

Driving Innovation By Doubling Down On Agility

Andy Laudato, The Vitamin Shoppe



We're doing fine, why do I need to innovate?

In 1958, corporations listed in the S&P 500 had an average stay of 61 years. By 1980, numbers from research firm Innosight reveal that the average stay had declined sharply to 25 years. In 2011, the average tenure dropped to 18 years. At the present rate of churn, Innosight's research estimates three-quarters of today's S&P 500 will be replaced by 2027.

Harvard Business Review, July 19, 2017

Preview

- Warning! We're going to talk about emotions
- The war is over, Agile won
- Agile is necessary for innovation
- Agile mindset
- Cargo Cult Agile
- Takeaways



The war is over, Agile won

“Computers are a fad. You need to get a job in a factory.” ~Lena Laudato 1982

- Agile is not a fad. It is here to stay because it works.
- The right tool for the job. Sometimes Scrum, sometimes Kanban, sometimes waterfall, sometimes something else.
- Creative people don't work better when they have someone leering over their shoulder
- Multi-tasking is horrible for productivity and for your brain!

Stanford Report, August 24, 2009

Media multitaskers pay mental price, Stanford study shows

Think you can talk on the phone, send an instant message and read your e-mail all at once? Stanford researchers say even trying may impair your cognitive control.

Agile, it's not just for software anymore

Until recently, Agile was seen as a set of management practices relevant to software development. That's because Agile's initial advocates were software developers and its foundational document was the Manifesto for Software Development of 2001. Fifteen years later in 2016, following recognition by Harvard Business Review, McKinsey & Company and the 2015 Learning Consortium Project, Agile is now spreading rapidly to all parts and all types of organizations.

Forbes : Steve Denning 8/13/16 <https://www.forbes.com/sites/stevedenning/2016/08/13/what-is-agile/#51eecdff26e3>

Agile is necessary for innovation

Agile's emergence as a huge global movement extending beyond software is driven by the discovery that the only way for organizations to cope with today's turbulent customer-driven marketplace is to become Agile. Agile enables organizations to master continuous change. It permits firms to flourish in a world that is increasingly volatile, uncertain, complex and ambiguous.

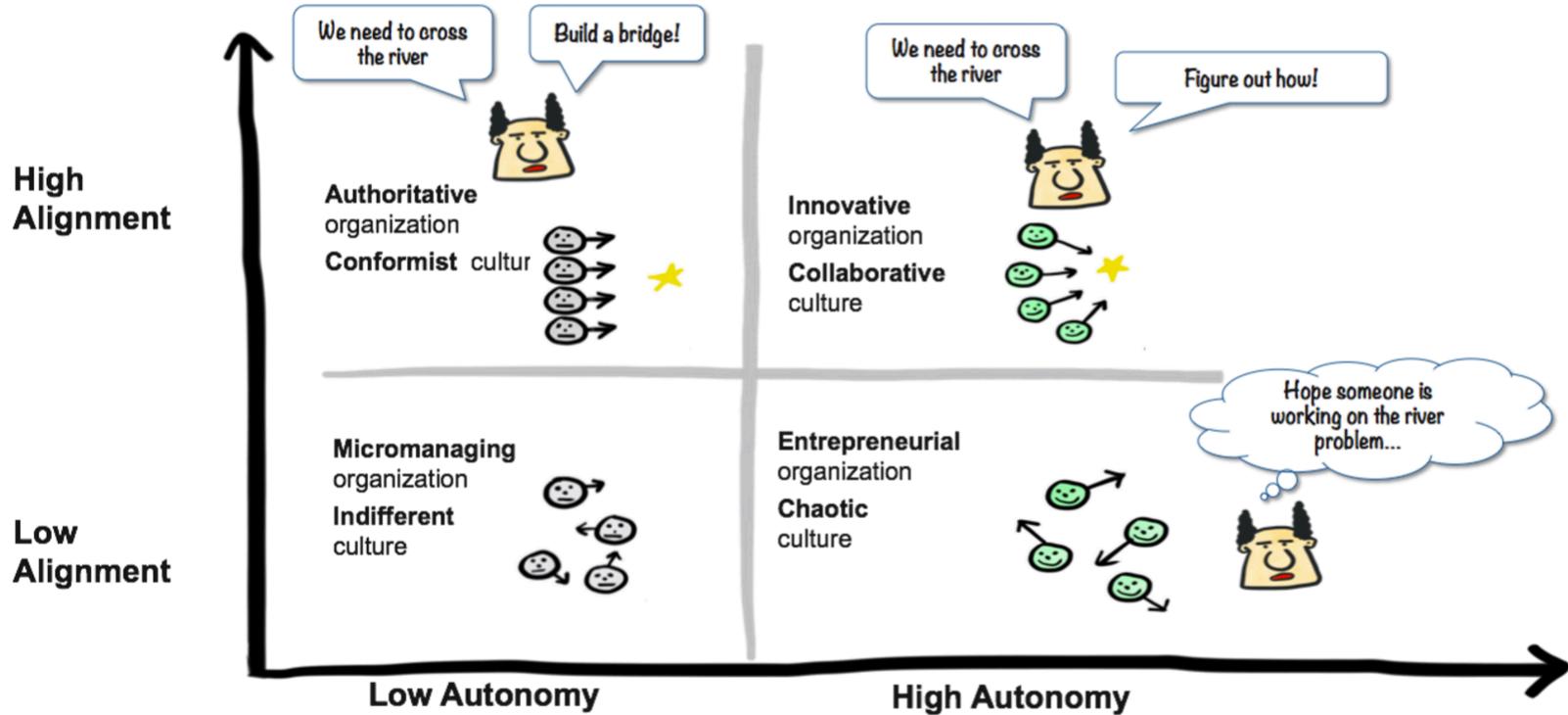
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Using Agile principles to drive innovation

1. Trust and Autonomy Empowers Teams to Innovate
2. Access to Customers Reduces Innovation Risk
3. Retrospectives Drive Continuous Improvement
4. Communicate with Stakeholders More Frequently
5. Align on the Fact that Priorities will Change
6. Remove Specific Dates from your Product Roadmap
7. Talk in Broad Themes Rather than Features
8. Evangelize the “Why”

<https://www.productplan.com/how-to-drive-innovation-in-large-organizations>

Alignment enables Autonomy



Source: Stephen Bungay, "Art of Action"

DOING AGILE

≠

BEING AGILE

PRACTICES

≠

MINDSET



"Scrum, BUT..."
"Cargo cult Agile"

RELATIONSHIPS
SAFETY
TRUST

INNOVATION

OUTLOOK TO
FUTURE

"JOY AT WORK"
"#1 WORKPLACE"

"DELIGHTED
CUSTOMERS"

~20% Benefit

- Ability to manage changing priorities
- Improved Visibility
- Increased Productivity
- Improved Quality
- Reduced Risk

~3X Benefit

- Customer Delight
- Joy at work
- Engagement
- Innovation, Creativity
- Continuous Learning



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Mindset over method

As to methods, there may be a million and then some, but principles are few. The man who grasps principles can successfully select his own methods. The man who tries methods, ignoring principles, is sure to have trouble.

- ~ Harrington Emerson

Cargo Cult Agile

Being envious of the success and benefits of Agile, many companies adopt the superficial trappings of Agile, renaming the meetings as “stand ups” and calling management reviews “retrospectives”. But in practice, nothing changes. It’s still the same primitive management driven hierarchical organization, micromanaging the teams, using outdated waterfall practices, and completely failing to grasp the core principles of agility.

[Tomas Kejzlar](#), Skeptical Agile January 6, 2017

What we're used to	What Agile wants	Reality
Timelines	We're done when it's done	Time boxes
Project Managers	Disciplined, self-managing teams	Collaboration between Coach and Product Owner
Fixed Budgets	No fixed cost	Cost boxes
Predictable, all at once deliverables	Incremental deliverables driven by value and constant learning	Release planning
Team spread out	Co-location	Core time in the room / virtual presence
Communication by document	Information radiators and conversations	Information radiators captured electronically, daily meetings
Customer is removed	Customer is in the room as part of the team	Core time in the room

Summary

Instead of power trickling down from the top, Agile recognizes that the future of a firm depends on inspiring those doing the work to accelerate innovation and add genuine value to customers. It recognizes that enhancing the capacity of those doing the work depends on giving autonomy to self-organizing teams within broad parameters of control. It values transparency and continuous improvement ahead of predictability and efficiency. It recognizes that open interactive conversations are more valuable than top-down directives. It stops doing anything that is not adding value to the ultimate customers.

Forbes : Steve Denning 8/13/16 <https://www.forbes.com/sites/stevedenning/2016/08/13/what-is-agile/#51eecdff26e3>

Free advice, worth every penny

- Be Agile, or don't be Agile, don't half-way it
- Fund teams, not projects
- Trust people
- Talking is under-rated
- Remove dependencies:
 - None: you control your own destiny
 - One: You better be communicating well
 - Two: Things are getting dicey
 - Three or more: Sorry. It's not going to happen how or when you want it.
 - Communication channels = $N*(N-1)$

Questions?

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retail Innovation conference



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