

# ENABLING INNOVATIVE CULTURE

*@barryoreilly*  
*#LeanEnterprise*

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# LEAN

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precisely specify *value* by specific product,  
identify the *value stream* for each product,  
make value *flow* without interruptions,  
let the customer *pull* value from the producer,  
and pursue *perfection*



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# ENTERPRISE

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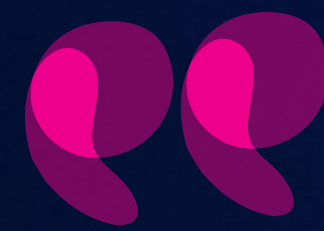


a complex, adaptive system composed of people who share a common purpose



A man with glasses and a mustache, wearing a dark suit and a patterned tie, is speaking at a podium. He is gesturing with his right hand. The background is dark blue with the words "Inspiring Ideas" in a large, light blue, serif font. The overall image has a blue tint.

# Inspiring Ideas

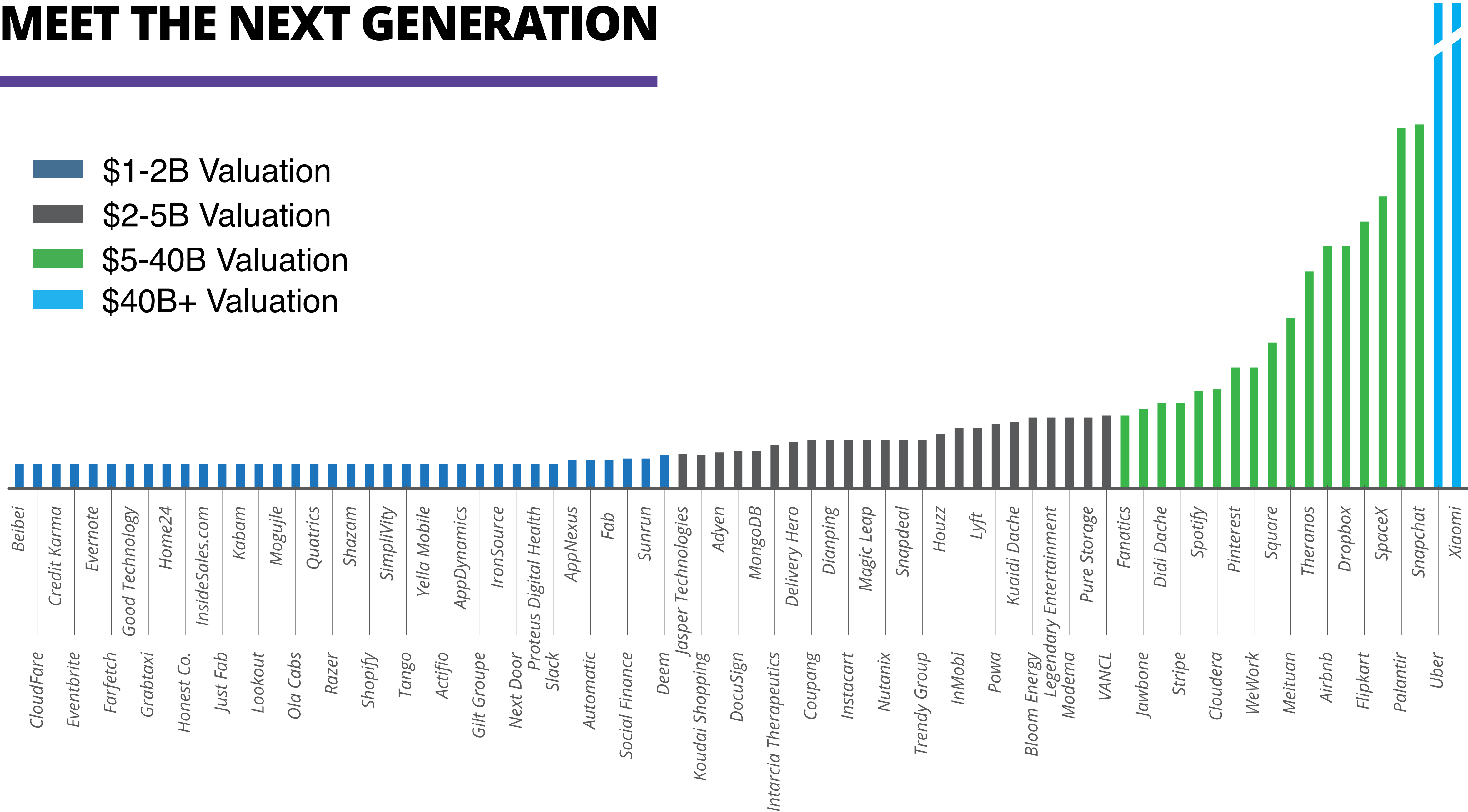


*Right now, your company has  
21st century Internet enabled  
business processes, mid 20th  
century management processes,  
all built atop 19th century  
management principles.*



- Gary Hamel, American Management Expert

# MEET THE NEXT GENERATION



Sources: Dow Jones VentureSource and The Wall Street Journal. Valuations as of March 2015.

# SOFTWARE IS EATING THE WORLD

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# SOFTWARE IS EATING THE WORLD

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**BUSINESS**

CEO, COO, CFO, CMO



**MIND THE GAP**

# SOFTWARE IS EATING THE WORLD

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## BUSINESS

CEO, COO, CFO, CMO



MIND THE GAP

## TECHNOLOGY

CIO, CTO, CDO  
*(Digital and/or Data)*

# SOFTWARE IS EATING THE WORLD

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## BUSINESS

CEO, COO, CFO, CMO



MIND THE GAP

## TECHNOLOGY

CIO, CTO, CDO  
*(Digital and/or Data)*

Technology as a strategic capability  
Willingness to support experimentation  
Iterative, adaptive working processes and practices  
Reduce learning anxiety across organization  
Ability to innovate at scale

# ***HOW HIGH PERFORMANCE ORGANIZATIONS INNOVATE AT SCALE***



**THINK BIG.**

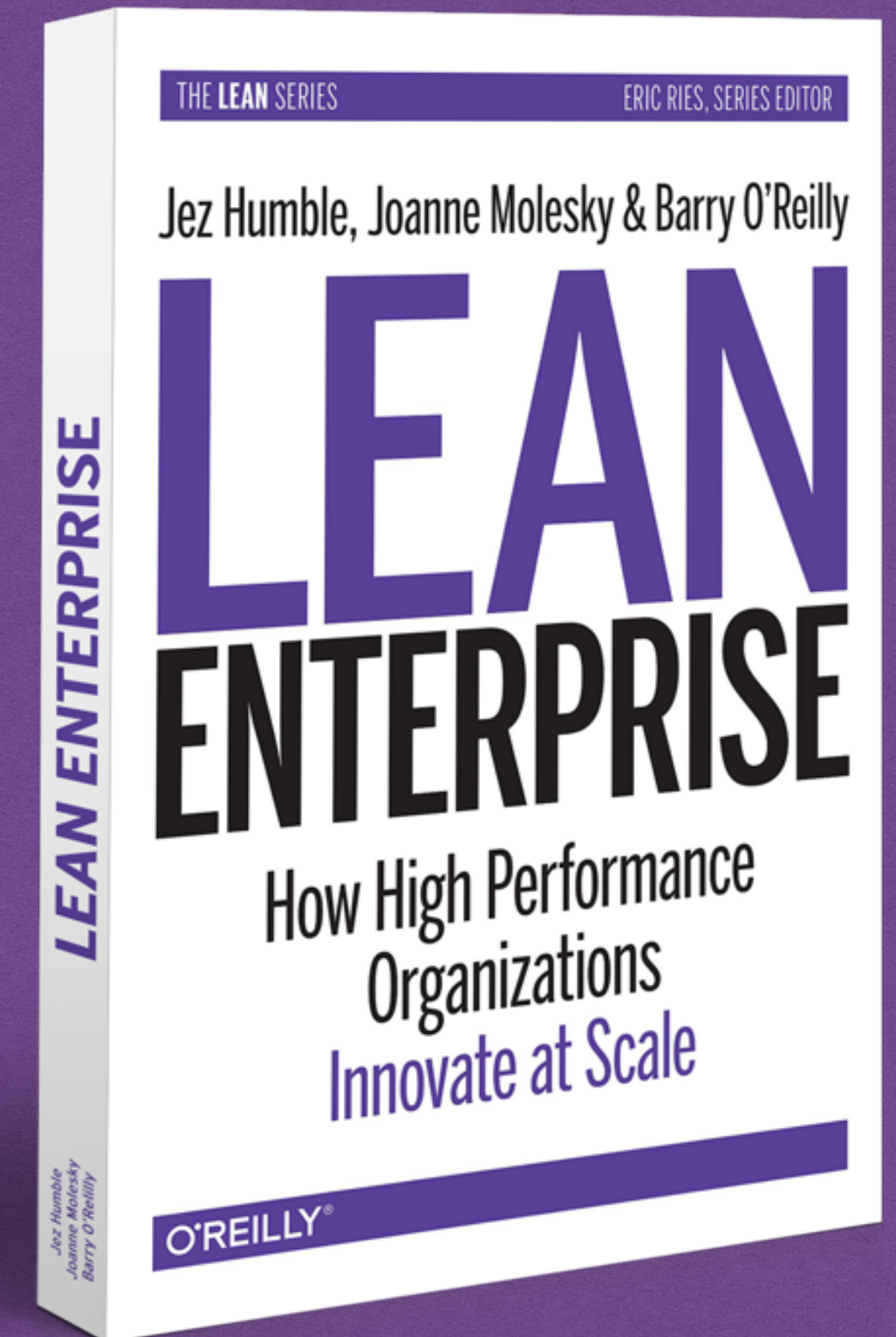
START NOW.

***Learn fast.***

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# THINK BIG

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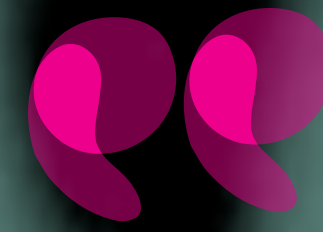


*The purpose of an  
organization is to enable  
ordinary humans to do  
extraordinary things*



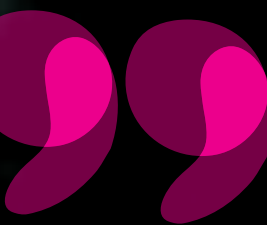
- *Peter Drucker, Management Educator, and Author*





*Shareholder value is the dumbest  
idea in the world... [it is] a result,  
not a strategy... your main  
constituencies are your employees,  
your customers, and your product*

*- Jack Welch, former-CEO GE*



*To enable the space flight capabilities necessary to make human life multiplanetary or more specifically enable a self sustaining human civilization on Mars*

*- Elon Musk, SpaceX*



# HOW DO YOU GET ALIGNMENT AT SCALE

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*What are we aiming for?*



*What are we trying to achieve?*

HOW DO YOU GET ALIGNMENT AT SCALE

# Principle of Mission

*What are we aiming for?*

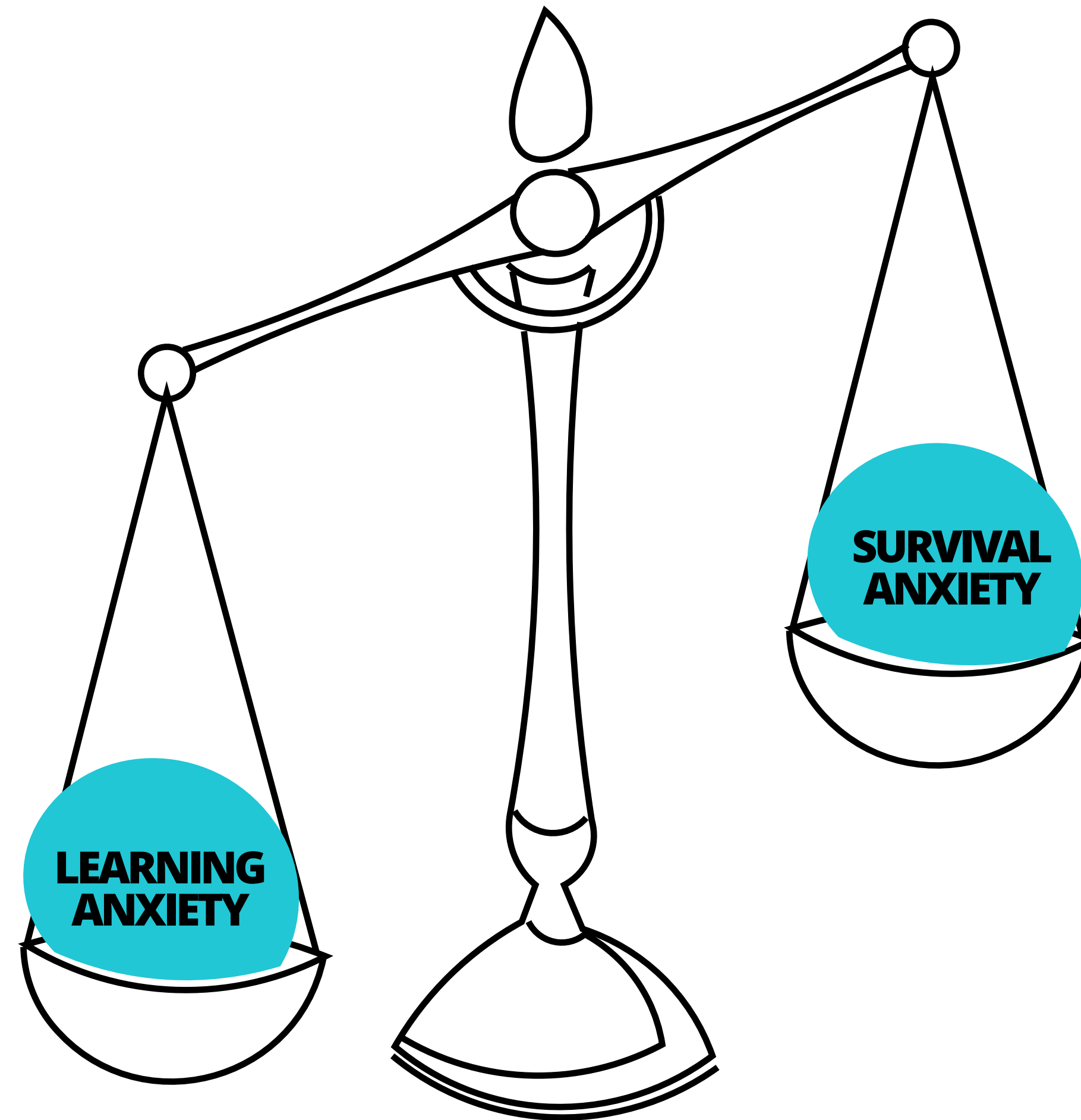


*What are we trying to achieve?*

Stephen Bungay<sub>12</sub> *The Art Of Action*

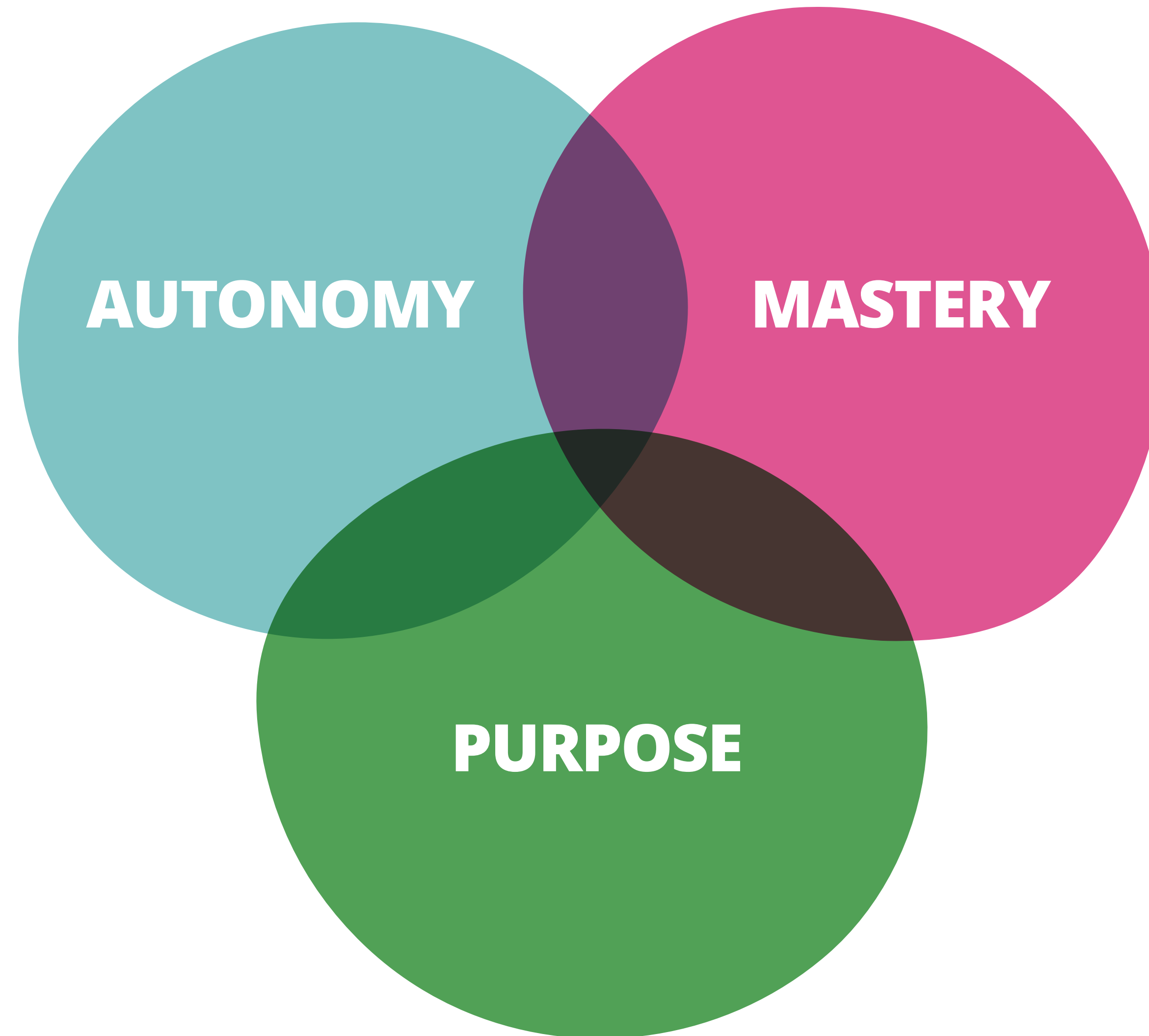
# SURVIVAL VS LEARNING ANXIETY

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# INDIVIDUAL MOTIVATION AND ENGAGEMENT

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# PORTFOLIO MANAGEMENT



# CLARITY, TRANSPARENCY AND ALIGNMENT



EVOLVE



# HOW BIG IS THINK BIG FOR YOU?



**Marc Andreessen** ✓  
@pmarca



Following

People I've known who make me feel I must think bigger: Thiel, Page, Musk, Zuckerberg, Jobs, Whitman, Sandberg, Clark, @balajis, @stewart.

RETWEETS  
**92**

FAVORITES  
**234**

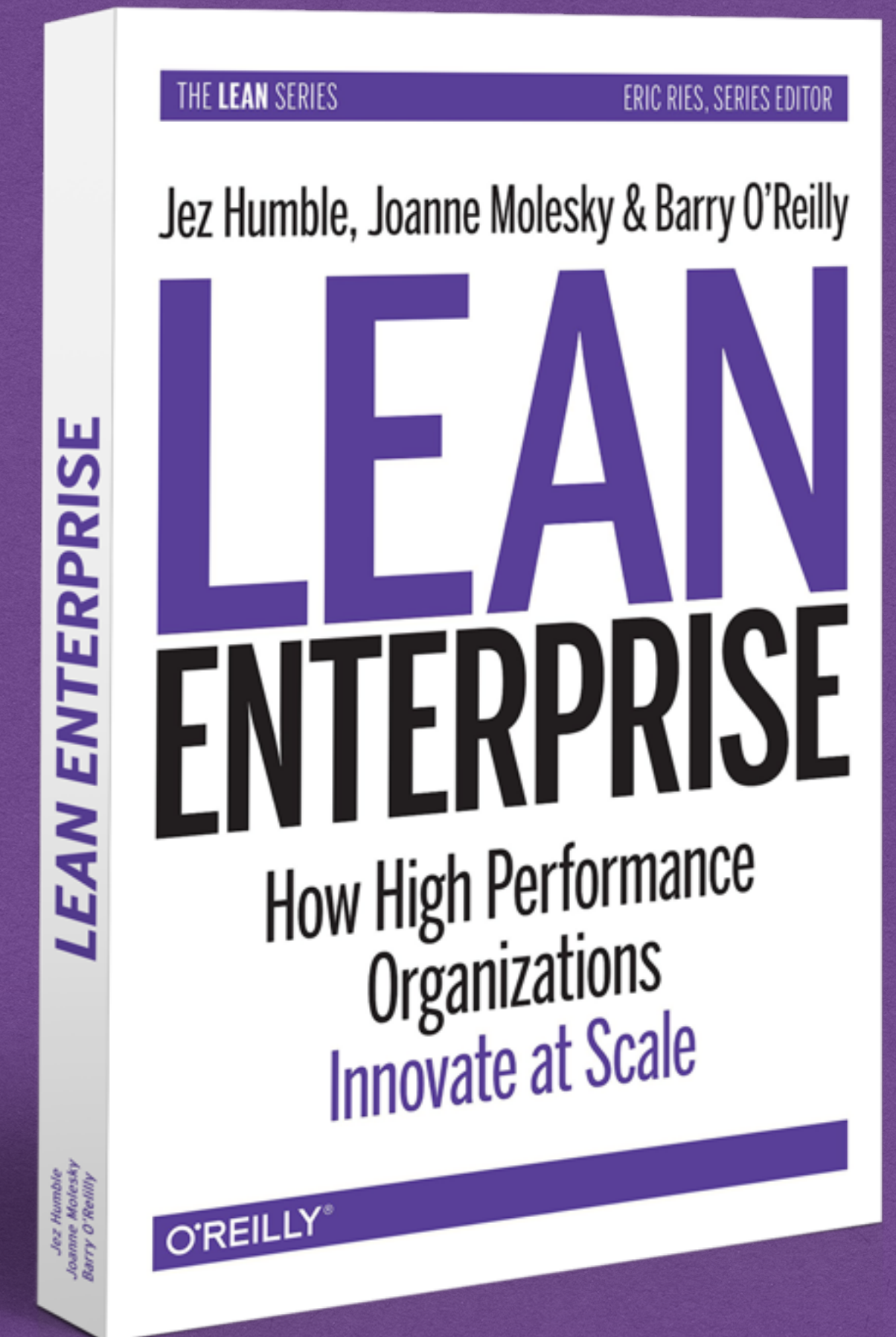


7:02 AM - 2 Sep 2015

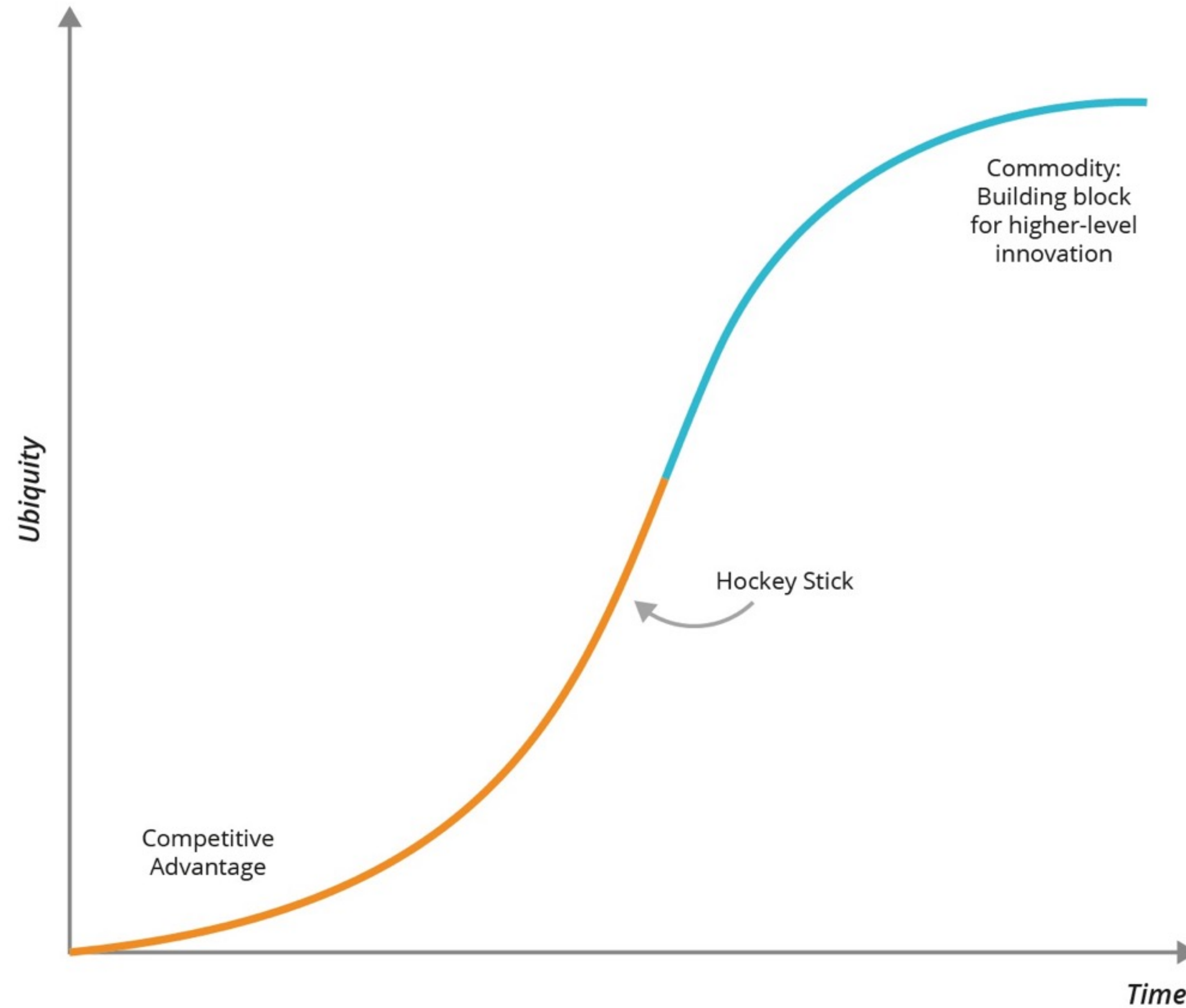
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# START NOW

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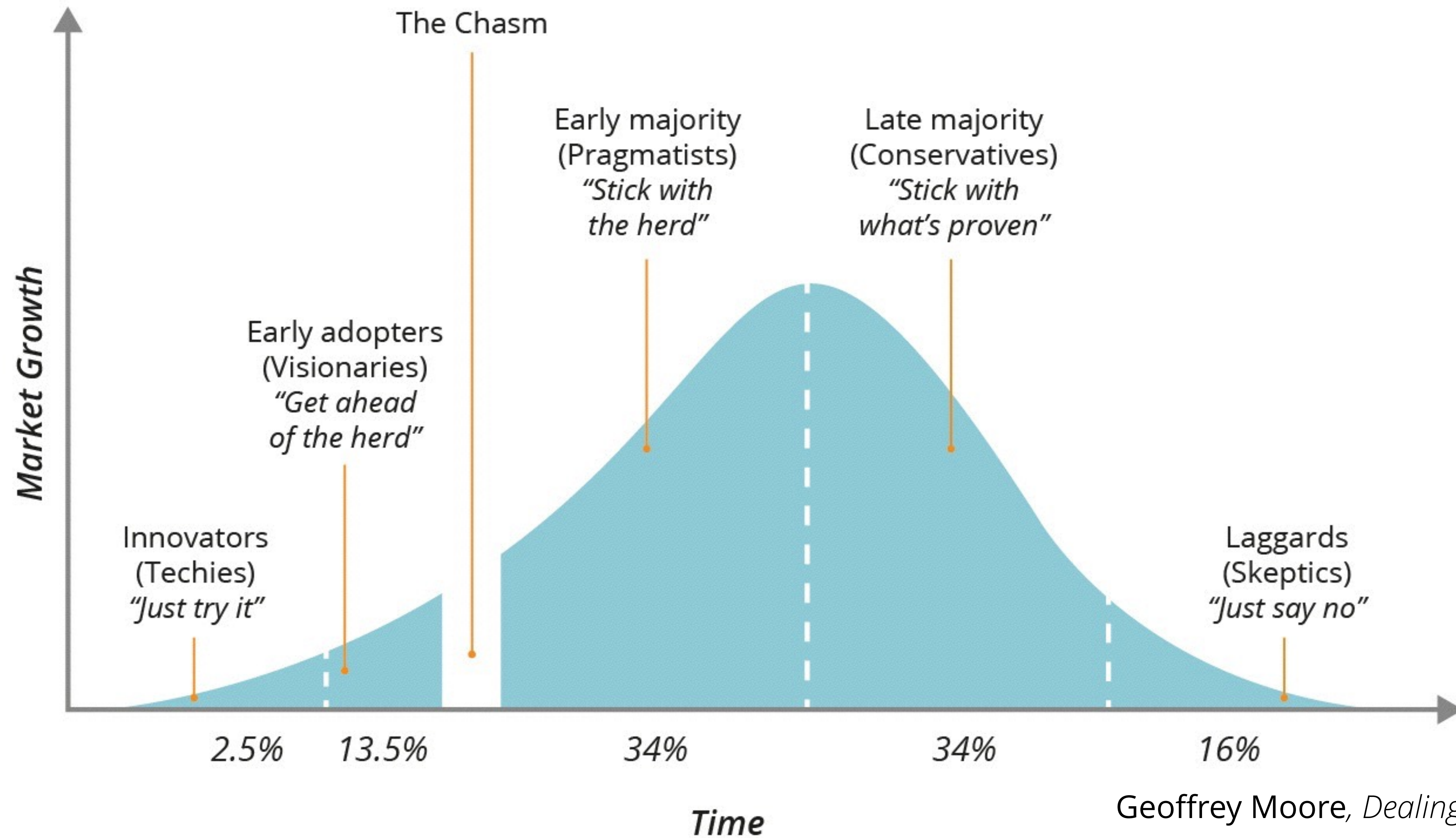


# DIFFUSION OF INNOVATION

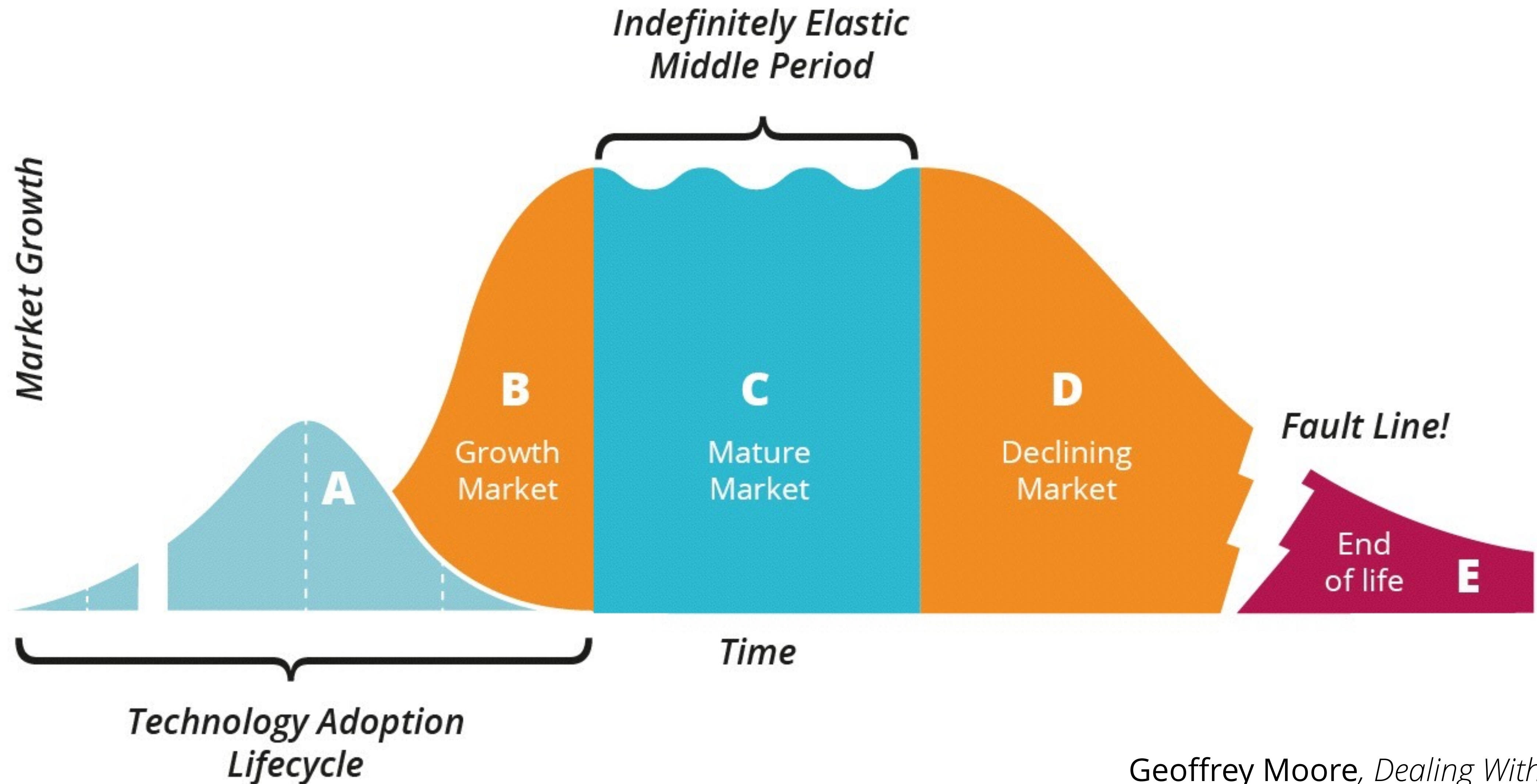


Everett Rogers, *Diffusions Of Innovations*

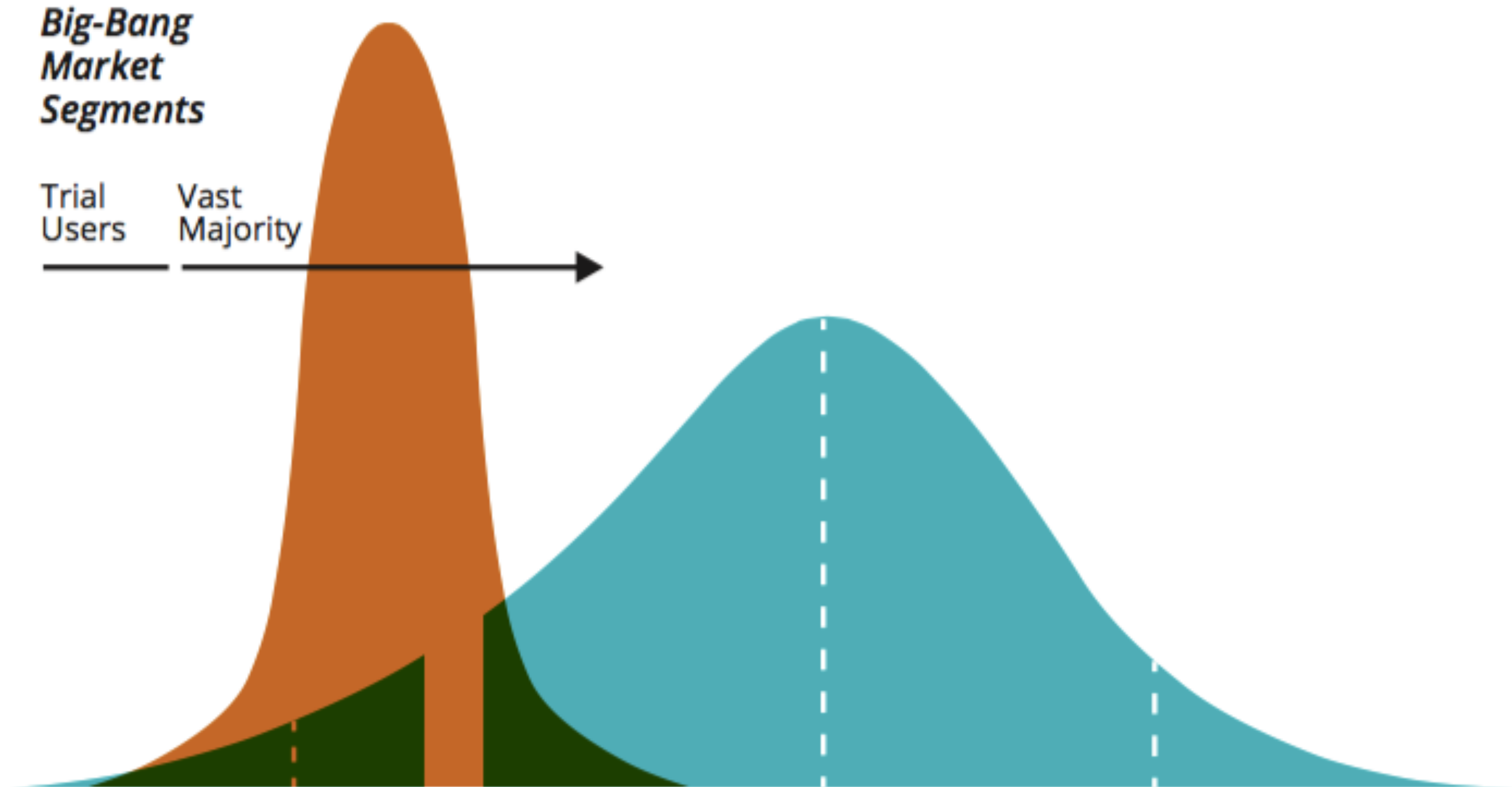
# CROSSING THE CHASM



# CONTINUOUS LIFECYCLE OF INNOVATION



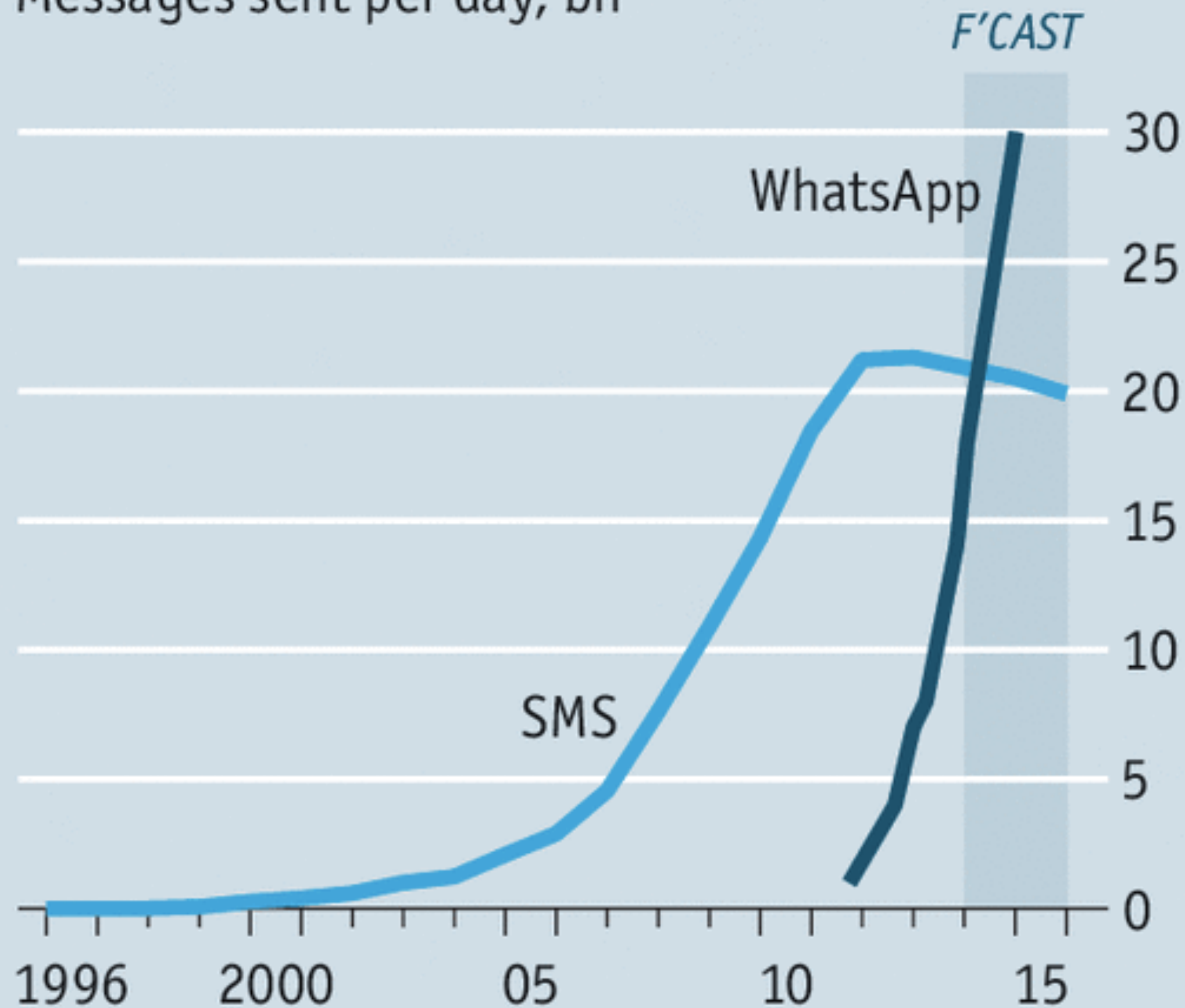
# BIG BANG DISRUPTION IS THE NEW NORMAL



Downes and Nunes, *Big Bang Disruption: Strategy in the Age of Devastating Innovations*

## OMG, RIP txt

Messages sent per day, bn



Sources: Portio Research; a16z

*In 2014 WhatsApp handled more than seven trillion messages, about 1,000 per person on the planet.*

*The Economist:  
"The Message Is The Medium"  
25 March 2015*

# BUSINESS MODEL INNOVATION STRATEGIES

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## EXPLORE

*Uncertainty*

*Complex*

*Emergent*

*Experimental*

## EXPLOIT

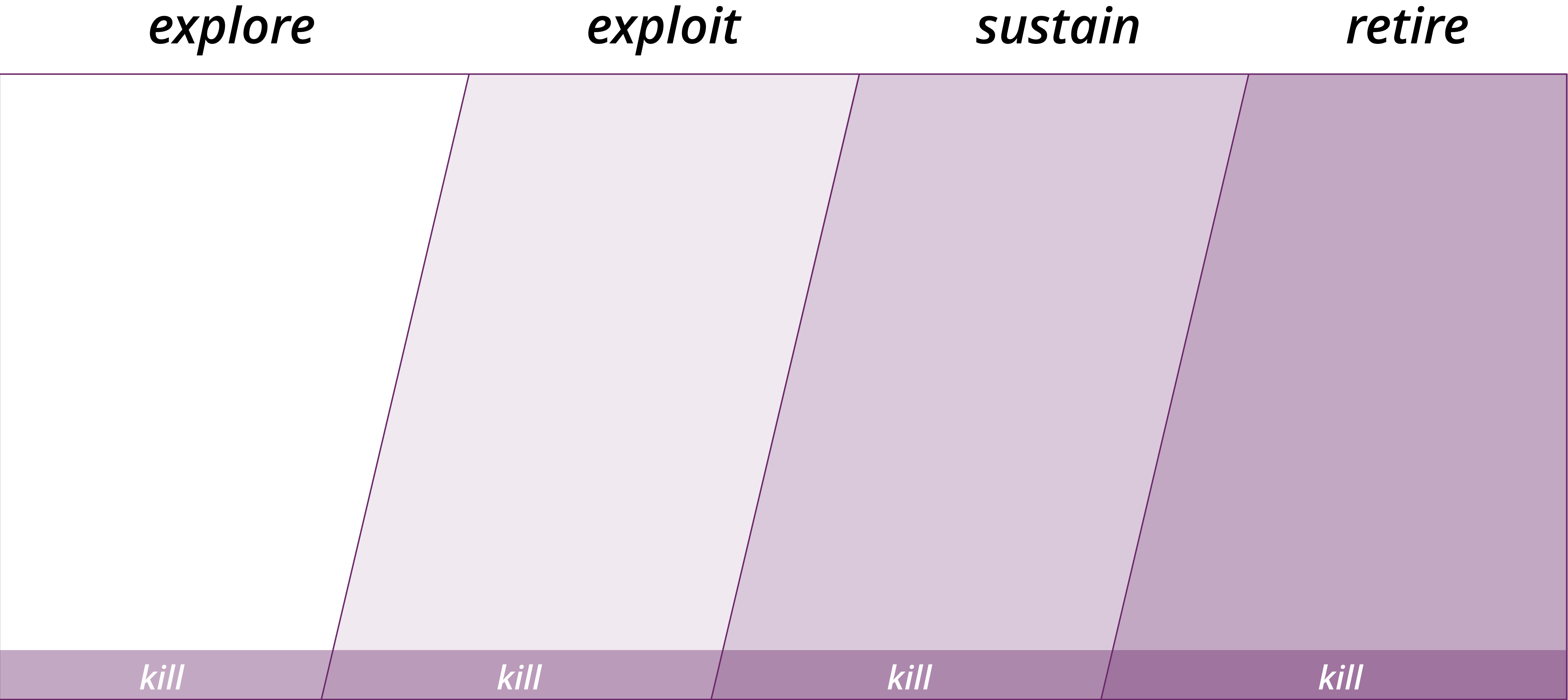
*Improved understanding*

*Cause and effect*

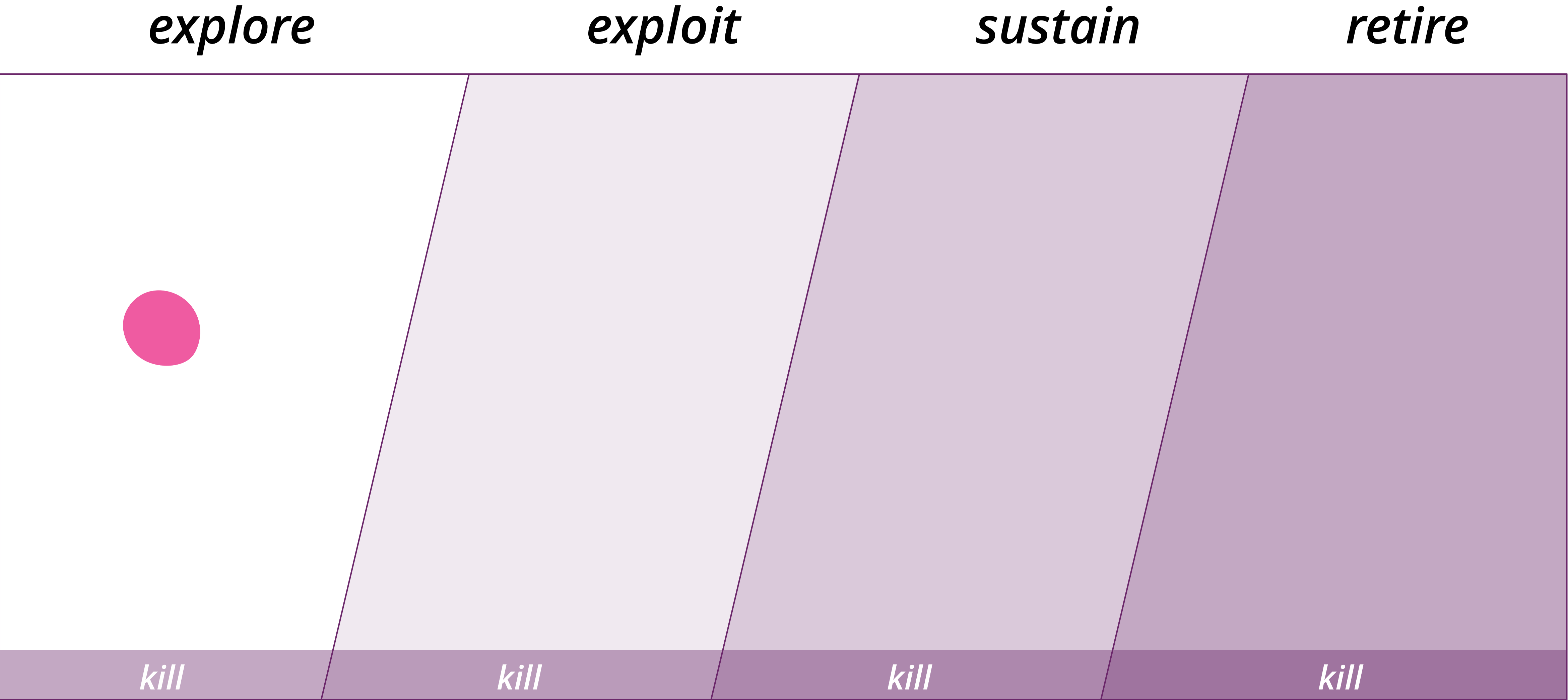
*Accumulated knowledge*

*Forecast*

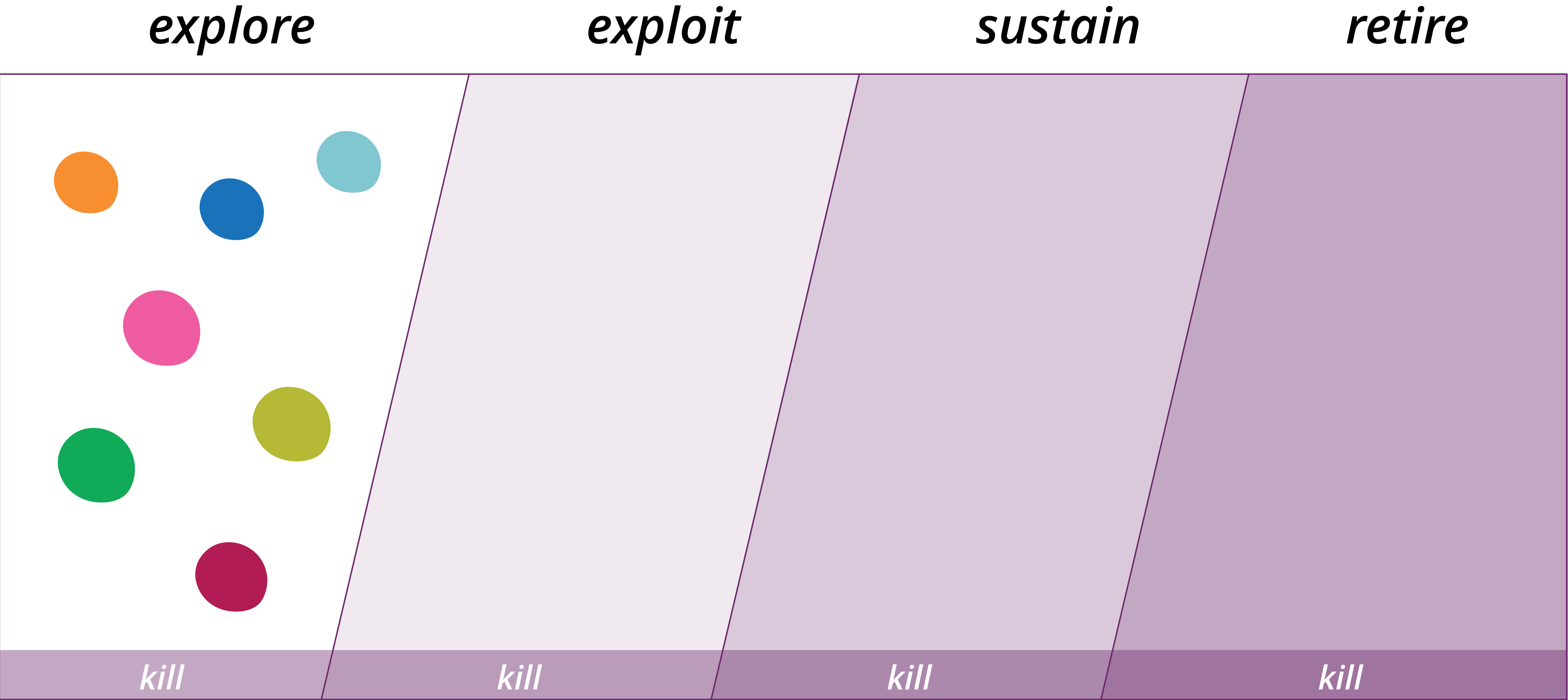
# INNOVATION PORTFOLIO



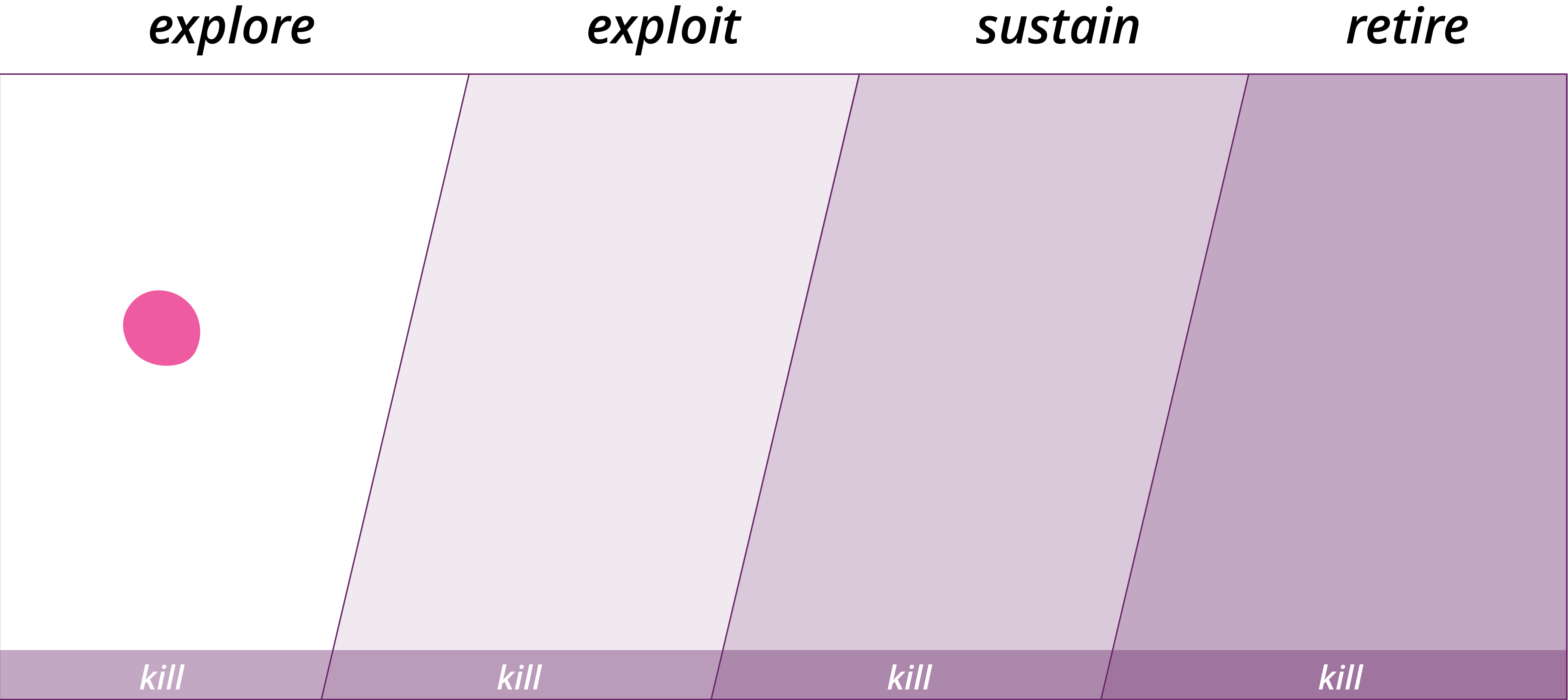
# INNOVATION PORTFOLIO



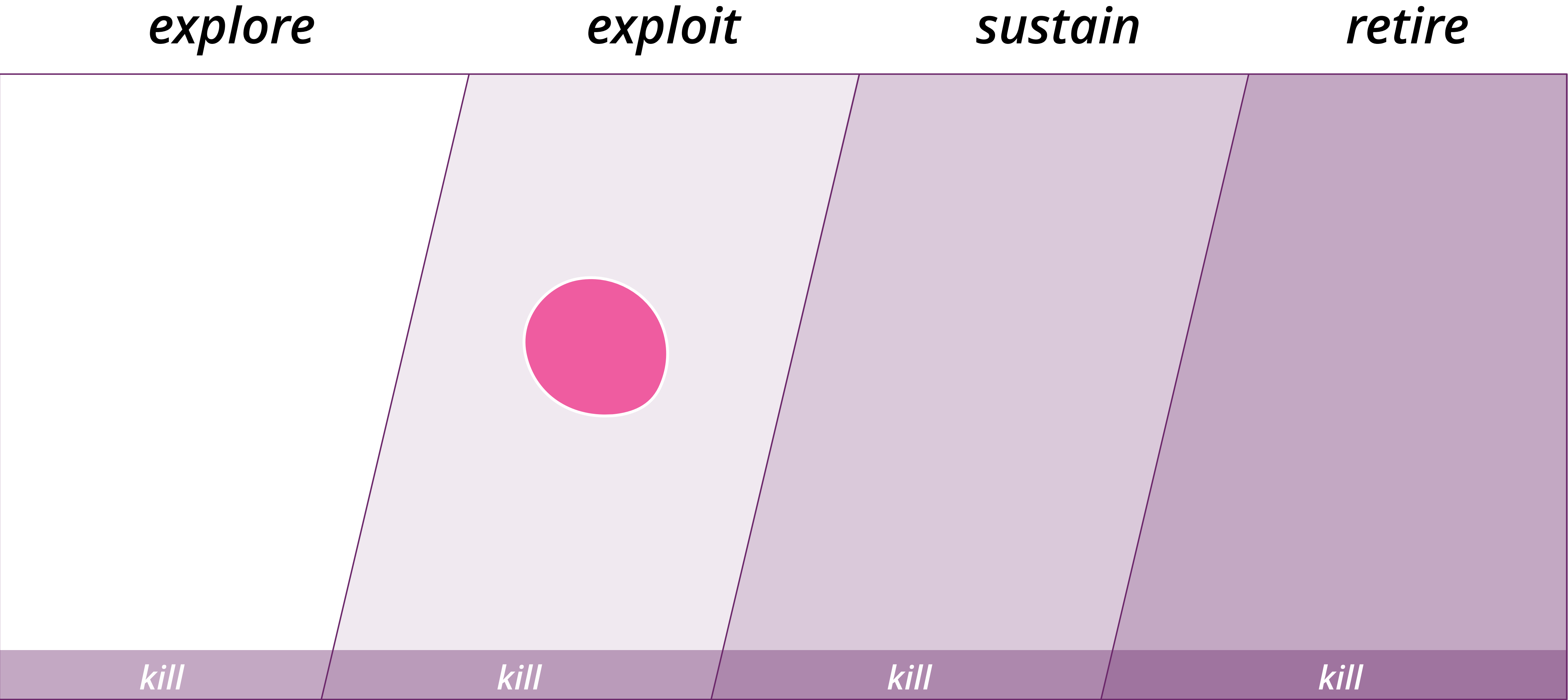
# INNOVATION PORTFOLIO



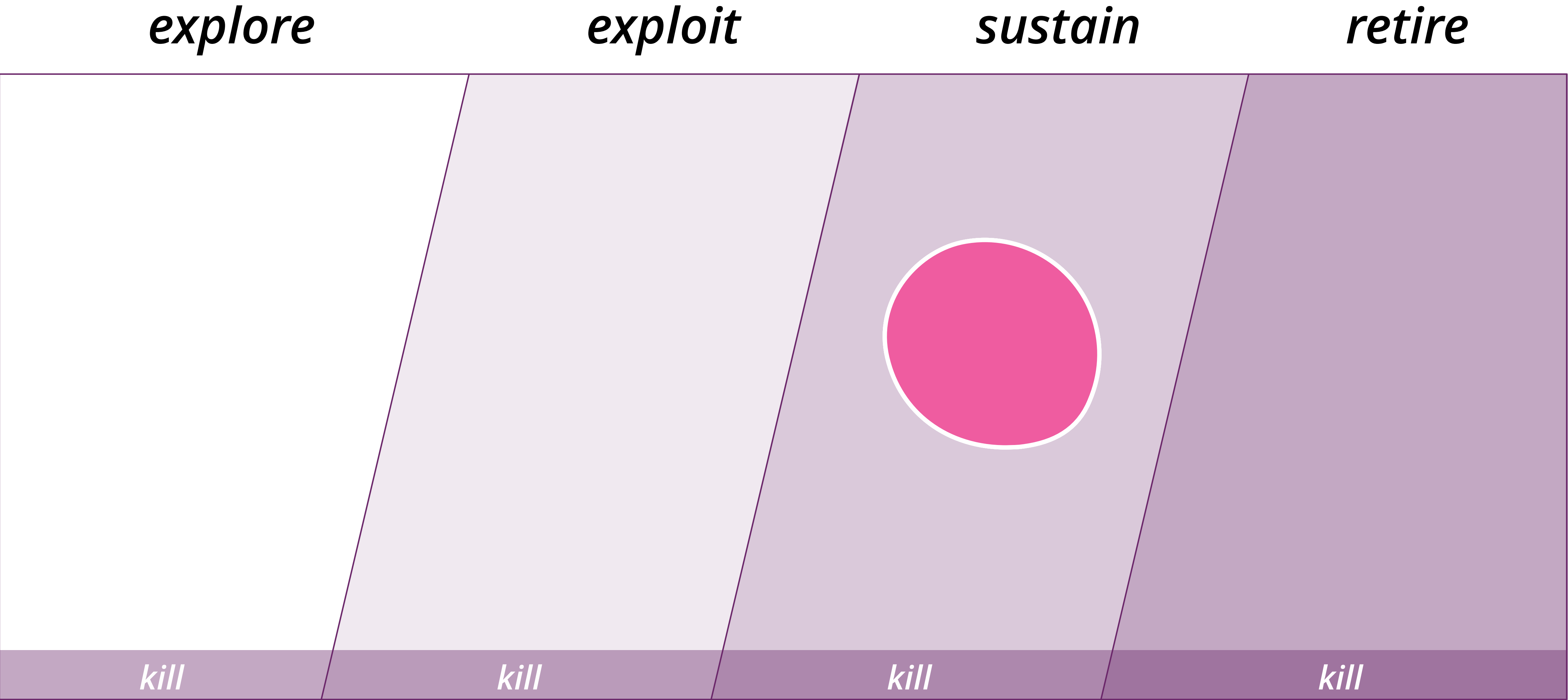
# INNOVATION PORTFOLIO



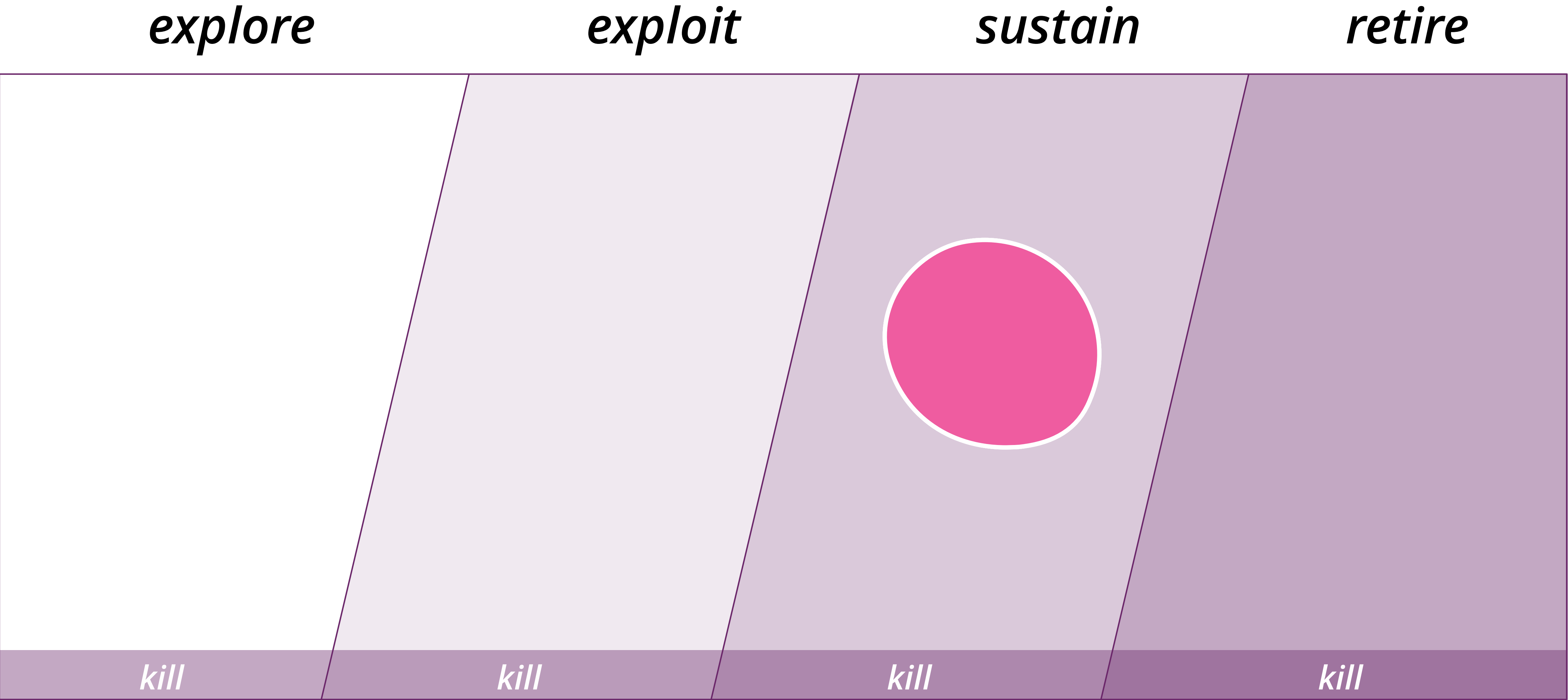
# INNOVATION PORTFOLIO



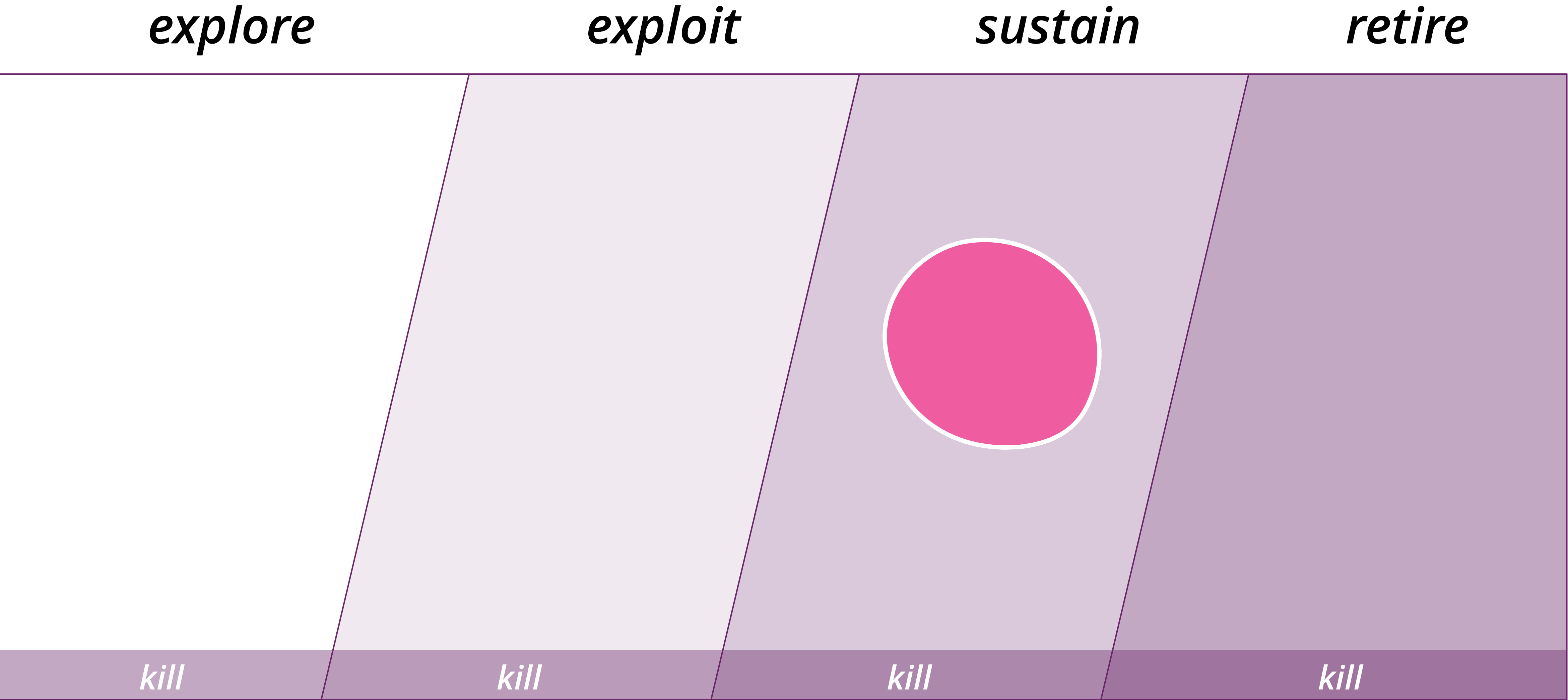
# INNOVATION PORTFOLIO



# INNOVATION PORTFOLIO



# INNOVATION PORTFOLIO



# INNOVATION PORTFOLIO

*explore*

*exploit*

*sustain*

*retire*

DISRUPT

*kill*

*kill*

*kill*

*kill*



“

*It's typical for 50% of the total product development time to be spent on the fuzzy front end*

”

- Don Reinersten, *The Principles Of Product Development Flow*

# The New York Times

## Paper Rocks Digital

### 3 Opportunities, 6 Weeks, 3 Teams

Minim four loko fap direct trade ethical. PBR VHS esse wolf, beard Kickstarter minim commodore typewriter ex. Commodore typewriter in, flexitarian Blue Bottle small batch tousled PBR&B ut aliqua pour-over vero sustainable reprehenderit art party. Commodore typewriter in, flexitarian Blue

Banjo flannel PBR&B, dreamcatcher next level commodore minim four loko fap direct trade ethical. PBR VHS esse wolf, beard Kickstarter minim commodore typewriter ex. Commodore typewriter in, flexitarian Blue



***“We wanted to experiment and show a new way of working to drive culture change”***

*- Al Ming, Senior Product Director*

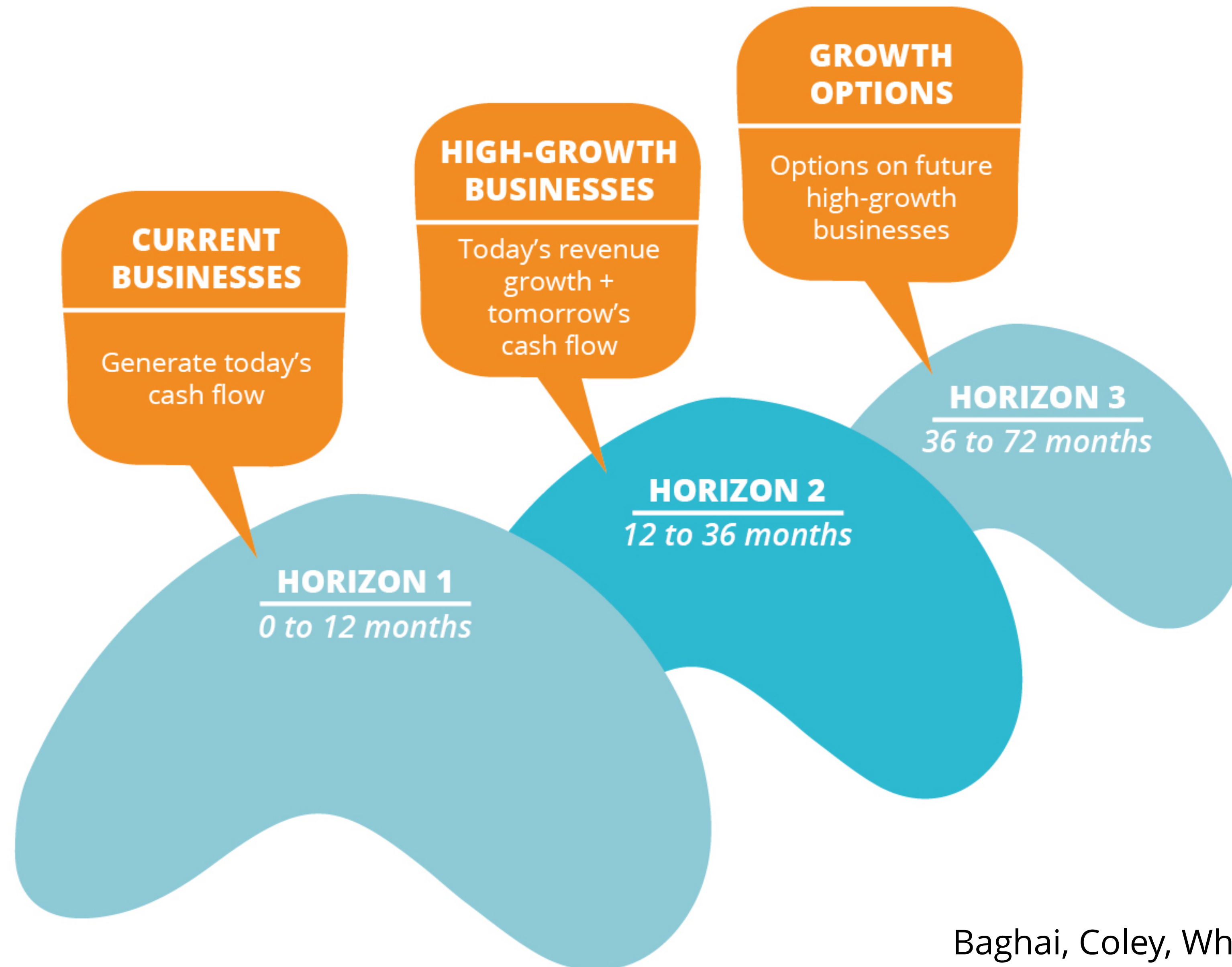


### **NYT Release Product Discovery Activity Guide To Help Others Innovate**

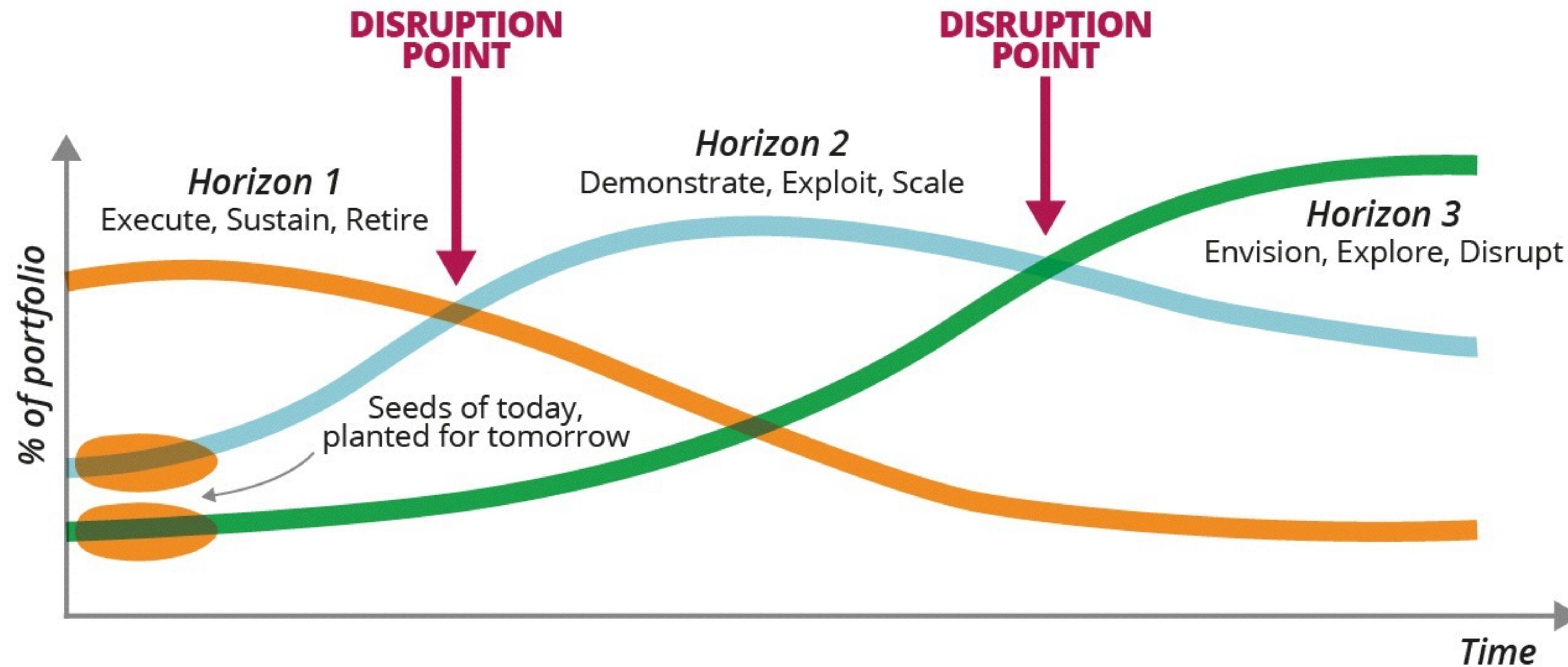
Banjo flannel PBR&B, dreamcatcher next level commodore minim four loko fap direct trade ethical. PBR VHS esse wolf, beard Kickstarter minim commodore typewriter ex. reprehenderit art party. Butcher literally fixie, nihil crucifix VHS chia Blue Bottle labore meditation Thundercats before they sold out enim Williamsburg semiotics.

Find out more: 9 Lean Lessons From The New York Times, <http://www.thoughtworks.com/talks/9-lean-lessons-nyt-newyork-06-2015>

# WHAT ON YOUR HORIZONS?



# BALANCE YOUR PORTFOLIO



# intuit

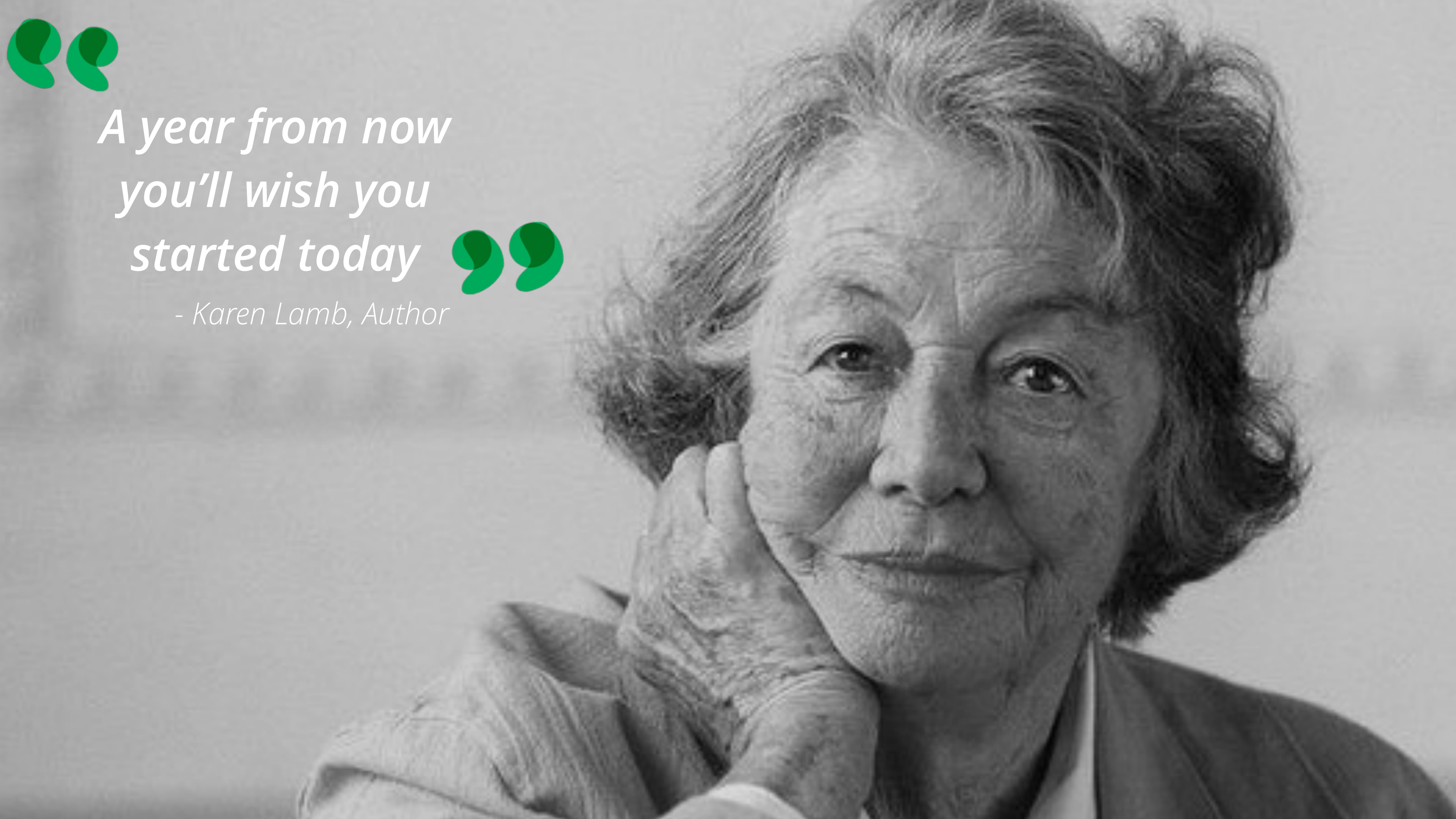


# intuit



QuickBooks®





*A year from now  
you'll wish you  
started today*

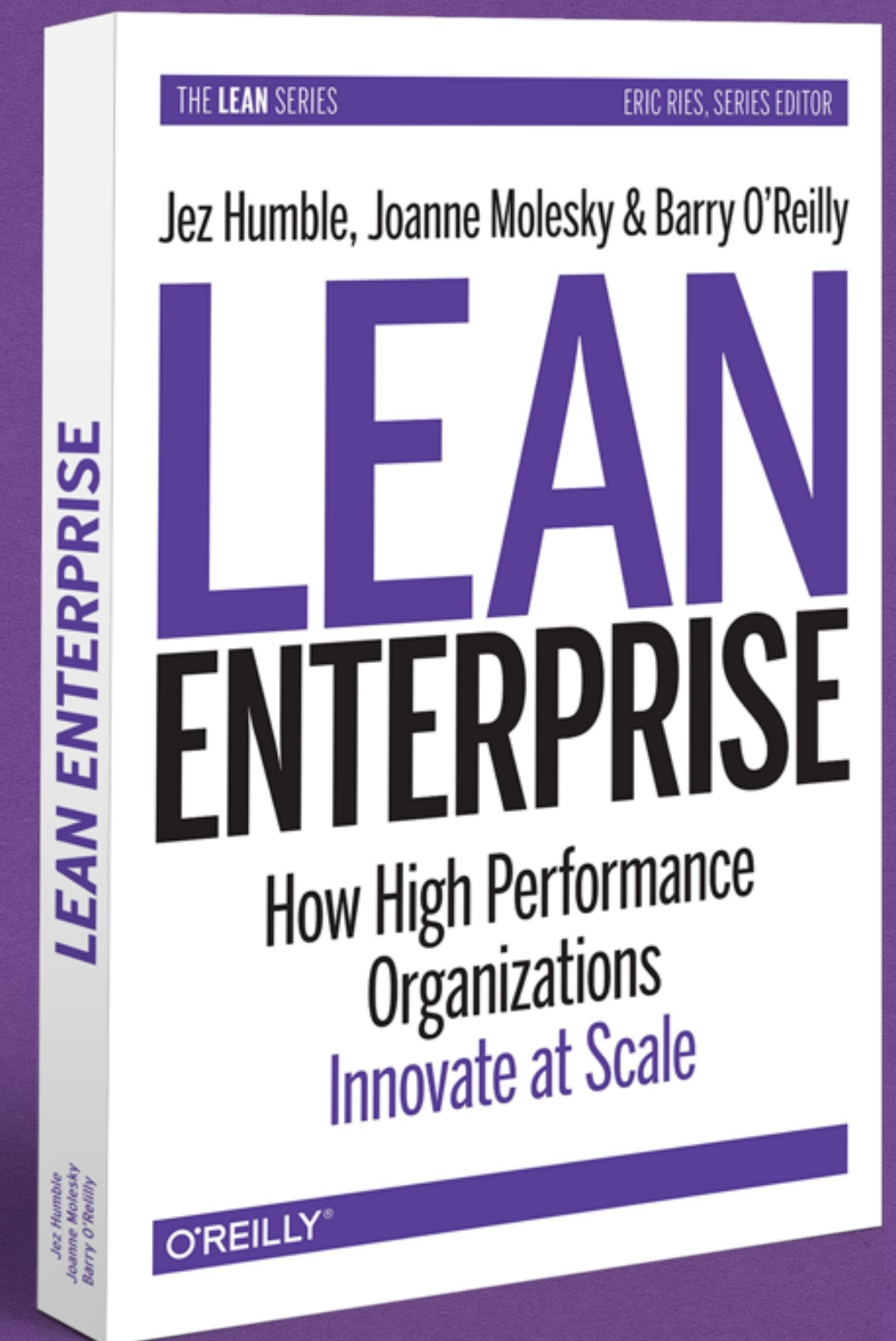


*- Karen Lamb, Author*

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# *LEARN FAST*

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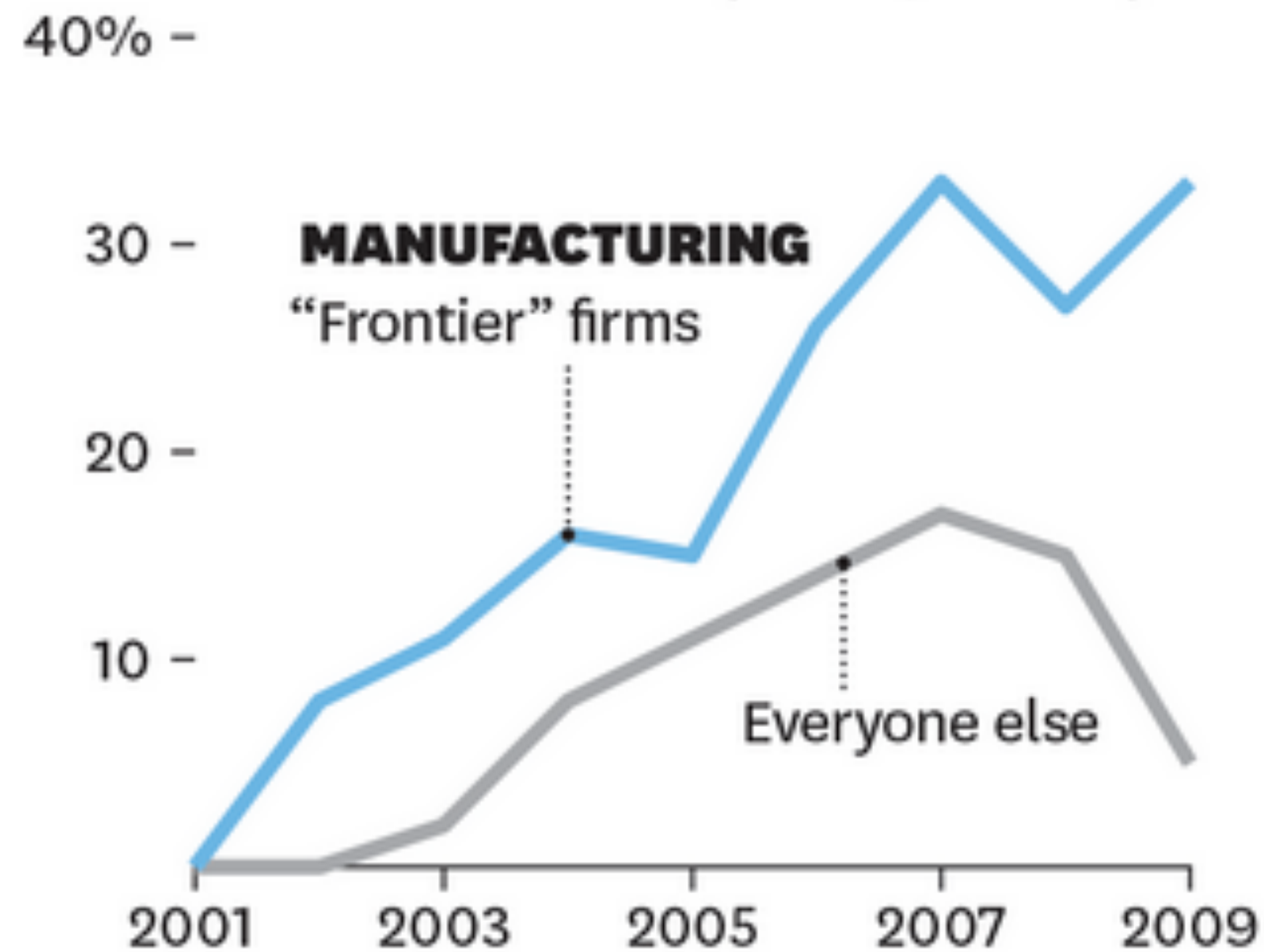


# WHAT IS YOUR RATE OF LEARNING?

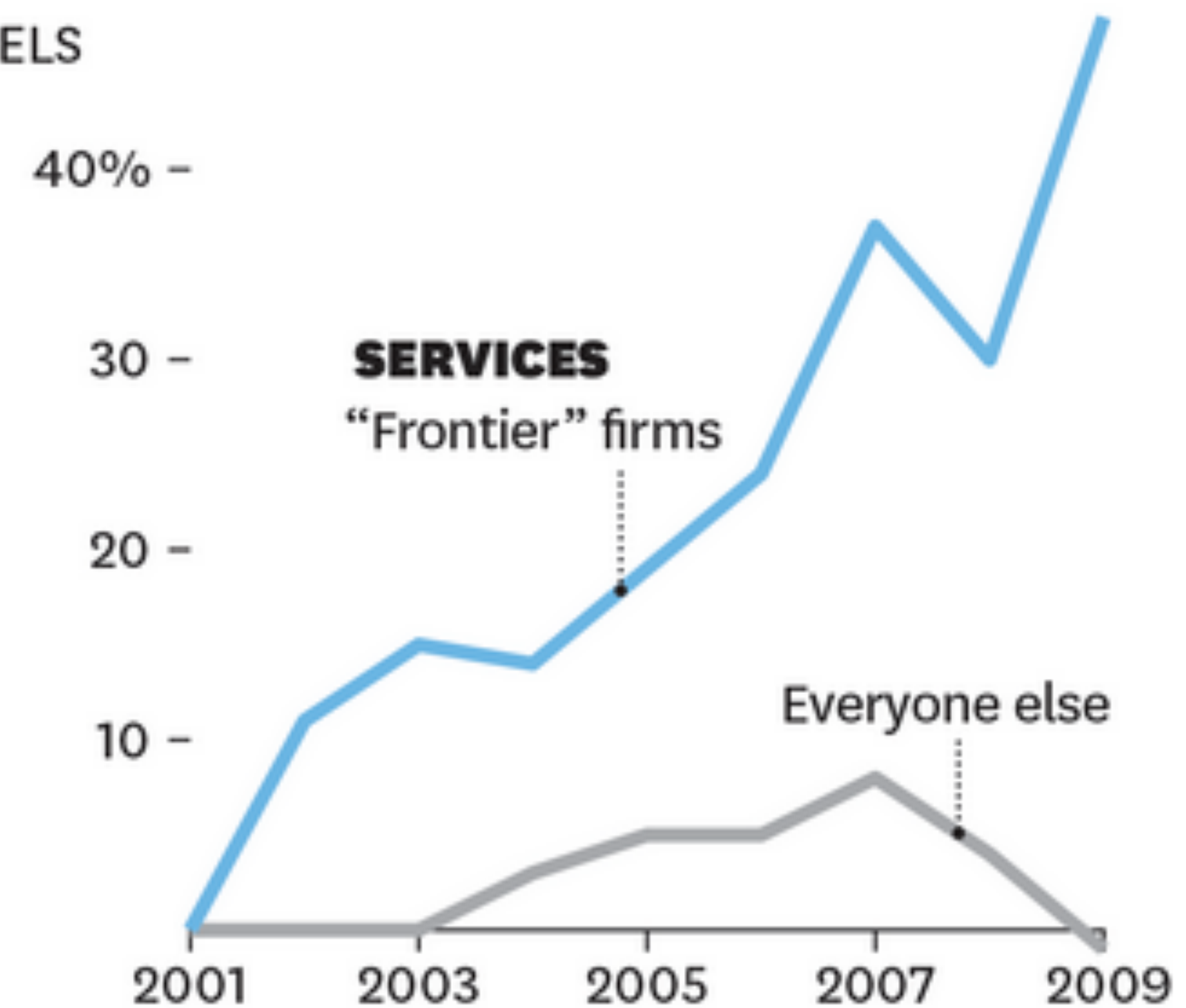
## The Gap Between the Most Productive Firms and the Rest Is Growing

A look at labor productivity in manufacturing and services.

PERCENTAGE DIFFERENCE IN LABOR PRODUCTIVITY LEVELS  
FROM THEIR 2001 VALUES (INDEX, 2001=0)

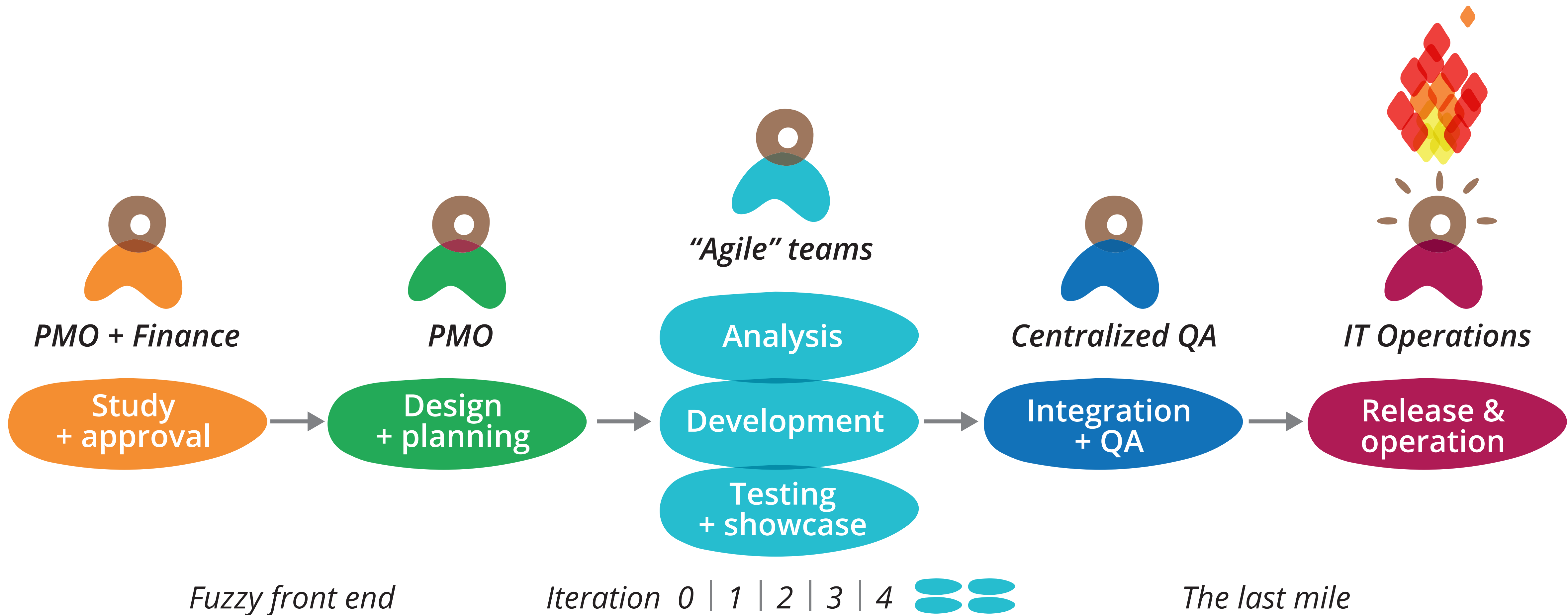


SOURCE "THE FUTURE OF PRODUCTIVITY," OECD, 2015



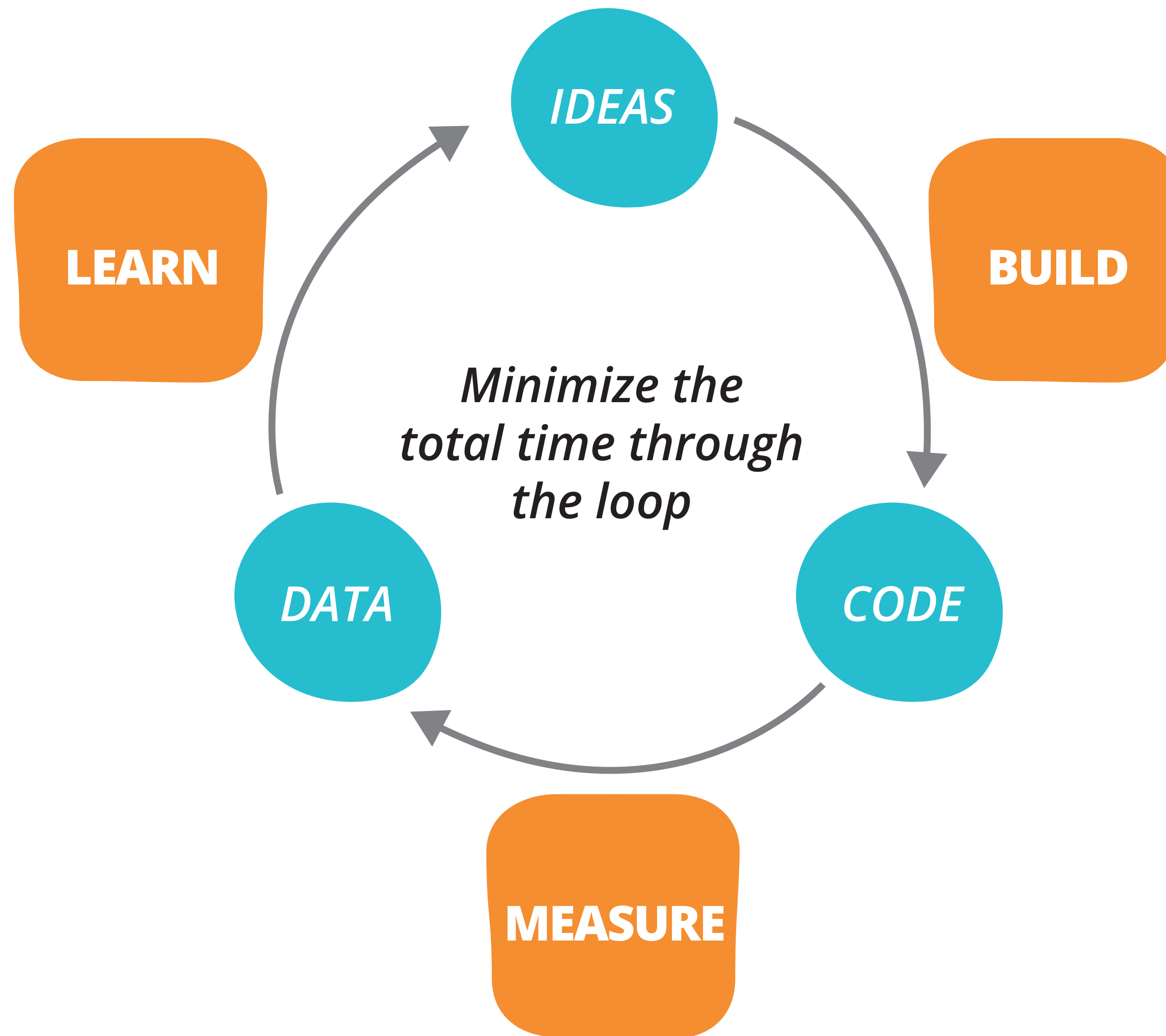
© HBR.ORG

# ANNUAL-FUZZY-WATER-KAN-SCRUM-CONTINUOUS-FALL-BAN-DELIVERY-OPS



# CYCLE TIME THROUGH THE LOOP IS WHAT CREATES KNOWLEDGE

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Max number of deployments in a single hour: **1,079**

Mean time between deployments (weekday): **11.6 seconds**

Mean number of hosts simultaneously receiving a deployment: **10,000**

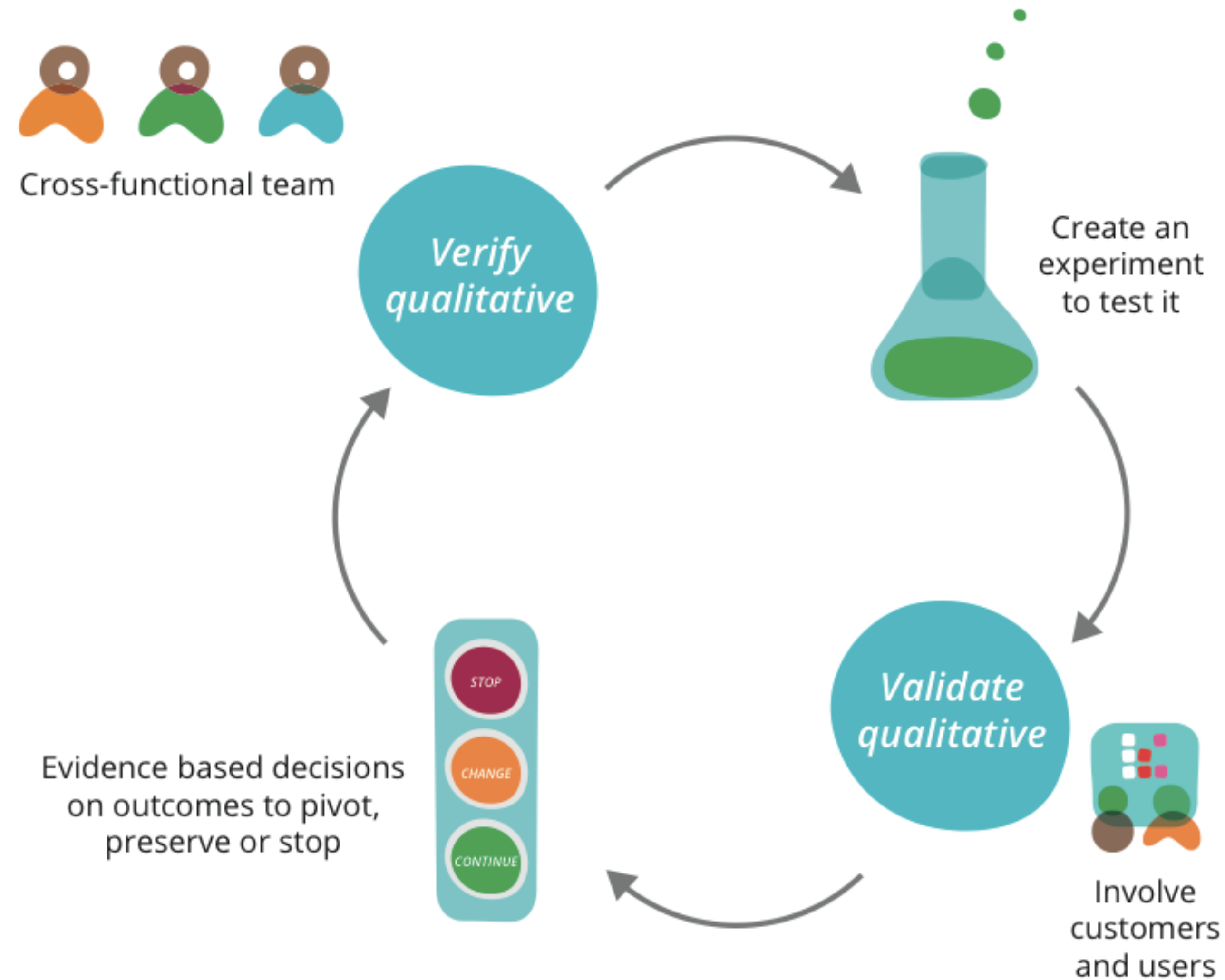
Max number of hosts simultaneously receiving a deployment: **30,000**

*Jon Jenkins: "Velocity Culture, The Unmet Challenge in Ops" 2011*

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# REDUCE UNCERTAINTY WITH EXPERIMENTS

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# The Health Insurance Marketplace is Open!

Enroll now in a plan that covers essential benefits, pre-existing conditions, and more.

Plus, see if you qualify for lower costs.

**APPLY NOW**

**WANT TO LEARN MORE FIRST?**

**START HERE**

Get covered: A one-page guide

Find the Marketplace in your state

Get lower costs on health insurance

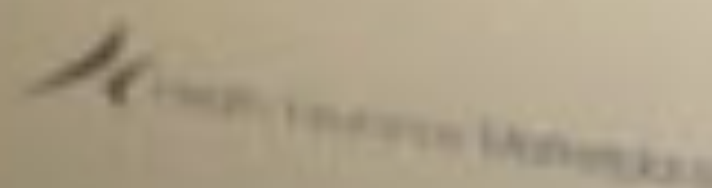
See what Marketplace insurance covers

Get help with your application

# The System is down at the moment.

We're working to resolve the issue as soon as possible. Please try again later.

Please include the reference ID below if you wish to contact us at 1-800-318-2596 for support.  
Error from: [https://www.healthcare.gov/marketplace/global/en\\_US/registration%23signUpStepOne](https://www.healthcare.gov/marketplace/global/en_US/registration%23signUpStepOne)  
Reference ID: 0.cd674017.1380600533.39d54f72



181 DAYS LEFT TO  
ENROLL

STEP  
1 Open  
Enrollment  
Begin

STEP  
1 Coverage Can  
Begin

STEP  
31 Open  
Enrollment  
Closes

CONNECT WITH US

Share Your Story



**GOV.UK**

The Royal Coat of Arms of the United Kingdom is centered in the background. It features a shield supported by a lion and a unicorn, topped with a crown. The shield is encircled by a wreath of oak leaves.

**14 people**

**£261,000**

**12 weeks**

**GOV.UK**

# 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

0

User needs are researched and identified

[Learn more about the discovery phase](#)

Alpha

1

A core service is built to meet the main user needs

[Learn more about the alpha phase](#)

Beta

15

The service is improved, then tested in public

[Learn more about the beta phase](#)

Live

9

The service is public and works well. It'll be continually improved to meet user needs

[Learn more about the live phase](#)

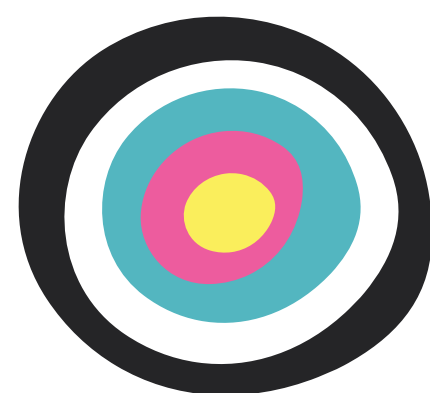
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**WHAT CAN I DO  
TOMORROW?**

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# BE CLEAR AND SHARE THE PRINCIPLE OF MISSION

## Principle of Mission

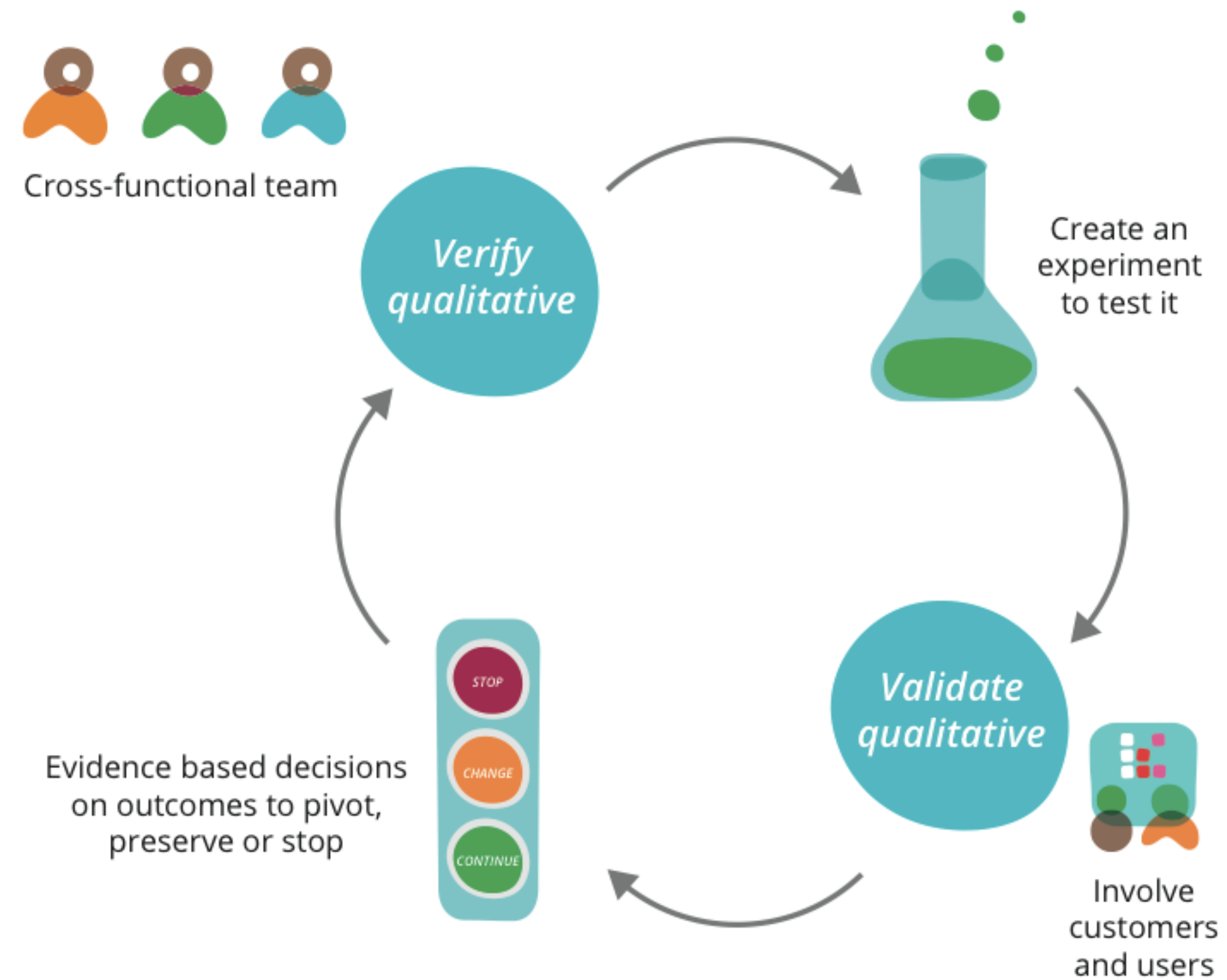


## Executive Team



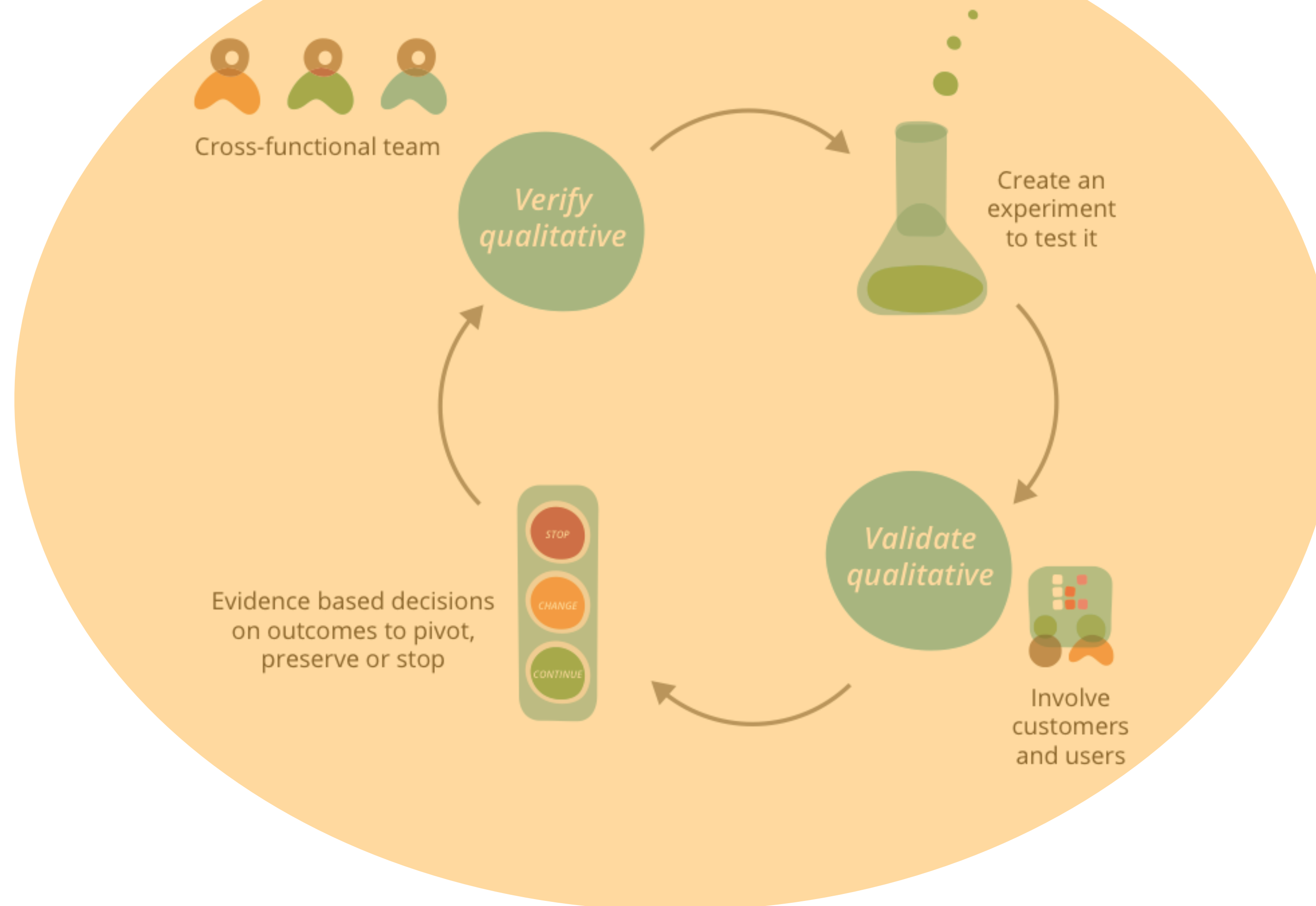
# REDUCE UNCERTAINTY BY EXPERIMENTING

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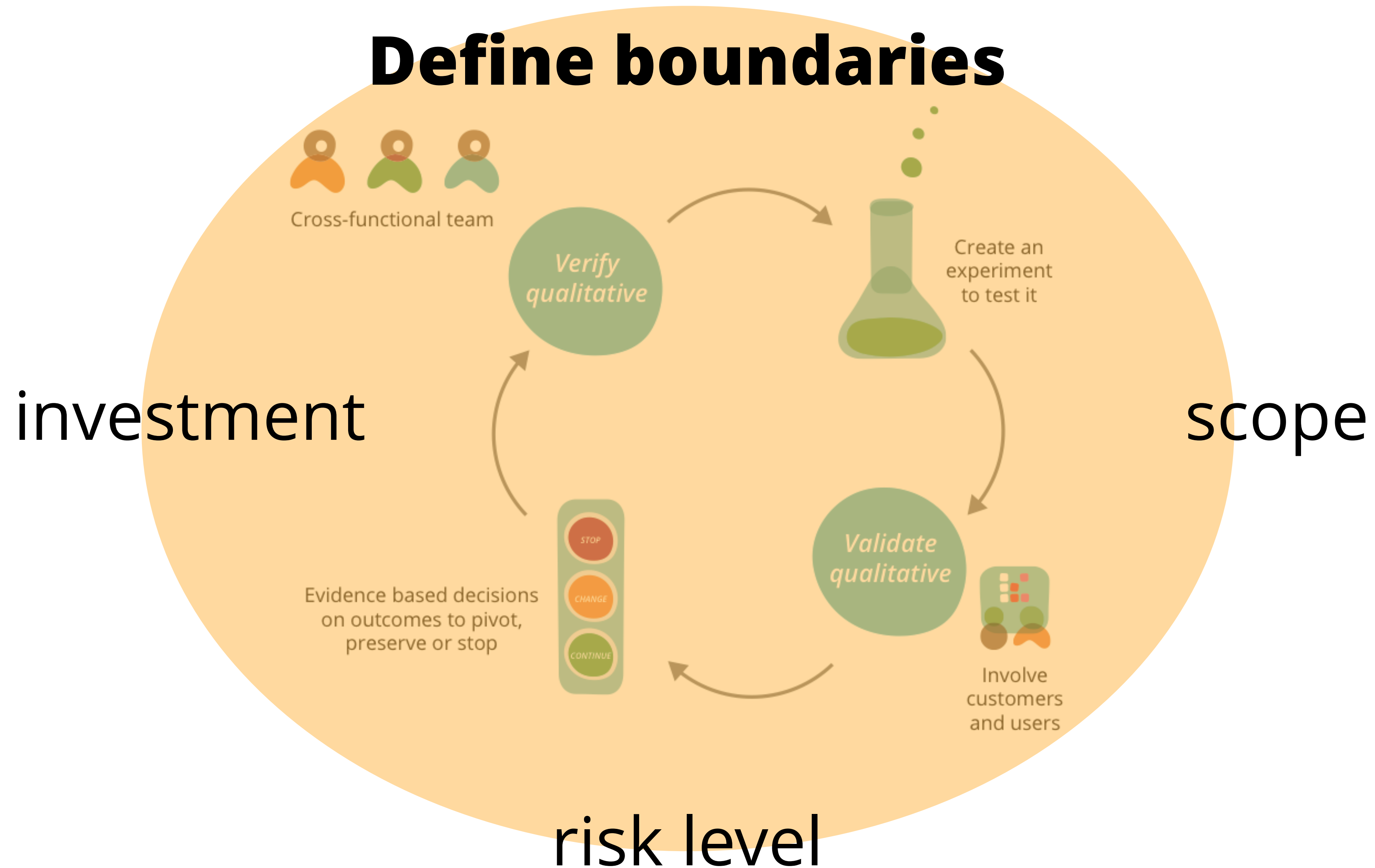


# REDUCE UNCERTAINTY BY EXPERIMENTING

## Define boundaries



# REDUCE UNCERTAINTY BY EXPERIMENTING



# ***HOW HIGH PERFORMANCE ORGANIZATIONS INNOVATE AT SCALE***



**THINK BIG.**

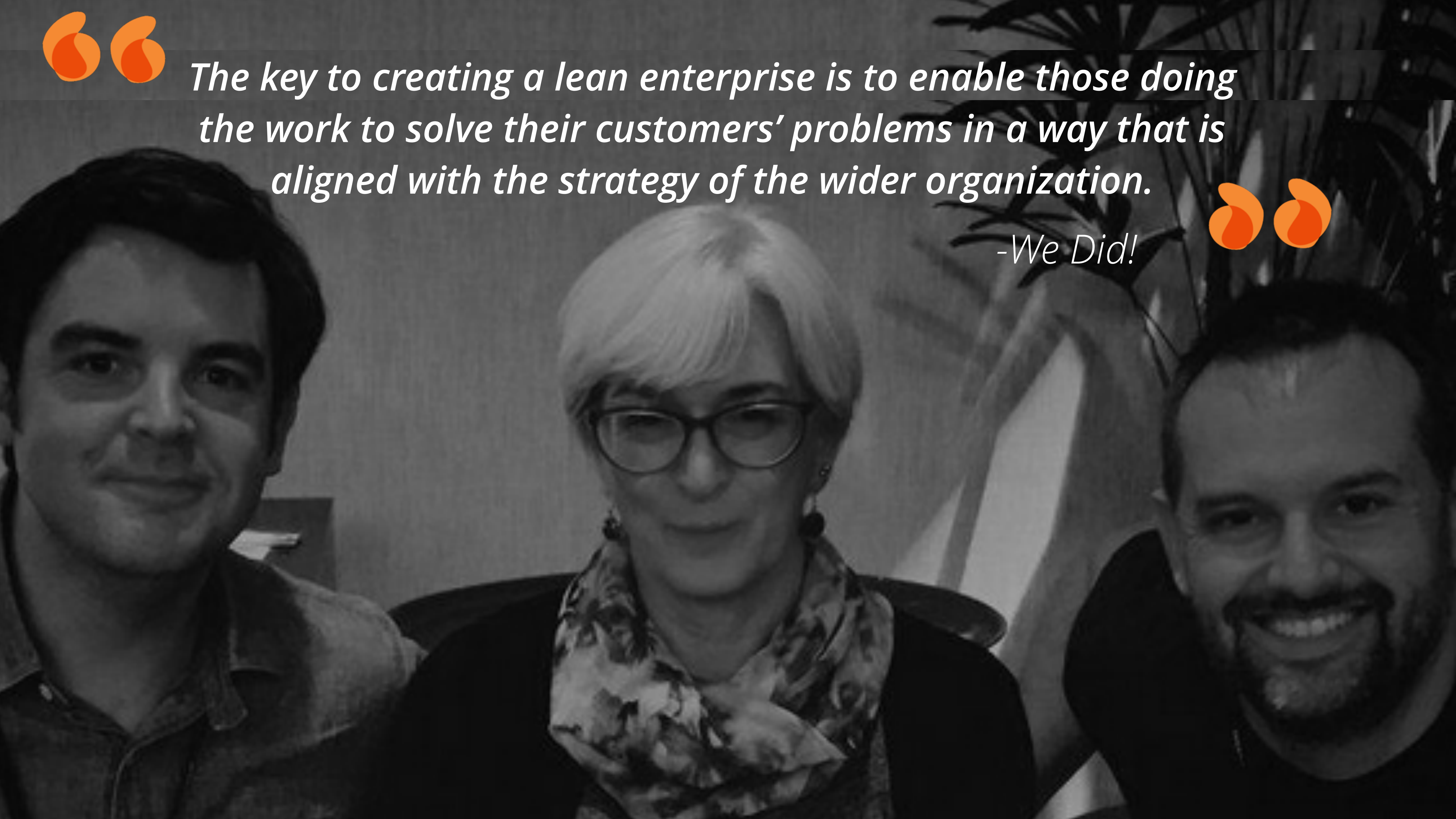
START NOW.

***Learn fast.***



*The key to creating a lean enterprise is to enable those doing the work to solve their customers' problems in a way that is aligned with the strategy of the wider organization.*

*-We Did!*



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# THANK YOU

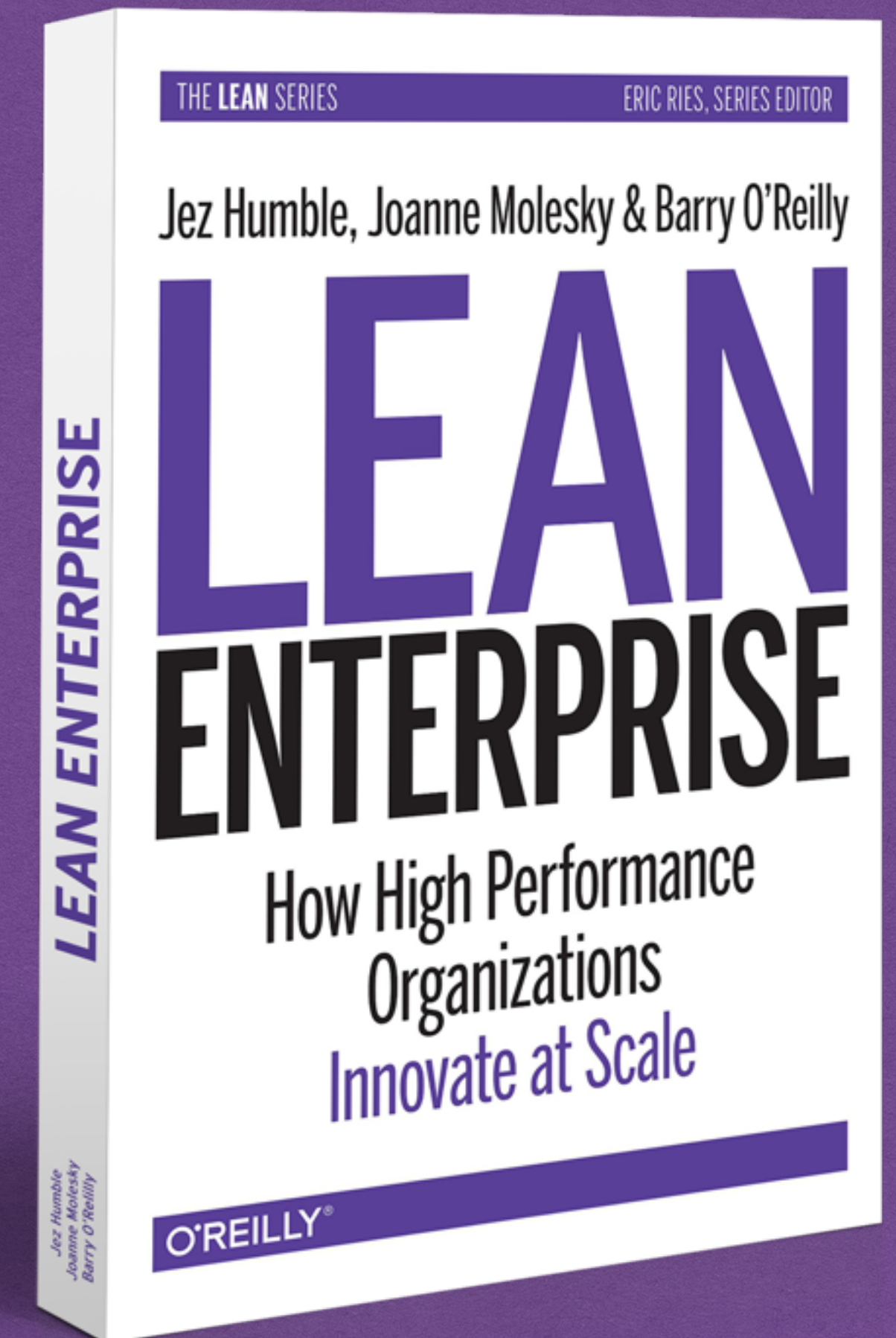
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*Download Free Sample Chapters from Lean Enterprise at <http://info.thoughtworks.com/lean-enterprise-book.html>*