

# Radical Management<sup>SM</sup> in Practice

Simon Roberts

Management Consultant/

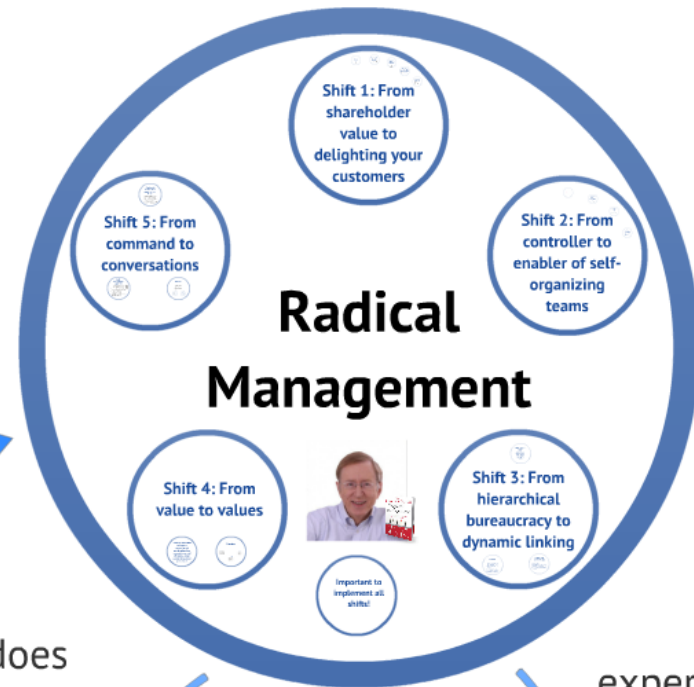
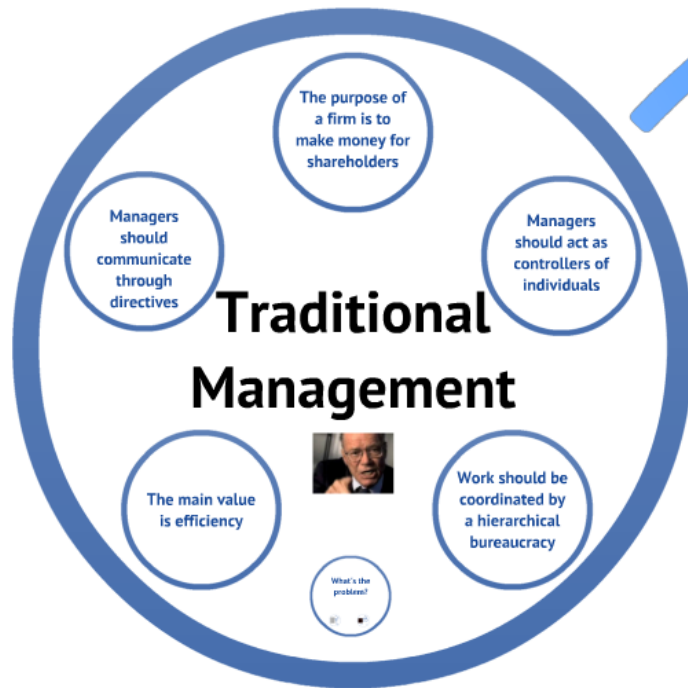
Certified Scrum Trainer

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Twitter: @srob

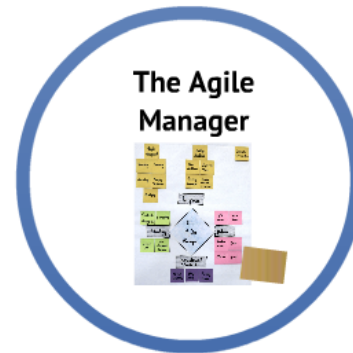


# Radical Management<sup>SM</sup> in Practice



what does this mean for managers in practice?

experiences and lessons learned



# Traditional Management

The purpose of a firm is to make money for shareholders

Managers should communicate through directives

Managers should act as controllers of individuals

The main value is efficiency



Work should be coordinated by a hierarchical bureaucracy

What's the problem?





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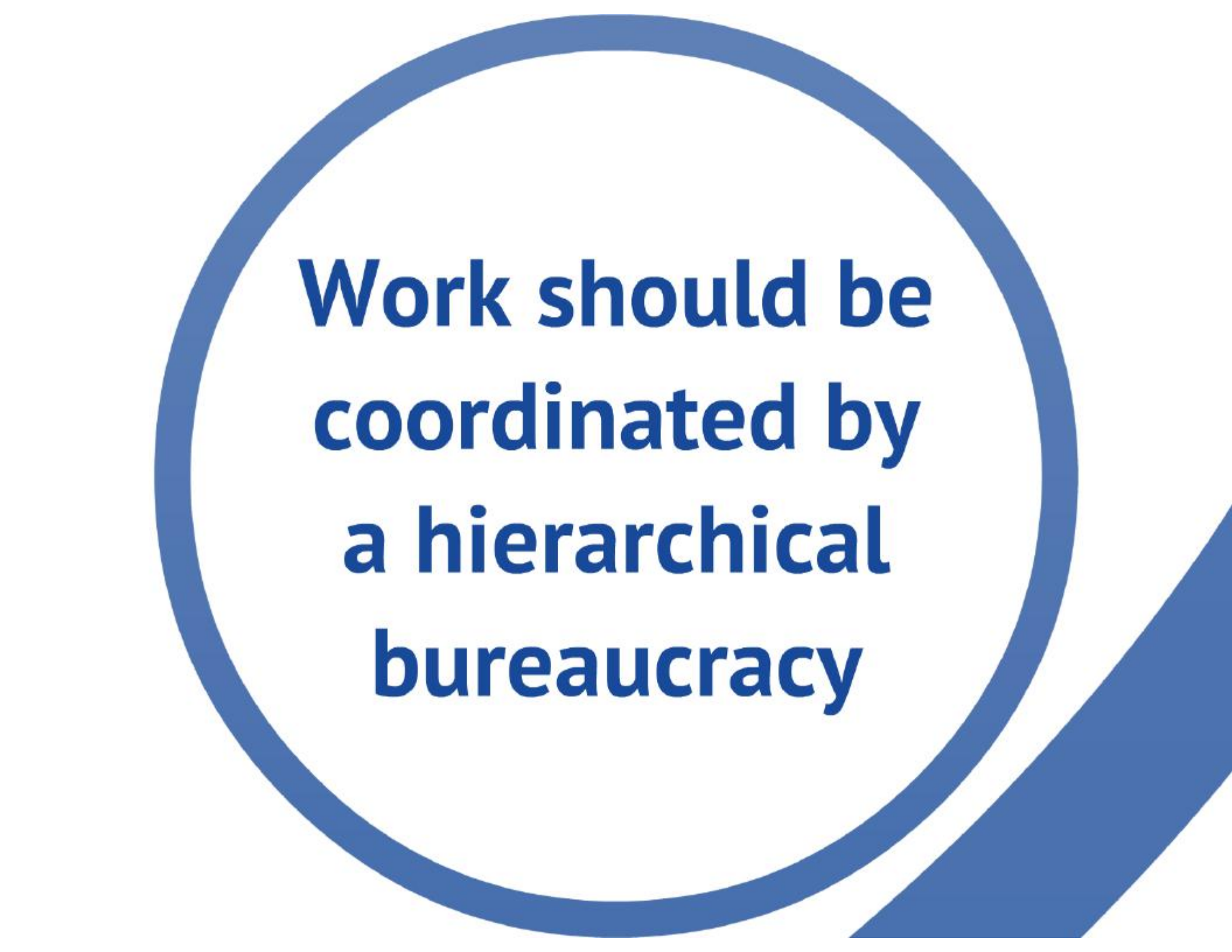


**The purpose of  
a firm is to  
make money for  
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**Managers  
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**al**



**Work should be  
coordinated by  
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**The main value  
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**T**

# Traditional Management

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The main value is efficiency



Work should be coordinated by a hierarchical bureaucracy

What's the problem?



# What's the problem?





**Traditional  
management  
systematically kills  
all of the creative  
things in  
organizations, for  
example:**

- **innovation**
- **knowledge  
management**
- **agile product  
development**

"Traditional notions of management are great if you want compliance. But if you want engagement, self-direction works better"

Daniel Pink, 2009



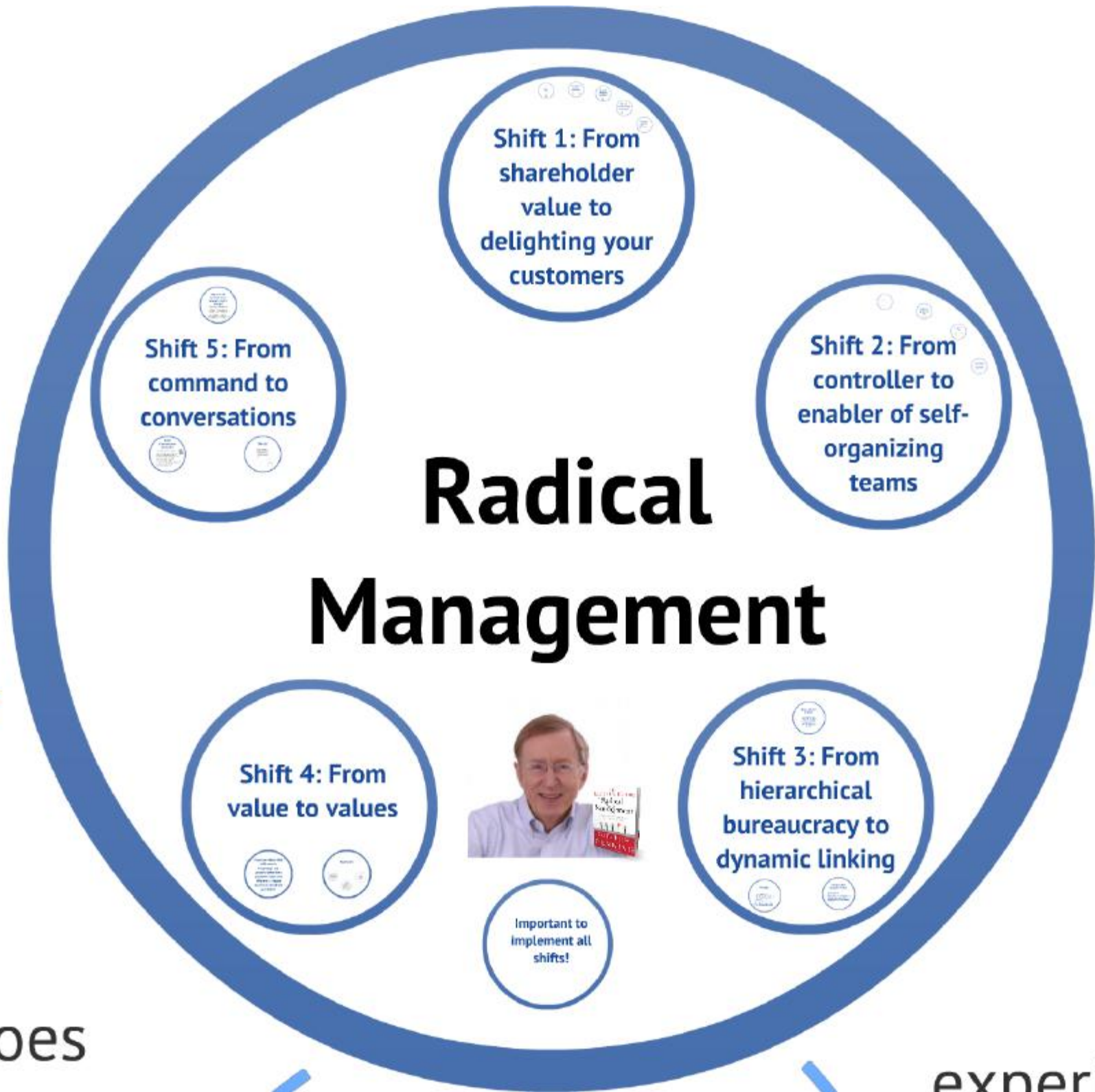
**And with traditional management only one in five workers is fully engaged in his or her work**

Source: Deloitte's Center for the Edge: The Shift Index

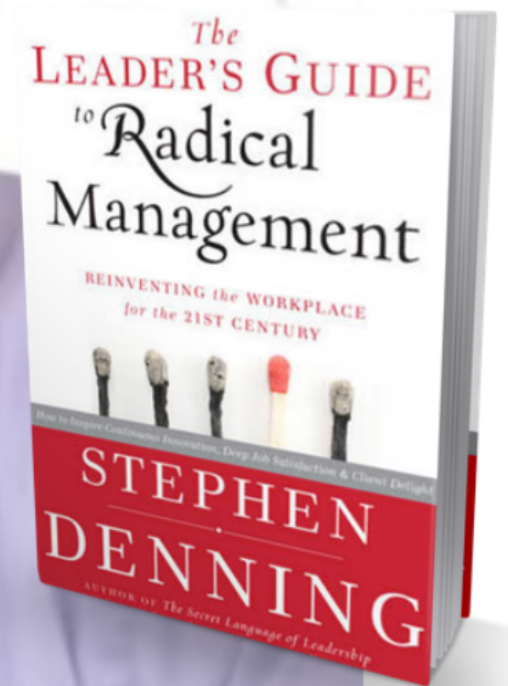
**later we will look at why this is**

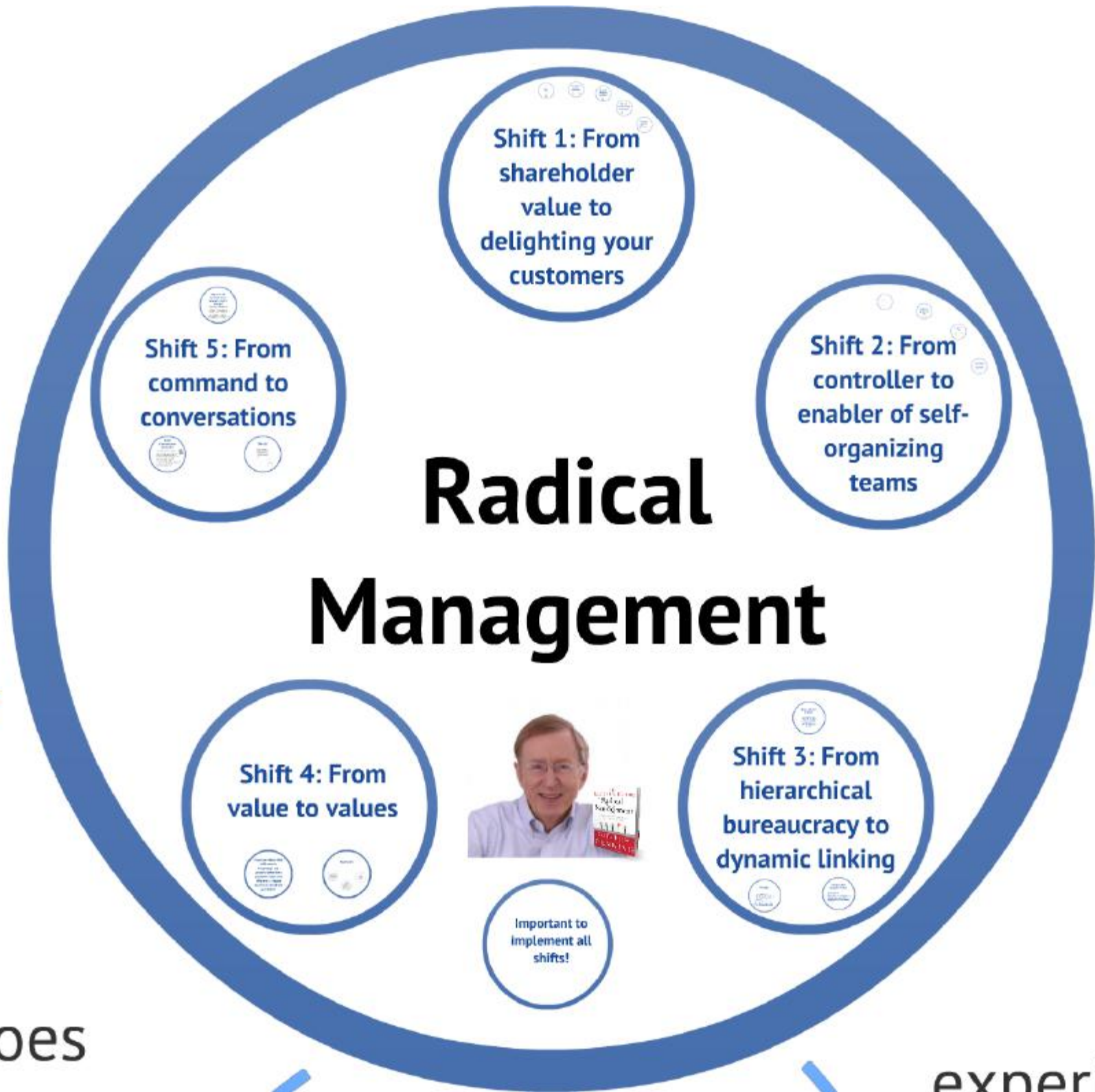
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What is it?


Is it a serious business proposition?

One goal: delighting customers

How can customer delight be measured?

Interactive exercise

# Shift 1: From shareholder value to delighting your customers



**Shift 2: From  
controller to  
enabler of self-  
organizing  
teams**



What is dynamic linking?

Bringing the people who create a product or service directly in contact with the business owners and customers.

# Shift 3: From hierarchical bureaucracy to dynamic linking

Principles

Small, self-organizing and flexible units  
Autonomous decision-making  
Local and global interaction  
Dynamic capabilities: rapid reconfiguration  
Adaptability to change

The structure and functions are re-organized by the self-organizing units in response to the changing requirements of the market and the organization's strategy.

Examples from Deutsche Telekom

- Focus on development
- Agile organization
- Flat hierarchy
- Building products and services
- Empowering of business units and business areas

# Shift 4: From value to values

Focus on values that will sustain innovation and growth rather than economic value and efficiency - values need to be lived not just stated

## Examples



### Why does the communication approach need to change?

- 20th century management was based on authority & money
- 21st century work (knowledge based) is allergic to authority and money (extrinsic motivation)
- we need to focus on a more social approach to communication

# Shift 5: From command to conversations

### Social Communication Approaches

- Tell a story instead of trying to convince with a rational argument
- Use visual facilitation instead of communicating through PowerPoint
- Do a Gemba walk instead of demanding an email report
- Take part in a sprint review instead of requesting a status report
- Use powerful questions

### Exercise

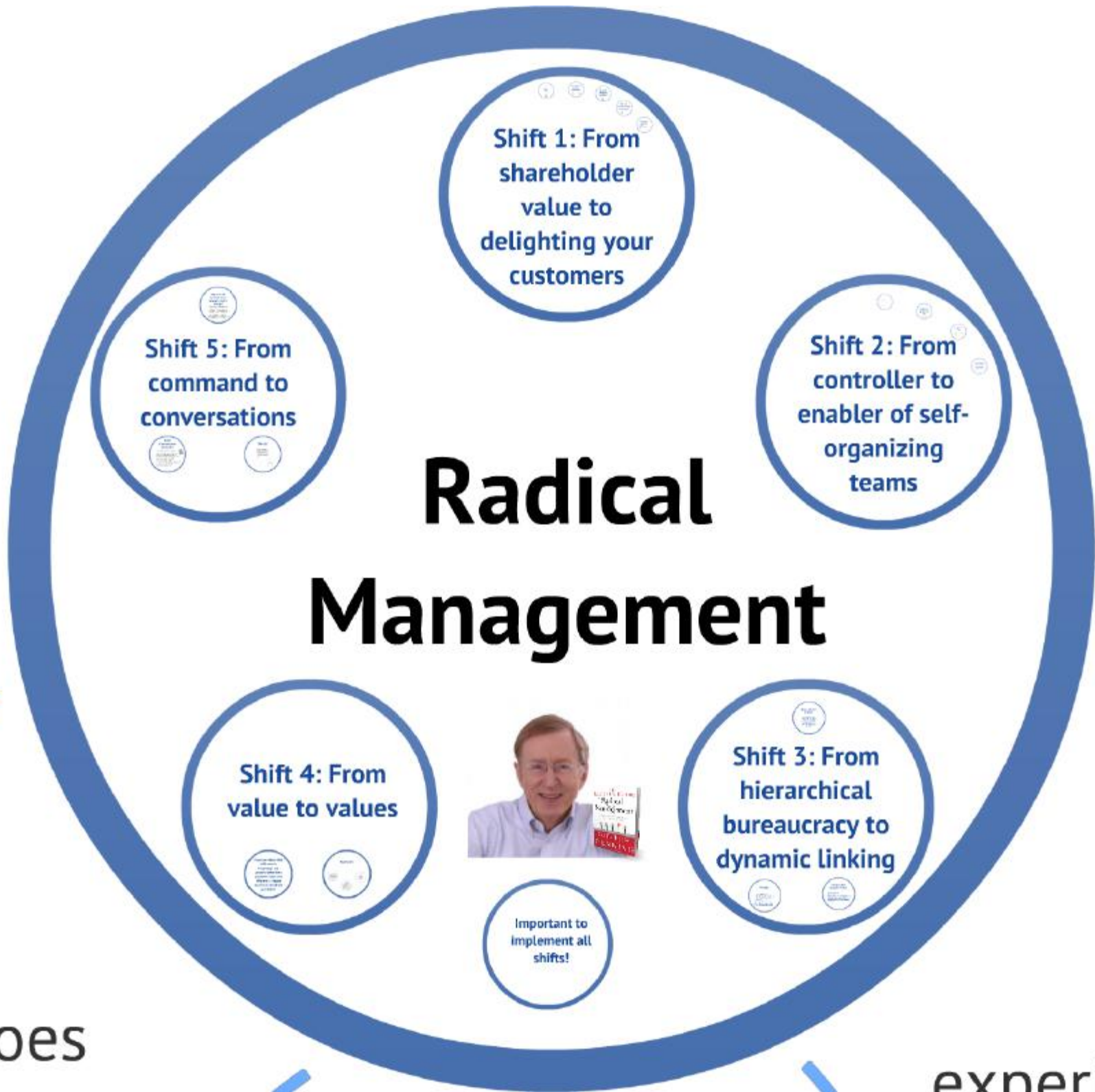
Adding an appropriate question at the right time is an important skill for managers. Some questions are more powerful than others.





**Important to  
implement all  
shifts!**





What is it?

Is it a serious business proposition?

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# Shift 1: From shareholder value to delighting your customers

# What is it?

**"Providing a  
continuous stream of  
additional value to  
customers and  
delivering it sooner"**

Stephen Denning, 2010


**"Providing a  
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# Is it a serious business proposition?

"The only valid  
purpose of a  
firm is to create  
a customer"

Peter Drucker, 1973

 **amazon.com:** Many companies  
say yes ...  
because it fosters  
sustainable success



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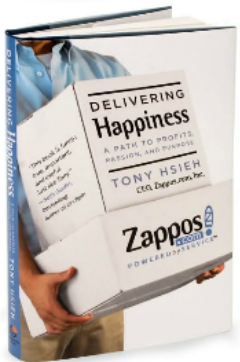
amazon.com<sup>®</sup>

Many companies

say yes ...

because it fosters

sustainable success





# **One goal: delighting customers**

**... and multiple means to achieve  
the one goal:**

- **make money**
- **motivate staff**
- **protect the environment**
- **improve quality**
- **satisfy stakeholders**



**... and multiple means to achieve  
the one goal:**

- make money**
- motivate staff**
- protect the environment**
- improve quality**
- satisfy stakeholders**

# How can customer delight be measured?



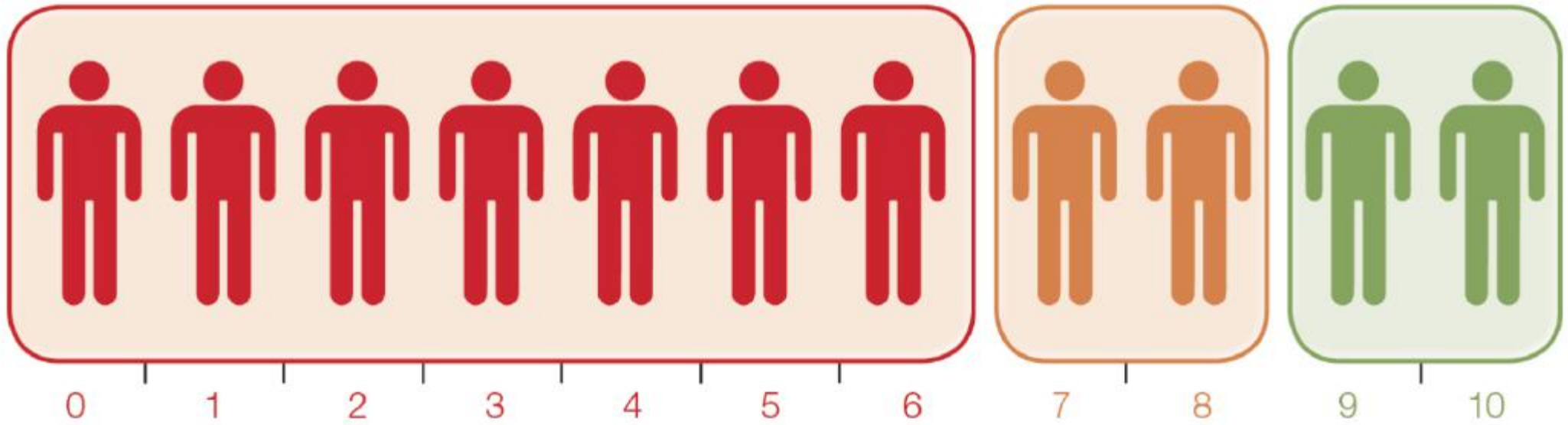
How do we measure customer delight?

- Track NPS
- Design an MVP
- Feedback
- Retention
- Repeat purchase
- Referrals

Detractors

Passives

Promoters



Net Promoter Score

=

% Promoters

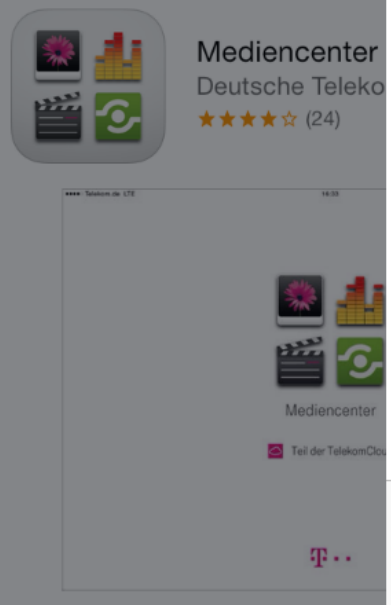
-

% Detractors

Cancel

iPad Only Any Price All Categories By Relevance

mediencenter



# Mediencenter <sup>4+</sup>

Deutsche Telekom AG >

Offers In-App Purchases

★★★★☆ (24)



Details Reviews Related

## App Store Customer Reviews

[Write a Review](#) [App Support](#)

Sort by [Most Helpful](#)

### 1. Top

★★★★☆ by xboxhalo – 26 Jan 2014

Super Sache allerdings nervt das keine Mediadaten im lockscreen angegeben werden.

### 2. 25GB Speicher für mein iPhone gratis :)

★★★★★ by BIOCIDE – 23 Jan 2014

Eine sehr coole App! Mehr Speicher für Musik, Bilder und Videos und die Möglichkeit Bilder mit Bekannten auszutauschen. Eine Anschaffung lohnt sich alle Mal da alles gratis ist :)

### 3. Wird immer besser!

★★★★★ by Grelog – 23 Jan 2014

Übersichtlich und nicht überladen!

### 4. Nach Update jetzt noch besser

★★★★☆ by MetallicMax – 24 Jan 2014

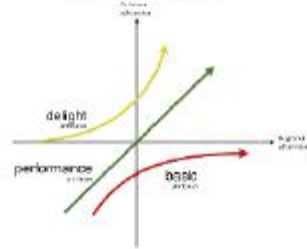
Super App Pflichtdownload für Telekomkunden !



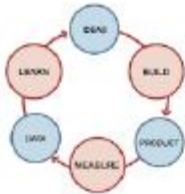
# Rapid feedback on changes in customer delight is essential!

- Create a hypothesis
- Design an MVP to test it
- Release
- Gather data
- Iterate to drive customer delight higher and higher

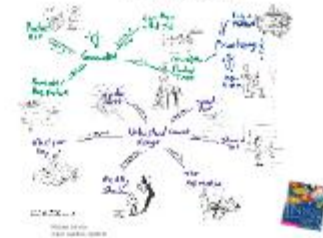
### Kano model



### Lean startup - not just for startups!



### Innovation games



# Some proposals



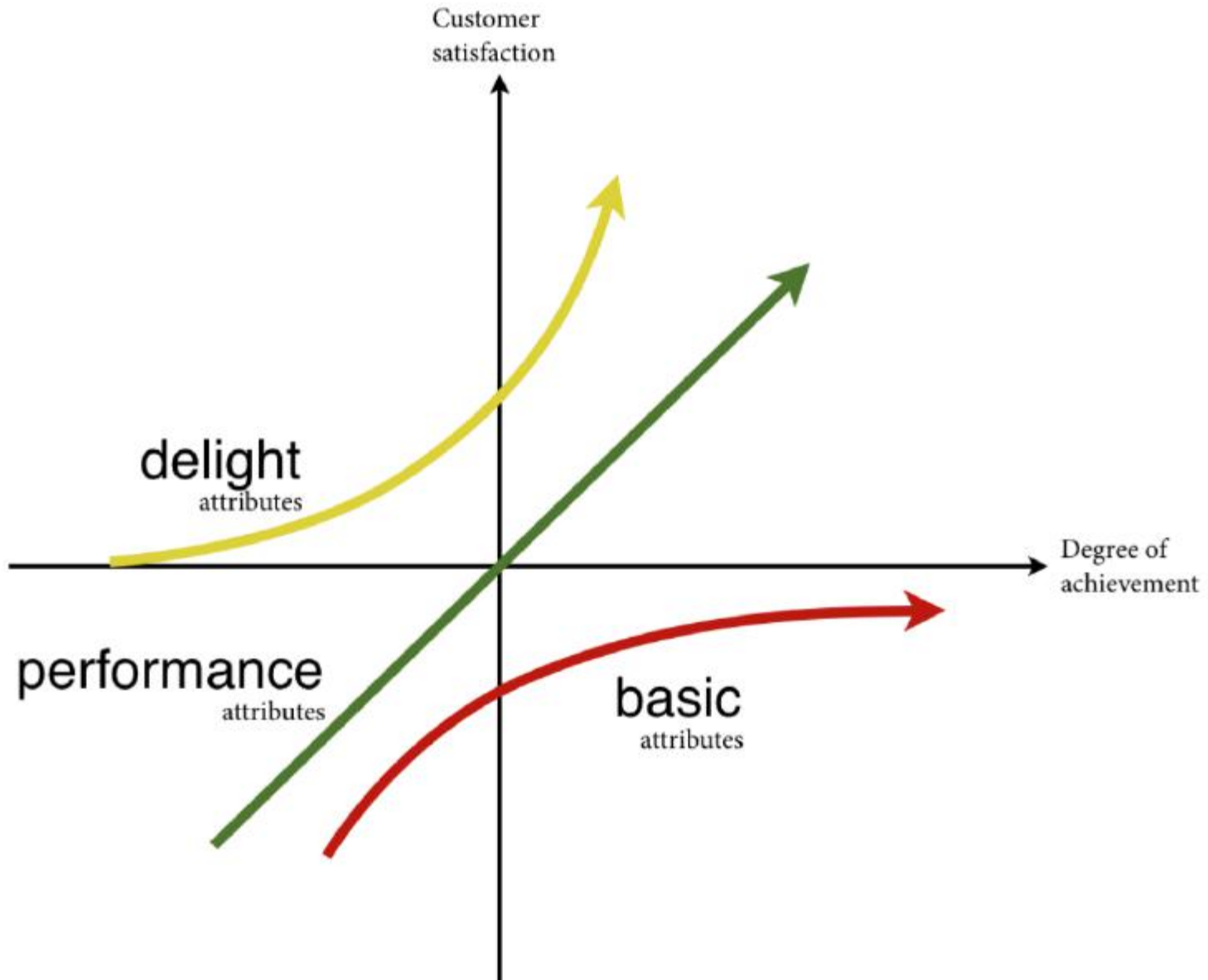
### Gamification (when done well)



"A well-designed game is a quality measure to the real world of how it should be done."

Kevin McGowan, 2012

# Kano model





# Innovation games

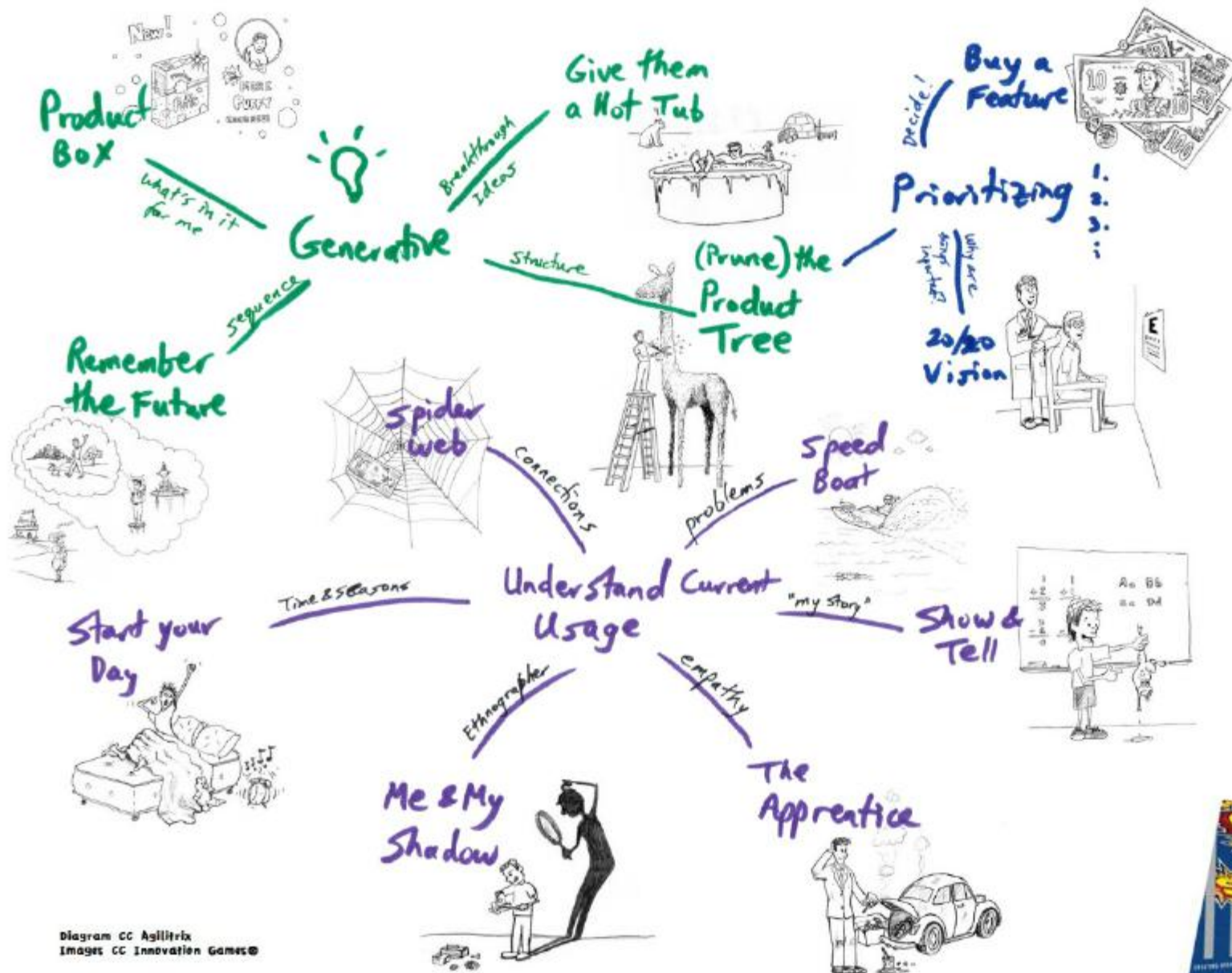


Diagram CC Agilitrix  
Images CC Innovation Games®

Michael Sahota  
(Agile Coach at Agilitrix)



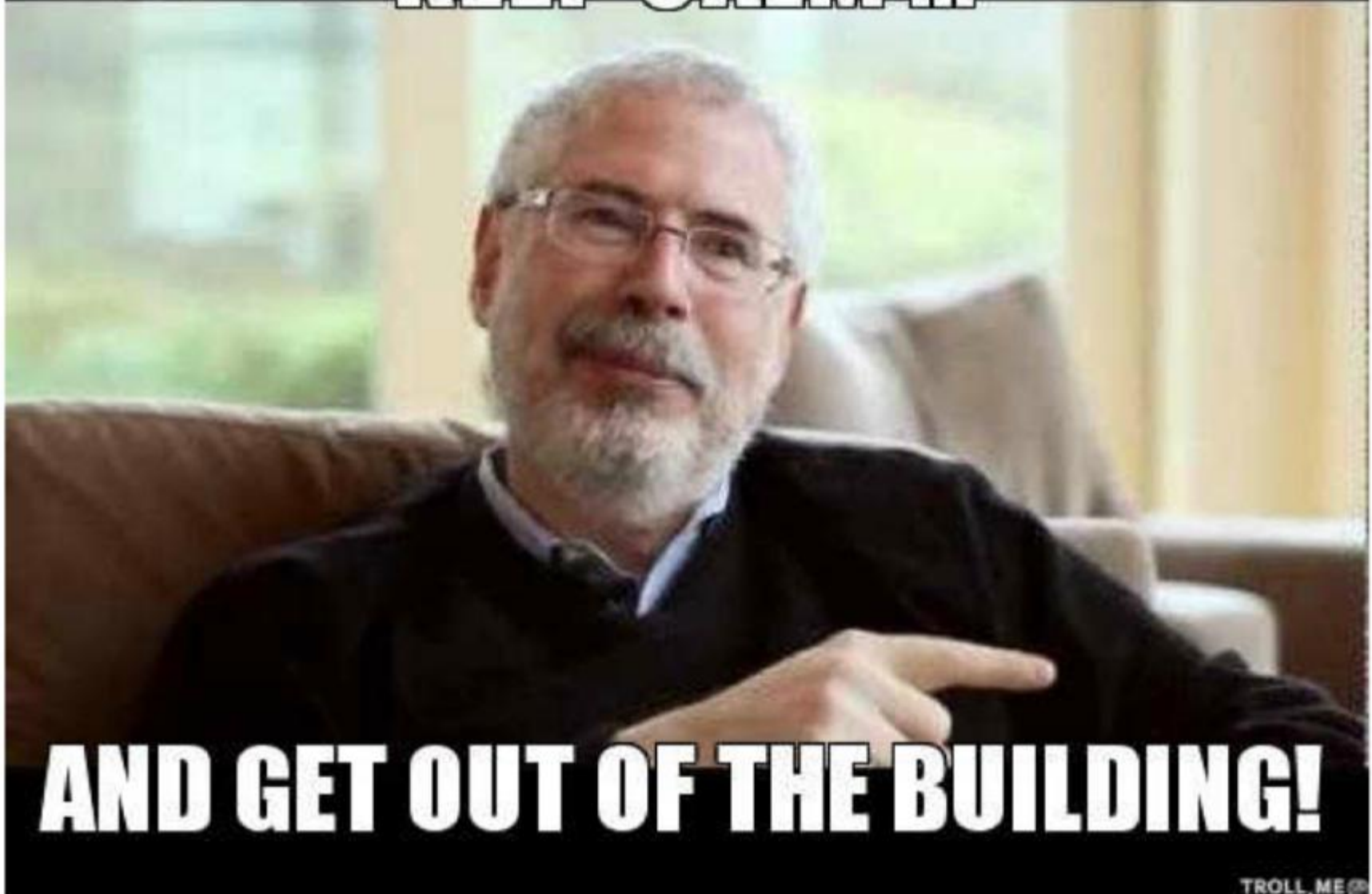
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"A well-designed game is a  
guided missile to the  
motivational heart of the  
human psyche"

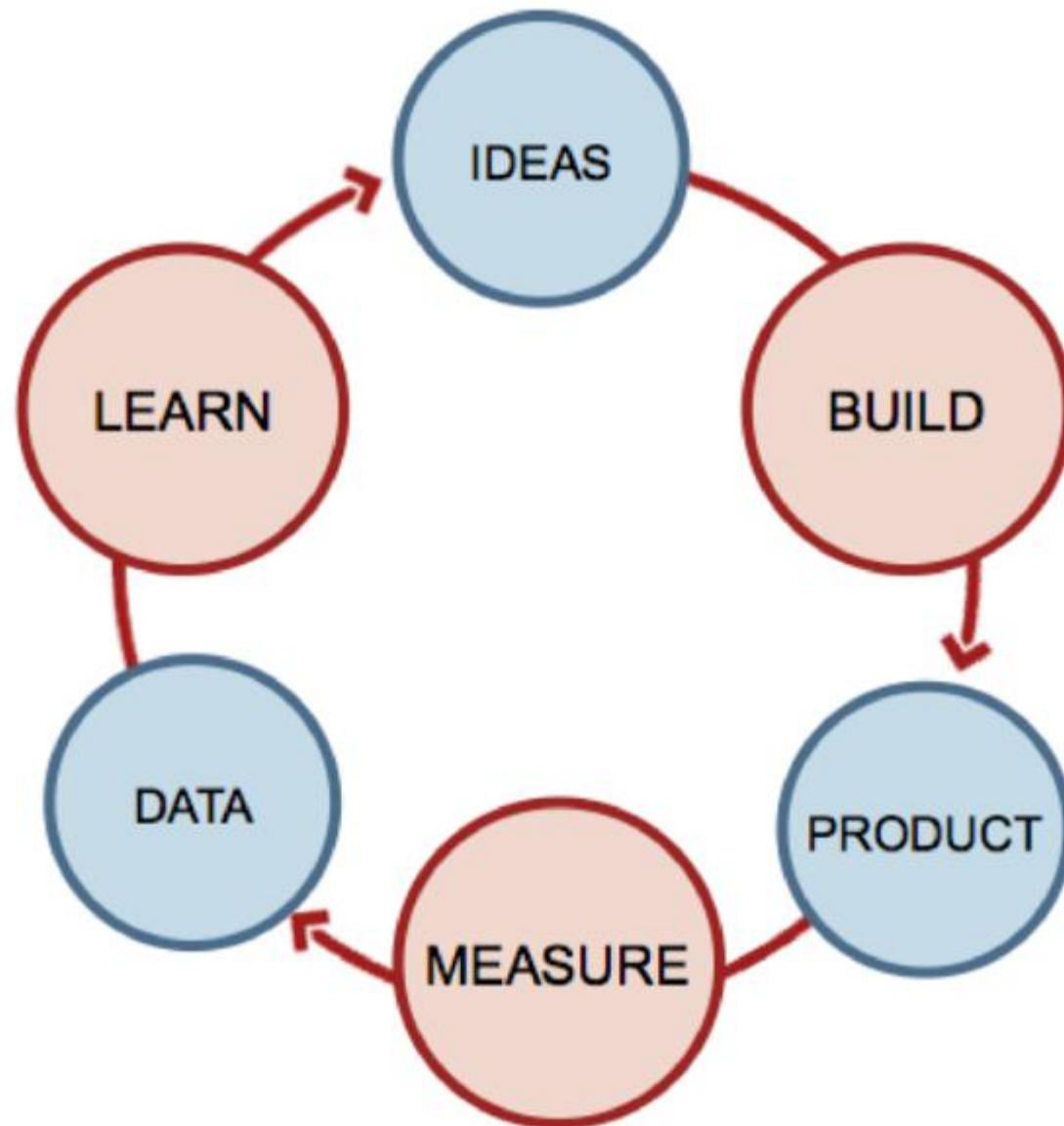
Kevin Werbach, 2012


**KEEP CALM ...**



**AND GET OUT OF THE BUILDING!**

# Lean startup - not just for startups!





**Shift 2: From  
controller to  
enabler of self-  
organizing  
teams**



21st century  
work is about  
mysteries  
instead of  
puzzles



# Mystery Puzzles

MORE "MINUTE MYSTERIES"

By AUSTIN RIPLEY

Author of  
"The Case of the Disputed Art Work"



With seven full page  
illustrations by  
DR. STUBBS  
and other drawings by  
LLOYD COE

FREDERICK A. STOKES COMPANY  
NEW YORK MCMXXXVII

# Knowledge workers understand more about the details of the work than their bosses

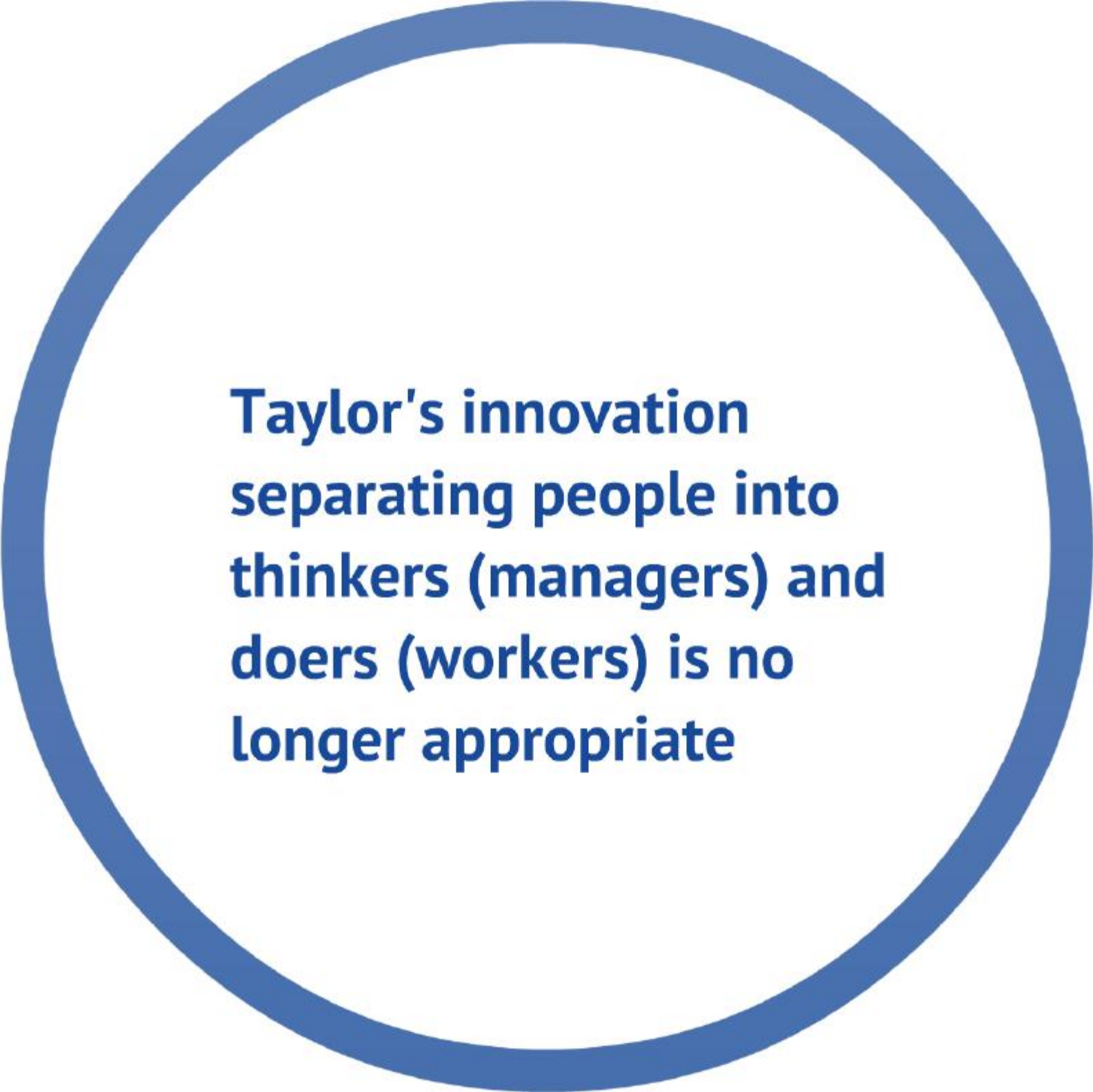
Terrill's innovation  
separating people who  
think (managers) and  
doers (workers) is no  
longer appropriate

Self-organized teams  
with assigned roles  
diversity are the key to  
solving problems



Source: Steve Jobs





**Taylor's innovation  
separating people into  
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**Self-organized teams  
with designed-in  
diversity are the key to  
solving mysteries**



**"Diversity Trumps Ability"**

# The purpose of a manager changes



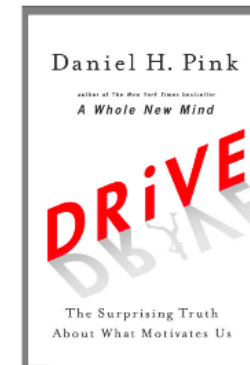
# Ensuring diversity

Hiring for cognitive diversity instead of hiring people who are similar to the manager themselves!

# Maximizing intrinsic motivators for the team members

Self-determination theory  
(Deci and Ryan)

- Competence
- Autonomy
- Relatedness



What is dynamic linking?

Bringing the private sector into a process as service oriented as a contract with the business owners and customers.

# Shift 3: From hierarchical bureaucracy to dynamic linking

Principles

Small, self-organizing and flexible units  
Networked organization  
Customer oriented and service oriented  
Flexibility, adaptability, speed, innovation, resilience, etc.

The structure and organization are determined by the underlying processes and the nature of the business and the organization.

Examples from Deutsche Telekom

- Focus on development
- Agile organization
- Flat structure
- Customer oriented and service oriented
- Flexibility, adaptability, speed, innovation, resilience, etc.



# **What is dynamic linking?**

**Bringing the people who create a product or service directly in contact with the business owners and customers**

# Principles

- **stable self-organized, cross-functional teams instead of functional silos**
- **radical transparency about the true state of the work**
- **a learning organization - inspect and adapt - tolerance for failure**

**This is a radical shift from management by departmental objectives to working together for the good of the customer and the company and requires a cultural change in most organizations**



# Examples from Deutsche Telekom


- **Product development**
- **Agile transition**
- **Future workplace/smart working (HR project)**
- **Marketing (customer development)**
- **Communities of Practice (self-organization across teams)**

# Shift 4: From value to values

Focus on values that will sustain innovation and growth rather than economic value and efficiency - values need to be lived not just stated

## Examples





**Focus on values that  
will sustain  
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need to be lived not  
just stated**

# Examples

## Agile Manifesto

We are uncovering better ways of developing software by doing it and helping others do it. Through this work we have come to value:

Individuals and interactions over processes and tools  
Working software over comprehensive documentation  
Collaborate with customers over contract negotiation  
Responding to change over following a plan

That is, while there is value in the items on the right, we value the items on the left more.

## Scrum Values

Commitment  
Openness  
Courage  
Focus  
Respect

## You Lead! ... success through empowerment

To us, Leadership means:

- Trust
- Create transparency
- Ensure responsibility
- Customer first
- Implement - Validate - Improve



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- we need to focus on a more social approach to communication

# Shift 5: From command to conversations

### Social Communication Approaches

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### Exercise

Adding an appropriate question at the right time is an important skill for managers. Some questions are more powerful than others.



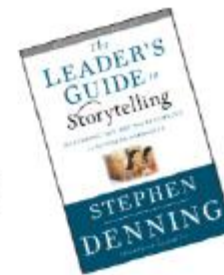


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REVISED AND UPDATED

*The*  
**LEADER'S**  
**GUIDE** *to*  
*Storytelling*

MASTERING THE ART *and* DISCIPLINE  
*of* BUSINESS NARRATIVE

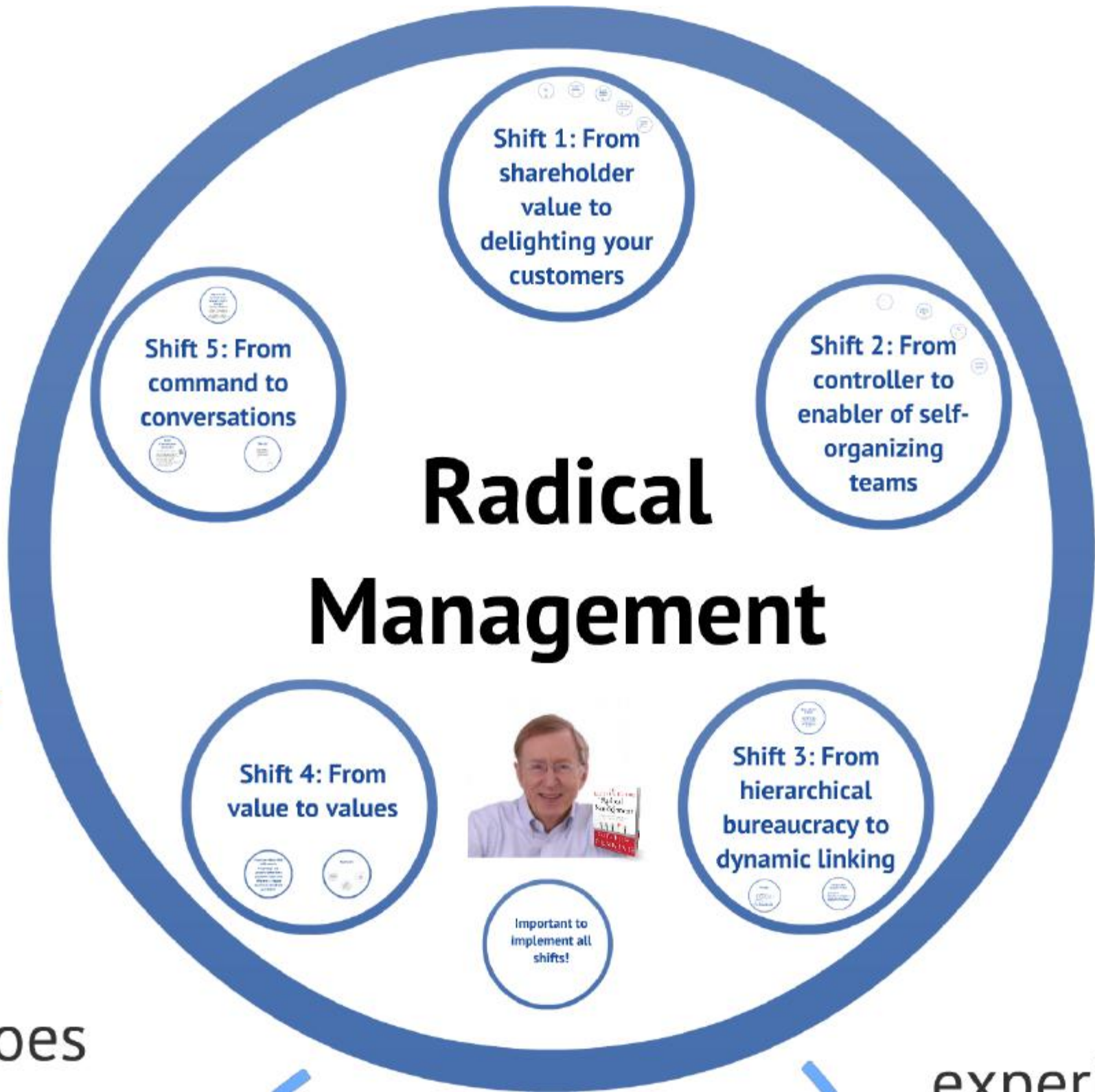


STEPHEN  

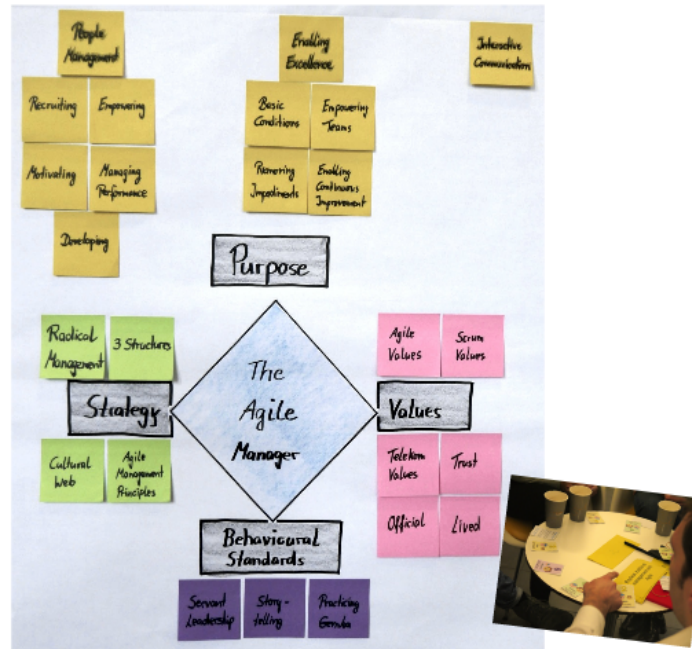
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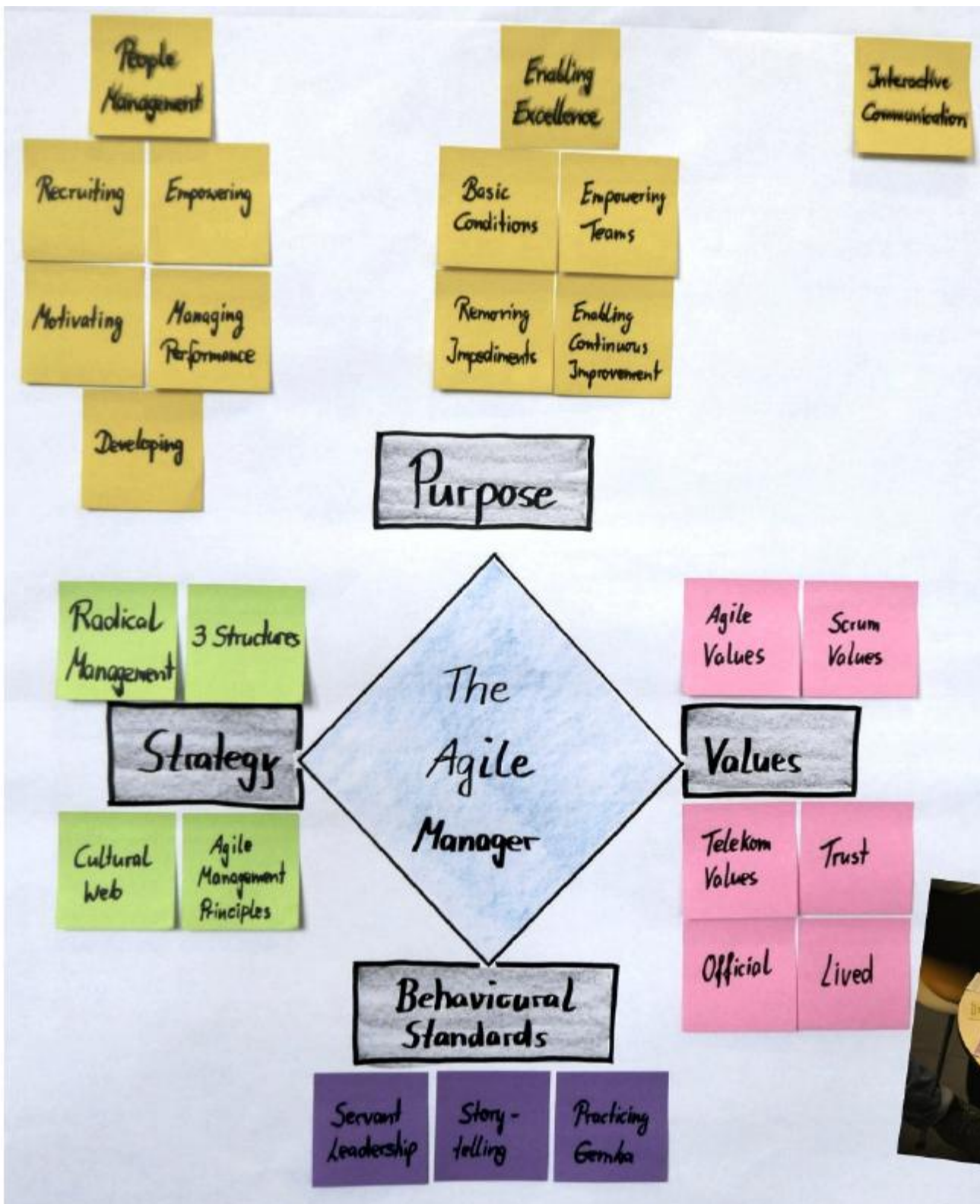
**DENNING**

AUTHOR OF *Squirrel Inc.*



# The Agile Manager





# Experiences at Deutsche Telekom

## Timeline



• From 2014, Deutsche Telekom has been...  
 • The... (2014) was...  
 • The... (2015) was...  
 • The... (2016) was...  
 • The... (2017) was...  
 • The... (2018) was...

## Quotations from Managers



## Personal Targets

Managers now have a personal target to improve their performance based on the new Leadership principles

Measured by employee survey



- Do just start
- Don't waste time trying to creating a perfect plan for the transition
- Do invest time in training those who want to change
- Don't spend too much time on skeptics
- Do lead by example
- Don't forget to make leadership something that everyone is involved in - not just managers



# Timeline



- Nov. 2010: Telekom Agile Transition starts
- Jan. 2011: First Scrum team sprinting
- Mid 2011: CSM for Leaders for SVPs, VPs, Head of's
- Mar. 2012: VP of Agile Capability attends Steve Denning's Radical Management workshop in Washington DC
- Jul. 2012: Further senior managers from Deutsche Telekom attend Radical Management workshop in Berlin
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- Sep. 2013: 2nd Agile Telekom Convention as community event with 300 attendees

# Agile Transition

Produkte

Events

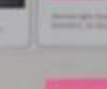
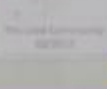
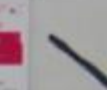
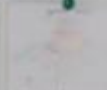
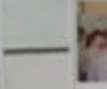
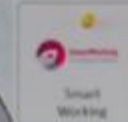
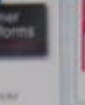
Transition

2011

2012

2013

2014



First adjustments  
Procurement  
Process  
03/2011

First adjustments  
Stage Gate  
Process  
03/2011

3V  
agile Methoden  
12/2011

Scrumrollen und  
Funktionen-  
basierungen  
mit HR  
06/2012

Transform  
Leadership  
03/2012

Agile Business  
Development  
10/2013

90

10

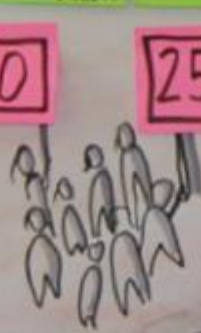
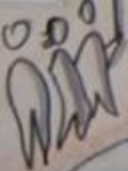
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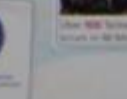
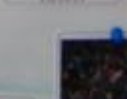
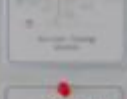
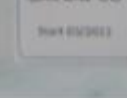
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1



Trainings



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# Quotations from Managers

"We now believe in the power of working together to meet customer needs. Instead of functional silos, our new focus is on cross-functional teams and knowledge sharing through peer working."



"Storytelling has become a key part of how we communicate and motivate our staff. Our staff have rewarded us with better grades in the regular employee satisfaction survey."



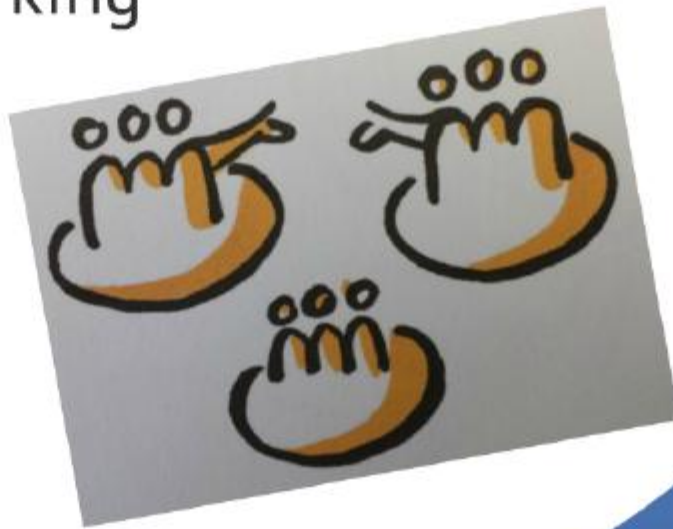
"As a management team we understand our role and purpose better. We now concentrate on strategy and on creating an environment in which our teams can flourish rather than directing their work."



"Removing impediments is a key activity for managers."



"We now believe in the power of working together to meet customer needs. Instead of functional silos, our new focus is on cross-functional teams and knowledge sharing through pair-working"



"As a management team  
we understand our role and  
purpose better.  
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"Removing impediments is  
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## **More on Radical Management**

Steve Denning's Radical Management  
Blog:

[http://www.forbes.com/sites/  
stevedenning/](http://www.forbes.com/sites/stevedenning/)

Training in collaboration with Steve  
Denning:

[http://radicalmanagement.org/  
courses](http://radicalmanagement.org/courses)

# Radical Management<sup>SM</sup> in Practice

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