Right now, your company has 21st century Internet enabled business processes, mid 20th century management processes, all built atop 19th century management principles.

Gary Hamel, American Management Expert

The main obstacles to improved business responsiveness are slow decision-making, conflicting departmental goals and priorities, risk-averse cultures and silo-based information.

3 most significant challenges in meeting priorities for digital programs in large organizations > $1B revenue

1. Organization not designed for the fast pace of digital demands
2. Business process too inflexible to take advantage of new opportunities
3. Inability to adopt an experimentation mind-set that is key for best business practices

If you do not manage culture, it will manage you.

Edgar Schein

SCHNEIDER CULTURAL MODEL

Collaboration

Control

Reality

Agile, Lean

GRC, Finance, IT OPs

People

Company

Learning, Experimentation

Craftsmanship, IT OPs

Cultivation

Competence
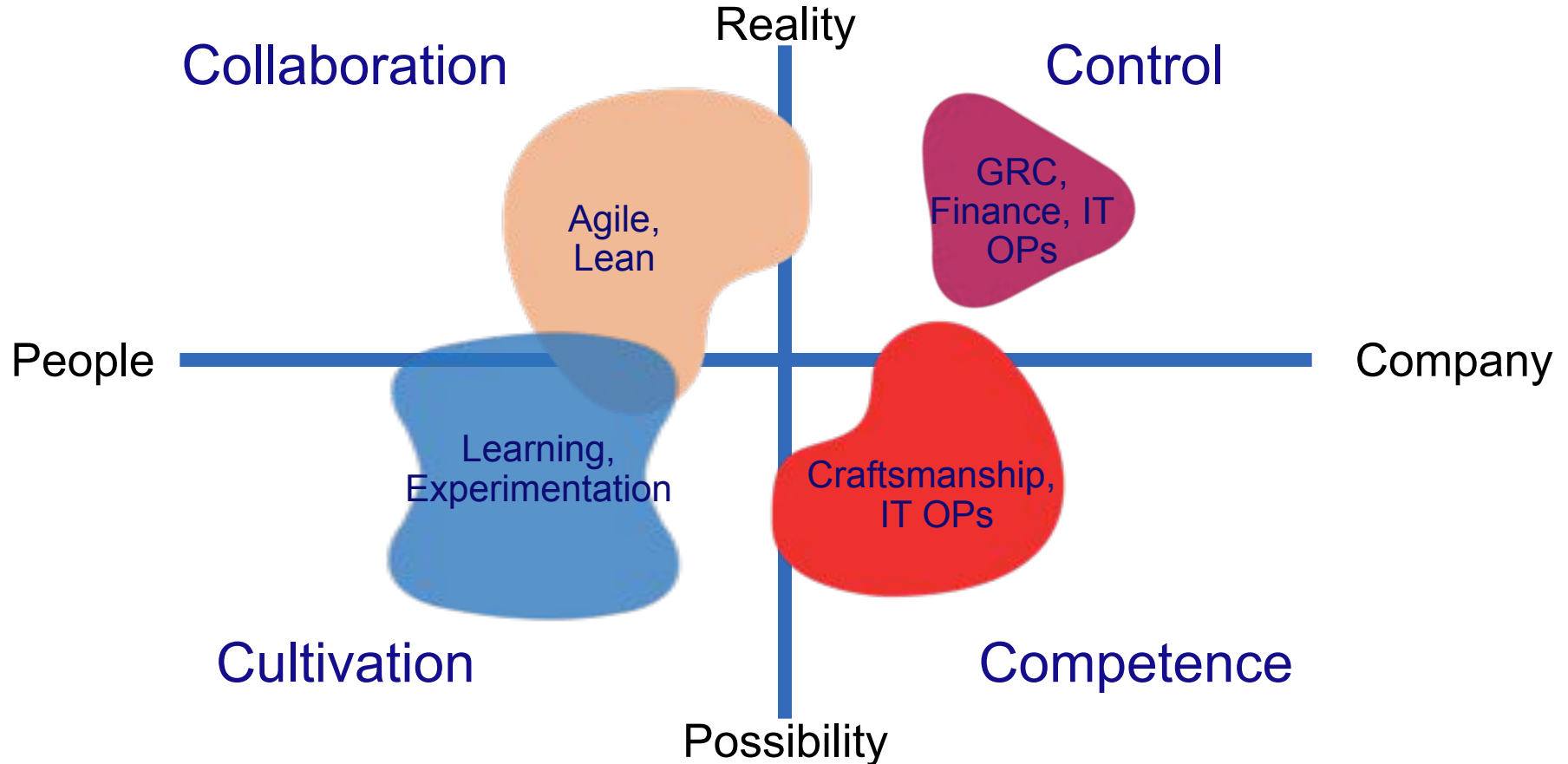
Possibility

Adapted from Michael Sahota

RETHINK CULTURE
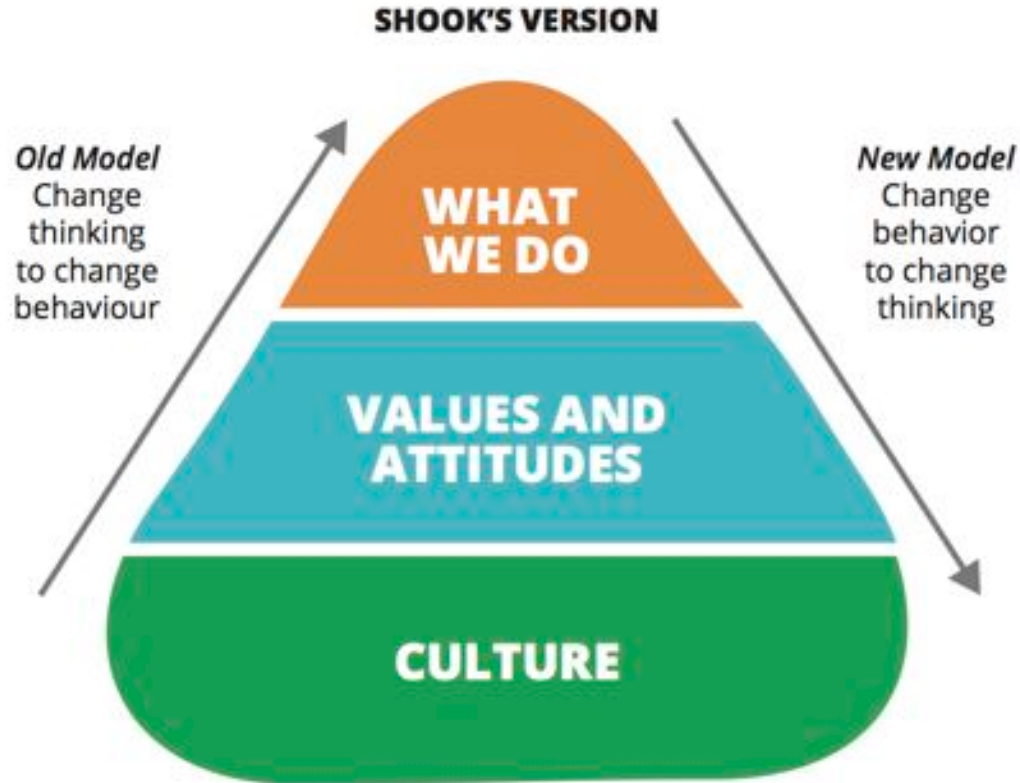
SHOOK'S VERSION

Old Model Change thinking to change behaviour

WHAT WE DO

VALUES AND ATTITUDES

CULTURE

New Model Change behavior to change thinking

COMMAND AND CONTROL

STRATEGY

ALIGNMENT

EXECUTION

MICRO MANAGEMENT

CONTROL

IMPLEMENT

Target and incentives

Budget contracts

Balanced scorecards

Compliance rules
Risk models
Quality controls
Inspections

Adapted from: http://www.bbrt.org/beyond-budgeting/bb-problem.html

Peter Heinssen – *The Network Always Wins*
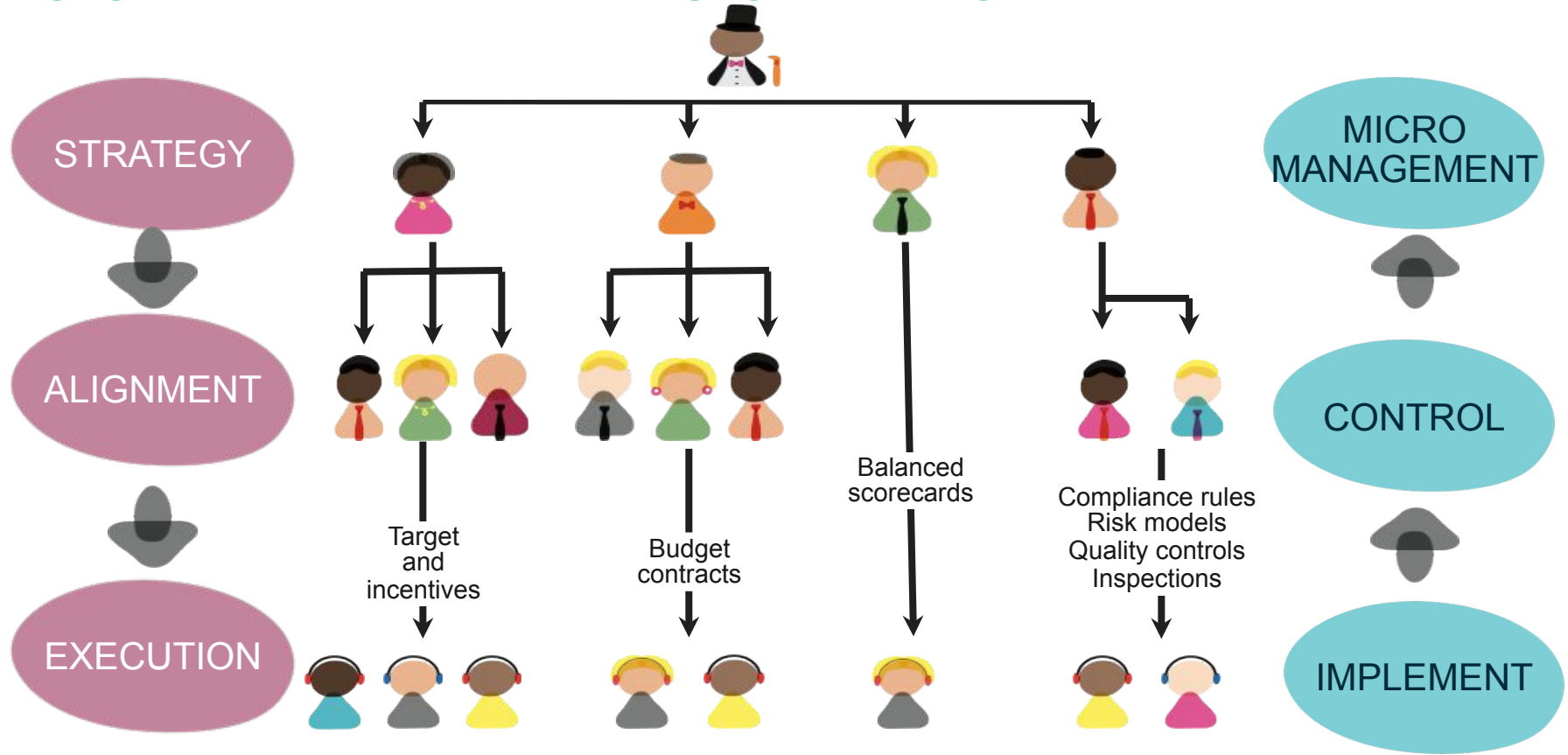
USE PRINCIPLE OF MISSION

- Framework for decision making at all levels
- Based on principles and common, well understood goals

ORGANIZATION INFORMATION PROCESSING

Power Oriented	Rule Oriented	Performance Oriented
Pathological	Bureaucratic	Generative
Low cooperation	Modest cooperation	High cooperation
Messenger shot	Messenger neglected	Messenger trained
Responsibilities shirked	Narrow responsibilities	Risks are shared
Bridging discouraged	Bridging tolerated	Bridging encouraged
Failure leads scapegoat	Failure leads justice	Failure leads enquiry
Novelty crushed	Novelty leads to problems	Novelty implemented

Ron Westrum

CULTURAL CHANGE IS NOT AN EVENT

In the absence of information about value, of course the system optimizes for other things. Why should this surprise anyone?

Joshua J. Arnold, Black Swan Farming

DEFINE AND MEASURE VALUE

Measure things that matter - What is the value delivered?

- Are we getting better at what we do?
- Are our customers happy and supporting us? Do they like to use our products?
- Are we in a better overall financial position as a result of the work we did (as opposed to what we didn't do)?
- Have we reduced the overall complexity of our technology solutions so we can move ahead faster?

DEFINE AND MEASURE VALUE

One metric that matters
Focus on culture
Share rewards with everyone

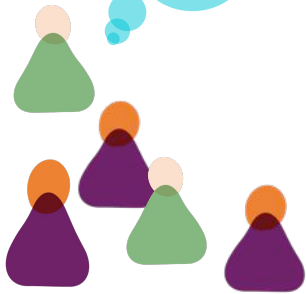# REALIGN TEAMS FROM PROJECTS

Business

Projects

Operations

Many 'good' ideas Need $$$

We are working! Give us $$$

That doesn't work – need more $$$

TO PRODUCTS

Product A

Product B

Product C

Product D

Shared Service A

Shared Service B
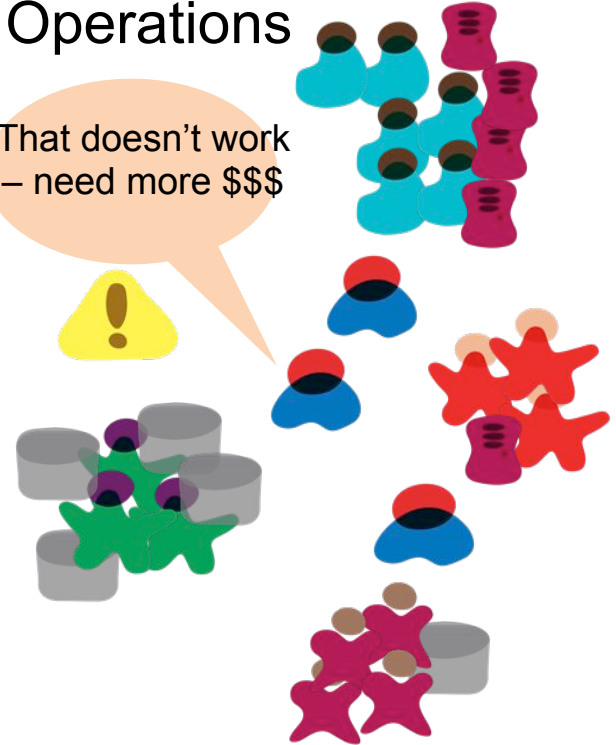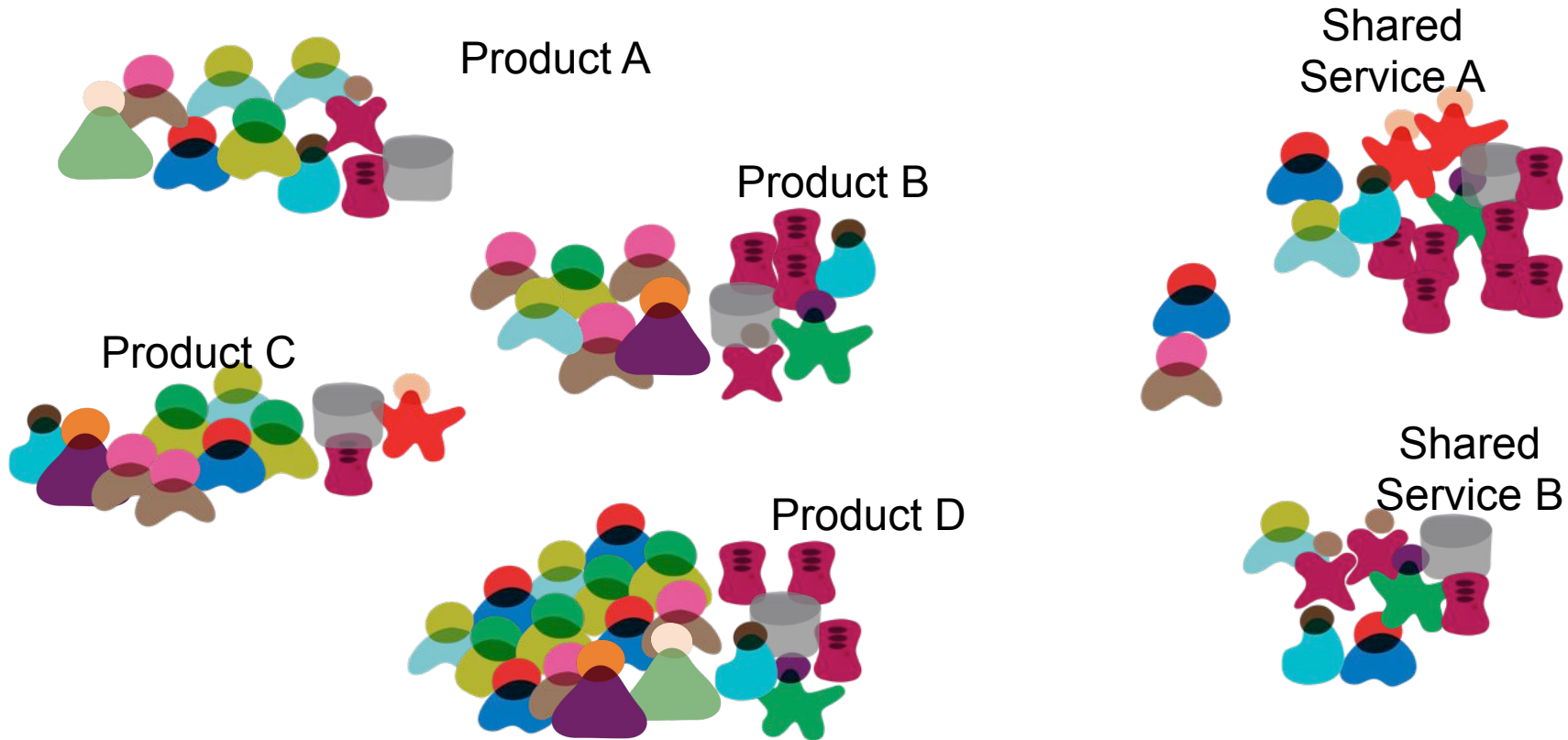
STOP THE PROCESS MADNESS

- Don't fight stupid – Make more awesome (Jesse Robbins)
- Go see for yourself
- Create time for experiments
- Don't waste your failures
- Challenge your own preconceptions

CHALLENGE ASSUMPTIONS
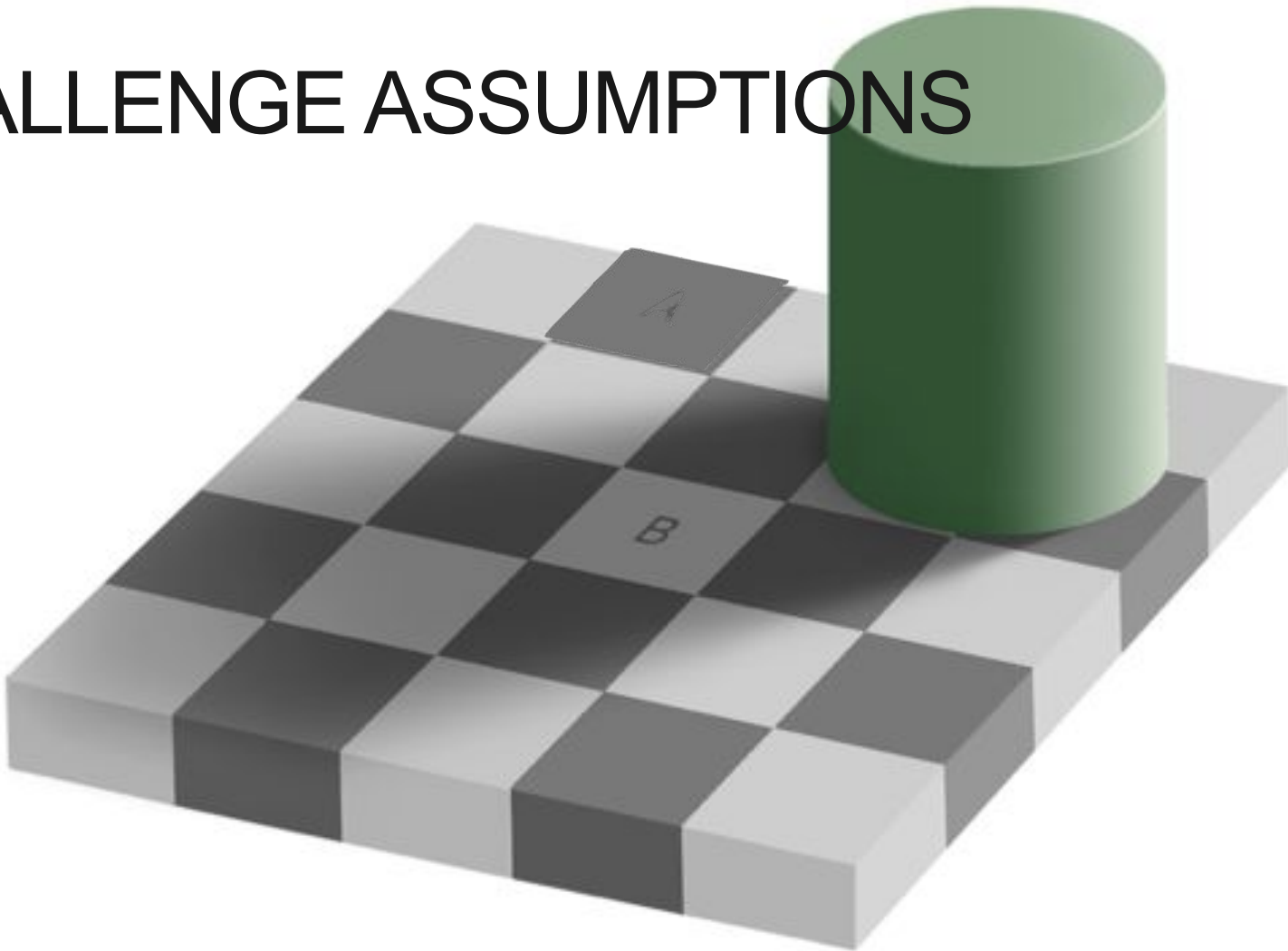
SINGLE AND DOUBLE LOOP LEARNING

Single Loop

Mental Models

(why we do)

Action
Strategies
(what we do)

Results
(what we get)

Double Loop
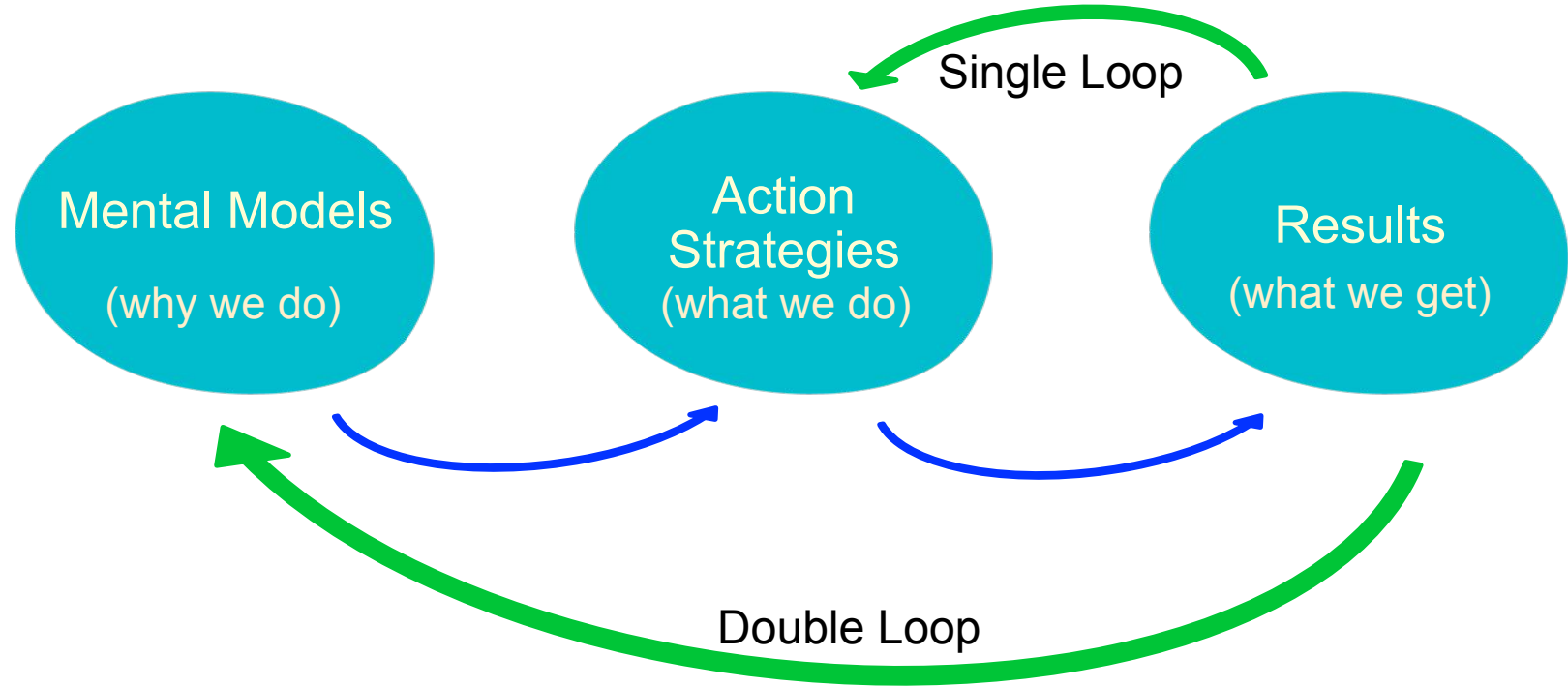
ADAPTING TO CUSTOMER EXPECTATIONS

Technology is a strategic capability

Maximum value is delivered when people work together

BRING CUSTOMERS TO THE TEAM

Cross-functional team

Create an experiment to test it

Verify qualitative

Validate qualitative

Involve customers and users

Evidence based decisions on outcomes to pivot, preserve or stop

STOP

CHANGE

CONTINUE

INTUIT - SNAP TAX

Customer Reviews

AMAZING!! ★★★★★
by CalculusThief

I'm updating my review to say as the years have gone by I love this app more and more. This year my tax needs grew a bit more complex as I did freelance work and had more w2s than ever. I put off doing my taxes be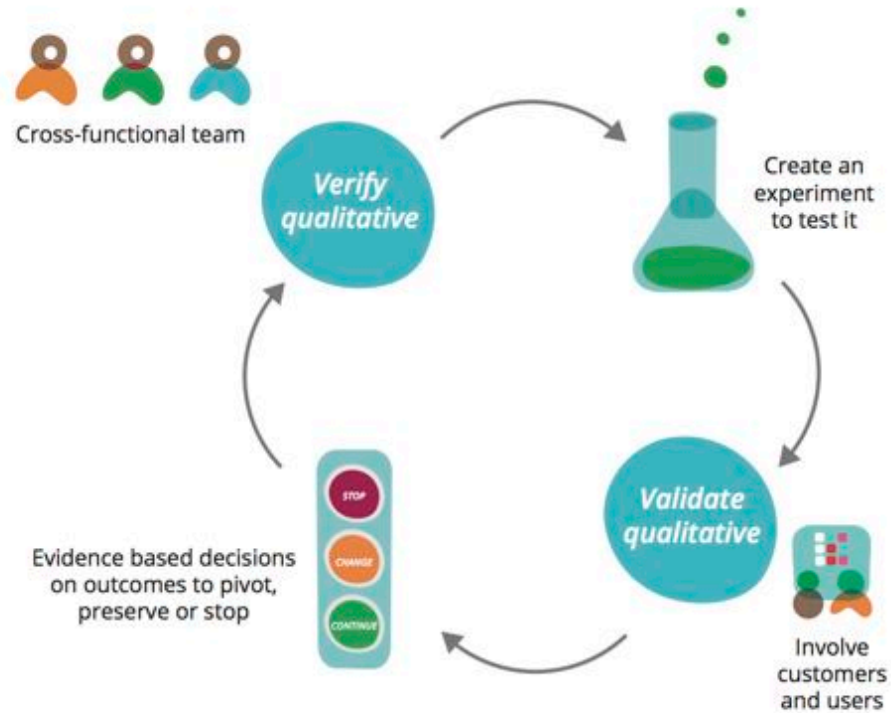cause I was dreading it so much but my boyfriend has been sitting next to me struggling with his all morning so I finally decided
...More

Procrastinator's Dream ★★★★★
by Tommy Habro

I usually wait until the last minute to do my extremely simple tax forms. That would usually take me about 4 hours all together because it's only something I do once a year, so I forget the process every single year around tax season. This made everything such a breeze. Let me know the documents I should have to look for before starting
...More

Made taxes a breeze!! ★★★★★
by Dolphinsjo

Awesome!! EASY to use and fast. Took pics of w-2's, added the kiddos, input pins and the rest was computed for me. Took all of 15 minutes and that's only because I had to call for our pin numbers since I didn't record them last year. The step by step instructions were easy to follow and made the experience very fool proof. Best tax
...More

MAP THE VALUE STREAM
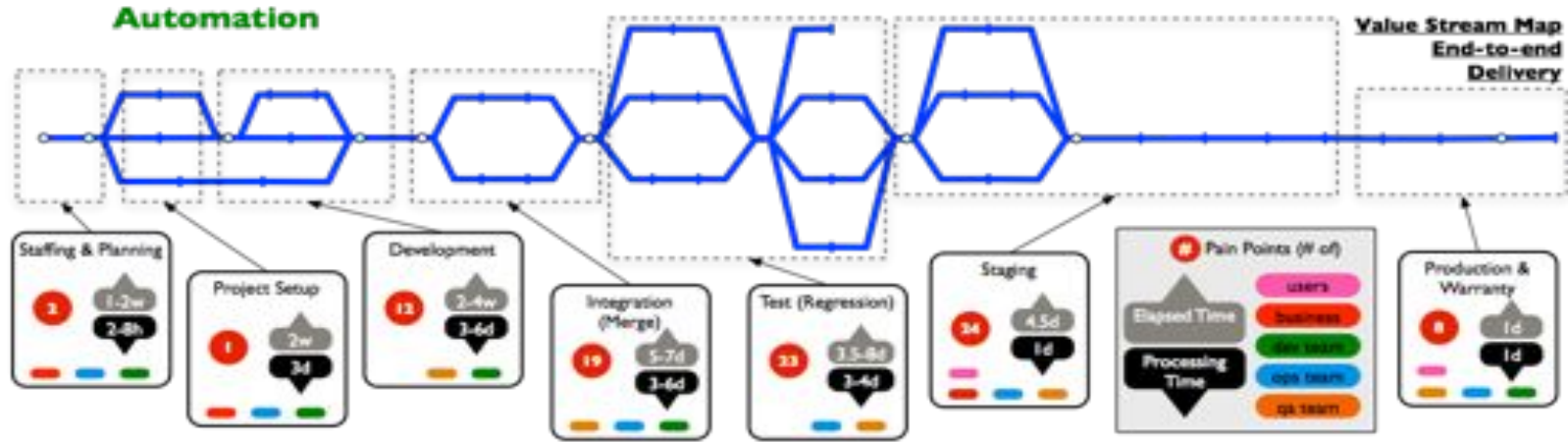
- End to end value delivery
- Identify times
- Encourages collaboration
- Measure improvement

SEEK PERFECTION

THE 4 STEPS OF THE IMPROVEMENT KATA
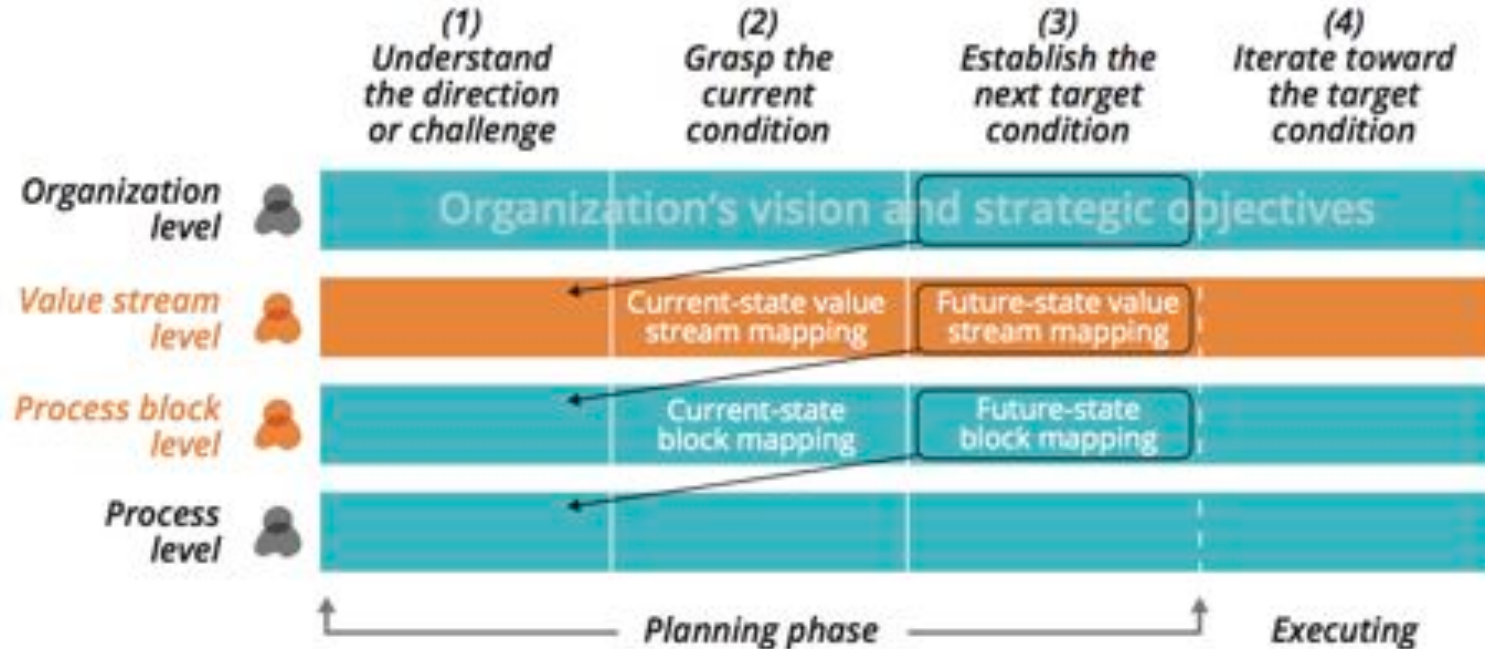
Future state value stream maps the direction/challenge for the improvement process at the block and work process inside the value stream.

HOSHIN PLANNING PROCESS USING PDCA
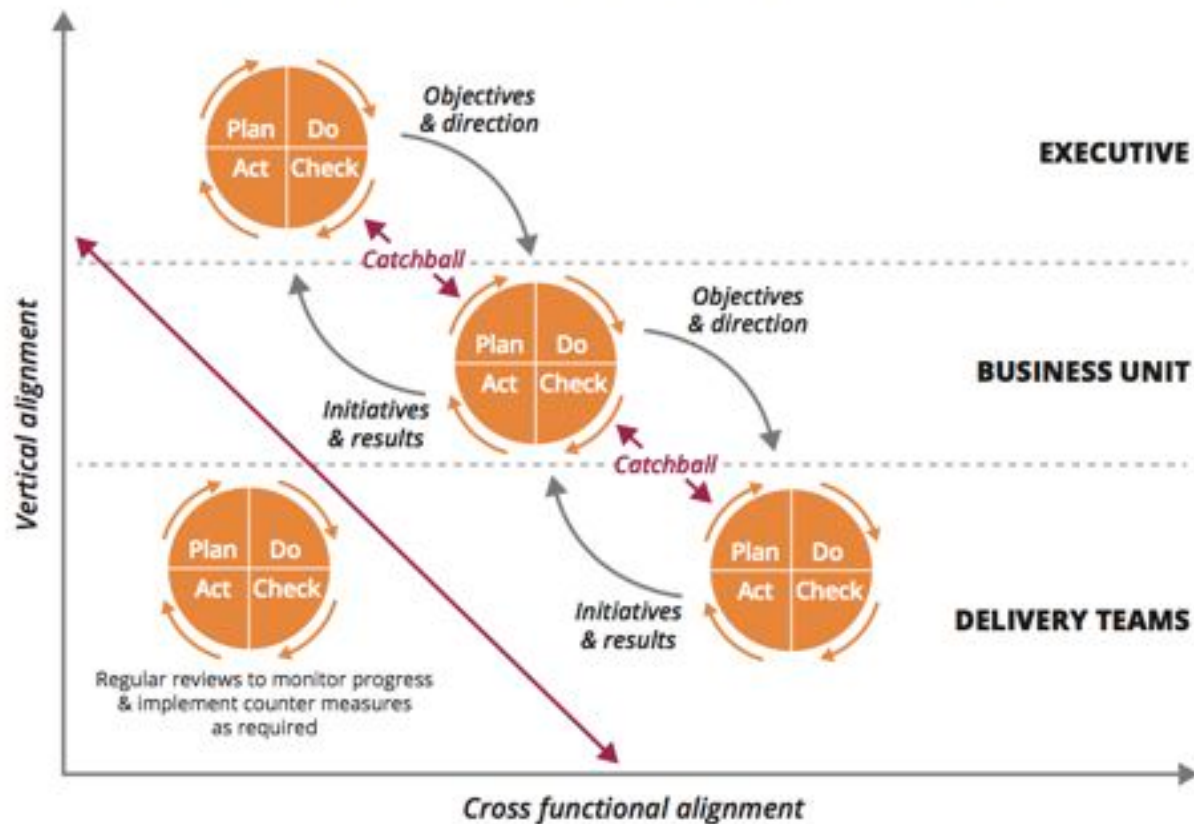
UK GOV CHALLENGES

British National Health Service, had a program to computerized patient records.

Projected to cost £2.3bn in 2002 and Despite the cancellation in 2011, it is expected to end up costing over £10bn.

At the end of 2013, only 55% of the population had their medical records in the system.

CREATE A SHARED UNDERSTANDING

START SMALL AND BUILD

May 2014

GOV.UK

Home

Digital Transformation

Government is building digital services that are simpler, clearer and faster to use. We're starting with these 25 services. You can follow our progress on this page.

Discovery	Alpha	Beta	Live
0	**3**	**17**	**5**
User needs are researched and identified	A core service is built to meet the main user needs	The service is improved, then tested in public	The service is public and works well. It'll be continually improved to meet user needs
Learn more about the discovery phase	Learn more about the alpha phase	Learn more about the beta phase	Learn more about the live phase

START SMALL AND BUILD

March 2015

GOV.UK

Home > Digital Transformation

This page is no longer being updated

Work on the Transformation Programme's exemplar project has ended, and these pages are no longer being updated. Visit the Digital Transformation page for the latest information.

Digital Transformation

Government is building digital services that are simpler, clearer and faster to use. We're starting with these 25 services.

Discovery	Alpha	Beta	Live
0	**1**	**9**	**15**
User needs are researched and identified	A core service is built to meet the main user needs	The service is improved, then tested in public	The service is public and works well. It'll be continually improved to meet user needs
Learn more about the discovery phase	Learn more about the alpha phase	Learn more about the beta phase	Learn more about the live phase

https://www.gov.uk/transformation/exemplars

GOV.UK ALPHA DESIGN PRINCIPLES

- Don't slow down delivery
- Decision when they are needed and at the right level
- Do it with the right people
- Go see for yourself
- Only do it if it adds value
- Trust and verify

https://digitaltransformation.blog.gov.uk/2014/06/24/governance-principles/

GOV.UK

Search 🔍

Departments Topics Worldwide How government works Get involved
Policies Publications Consultations Statistics Announcements

Press release

Government draws the line on bloated and wasteful IT contracts

From:	Cabinet Office, Efficiency and Reform Group and The Rt Hon Francis Maude MP
History:	Published 24 January 2014
Part of:	Transforming government services to make them more efficient and effective for users, Buying and managing government goods and services more efficiently and effectively and + others

New rules for IT contracts will ensure maximum value for taxpayers.

The government has published "red lines" for its IT contracts to ensure maximum taxpayer value, the Minister for the Cabinet Office Francis Maude announced today. The new rules have been published to encourage competition in the sector, and free the government from longstanding
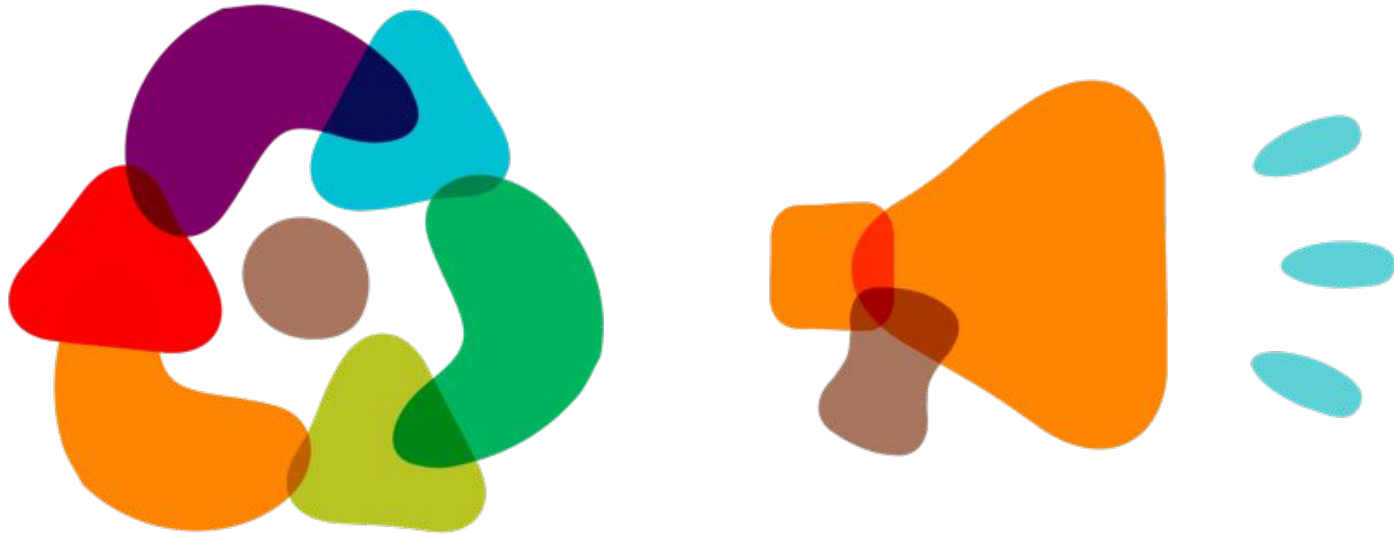
PEOPLE MAKE THIS HAPPEN

- Provide Leadership
- Hire and retain the right people
- Create a learning environment
- Foster good decision making by creating visibility and transparency

WHAT CAN I DO TOMORROW?

- Go and See the work

- Map out end to end flow of value

- Implement and amplify feedback loops

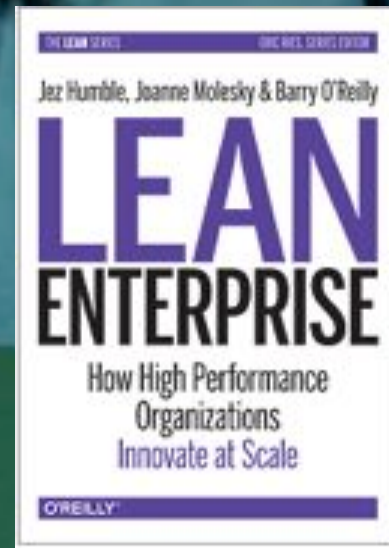*Doubt is not a pleasant condition, but certainty is absurd*

Joshua J. Arnold, Black Swan Farming

CONCLUSION

☐ Get comfortable with uncertainty

☐ Learn what to measure

☐ Follow the value – Get knowledge through experimentation

☐ Make work visible in a way the focuses teams on the customer

☐ Take a systemic approach to improvement

THANK YOU

QUESTIONS?

@jemolesky, @barryorielly,
@jezhumble, #leanenterprise

ThoughtWorks®