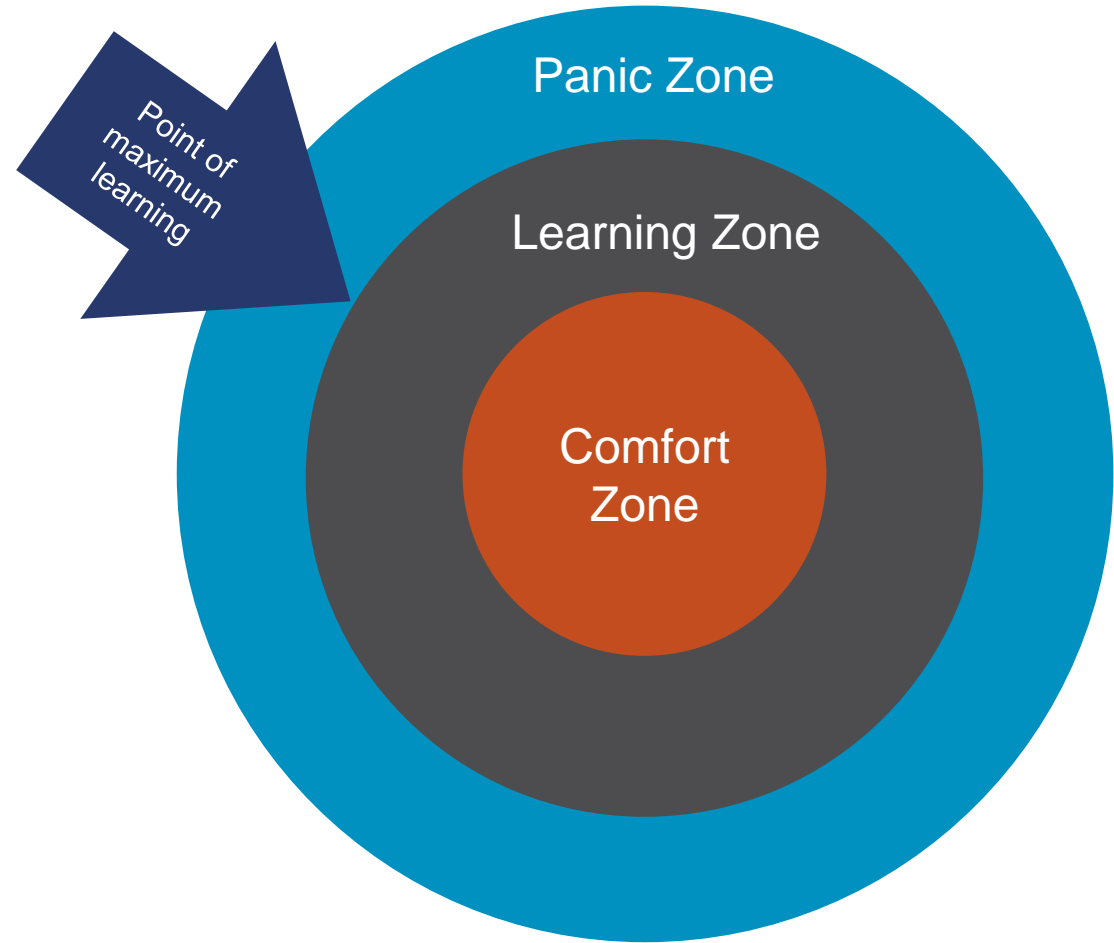
REGULATING TENSION FOR ADAPTIVE LEARNING



Source: Heifetz & Linsky: Leadership on the Line, 2002

Learning amplifiers

- Opportunities to practice new learnings
- Immersion experiences
- Experimentation
- Time for reflection
- Energy
- Time for cultivating imagination
- Opportunities for exploration
- Challenges
- Safety to fail



How to Empower people...

With new ways of thinking, new ways of working, new capabilities, tools and skills. How quickly can we adapt new mindsets and learn to:

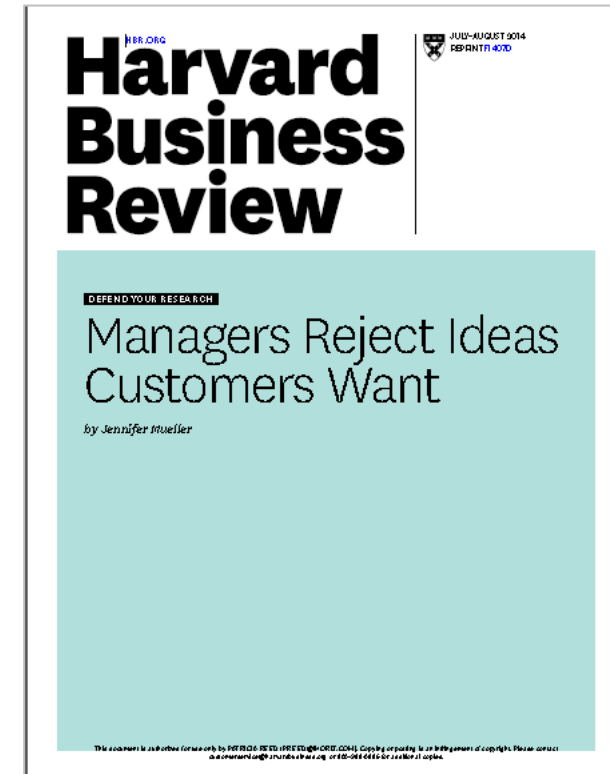
- Shift to a dynamic model of strategy.
- Increase rate of strategic learning and belief in possibilities.
- Successfully navigate a constantly changing, volatile landscape.
- Focus on the essential and eliminate waste.
- Identify and create new opportunities.
- Innovate to delight customers changing and emergent needs.
- Network, share knowledge and leverage collective wisdom.
- Welcome change and be prepared to be unprepared.
- All win together.



Deeping Understand of Value

Funding only ideas customers want

- #1 predictor of perceived customer value is how creative, innovative and novel it is
- Focus on feasibility can make it harder to recognize value of creative ideas
- New and novel ideas involve more unknowns
- How can we ensure we're not filtering out the best ideas?



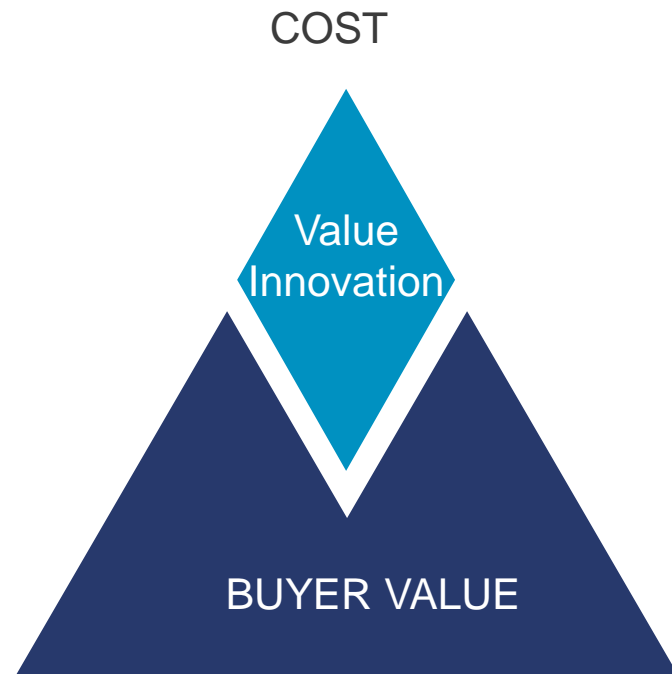
Business agility = value innovation

- Adaptive culture of value and optimized delivery
- Adaptive enterprise: the agility of everything
- **Deep connections with customers**
- Optimally engaged and adaptive workforce
- Building capacity through continuous learning
- Transforming uncertainty into networked knowledge and innovation ecosystem
- Improving our delivery engine by continuously improving and eliminating waste



Value innovation

Value Innovation = Increasing measurable value and reducing cost of delivering value while innovating, improving (and learning) continuously.

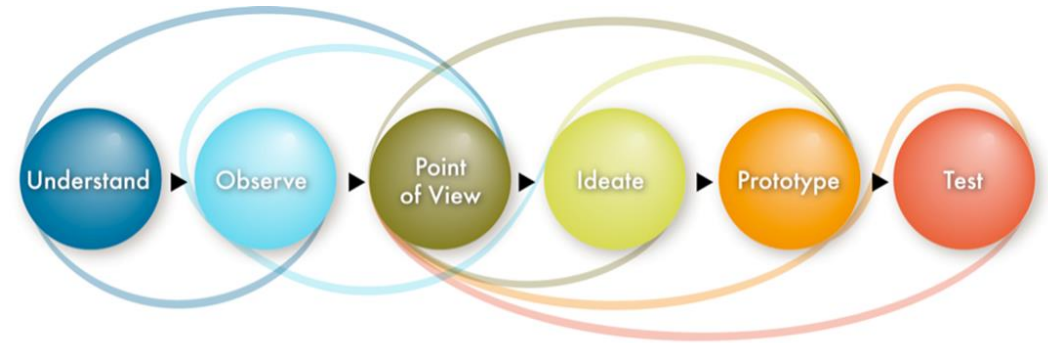


Competencies:

1. Sense and respond to change
2. Create new value opportunities
3. Optimize for Business Value
4. Deliver Customer Value faster

Learn to think like an entrepreneur

- Everything is an experiment
- Estimates are hypotheses
- Take calculated risks
- Courage to fail in order to succeed sooner
- Welcome challenges
- Embrace uncertainty...and transform into knowledge
- Learn continuously through fact-based data analysis
- Focus on doing only what matters in creating value and quality
- Eliminate waste and marginal value work
- Look at the whole system to optimize end to end value delivery
- Create time and space for experimentation and innovation
- Become comfortable being uncomfortable



Source: IDEO



Are we ready to start?

As business agilists, we need to...

1. **Optimize value and eliminate waste:** organizational and team impediments: handoffs, partially done work, delays, unnecessary or overly complex features, waiting for approvals, others.
2. **Inspire and empower the team:** create autonomy, inspire confidence and belief, support mastery and set a clear purpose, hold team's accountable for delivering results and regulate tension for innovation.
3. **Deliver fast:** MVP, limit context switching and WIP and enable flow.
4. **Involve the whole:** focus on the entire value stream to deliver a minimum viable product: reinforcing that we all win together.

Continued over...

As business agilists, we... (cont'd)

5. **Defer / Democratize decisions:** Maintain options, decide at the “last responsible moment” and delegate decisions to those closest to the work.
6. **Amplify learning:** Get feedback early and often, learn through retrospectives and continuously experimenting, inspecting and adapting.

Pragmatic Practice:

1. Value based on customer and bring in multiple voices to discuss value
2. Work in shorter cycles, practice retrospectives after each cycle
3. You first, others later, what are you top 3 areas you need to develop to properly participate in Business Agility
4. Find time to LEARN aka really learn and find time to TEACH
5. Attack a stretch assignment at work or in your personal time. Make sure you can fail as part of your learning
6. **Change your Hiring mindset: Intelligence, character and likeonomics, wrapped around cognitive diversity**

The Other Side of Business Agility

- Functional Business Agility (Principals Plus lots of Practices)
 - Agile HR
 - Agile Finance
 - Agile Marketing
 - Agile Product Management
 - Agile People Management

Thank You!