

Errors and Omissions with Big-Bang Scaling

presented by: Gene Gendel



<https://www.keystepstosuccess.com/>



Gene Gendel is an organizational design consultant, adaptive & lean coach and trainer, and independent adviser to senior leadership. Gene is a widely recognized, world-class trainer/instructor, and is mainly focused on organizational design and product centricity, the experience for which he has gained, over the decades of deeply embedded coaching and consulting. Gene's [clients](#) represent a wide industry spectrum. Almost 15 of 20+ years of his professional experience Gene has dedicated to working with companies of various sizes and lines of business, trying to help them improve internal dynamics, organizational structure and becoming a better place for people to work in. Gene engages at *all* organizational levels: senior- and mid-level management, teams and individuals. In his work, Gene uses various methods, tools and techniques to amplify learning of other people and to ensure that his followers gain autonomy after Gene “coaches himself out of the job”. Over the last decade, Gene’s big focus has been on large financial institutions and consulting companies that struggle with moving away, from traditional budgets and portfolio/program/project work decomposition, towards more adaptive/flexible budgeting and better clearly products (product-centric, customer-focused development).

Gene is the co-founder of **KSTS Consulting**, *the only company in the United States that has the credential of a [Certified LeSS Coaching Company](#)*. Gene’s, highly in-demand LeSS [classes](#), both private and public, are based on advanced system modelling and rich exosystemic perspective that includes intra-organizational dynamics and market realities.





Your choice of partnership matters

One Stop-Shop For:

- ❖ Organizational and team structure and dynamics
- ❖ Executive coaching and consulting
- ❖ Individual, single team and multi-team coaching
- ❖ Upskilling Scrum Masters and Product Owners
- ❖ HR advisory: building talent and defining careers
- ❖ Training: Agile, Kanban, Scrum, Large Scale Scrum
- ❖ Workshops: product discovery & business agility
- ❖ “SAFe Recovery” Program (gradual improvements)
- ❖ Complimentary lunch & learn sessions



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Learning Opportunities

Upcoming LeSS Training

This course is an introduction to product-centric organizational design, business agility and resilience, in the fast-paced and constantly-changing world of GenAI. Learning Large Scale Scrum (LeSS) organizational system gives a strong competitive advantage to individuals, in today's highly marketplace.

Note: *This class is deeply discounted to make it **LATAM** – friendly. Please, reach out directly, if you have any questions.*

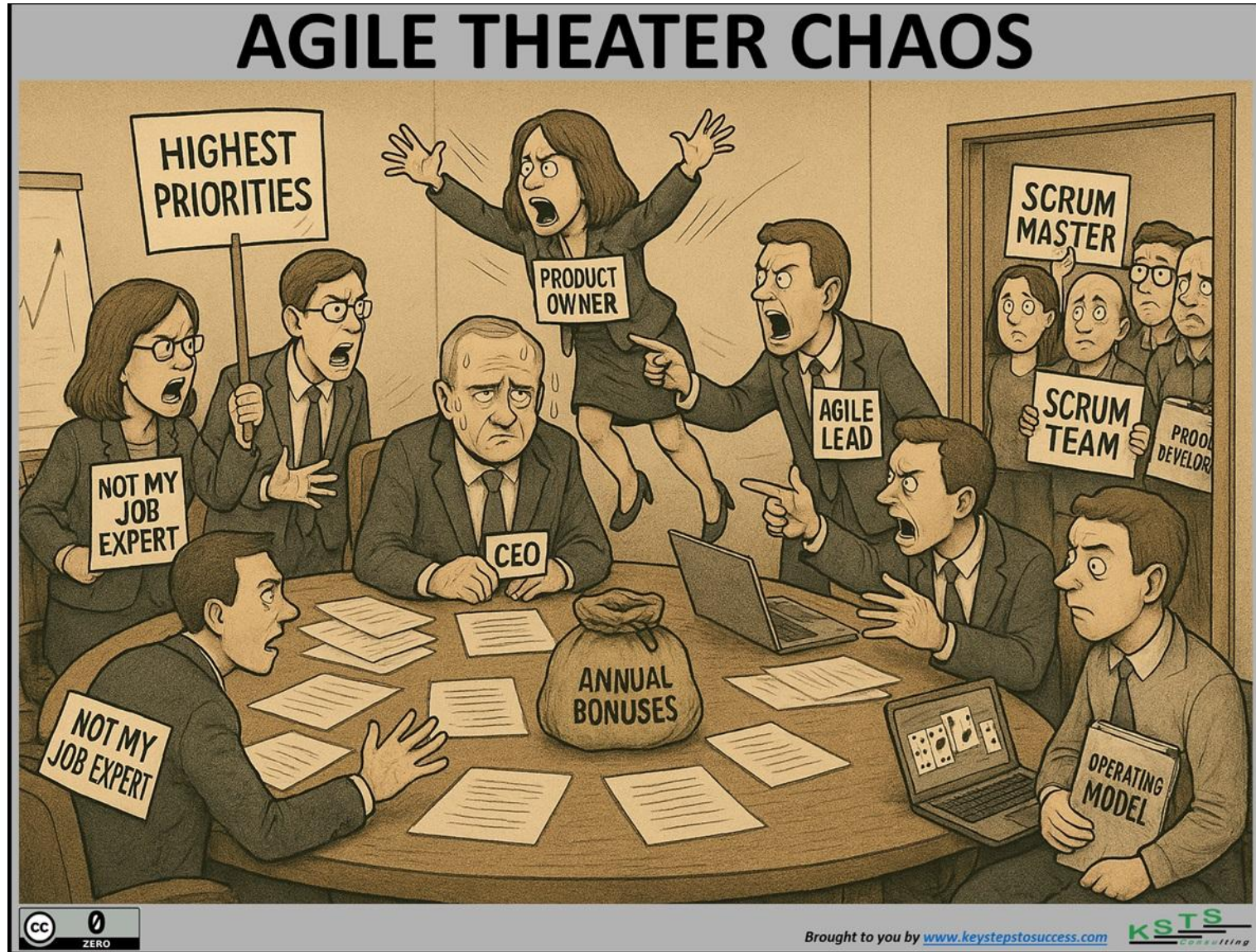


10/15-10/16: Certified LeSS Basics

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Everyday Reality



Everyday Reality

Fragmentation. False Dichotomy. Local Optimization.



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Everyday Reality

LOCAL OPTIMIZATION: FRAGMENTED AGILITY



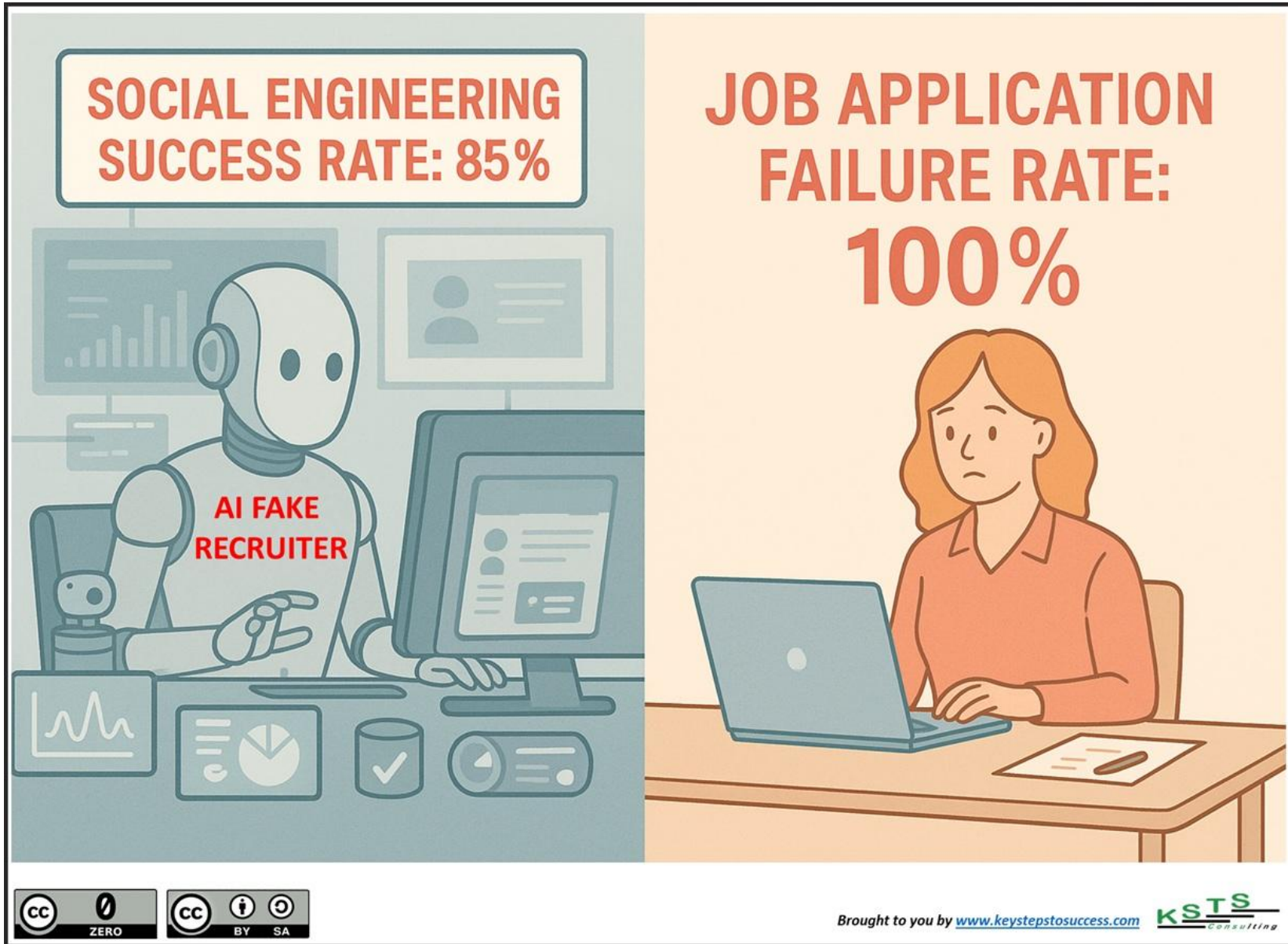
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Everyday Reality



Everyday Reality



Everyday Reality

THEATRIC PLAY	REAL CHANGES
	
10 Signs That Your Agile Transformation is NOT an "Agile Theater"	
<ol style="list-style-type: none">1) CXO views Organizational Design, as the 1-order factor that defines Organizational Adaptiveness.2) CXO can clearly formulate his/her system optimizing goals that are consistent with Organizational Adaptiveness (e.g. removal of organizational layers/levels if he/she seeks transparency and shortening of feedback loops).3) CXO focuses on a manageable part of an organization ("controllable sample") and strives for meaningful, long-lasting, systemic (deep & narrow) improvements. He/she does NOT pepper the whole enterprise (broad & shallow) with trivial, short-lasting, quick & dirty make-overs.4) Corollary to #3, CXO looks for initial signs of goodness at a basic level (e.g. healthy one-team Scrum), instead of fast-forwarding to **scaling** and attempting to change everything for tens of thousands of people (nailing before scaling).5) Corollary to #3, CXO does NOT make broad & shallow efforts in "phase 1", while deferring deep & narrow efforts (the tough stuff) to his/her successors, in phase N (when CXO, conveniently, moves onto something else).6) CXO includes tough HR - related discussions (roles, titles, career path, performance management) - from Day 1.7) CXO funds what his/hers customers pay for: proDUCTs (and services), not proJECTs and proGRAMs.8) CXO (and his/her peers) do lots of learning on their own and not delegate it to their subordinates. Executives do lots of GEMBA walk, towards teams and ground workers.9) CXO builds a trustworthy and reliable coalition of experts-advisors, while steering away from large consultancies- "industry leaders" and internal power-towers of traditional "chief methodologists".10) CXO has the courage to admit early failures (surely, there will be some! - and it is OK), openly, in a town hall and ask for open feedback, giving preference to community surveys and wisdom of crowds.	
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Proper Use of Terminology

Top-3 Abused Words

- 1) Agile
- 2) Enterprise
- 3) Scaling



When put together, in the same phrase, they become **“Enterprise Agile Scaling”** – what seems to be the most popular and frequently used phrase, nowadays.

Instead of using this phrase obsessively (titles, job descriptions, etc.), please consider the following:

- ❖ *If “Agile” != “Adaptive”, the word is probably misused*
- ❖ *“Enterprise” – does not always mean “huge”. A 50-person company (HR, Finance, Legal, Vendor Management, Business, Operations, IT) – is an enterprise. A 500-person IT Department alone – is NOT an enterprise.*
- ❖ *In order to SCALE goodness, you may need to DE-SCALE (remove) badness. Therefore, by obsessively focusing on scaling, you might be increasing (scaling up) levels of badness in the system (organization) ☹*



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Proper Use of Terminology

The “Freedom” of Idea-Repackaging

The **Agile Theater** is so forgiving 😊:

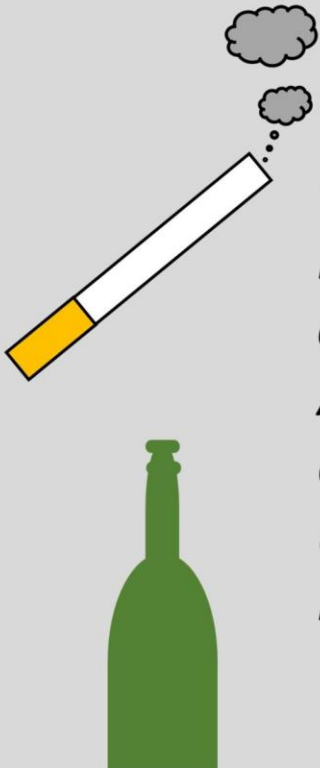
*Unlike the tobacco and alcohol industry, the agile marketplace is not tightly regulated, so **there is no license or permit required to create *things***.*

Anytime, anyone, can fabricate almost anything and give it a name (border-lining with plagiarism), without creating a unique idea. This leads to confusion, dilutes authenticity of ideas, while making them less useful.

Beware of secondary market “products”.

Study origins of ideas.

Pursue authenticity.



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Economics of Agile

TRUE? or FALSE?

for any company

$$\left(\begin{array}{c} \text{Return} \\ \text{From} \\ \text{"Agile"} \\ \text{Transformation"} \end{array} \right) \div \left(\begin{array}{c} \text{Investment} \\ \text{in} \\ \text{"Agile"} \\ \text{Transformation"} \end{array} \right)$$

should be

>1

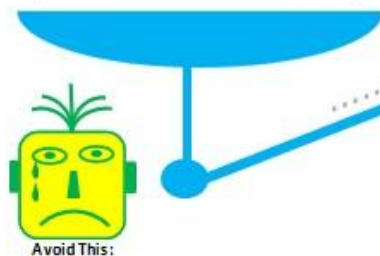
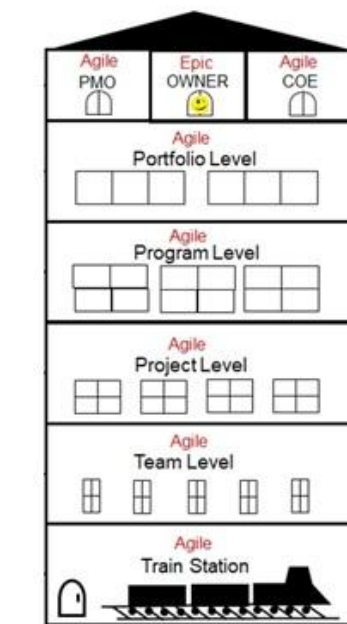
(otherwise, why bother?...)



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Economics of Agile

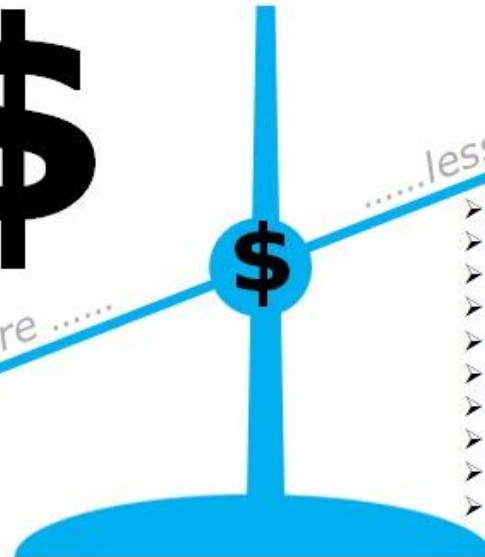
Economic\$ Of Agile Transformation



- **Traditional layered organization.**
- Managerial "support in spirit".
- Broad & Shallow. Superficial Big-Bangs.
- Top: Lip service. Bottom: False, broken hopes.
- No experimentation, before applying widely.
- Participation by mandate and enforcement.
- Thousands of component developers.
- Thousands of business people.
- Hundreds of "left over people".
- **High, unpredictable investments.**

\$

more



- **Parallel organization. Flatter structure.**
- Informed Consent by true leadership.
- Deep & Narrow: Systemic improvements.
- Meaningful efforts: Top-Bottom/Bottom-Up.
- Experimentation, before applying widely.
- Participation by volunteering/commitment.
- 50-60 cross-functional developers.
- Small group of customers/users/SMEs.
- One Product Owner. A few Scrum Masters.
- **Limited, more predictable investments.**



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Doing It For Good Reasons

**You may want to consider
SCALING**

*because your **PRODUCT** is widely
defined and/or its definition grows wider*

NOT

*because your **ORGANIZATION** is huge
and you need huge “scaling” solutions*



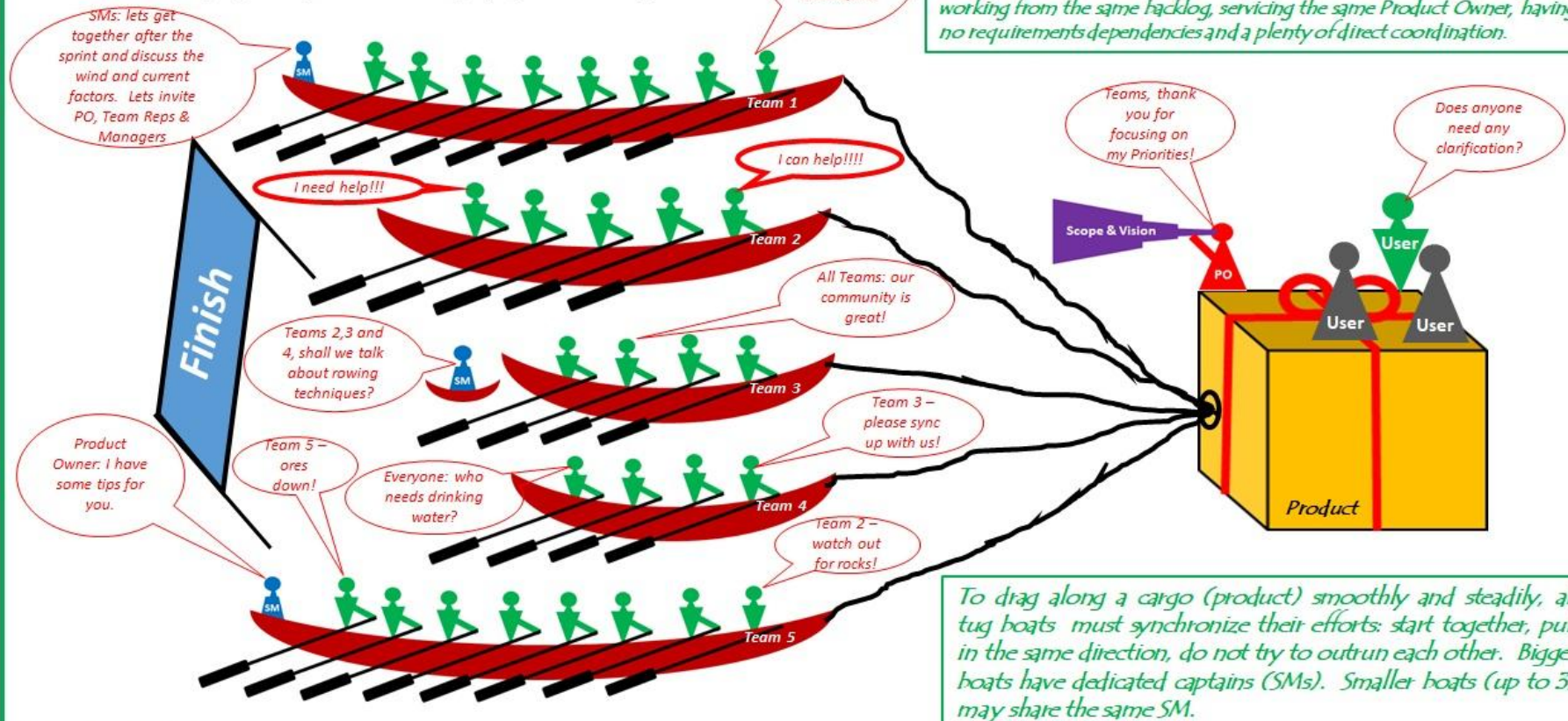
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Product Size...Matters

- One Product-level sprint
- Whole Product focus
- Shared Definition of Done (DoD) by all teams
- Teams working together/communicating by: “just talk” or “just scream”

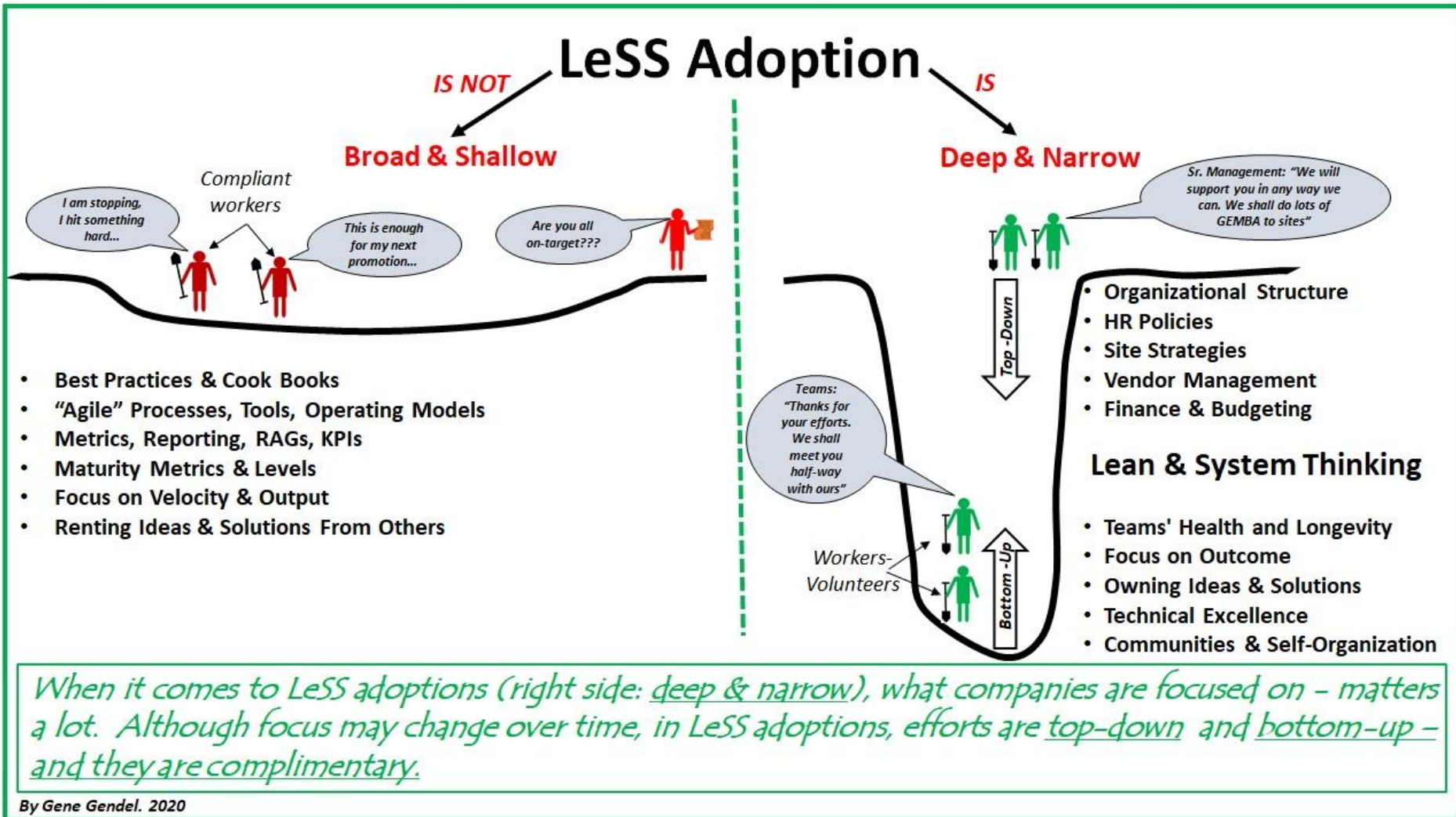
LeSS - is NOT many teams, doing their own Scrum, sprinting ad-hoc, working from separate team backlogs, servicing different Product Owners, dealing lots of dependencies and coordination.

LeSS - IS Scrum, done by multiple (2-8) teams, sprinting together, working from the same backlog, servicing the same Product Owner, having no requirements dependencies and a plenty of direct coordination.



By Gene Gendel. 2020

Deep & Narrow vs. Broad & Shallow



Organizational Structure Comes First

Organizational STRUCTURE –
is the 1st Order Factor (Variable)
that has impact on everything else
in an ECOSYSTEM: behaviors,
norms, values, principles, policies

Organizational Structure Comes First

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STOP



attempting to cultivate

Agile Mindset



of mature adults, without improving

Organizational Design

that surrounds them

“You cannot grow flowers in a desert. First, you must create a supportive habitat (oasis), where growth is even possible.”

Organizational design is the 1st order factor that defines your system’s dynamics. “Stuff” like: agile mindset, behaviors, norms, values, principles, policies – they can come only later.



Let’s fix things in proper order!



Doing It For Good Reasons

You may want to consider

LeSS or **LeSS** Huge

*because your **PRODUCT** is widely defined and/or its definition grows wider*

NOT

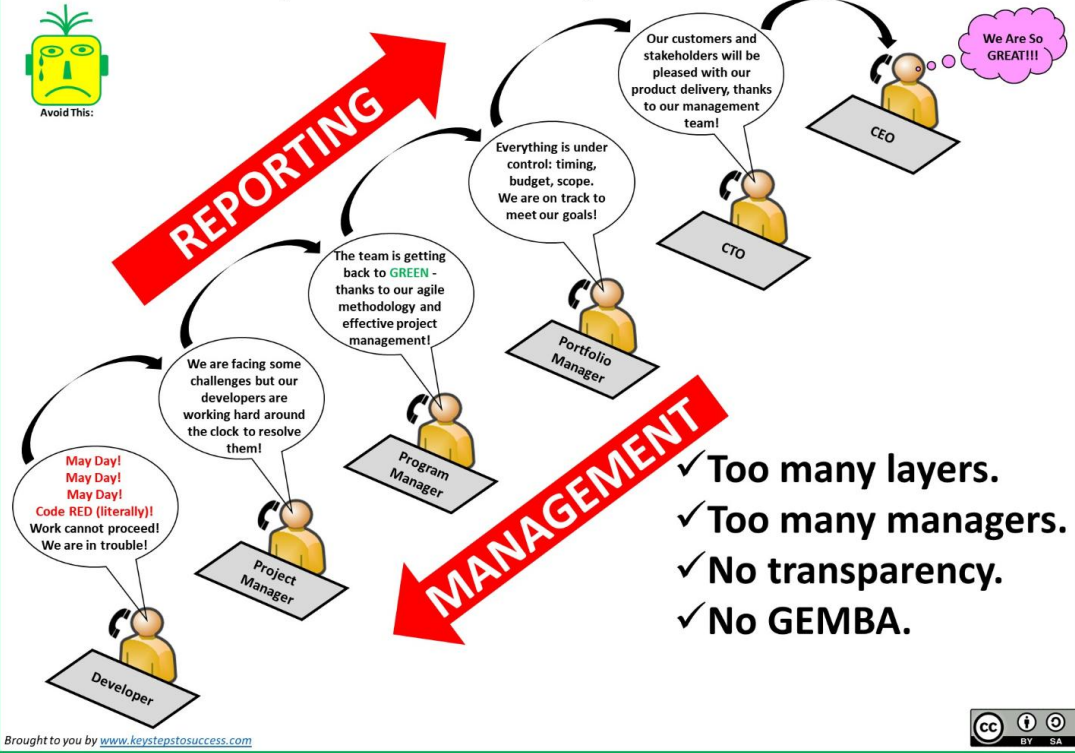
*because your **ORGANIZATION** is huge and you need huge “scaling” solutions*



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Conway's Law

"Broken Telephone" of Corporate Communication



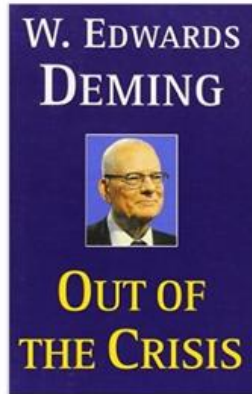
CONWAY'S LAW

"Any organization that designs a system will inevitably produce a design whose structure is a copy of the organization's communication structure."
Melvin E. Conway

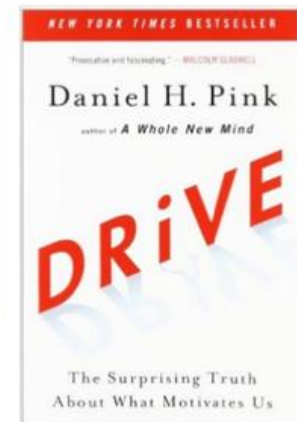
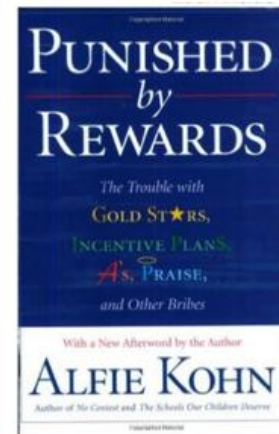
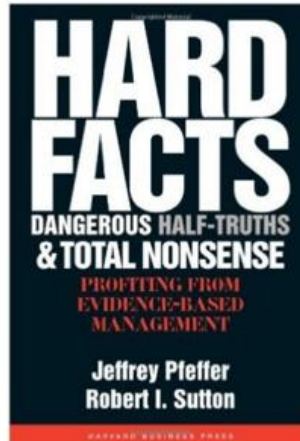
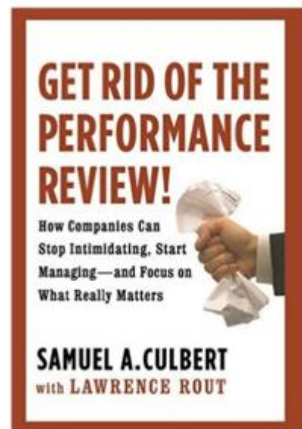
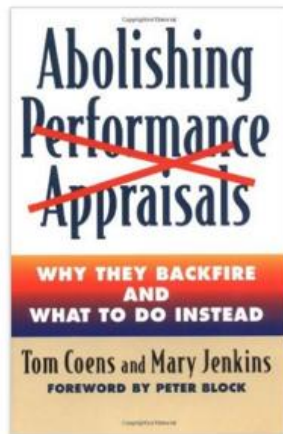


Key Organizational Enablers

Gap Between Science and Business



"The idea of a merit rating is alluring. The sound of the words captivates the imagination: pay for what you get; get what you pay for; motivate people to do their best, for their own good. The effect is exactly the opposite of what the words promise."



[RSA ANIMATE: Drive: The surprising truth about what motivates us \(Daniel Pink\)](#)

Key Organizational Enablers



Bitterness of IPA

It could be:

- Thirst-relieving
- Indulging
- Refreshing
- Smoothing
- Relationships-building

or

It could be:

- Threatening
- Demoralizing/Humiliating
- Leading to System Gaming
- Tension-building
- Relationships-destroying



***“You can only elevate
individual performance by
elevating that
of the entire
system”***

W. Edwards Deming



**Individual
Performance
Appraisal**

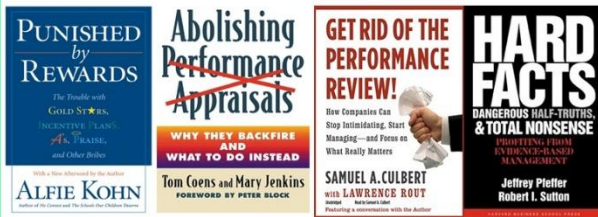
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Key Organizational Enablers



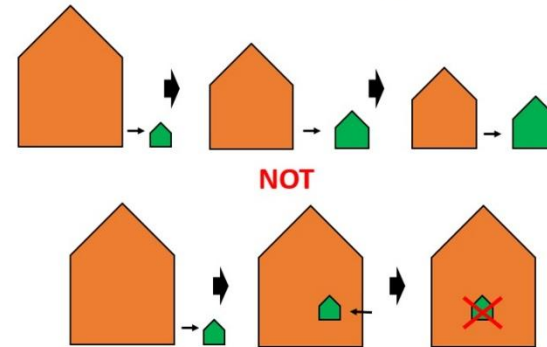
IMPORTANT ORGANISATIONAL ENABLERS OF LeSS ADOPTION

LeSS Experiment: Try... Engaging HR:



- Avoiding incentives linked to performance
- Trying to de-emphasize incentives
- Avoiding putting incentives on productivity measures
- Trying team incentives instead of individual incentives
- Trying team-based targets, without rewards
- Avoiding performance appraisals
- Avoiding Scrum Masters do performance appraisals
- Trying to discuss with your team how to do appraisals
- Avoiding job titles
- Trying to create only one job title
- Trying (if all else fails) generic title with levels
- Trying simple internal titles map to special external titles
- Trying simple general job descriptions
- Trying job rotation
- Try to hire the best
- Avoiding hiring when you cannot find the best

LeSS Guide: Parallel Organization



- Establishing the full LeSS structure “at the start”, and protecting it
- Organically expanding LeSS structure; not doing a “POC” and then absorbing back
- No traditional reporting structures, processes, methodologies or operating models
- No existing HR/personal management norms and policies
- No any traditional (“blah”) managers, hierarchies and reporting layers
- No locally optimized special groups of analysis, designers, architects, QA, etc.
- Finding only one and real Product Owner (PO), representing business
- PO – is acting, as an independent mini-CEO of the product, with full authority
- PO – is deeply educated in LeSS and sees real value in using it
- High-performing feature (product) teams that are properly staffed from the start
- A few “top-notch” Scrum Masters and LeSS coaches that are experts on LeSS

LeSS Experiment: Try... Beyond Budgeting:

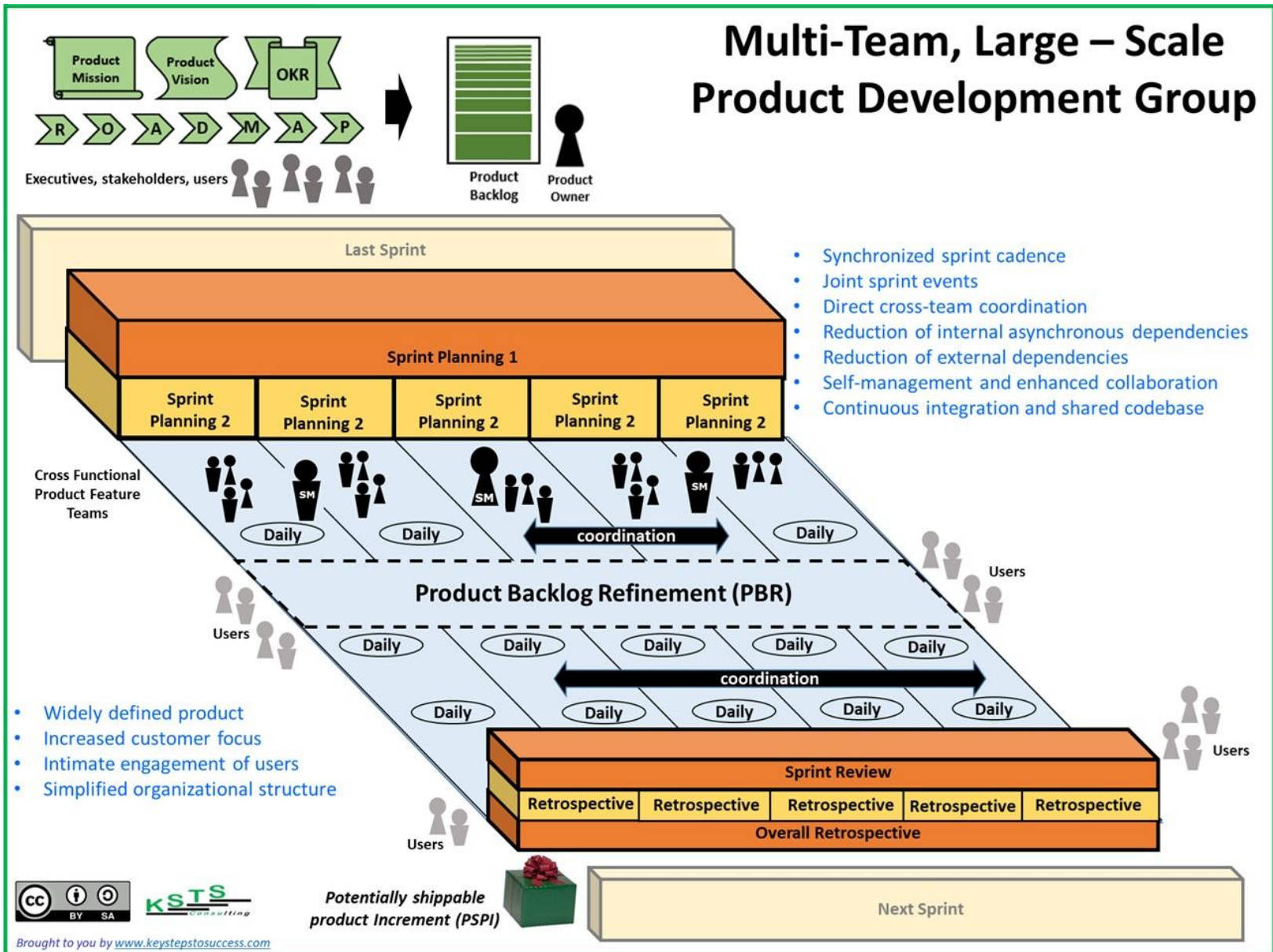


- Trying to budget products that are widely defined
- Avoiding to budget portfolios, programs and projects
- Avoiding fixed (calendar cycle-based), year-end budgeting
- Trying dynamic (business cycle-based), rolling-wave budgeting
- Avoiding forecasts, becoming targets
- Avoiding targets, driving bonuses
- Trying to pay highly competitive salaries
- Trying to minimize/discontinue bonuses, in favor of higher salaries

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Key Organizational Enablers



Q & A

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Synopsis

On my site: <https://www.keystepstosuccess.com/>

On Facebook: <https://www.facebook.com/people/KSTS-Consulting/61561671969644/>

On LinkedIn:

- Gene Gendel: <https://www.linkedin.com/in/ggnyc/>
- KSTS Consulting: <https://www.linkedin.com/company/ksts-consulting/>

On Meetup:

<https://www.meetup.com/large-scale-scrum-less-in-nyc/> (close to 6500)