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Third Edition



Digital Operations

How to Survive and Thrive in
the Industry 4.0 Jungle

TERI L. CHRISTIAN

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Dedication: This book is dedicated to me. The challenge to do this and the tenacity to see it through has been life changing.

Thank You: Danielle, for making this book readable, Cheyne and Kobus, for making my ideas come to life, the Belyeu family for prayers and encouragement, and Joe for riding through the ups and downs of the writing process with me.

Preface

“Change is inevitable. Growth is optional.” – Jack C. Maxwell

Historians and archaeologists have found evidence of millions of years of human existence before the Agricultural Revolution. This period is believed to be the most opulent in human history. The behaviors, emotions, and physical attributes required to thrive are embedded deep in our DNA.

Starting around 10,000 BC, the Agricultural Revolution introduced the concept of working for food, which caused a substantial change in behaviors, cultural roles and values, and social expectations. Agriculture became more widespread until it gained global popularity around 800 BC.

Suppose you read the Christian Old Testament book of Genesis through the lens of the Agricultural Revolution. In that case, you could surmise that part of the message explains the move from hunter-gatherers to farmers and how a different worldview was emerging. I will not labor the point here, but it is interesting to read the text from this perspective to understand how social norms shape behaviors. More reading on this can be found in “Ishmael” by Daniel Quinn¹.

For thousands of years, agriculture was king, followed by the Industrial Revolution that gained traction in the mid-1700s. The Industrial Revolution leveraged formalized-scaled education and the availability of writing implements developed centuries earlier to bring widespread change. This revolution caused a significant shift in how people worked, lived, learned, and interacted. The societal and health impacts were far-reaching and are still part of our everyday life today.

In the late-1800s, the Technological Revolution began. As with previous revolutions, this period affected and altered every aspect of the world.

Communication between countries became faster and more accessible with the invention of the telegraph and then the telephone. Previously isolated concrete jungle cities began connecting physically by adopting new systems such as electrical power, water, gas, and sewerage, which increased the pace of daily life.

The Information Age took hold in the mid-1900s. As with the two previous revolutions, the Information Age affected and altered every aspect of our world. Information that was previously unavailable to the everyday person was suddenly free to consume at our fingertips. Communication became faster, easier, and is now instantaneous in our 24/7 non-stop world. Humanity has evolved both closer and further apart. I love this era because the people who were considered different or odd in their small social circles can now branch out across the world and find others like them. They are no longer alone.

In approximately the last ten years, we have entered the Digital Revolution – powering an Industry 4.0 economy, a concept that emerged around 2015. Now the way we live, shop, work, and learn is being disrupted exponentially faster than the previous revolutions.

This revolution has brought machine-to-machine communication, the Internet of Things, big data analytics, and machine learning. The way everyone lives, shops, works, and learns is being disrupted at an exponential rate.

This era requires us to rethink and rewire our habits, behaviors, and fundamental beliefs to compete in the new world.

When we review the duration between Revolutions, it is evident that the change gates are getting closer and arriving faster. As Industry 4.0 rapidly channels worldwide changes, many organizations do not understand its implications and what it means for their businesses.

***What must be done NOW to compete in this
virtualized, decentralized, and service-orientated
Industry 4.0 economy?***

Let's journey back to understand the tools used to support the various industries. Why is now more different than ever before? Understanding the difference between then and now clarifies why things need to change to compete in this new economy.

Industry tools:

- Industry 1.0 Tools – Water and Steam (1760 – 1840)²
- Industry 2.0 Tools – Electric power to create mass production (1870 – 1914)³
- Industry 3.0 Tools – Electronics and Information Technology to Automate Production (1929 – Today)⁴
- Industry 4.0 Tools – Digitalization that will transform the global economy. (2015)⁵

You can see the tools have changed from manual, tangible objects to more sophisticated and abstract mechanisms over time.

***As the tools change, operating models need to be more
fluid and adaptive to deliver quality products and services
to customers.***

Unlike in the past, when we could see a physical production line, a steam car, or a robot painting an airplane, now we produce digital products that are sometimes not fully understood until they are delivered. This approach is risky and can cause delays to market and waste.

Now, more than ever, organizations need to address all aspects of a digital operating model to be competitive in the current economy.

Even if your industry does not produce digital products and services, such as manufacturing, service sector, or physical product development, you must realize that people, customers, and society needs shifted as we entered the Industry 4.0 economy. "Digitization" is front and center of the customer experience.

The biggest employee pool and consumer base have grown up in the digital era. Their work, product, and service satisfaction expectations are vastly different from past generations.

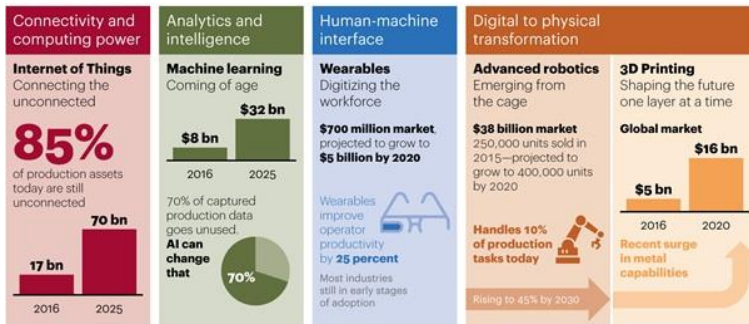
In response to the Industry 4.0 economy, organizations must understand and incorporate these needs in their digital operating model.

Our current economy is already swelling with digital needs and expectations. New revolutions are threatening to start before the previous one finishes. Looking back 50 years from now, historians will most likely lump the Information Age, Digital Era, and Digitization into some other catchy phrase. Still, we are in the thick of this constant, exponential change now.

The current digital revolution is changing the economy at a rate that is difficult for businesses to understand or respond to, leading to ongoing disruption.

Companies are striving to compete in the cyber side of the revolution. They want to lead digitization but have overlooked the collision with physical (human beings) needed to compete in this economy.

A cyber-physical collision is being driven by four key technology clusters...



Source: A.T. Kearney

Kearney Digital Transformation⁶

With the internet of things connecting us more than ever, connected assets are expected to account for 70B in sales by 2025. There is no time for hesitancy.

Machine learning is coming of age and will account for 32B in revenues by using AI to tap into 70% of unused data. While most organizations are in the early stages of adopting wearables that improve operator productivity by 25%, this is projected to have grown to 5bn by 2020.

Advanced robotics and 3D printing are the next revolutions to watch. Both are expected to completely disrupt manufacturing and the supply chain as we know it today (subject of another book). Reading all this most likely makes organizations want to double down on technology for fear of getting left behind.

However, gadgets and advances for their own sake are not a winning strategy. As I see organizations racing toward purchasing this digitized power, I often ask:

1. Are organizations looking to get new gadgets for the sake of claiming they have them without understanding the needs and desires of their customers?
2. Are organizations creating diverse, inclusive workforces representing their customers? Are workers incentivized to work together to develop the best strategy and effective delivery mechanisms to achieve the competitive edge these new technologies provide?

While organizations are racing towards the gold ring of digital advances that are becoming more accessible, they miss the operating model needed to leverage the technological advancements. Truth be told, the inventions are outpacing businesses' ability to use them.

Organizations must understand and implement operating models that support the need for changes in the culture, processes, and tools to converge and deliver the technical results they hope to achieve.



Three C's – Culture, Cycle, and Converge

Starting with culture, organizations need to change external and internal relationships to invest in the right efforts. They need to create ways to engage customers (directly) to adapt products in meaningful ways. They also need to optimize operations, ensuring they create inclusive organizations composed of at least 30% representation of their customer base. This representation gives the organization the voice of the customer and drives adaptation. As a result, empowered employees can influence strategic positioning and improve operational effectiveness. The entire organization learns together with customers to understand and create a shared vision.

Then the focus needs on the delivery cycle. Now that needs are understood through representation and inclusion, the organization can define processes and tools to be streamlined to create a predictable and dependable delivery cycle. Platforms, personal computing efficiencies, and optimized productivity through regular inspection and adaption cadences that improve business processes make time to market predictable.

Finally, organizations can effectively measure their ability to converge culture and cycle approaches with these pieces in place, resulting in digitized products and services to compete in an Industry 4.0 economy. Here is a short video that brings this all together: Have you developed the right culture for digitization in your organization?

Only companies that can adapt and turn on a dime will compete or even exist in this rapidly changing economy.

For this reason, now is the time to share experiment outcomes and approaches that have been tested and honed over the last 7+ years. My goal was to solve digital operations problems for customers across any industry. As we move

further and further away from the Industrial Revolution and the Concrete Jungle built, we need to transition to new frameworks, disciplines, tools, and techniques bound together by a digital operating model to survive.

This book will provide concepts and practical approaches to learning to survive and thrive by developing new ways of working, learning, and measuring progress as you navigate the quickly growing new economic jungle.

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Part 1 – Jungle Preparation

Introduction: Welcome to the Jungle

*"Change, both technological and cultural, is occurring faster than ever before. In this climate, modern enterprises will **live or die** on their ability to adapt quickly. As a result, companies are turning agile for ideas to innovate, reduce costs, and remain relevant in a changing market." - Business Agility Institute¹*

For thousands of years, humans were creatures of the jungle, using the seasons, local waterways, animal tracks, and the landscape to shape their culture and day-to-day life. During the Agricultural Revolution, humans changed their way of life; humanity moved out of the jungle into organized units that locked up food to create an economy that required an exchange of time for money to buy food for survival. Instead of using paths and waterways to meet, people would gather at local bars or town halls. Sidewalks and roads replaced animal tracks and landmarks. People obtained needed supplies and services by walking down the street to the local butcher, greengrocer, and doctor.

Once the Industrial Revolution gained its grip, people moved from artisanal approaches to modern manufactory in cities. People traded their autonomy and independent living for a concrete jungle that required adaption for survival. The sidewalks and motorways replaced dirt roads and local merchants. Ways of working, learning, and measuring success changed drastically.

Now we are in the midst of a change as significant, if not more disruptive, than the Industrial Revolution. Our sidewalks have become online stores and websites, and chat rooms and social media have replaced the local pub. We no longer know our neighbor's name but can stay in touch with family and friends worldwide.

The Digital Revolution is changing the economy at an alarming rate for businesses to understand or respond to, leading to ongoing disruption.

No matter where people live worldwide, individuals and businesses must rethink and rewire habits, behaviors, and fundamental beliefs to compete in this brave new world. Suddenly, employee, customer, and societal needs have changed, which drives the need for businesses to change.

The internet, technology, and easy access to digital products and services have become the glue of society, creating the Industry 4.0 Jungle that is intangible and requires new survival skills.

Businesses now face a new challenge to survive. Many organizations do not understand or underestimate the implications of an Industry 4.0 economy and what it means for them and their customers. Companies are struggling to stay relevant and thrive in a world where they make, sell, and service customers they no longer physically see through the delivery of digital products and services.

In past revolutions, businesses created tangible tools and approaches to adapt to change. But to compete in the Industry 4.0 jungle, virtualized, decentralized, and service-orientated tools and frameworks have become more sophisticated and abstract, no longer fitting the business operating models of the past.

To retain and compete for market share, businesses large and small must use open, fluid, and adaptable operating models to deliver quality products and services to customers. The solution is simple – change to a digital operating model that focuses on new mindsets and mechanics, or face becoming irrelevant.

For industries that are not digital, such as manufacturing, the services sector, or physical product delivery,

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understanding and implementing a digital operating model is crucial. The growing market segments and employee pools that businesses are now selling to and employing respectively have lived entirely in the Digital Age for these sectors. People's work and product needs are significantly different from ten years ago.

For example, e-commerce to purchase physical goods was critical during the pandemic, but manufacturing became a bottleneck when factories and warehouses shut down. Essential storefronts (brick and mortar stores) that relied on manufacturer's products to stay open were disappointed by long wait times for products. In this case, where there was no e-commerce relationship, these warehouses and factories have internal inventory systems that they couldn't share with the brick and mortar shops. The pandemic exposed problems we didn't know we had. Manufacturing and the path to consumption are forever changed. They can be fixed in part with better systems in place for digital operations.

All businesses must understand and incorporate these new customer and employee needs into a digital operating model to survive.

Only businesses that can adapt and turn on a dime will compete or even exist in this rapidly changing Industry 4.0 economy.

With each revolution, society and culture have changed. In the past, businesses were mainly able to adapt. In this new jungle, organizations struggle to stay relevant as the connection to customers has moved from the pavement to digital pathways. Moreover, Digital pathways have different meanings depending on your demographic, which adds to the confusion.

Jungle Life

This jungle has been raging around me for many years, and I have seen and made many mistakes along my journey. With a university education in computer information systems, business administration, technical writing and accounting, and over 20 years of IT solutions experience, I have seen many trends fall in and out of fashion. Tools that were once successful quickly became redundant in the last 20 years. One thing I noticed over the years is that most things go back to basics with a new badge or name (and sometimes with a new certification). The basics are essential, and most of what I have learned and experienced is based on methods as old as Ancient Greece. It is necessary to understand that this generation is not the first to experience change!

Motivated to find better approaches to help organizations and teams achieve results and my fascination with viewing technology through a business lens, I have learned and experimented with better ways of working. Leveraging my extensive experience in top-tier companies in industries worldwide, I have experimented for many years to create the Digital Operations (DigOps) model. The DigOps model leverages concepts and tools across time and industries to support any business's survival in today's economy and its prosperity in the future.

In 2013, I founded Powers Digital Solutions (Powers) in response to a call from the wild. Organizations were looking for ways to transform to compete in the new jungle. They were being eaten alive by their customers, employees, and competitors with no apparent help. Various soothsayers seemed to point the way, but each path was riddled with sinkholes and sometimes introduced even more danger. It isn't that people don't want to help, but we are all new to the jungle. The jungle demands careful navigation to harness the benefits it offers without being crushed.

Digital Operations

As I developed various tools and techniques, many consultants tried and tested them to learn and help others navigate their way more effectively. We tested the frameworks, techniques, tools, and approaches with various companies, from startups to large multinationals. Over time I saw obvious patterns emerge that eventually grew and landed into what is now known as the DigOps model.

Today, I continue to inspect and adapt the DigOps model to make it easier for companies to implement the concepts to survive and thrive. I am no genius, but I distilled learnings down to simple, easily understood ideas after sticking with them for eight years. There is more work to do, but the basic foundations are solid and built on science and concepts that have stood the test of time.

This book aims to give leaders in the Industry 4.0 jungle the direction needed to clear the way and help people understand the strategic activities, workflow, disciplines, and capabilities to succeed regardless of their position.

It is my firm belief that we can all make the world a better place to live by helping people develop autonomy, mastery, and purpose in organizations where they are encouraged to learn & grow together and from each other. The DigOps model creates learning places (over workplaces) that have the power to change societal norms.

Guiding Light

When exploring a new land, it's hard without a map, an understanding of the language, or a local guide to lead you. This book is your map, vocabulary, and direction for success in the Industry 4.0 jungle.

I have combined cumulative years of knowledge, experimentation, and successful results with rigorous scientific backing to create the DigOps model. My research

and experience are why I believe that any company's most tremendous ongoing success comes from the intersection of cultural change and process rigor.

The DigOps model helps people change with the frameworks, methods, and tools needed to achieve their desired results without relying on experts. The Powers North Star is simply stated:

We Create Market Leaders

"We help companies competing in an Industry 4.0 economy to transition from a traditional operating model to a digital operating model through leveraging our services, programs, and tools built self-sufficient, adaptable learning organizations."

Powers Guiding Values and Principles are important because these help us lead the way for others and are the basics for any organization that wants to be a market leader.

Powers Values and Principles²

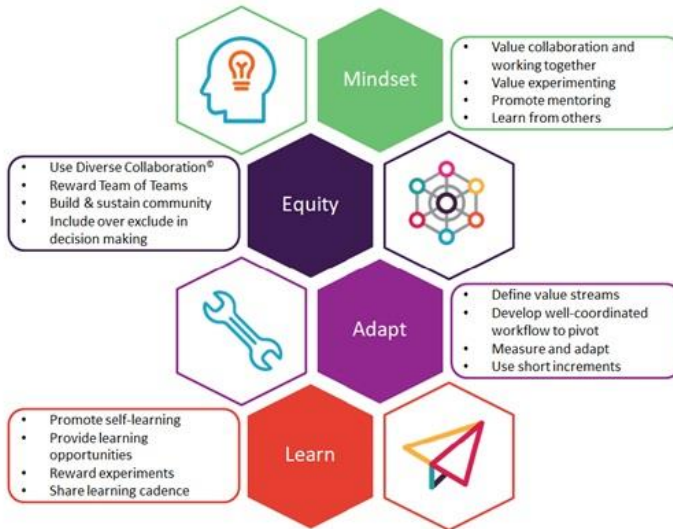
While both are important, we value the things on the left **over** the things on the right.

Mindset and Behaviors *over processes and tools*

Diversity and Inclusion *over closed, exclusive systems*

Adaptation to change *over rigid, inflexible operating models*

Learning Organizations *over reliance on experts*



Powers Digital Solutions Values and Principles

Our underlying principle is simple; we don't want to be consultants that fix businesses year after year. That is an effective business model, but not one we are interested in leveraging. Alternatively, we want to be the experts that help you set your company up for success. We help companies gain market share and remain competitive as they smash desired results every time. No matter the changes, your organization will be equipped to handle new challenges and adapt to change.

This book leverages years of experience to provide the concepts all businesses need to survive and thrive in the quickly growing Industry 4.0 Digital Jungle. By developing new ways of operating and creating an adaptable strategic advantage...

We create market leaders.

DigOps Jungle Buster

There is no doubt that organizations need to change to compete. Every business across industries and sectors has

leaders scratching their heads trying to understand an ever-changing economy while hoping that someone will come and give them the solution. We are all new to the jungle, it is hard to navigate, but we all know we need to change.

Organizations need to change to ways of working that leverage new mindsets and mechanics while maturing to achieve their market share results. Operating models must create a results-based culture that predictably delivers value flow to customers.

I have spent most of my career developing ways to help organizations and people work together using more harmonious and effectively operating models. The DigOps model harnesses all aspects needed to compete in the Industry 4.0 economy. We will take a deep dive into the DigOps model, activities, workflow, practices, and disciplines throughout this book.

The DigOps Model

The four M's are the cornerstones of the DigOps model; **M**arket Share, Shared **M**indsets, Agreed to **M**echanics, and Continuous **M**aturity. Combining these building blocks results in the organization's ability to measure Value Flow and Cultural Outcomes.



DigOps model

Organizations achieve Safety and Morale by measuring culture and outcomes, leading to a continuously improving environment. Quality, Cost, and Delivery are measured through Value Flow to customers. These five key Lean Business drivers will be further discussed throughout this book. They are an essential foundational lens to understanding the DigOps model.

Using a different operating model is not an option; it is necessary to survive, be disruption-proof, and gain market share now and, in the future, (thrive). We will explore the DigOps model more throughout this book. You will not only understand how to navigate essential strategic activities and new ways of working. You will also get a step-by-step approach to develop the necessary disciplines for competing in an Industry 4.0 economy. This book provides the beginning but promises to propel your organization to new ways of working, learning, and measuring in the future.

Jungle Mastery

This book is designed to give any business a foundation and understanding of digital operations and business approaches in a simple, walkthrough set of chapters. If you want to skip through the theory and jump into action, go to the Bonus Chapter at the end of this book to start your transformation journey.

This chapter outlines the basic need for change and introduces the desired end state, setting the stage for the rest of the book.

Before you start the journey, Part 1 will help you understand the investments and essentials in preparation for the transformation. Part 2 sets the foundation for the DigOps model, leading to the complex and interrelated DigOps Disciplines discussed in the Part 3. Each chapter in Part 2 delves into questions, problems, and practical solutions that DigOps helps businesses overcome in the real world and highlights mindsets that will harm any company.

A step-by-step approach to implement concepts and practices is also included for each topic. I suggest you read the whole chapter to understand the importance of each step - this will empower you to break the rules and experiment as you learn and grow. The entire chapter will help you understand the problem, the consequences of not changing, and how each segment interlinks with the next.

And don't forget to look out for bonus tips at the end of every chapter!

Part 3 covers the Six Key Industry 4.0 Disciplines that businesses must develop to adapt and thrive. The chapter sections cover the results, values, capabilities, and real-world experiences to understand how to transform to the DigOps model successfully.

Digital Operations

At the end of the book, a bonus transform chapter covers a series of tools used to propel your business to the next level of the jungle canopy.

So, if you're ready, grab a coffee and prepare to understand what your business can do now to compete, survive and thrive in the Industry 4.0 Jungle.

References

¹ <https://businessagility.institute/about/>

² Adapted from the Agile Manifesto,
<https://agilemanifesto.org/>

Chapter 1: Consider the Cost

"For which of you, desiring to build a tower, does not first sit down and count the cost, whether he has enough to complete it? Otherwise, when he has laid a foundation and is not able to finish, all who see it begin to mock him, saying, 'This man began to build and was not able to finish.'" - Luke 14:28 – 30, ESV Bible¹

Before starting on any journey, one needs to consider the cost, or else look like a fool. Quite frankly, making everyone who has invested in the effort look foolish. Please do not start on the DigOps transformation journey without considering the costs, and they are significant.

I started writing this book in early 2020, just before the COVID-19 pandemic crushed the world. The global crisis is the perfect backdrop to discuss leadership in times of change. We saw a variety of leadership styles through the pandemic. Some leaders watched from their tower; others relied on experts to lead the way. While a few dedicated leaders jumped into the fray and cleared the way for their people. The different approaches made me think about what leadership looks like in the corporate world. I wondered, what kind of leaders do we need now during this time of change that is growing like a **digital pandemic**?

If we have learned anything from 2020, it is the importance of leadership through struggle. This book is for leaders who understand that constant, uncoordinated organizational change is causing fatigue, stress, and disenchantment for the people on the ground. Over the last few years, I have noticed that many people have learned not to take change initiatives too seriously as they usually fizzle away. People don't actively resist; they seem to pay lip service as needed

and wait for the latest wave to subside as they brace themselves for the next swell.

Typically, trusted corporate consultants with hefty price tags lead strategic change. They often promote a “unique” (usually Agile-related) approach to end some form of corporate suffering. The consultants rarely consider the fatigue or ramifications of change on the people in the organization but instead follow the usual delivery-focused approach, delivering change to agreed deadlines. Safety and morale or quality and cost are not usually part of the equation. The cost of employee attrition, disengagement, and fatigue are not considered. The morale of enterprise leaders and people generally sink to a low as they are asked to blindly follow unclear change initiatives.

It is disheartening to see this cycle occur repeatedly. Why are executives willing to pay vast amounts of money year in and year out without knowing if they solve the correct problems with no way to measure results? Simple, it is easy. They may not have the courage to create an environment that promotes and leverages the valuable internal knowledge of enterprise leaders and people on the ground.

Traditionally, leaders think of the cost as monetary, and in that case, the cost of the DigOps journey is minimal. Sending checks is easy, but the cost of changing to the DigOps model is anything but easy. Why? Change to the DigOps model takes courage, trust, honesty, discipline, transparency, and inclusion. Moving to the DigOps model will lower monetary investments by creating a model that is less reliant on “experts” and leverages internal expertise.

Jungle Leaders

You cannot lead people where you will not go. This book is the survival guide for senior leaders, regardless of business size, industry, sector, or global footprint. Any leader in any

business can use this guide to understand the investment needed to shift to the DigOps model.

First, let's ask some difficult questions. If you answer no to any of these questions, then this model may not be for you. This approach is for leaders who are willing to clear the way, not watch from the sidelines.

1. Are you willing to create a diverse, inclusive environment in which every voice is heard? If not, this operating model is not for you.
2. Are you willing to change activities across the organization to support your strategic position and measure results?
3. Can you trust your leaders to clear the way for your organization by asking them to work together as a team of teams to create flow?
4. Are you willing to empower your teams to focus on delivering quality products and services together across the organization?

Last and most importantly...

5. Are you willing to learn from your people and customers? Can you be vulnerable and learn instead of seeking expert advice?

If you said no to any of the questions above, you should rethink your desire to embark on the journey to transform your organization to the DigOps model. While your organization may not be immediately feeling the economic effects of the Industry 4.0 revolution, your people fighting in the flood of change are feeling them daily.

This is the most crucial question – are you going to lead by providing direction, learning, and adapting together with your team, like Indiana Jones, or are you going to watch

from the sidelines like Hunger Games? We all know which organization our current workforce wants to join.

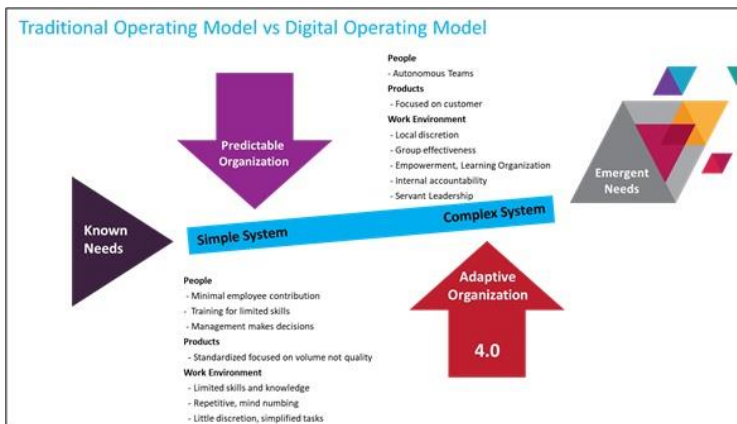
Open and Inclusive System

Two types of operating models create closed and open systems.

1. Traditional Operating Model – Uses a Closed, Exclusive system
2. Digital Operating Model – Uses an Open, Inclusive system

People tend to think that some industries, such as manufacturing, can only be successful using a closed, exclusive system. While other sectors, such as filmmaking, need a more open, inclusive model. The truth is that either model can be used in any industry.

The belief is that Traditional Operating models are for Simple systems that are predictable and have known needs. In contrast, digital operating models are needed for organizations that must quickly adapt to emergent customer needs. There is no question that now, as we are competing in an Industry 4.0 economy, every organization needs to embrace a digital operating model. It is not a choice.



Traditional and Complex Systems

Let's explore this thinking. Many would consider call center operations a simple system with known customer needs. Some odd requests need more expertise, but most of the calls are straightforward and quickly addressed. Because this is considered a simple system, these services are often outsourced to companies that use a traditional operating approach. How do customers and the people in the organization suffer under this approach?

People in the system cannot contribute; they are trained in limited skills. Anything outside of their training is escalated. They are usually incentivized based on volume over quality and are not empowered or able to solve problems.

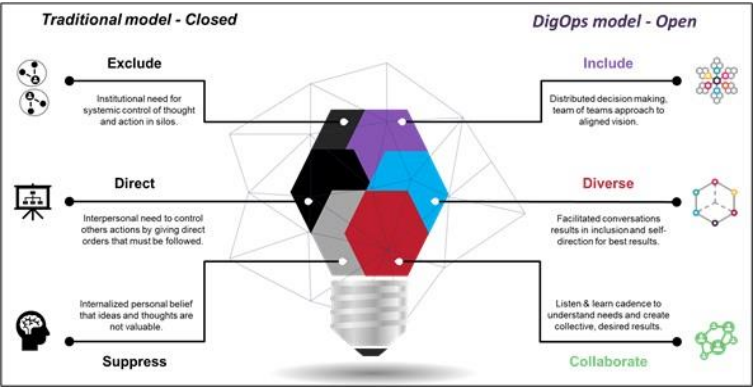
If the organization used a digital operations model, where people can solve problems together by focusing on customer satisfaction, people would be empowered to make local decisions. The open system provides more rewarding solutions for people in the organization and develops a stronger relationship with customers.

Regardless of the industry, an open system produces better results. It seems obvious, so why are open systems so rare? The answer is simple. It takes courage and discipline for leaders to create an environment where people can work together to deliver high-quality results. It takes leaders creating the system and then getting out of the way to support the team. Again, this sounds easy, so what is the problem? Why is this not seen as normal?

Open systems, such as DigOps, require the organization to embrace diversity, equity, and inclusion. Unfortunately, most organizations have built exclusive, oppressive systems into their operating models, which is the enemy of inclusion. Systems that are strategically positioned in oppressive ways

of working cannot be inclusive, and inclusivity is a natural necessity for leveraging the DigOps model.

There are 4 I's of Oppression documented in a white paper by *The Grass Roots Funding Journal*². To summarize, Ideological Oppression stems from a core belief that one group is better than another based on various cultural values. These beliefs go beyond even the obvious biases of race, gender, and socioeconomic position. Usually, unknowingly, closed systems are founded in this belief and behaviors. The core belief that certain groups have a right to control others drives the behaviors related to Institutional, Interpersonal, and Internalized oppression.



**Traditional vs. Digital Operating models
Actions and Behaviors**

Traditional Operating models use exclusion to support Institutional oppression. The system is built to support systemic control in silos and discourages working together to understand and deliver desired results. Why is this popular? It is often because the leaders in the organization cannot clearly articulate the desired results and vision. In this case, the organization is in fear. People are unsure and unclear, and as earlier referenced, this causes actions and behaviors that defend rather than include. It is easy to identify operating models built on Institutional Oppression.

Here are some of the attributes:

1. Projects are funded to solve problems with no fundamental understanding of measurable desired results or vision.
2. Problems are supposed to be solved, with no accurate understanding of what needs to be done across teams/areas/ divisions.
3. People are not allowed or given access to leaders to further define desired results.
4. Leaders responsible for delivering solutions rarely form a team of teams who develop a strategy, process, and measures of successful delivery.
5. The blame game is invoked whenever there are issues.
6. Delivery teams race blindly to deadlines because they have no other measure for success. Lack of clarity makes "time to market" the only business driver.
7. Leaders and delivery teams continue patterns that do not achieve valid customer results across the organization, rarely reviewing and learning to understand better ways.

Lack of desired results and vision cements Institutional oppression. Lack of clarity leaves the entire organization wandering in the dark. This will waste time and money and damage people's safety and morale. Lack of clarity forces enterprise delivery leaders to use Interpersonal oppression to push down very direct orders related to dates and timelines. While delivery teams are constrained to a cog in a wheel, thinking focused on delivering as directed.

With these oppressive behaviors in place, people get the message that they are not important. Their ideas are not valued, and they tend to internalize oppressive behaviors.

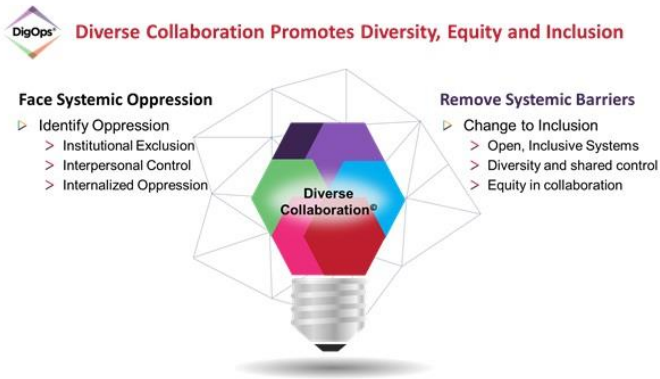
They will not be brave or try to participate as it is not encouraged and could be painful.

Organizations founded in these forms of oppression can never leverage the DigOps model necessary to compete in an Industry 4.0 economy.

Oppressive systems remind me of a man running in a dark room with scissors, not knowing where to go or what to do. Lack of discipline in identifying desired results and a vision with clear, measurable outcomes leaves the entire organization to run in the dark with scissors or do what it can without getting caught in the fray. These organizations are not positioned to provide an environment of safety and high morale needed to achieve diversity, equity, and inclusion. It just isn't as easy as ticking a diversity training box.

Leaders who dare to remove oppressive beliefs and behaviors within the organization are positioned to leverage the DigOps model that focuses on people, customers, and societal results. The DigOps model is powerful because it resonates with the habits and generational memories ingrained in our DNA. Our desire for community, autonomy, mastery, and purpose in a trusting environment is key to our satisfaction as humans.

Unlike closed operating models, the DigOps model focuses on organizational mindset, mechanics, maturity, and market share over delivery schedules. The model helps change organizational culture and creates a team of team environment using Diverse Collaboration techniques. Diverse Collaboration develops diversity, equity, and inclusion across the organization as people deliver a predictable flow of value to their customers. Diverse Collaboration is foundational to remove oppressive barriers.



Diverse Collaboration

Diverse Collaboration includes developing regular opportunities across the organization to discuss and contribute to developing desired results for people, customers, society, and the business. The first step includes identifying measurable outcomes for each result and a clear organizational vision. Include everyone.

Next, develop a team of teams system that ensures the enterprise delivery leaders can clear the way for delivery teams. Control is shared and everyone contributes to solutions to improve the value flow of outcomes.

Finally, simply do not hurt people in the organization. Be aware of behaviors and actions that cause internalized oppression. Instead of turning to external “experts,” learn from and listen to the people on the ground, doing the work.

If we want to overcome the oppression that has plagued humans for centuries, we need to create inclusive working environments. We have tried through government agencies and in other ways to develop inclusion but have not been successful. When we create safety and morale at work, we will then reach out to under-represented people and change the way we work and live together.

The DigOps model is not just necessary to compete, but it teaches us how to work together to create a better world. Leaders in the Industry 4.0 jungle must develop open systems to leverage everyone's skills to promote success.

This book outlines everything needed to start and finish the journey to transform to the DigOps model. This chapter will help leaders consider those costs. If you cannot pay the price after reading this chapter, please stop and return this book for a full refund. When you fail by not counting the costs, we all fail.

If you are ready to join me in a new way to think about how we work together to achieve desired results, the rest of this book will get you there.

References

¹ Luke 14:28 – 30, ESV Bible

² "The four I's of Oppression," The Grass Roots Funding

Chapter 2: Don't forget your drivers!

For decades, manufacturing organizations focused on the Lean Business Drivers (Safety, Morale, Quality, Cost, and Delivery) to gain a competitive edge. When organizations strive to create an environment that values physical safety and high morale, they reap the benefits of quality delivery and continuous improvement. When people feel safe and continuously improve, it makes sense that Quality goes up and Cost comes down, resulting in a predictable delivery flow. Ultimately, customer satisfaction is the reward.

Currently, organizations that deliver Digital Products and Services find it challenging to meet even the base Lean Business Drivers and struggle to understand additional Industry 4.0 drivers. The lack of understanding of what is essential to measure and how to measure leaves organizations exposed. All business drivers must be addressed to compete in today's economy. Leaders need to understand and be willing to focus on these drivers to begin the journey.

Psychological Safety

Many organizations have missed how physiological safety results in high morale that drives delivering quality outcomes to customers. This disconnect causes a lack of engagement, curiosity, and courage. As discussed previously, Institutional Oppression, common in most organizations, erodes safety. When people do not understand what they are trying to achieve and are afraid to ask clarifying questions, they do not feel safe.

Do the people in your organization feel safe? Ask yourself these questions:

1. How many people are fully engaged? How can you tell if your organization is challenging them to bring their whole self to work?

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2. How many people are curious? Do you see people open to learning and growing, or are they protective and afraid to share openly?
3. How many people challenge norms and ask why?
4. How many times do people have the courage to ask a leader for clarification? How many times are the people delivering involved in setting the direction?

Morale

If safety is a rare commodity, morale is hard to achieve. People may follow a great leader, but their loyalty and enthusiasm will continuously wane if they do not see safety across the organization. In time, they will either move on or disengage. Morale is where innovation springs to life. When morale is high, people are free to improve, experiment, and focus on value continuously.

Quality

In the Industry 4.0 jungle, quality is nearly wholly lost to outputs and deadlines. Products and services riddled with known defects are often delivered to meet deadlines, resulting in enormous support efforts. Why? Delivery leaders care about time to market because delivery time is one of the few easily measured metrics. Simply, most organizations reward timely delivery over quality outcomes.

Quality is complex, making it harder to measure. Quality lives on two axes; one is product or service quality, the other is quality delivery standards. Most organizations do not understand the need for quality delivery standards that are essential in today's economy.



Quality Spectrum

In the manufacturing industry, people do not necessarily focus too much on how the product or service is delivered. Quality delivery does factor into decisions but to a lesser degree. I remember buying my first sports car and the care the salesperson gave in the delivery. The dealer made it an event with all sorts of attention and free goodies. It was fun; although I knew the cost of the event was factored into the price of the vehicle, they had gained a life-long customer through the delivery approach.

In delivering Digital Products or Services, quality standards are critical. If the product or service is low quality and the delivery standards are low, the customer will most likely disengage. I experienced this when I initially started to apply for a trademark. The website was confusing, and I didn't know where to start. There were plenty of help options, but they used language that the government department understood, which was Greek to me.

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Once I navigated to the right place to lodge, the user experience was clunky. The flow was confusing to me. I tried and disengaged several times and even sought the help of a trademark lawyer. When I saw the cost to get professional help, I decided to dig in and do it. After a year of putting it off and hours of brute force, I was able to lodge my request. If there were another viable alternative available to me, I would not have even tried.

Another experience offered high-quality delivery standards through personalized emails and phone calls. I felt like the service was going to be tremendous and would address my needs. But on signing up for the service and logging on, I found the functionality extremely basic and did not deliver on my expectations. I was disappointed by the functionality and rarely used the service until it expired.

When developing the gemPowers software, I experienced discouraged customers firsthand. I lost a massive contract because the development team “upgraded” the account creation features right before the first Beta test with the customer. The delivery team put the features into production without my knowledge and with little testing. Although the system itself was stable and easy to use, people had a bad experience when they could not create an account or even log in predictably. Quality problem one: the system was not tested, but that is not why I lost the account.

I lost the account because I did not know that there was a change. If I had known, I could have done several things to make the account creation and login successful. First, I could have been honest with the client and inform them that the new functionality existed, and we needed to test it more. Then I could have worked with the development team to look for workarounds that would remove the bad experience. It was the lack of quality delivery standards that lost the account. Customers’ expectations were high, and I did not manage them. They did not trust me or the product

anymore, they were discouraged, and within a week, they were on to another solution.

In today's economy, customers want to be delighted. They want high-quality delivery standards and a great digital product or service that achieves their desired results. Anything less is not acceptable. Unfortunately, very few organizations understand this and are losing market share because customers either opt out or find alternative solutions.

Cost

It seems that most organizations in today's economy are focused solely on cost and delivery. Cost is a focus every year around budget time when the rumblings of "IT is too expensive" start to surface. At which point, knowledge workers start to duck for cover as they know budget cuts are coming. The irony is that instead of looking for opportunities to improve Operational Effectiveness, most organizations opt for outsourcing to vendors, which usually further erodes effective delivery.

Most wastes in the digital realm are due to handoffs. In a manufacturing organization, these wastes are apparent, but in the digital space, they are not evident. The bottom-line costs seem to go down through outsourcing, but do they really? Is the price to deliver measured or just resource costs? The reality is that if your system is broken, handing work to vendors will not fix the problem. It will only add more complexity, which creates the vicious cycle of less delivery and more outsourcing.

I can think of countless times when leaders had me, the consultant, in the room asking me, "how many more people do we need to deliver this." And how frustrated they get when I say, "you don't even understand your system, so how can you know how many people you need to make it work?" Leaders typically ignore my words as they scramble to send

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people to training, hire more people and outsource to vendors. Most organizations competing in today's economy do not fully understand cost metrics.

Delivery

So that just leaves the final Lean Business Driver, which seems to be king today – Delivery. Time to market appears to be the only key business driver that gets attention in most organizations dealing with digital products and services. Why? Why forgo safety, morale, and quality for delivery? Because leaders have not developed the discipline to measure all aspects of the key business drivers in digital product delivery. The two most popular questions are: What is the cost, and Are we delivering products and services against timelines? Many target dates are made up to provide a measure. Does it really matter to the customer if the organization offers a product or service in Q1 or Q4? For the most part, no. And when it does matter, organizations tend to put special, focused teams together to get the work done.

The Industry 4.0 jungle has hailed "time to market" as king, and for the most part, it is a farce. In discussing this with a coworker, he said, "but Teri, what if our competitor gets the latest widget to market before us?" My answer? Customers are much more complex than the latest widget.

For example, I remember when the Discover card delivered the ability for customers to freeze access to credit card use. Initially, I thought, what a good idea; how many times have I misplaced a card and found it only after I went through the hassle of canceling the card and ordering a new one.

Did I change to Discover? Nope. Why? It boiled down to the fact that the feature was not innovative or a game-changer. The feature can be easily duplicated. I knew my credit card company would follow suit and offer the same in time. I weighed the hassle of closing and opening credit card

accounts with my relationship with my current service provider and the freedom of a more popular card. Keeping my current service outweighed my desire for a new feature.

As stated, customers in today's economy do not simply jump to the latest shiny widget; the decision-making process is much more complex. In the digital era, customers consider much more than the fundamental Lean Business drivers used in manufacturing. The Lean Business Drivers have held for decades, but customers expect much more now.

Industry 4.0 Business Drivers

Customers in today's economy also consider customization, convenience, and social responsibility when making a purchase.

Customization

First and foremost, customers want a personalized experience. Personalization requires a relationship and understanding of what is essential to specific customer segments. I was unwilling to end my relationship with my credit card provider to obtain a feature that could easily be replicated. My current provider helped me set up my unique dashboard to manage my entire financial plan. They know me. There was no question; I would stay with them and wait on a widget, which they did deliver later.

Convenience

Convenience is not optional; it is expected. If it is difficult to get access to the goods, people will pass. We want it, and we want it now. In the early 2000's I had a negative experience with Amazon and quit using them for gift giving. I wanted to buy a bed for my daughter, and there were several orders to deliver bedframe, mattresses, bedding, pillows, etc. At that time, every delivery had to be physically signed for, most likely as a risk mitigation strategy. My poor daughter had the most challenging time taking delivery of

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the various items as she could not sit at home and wait for the packages to arrive. She missed deliveries and had to leave work several times. My special gift turned into her nightmare. It was not convenient, and we both stopped using the service for several years.

Social Responsibility

The most extensive customer base in today's economy is very socially aware and willing to pay more if the company is giving back to the world somehow. Fairtrade, Toms shoes, Bombas socks, local grocers, etc., the list goes on. Customers make decisions based on more than the simple Lean business drivers. We cannot leave Industry 4.0 business drivers out of the equation to meet the needs of today's sophisticated customers.

Your drivers will guide you to gain a competitive edge. This book will help you create an environment that values physical safety and high morale and reap the benefits of quality delivery and continuous improvement.

Now that we are focused on these drivers let's begin the journey.

Part 2: Jungle Journey

Chapter 3: Tame the Jungle

Forrester's 2015 Prediction

"By 2020, Execs Expect to See the Majority of Their Revenues Driven By Digital — Are You Ready?"¹

Looking back at this controversial statement from the 2020 perspective, it almost seems to be antiquated. After a year of remote working, learning, and living, this statement appears redundant. What evolved before us was something that no one could have predicted or foresaw. I had been speculating about how digital advances would change our lives in the future (subject of another book), but 2020 has pushed us ten years ahead. If the business world was not listening in 2015, after 2020, they should be listening now because the Industry 4.0 jungle has just gotten an energy boost and things will never be the same.

The Industry 4.0 Revolution has arrived and is blasting forward. Companies competing in the jungle need to navigate and respond to increasing and more demanding customer needs. Traditional ways of working cannot keep up with this fast pace of change. They will not survive without developing an adaptive, learning organization to tame the beast.

Digital Transformation

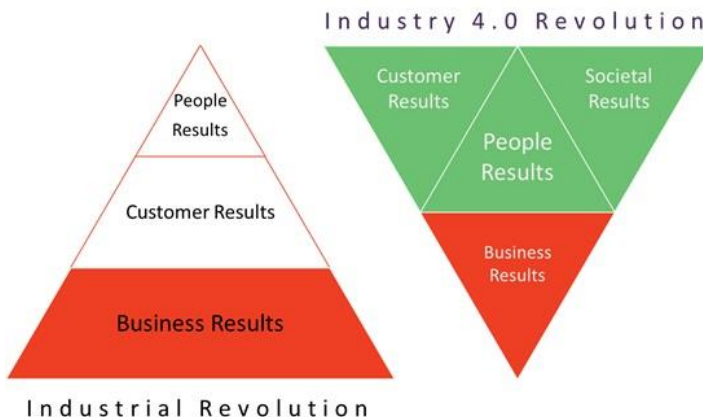
Many businesses trying to navigate the ever-changing jungle are falling easy prey to promises of quick and straightforward technology solutions, thinking these options will result in a Digital Transformation. But automating processes or using the latest Artificial Intelligence programs are digitalization projects, and as a standalone, are not enough. Many times organizations find they have merely grabbed the tiger by the tail rather than taming the jungle.

"An organization might undertake a series of digitalization projects, ranging from automating processes to retraining workers to use computers.

Digital transformation in contrast is not something that enterprises can implement as projects. Instead, this broader term refers to the customer-driven strategic business transformation that requires cross-cutting organizational change as well as the implementation of digital technologies."² Forbes

Buying new technology is just an ointment for your organization's blisters – it is not enough to achieve embedded and successful digitalization. Current business models and approaches must change to deliver people, customer, and societal results that will make them competitive and disruption-proof.

To leverage the advances that digitization offers, businesses must change from traditional, Industrial Revolution operating models to Digital Operating models through a Digital Transformation. To be competitive, organizational operating models must be transformed to meet the new and changing people, customer, and societal results in an Industry 4.0 economy.



Business Results Inverted Triangle

Two of my favorite quotes come from Henry Ford sum up the Industrial Revolution Operating model nearly perfectly.

"If I had asked people what they wanted, they would have said faster horses." ³and "Any customer can have a car painted any color that he wants, so long as it is black."⁴

Henry Ford was the idea man and built factories with production lines that could achieve his dreams. He didn't need customer input; he knew what they needed: faster transportation, not horses. Ford believed people did not have the innovative thinking to provide an affordable transportation solution. And he was most likely right.

He didn't need to focus on customers. He didn't need people in the organization to innovate and improve his ideas. He was the mastermind, focused solely on business results. Customers and people were just necessary to achieve his desired results. And that approach was successful for a long time.

When it came to considering customer needs, he put efficiency over desires. The Model T only came in black because the production line required no compromise to achieve efficiency and quality. It would have been very costly to add color options, and there may have been a compromise in quality. He was steadfast in his focus on the bottom line, which was achieved through efficiency and quality.

Workers in Ford's car manufacturing plants worked in a closed system and did not need to understand an ambiguous vision; they could physically see the vision – a vehicle. They didn't need to develop ideas, as Mr. Ford was the visionary and set the entire production line to deliver the results. He discarded customer needs, and the idea of a company worried about societal or social responsibility was not even a thought.

In the Industrial Economy, the bottom line was all that mattered, but the Industry 4.0 economy has presented new and different needs driving chaos. The Industry 4.0 Revolution puts people's needs first because of a complex economy that is not straightforward. Knowledge workers are closest to the customer, and they are often customers. People doing the work should represent the customer base, making them a vital source of knowledge. In the Industry 4.0 economy, the competition is vastly different. The reality is that customers do not know precisely what they want, but they know how they want it.

No longer are the ideas in the heads of leaders the only consideration, but rather the pictures in the heads of the people who understand technology capabilities must be considered. Organizations need to attract the most talented people and create an environment in which they are heard, included, and can thrive. Learning is key to competing in today's economy. Rather than relying on external advice, today's businesses need to leverage the true experts, their people, and customers.

Leaders need to change their approach from serving corporate purposes to support those delivering the critical results to customers and society. With a lack of innovative vision and complete control of execution, today's leaders rely on driving people to deliver to date. Efficiencies that manage costs and quality have gone by the wayside in favor of easily measured date-driven outputs.

When the focus is shifted from Business Results being the only determinant of success to considering first people results followed by the customer and societal results, the organization will naturally reap the benefits. Suppose they do not see an increase in market share by shifting the focus. In that case, the DigOps Workflow and Road Map will help them identify where they fall short and provide the

necessary data to address shortcomings. It takes rigor and a desire to transform to the DigOps model.

The shift is not easy and takes a Digital Transformation to change to new ways of working, learning, and measuring to tame the jungle. What is a Digital Transformation? According to Colleen Chapco-Wade, a Digital Workplace and Marketing Specialist, Digital Transformation is:

*"More about people than it is about digital technology. It requires organizational changes that are customer-centric, backed by leadership, driven by radical challenges to corporate culture, and that leverage technology that empowers and enables employee."*⁵

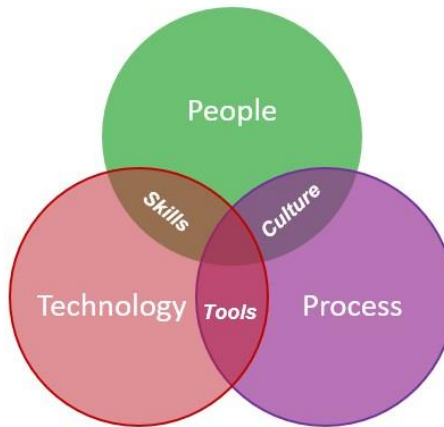
In practical terms, a Digital Transformation is the continuous cycle of organizational change that creates space for a business to adapt to the emergent customer, people, and societal needs to remain competitive in an Industry 4.0 economy.

Even organizations that are not competing in the digital space need to undergo Digital Transformation to survive and thrive. The reality is that every company now uses some form of digital product or services, even if this is as simple as a website directing customers to further information.

To be competitive, organizations must create a culture of change so they can adapt. As noted previously, people are tired of change as it seems continuous, and they are either checking out mentally or physically. To be clear, people are tired of change being done to them by masters in towers outside the jungle. Change is necessary, but it should be managed, controlled, and inclusive. An open model that creates an environment of learning, self-reflection, and an adaptable cadence leads to successful navigation in the jungle.

What's an Operating Model?

Every organization uses an operating model that outlines its structure, who works in the business, how work gets done, what tools are used, and the vision or competitive advantage. The difference between using the correct operating model or not determines whether the business thrives or fails.



Operating Model

All operating models have three interrelated elements that continuously influence each other; people, process, and technology.

People: Organizations usually visualize their structure through an organizational structure or chart. A company's processes and technology influence employees' behaviors and habits. The outcome of what people do and how they do it shapes the organizational culture.

Process: The method or approach used to get work done. But the process is not limited to tangible ideas that can be drawn out, such as a production line or hiring process. Process and (people) behaviors define the organization's

culture, affecting how people think about work and work together to leverage technical solutions (tools).

Technology: The physical and digital tools that shape the speed and quality of work to be completed. The types of technology define needed skills and shape processes and people behaviors by increasing or decreasing learning and adaptability.

A Digital Transformation requires a change in people, process and technology, and understanding the current and desired state. The transformation transitions organizations from a traditional operating model, successfully used by Henry Ford and others, to a digital operating model that infuses diversity, inclusion, and equity concepts to develop a learning organization. The ridged operating models of the past are antiquated and harmful to survival in the jungle.

To compete in the Industry 4.0 economy, digital operating models support the fast-paced digital era and the increasingly faster flow of information. The DigOps model creates a flexible learning environment and structure that adapts as customers, stakeholders, and social change. A summary of the key differences between the two operating models:

	Traditional Model	DigOps Model
People		
Diversity, Equity & Inclusion	Minimal and not a priority	Large and purposefully sought
Organizational structure	Hierarchical	Flatter – Team of Teams
Incentivization	Individual bonuses	Team-based rewards
Motivation	Money and tangible rewards	Challenge, feeling heard, making a difference
Feedback	Top-down	Listening Loops
Skills	Specific to role	“T” and “M” shaped people
Departments	Siloed	Collaborative
Employee Morale	Disempowered	Empowered
Leadership Style	Power Leadership	Servant Leadership
Process		
System Type	Simple	Complex
Culture	Produce outputs	Produce outcomes
Mindset	Fixed	Growth
Adaptability	Slow	Very fast
Strategy	Top-down	Circular
Customer need focus	Known information	Emergent information
Processes	Static and predictable	Adaptive and changing
Rules	Inflexible	Flexible
Daily decision making	Management	Local teams
Continuous improvement	Rigid process implementation.	Spontaneous, intentional learning organization
Product/Service design approach	Linear	Prototype small and scale fast
Response to failure	Punish poor results	Learn and grow
Focus order of Key Business Drivers	1. Delivery	1. Safety
	2. Cost	2. Morale
	3. Safety	3. Quality
	4. Quality	4. Cost
	5. Morale	5. Customization
		6. Convenience
		7. Social Responsibility
		8. Delivery
Technology		
Digitalization	Used because competitors are using it	Used to meet desired results
Automation	Saves money by reducing people numbers	Grows the enablement pipeline and values people ideas
New technology	Is purchased to fix problems	Is purchased to enable new ideas
Need Focus	Product	Customer

Traditional vs. DigOps

Which type of operating model does your business currently use? Does it sit purely in one model, or does it blend some elements of both?

Don't be fooled by the names of each model. Any organization can use the DigOps model; it was named for

being developed during the Digital Revolution, not because it requires digital processes or technologies (although these help with the fast flow of information in today's world!). Using this model, a business does not need to be in the digital or technology sector to implement, benefit, and thrive.

Domesticate the Jungle

Real question: I know I need to digitize to keep pace and be competitive, but I've tried many different approaches, and they have been a waste of time and money! How do I drive the change without the change driving me? - Owner of a medium-sized organization.

Business Problem: Digitalization is not just a new technology fad that can be bought and used; it is a way of working that is needed to compete. Because change is happening fast and on many different levels, organizations are confused about digitization, digital operations, and transformation and what they need to do to stay relevant and compete.

Practical Solution: Change the way your organization works, learns, and measures so that your business can stay competitive and use practices that promote learning and adaptability.

Digital Jungle Pitfall: Digitization Junkie

Sometimes we put the cart before the horse! As I reflect on working with a client frustrated with his organization's poor quality and delivery, I think he may have been a digitization junkie. As we spoke, he explained all his technology aspirations and how they all worked together for digitization nirvana.

After pondering the situation, I asked: "This is a great aspiration, but what do we need to do while you build this

technology so you can leverage it?" In a frustrated tone, he responded, "Teri, we have it! We just aren't able to bring it together and use it!" There was simply no operating model in place to leverage the investment. It was never even considered.

Ask yourself these questions to determine if your business may have fallen victim to the Digitization addiction:

- Does your company buy new technology platforms to fix legacy problems?
- Does the company expect software or platform initiatives to make them competitive?
- Are huge technical uplifts funded without considering the changes to people and the process to support and leverage the upgrades?

If you answered yes to any of these questions, your business might have fallen victim to a Digitization Junkie mindset.

Organizations with a Digitization Junkie mindset have fallen for the fallacy that Digital Transformation is as simple as technical or technology updates. Many businesses believe that all their problems can be solved if they build the right machine and have someone push the buttons. These businesses often operate from a premise that they are short on time and are under immense pressure from higher-ups and shareholders who think a technical fix is a medicine to improve market share. Often organizations allocate large sums of money for tech as leaders scramble to implement technical fixes without understanding the desired results or problem they are trying to fix. At the same time, everyone is completely ignoring teamwork, workflow, and quality outcomes. This behavior takes us back to the man running in a dark room analogy.

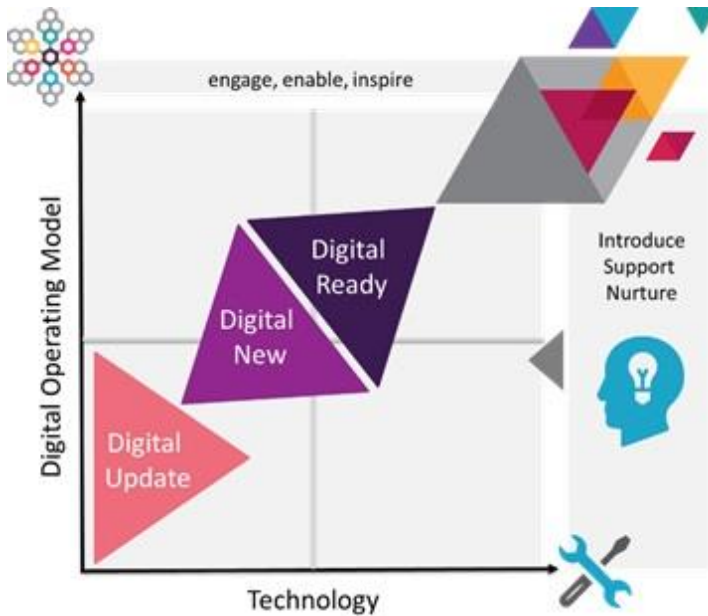
Unfortunately for Digitization Junkies, this thinking could not be further from the truth and explains why many

organizations with this mindset don't achieve their desired business results. No matter how much money is poured into new tech projects and programs, success depends on people.

Many organizations think that buying the latest technology will make their business agile without changing to a digital operating model. This thinking results in no rules, unclear vision and direction, and dumping of all the accountability on the teams instead of leaders. The state of chaos that eventuates creates waste on a variety of levels. Making a small investment in transforming into a new operating model will pay great dividends in the end. It will provide the structure needed for ongoing change.

Understand the Problem: Does your business know what it wants?

Digital Transformations are a journey, not a destination. Digital updates require new ways of working and technology to expand the current state to reach a state of digital-ready. Then the organization will be in a place to leverage digitization.



Digital Transformation

This image summarizes the process and stages of undertaking Digital Transformation. The method of Digital Transformation sits along two axes that should have equal priority to be successful. On the Y-axis is the digital operating model and on the X-axis is technology.

As an organization moves through a Digital Transformation, the journey can be plotted in three stages: Digital Update, Digital New, and Digital Ready. Each step has questions that companies can answer to understand their current state, where they should go, what technology is needed and how to transform.

This relationship between technology and the DigOps model makes the Digital Transformation complex, especially for large organizations, because there must be a focus on processes, tools, people, and culture. To successfully transition, organizations must implement a digital

operations model as technical investments commence and grow.

**Why should I care if I don't update my operating model?
I have my new tech!**

There are four reasons why you should care about updating your operating model and technology together. If you don't, your business will experience:

1. A lack of focus on people, customers, and societal results and will not achieve desired business results (if they are even defined)
2. People are incentivized for delivering widgets and technology, not results
3. Lack of return on investment for massive digitization projects with little bottom-line results
4. Most importantly, people will be confused and will potentially disengage

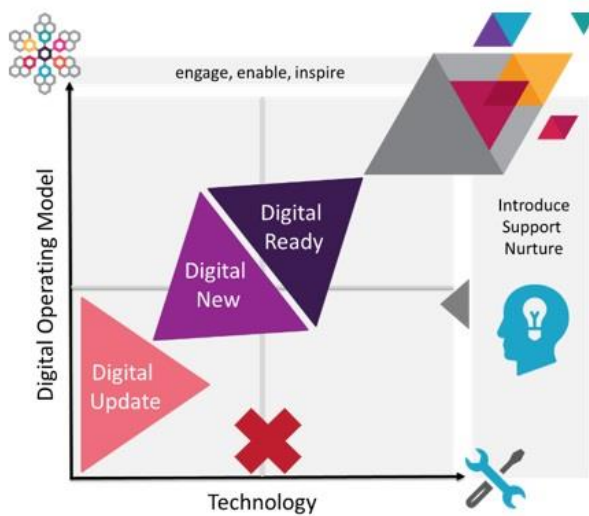
The simple solution is that your organization needs to implement the DigOps model to make technical digitization investments. Digitization starts with understanding your current state, defining expected results and measures, and creating organizational incentives to reward quality delivery outcomes.

Digital Transformation done wrong can be learned from a leading retailer who wanted to be known for being the best at what they do - providing the best customer experience in the industry. The CIO believed that to provide the best customer service, they needed to adapt using the newest and best tech!

To do this, the retailer partnered with technology industry leaders. Cloud computing, Continuous Integration/Continuous Deployment pipeline, big data lakes,

machine learning, automation, and more were implemented quickly!

Unfortunately, this meant the retail business moved along the technology update axis without considering their digital operating model update. They were unable to move to Digital Ready without addressing the gaps in their operating model.



The retailer created projects to implement the new technology. Leaders rewarded employees for implementing only their projects, traditional project management thinking. Teams delivered technical outcomes, but the organization did not advance its people and processes. The company was unable to leverage the value of the completed projects.

Traditional project delivery without updated operating model results in a zero or negative return on investment.

What's the fix? DigOps Workflow

Traditional operating models do not allow businesses to compete in the Industry 4.0 economy because they value

outputs based on deadlines before customers, people, society, and business results. There is no incentive for people to build the environment and culture necessary to bring their best ideas and innovations in this type of model.

Go slow to go fast is the mantra when undertaking a Digital Transformation.

I have often been challenged by the notion that if we just take the constant delivery pressure off people and create an environment where they can work together to deliver quality results, nothing will get done. They will just spend their time building a thing of beauty, missing time to market, or will just sluff off.

This thinking leads to an interesting, wicked question – How do I trust people to do the right thing and meet deadlines without being a slave driver? It isn't that hard to answer if you understand how to create the right environment.

I worked with a team that solved complex internal issues; our desired results were people-related, hoping that we could help others deliver a better customer experience. Our team of volunteers all had our day jobs, but we still made commitments to deadlines with our service managers.

This team turned out to be a high-performing, productive team for a few specific reasons.

1. We were all allowed to bring our A-game. While our Service Manager kept our agreed deadlines in focus, we all decided that quality was more important than dates. We agreed to minimum quality measures to balance the tension between quality and delivery. We did not over-produce but developed outcomes with the end in mind.
2. We aligned on how we wanted to work together. This reduced personal agendas, as we were very clear on

what we wanted to achieve and always pointed back to that goal when we got off track.

3. We created low-fidelity outcomes that could be measured and tested before investing in technical solutions that may have fallen short or overshoot our desired results.
4. Our leaders supported us; they indeed served us by providing more insight, past failings, and future aspirations as needed.

While there were time dependencies on our work, our leaders managed those needs and let us focus on delivering the best outcomes. We were aware of commitments but not pressed. Everyone on the team brought their best and enjoyed working together to solve problems over thinking about technical solutions to prescribed deadlines. Our day jobs were far less rewarding than this team's work.

Start with the end in mind. What does your organization want to achieve?

The DigOps Workflow will help give people the structure needed to learn and improve processes and technology to adapt to any new need. Similar to the "Hello World"⁶ approach to developing new software. The basic concept is learning and testing a simple scenario from end to end to make the system work before tackling big, complex problems. If we create the structure, it won't matter what results we are aiming for, process improvement, technical updates, etc., the system will support people to align, create flow, measure quality outcomes, learn and adjust.

There are five new ways of thinking needed to leverage the DigOps Workflow:

Step 1 - Start with the results you want, not solutions based on the most remarkable technology. Moving from a project

delivery mindset that produces outputs and is measured by deadlines is the first step to recovery.

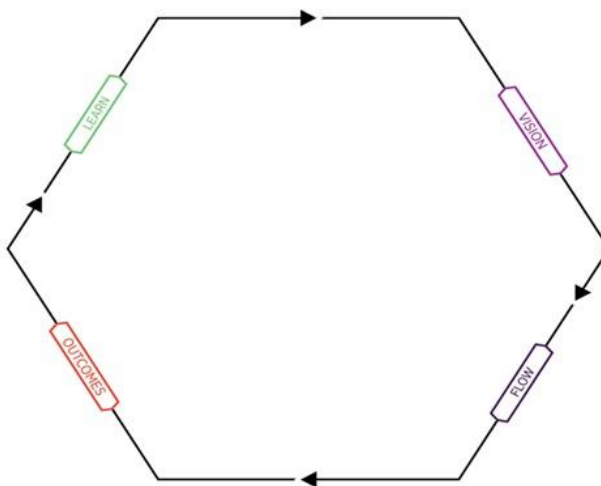
Step 2 - Next, understand how your digital operating model will work across the entire organization and the team of teams needed to enable workflow.

Step 3 – Define and measure outcomes to learn and adapt on a regular cadence. Give delivery teams time to collaborate, working together in inclusive groups to develop measurable solutions focusing on quality and over delivery.

Step 4 – Learn together, include everyone. Examine quality, cost, delivery, with safety and morale in the organization and with your customers. Learn and adapt regularly.

Step 5 - Finally, develop a plan to transition your business' ways of working to leverage the DigOps model across the entire organization. Then explore which technology will enable your desired business results. This approach results in a digital operating model that would allow you to compete in the current economy.

The DigOps Workflow showcases the four areas, Vision, Flow, Outcomes, and Learn, integral to transformation.



DigOps Workflow

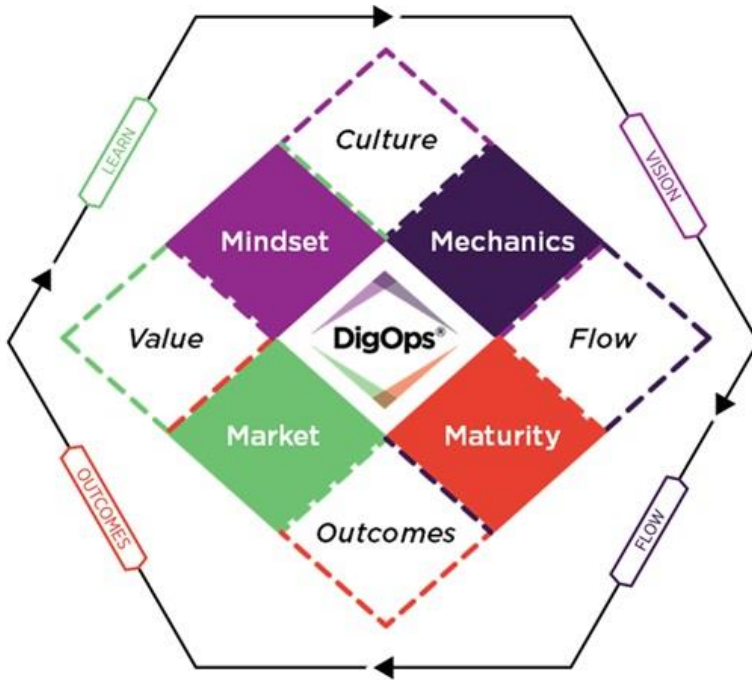
The elements of the DigOps workflow are discussed in the following chapters, where common bias to change, case studies, and step-by-step tactical approaches are discussed. To skip directly to an element, reference the relevant chapter below:

1. Vision (Chapter 4)
2. Flow (Chapter 5)
3. Outcomes (Chapter 6)
4. Learn (Chapter 7)

When each element comes together, there is a shift in the Mindset, Mechanics, and Maturity that supports desired Market Share.

It is essential to understand the interdependencies in the workflow, as demonstrated in the image below with the dashed lines. Each piece is and relies on others to create a fit set of strategic activities. For example, it is essential first to understand your market to measure quality outcomes. Market knowledge allows you to measure value outcomes of delivered results to create a learning mindset resulting in desired cultural results.

Why is this important? Because organizations that continue to measure, adapt, and improve in these critical areas will realize their desired Market Share. Organizations that rely on a closed system used in the Industrial Revolution will struggle to survive, let alone thrive because their foundation is broken.



DigOps model and workflow

Completing a Digital Transformation to leverage a digital operating model will create desired business results for the long term. But don't forget, investing millions in technological advances without getting your people on board is like crossing the Sahara by yourself without a map or provisions – it won't work without a team. Businesses need the right digital operations model to create the mindset and mechanics required to leverage new technologies for digitalization transformation.

Jungle Domination – Step by Step

The foundation for the DigOps model starts with understanding and addressing the steps in these three stages:

- Understand the current state,

- define expected results and measures, and
- create organizational incentives to reward quality delivery outcomes.

To prepare for a Digital Transformation, understanding the three digital foundations is critical. Each foundation provides questions that organizations can answer to understand their current state, where they should go, what technology is really needed, and how to transform.

Step 1 -Digital Update

- How can we update our existing operating model to create an environment where we learn and work together to engage customers, employees, and partners?
- How should we update our current technology to support our digitization desired results?

Step 2 -Digital New

- What new operating approach needs to be leveraged to enable our employees to shift to digital operations?
- What technology do we need so we are positioned to enable digitized technical solutions?

Step 3 -Digital Ready

- What does our new digital operating model need to include for our people, customers, and partners to engage in our digitized solutions?
- What technologies need to be in place to inspire our people, customers, and partners to engage in our digitalized solutions?

The DigOps model creates the environment to learn from one another, our customers and consider societal results to develop the right technology successfully. People work

together to grow and learn. This approach can fix the addiction and improve competition and market share.

Learn from Slayers – Beautifully broken?

Some organizations are beautifully broken and may never transition to a DigOps model or leverage technological advances. This situation is the worst-case scenario that the jungle will eventually ravage.

Many organizations are intentionally broken to create the perception that all promised work is in the pipeline without delivering outcomes or results. Intentionally broken systems develop a pattern of overburdening the system by continually starting work in an uncoordinated manner, resulting in poor quality due to pressure and deadlines. This behavior adds more burden to the system as teams use a project-based mindset to fix poor quality outcomes. At the same time, leaders make new promises that cannot be delivered.

The pattern continues until the system grinds to a halt caused by too many factors being juggled and managing poor quality outputs. In the meantime, people collect rewards for delivering solutions, but the company is not seeing the expected results. And to top it off, people, customers, and societal results are not considered at all.

Ensuring that your organization starts with people first, establishing clear expectations, and changing mindsets and mechanics, is the first step to successfully navigating this jungle. Suppose your organization is stuck in this beautifully broken conundrum. In that case, my advice is to go back to chapter one and contemplate the costs rather than be made to look like a fool!

Watch for Quicksand – Rule the jungle, or it will rule you!

Most organizations focus only on the delivery of outputs. But due to the fast-paced and ever-changing nature of the Industry 4.0 economy, just delivering isn't good enough in this jungle. An embedded culture of learning and continuous improvement is the only way to provide the best possible outcomes and achieve desired results.

To conquer the Industry 4.0 Jungle, organizations need a digital operating model that continuously inspects strategic positioning and operational effectiveness to thrive.

Keep culture within your organization fresh by intentionally ensuring your people represent your customers and they are heard. Also, partnering with people and companies from diverse backgrounds and different industries helps stretch boundaries. This approach keeps your business fresh and open to insights, new perspectives, and other ways of working that will continue to grow market share.

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Chapter 4: King of the Jungle

Most organizations are aware that the tools and habits of the 20th century cannot solve organizational issues created in the Industry 4.0 Jungle. These leaders also recognize that their companies need to transform to adaptive ways of working to remain competitive in the current economy. **Jungle leaders focus the entire organization on results.**

But because companies are bound to traditional operating models, there is intense pressure to keep costs down and deliver results faster, regardless of product or service quality or the effect on people. This prioritization results in employee support directly conflicting with the psychological sciences that empower and motivate people.

Traditional operating models do not allow people to experiment, provide safety nets for failure, or encourage internal learning. Therefore, these organizations must rely on high-risk, high dollar investments in experts to provide business solutions.

Many businesses go after a quick solution to solve their problems, such as hiring consultants or implementing a new framework to solve organizational issues. And because traditional operating models incentivize personal action, the accountability factor of hiring “experts” is transferred from leaders to consultants, which keeps bonuses safe!

Organizations often use these shotgun tactics and tools, thinking that they provide the best chance of survival because, supposedly, “it worked for a competitor.” But, more often than not, these methods cause companies to fall behind their rivals and the market because there is:

- Lack of a clear vision and measurable results,

- poor understanding of root causes or changes of customer needs, and
- unestablished foundations for change.

To be King of the Jungle, the operating model needs to change to focus on results, with a clear vision, creating flow, measuring outcomes, and learning together. This approach ensures the entire organization is working cohesively to become and maintain market leadership.

Learn and Adapt

Changing an operating model is not unprecedented; it happens all the time; think of companies like Southwest Airlines and Ikea, who created disruption-proof operating models by developing strategic activities that other companies could not compete with at the time¹. Ikea has gone so far as to own the whole supply chain from trees to delivery².

A great example of changing an operating model to improve strategic positioning occurred in 1916 when Piggly Wiggly³ positioned itself as the world's first "self-service" grocery store. At the time, customers bought groceries by writing shopping lists, which they handed to clerks. The clerks then collected the items from shelving within the store, brought them back to the customer, packed up the goods, and completed the sale. Customers would stand around gossiping and waiting the entire time – and when an item was out of stock, this created a lot of back and forth between the clerk and the customer to find a replacement. This workflow cost a lot in wages and led to higher product prices.

Piggly Wiggly's vision was to provide quality products promptly and at a reasonable price. As the issues were about the speed of service and products' price, the owner decided to find a solution. Rather than hiring cost-cutting

experts or consultants to help address these issues, the owner of Piggly Wiggly spent time talking with the employees and standing outside the store listening to customers talk about the service the store provided.

With a proper understanding of the root cause of the high prices and waiting times, Piggly Wiggly's owner came up with an innovative solution – let customers into the store to select their goods! While this radical idea is hard to imagine in today's world of online shopping, this new flow of work revolutionized grocery shopping.

As with any innovation, there were flow-on effects. Suddenly, the branding and packaging of grocery goods became paramount, as they needed to catch customers' attention and provide information. Concerns about shoplifting costs were offset by the increase in impulse purchases, which lowered product costs.

This innovative mindset is the basis of DigOps thinking; the owner listened to customers and people and learned. He then created a clear vision and workflow that produced measurable outcomes; then, he listened again. This thinking is not new; it has just been dormant in global businesses for too long. The company didn't stop there. Piggly Wiggly stores were the first to provide checkout stands, allowing service to more people at once by providing a place for customers to put their goods.

These stores were also the first to put visible price tags on every item in the store, and they even offered the first in-store shopping trolley for customers in 1937! Piggly Wiggly stores could stay abreast of customer needs by genuinely listening to customers, driving market changes.

Piggly Wiggly developed flow in the early 1900s; this is what every business trying to compete in today's Industry 4.0 economy needs to do to be King.

Piggly Wiggly had already set the foundations for an innovative and adaptable organization through a clear vision, a culture of listening, Servant Leadership, and enablement pipelines for workflow. The business prioritized understanding the problems first and then owned their solutions without relying on experts to do the heavy lifting.

Master the Jungle

Real Question: "Our 5-year strategy has been set, and the board expects that this will filter down the organization to the front line and produce results. But it feels like the board just doesn't understand what's happening at the coal face, so they don't realize there is just no way for us to do what they expect. How do we fix a disconnected top-down strategy without bringing in ANOTHER consultant or more focus group time we can't afford?" – Enterprise manager who feels stuck in the middle.

Business Problem: Organizations with outdated, traditional operating models do not have feedback loops that raise complex internal problems until things go very wrong. Once submitted, leadership perceives that

the latest experts in new technology or frameworks can fix any business issue. The problem is people closest to work are the experts and are rarely consulted.

Practical Solution: The people on the ground in the business are the closest to the customer and problems' root causes. Employees and customers are the experts who can help find solutions! Once solutions are developed, consultants and frameworks can be used to assist the implementation.

Digital Jungle Pitfall: Consultancy Junkie

To determine if your business occasionally uses the Consultancy Junkie mindset, answer these questions honestly:

- If a product isn't selling or the product team changed direction multiple times with no results, is the best solution to hire an expert?
- When proposing a change or trying to solve a business problem, is the first step for the leadership team to appoint an external person to develop a strategy?
- Can people in your business, no matter their role or job level, tell you the company's vision and how they contribute to it? Or do they talk about the process and framework of the work they do?
- Has your business implemented more than two different ways of working in a single (or multiple) processes over five years?
- Do your leader hire experts before speaking with people and customers to understand the problems from multiple facets?

Your company might get stuck using the Consultancy Junkie mindset if you answered yes to any of the above questions.

Organizations continue to fall victim to the Consultancy Junkie mindset because:

- Leaders do not communicate a clear vision.
- Power Leadership styles promote individual behaviors and stifle innovation and improvement.
- Employees and customers are not listened to and valued.
- The perception of consultants and outside approaches is that they know more than the people in the business.

Too many businesses forget that the organization's employees are often customers of the products and services provided. If they are not, they should be, because how can

you give a solution for customers without at least a 30% representation in the workforce⁴, especially in knowledge work?

A personal example of the Consultancy Junkie mindset occurred with the leader of a family business established 110 years ago that was losing its grip in the high-end retail industry. Let's call the leader Erin. As an employee and a customer of the business, I presented an unsolicited idea and feedback that could propel the company ahead of the industry and catch up on years of missed advancements.

However, Erin wasn't interested in my idea because the leadership vision had derailed to catching up with the company's primary competitor, Amazon. As a business leader, Erin failed to use customer feedback and understand that the family business would never catch up to Amazon. Instead, the company needed to figure out where the retail industry would be in ten years and build towards those capabilities.

Erin did not consider my solution because he retained a Consultancy Junkie mindset and perceived me as just an employee doing a job – while thinking that the business experts knew better. There was no realization that I had expertise and information not available to hired experts as an employee and a customer. This retailer had a closed system that ignored quality, decreased morale, and lowered people's safety to focus on costs and delivery. Once known as kings in their space, they were slipping and losing their grip because they refused to look internally and learn.

Understand the Problem: Know your jungle

Often, consultants are engaged to solve problems or create change before an organization has built the foundation for a Digital Transformation, as discussed in Chapter 3. This approach is costly and inefficient, as outside experts cannot

support this process with tools and techniques until the foundation is ready.

Hiring consultants or implementing frameworks before a business is ready occurs because:

- The vision is not clearly defined or communicated across the organization, and the focus is on solving problems instead of achieving aspirations. Lack of clarity about the vision causes work to become siloed and restricts workflow.
- Leaders are incentivized to use Power Leadership styles, which disempowers people.
- People and customers are not listened to or involved in the information gathering process about the problem, so it fixes focus on the symptoms, not the root cause of the issue. These fixes create longer-term issues that make a cycle of attempting to fix the problem with yet another new consultant or framework.
- A consultant or framework is chosen to implement changes before the foundations for a successful Digital Transformation are in place. The lack of foundation creates organizational stress, reduces empowerment, and stagnates workflow.

That isn't to say that consultants and new frameworks don't have their place in supporting business change; they most definitely do! Experts cannot address business-specific problems until the root causes are understood, and the foundations for change are laid. We often go for the quick fix and let the tail wag the dog.

What would have happened if Piggly Wiggly had hired a consultant to cut costs? More than likely, there would have been changes to employee wages and prices in the supply chain, rather than the innovation that came from using an open system and mindset.

In a traditional operating model, the vision is developed at the top and cascaded down through an organization's leadership based on power structures. It should come as no surprise that across most businesses, 63% of staff do not have a clear understanding of their company's vision and how their work and role supports that aspiration⁵.

On top of this, in traditional models, there is no inbuilt process in the business culture to share learnings and information from within and make quick adaptations when measured outcomes don't meet this vision. The lack of feedback loops results in a closed system where diversity and inclusion disrupt, rather than enhances, the system.

Nobody likes working on a project they think makes no valuable contribution to others or the company – particularly when they do not feel heard. The work is given to them by an outsider, such as a consultant. This type of work is demotivating, increases presenteeism, and wastes the individual's potential contribution.

Why does this occur? Traditionally, organizations reward leaders for using one of the five types of Power Leadership styles, which leverages legitimate, reward, expert, referent, or coercive power to prioritize getting outputs over measurable outcomes. The most significant problem with using a Power Leadership style as the dominant approach is that when leaders use power, that power is removed from someone else – the people.

As a result of this power structure, leadership does not prioritize creating a psychologically safe space to encourage people to speak up and try new things, which would increase the safety and morale of Lean Business Drivers. Instead of listening to people in the business, one-way communication from the top is favored, leaving people feeling that they are just a cog in a machine that can't add value, which decreases their motivation and innovation. Is it

any wonder empowerment and presenteeism are some of the most significant people issues facing companies today?

Organizations hire consultants to solve problems because they are perceived to have Expert and Legitimate power in their chosen approach or new technology. But consultants are not the expert on your business culture, products, and services. To think that any singular person or group has all the answers is a mistake and will leave you less competitive in an Industry 4.0 economy. In the jungle, individuals change careers and gain unique skillsets at least seven times in their working life. Experts can come from the most surprising places if leaders are willing to change their perceptions and listen.

When businesses use traditional operating models, the result is a top-down push with no feedback listening loops, conforming siloed departments do not collaborate to align to a singular vision. Those incentivized Power Leadership styles disempower people at every level.

How can Digital Transformation occur when people across the organization have low morale and do not share information and learning?

What's the fix? Customer-Centric Design

The DigOps model focuses the entire organization on value delivered to customers rather than a “project widget” and closed mindset. Most organizations focus their people on arbitrary timelines and cost-cutting over value outcomes related to desired results. With these objectives, people learn to think differently across the organization, division, areas, and teams.

A colleague said it best,

“Teri, I may not be writing a book or getting a patent; all I know is you have something in your mind, and I have something in my mind, we image may be different things, but

*until we imagine together, we will not achieve the goal.” -
KRN*

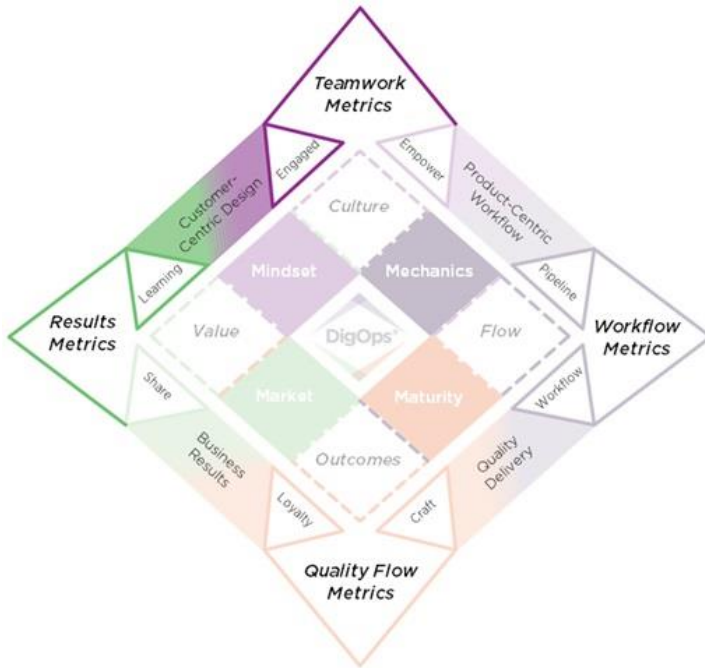
KRN and I were trying to solve an enterprise-wide problem. The vision was hard to define and understand; we did not even have a shared view between two people, never mind across various leaders at various levels. Value-driven cultures impact people’s way of thinking and mindset. I learned from Dave Snowden at Agile India 2020 that you cannot wire people’s minds like a computer, and I agree with that.



DigOps model

The DigOps model is based on the premise that intentional focus on planned activities and engaging people in accomplishing desired results creates a value-driven culture. Doing this in a coordinated, deliberate manner develops a shared mindset or mental models for how things work, as described in *The Fifth Discipline* by Peter Senge⁶. We can see evidence of this throughout history for both good (Martin Luther King Jr) and bad (Hitler).

With this understanding, let's look at our jungle compass to understand the strategic activities on the Customer-Centric Design Pathway that helps to create a shared experience.



DigOps Compass – Customer-Centric Design Pathway

Suppose businesses want to shake off the Consultancy Junkie mindset to fix business problems and reign as king. In that case, organizations must intentionally invest in developing shared vision, leadership practices, and employee and customer listening loops. With a customer-centric design mindset, businesses learn from their people and customers and understand societal needs to ensure they are focused on building the right thing. They also need to ensure they engage people and customers on the ground through listening, not just surveys. These two strategic activities allow the organization to use results and culture metrics to learn, understand and respond accordingly.

It is essential to understand these two metrics in relation to the Customer-Centric Design Pathway:

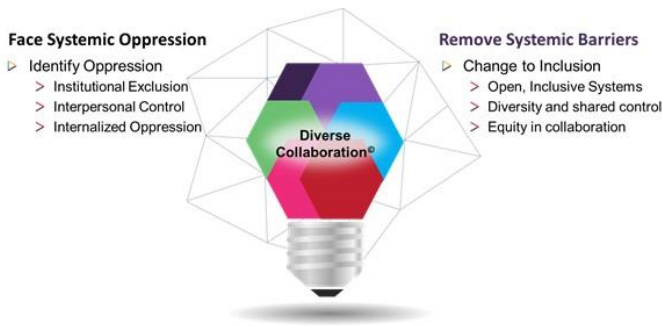
1. Result metrics – measure the organization's ability to deliver high-quality products and services predictably to improve brand loyalty and market share—these address the Lean business drivers: **quality, cost, and delivery**.
2. Culture metrics – measure the organization's ability to have a deep relationship with its people and customers, thus empowering its people by developing intimate relationships with the customers. The relationship measured is between the organization and its people and the organization and the customers, and finally, the people with customers. These address the Lean business drivers: **safety and morale**.

Strategic Activity – Learning Leaders

When organizations invest in learning, the results are a workplace culture that rewards innovation, empowers an engaged workforce that uses Diverse Collaboration: a long-term, adaptable, and competitive strategic position – just like Piggly Wiggly achieved. Empowered companies make decisions, are rewarded and recognized for great behaviors rather than outputs and change their internal mindsets to remove perceived barriers to work and resistance to opportunities. But this highly effective way of working is impossible without a clear vision, Servant Leadership, and an open system that uses feedback listening loops for learning.



Diverse Collaboration Promotes Diversity, Equity and Inclusion



Diverse Collaboration

Change starts at the top. Leaders need education and clarity about different leadership styles and how a Servant Leadership style supports learning in a DigOps model. Servant Leadership turns Power Leadership on its head and gives people power first. The learning leadership style empowers people, enhances development, enables a psychologically and physically safe environment, builds growth, creates opportunities, and provides a sense of purpose.

When used in an organization that supports this leadership style, Servant Leadership increases safety and morale, boosting innovation, maximizes performance, and creates long-term competitive advantages. Inquisitive leaders who use a Servant Leadership approach will strive to create a learning organization with a growth mindset that fosters continuous improvement and creates people, customer, societal, and business results.

The Piggly Wiggly example shows how a growth mindset helps a business not just adapt once, such as allowing customers into the store. Creating an organization that is open to learning and adapting again and again, Piggly Wiggly updated strategic position activities that allowed

them to adapt further by adding price tags, providing shopping trolleys and seated cash registers.

Strategic Activity – Engaged People

But how does a vision and change of leadership style stop businesses from succumbing to a Consultancy Junkie mindset? By creating systems that tap into the internal experts across a company with built-in listening loops and conversation cadences. In this system, every person is relevant and valued, and the leader's role is to support workflow, not manage activities and people.

The employees in your organization have relevant information and are passionate about solving problems. They spend more time with people at work than anyone else in their lives. And they understand the business and want to feel valued and relevant.

Genuine listening and implementing value results build brand loyalty and market share gains.

Jungle Domination – Step by Step

A clear vision sets the scene for cultural change and cascades effects on leadership styles and processes, creating a state of Diverse Collaboration within an organization.

1. Vision
2. Lead
3. Listen

Step 1 – Create a clear vision, together, to master the jungle

Maybe the article, "When CEOs Talk Strategy, 70% Of the Company Doesn't Get It", in Forbes said it best...

“Just imagine, if the vision is unclear 70% of your company doesn’t know what they are striving toward and operating on false assumptions, your team will move slowly and defensively rather than swiftly and proactively. Worst of all, they might be off and running, applying valuable energy in the wrong direction.”

There are many suggestions for developing a business vision, this summary highlights the key concepts most approaches use by focusing on aspirations, business results, and roadmaps. Leaders should create visions with people, customers, and other key stakeholders to align with the culture and strategic positioning.

Clarity provides speed, action, and acceleration that organizations need to compete in today’s economy. It is necessary to achieve outcomes; it is also essential for creating an inclusive environment in which people can thrive.

Lack of clarity feeds into institutional oppression perceptions that stop the organization’s ability to succeed because people tend to feel like they are “not in the know.” It can lead to internal beliefs about the organization’s interpersonal oppression patterns and cause people to think one group is better than another.

These beliefs lead to people feeling they are either too dumb to understand what is trying to be achieved or are not ‘allowed’ to know due to rank or seniority, leading to internalized oppression. Although this may not be true, it is perceived and internalized, shutting down any hope of an inclusive organization. A symptom of internalized oppression is beliefs about ourselves that make us feel unsafe due to the perceived actions of others.

If the organization values Diversity, Equity, and Inclusion, it must remove oppressive barriers by providing a clear vision.

It is essential on a tactical level and on an interpersonal level that creates inclusive environments.

"when they [the people in the organization] have to invest any more than the minimum, if any energy, to protect themselves internally, they're taking away the energy that they could be applying externally; that's why great organizations are the ones where leadership commits to their people first" – Simon Sinek, Circle of Safety⁸

Define shared ambitions

Start listening to people at all levels of your organization by asking questions such as:

- What do we **aspire** to?
- How clear are we on what this looks like?
- What does this look like at every level of the organization?

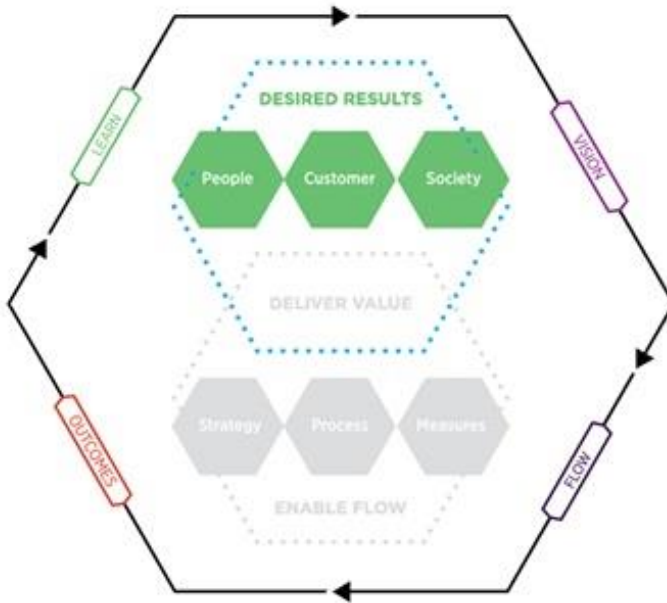
Ensuring that your people know and contribute to the business aspiration will support the organization's change of mindset and increase people's morale.

"Clients do not come first. Employees come first. If you take care of your employees, they will take care of your clients." – Richard Branson

The business' aspirations should be clear to focus on delivering outcomes in the four business result areas.

Identify desired results

Companies that only focus on dollars do not remain competitive. Therefore, an organization's desired business results should encompass four areas: People, Customer, Society, and Business.



DigOps Workflow – Desired Results

Start with current Business Results and establish the actual measurable outcomes, not outputs, through questions such as:

“How do your people, customers, and society interact with your business today?”

Then compare these answers to the business aspirations. What is stopping your organization from achieving these? Next, understand how people, customers, and societal results will improve current business results.

Create the vision and road map

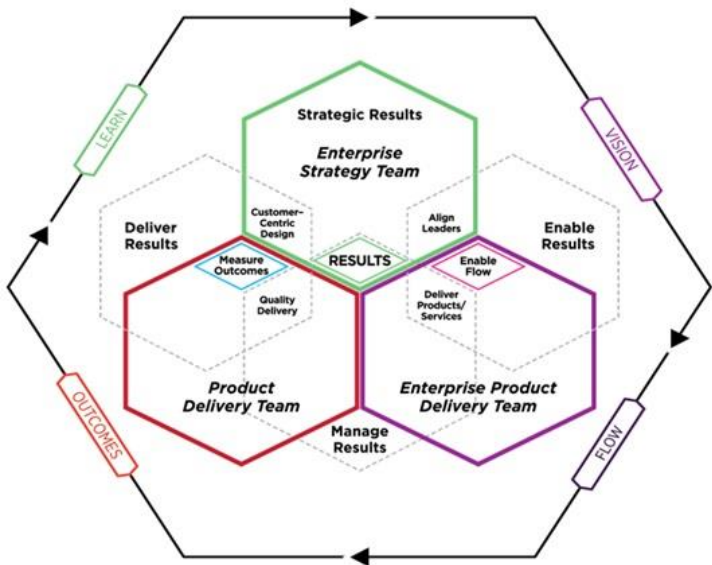
Established aspirations and specific results are compared to the current situation to identify opportunities. A clear vision provides direction, constraints and removes oppressive institutional behaviors that will empower people in an open system.

The road map or plan for moving from the current state to the desired results and outcomes can now be developed with feedback and input from stakeholders.

Step 2 – Reward aligned, Servant Leadership

Servant leaders are less reactionary and more proactive in their approach to leading. Leaders create a team of teams approach to align with a vision that supports an environment where the delivery teams can succeed.

A DigOps Team of Teams approach includes people with the right capabilities to bring the vision to life. This team of teams approach is essential to ensure shared accountability and create autonomy and local decision-making.



DigOps Team of Teams

The Enterprise Strategy team is responsible for establishing desired results using customer-centric design strategic activities to learn and align leaders to a defined vision.

The Enterprise Product or Service Delivery team enables results by aligning to support flow creation and the mechanics of delivering quality products and services. This method includes developing enterprise approaches to improve quality flow to customers. They also share the responsibility of managing the results.

Finally, the Product or Service Delivery team is responsible for working with the Enterprise Product Delivery team to deliver high-quality results. They measure outcomes with the Enterprise Strategy team to inform the product road map and established desired results, allowing the organization to learn and adapt.

These teams may include a variety of different people from different areas within the business. Each business is different, so it is vital to establish these team of teams to create operational effectiveness. A successful team of teams formation includes establishing roles, responsibilities, and accountabilities.

People often complain they do not have time on their calendars to attend various meetings across the different team of teams, but we have found this approach frees up calendars filled with waste. Meeting after meeting to clarify and help people “get on the same page” disappears using the team of teams approach. The meetings are more disciplined, with clear meeting agendas aimed at achieving shared outcomes.

Step 3 – Enable Listening Loops

Ensure the whole business understands, is skilled in, and its culture enables open communication. Having frequent, two-way conversations to understand another perspective is the most essential skill people in businesses can learn. Once this communication style is embedded, it creates listening loops from the ground to the top and back that feed into

continuous improvement cycles to monitor and improve work processes, products, and services.

These listening loops must occur on a regular cadence or frequency. Too often, businesses have suggestion boxes that are underutilized and relegated to last on a meeting agenda. Listening with an intent to understand should be at the forefront of every leader's activity by providing regular situations where this can occur.

Don't confuse the trendy 1:1 meeting between leaders and line people as a listening loop. Most of the time, these meetings are simple catchups and are not focused. Listening loops include more than two people, are not limited to internal and intentional about getting feedback specific to a topic to learn and improve.

And finally, test new ideas and potential solutions robustly and regularly using low fidelity approaches with as many people as possible. When listening is done right, consultants are perfect for facilitating new ideas, implementing projects, and providing stop gaps for a short period.

Learn from Slayers – Don't listen to us; use the diversity of ideas you have at your fingertips!!

Consultants do not have a silver bullet. They cannot offer a step-by-step, off-the-shelf approach for fixing organizational problems. Consultants are best used to support the development of patterns in organizations to establish clarity, flow, and conversation.

Likewise, implementing a specific framework does not guarantee success; it is more likely to fail. Great consultants help organizations:

1. Understand their current operating model.
2. Recommend frameworks, tools, and techniques used to improve.

3. Have expertise in an array of frameworks for the organization to leverage.
4. Measure their consulting outcomes with the desired result of leaving a learning organization that can adapt to emergent change.

If a consultancy comes with a promise of easy fixes, run!

When engaging with and genuinely listen to your people and customers. Take a page from the experience of the great strategist Napoleon Bonaparte.

"...During briefs for battle plans, Napoleon would have a corporal shine his boots, knowing that the corporal would be listening to the conversation with the commanders. Following the briefing, Napoleon asks the corporal if the plans made sense. If he answered in the positive, then the commanders would go forward with the plans. But if the corporal did not understand the plans, then Napoleon and his people would make changes or draft new plans..."⁹

Like Napoleon, look to those who execute the work to provide insights. To reign as king, choose people from diverse backgrounds, socioeconomic status, and leadership roles represented in the organization. The consistent naysayers are good too – because they often have great insights! Never assume that someone knows too much or too little to contribute.

We have found that it takes vulnerability for leaders to rule the jungle. Courage is the cost, as discussed in Chapter 1 - do you have it?

Watch for Quicksand – Master the Jungle!

Expected outcomes need to be measured frequently and include learnings to adjust desired results, work, and processes. Without this, the organization may focus on delivering outcomes against an ineffective result. The flow of

work in the enablement pipeline will stagnate, and the company will fail to deliver.

To compete in an Industry 4.0 economy, start with the results you aspire to achieve.

It doesn't matter which format your organization prefers to create results - the Wildly Important Goal, OKRs, or others - your organization must iteratively measure outcomes to realize your desired people, customer, societal, and business results.

And these measures must be linked to the company's vision; otherwise, the organization cannot make data-driven which leaves everyone guessing. Guesswork does not produce jungle leaders.

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Chapter 5: Flow is Queen

Have you ever watched a movie that starts with a catastrophic or dramatic event? Before you know it, the lights come up, the film is finished, and you can't believe two hours have already passed!

These movies are popular because they pull people into the story, but few people stop to understand why. Science calls this phenomenon a flow state, a complex experience that many books and neuroscience research articles have investigated. In short, the state of flow is the feeling that humans have when things work just as they are supposed to, enabling them to feel involved entirely, fully immersed, and enjoy the activity¹.

Neuroscience has also found that people don't enjoy and are less productive and engaged when there is no organizational flow of work processes across teams or departments. Take a minute and think about what makes you happy at work and what you find annoying. I bet flow plays in there! The DigOps model leverages a team of teams approach to create a state of flow across the organization.

As discussed, it is impossible to talk about any aspect of the DigOps model and workflow in isolation; therefore, you will see references back and forth to make needed connections. The desired business results and vision discussed in Chapter 4 are considered king, and creating organizational flow is its queen. To wear the King of the Jungle crown, organizations must develop enterprise flow through an enablement pipeline. The pipeline is the set of strategic activities needed to deliver a product or service enabled by aligned leaders, as introduced in Chapter 3.

Lack of a mechanism to create value flow is like fine-tuning a car engine with no fuel available to make it run.

Creating intentional flow is the vaccine for the chaos that ails many organizations. People thrive on positive reinforcement and structure, enabling individuals to focus on what they are good at and need to get done. Unfortunately, few organizations focus on delivery pipelines and instead reward behaviors that prioritize individual tasks over the team, department, and organizational flow.

When enterprises commit to developing and maintaining flow through an enablement pipeline, they can compete and fight for jungle resources. This pipeline of activities will produce outcomes without being hindered by excess tasks, waste, or siloed agendas from rogue or misguided individuals or departments.

Some executives believe that having an unhindered flow to work is idealistic but not very plausible. Organizations that use a traditional operating model reward individual and siloed outputs, causing teams to compete against each other. Fortunately, organizations can leverage several tried and tested approaches and tools to develop effective collaborative Teams of Teams, creating flow through enablement pipelines.

One such tool adapts part of the Lean philosophy called the Andon Cord. Anytime there is a defect (or waste) in the operating model, the people doing the work can pull the cord and stop the process to identify solutions.

"... It gives the worker the ability and empowerment to stop production when a defect is found and immediately call for assistance ... Work is stopped until a solution has been found. The alerts should be logged to a database so that they can be studied as part of a continual improvement process." ²

Organizations can use similar approaches to shape the enablement pipeline of any organization using the DigOps model. There are tactical approaches and techniques to educate and work with leaders to create flow intentionally.

Empower Her Majesty

Real Question: “We’ve seen this approach before – remove tasks from people’s roles to make them more efficient and so on. But we’ve engaged countless consultants and tried this again and again, and it just doesn’t work in today’s modern world! Our people are constantly bombarded with emails, personal development, and work-life balance expectations. So how can we create a pipeline that delivers actual measurable outcomes?” - Chief Operating Officer of a large retail company.

Business Problem: Managers are motivated by personal bonuses in traditional operating systems. To get their bonuses, the people under them need to deliver outputs, preferably under budget and before the deadline! This mindset and reward system encourage managers to overfill the work funnel and push outputs regardless of quality, safety, or morale.

Practical Solution: The DigOps model approach measures outcome flow and desired results instead of outputs. Using the DigOps model, organizations reward well-coordinated, nimble operations that deliver quality outcomes rather than quantity outputs. Businesses must disrupt their current ways of working and find better ways to create an enablement pipeline. If they don’t, they will eventually be disrupted or become irrelevant in the Industry 4.0 jungle.

Digital Jungle Pitfalls: Delivery Junkie

Ask yourself these questions to determine if your business suffers from the Delivery Junkie mindset:

- Do people leave the organization or check out because they are overwhelmed with often conflicting demands from management?

Digital Operations

- Is your business creating products or delivering services that aren't at the level of quality or for the purpose they should be?
- Do your executive meetings or boards focus on outputs and delivery dates?
- Are people unable to make local decisions?
- Do department leaders consistently blame each other for failed outcomes because the other group dropped the ball?

An organization with a Delivery Junkie mindset will experience these symptoms. When organizations focus all their efforts on meeting deadlines, they cannot focus on desired results, flow, or quality.

Without a focus on results, people do what they know - achieve deadlines.

Deadlines are death to a quality product. Too often, there is a cry from employees or managers, "but we delivered on time!" in answer to product quality complaints.

Understand the Problem – Disrupt your business before the jungle does!

The McDonald brothers, who established the largest and most adaptive fast-food restaurant globally, are a classic example of how disrupting their own business created an enablement pipeline focused on flow to achieve desired results.

When the brothers first started McDonald's, they were unhappy with their business results. The quality, revenue, and market share data did not meet their desired results. After intense internal scrutiny of their restaurants, they

turned their business around by reengineering their enablement pipeline.

"The (McDonald) brothers closed their doors for three months and overhauled their business as a self-service restaurant, where customers placed their orders at the windows. They fired all their carhops and ditched their silverware and plates for paper wrappings and cups so that they no longer needed a dishwasher.

*Then, they simplified their menu to just nine items—hamburgers, cheeseburgers, three soft drink flavors in one 12-ounce size, milk, coffee, potato chips, and pie."*³

The brothers redesigned their entire operation around the product(s) they needed to deliver to meet customer needs in an efficient environment that would achieve their desired business results.

The way the teams were structured within the business also changed. Previously, everyone had a single role with specific responsibilities; waiters only took orders and served customers, cooks just prepared the burgers, and managers stood back and oversaw the activities. But to better meet the newly enabled pipeline, team structures had to shift from siloed teams to a team of teams.

Walk into a McDonald's today, and you will notice the managers oversee people, take orders and prepare food. In contrast, people on the counter not only serve customers but bag up fries, make ice creams, and even prepare burgers in rush hour. Everyone steps in to meet the goal – deliver food to an agreed standard as quickly as possible. McDonald's uses a team of teams approach, which is necessary at every step of the DigOps Workflow as discussed in previous chapters. Leaders must support

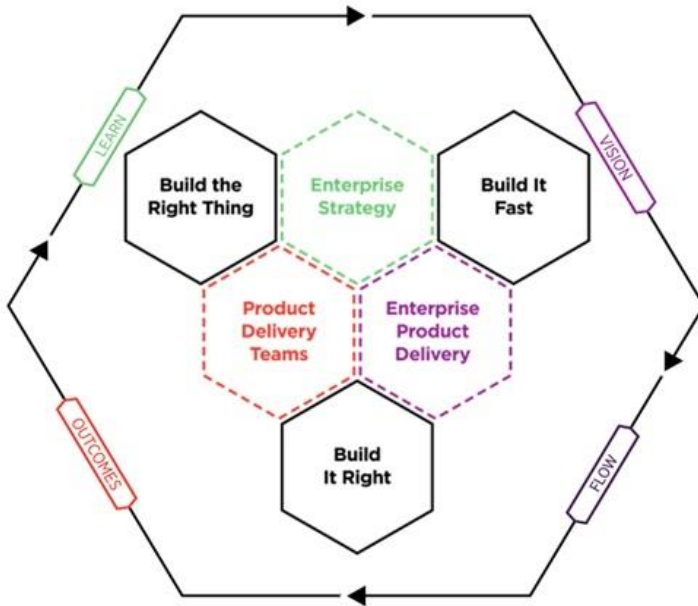
delivery teams across the enterprise and work together to meet the company's vision.

The McDonald brothers had a laser focus on serving the right thing - not too much or too little - creating a pipeline to build it fast and centering on high-quality delivery. The results were high quality, fast delivery that resulted in reduced costs. The clarity this provided regarding workflow and desired results also made their people feel psychologically safe and valued, increasing employee productivity, morale, and loyalty.

**Where would McDonald's be today if they were
Delivery Junkies who just continued with business as
usual?**

This example shows how the McDonald brothers improved their people, customer, and societal results, which supported achieving their business results, all through ensuring their enablement pipeline was correct. The brothers took the time to build an efficient and effective workflow pipeline that allowed their leaders to use a team of teams approach across the operation. When people understand the vision, have leaders who work together, and have the autonomy to get the job done, they become empowered and innovative without adhering to only swimming in their lane. Not every business can just stop work for three months and survive. But this doesn't mean your business can't re-engineer current enablement pipelines during everyday operations.

Regardless of industry or organization type or size, every organization must establish a team of teams who are responsible to 1. Build the right thing, 2. Build it fast, and 3. Build it right.



DigOps Team of Teams Focus

I have worked with different businesses, from startups to huge multinationals who stumble over themselves because they do not understand the importance of creating focused teams of teams to create a value flow of quality products. While working with these various companies, I saw the same pattern over and over. There was a lack of understanding of the need to work together to deliver quality outcomes.

In one startup, the leader was very focused on Building the Right thing by teaching his mentees the technical ins and outs of their craft, which was his passion. He lacked success by not understanding and empowering leaders to ensure they were delivering the right thing (the things customers wanted) and an enablement pipeline that got the desired results. The leader's approach resulted in disengaged people who had to explain late delivery to frustrated customers and a loss of market share. There was more focus on quality than meeting the customers' needs. It is a delicate balancing act

that leaders must manage by working together to compete in today's economy.

In traditional systems, it is easy to overload the pipeline and provide a sense of security for leaders. By the time a project status report reaches leaders and particularly the executives, it has been massaged and beautifully presented to tell a good story, the story the leaders want to hear. And when there is a Delivery Junkie mindset in an organization, deadlines rather than outcomes are king, and it is easy to shuffle facts and create a palatable picture. That is, until the failure to deliver as required occurs.

I worked at a large corporate organization that desired a digital transformation. The CEO asked the technology department to document their project delivery approach for an upcoming meeting to discuss needed changes. But the CEO was oblivious to the fact that there was no single approach. In an organization of over 12,000 people, there was no consistent approach for project delivery. Everyone was winging it and was entirely under the spell of the Delivery Junkie mindset!

Do you have your head in the sand? Are you ready to understand how systems are really working in your organization?

What's the fix? – Product-Centric Workflow Pathway

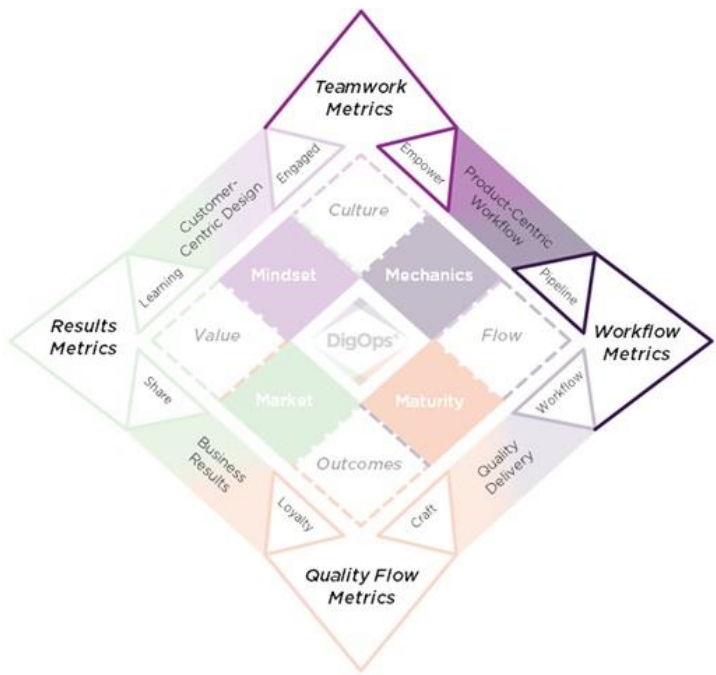
The DigOps model creates a culture of empowered people to establish and support an enablement pipeline that provides flow. Together, this lays the foundation for the mechanics needed to create the Product-Centric Workflow.



DigOps model

This fix lies in the Product-Centric Workflow pathway in the DigOps Compass. The price is high but doesn't cost a lot to focus the organization on product-centric workflow to create the enablement pipeline to deliver desired results.

Given a clear vision and engaged people, the organization needs to empower leaders to create flow. The focus moves to enterprise flow instead of stops and starts waste in traditional operating models. Organizations that reward enterprise flow, over building empires, the organization is poised to compete. The enterprise leaders need to create an enablement pipeline that allows teams to deliver value quickly.



DigOps Compass – Product-Centric Workflow Pathway

I have been asked so many times, “What is my job as a leader if I am not managing people and directing them?” Leaders do not know what their job is in today’s “agile” organizations. Many leaders may feel like their days are filled with creating PowerPoint decks and status reports. Is that time well spent?

Yet if you ask anyone in the organization who is creating the delivery pipeline that empowers people to deliver quality outcomes predictably, I am afraid you will see people scratching their heads. In my experience, most organizations push this work to the delivery teams, who do not have the influence or ability to create a product-centric workflow pipeline. Honestly, it is the norm to ignore strategy to execution metrics completely. Most organizations push the pressure to delivery teams while the entire system around them is drastically broken.

When leaders focus on these strategic activities, they will see empowered teams who can identify impediments and help create more effective flow. They will be able to measure and improve the operational effectiveness of the enablement pipeline.

These two strategic activities allow the organization to use culture and workflow metrics to empower and improve delivery. It is essential to understand these two metrics in relation to the Product-Centric Workflow pathway:

1. Culture metrics – measure the organization’s ability to empower enterprise delivery leaders to continuously improve their ways of working to make a more effective system. These address the Lean business drivers: **safety and morale.**
2. Workflow metrics – measure the organization’s ability to estimate delivery times across the organization. These address the Lean business drivers: **cost and delivery.**

Most of us have heard conversations, or even had them ourselves, about couples who say that they are waiting for their careers to take off a bit more before having kids - or waiting for the market to change to buy a house - or waiting to get married. But if Covid-19 has taught current generations anything, there is no good time to do anything and not leave things before it’s too late!

The same premise applies to disrupting your business to make improvements to the enablement pipeline. There will always be other things to do, a better time for the market or a newer recruitment campaign promising to draw in the next group of top talent.

Invest in an adaptable, self-learning enablement pipeline that your company will reap the benefits of for many years to come.

Now is not the time to fall prey to the Digitization Junkie mindset again – it’s time to fix the root cause in the

enablement pipeline rather than cover issues by overloading teams. Improving the enablement pipeline can be challenging to sell to the board and executives because shifting requires a principle change, from a Delivery Junkie mindset to a flow way of thinking.

Someone will need to break the news that the business needs to slow down and invest time, money, and people to speed up. The good news story about this approach is that any short-term loss will be massively offset with long-term benefits to achieve the outcomes management desires. A slight caveat to this good news story - this isn't a one-time investment. As most businesses cannot close for three months to improve as the McDonald brothers could, companies should allocate time to apply continuous improvement principles for the enablement pipeline regularly.

However, as the system matures, improvements to the enablement pipeline will occur faster and more efficiently. In my experience, this is much better than the more common scenario – executives only willing to invest in change when the entire business' system is broken. Ironically, organizations will invest multi-millions in digitization that cannot get implemented because the culture and process are not disciplined enough to leverage the advantages. They do not see the same need to improve the enablement pipeline to leverage advanced technology. The enablement pipeline is necessary to leverage the desired technological outcomes.

***Leaders using a DigOps model do not manage people;
they manage delivery workflow!***

Strategic Activity – Empower People

Enterprise Delivery Leaders must work together across the organizational boundaries to ensure they support delivery teams in creating flow to the customers. When this team of

teams work together, they need to ensure they use techniques, such as Diverse Collaboration, to ensure everyone is included and has an equal voice in creating an environment to deliver outcomes.

The success of the McDonald's brand shows that the brothers increased product quality, cost, and delivery by using a clear vision and expectations to create a work environment where the employees were empowered, felt safe, and had high morale. If delivery or low cost was the focus, it is doubtful the brand would have lasted.

Once McDonald's people felt empowered, they were confident sharing ideas to improve the operating system, regardless of whether they were a cook, cleaner, manager, or cashier. Unlike many companies today, the brothers listened to new ideas, wanted to know more, and often implemented their suggestions. This culture has carried through to current McDonald restaurants, such as an Australian employee's idea of the McCafé, a worldwide innovation.

Strategic Activity – Enablement Pipeline

Align leaders to create flow through an enablement pipeline. Cross functional product-centric workflow teams provide operational effectiveness and a nimble and adaptive approach to respond to emergent needs. The results of Operational Ineffectiveness are described in this blog in The Lean Way: What is Muda, Mura, and Muri? ⁴

Applying systems thinking across the organization ensures even workflow. If the system is not well-coordinated, we create rework and waste (Muda). For example, companies that use an operational unit to coordinate projects between the business and technology. This results in double handling, communication breakdown, and other types of waste.

Digital Operations

Lack of coordination can also result in Mura, meaning unevenness. Without a system's view, we can create huge bottlenecks. For example, what happens when code quality goes down? Teams then scramble to react to unexpected work flowing into the system while being expected to continue to deliver to deadlines. How can they respond to these situations? It is crucial when developing a workflow model to ensure the process is measurable and identifies and removes bottlenecks.

Finally, you can create Muri if the organization does not design workflow. Muri is continuous overburdening that is not sustainable. Muri results in significant employee dissatisfaction and turnover.

Many executives believe in “flooding the system,” which usually results in poor quality, slower time to market, and disappointing results.

“Since real-world problems are dynamic and customers’ needs are always changing, our work processes must also change as well. As we design our processes and standardize our work, we must look at the resulting system from the lens of these three concepts. Only by considering the impacts of Muda, Mura, and Muri and optimizing our production strategy can we develop an efficient Lean system.”⁴

Create a team of teams and develop strategic activities, processes, and measures to effectively remove waste and support operational effectiveness, leading to better business results and employee satisfaction.

Now it is your turn to create an enabled pipeline of workflow that empowers people to deliver product and service outcomes to obtain desired results.

Jungle Domination – Step by Step

Disrupting business to reengineer or create an enablement pipeline is a necessary investment that is accomplished in three simple steps:

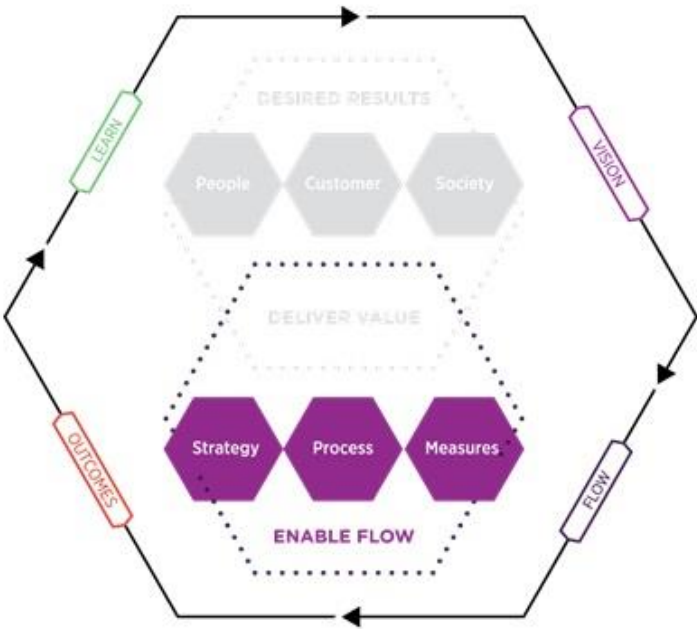
1. Align
2. Teamwork
3. Workflow

Step 1 – Aligned Enterprise Delivery Leaders to Strategy, Process, and Measures

No matter what level they are at, all leaders in the business should be clear about the vision and desired results. When this doesn't happen, departments become siloed, and the enablement pipeline breaks down or is non-existent.

**Enterprise Delivery Leaders create and manage the enablement pipeline. People working in the pipeline understand it best and know how to improve it.
When everyone plays their part, flow happens.**

An understood enablement pipeline creates safety that allows people to perform at their best. When people believe they are unsafe, they will spend time trying to protect themselves instead of doing what they come to work to do. It is every leader's role to ensure their people feel safe in their jobs through an aligned delivery strategy, processes, and measures.



DigOps Workflow – Enablement Pipeline

When a united leadership team provides a clear functional strategy, process, and measure, people are empowered, resulting in high morale. Remember, strategy is the set of activities the Enterprise Delivery Leaders are responsible for defining. These activities should be clearly articulated and understood by everyone in the organization.

Next, the process, how the activities will be used and leveraged, is necessary. What is the enablement pipeline process? The Enterprise Delivery Leaders must own and manage the process. Still, the entire delivery team must develop the process and continuously improve for higher operational effectiveness.

Finally, when the activities and processes are defined, the Enterprise Delivery Leaders and Delivery Teams need to establish organizational cycle metrics and measures. Agreed processes and measurements give everyone a clear

understanding of expectations and creates the opportunity to have data-driven discussions to improve flow. Aligned Enterprise Delivery Leaders must be clear on the vision, strategy, process, and measures to provide a safe space that empowers their people to create desired flow.

Step 2 – Enterprise Team of Teams

A team of teams mindset is required to create flow. Instead of each team working in a silo, every team collaborates with the other teams to provide feedback, test solutions, and refine outcomes and results.

Creating a team of teams can be tricky because people are emotionally invested in their roles, titles, and perceived spheres of influence. Many leaders have spent their entire careers building empires of people who work with them and are in no hurry to let them go and work as a team of teams across the enterprise. It is essential to consider this and create flow before making significant changes to roles and titles. Remember, leaders are people too, and they need to feel safe, just like everyone else.

“Form follows Flow.”

An organization’s biggest mistake when implementing a team of teams approach is to change the organizational form – that is, the structure or people’s job titles – at the start of a change. If the form is changed first, people will react to their fears instead of adapting to the mindset and cultural changes produced by creating flow. This damage is real, and it can take months or years to rebuild psychological trust.

By achieving great flow first, form changes will naturally follow. Once people understand why the change is happening and are invested in creating flow, changing titles and organizational structures will be quicker, more comfortable, and create less angst for people.

When building teams of teams, the second mistake made by organizations is forgetting that teams are made up of people - even leadership teams; it is easy to forget that people have instincts and biases that prevent compatible teams from forming instantly. Leaders often become so focused on the process of creating change that they forget there is a normal, psychological reaction to change. Plucking people from their siloed roles and expecting them to instantly work together cohesively as a leadership team is unrealistic.

The Forming, Storming, Norming, Performing stages of teamwork develop by Tuckman⁵ can be seen visibly in any team created. Leaders need to invest time in building teams, especially teams of teams from different backgrounds and passions. No matter the level, maturity, or expertise of the team or team of teams, it is essential to take time to form a team. If a team of teams tries to perform without a shared set of norms and agreed ways of working, the culture and mindset changes they are trying to lead will not be successful, and their people will suffer. Everyone on the team of teams must be equal and focused on creating a flow to customers, regardless of position.

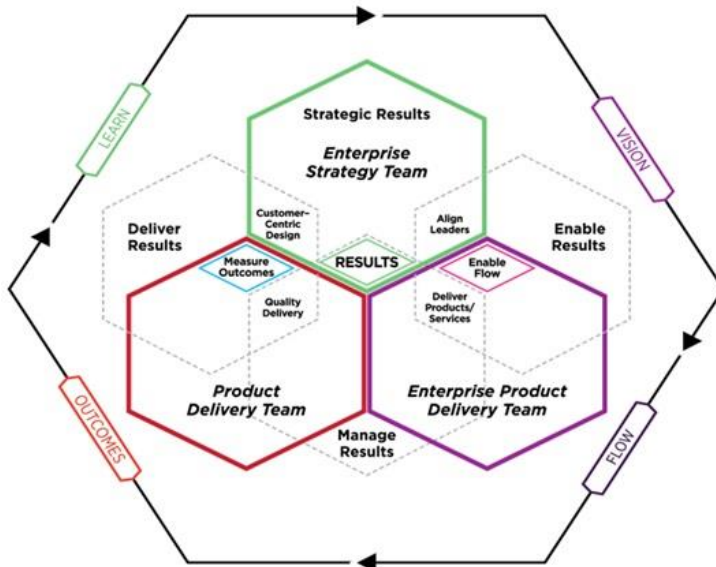
It is funny, maybe more ironic, that every leader I have worked with understands, and for the most part, appreciates the Tuckman model and often allows their teams to take the time to go through the teamwork stages. But when it comes to leadership teams, they balk at the idea that they will experience the same stages.

I have worked with many teams, and their leaders sometimes push back when I suggest taking them through the teamwork practices but eventually tend to go along. And when I suggest we do the same things for their leadership teams, they think the idea is ridiculous and often refuse. The sad part is usually, those leadership teams who skip the teamwork stage often lack the cohesion needed to achieve

desired outcomes. Many times, they will blame personalities or lack of alignment and go on to make the same mistake over and over when working with other leaders.

Leaders often feel that they are above such an evident approach. But when the intention to teamwork is applied, I have found that teams that take the time to invest in building a cohesive culture always transform faster with better results.

As introduced in Chapter 3, the DigOps model has three distinct teams responsible for different, maybe opposing positions, which creates dynamic tension across the organization. The tension is managed by the leadership team of teams dynamic focused on delivering outcomes that support agreed desired results. When there is no agreed vision, it is impossible to expect leaders to work together on delivering an aligned approach.



DigOps Team of Teams

Now that we have introduced the team of teams approach let's dive deep into each team's roles and responsibilities.

Product/Service Delivery Team

The Product/Service Delivery Team is a group of people who work together to create customer outcomes. These departments are often called Operations, Manufacturing, Shared Services, Research and Development in traditional operating models. These outcomes can be a physical product, like a mobile phone, or a service, like a mobile phone plan. For the remainder of this book, this team is referred to as a Delivery Team, to mean teams that deliver products, services, or both.

How big should the Delivery Team be? There are many different views. Atlassian's position is "The most effective scrum teams are tight-knit, colocated, and usually five to seven members."⁶ One way to work out the team size is to use the famous 'two pizza rule' coined by Jeff Bezos, the CEO of Amazon, "...that the team should be small enough to share two pizzas."⁷ Although this is usually true for teams following Scrum, other frameworks support having larger teams and scaling work in various ways, such as FAST Agile⁸. Businesses should not limit themselves to any single framework. Instead, focus on developing a healthy Delivery Team supported by an enterprise team of teams and works directly with stakeholders without intermediaries. Find what works and keep refining the process until there is the perfect system to deliver high quality, low-cost customer outcomes.

Enterprise Product Delivery Team

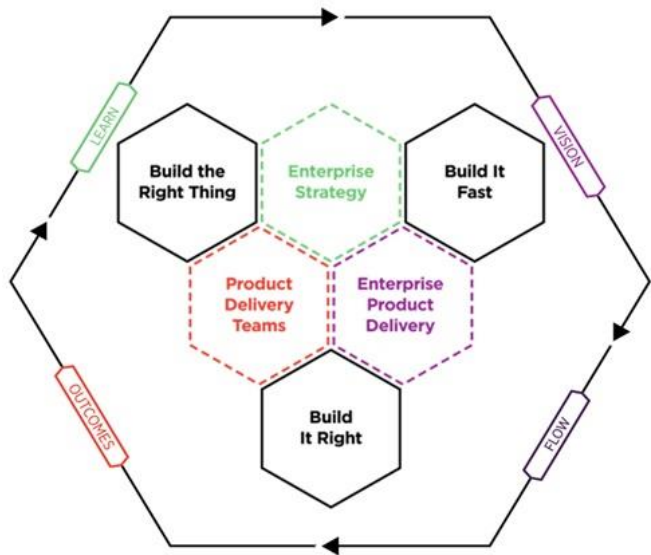
On the other hand, the Enterprise Product/Service Delivery team manages all the other work accomplished in an organization that is completed outside of the Delivery Team to support delivery. Traditional operating model structures called these teams by the specific work they produce, such as Human Resources, Marketing, Finances, shared services, and IT support/capability teams. In the DigOps model, these are the Enterprise Delivery teams, and their purpose is to

enable the Delivery Team to deliver products and services. This purpose applies to the C-suite and every team below them. In a traditional operating model, leadership teams often forget this because they focus on another team that they may also be part of – the Strategy Team.

Enterprise Strategy Teams

Strategy Teams measure and collect data, interpret information, and make decisions about the organization based on that information and the company vision. People in this team include executives, leaders, and those who measure, collect, and interpret data. These jobs may be done by frontline people who are also part of the Delivery Team or supporting people in the Enterprise Team.

When these three teams work together as teams of teams, everything flows; they remove bottlenecks and solve root cause issues faster without the company losing its competitive advantage. Imagine if all the Enterprise Delivery teams truly collaborated to support the Delivery Team. How is this being managed in your organization right now? Can any one person in your organization draw an enterprise strategy to execution workflow?



Team of Teams Focus

Build the right thing fast

When the Strategy team of teams works with the Enterprise Delivery team of teams, they create teams that ensure the delivery of products and services by focusing on *Build the Right Thing Fast*. By providing a clear vision and creating flow, this team of teams creates an enablement pipeline and is responsible for creating the right environment to go fast.

Build it right and deliver it fast!

The Delivery team of teams and the Enterprise Delivery team of teams are responsible for ensuring that products and services are Built Right and delivered Fast! Using feedback from people, customers, and the Strategy Team, this team of teams designs the right product and services, innovating as required. In contrast, the Enterprise Delivery teams ensure that the structure is in place to get the right products and services to customers promptly to get feedback quickly. The goal is not to deliver the “project” but rather to get feedback as quickly and effectively as possible and adapt.

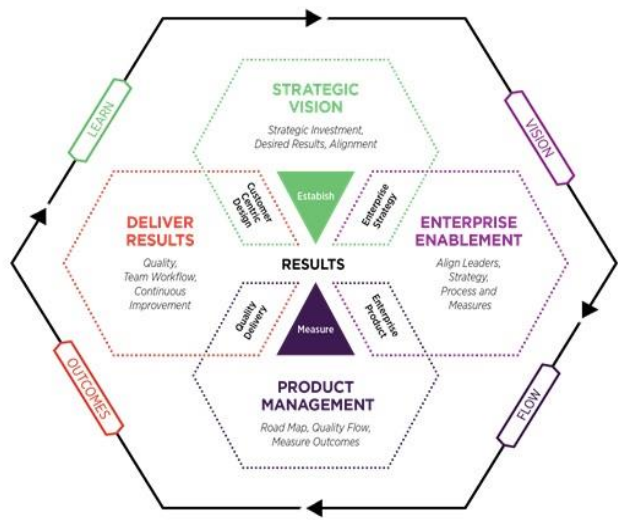
Build the right thing, right!

The Delivery team of teams also works with the Strategy team of teams to deliver high-quality outcomes that support established desired results. The Delivery team of teams measures quality outcomes delivered to support defined desired business results based on feedback to create products and services that fit current and emerging needs.

This grouping of teams may sound like an oversimplification, but to genuinely change the organization's culture, creating a Team of Teams in these three groupings is the starting point. Everyone in a business, even the executives, should be able to answer, "How are you supporting our Delivery Teams?" If they cannot answer, then more questions and education should follow.

Bringing together the Product-Centric Workflow

A team of teams approach supports the Product-Centric Workflow across the organization. The DigOps model drives value flow to customers by aligning leaders to **establish strategic enterprise** results delivered through an **enablement pipeline** to **measure quality delivery** outcomes aligned to **results** for **learning and improving customer engagement**.



DigOps Product-Centric Workflow

With a clear, understood strategic vision for each family of product/ service(s) that includes the strategic investment, desired results, and alignment across the Enterprise Strategy teams, the Enterprise Delivery team of teams can create or use the best enablement pipeline to deliver results.

Everyone involved in delivering the value must be aligned and understand the strategy, process, and organizational measures to create an enablement pipeline. You may be thinking, isn't this backward? Shouldn't we focus on building the "thing" then think about how we will deliver it? If your organization uses linear thinking over systems thinking, this would be the case. But, as discussed earlier in this chapter, a focus on building the organization enablement pipeline will free the organization to deliver faster, regardless of what is produced. The enablement pipeline is the foundation that provides time to market capabilities. Organizations often push this responsibility to delivery teams who do not have the power to make this happen across the organization.

The Enterprise Delivery team of teams is accountable for clearing the way and ensuring there are no bottlenecks for

Delivery teams. These leaders are not measured for the fires they put out but rather from the efficiency and effectiveness of the enablement pipeline. They enable enterprise flow of value to customers.

A strong Product Management team of teams is responsible for establishing the product road map, identifying needed internal shared services, and working with Delivery teams to ensure quality outcome delivery is enabled to support Product-Centric Workflow. This team of teams establishes and communicates measurable outcomes across the organization.

Many people think quality sits with delivery teams when the reality is quality sits with Enterprise Delivery, Product Management, and Delivery teams.

Delivery Teams are not empowered to develop enterprise quality standards and ensure they are building the right thing. Product Management's job is to ensure quality by supporting enterprise quality standards, establishing measurable outcomes, and learning in short increments.

Finally, it is vital that empowered Delivery Teams clearly understand how the system works, the desired results and outcomes, and workflow and quality measures.

Empower Delivery Teams to work effectively with support from Enterprise Delivery and Product Management teams to ensure they can predictably deliver quality outcomes.

Measure outcomes against defined results with everyone in the pipeline (and customers as much as possible) so the organization can review and revise. These fit activities, performed by teams of teams across the organization, create the DigOps Product-Centric Workflow from vision to learn.

Step 3 – Organizational Delivery Flow

Once the groundwork is laid, and the enablement pipeline is established, the delivery of outcomes will happen naturally and with few impediments. When outputs are no longer the focus, thanks to the reprioritization of Business Drivers, continuous improvement to delivery cycles can occur and speed up the enablement pipeline for workflow.

Short delivery cycles increase a company's ability to be adaptive and competitive.

Past company failures and learnings have shown that the shorter a delivery cycle is for a product or service, the easier it is for a business to be adaptive and compete. Therefore, the smaller the work increments are within a cycle, the easier it is to pinpoint and fix issues when they arise or adapt to a new need. Smaller work increments also mean that more iterations of a product or service can be delivered, tested, and revised. And when people complete tasks more regularly, continuous improvement in this process becomes an embedded part of the culture.

With input from their teams, leadership must agree on achieving desired results across the organization and establishing a regular cadence to inspect & adapt with defined measures to support data-driven discussion.

Learn from Slayers – Trust your people

Everyone is employed to achieve a vision, and they execute this through an aligned strategy, process and measures. Therefore, strategy is everyone's problem, and everyone in the organization can contribute ideas and solutions. This principle is the core tenet of the Team of Teams approach. If you feel like your company is too big to include everyone in the conversation and problem-solving, check out Liberating Structures⁹ to develop storytelling techniques and listen across your business.

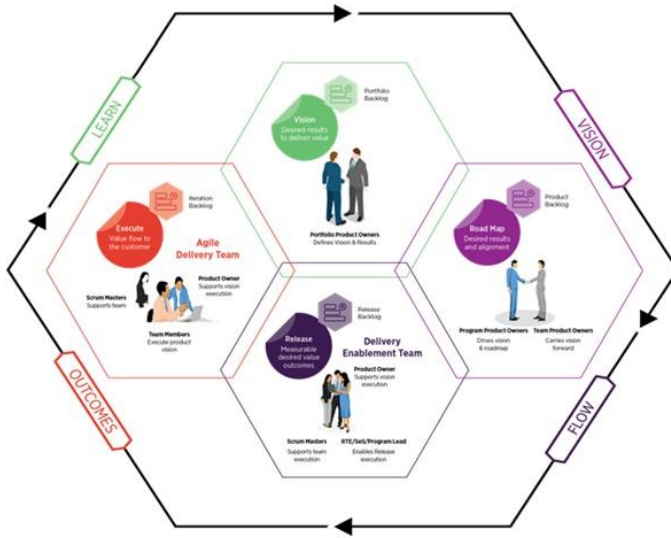
The answers to your problems are within your business and are readily available if you remain curious and are willing to listen and learn from others without bias. We have found that creating flow means leaders need to let go of personal promotion and focus on the greater good. Can you pay the price? Can your organization build the safety and morale necessary to let go of old, fear-driven ways of working? The cost is letting go of the "I" and trusting the "We." If you can do that, while the King of the Jungle may be the one who sets direction, the queen turns the neck and creates flow.

Watch for Quicksand – the Queen of Spades

The one place that trips up organizations in this team of teams, enablement pipeline way of thinking is that they get lost in Product Management; what is it, and where does it sit? In the DigOps Product-Centric Workflow diagram, product management is represented between Flow and Outcomes and linked to Strategy through results because product managers work across the organization.

Product Management is responsible for ensuring there are established desired results and measurable outcome criteria while supporting the Enterprise Delivery teams. In turn, the Enterprise Delivery teams develop quality standards and create the flow of the right products and support the Delivery Teams in delivering measurable quality outcomes. The Product Management teams could be known as the "guardians of the vision."

Often, organizations expect one person to be able to provide this entire responsibility. It is not possible! Product Management is another team of teams that works across the organization to provide the support needed to realize established desired results.



Product Management Workflow

The Product Management team works with each team of teams to manage backlogs, create cohesive flow, and support the tension between each team by providing direction when building the right thing, building it fast, and building *it right* come to loggerheads. It is up to the product management team to protect quality value flow to customers. This is a subject for another complete book. For more information on this topic, see the Powers Digital Solutions website to download a free Enterprise Product Planning Overview to play the digital Plan to Win! Game (<https://www.powersds.com/freestuff>) or sign up for a coming Product Management Mastery class.

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Chapter 6: Dominate the Jungle

Humans are hardwired to hold between five to eight pieces of information in memory at one time, which was great for survival skills when wandering around the green jungle. But now that people at work are bombarded with more information than they could ever read, these instincts create traps that many companies fall into. The king can only stay in power by intentionally achieving measurable expected outcomes.

How do companies measure their outcomes? Organizations gather a lot of data, and a favorite of many companies are short surveys made up of only a few questions and a 5-point scale to gather feedback. Businesses are fond of this type of information because they can easily convert the data into percentages and trends, and executives love seeing figures move as indicators of company health and outputs.

But using numbers as metrics alone does not work for businesses, as the focus is only on what happened in the past; there is no future outlook. And without listening to staff for clarity and customers and society about their consumption needs in the future, how can a company hold a competitive position in the market or reign as king?

A few crucial data and types of measurement metrics need to be understood and applied to measure a company's outcomes progress against the desired results.

Data can be quantitative or qualitative. Quantitative data measures "how much" or outputs and is expressed in numbers – think the financials and production amounts in an annual report. On the other hand, qualitative data measures "what, why, and how" or outcomes and is expressed in words and images; this is the employee stories and customer reviews in an annual report. Without both

types of data, it is difficult to interpret a piece of information that measures delivered outcomes.

For example, a company may share quantitative data with shareholders that sales for the quarter are up 27%. But suppose their shareholders were also given qualitative data of online product reviews. Many that stated that the product was faulty and that the customers would never buy from the company again. In that case, the shareholders' interpretation of the company's delivered outcomes changes significantly. Complete data sets give insights that can be leveraged to pivot and understand more to protect from disruption.

Both quantitative and qualitative data can be used for fitness and flow measures. Fitness indicators, sometimes called lagging indicators, measure performance outcomes based on the past, such as the number of injuries from dropped object safety incidents in a year. Flow measures or leading indicators predict the direction of the outcomes before they occur, such as how many people on site are wearing hard hats to protect them from injury from falling objects.

If only Fitness indicators are used to measure outcomes, leadership can only use their past experiences to change future performance. But if Fitness and Flow indicators are used, leadership can make changes towards desired results through predictive measures and past performance.

Protect your Reign

Real question: "There is so much data available to us, with automated systems, social media, and our people. How do we know where to focus our attention to measure outcomes in this economy?" – Commercial Officer

Business problem: Organizations are good at measuring using distinct, separate indicators, and they love to measure outputs – how many products, how long did it take, how much did it cost? But siloed information and measures do

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not help understand the why and how or to track all the elements in the system working together effectively to produce desired outcomes.

Practical solution: Understand and measure organizational flow, from strategy to execution, to improve organizational effectiveness and reduce cost. When combined with measured customer and societal outcomes against desired results, the organization will develop the maturity to understand which levers to pull to achieve quality delivery.

Digital Jungle Pitfalls: Data Junkie

If you answer yes to any of the following questions, it is likely that your business sometimes falls into using a Data Junkie mindset:

- Does the executive team or board use only lagging indicators to make decisions?
- Are your products and services occasionally victim to a loss of market share, with little warning?
- When designing the next operational plan, are measured outcomes established and used to create a competitive advantage?
- Does your business reward outputs instead of quality outcomes?
- Are all four result areas, People, Customer, Societal, and Business results, reviewed regularly based on measured outcomes?
- Do you rely on surveys and production numbers to make decisions about processes and people without predictive data?

Understand the Problem – Outputs mean nothing without measuring outcomes

Like in today's jungle, the competition for market share in the 1950s between car manufacturers was fierce. Since the

early 1900s, Ford's revolutionary assembly line in America had delivered cars by focusing on low cost, high quality, and faster delivery. In today's business world, the interaction between cost, quality, and delivery is called quality flow and is a measurable output.

The number of cars produced was the most valued result measured at Ford, but there was no focus on iteratively measuring outcomes. Collecting delivery data meant measuring Ford workers' activities – how fast they completed tasks, how many safety incidents there were, and how long they took on lunch breaks and utilization metrics. These Fitness indicators and pressure to improve quality, cost, and delivery using Power Leadership styles further decreased employee morale and safety.

At the same time, executives from a small car manufacturer in Japan, believed to be no threat to Ford, were invited to visit the Michigan factory. These Toyota executives were surprised at how clunky the entire manufacturing process was when they looked beyond the successful assembly line process. Again, a startup owner only focused on his passion.

Toyota executives saw that by focusing primarily on the Fitness Indicators, the number of outputs to measure success, Ford created a massive inventory stockpile. Ford's staff felt disempowered and demoralized, making the assembly line operations sluggish. Toyota recognized that to be competitive against Ford; they would need a holistic operational view that measured quality outcomes – not just outputs.

In addition to this learning, the Toyota executives' challenge was in Japan; there were significant space, company size, and money constraints compared to the giant American manufacturer. These differences meant the executives knew they needed a better operating system and would need a more comprehensive way to measure outcomes internal to and outside the business.

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Surprisingly, the Toyota executives found their answer in another American industry, the retail supermarket system. When the executives saw the supermarket pull system in action, they realized that this approach was transferrable to car manufacturing. The pull system only produces products that are asked for by the customer and prevents a surplus of inventory.

Knowing the problem they faced due to space, money, and company size constraints, Toyota executives used constraint thinking to invent a new manufacturing way. Combining the supermarket pull system, they designed an approach that measured various outcomes that increased innovation by reducing waste at every activity - the beginning of the Toyota Production System.

And the business results are history. Toyota used measurement data to understand trends and predict emergent change and needs. The company used this information to motivate its people, provide an environment for innovation, and deliver quality products to customers at a lower cost. They created a complex, iterative outcome measurement system that empowered their people to focus on meeting their customer needs that changed manufacturing forever.

When organizations get caught in silos and passion about only one aspect of delivering products to customers, they can lose their competitive edge and maybe their kingdom. Toyota's fresh look at manufacturing created a maturity model that allowed them to reign for many years as they left the unexpected king in their dust.

What's the fix? – Maturity protects your Reign

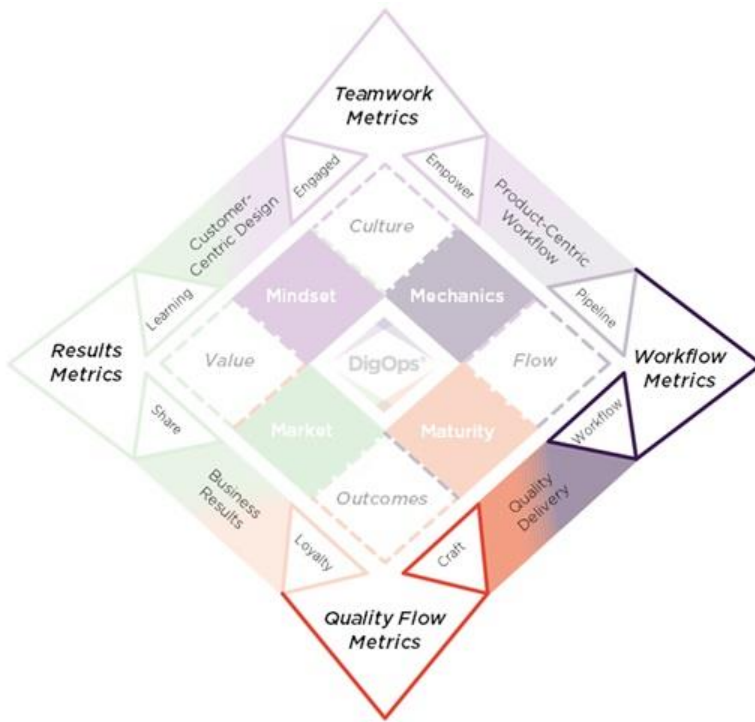
The DigOps model is focused on flow, from strategy to execution, unlike Ford, who was only focused on the production line and how many cars could be delivered, by reducing the time of each activity on the line. Ford ignored

the operational effectiveness that creates systemic flow. Constant discipline in developing the maturity to measure quality outcomes cements the organization's reign as King of the Jungle.



DigOps model

The Quality Delivery pathway provides the fix needed to measure quality outcomes. This pathway in the DigOps Compass will help your organization understand what to measure and how to protect your reign through maturing mindsets and mechanics to respond to emergent needs. The price to use this pathway is to invest in constant maturity in measuring outcomes. Don't get satisfied and become lazy and set in your ways.



DigOps Compass - Quality Delivery Pathway

Who is responsible for quality? I bet the answer that springs to mind is testers! That could not be farther from the truth. Testers are responsible for testing quality, but the quality is the business of the entire organization. Strategic leaders are responsible for providing a clear vision based on defined results. Enterprise leaders are accountable for creating an enablement pipeline that provides quality flow. And the delivery teams are responsible for working together to deliver measurable quality outcomes.

Often, the delivery teams are bogged down with trying to meet deadlines, defining enterprise quality standards, building delivery pipelines, and all the mechanics involved in delivering output. They have little time to focus on quality. With the enterprise leaders taking quality flow off engineering and creating enterprise tools and delivery standards, the delivery teams can deliver a quality product.

It is essential to understand these two metrics in relation to the Quality Delivery pathway:

1. Workflow metrics – measure the delivery team’s ability to work within the enablement pipeline while continuously improving the systemic power to deliver. These address the Lean business drivers: **cost and delivery**.
2. Quality Flow Metrics – measures the teams and team of teams’ ability to deliver the highest quality outcome most effectively, thus bringing all the Lean Business Drivers together: **quality, cost, delivery, morale, and safety!**

Fitness and flow are important factors to consider in both metrics; we will cover all the metrics in more detail in the Measure Results discipline chapter. It is important to note here that the quantitative data used to measure delivery is an indicator of the fitness of the entire system. At the same time, teamwork is essential to create flow. This qualitative measure is often overlooked, impacting safety and morale and can ultimately bring the whole machine to a halt.

Strategic Activity – Delivery Team Flow

With the development of an enablement pipeline, the organization can easily measure organizational delivery flow and ensure the system is refined to support delivery. With this burden lifted from the shoulders of the delivery teams, they can focus on delivering quality flow and measuring outcomes. Just as their leaders worked to create enterprise flow, the delivery teams work together to develop quality outcomes and improve flow.

Delivery team flow can be compared to the Toyota Production Systems approach. They did not just measure the step-by-step production line outcomes, but they also measured outcomes flow across the entire system. The

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enablement pipeline measures flow outcomes while the quality delivery pathway is similar to the assembly line; however, in this model, the work is not done step-by-step but rather as a team of teams focused on achieving quality outcomes. They are collectively responsible for their part of the organizational flow.

The teams measure how long, or the workflow metrics, to deliver quality products and services. With the enterprise leadership team's enablement pipeline, the organization can now measure time to market and look for ways to improve the entire system. There is always a healthy tension between quality and delivery; you cannot have one without the other, and it takes everyone to create a system to achieve this.

Strategic Activity – Quality Craftsmanship

The Delivery team of teams is responsible for ensuring they deliver the highest quality outcomes most effectively. This takes teamwork within delivery teams and across delivery teams. In a production line, the proper use of the machines doing the work is necessary for high-quality results. In developing a digital product or service, those craftsmen's artistry creates the mural that delivers measurable outcomes.

What is meant by the craftsmanship concerning digital products and services? We can use this definition from the Manifesto for Software Craftsmanship¹:

Manifesto for Software Craftsmanship

Raising the bar.

As aspiring Software Craftsmen, we are raising the bar of professional software development by practicing it and helping others learn the craft. Through this work we have come to value:

Not only working software, but also well-crafted software

*Not only responding to change, but also steadily adding
value*

*Not only individuals and interactions,
but also a community of
professionals*

*Not only customer collaboration, but also productive
partnerships*

*That is, in pursuit of the items on the left, we have found the
items on the right to be indispensable.*

How well are your delivery teams allowed to support this dedication to creating the best possible outcomes for customers? With 70 – 90% of delivery teams outsourced to vendors, it becomes challenging to focus on craftsmanship within the organization. Unfortunately, many organizations see technology as a plug-in to the “real” product or service. Many do this because they have a lack of understanding of the concept of quality craftsmanship. As we continue to digitize, organizations move from a people-focused, bricks-and-mortar product delivery model to an automated technical experience. Now is an excellent time to take stock and consider how much investment is made into quality digital products and services. Why isn’t it being done? It takes time, especially initially, but over time establishing a quality craftsmanship culture saves throughout the entire lifecycle of the product or service.

When quality craftsmanship is standard operations, engineers understand the desired outcomes before they start coding, which means they can ask the right questions when given work. Focus on quality saves time in identifying issues up front, which saves money and frustration. The quality craftsmanship culture saves development time as there are mental models and standards for what good coding looks like, making it easier to tackle problems and work together to produce quality outcomes.

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People costs can be reduced by focusing on quality craftsmanship as journeyman-level crafters establish and protect norms and quickly bring apprentice engineers into the fold. There is no need for 100 experts who speak different languages and do not know how to work together. This practice also creates T-Shape people who can develop various skills across the craft with deep skills in a specialized area.

Not only is it just a better way to work that saves money, but the cost of operations support of really poorly constructed systems over time is where the bleeding stops. Every system has technical debt, even the best crafted, and if there is not a standard to continuously improve the system, the debt just grows. Organizations that are not doing this will find themselves left behind over time. It is that simple.

One leader asked, "Teri, with all this team of teams work, how are we supposed to get anything DONE?" That is a fair question, so I challenged him to talk to his teams and members and review their calendars with him. Ask them how many meetings they have about the same issue, over and over, without coming to a resolution. Ask them how much time they spend doing rework because they missed something. I gave a list of questions, but he didn't need to ask his teams because he already knew the answer; it was evident in the poor-quality solutions delivered. Working together provides clarity and gives birth to quality.

Suppose your organization is suffering from poor quality delivery. In that case, it is probably because the teams are not working together to develop high-quality OUTCOMES and are just focused on hitting output-based objectives that create a punch clock mentality.

To survive in the Industry 4.0 Jungle, organizations must measure their organizational clarity and product consumption. And to thrive, these measures must feed into

continuous improvement that creates a learning organization—the four dimensions in the DigOps Balanced Scorecard; Financial, Customer, Internal Process, and Innovation track quality. How to use this scorecard and each dimension's details is covered in detail in the Measure Results chapter.

Jungle Domination - Step by Step

Organizations need to allow Delivery teams to mature in their effective delivery while continuously improving organization flow and working together as a team to create quality outcomes.

Step 1 – Delivery Flow

The Enterprise Leadership team creates flow, but it is up to the Delivery teams to deliver in that flow. There are three dimensions to mature when considering flow which requires three different sets of metrics. Why look through three different lenses?

The first is the flow within the delivery team. The Delivery Team needs to understand their contribution to flow and identify new ways to improve. The team should always be looking at their impact on flow for opportunities to mature and improve.

Next, the team of teams needs to be responsible for working together most effectively. Organizational teamwork is a delivery outcome; how well are we collectively delivering value to our customers in the most effective way? Operational effectiveness does not stop with the team.

And finally, how does our delivery flow fit into the organizational flow? Without these measures, the Enterprise Delivery team will not know how to impact the entire delivery time. Also, without examining these outcomes regularly, the organization may miss bottlenecks, impediments, and dependencies that hinder maturity, endangering their jungle reign.

Step 2 – Quality Focus

Quality is difficult for people to fully understand because we simplify it to determine if the “thing” works, rather than understanding the three quality elements.

1. Did we build the right thing? If we didn’t build the right thing, no matter how great it is, it wouldn’t be considered quality by the customer.
2. Did we build it fast? The delivery team works with the Enterprise delivery team to ensure they have everything they need to deliver using the enablement pipeline. That includes quality code standards, delivery pipelines, and escalation paths.
3. Did we build it right? This is the responsibility of the Delivery team and team of teams.

Just like the Enterprise delivery team needs to work together to build the enablement pipeline, the Delivery teams need to work together to deliver quality outcomes. This is their responsibility. It takes a strong product management discipline to help support the friction between the three elements and provide direction when needed.

I would suggest we have all used inferior products and services throughout our lives, and we know how impactful that experience is. The problem with digital products and services is that sometimes on the surface, initially, everything looks good. But as time goes on and conditions change, patch after patch gets applied, and developers come and go... things start to deteriorate.

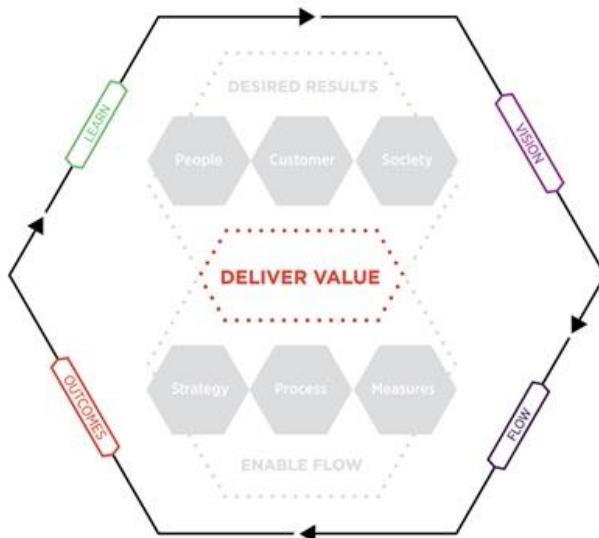
With a lack of enterprise quality standards and rigor to apply them at the Delivery team level, digital products will become less responsive, and quality will go out the window. There needs to be slack built into the system for the artists to ensure they are doing the right thing, or your outcome may be inferior and cost much more over time. The upfront and

ongoing investment in building the right thing is essential to ensure continuing maturity and jungle domination.

Step 3 – Measure Outcomes

Outcomes over outputs, what is the difference? Organizations are often void of valid defined desired results that lead to a lack of vision and the inability to measure anything meaningful to actual market share or business results. With a clear vision and the ability to focus on quality delivery in a protected environment where leaders are creating flow, Delivery teams are free to create quality outcomes that support desired results.

As discussed in the preface, we are in a unique time like no other. We have almost come full circle. In the agriculture revolution, we had the rise of artisans, people who learned an art and perfected it with their signature flare. The Industrial revolution brought forth a cog-in-the wheel mentality, such as assembly line workers at Ford. Just follow the rules, discourage thinking because the process and machines worked that way.



DigOps Workflow – Deliver Value

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We are in a time when knowledge workers use technology as a blank canvas, where they can create their masterpiece. This is a truth that is often missed by leaders who continually try to apply traditional project management theories to the development of digital products and services.

When knowledge workers are free to develop a solution to deliver outcomes that achieve desired results, they will have time to develop high-quality solutions for customers. When the time to market is king and placed over quality, the results are dissatisfying to everyone involved. Creating the right environment with a clear vision helps teams collaborate and deliver.

Now, we use technology as our artistic tool to create a mural developed by a group of artists. Teams must have time to work together across the organization to create a masterpiece rather than a series of stick figures.

It is essential that teams work together, and every voice is heard to learn and develop the best possible outcomes. Creating an inclusive organization takes time, but the results are well worth the work.

Learn from Slayers – Start measuring!

People tend to resist the need to stop and measure outcomes on a regular cadence. Although measurement can be a lot to take in, it cannot be reiterated enough that everyone in the DigOps model should be intentional about measuring outcomes to mature learning and market share decisions. If outcome indicators cannot be measured throughout the DigOps process, how does an organization know when the desired results are achieved? Not measuring leaves people blindly doing the same thing over and over with a loss of understanding as to why. There is no opportunity to mature and secure the reign.

Forward progress is not always expected. Some weeks there will be no progress or even regression, and that is ok! The business can use learnings to make changes. When teams do not have information about their outcomes, they cannot make informed decisions and mature to drive future actions.

Watch for Quicksand – Go slow to move fast

Successful Digital Transformations involve a complete change of culture and approach to achieve results.

Digital transformation requires establishing new ways of working, learning, and measuring to use the DigOps model.

One mistake often made by businesses hoping to transform quickly is to adopt a change framework and “customize” it before they understand what effects the framework in its purest, vanilla state will have on their business and people. What basis of progress can be measured if changes are made to the framework straight away?

When adopting a framework, use it by the book, then inspect and adapt it as needed. Change what isn’t working and measure the results of that change. Grow the whole organization’s understanding of how to operate more effectively. Set a baseline, measure outcomes, learn and select new desired results for change.

Don’t forget to learn, learn, and learn as the business grows. Develop an organization that values learning and improving to mature and compete. Showcase learnings and celebrate them! Create a culture that believes there is no such thing as failure, only learning and applying information from when things don’t go to plan.

The current Industry 4.0 Digital economy provides so many opportunities to try new things, and leaders across the organization should feel confident in taking calculated risks. But do so in an environment disciplined to measure the

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outcomes and adapt to develop a genuinely self-sustaining high-performing DigOps organization. Continued domination in the jungle requires ongoing measures to improve high quality flow to customers... if you snooze, you lose.

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Chapter 7: Jungle Agility

Congratulations! By reaching this chapter, you should have a firm understanding of why digital operating models are needed to remain competitive in an Industry 4.0 economy and the elements required to set the foundation and culture to get there – Vision, Flow, and Outcomes. Once this environment is established, the “how” or the disciplines and capabilities needed to approach this becomes the focus. These disciplines also form the fourth element of the DigOps model – Learn.

When the disciplines come together in the DigOps model, a learning organization is formed. As outlined by Peter M. Senge in his book, *The Fifth Discipline*, a learning organization:

“Has empowered people who understand desired customer results, a shared vision, can apply systems thinking across the organization to improve quality flow as they develop personal mastery, team learning, and develop aligned mindsets.”¹

As the capabilities that underpin Vision, Flow and Outcomes come together in a business; the result is a learning organization culture that is continuously curious about learning from others, customers, competitors, partners, and their own mistakes. Many frameworks attempt to embed continuous improvement cycles in the approach but miss the DigOps model elements for cultural change to create a proper learning organization.

Companies are bombarded with clever marketing for quick fix frameworks that promise desired solutions. As a result of inherent human instincts, businesses continue to make poor decisions and choose to implement Digital Transformation frameworks that just won't work because they do not create learning organizations.

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Humans are hard-wired with survival skills from our jungle days to look for quick fixes and shortcuts. These mental shortcuts in today's world are called biases, and the effects of bias can be positive or negative depending on the situation. As a survival skill, biases allowed humans to make quick decision-making with minimal information in emergencies and save energy and resources by not analyzing each potential solution to a problem. But in today's jungle full of overwhelming amounts of data to analyze, this outdated bias for quick and straightforward solutions significantly decrease survival rates.

So, what can a business do about this? Once an organization has established a clear Vision, embedded Flow, and measures Outcomes outlined in the DigOps model, the disciplines and capabilities that teams can leverage throughout the organization become the focus.

These disciplines interact and allow the business to thrive as it changes into a learning organization that can leverage the DigOps model. Learn is the often missed piece in the traditional operations puzzle. This piece gives businesses a competitive advantage, unlike most frameworks marketed today.

Learn and Improve

Real Question: "Our new Chief Operating Officer used this new Agile framework in their previous organization with amazing results! But we've been implementing the same framework here for over a year, and if anything, our results have gotten worse. What are we doing wrong?" – CEO of a financial institution.

Business Problem: Business problems are unique to an organization's cultural nuances, people's mindsets, process flows, and technology. Many organizations select a framework to implement because it has reportedly produced excellent results in another company. But this

ignores the uniqueness of their company and often creates disastrous results.

Practical Solution: Organizations must understand the business problem(s) root causes to choose an appropriate framework tailorable to improve their ability to respond to emergent needs. This process includes understanding the problem in the context of results, listening for more information, and working together with people and customers to create innovative solutions. Once the direction is set, consultants and frameworks to support the change can help implement solutions.

Digital Jungle Pitfalls: Framework Junkie

An organization that uses a Framework Junkie mindset will answer yes to some or all these questions:

- Do people in your business still refer to frameworks and confuse them, such as Scrum, Agile, Crystal, or Lean?
- Are frameworks used to solve organizational problems that result from cultural issues?
- Does the leadership or executive team love to implement frameworks used at previous organizations because “they have seen that it works”?
- Has there been a considerable investment of money and time into a new training program to fix the company’s culture and internal problems?
- Is there confusion for people and leaders during career development planning about what skills staff should learn to prepare for future changes?
- Are people frustrated that the framework takes up more time than just getting work done?

These symptoms are common in organizations with a Framework Junkie mindset.

When the focus is on finding a solution instead of understanding the problem, organizations invest time, money, and resources in unsuitable frameworks that achieve poor or negative results.

There is no worse news for an executive team or shareholders than implementing a new framework that results in poor or worse results than before. Organizations with a Framework Junkie mindset believe that frameworks are the solution, not that frameworks support solutions developed by people. Unsuitable frameworks are selected because they are chosen with the solution, not the business problem or opportunity in mind.

Understand the Problem - Frameworks don't solve problems – people do.

So many companies fall victim to the Framework Junkie mindset when trying to solve business problems. Firstly, many businesses end up with a Framework Junkie mentality because they have used a traditional operating model for a long time and find it challenging to support teams. A simple example of why this culture shift is complex can be seen in a car assembly line with a traditional operating model. In this workflow, each person and machine are responsible for only a single task. A tire machine cannot produce a steering wheel, and the person running the tire machine only knows what good tires look like, not steering wheels.

In this traditional system, people are rewarded for learning how to operate only their equipment well and produce the expected results – a set number of tires in a standard timeframe. If one machine breaks, the whole line shuts down as there is only one machine and person available per task and no ability to switch machines around.

Yet, in an Industry 4.0 economy, businesses must respond quickly to emergent needs and cannot have one person with one skill as a bottleneck. Although it has repeatedly been proven that using one person for one task is inefficient, many organizations continue to operate this way because they do not understand how to transform to leverage team of teams approaches to support the DigOps model. This new approach requires complete reworkings of enablement pipelines, new leadership styles, and the development of new disciplines and capabilities.

The second reason for succumbing to a Framework Junkie mindset is that no matter where businesses look today, there are marketing promises of silver-bullet frameworks based on Agile with a capital A. Not only are these frameworks touted as being able to solve any organizational problem, but they are backed with testimonials from large company ABC and other company XYZ. So why does the decision to implement these frameworks nearly always fail to produce the desired results?

Let's imagine for a moment that your company has gone back in time to 200 years ago, and the vision is to find new land on which to establish the business. When told to charter a jungle to achieve this desired business result, would you be willing to do so with only a map and people who told you how to use that map? Or would you rather have the skills to find water, a translator who speaks the local language, and some security for protection?

When stated like this, the answer is obvious. Yet, when businesses face this same decision in the current Jungle, most choose a quick fix business map or framework rather than investing in an approach that requires time, money, and people capability development. Businesses want to survive. It is difficult for people to ignore hardwired bias to choose what looks like a simple solution that requires minimal resources to solve complex problems.

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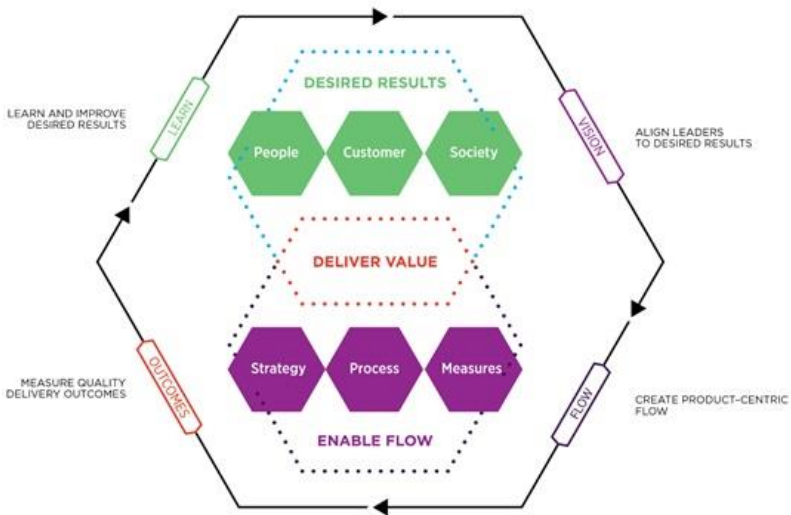
But this biased approach results in the selection of unsuitable frameworks that don't address the root cause of the business problem. I am not saying frameworks shouldn't be used or that consultants shouldn't be hired. Frameworks and the consultants that implement them can, and most probably will be, a part of the solution. But not the core.

Organizations reward quick delivery because traditional operating models focus on outputs, and solving a big problem is an excellent, short-term output to measure! But leaders need to focus on outcomes and the alignment of strategy and processes to achieve results in a culture that supports this behavior – using the DigOps model.

The DigOps model requires trust. The rigid, strict nature of traditional operating models means that people, and even leadership, are not trusted to make decisions and take risks that might produce better results. And even more disheartening, feedback from customers and staff is not trusted or perceived as being valuable. Instead, experts are highly valued, and consultants with frameworks take accountability for delivery. This Framework Junkie mindset relies on frameworks for the solution instead of understanding the problem and solving based on clearly defined desired results.

We often overlook this piece of the workflow! Measure delivered value is against outcomes that support desired results. The results should be broken down into the smallest possible increments of measurable value so that the organization can learn and pivot as needed. This behavior goes against our business instincts. We usually develop a plan and stick with it. As the adage says, "It is easier to start a project than to stop one." What we learn feeds into adjusting our results based on learnings.

Remember, part of the measure is people outcomes.



DigOps Workflow

Again, this goes back to our internal DNA. We are learners; this is what we do and have done for centuries. We love to try things, learn and apply. It is what humans do and how we have evolved. One of the worst feelings is being part of a long project that everyone knows is marching towards a dead-end with no way to help or escape.

Everyone is involved in learning, including customers. The learnings are then fed back into developing desired results that lead to better people, customer, societal, and business results. Learn as often as possible so the organization can pivot as needed.

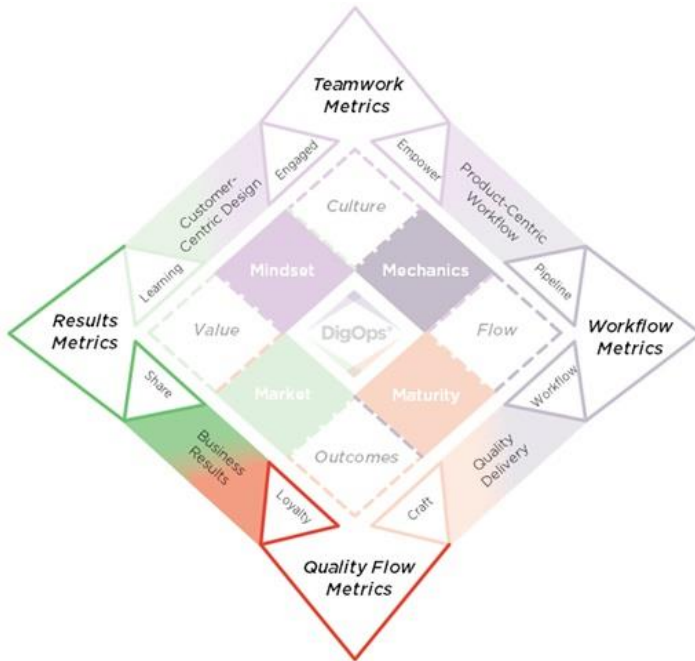
What's the fix?

The DigOps model looks at every aspect of the system so that organizations control their market share because they understand the customer value and can deliver measurable outcomes. That is why we, at Powers Digital Solutions, can say, "We Create Market Leaders." The DigOps model puts leaders in the driver's seat, and they control their market share.



DigOps model

The Business Results pathway is where all the hard work comes together to measure and learn. We measure Brand Loyalty, what our customers say about us, our products/services quality flow, and our market share. Value delivered directly impacts business results - that concept is as old as time, but how to get there has undoubtedly changed in our current economy.



DigOps Compass – Measure Results Pathway

Strategic Activity – Brand Loyalty

Remember, brand loyalty starts with people in the organization; what are they saying about the organization, because they are customers too! And they have a more significant influence on brand loyalty than you may imagine.

Also, to achieve business results, we need to consider that today's customers are much more complex. It is important to them that we are good citizens of the world. Organizations need to consider the following:

1. What does society say about us?
2. What do people think of how we treat the earth?
3. How are we enriching people's lives?

Strategic Activity – Understand Market Share

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Brand loyalty is a good indication of gauging business results. This strategic activity should be reflected in Market Share measures. If we deliver good quality outcomes to customers, we should meet desired market share objectives. If not, it is time to do a deep dive to understand where the operating model is broken.

It is important to understand these two metrics in relation to the Business Results pathway:

1. Loyalty metrics – measures the outcomes that impact the desired results to determine if the organization is going in the right direction. These address the Lean Business Drivers together: **quality and delivery**.
2. Market metrics – measure the business results based on brand loyalty and market share from the lens of people, customer, and societal results to determine if the investments have yielded desired results. These address the Lean business drivers: **quality and delivery**.

Jungle Domination - Step by Step

Avoid a Framework Junkie mindset by understanding the Six Key Industry 4.0 Disciplines that produce desired results and create a learning organization leveraged by the DigOps model.

Step 1 – Six Key Industry 4.0 Disciplines

Each of the Six Key Industry 4.0 Disciplines has a chapter following this one dedicated to exploring the tools, methods, and information needed to embed each discipline. Regardless of which discipline an organization begins with, the approach needs to use a growth mindset.



Six Key Industry 4.0 Disciplines

An overview of the Six Key Industry 4.0 Disciplines are as follows:

- **Customer-Centric Design** develops relationships with customers and people to gather information through listening loops.
- **Align Leaders** includes activities and measures for cohesion across the leadership team to support and communicate vision, strategy, and information.
- **Enable Flow** outlines the mindset, skills, and capabilities needed to develop an effective enablement pipeline.
- **Deliver Product/Service** produces team workflow, quality, and learning.

- **Quality Outcomes** focuses on quality across the business to embed continuous improvement and reduce future costs.
- **Measure Results** provides methods of assessing the progress of results accurately and regularly using appropriate measurements and tools.

Every Discipline has a manifesto that outlines the philosophy and science behind it. Using a discipline is not about following a rigid structure or process but rather about applying the philosophy and using suggested tools and approaches as business needs arise.

Step 2 – Industry 4.0 Capabilities

All six disciplines are divided into two capability areas: individual tools, processes, and approaches to support implementing the DigOps model.

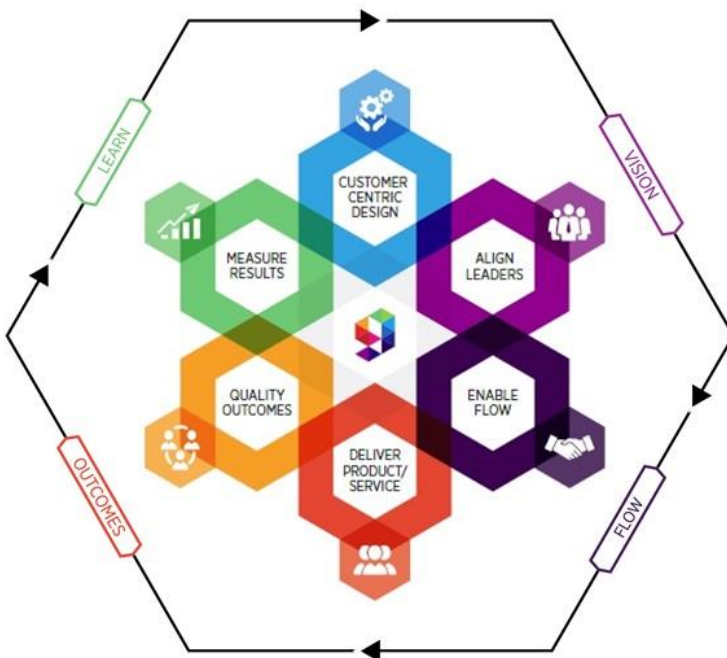


**Six Key Industry 4.0 Disciplines
and Core Capabilities**

Many businesses already focus on one of these areas, and experience shows some companies are best at focusing on particular disciplines that are best suited to their organizational lifecycles. Start-up businesses should begin with Customer-Centric Design to support developing a strategic position and desired results by mapping fit activities and trade-offs to create the desired customer experience. More established organizations may focus on the Align Leaders discipline to create more efficient flow first as they transform to the DigOps model.

Step 3 – DigOps Workflow

The Six Key Industry 4.0 Disciplines sit across the entire four elements of the DigOps workflow to support the success of each step.



DigOps Workflow and Disciplines

The Six Key Industry 4.0 Disciplines influence the areas of the DigOps Workflow that are the closest to each discipline in this graphic.

Based on this knowledge, if an organization focuses on Flow, the disciplines that influence this the most are Enable Flow, Align Leaders, and Deliver Product/Service. When outcomes are the priority, focus on the Quality Outcomes, Deliver Product/Service, and Measure Results disciplines.

As people and teams develop skills in each of the six disciplines, they have more value in the organization. Eventually, businesses can move from role-based compensation to discipline, and capability reward approaches.

Once an organization develops a habit of using these disciplines through a regular cadence, the business will begin to operate like a well-oiled machine. But be sure not to drop one discipline! If one is lost, they are all lost. The six disciplines will provide any business with the skills needed to navigate the jungle and thrive as confident market leaders.

The most prominent experts about an organization and its issue should be its leadership and people. Business problems must be clearly articulated and understood in the context of the organization's current operating model. Identify your desired results, understand enablement pipelines and blocks to flow, then leverage framework experts by asking how their particular framework solves specific business problems.

The hardest part of using the DigOps model is to trust the process. Market leaders empower their people and processes through trust. Build trust through the cultural, leadership, and vision changes discussed previously.

How does this process of solving business problems happen in a practical sense? Understanding current results within the

four focus areas of People, Customer, Societal, and Business, and applying feedback and information from listening loops to understand blockers creates flow and innovation.

Executives often push back because this process is not as quick as measuring the outputs of a framework. Although this process takes a bit of work, it is well worth analyzing and understanding the context to apply the right approach the first time. Once the business problems' root causes are genuinely understood, there is less risk in using innovative and flexible solutions.

Before starting any stage on a Digital Transformation journey, the first question any business should ask themselves based on the Agile Manifesto and digital operating model culture is:

“Do we want a culture that values and listens over managing people and producing outputs?”

If the answer is no, please revisit chapter 1 and consider the cost. When the right culture and mindset are not in place, it doesn't matter what solution framework a business tries to use to solve organizational problems; it just won't work. Once the DigOps model is in place, a company has the incredible flexibility to pick any framework or approach that supports solving their business problem.

Does this mean that businesses shouldn't implement Agile frameworks? Not at all! But don't get caught up in the biases that affect consultants and leaders alike. When using a framework, including Agile, all leaders and people should understand the complete theory, importance, and use of the framework(s). Understand how the programs, tools, and services will address your specific root causes.

So, don't make the mistake of being a Framework Junkie – complete adherence to a framework without context and education is not just ineffective but can be debilitating to a

business in the long term. Constant change for the sake of change, without really understanding where you are headed and investing in the cost to get there only fatigues and disheartens people, thus making it even harder to implement the following change. Instead, review traditional and agile frameworks from a DigOps model perspective and thoroughly understand business problems to select appropriate approaches. Careful analysis and understanding reduces risk and ensures market leadership and jungle agility.

Learn from Slayers – Just do it!

This approach looks like it has many moving parts, but embedding these processes is easily achieved with investments of time, energy, and resources to help Teams of Teams learn new ways to work, learn and measure. Don't try to overdevelop or create a perfect approach! Make a road map that touches on each discipline and measures its results early and often.

The GEM Fluency Framework (GFF) takes the best of rigid frameworks. It combines them with the most up-to-date behavioral and neuroscience research to provide a flexible transformation road map for any business.

Using a step-by-step approach, GFF enables the DigOps model and leaves organizations empowered to continue their learning journey with minimal reliance on experts – no ongoing support required!

GFF is based on these key principles:

1. Lean for non-manufacturing organizations that leverage lean principles and business drivers.
2. Agile values, principles, and lightweight frameworks.
3. Design thinking for customer-centric design and innovation.

4. Diverse Collaboration by creating diversity, equity, and inclusion within teams of teams.

GFF leverages an in-depth knowledge base that creates an alignment in approach and terminology across the organization, a consistent, distributed coaching approach that empowers people to self-serve learning and development.

Instead of sending people to one-off training for theoretical framework use, consultants help organizations begin their transformation with immediate, hands-on learning and continue to develop incremental fluency. Businesses utilize training aligned to the learning journey as needed to hone skills. This positions people to leverage the training in line with their incremental change.

The approach is behavioral science-based and allows people to develop skills in line with their work, reduce risk, create incremental cultural change, and save time and money.

1. Fluency develops through incremental changes in mindset, mechanics, and maturity.
2. Clear expectations, measures, and feedback loops drive change.
3. Emergent best practices allow organizations to make changes in context to their needs.
4. Continuous growth and improvement mindset are embedded through change.

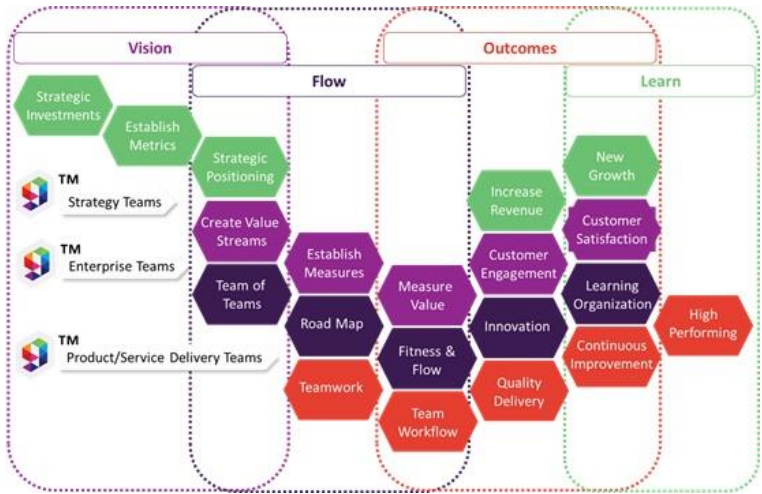
I have outlined the three team of teams journeys to transform organizations using small, incremental building blocks of change. Each journey sits on the DigOps model and uses the Disciplines to produce desired business results.

The ultimate result is to create high performing, learning organizations that have the flexibility to adapt to emergent needs and sustain a strategic competitive position. By developing the Six Key Industry 4.0 Disciplines,

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organizations will naturally move to high performance with assistance from consultants or coaches where needed.

No matter the desired results, a step-by-step approach to developing fluency is a tried and true way to achieve them.



GEM™ Fluency Framework to transform to the DigOps model

Once an organization has mastered the basics, the results of a successful Digital Transformation can be enjoyed for many years to come. This approach’s longevity is embedded in the company’s people, positioned to create and maintain an ecosystem of learning and continuous improvement. When an entire organization values learning, it will have a high-performing culture and will be able to lead in any jungle.

There can be a tendency to over-complicate this approach and weigh down adoption. It is essential to develop a dedicated Digital Transformation team of change agents across the organization. Work with the team to create a steel thread, line of site approach for alignment as the organization transforms. It is easier than most people realize and well worth the investment!

Watch for Quicksand – Practice and Prepare

When people with a fixed mindset learn new skills, complex challenges may cause frustration, and people sometimes give up and stick to the things they know and do well. The benefit of approaching the disciplines with a growth mindset is that people are inspired and open to challenges and feedback; they want to try new things and see failure as an opportunity to grow and succeed together.

A recent example was a major retailer who instructed mandatory training for all new staff—everyone in the business needed to understand the organization’s operating model. People teamed up with new starters from across the organization with very different professional backgrounds – HR and IT were with salespeople and managers. The training utilized gamification to educate new staff about the entire customer journey and how the operating model supported each step. Within a few short hours, everyone clearly understood the whole ecosystem, the language used, and the process steps to retain its customers. Providing a clear, big picture up front helped everyone work in a Team of Teams and speak to others from their point of reference.

It would be awkward and uncomfortable to practice the new capabilities learned when developing these disciplines if the entire organization is not on the journey. However, it is much easier to support the DigOps model when everyone has a clear mental model of how it works. To harness the power of digital operations using the Six Key Industry 4.0 Disciplines brings everyone on the journey and develops practices together. This approach creates market leaders in the jungle.

References

¹ Peter M. Senge, in his book, *The Fifth Discipline*

Part 3: Jungle Explorer Disciplines

Chapter 8: Industry 4.0 Disciplines

Customer-Centric Design

What businesses spring to mind when thinking about companies that center their products and services around current or potential customers? Apple perhaps? What about Nike? And which companies stopped focusing their products and services on customers' emergent needs? The infamous Kodak? Or maybe Nokia in the early 2000s? A customer-centric focus is crucial to understand customer needs and stay adaptable in an Industry 4.0 economy.

Customer-Centric Design is an organization's understanding and emphasis on its relationship with its customers or potential customers. Without knowing more about who is in the market and their emergent digital needs, a business cannot be competitive in an Industry 4.0 economy.

An investment is required for a Customer-Centric Design to develop a learning organization that supports work across teams to improve workflow and quality. When people are empowered to learn and grow together, they are engaged, involved, and able to make decisions aligned to desired customer results. This behavior is encouraged through the two capabilities that make up the Customer-Centric Design Discipline—Design Thinking and Innovation Mastery.

Design Thinking can be traced back to ancient Greece and is a process to develop design concepts. When used appropriately, Design Thinking connects desired business results with digital outcomes. On the other hand, Innovation Mastery is about creating and scaling innovation programs to improve systems and results. This program should be accessible by anyone in your business, so there is a standardized approach and measures. Many organizations

think innovation will naturally happen or that if they give people time, it will occur.

Businesses are unique, so organizations in the startup phase prioritize creating a strategic position by identifying a niche customer base in the market. Once identified, the company should develop a relationship with potential and current customers to truly understand their needs, behaviors, and desires and create future listening loops.

For large or existing organizations, the first step is to understand current customer-related relationship data. Base-line metrics should go beyond the revenues of the product(s) or service(s). Understand core customer values, beliefs and needs to identify if these match the business's desired results.

Regardless of a business's size or stage of maturity, this Discipline's focus should be to learn from customers by listening and watching their behaviors. The focus includes understanding what the customers are doing but also what they are not doing. For example, what workarounds are customers subconsciously using to overcome short fallings in your current offerings?

Customer-Centric Design discipline manifesto

This discipline values:

- **Programs to support change agents to innovate** over only delivering working software.
- **Planned innovation cycle across the organization** over organic expectations.
- **Taking innovations to market** over business as usual.
- **Investment in innovation outcomes that support results** over siloed and disjointed approaches.



Customer-Centric Design and Core Capabilities

Real question: "We already hold regular focus groups and ask customers what works and what else they want. Why would we spend more time and money watching customers' behaviors when we can just ask them directly?" – Business Analyst

Business problem: It is in vogue to use customer focus groups and surveys to understand what people want or rate the business performance. But how many people truly know what they actually need without using leading or probing

questions about their experience? And turning gathered data into relevant information and actionable plans rarely happens.

Practical solution: The Customer-Centric Design discipline learns from reviewing results. By listening to what a customer says and is not saying, an organization can truly understand the values, principles, outputs, outcomes, and results of customer-centric design discipline and capabilities.

What results does this Discipline bring?

Once implemented across an organization, the Customer-Centric Design discipline influences the following results:

1. Validated Customer Hypotheses

- Do we understand what our customers want and how to measure it?
- What does our customer value, and how can we achieve internal people results and align with societal values?
- Are there quantitative and/or qualitative business results?

2. Validated Time to Market Hypotheses

- Is it feasible, and can we build and test in a timeframe that delivers results to customers?
- What are the minimum business outcomes we can achieve to realize results?

3. Measured Value and Flow to Customers

- How will value flow be measured and improved?

Capabilities in your toolkit

Customer-Centric Design discipline produces learning organizations with capabilities such as Design Thinking and Innovation Mastery in alignment with the Learn and Vision DigOps workflow stages.



Develop Design Thinking Capabilities

Capability: Trailblazers

Best used for: Embedding Design Thinking as a practice to reward people for learning

Tips:

1. **Create a centralized Trailblazers program that identifies and develops change agents across your organization.** For a small start-up company, your

change agents are everyone. In a large organization, use this program to find influencers who can promote design thinking.

- 2. Ensure the Trailblazers program is scalable and repeatable.** Start with the end in mind and ensure change agents across your business can scale anything completed centrally.

Capability: Innovation Boot Camps

Best used for: Structured Design Thinking events to develop scalable learning approaches

Tips:

- 1. Conduct cross-functional Innovation Bootcamps to interact with your customers for discovery.** Bring your people together from different parts of your business to follow a structured approach to interacting with customers. This approach will deepen your understanding and drive results.
- 2. Create Innovation in a Box so that anyone can innovate at any time.** Regardless of location, time of day, or department, anyone in your organization can follow the innovation process at any time.

Develop Innovation Mastery Capabilities

Capability: Hackathons

Best used for: Bringing innovation to life after a design thinking event.

Tips:

- 1. Develop a mechanism to bring ideas to life.** Whether the ideas generated are for a new digital or physical product or service, ensure a way to create a testable mid-fi prototype.

2. Share your outcomes with potential customers.

Have your people follow up with customers internal and external to the process to test prototypes.

Capability: Flow to Market

Best used for: Market-test your innovation

Tips:

1. **Determine market feasibility.** After testing ideas, determine if the concept can be taken to the market successfully. What needs to change to commoditize the prototype?
2. **Ideation funnel.** Ensure your organization has an ideation funnel where great ideas can bubble up and be prioritized based on business value techniques.

Capability: Systems Thinking

Best used for: Developing innovative ways of working to improve the entire digital operating model

Tips:

1. **Identify the results of new offerings.** Determine how the new offering can be taken to market within the organization and its expected results.
2. **Understand how the expected results align with internal and external ecosystems.**

Strategies beyond new offerings impact current operations as well as people, societal, and business results.

Learn from Slayers

Powers consultants have led, experienced, and observed Customer-Centric Design on many levels. Here are a few hits and misses:

Learning # 1 – Get your entire organization involved; this isn't just a technology department thing!

Working with a large retailer challenged by a digital competitor for the first time, we infused design thinking across the organization. In response to the disruption, their Technology department developed an Innovation Lab and a People Lab, with foundations in Design Thinking. Based on what these Labs produced, several programs developed and launched, and they got the flow right to take several technical advances to market.

Unfortunately, they didn't bring the rest of the organization on the change journey. When the Labs tried to make business advances and changes to the in-store experience, the board shut down the entire operation.

Ensuring the organization as a whole, everyone, at all levels, is involved is crucial for customer-centric design to develop learning organizations.

Learning #2 – Ensure there is a desire and cadence in place to support innovation before training.

When working with another retailer with similar competition challenges, Powers offered design thinking workshops. The offer was rejected, with management explaining they had done all of this before, and it didn't work.

So, we listened to understand and asked why. The business responded that only the Business Analysts undertook the courses; there was no follow-up, and the ideas and implementation never came to fruition.

This business had seen an off-the-shelf framework and tried to fix a problem without getting to the root cause. The organizational culture did not foster a learning mindset that supported innovation and experimentation. When the Business Analysts completed their course, there was no

motivation to use and implement what they had learned, nor was there any reinforcement or regular check-in to embed it.

Building a culture of innovation to create a desire to innovate, and putting regular supports and learnings in place, must occur before design thinking training commences in your organization.

Learning # 3 – Innovation doesn't require "special people" to be effective.

We have worked with several organizations that have set up Innovation Labs. These have varied in design, but they all follow a pattern of identifying an existing part of the customer journey that they want to improve and then setting up a "dark ops" team to work on this.

To set up these teams, they select specific people from across their organization thought of as exceptional, high performers. Participants are often chosen based on job level, great managing up, being "high talent," or having the right connections. Rarely are these people the ones on the frontline who know, in detail, what the customer wants. These businesses then spend millions designing customer journey improvements.

Unfortunately, we have never seen one of these Labs be successful. Each Lab's outcome has been an expensive new, shiny toy with little thought for how this interacts across the product-centric flow (if one exists) because it was developed by a handful of people who only talked to each other. Another outcome is low morale across the organization as the rest of the people are left upset, demotivated, or feel unheard because of not being 'picked.'

Companies spend millions, with nothing gained except beautiful journey maps. To embed innovation across your organization, consider how and where your ideas and designs are coming from. Are they from different departments and different job levels? Do you consider other measures to

increase the diversity of thought? Only with these questions answered can Innovation Labs work successfully in your organization.

Learning # 4 – Innovation results from Safety and Morale; leaders need to establish these before investing in Customer-Centric Design.

Another example of learning using Customer-Centric Design was a large client with a broken operating model that recruited a new Program Manager. In the first few months, this leader spent thousands of dollars on Design Thinking Training and Bootcamps.

The outcome was very disappointing. The Program Manager had expected to light a spark in the people led through this process, but they had not stopped listening and understanding what people truly needed.

At the time, the people were exhausted and disillusioned by ongoing changes in the current operating model that caused constant confusion. Because he didn't understand digital operations, the Program Manager applied a good discipline at the wrong time. There was no Morale or Safety established, so innovation could not be embedded. These base values are critical to establishing the Customer-Centric Design Discipline.

Bonus Tip!

Customer-Centric Design is critical to compete in today's Industry 4.0 economy. Businesses must focus on what their customers need. Industry leaders are no longer just competing in siloed markets; instead, they compete across the digital landscape that unites us in today's society.

Don't be afraid of disruptions. Businesses need to be intentional about becoming their own disrupters using the Customer-Centric Design Discipline to be successful. Many organizations will bring together their brightest into think

tanks to do this type of work. As previously discussed, this is a siloed approach that just doesn't work.

Instead, listen to your people because no one is more uniquely placed to be an expert on your business and customers than they are. It isn't enough to just ask customers what they want – use your internal experts.

As Henry Ford said,

"If I asked people what they wanted, they would have said faster horses." To survive and thrive, organizations must push their boundaries and become closer than ever before to their customers in the Digital Jungle.

Powers consultants have leveraged the Innovation in a Box[®] program to help organizations create a self-sustaining approach that people can implement across all disciplines to develop an authentic culture of Innovation Mastery. The program has four repeatable elements and can be licensed or used once to learn, and then your organization can create its approach from what you learn. This program is only made available to organizations that have mastered the basic capabilities necessary to unleash innovation. For more information, refer to the Bonus chapter at the end of this book.

Chapter 9: Industry 4.0 Disciplines Align Leaders

Leaders must deliver clear desired results and vision so that regardless of the disruption that the Industry 4.0 Digital economy brings, the business can adapt to emergent needs. Covid-19 is a perfect example of a disruption that has completely changed the desires of People, Customers, Society, and Business. Only flexible organizations have been able to survive and thrive.

In a post-Covid-19 world, who are some business and world leaders that come to mind as having a clear vision and strategy that enabled them to achieve desired results, even when faced with significant disruption? Jacinda Arden - New Zealand's Prime Minister, Adam Silver - Commissioner of the NBA, or CEOs of grocery stores such as Texas-based H-E-B, Canada's Sobeys, or Australia's Woolworths might be just a few examples. These leaders employ the Servant Leadership approach that supports the DigOps model. Proactive about disruptions, these leaders listen, check their measures, and adjust the roadmap to meet outcomes.

In comparison, leaders in traditional operating models use a Power Leadership approach that focuses on producing outputs using a rigid set of rules or frameworks. Because these leaders focus on solving problems, they have no time to listen to emergent needs and are reactionary to disruption. These leaders also rarely measure outcomes and do not get information firsthand from the people in the business who know best what is going on. These organizations not only struggle when faced with significant, unplanned disruption, but many fail to survive.

Failed Digital transformations often occur because leaders rely on an individual who completed a course or perceive that the approach must work. After all, another competitor is doing it! But without a clear vision and an understanding of the business's operating model and frameworks, these approaches are a recipe for disaster.

Industry 4.0 leaders using Servant Leadership approaches create environments where people can survive, thrive, and deliver results, regardless of the size of disruption the organization faces.

Leaders of the future need to be in the jungle, leading from the front. To indeed survive and thrive in an Industry 4.0 economy, the way leaders think about business from vision to execution must change. Leaders need to be aligned and support a Team of Teams to achieve results.

The Discipline that will assist this change of thinking is the Align Leaders Discipline. When all the organization's leaders are aligned to focus on working with each other in a Team of Teams approach with a clear vision, adaptation and innovation occur. This discipline works at a tactical level to ensure every strategy, initiative, and the idea that leaders support in the business is focused on a clear vision and business results.

Leadership alignment requires time investments, particularly in larger companies where leaders have often fallen into focusing only on their silo. Smaller organizations are not immune. Start-ups can also suffer from a lack of leadership alignment. The difference is that poor leadership alignment is not evident until the company grows and the problems become more apparent.

Two capabilities underpin the Align Leaders Discipline – Strategic Mastery and Enterprise Mastery. Strategic Mastery learning uses tools and mindset hacks to produce informed strategic decisions that are clear and achievable. The focus

here is not just organization-wide strategy. This capability is also for department, team, and initiative strategy.

The Enterprise Strategy capability addresses the opportunities and challenges leaders face, including resource and funding allocation and measuring strategic outcomes. The Strategic Mastery pathway complements and works with the Enterprise Strategy journey to ensure the desired results are achievable.

Align Leaders discipline manifesto

As businesses learn new ways of working, learning, and measuring in an organization using a digital operating model, this discipline values:

- **Align strategy, process, and measures** over each department executing their piece
- **Intentional investment in Strategic Initiatives** over traditional risk-averse investments
- **Investment in value streams** over traditional corporate silos and project outputs
- **Clear vision and measurable road map outcomes** over providing high-level direction with poor clarity.



Real question: “Executives and boards set the strategy. But it’s up to the organization to make sure this happens. How are leaders from the top supposed to be involved in a business that is agile from vision to delivered outcomes?” – Vice President of Strategy and Planning.

Business problem: The top level of the organization, usually the executive and board, consider agility necessary for people on the ground – not themselves. This perception comes from a lack of understanding that in a digital operating model, the business is a learning organization that needs adaptability embedded from vision to outcome delivery.

Practical solution: All leaders, including executives and board, must support an aligned, proactive leadership environment to thrive in an Industry 4.0 economy. A Servant Leadership style best supports this, as businesses experience disruption and use experiments and innovation within a clear strategy and vision to survive.

What results does this Discipline bring?

The Align Leaders discipline can create the following results:

1. Established value streams with clear desired results

Fund value flow to customers instead of funding project outputs. If an organization cannot do this, waste will grind business to a halt. With strategic allocations and investments in desired results, the company can flow value outcomes to customers.

2. Measured value flow to customers

Ensure consideration of all four result areas – People, Customer, Societal, and Business - when developing strategic investments. Ensure the product-centric flow approach is providing lean, measured flow to customers from vision to delivered outcomes. And define metrics upfront and a plan to adjust as needed when emergent needs are realized.

3. Measured planned vs. actual outcomes and results impact

Measure, measure, and measure some more. If the measurement isn't occurring, there is no approach to adjust to emergent needs. Leaders should listen more, take ownership, measure, respond, and adjust on a regular cadence.

Capabilities in your toolkit

Here are some capabilities that leaders can use to achieve Leadership Mastery and embed a Servant Leadership approach. As with the other disciplines, not all these capabilities can or should be used at once. But by adding each to the toolbox, they can be selected and applied when appropriate.



Capability: Strategic Investments

Best used for: Strategic investment agreement based on current market share and measurable desired results.

Tips:

1. Develop and implement a Strategic Investment approach to focus the organization.

Don't rely on the industry status quo. Ensure that the Strategic Investment approach is developed using a Diverse Collaboration approach with stakeholders, customers, technology, and business representation. The focus must be on People, Customer, Societal and Business results.

2. Use a Strategic Investment approach that funds clearly defined Run, Grow, Transform initiatives.

Strategic investments must align with a transparent allocation of budget to drive results. Too many organizations muddle allocations, which does not allow for measurable results. Don't fund projects!

Capability: Strategic Positioning

Best used for: Understanding current market position and identifying activities to enable aspirational goals.

Tips:

1. Align Strategic Investment allocations to Strategic Positioning.

Strategic positioning provides a clear vision, road map, and expected results for allocating funds and resources. It also identifies what each activity supports and the high-level steps to achieve the desired results.

2. Define trade-offs needed to achieve desired Strategic Position.

Define the scope and results for each strategic activity and identify what won't be achieved to focus on desired results. This allows clarity to be measured early and the business to pivot quickly.

Capability: Strategic Initiatives

Best used for: Identifying and prioritizing initiative desired results and the risk proposition.

Tips:

1. Define Strategic Initiatives to support Strategic Position.

Keep the initiatives separate with clear measures to gauge progress accurately. Current funding models try to combine or hide, grow, and transform initiatives in run funding models. This doesn't work; better to clearly define and measure desired results for each initiative.

2. Identify risk tolerance for each Strategic Initiative.

Some initiatives will have zero risks, while others will have high stakes. Businesses' risk tolerance must be evaluated and understood to leverage innovation.

There must be some tolerance and acceptance of failure in the grow and transform initiatives to achieve results.

Enterprise Mastery

Capability: Value Stream Investments

Best used for: Fund end-to-end effort to deliver products that support initiatives and unleash people to work in value streams, regardless of organizational design.

Tips:

- 1. Identify Value Streams based on a family of products and services.**

Map Strategic Initiatives to a family of products and services that provide value to the customer. One family of products can work on several Strategic Initiatives, but they should do it together in the most efficient way.

- 2. Invest in Value Streams, not projects.**

When people work on projects, they work in silos. Investing in a value stream allows work to flow through the system with predictability. This does not initially require a re-org. People must be allowed and expected to work together across teams in a team of teams approach.

Capability: Initiative Vision and Road Map

Best used for: Providing clear direction that provides psychosocial safety, improves moral and local decision making.

Tips:

- 1. Provide a clear Vision for each Strategic Initiative.**

The vision must be clear and defined at the organization's highest level to break the required

work tasks to enabled flow for value streams. Scope and results must be established to measure progress.

2. Provide a clear Road Map that provides outcomes that can be interactively tested.

A road map that includes a clear understanding of the minimum viable products to test and business increments to measure outcomes, with a regular inspection and adapt cadence, must be in place to allow the organization to adapt quickly to emergent needs.

Capability: Measures and Metrics

Best used for: Consider the cost, measures, and cadence before starting the journey

Tips:

1. Define metrics that matter for each Initiative.

Each Initiative must have clearly defined metrics that are measurable for decision making. This provides data-driven decision-making throughout the organization.

2. Define measures and cadence to analyze data and understand trends.

Every metric must have a clearly defined measurement approach conducted regularly, which provides adaptability to new learnings.

Learn from Slayers

Consultants have worked with many organizations that exclude the Enterprise Mastery Capability from leadership as part of their Digital Transformations.

Learning # 1 – Don't muddle the Strategic Investment allocations into one initiative.

Many organizations hide growth and transform goals within compliance projects as the funding model does not provide allocations for these strategic investments. This results in a very confused approach as leaders wonder why 90% of their spending is for compliance. It is almost impossible to unravel the confusion when muddled allocation categories are part of a single project or initiative. People are left to work without understanding the outcomes or results to be achieved.

An example of this comes from a leader who kept their strategic initiative clear as it was a compliance project and did not allow for any deviation. With a clear vision, the team was able to focus on the run investment. The issue that arose was that the compliance initiative exposed the organization to risk. The organizations should have launched a transform initiative running in conjunction within the same value stream. This approach would result in strategic alignment and delivered results on several levels.

Learning #2 – Clearly define the Strategic Investment type and ensure this is clear throughout the organization.

Powers consultants once worked with a successfully created program and invested in a Value Stream to deliver defined results to internal and external users. In this program, there was feedback and a customer-centric design with measured results. The biggest problem the organization faced was slow, unpredictable product-centric flow.

When investigating the issue, we found that there was no clarity at the Strategic Investment level. People could not identify the type of investment allocation or define whether it was a Run, Grow, or Transform initiative. Because of this confusion, no one understood the work that was needed to achieve results. Many teams in the Value Stream focused on creating Grow and Transform results that slowed the system and caused unpredictable delivery.

Learning # 3 – Ensure organizations allocate funding in each Strategic Investment to compete and beat competitors, rather than only focusing on strengths.

We love the GEM™ Fluency Framework because it scales from small startups to large multi-national organizations. The rules are the same, just more complex as the size of the organization grows.

Startups often have passionate owners about a product or service offering but don't have the disciplines to compete or grow their organization. With this perception, they sometimes take on huge competitors because they think they can create a niche. But without a focus on the strategy, their business quickly fades away.

One business we worked with had an enthusiastic owner focused on the superior service offering the business had compared to larger competitors. However, the organization had no strategic approach to competing, and the company followed the same pattern as its competition. The business offered the same, although better services, with an inadequate enablement pipeline. In comparison, the competitors had an excellent enablement pipeline with an inferior service.

Unfortunately, the owner did not improve the Enterprise Strategic activities and felt that passion was enough. Not long after, the organization lost several clients and employees due to ineffective operations. Lack of understanding of the activities needed to be competitive resulted in poor workflow and frustration.

Learning #4 – Lack of alignment between Strategic Initiatives leads to confusion, but it may sometimes be intentional.

A financial institution asked us to align its operating model to the strategic pillars some consultants had developed for them to create greater efficiency. On reviewing the pillars, it

was evident they were not aligned to any specific Strategic Investment allocation. The pillars were muddled and aligned with industry and market trends; therefore, the operating model was not aligned. There was not Strategic Positioning work done, which aligns fit activities to the operating model.

We could identify and create value streams but could not align specific Strategic Initiatives to the work in the value streams. It was not possible to determine which Initiatives were Run, Grow, or Transform, or how they aligned to a Strategic Position. This meant there was no way to develop metrics and measures, as there were no clearly communicated desired results.

Instead, the team provided recommendations to improve the Enterprise Strategy and started working towards improvements when the organization was acquired, which stops any transformation!

Bonus Tip!

Great leaders can have a work-life balance in an organization. People need time to think and process, and great organizations will invest in providing that time. There is often a lack of intentional investment in people's Growth and Transform opportunities, which results in stagnation and large projects that try to achieve everything.

Leaders need to align and focus the organization on clearly defined desired results that they are trying to achieve. Leaders must have the liberty to invest in risk and fail. Everyone goes on the journey; a "we" approach where everyone in the organization has skin in the journey.

Organizations must keep the lights on, but at the same time look for exciting challenges that can produce great results for People, Customers, Society, and Business.

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Be willing to fail and learn. Fail and learn quickly by identifying metrics and regularly measuring to change the course when needed. Maybe Virgin Coke would have had a shorter, less expensive life if the metrics and measures were used for regular data-driven decision-making.

Business as usual is no longer good enough. People want to work in organizations that provide clarity. Leaders who align and develop clear Strategic Initiatives that can be measured regularly, and are involved in the results, have more time and visibility.

It's time to move from being reactive leaders who hand down proclamations to proactive leaders who intentionally create an environment for people to achieve results. Everyone just smiles a lot more when working in an organization that can survive and thrives in an Industry 4.0 Jungle. It starts at the top with a leader willing to grab their machete and lead their team through the jungle adventure.

Chapter 10: Industry 4.0 Disciplines

Enable Flow

Agile is a commonly used term in business today, but it is often used differently and has many meanings based on context. If being agile is thought about in relation to a jungle, “being” agile differs from the agile concept applied in the concrete jungle. Is it any wonder that the agile label is used with little shared understanding of what it means or what it takes to be agile in today’s jungle?

One dictionary definition for agile is:

ag•ile - adj.

1. quick and well-coordinated in movement; nimble¹

But what does it mean to be quick? Some interpretations are that quick is a synonym for fast and leave it there. Agile does equal fast – but fast concerning what? It could mean fast, as in more rapid learning, more quickly listening, or more immediate understanding, but not necessarily quicker time to market with faster revenues.

To be quick also means moving with speed. But speed is non-directional. It is possible to proceed with acceleration in the wrong or unknown direction. No matter how quick your organization is, your business must deliver the right solutions with defined people, customer, societal, and business results.

Let’s put this in the jungle setting; if you are in the jungle, and a deadly predator, such as a lion, crosses your path, you need to move quickly to survive! But being quick is not good enough; you need to understand your foe to move quickly in the right direction.

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Is the lion protecting its newly born cubs? In that case, a life-ending move would be to run towards the cubs! If it is hungry and looking for a meal... you may want to climb a tree quickly. If it is stalking another, more palatable feeding opportunity, maybe you just need to get out of the line of sight quickly! Moving swiftly with an understanding of the environment is essential.

Leaders need to align to a clear vision and road map to deliver desired results, allowing your people to align quickly and provide for local decision making. However, the product-centric flow must be well coordinated because it is only as good as its weakest link, not its quickest team or individual.

And teams are made stronger by working together.

A good comparison for self-organized teams is planting a seed. When a seed is planted, nobody tells the seed what to do. Instead, we make sure the seed has the right conditions and using those parameters, the seed organizes itself to grow.

*"When a flower doesn't bloom, you fix the
environment in which it grows, not the flower."² —
Alexander Den Heijer*

I once worked for a Lean Manufacturing organization that made parts for Boeing airplanes. There were a variety of machines, each suited to specific material types, dimensions, and patterns.

The entire coordinated system managed material replenishment as parts were cut and moved to be shipped. The received material was marked for routing to be cut for specific parts and then staged to be put on the appropriate machine. The entire system was automated, and every

movement was measured and inspected regularly to implement improvements.

However, it would only take one minor glitch in the system to bring the whole operation to a halt. One piece of material that went to the wrong machine, one uncounted defective part, one incorrect replenishment order, and the entire system would be compromised.

We can apply lessons from this system to how we operate in the digital operating model. The entire organization needs to be well-coordinated so the right work, with clear outcomes, is routed to the right team and is ready to be executed. Everyone needs to understand what is committed to for delivery, what actions are required, and how changes in outcomes impact road maps and targets.

This discipline is crucial in a digital organization as your people cannot see the work being done. Instead, the work in progress is on a developer's machine. More than ever, leaders need to communicate, align, coordinate and measure to achieve outcomes that drive results.

Once there is an enabled operating model and well-coordinated environment, people can operate quickly within it, creating flow. They know what to do and work across the Value Stream to achieve outcomes, enabling flow. Understanding your organizational flow in the enablement pipeline is crucial. The enablement pipeline must be well-coordinated in strategy, process and measures. Many people think that using agile software development lets teams work the way they want if they provide a daily status report and deliver on deadlines. But this could not be further from the truth.

This discipline is the responsibility of product management, middle management, and shared-services management teams. Most agile frameworks ignore these roles or

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minimize their value, yet middle managers need to use all the skills they have acquired to manage the workflow, not the people. Instead of focusing on deadlines that only delivery teams can achieve, middle managers should focus on enabling flow. By aligning strategic activities across the value stream, they can ensure process flow and measure the process to remove bottlenecks and impediments. Great managers understand the flow.

Once the well-coordinated flow is understood and established, the entire organization is nimble and can respond to emergent needs. If the strategic direction changes, middle managers can quickly identify what needs to be changed to enable the flow.

Well-coordinated movement allows organizations to deliver quickly and adapt to changes in needs. Focus your middle managers on the system, not the people, to create a product-centric flow.

Enable Flow Discipline Manifesto

Organizations that utilize the Enable Flow Discipline will adhere to the following values:

- **Team of Teams approach to create workflow** over working in uncoordinated silos
- **Programs aligned to desired results** over undefined and unclear goals and results
- **Focus on value stream flow and impediment resolution** over utilization rates and individual performance
- **Continuous improvement culture** over the fear of failure and business as usual



Real Question: “We have too many managers! We’ve given them plenty of training, changed their teams, and provided coaches, but we still aren’t getting the results we need. The business must cut costs, and terminating managers is the quickest way to do that. Why should we keep them?” – Executive of a large corporation.

Business Problem: Agile frameworks and coaches tend to ignore middle management. If an organization uses a pure Agile framework and there isn’t an answer to a question, it gets ignored. But the role of middle managers is critical to an organization.

Practical solution: Middle managers have an essential role in supporting the enablement pipeline. They need to leverage existing skills and develop new capabilities while working together to enable the flow.

What results does this discipline bring?

When an organization has embedded the Enable Flow Discipline, the following results occur:

1. Established teamwork and workflow

Teamwork is essential to any organization, and when moving from a traditional operating model, the middle management level has the most difficulty embedding teamwork. By moving organizations from silos to Value Streams, the leader's team aligns and works as a Team of Teams to create flow.

2. Established a vision, road map, constraints, and outcomes

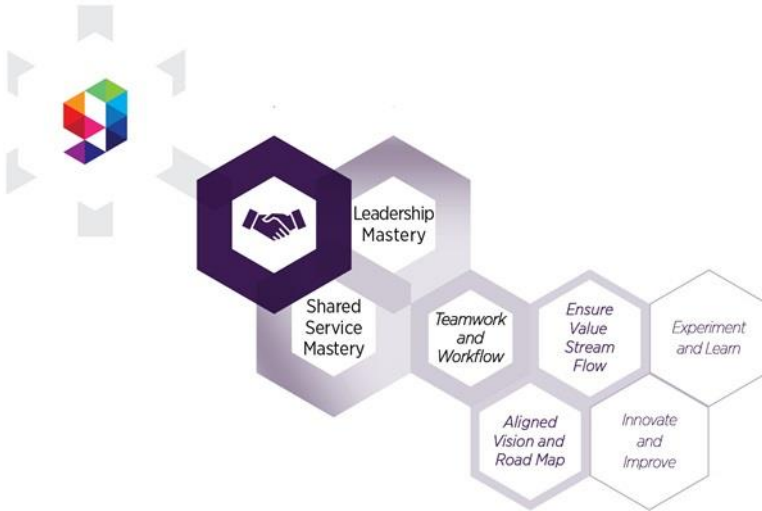
Leadership as a Service is a program available to support the Leadership Mastery capability. This program's approach focuses on middle managers aligning on a leadership vision that supports product and service delivery teams. The leaders will understand that their role is to help product-centric flow by aligning to delivery strategies and measurable processes.

3. Baselined and measurable workflow

Fitness and flow are the lag and lead indicators used by middle managers to improve workflow. If the work is not flowing due to bottlenecks, it is up to this entire leadership team to fix it. Their accountabilities are to measure and improve flow and provide support to the enablement pipeline. Measure leaders' ability to create flow, not meet a deadline. After all, leaders really cannot meet deadlines for work they do not actually do.

Capabilities in your toolkit

Here are capabilities that the Leadership and Service Mastery capabilities leverage to Enable Flow.



Capability: Teamwork and Workflow

Best used for: To align a Team of Teams approach and provide fit activities, processes, and measures to create flow.

Tips:

1. Identify teams and Teams of Teams that need to align and work together to support flow.

Don't assume people working together are a team. Be intentional about launching teams and teams of teams that can work across the value stream. Create teams, not people grouped together who are disconnected.

2. Define agreed workflow across the Value Stream.

The entire management team must understand the strategic activities, processes, people, event cadence, event outcomes, and measures to create flow.

Capability: Aligned vision and road map

Best used for: Ensuring every part of the value stream is considered in creating flow.

Tips:

1. Ensure the vision is aligned across the entire leadership team.

Working together as a leadership team, align enablement support across the value stream. Agree on how the team will lead, assist, assess, and share learnings.

2. Create a road map that delivers minimum enterprise increments.

Break enablement work into the smallest possible increments that can provide value to the enablement pipeline. This is not delivery work; this is work that must occur to support delivery, including leadership and shared services support.

Capability: Ensure value stream flow

Best used for: To understand, be predictable, and measure flow.

Tips:

1. Measure Value Stream flow.

Leaders in the enablement pipeline must establish ways to measure value stream flow as their number one priority in day-to-day operations. How is work flowing through the system? Is it predictable? Can forecasts be made against known flow patterns?

2. Remove bottlenecks to improve flow.

As part of measuring flow, leaders need to be working across the organization to remove bottlenecks and identify opportunities to improve flow.

Capability: Innovate and improve

Best used for: Finding new ways to improve product-centric flow.

Tips:

1. Ideate on better approaches to deliver value.

Leaders need to establish an approach and cadence to ideate on improvements across the value stream. Consideration about which people are included in this is also required.

2. Measure improvements to validate hypotheses.

Selected improvements must be measured to validate hypotheses and ensure the ability to measure improvement impacts.

Capability: Experiment and learn

Best used for: Trying new things from a scientific method approach so change is understood, managed, and measured.

Tips:

1. Agree with strategy and delivery teams on experiments to improve flow.

Experiments require an investment, which means the system will slow down to create the capacity to learn. Value stream leaders should influence strategy leaders to invest in experiments to realize benefits.

2. Learn from experiments and continue to improve.

Experiments often result in what is called “failure.” However, failure is only a perspective. Instead of looking at what didn’t work, see the opportunities to learn and be ready for the next experiment. Through listening loops and storytelling, leaders can scale learning from experiments and continue to improve.

Learn from Slayers!

Enabling flow is possibly the most overlooked discipline when transforming to the DigOps model for two reasons.

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Firstly, in a traditional operating environment, leaders are not incentivized to work together to achieve results, which causes a siloed approach. And secondly, agile frameworks and coaches do not always fully comprehend middle managers' role in a digital operating model. When there is a lack of incentive and/or direction, middle managers often become quiet or even vocal resisters to change.

Learning #1 – If the entire department focuses on delivering to dates with no enablement pipeline alignment, they will find it challenging to create a shared vision or road map.

When working with a corporate company in the financial sector, we used the Leadership as a Service program to help leaders develop their Leadership Mastery capabilities in an aligned way to support teams across the value stream. At least half of the time in every session was spent refocusing the leadership team from delivery and onto enabling flow. Although none of the leadership team delivered anything tangible in their role, they saw themselves as part of the delivery team, not in the role of supporting enabling flow for teams to deliver.

With this changed perspective, the leadership team established the value stream and launched Teams of Teams with guidance, but they could not continue when it came to the vision and road map. The team did not understand what the result would look like, and they did not have an executive team providing a clear vision and road map. This stalled the entire process. Having the right mindset from the start is crucial to enable flow in the business.

Learning #2 – Leaders will focus on organizational expectations and follow their leaders' patterns and behaviors.

After experiencing pushback from leaders about the Leadership as Service program expectations, one leader finally confided that expectations were well above and beyond what they were rewarded for doing. The leader elaborated that their job was to deliver by deadlines promised, manage steering committees, and respond to escalations.

To explore this perception, we posed some more questions to the entire group:

1. Regarding delivery dates: Who sets those dates and based on what information? What do you actually deliver? How do you help the team to achieve the promised dates?
2. Steering committee management: Why don't you have the steering committees talk to the people responsible for delivery, doing the work? How can you help the steering committees self-serve regularly? When do you think the committee should know about unachievable dates?
3. Escalations: How do you manage escalations? What do you do when you receive an escalation? What do you do to resolve it?

Their answers identified that these leaders were not allowed to develop an enablement pipeline because of the traditional operating system's culture and mindset. Instead, the system set the leaders' job to prioritize, communicate, and ensure deadlines are met. On top of this, they worked to deadlines they didn't set, which resulted in the leaders reporting 'bad news' as late as possible. The team resolved escalations, and the leaders were middlemen who communicated progress and rallied the people who could fix issues around the problem.

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In this operating model, there was never a focus or concern for the organizational flow. The enablement pipeline was not considered, measured, or improved. Leadership as a Service was not an option without helping strategic leaders understand the value of a well-coordinated system that enables quickness and provides the ability to pivot to emergent needs.

Learning #3 – Good leaders lead by example and then bring others on the journey.

Shared Services are an issue In almost every organization we work with. These services can be broad depending on the industry and can include architecture, design, creative, copywriting, and more. Most of the time, these services are not included in a Value Stream and do not have visibility of the organization's needs or priorities. Managers often spend their days dashing to put out one spot fire or another, only to be blamed as a bottleneck!

One organization wanted to include shared services as part of its operating model. Because the leaders were not aligned, it was not possible to align other shared service leaders. We used several methods to highlight the systemic issues, but the organization did not mature enough to see this perspective and make the necessary changes. This caused ongoing delivery issues, blame, and frustration. It would have only taken a small investment to serve the organization well over time. Slow down to go fast.

Learning #4 – Make the flow visible, collaborate across the Value Stream, and ensure someone owns the fitness and flow in the organization.

A major retailing company wanted to transform to the DigOps model to have more adaptable ways of working. However, they focused on implementing a popular, scaled, Agile framework. They had tried to transform using this

approach several times and had yet to achieve their desired results, so they hired me to assist.

We suggested leaving the approach for the moment and instead focus on documenting the existing enablement pipeline. This would allow the business to look at how the pipeline can be improved and then apply elements of the framework to add value.

We spent two weeks running workshops using four walls of a dedicated room. Teams of people from all levels and departments participated in the workshops to add their ideas and thoughts and validate other information. At the end of the two weeks, everyone came together and approved the new workflow.

As a result, the business understood the baseline strategic activities and measured processes to improve fitness and flow. Improvements to the enablement pipeline were made based on our findings. It was a massive transformation for the organization, and the responsibility for protecting and improving the pipeline was assigned to the value stream leaders.

Bonus Tip – Too many cooks in the kitchen?

A team of leaders in a services business had become frustrated with sluggish results and consistently late delivery. But when engaged in problem-solving, the only solution people presented was to get more money and more people.

This is a common issue. The operating model already had too many people and decision gates, which caused paralysis. Each person was busy delivering to their deadlines, creating more work, and needing more resources and money. And that's fair, as organizations with traditional operating models focus on delivering projects, reporting to steering

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committees, and managing escalations, because that is expected and rewarded.

The organization should have focused on the workflow to understand if needing more people was the best solution. This understanding would have quickly established that there were too many cooks in the kitchen and that more people would create further stagnation.

Successful organizations focus on enabling flow with well-coordinated movement. Increasing efficiencies removes waste, and it is the work of the middle managers to leverage the skills and capability to do this in today's jungle.

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¹Word Reference: www.wordreference.com/definition/agile:

² — Alexander Den Heijer

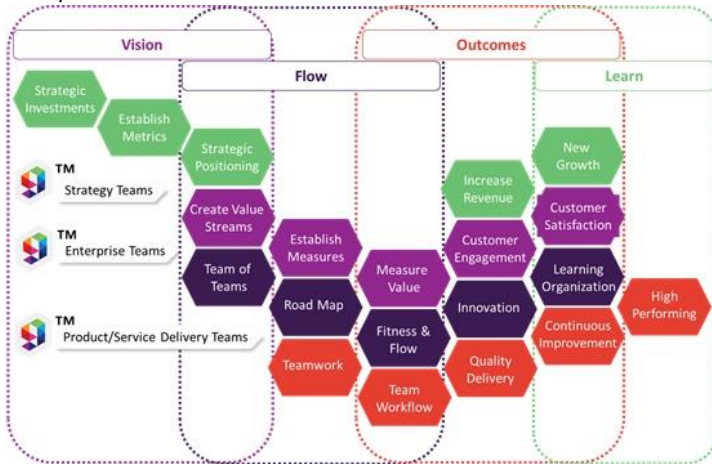
Chapter 11: Industry 4.0 Disciplines

Deliver Product/Service

In the green jungle, the delivery of products and services was simple. Food was gathered from plants and animals, and friendships and information were shared when communities came together. But the delivery of products and services in the Concrete Jungle of the Industrial Revolution became more complex as we traded labor for money to purchase items from specialists who created specific products and services. In addition, people began to buy what they needed to survive and things they wanted, as people exchange money for various offerings, feeding desires.

In today's jungle, the delivery has become even more complicated. People have many more wants than needs, and while we still trade money, instead of at a local shop, exchanges of money for products and services happen all over the world. The delivery of products and services no longer require face-to-face interactions as there are digital delivery pathways, and many businesses no longer have physical stores.

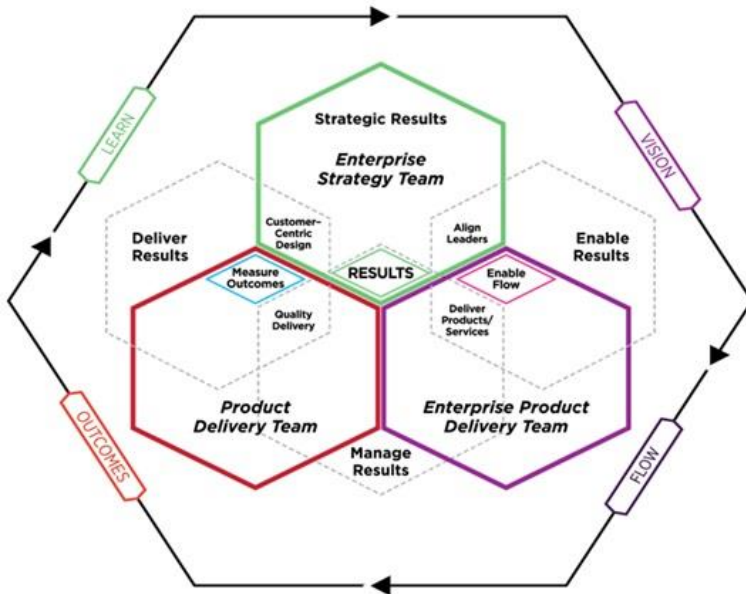
How can delivery be made simple in such a complex digital world? I developed the GEM™ Fluency Framework to answer many customers' requests for incremental enterprise transformation to a DigOps model across the organization. This approach works because organizations are supported to take small steps along the journey by breaking work into one building block at a time, with ten simple practices in each block.



GEM™ Fluency Framework to transform to a DigOps model

These easy-to-master practices build one on the other to develop fluency across the enterprise. It almost feels effortless after teams get going, but after being on the journey for a few months, they often look back and say, “Wow, look what WE DID!” Not what the framework did or the coach did. They own their journey.

Businesses understand that significant resources, people, and time are needed to support product/service delivery. This is why organizations have so many departments and employ many people with different skills. But when we silo people in individual teams, collaboration and innovation are significantly reduced. The DigOps model uses the team of teams approach outlined previously to create natural teams that allow flow and align with a digital operating model.



DigOps Teams of Teams

A lot of preparation must happen to reach a point where a business can deliver effortlessly and with a rigorous focus in a Team of Teams approach, and it takes time and practice. Unfortunately, many companies start preparing at the delivery phase, which is the last step in the enablement pipeline. Intracompany politics also get in the way of successful delivery. No matter what support is given to the Delivery Teams, every leader needs to help the team own the product/service from vision to delivering outcomes.

The Deliver Product/Service Discipline aligns the Delivery Team and the Enterprise Team to deliver the right product or service, in the right way and at the right time, with high quality, measurable outcomes. Product and Service Delivery Mastery are separate capabilities with tools and approaches to embed this discipline.

The Product Delivery Mastery journey includes tactics to enable Delivery Teams to understand the shared vision and desired outcomes. This vision is used to create a flow of value

to your customers and empower your team to experiment, measure outcomes, and learn.

The Service Delivery Mastery is a similar journey but usually focused on internal services rather than products delivered to customers. Quality measures are different for products and services; this is the key differentiator.

Deliver Product/Service Discipline manifesto

The Deliver Product/Service Discipline is crucial to meet customer needs appropriately. Achieving successful delivery is supported by four values:

- **Intentional teamwork** over siloed output and handoffs
- **Team alignment to a Shared Vision** over undefined and unclear outcomes and desired results
- **Agreed team quality and delivery metrics** over utilization rates and individual performance
- **Continuously improving** over just delivering



Real Question: “This GEM™ model is huge, looks complicated, and the investment takes time and money. Why can’t our teams just deliver what we need when we ask it?” – CIO of a large corporation.

Business problem: Rather than work together to deliver outcomes across the organization, people tend to delegate actions to delivery teams for completion. This creates bottlenecks and wastage in the enablement pipeline and does not solve the business’s root cause.

Practical solution: GEM helps support the entire ecosystem to transform to a digital operations model, starting with the highest management level by creating leaders who can effectively provide measurable desired results and vision at every level. These leaders support, not inhibit, the process and use a leadership style that empowers, not bogs down the delivery team. Instead of pushing ambiguity and uncertainty

down, the GEM model helps to define responsibilities at every managerial level to create an environment where the craftsman can do their work.

What results does this Discipline bring?

The results for the Deliver Product/Service Discipline follow the same pattern as Enable Flow. Like the coordination across an organization that enables workflow, there needs to be the same coordination within the team and Team of Teams.

1. Established Teamwork & Workflow

Diverse Collaboration and teamwork are essential for the success of any organization. It is challenging to achieve good collaboration within a team if cooperation is not visible and transparent. Teams must remove barriers and have escalation paths to improve the enablement pipeline. Teams of Teams should work together, regardless of reporting lines, to create, measure, and improve workflow.

2. Clear Vision, Road Map, Constraints, and Outcomes

Siloed delivery team's transition to a Product or Service Delivery Team that understands a shared vision. Working with the business and technology, this team will develop product/service road maps sequenced to remove dependencies before the team commits to build the product or implement the service. The Product Delivery Team understands constraints to help define the scope. As a team, they own their outcomes.

Practices such as Engineering Mastery and Pair Programming are part of the Product Management journey, not the delivery team journey, in the GEM™ Fluency Framework. It is the job of product management to ensure an investment in high-quality delivery that meets their customers' needs. Product

management takes responsibility to provide enough capacity to deliver the best product that can be improved over time. Product Delivery Teams insist on being allowed time and capacity to do this.

These should be standard operating procedures for all delivery teams.

3. Measurable workflow and established baseline

Delivery Teams use Fitness and Flow indicators to improve workflow. If the work is not flowing due to bottlenecks, it is up to the whole team to fix it. If the team cannot resolve the issue, they need to utilize an escalation mechanism to remove systemic problems in the digital operating model.

Capabilities in your toolkit

Product and Service Delivery Mastery are the two capabilities that allow organizations to develop a robust product and service delivery process. Different capabilities can be combined for teams to build desired outcomes with measured results, experiments, and learning.



Capability: Teamwork and Workflow

Best used for: Creating solid and aligned teams who can grow to become autonomous.

Tips:

1. Teamwork

Launching a team is the most overlooked practice in all frameworks; some assume that people will naturally work together. Isn't it odd that when people leave a team, this is celebrated by throwing a lunch or event, but not when people join? What does this say about

the value placed on teamwork? Take the time to create a safe environment for the team, allowing them to perform to their fullest potential.

2. Workflow

After a team agrees on how they will work together, they need to decide how to manage the work to flow through the digital operating model. The team is intentional about creating measurable flow so that it can be improved. The team agrees on their workflow; it is not handed down to them by a manager.

Capability: Shared Vision and Cycle Metrics

Best used for: Delivering the right outcome and improving time to market or partners in the organization.

Tips:

1. Understand the vision

Delivery Teams need to understand the vision from the Enterprise Team's perspective and participate in the conversation. What is the history of this? How did we get to where we are? What is the problem we are trying to solve? What does good look like? How will the outcomes be measured? The team needs to be involved in developing a workable road map that they understand and can commit to delivering.

2. Measure progress

Measure progress early and often, and ensure the constraints, expected outcomes, and desired results are part of the vision. Use listening loops to understand workflow impediments and outcomes. Qualitative data in the form of stories provides excellent information. Ensure the delivery team is part of listening and telling stories to improve measurement and decision-making.

Capability: Quality and Delivery Flow

Best used for: Deliver high-quality products/services in the most efficient and effective ways.

Tips:

1. Define and improve the quality flow

Everyone in the value stream ensures quality starts from the vision and is carried through the entire lifecycle to execution. Enterprise Delivery and Product leaders care as much, if not more, about quality and efficient delivery practices than deadlines, and they understand how to improve the quality flow to customers and invest in improvements. The Delivery Team should never have to beg to improve quality or flow, as this is the Product/ Service Manager's most important responsibility. Both teams must work together to build the highest quality product/service in the most cost-effective and timely manner to deliver value.

2. Improve fitness and flow

Product management measures and improves fitness as well as flow indicators. The Delivery Team works with leaders to build and enhance the enablement pipeline. There must be an enablement pipeline to create flow; if the pipeline goes down, everyone can fix it! A strong enablement pipeline establishes the ability to move quality products/services through to delivery.

Capability: Self-Organized Team

Best used for: Internal motivation, learning, and maturity

Tips:

1. Evolve into a self-organized team

Initially, most Delivery Teams are located and work separately from the Product/Service Management Teams. A team leader and a representative support the

team by clarifying the vision and providing support. Over time, the team, regardless of reporting lines, learns to work more closely as a single unit responsible for building the right thing.

As teams mature, reliance on the team leader reduces to coaching and the need for escalations. Learning, innovation, and growth happen when the leaders get out of the way and allow the team to grow. The team, including product/service representatives, evolves into a Product/Service Delivery team focused on delivering high-value results to their customers.

2. Evolve vision of the Delivery Team

The Delivery Team provides feedback and shapes the product/ service through teamwork and communication with the Product/ Service Management Team. As a self-organized delivery team matures, they shape the vision. Staying within the bounds of the desired results, the Delivery Team can add value based on technical or delivery possibilities that the management team may be unaware of.

Capability: Experiment and Learn

Best used for: Building safety, morale, and encouraging innovation that improves market share

Tips:

1. Make time to experiment

If the Delivery Team has not evolved to be self-organized with a shared vision, they will not value experimentation, as their focus will be to deliver outputs to deadlines. How does reducing scope deliver value? It gives the Delivery Team time to experiment with producing something different - higher quality, more value, more efficiency, or even more unbelievable. Until the business has a system that

delivers the perfect outcome that delights customers, time to experiment is crucial to thrive and innovate.

2. Take time to learn

Experimenting is not enough – make sure there is time to learn. A delivered product or service does not mean finished. When a launch is successful, measuring and monitoring need to occur. Profitable businesses are satisfied with delivering good results; thriving, adaptable companies learn and grow for outstanding results.

Learn from Slayers

Delivery Teams will produce average or poor outcomes if they do not collaborate with the Enterprise Delivery team, who carries the vision and enables flow. It is the team leader's job to help the entire Delivery Team collaborate to build it right. Powers consultants have experimented with these concepts in the wild, and here are some of the things we learned.

Learning #1 – Set the vision to evolve to a Delivery Team and empower teams to get there!

A small team consisting of an aggressive Product Owner, Business Analyst, developers, testers, and delivery manager worked to develop a suite of services using the Scrum framework. Working in a traditional operating model meant everyone stayed strictly within their siloed roles. Because people worked alone, the team could not produce the desired outcomes, never innovating or learning together. They were simply handed tasks to do.

After coaching, the Product Owner created a shared vision and worked with the team to develop value flow, which was a success! When they started bouncing ideas off each other, they worked together to achieve outcomes outside of rigid role definition. They helped the Product Owner understand the danger of unseen technical debt.

The team was able to scale this to an offshore team and began 24/7 operations. Aligning to the vision resulted in a high-performing team that worked together and achieved predictable outcomes for desired results.

Learning #2 – Years of industry experience or certifications are not required to mature.

A new Powers consultant with a 40-year career in manufacturing transitioned their career to become a business coach with only training in Certified Scrum Master and the GEM™ Qst Certification®. Even with no industry experience, no technology background, scrum experience, or scaled agile exposure, this consultant supported a delivery team to become high performing.

The consultant had the challenge of helping a team evolve to be a high performing, predictable team after spending over six months working with several agile coaches with no results. After only three months, this INCREDIBLES team had matured and worked together, innovating and scaling learnings across the organization. When everyone aligns and trusts each other and the process, teams can build the right thing, the right way, and fast!

Learning #3 – Every Delivery Team must insist on a clear vision and outcome and be part of developing clarity before they start building a solution.

Many businesses use coaches because they have years of experience or expensive qualifications. But relying *solely* on coaches can create problems for Digital Transformation:

1. Coaches come with biases and a personal frame of reference. As there is no industry standard way of transforming into new ways of working, they generally have a style or approach they rely on, which may or may not align with an organization's desired results.

2. Coaches can be set in their ways and try a one-size-fits-all regardless of the problem, which is rarely successful.
3. Most coaches hate being measured. It is rare to find a certified, seasoned Agile Coach who is willing to measure their progress.
4. The biggest issue is a lack of vision or clarity for coaches to achieve alignment.

Instead, start with established desired results and a clear vision, then align coaches and change agents to deliver measurable outcomes.

Learning #4 – Leaders go first

We used our coaching and the tools to change the leadership team to an ownership mindset, improved their mechanics, and developed a mature, autonomous team. As the leadership team became aligned, the same concepts were applied to the service delivery teams who delivered leadership as a service to their delivery teams.

When we moved to delivery teams, the transformation work was easy because they saw their leaders do it first and then model the desired behaviors. These teams transformed from being order takers with no control to high-performing teams that drove thought leadership across the organization.

Bonus Tip!

Gone are the days of leaders proclaiming a directive and people running to act on it. This does not create an environment of Safety or Morale, leading to the trust needed to support the maturity to self-organize and work in Teams of Teams across the organization.

The Delivery Team's goal is to work together with management teams and own/build outcomes that achieve desired results. Organizations will find it nearly impossible to do this if there is no robust enablement pipeline within a

digital operating model that focuses on delivering and measuring outcomes regularly.

Each Delivery Team is like a seed, that when given the right conditions, will grow into a flower. A seed doesn't need help from anyone to mature into a flower; the seed just knows what to do. The entire organization needs to be structured to give the seed - in this case, the Delivery Team - the optimum environment to grow.

Chapter 12: Industry 4.0 Disciplines

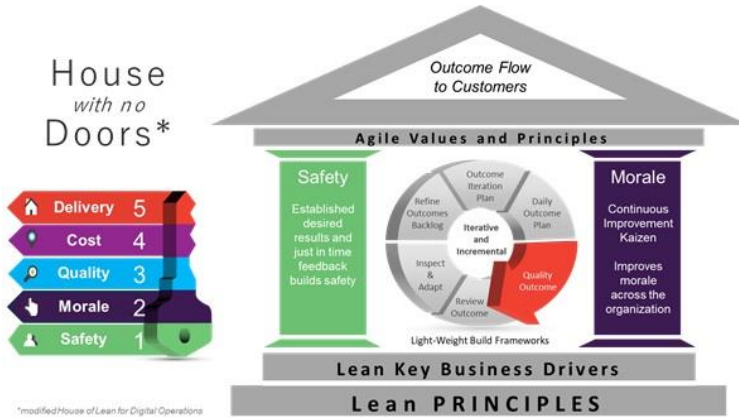
Quality Outcomes

Most of us have been on the road and felt hungry enough to pull into a fast-food restaurant drive-thru for a quick meal. After looking at the visual menu board and ordering a colossal burger pictured with lettuce, tomato, and cheese bursting on top of a meat patty, payment and the paper bag full of food is ready in less than two minutes! What a fast, efficient enablement pipeline.

But how many times have you then opened a bag of fast food to stare dismayed? A few shreds of nearly white lettuce, one piece of tomato, and a burger that barely fills the hand instead of what was displayed in the bright and busting picture on the menu board. The enablement pipeline of the restaurant produced a product, but the quality is not what was expected. Chances are, unless desperate, most people won't revisit that burger joint.

It isn't good enough to just deliver a product anymore; businesses must deliver quality outcomes to compete in the current economy. The Five Lean Business Drivers are foundational for building a machine that produces the outcomes customers want. Quality delivery is every team's responsibility and not just the delivery team. The House with no Doors® model can help organizations understand the need for quality and continuous improvement. This model uses the Lean Principles as a foundation for management teams.

Lean principles can be summarized as "The ultimate goal is to provide perfect value to the customer through a perfect value creation process that has zero waste."¹.



House with no Doors

The first two Lean Key Business Drivers, Safety and Morale, are the House's pillars with no Doors® model. These drivers are achieved through establishing desired results, a clear vision, and aligned leaders. This provides the psychological safety needed for people to focus entirely on the outcomes they are trying to achieve.

When teams feel safe, they are empowered to improve, and Morale increases, enabling them to achieve the following three Lean Key Business Drivers: Quality, Cost, and Delivery. Motivated teams need autonomy, time to develop mastery, and a sense of purpose².

Quality is everyone's business but is understood and improved on a regular cadence through measuring outcomes.

Delivery Teams work with enterprise and product management to ensure the right thing is delivered with high quality and predictable time to market.

Once the right culture and mindset are established, a business can take many practices and tactical actions to achieve the desired results. If the mindset is missing, the prioritization of the elements of the House with No Doors model is mixed up, and business results begin to decrease. The House with No

Doors approach enables continuous improvement, which is not just essential to customer satisfaction. Still, it also produces a culture of motivated people invested in the best outcomes.

If you want quality outcomes, create an environment focused on building safety and morale that supports teams to improve quality delivery to customers continuously.

Two capabilities support the Quality Outcomes Discipline: Continuous Improvement and Engineering Mastery. Moving from a traditional operating system with a fixed mindset to a growth mindset in a digital operating system is the core principle of Continuous Improvement. Being focused on improvement helps teach autonomy, mastery, and a purpose that encourages teams to create quality outcomes.³

Engineering Mastery helps self-organized Delivery Teams to produce quality flow outcomes to customers. Given the opportunity, most leaders are amazed at how engineers, product, strategy, and customer teams can improve quality outcomes. Innovative organizations leverage this knowledge and passion for improving. Not only is this much cheaper than hiring the latest consultant or buying the latest and greatest product, but it also helps to build a positive environment that keeps loyal employees eager to work and learn.

Quality Outcomes Discipline manifesto

The values that underpin the Quality Outcomes Discipline include:

- **Working with product/service management to identify improvements** over requirements handed to the delivery team
- **Product improvements based on data and listening** over developing products based on unknown needs

- **Predictable teams using small-batch flow to inform road maps** over broad planning forecasts and uninformed commitments
- **Accountability for quality delivery** over handing issues off to other teams



Real Question: “We have competing demands – we need more products faster, but our customers keep complaining that what we’ve produced is not good enough. How do we find a balance that satisfies both business and customer wants?” – Manufacturing General Manager

Business problem: Organizations set unachievable delivery dates and allow change requests to flood the operating model faster than people or the system can adapt. This is a shortsighted approach to delivering in an Industry 4.0 economy where, for customers, faster is not necessarily better.

Practical solution: Focus on delivering within the House with No Doors model while developing motivated teams through encouraging autonomy, mastery, and purpose. This will enable the creation of quality outcomes in the fastest timeframes possible.

What results does this discipline bring?

Achieving Quality Outcomes mastery means the organization has embraced fluency in teamwork, workflow and developed a growth mindset, and the teams move towards innovation and experimentation. When an organization gets to this point of fluency, the business will not just survive but will thrive in the Digital Jungle. This mindset and culture require a healthy curiosity and ability to experiment with new ways of working and diversified products/services offerings.

High Performing Organization

High-performing organizations are learning organizations. The entire business measures outcomes and shares learnings back into the Customer-Centric Design pathway to continuously improve. This is an ongoing, iterative journey.

Predictable flow and measured outcomes

Lead time is the time it takes for one minimum business increment to move from vision to execution to production. Everyone in the organization focused on flow over deadlines by embedding continuous improvement. By better understanding customers, learning, and working together as an organization, the improved flow will reduce lead time.

High-quality delivery pipeline and product ownership The organization owns product quality, cost, and delivery flow. The leaders, product management, and stakeholders invest in quality flow to continuously improve and be close enough to the customers to own issues and fixes. This creates a motivated, high-performing team of teams that can navigate and thrive in the current economic jungle.

Capabilities in your toolkit

Continuous Improvement and Engineering Mastery

Continuous Improvement and Engineering Mastery are approaches to help teams achieve autonomy, mastery, and purpose that motivate them to invest in Quality Outcomes.



Capability: Measured Customer Satisfaction

Best used for: Improving your products, services, and processes based on customer information.

Tips:

1. Measure Satisfaction

Understanding and measuring satisfaction helps develop data driven decision-making. It is essential to consider how and who will measure this. The entire Delivery Team should observe customer satisfaction through automated approaches and by observing behaviors. Teams rarely get to watch people use the product or service they have delivered. Yet, the quality

improvements that can be made by merely observing for bottlenecks, tweaks to the product/service, or delivery are immeasurable.

2. Measure Loyalty

Social media is a fantastic tool to measure brand loyalty. What are people saying about the business? What are people saying about the products/services? Many organizations do not leverage this tool effectively. It is essential to hear what people are saying about the products and actively engage in the conversation to boost brand loyalty.

But one-way communication is not enough. Create campaigns and analyze results with the Delivery Team to identify correlations between what was delivered and what is being promoted. This will allow teams to improve at a faster rate and experiment with new ideas.

Don't make the mistake that many businesses do by giving the ownership of customer satisfaction and brand loyalty to marketing departments who do not understand the system's inner workings or what feature sets were delivered in line with the campaigns. Developing a Team of Teams approach that includes everyone in the digital operating model will produce higher quality outcomes that boost brand loyalty.

Capability: Interactive Listening Loops

Best used for: Truly understanding what your customers are – and are not – saying.

Tips:

1. Listen to your customers.

Don't just watch customers; listen to what they are saying and what they are not saying. Let the Delivery Teams ask customers about their experience in person. This information motivates teams to come up with

improvements and increase customer satisfaction because they feel heard.

2. Listen to each other!

Listening loops encourage learning and sharing of information. Many approaches, including Lean, Agile, and Design Thinking, provide excellent starting points, but it is crucial to listen and learn from a curious perspective. How many conversations are really about listening and learning? Listening is essential to develop quality delivery.

Engineering Mastery

Capability: Delivery Pipeline

Best used for: Creating flow in all parts of your business.

Tips:

1. Define delivery pipeline.

As part of a product-centric flow, organizations must have a well-defined delivery pipeline. It isn't good enough to develop flow if the products/services get to the end of development and hit broken delivery processes. The entire enablement pipeline needs to be focused on high-quality to support quality delivery.

Many organizations only measure the time it takes engineering teams to produce a product/service. The time it takes to get requirements, which are usually inadequate, to the Delivery Team is rarely measured. The time from build completion to delivery is lumped into development time. The delivery pipeline needs to be defined, measured, and continuously improved to increase quality speed to market.

2. Invest in a quality delivery pipeline.

Management Teams need to be a part of the quality delivery pipeline journey with the Delivery Teams and

understand the investments required to improve quality. Most organizations do not see the need to educate and bring leaders outside of Delivery Teams on the journey. But a digital operating model isn't just about meeting dates anymore. Management needs to own the delivery pipeline, take accountability, and invest in Quality, Cost, and Delivery. Product Management needs to work with Delivery Teams to support a planned delivery pipeline that delivers high quality through enterprise investments in culture, processes, and tools.

Capability: Predictable Delivery

Best used for: Organizations who want to improve planning fidelity consistently

Tips:

1. Delivery on a regular cadence

Deliver what is ready on a regular cadence. The entire Delivery Team should align on quality delivery and ensure that they do not allow anything to be pushed out because of a deadline. This change in responsibility alters the conversation with stakeholders. Imagine being able to say, "No, we didn't make that date because the team was not satisfied with the quality, so they need to take some more time. This will create a better customer outcome that is aligned to our desired results." As the Management Team works more closely with the Delivery Teams, they will develop a predictable cadence and delivery workflow.

2. Build-in slack

With all the different tools, learning from customers and teams, and measuring results, developing products and services will reduce waste time. The time employees would usually spend in meetings for clarification, handoffs from one area to the other,

correcting misunderstandings, confusion, and fixing production errors will be saved for development.

In the beginning, purposefully allocating slack time to slow down and move from a reactionary learning approach to a proactive learning approach means embracing risk, eliminating fear, and knowing when to go slow. Slack allows for change, fosters creativity, promotes quality, and above all, produces growth. In the long run, time will be saved, and the staff will be motivated to create better products that customers love.

Capability: Invested Teams

Best used for: Increasing team morale and encourage working together.

Tips:

1. Product Delivery Team

A dedicated Delivery Team needs to work in a Team of Teams approach to develop product and feature needs, ideas, and requirements that can be tested within and outside the organization before building. The Delivery Team must be involved and have a voice to improve quality delivery and flow. This approach reduces cost because the team can develop simple experiments to create lo-fi Minimum Viable Products that can be tested before building begins. These teams own the product/service from beginning to end and need to hear customer feedback to create quality solutions.

2. Motivated teams

Motivated teams are built using the House with No Doors model and are encouraged to understand desired results from all perspectives to create quality outcomes. These teams are autonomous because they fully appreciate the desired results. They are

encouraged to develop their skills and build higher quality products. They have a purpose by understanding what the organization wants to achieve and how it impacts the people, customers, and society around them. Creating an organization that houses motivated teams is not an option; it is essential in today's economic jungle.

Learn from Slayers

Learning #1 – Including the entire organization in continuous improvement creates motivated teams and improves results across a digital operating model.

Many teams and organizations have aspired to be high performing but did not understand the investment needed to achieve this goal. One example is a furniture manufacturing company, Kaas Tailored, that lives and breathes all things Lean. Although this company does not deliver digital products, they have implemented a digital operating model.

The leadership team is aligned and walks the floor every morning. These leaders don't have to ask about pipeline status; everything they need to know is visible through visual information displays. And they have a well-understood product-centric flow with a continuous improvement philosophy. Every member of the team, from top to bottom, is responsible for suggesting improvements to processes, results, and outcomes for any part of the organization. Additionally, teams take time out every day for short, self-conducted training sessions that are archived and improved. The teams have regularly scheduled cleaning times to reset and then go again.

No matter the industry, when people are allowed to improve quality outcomes, they are motivated.

The people who work at Kaas are delighted making furniture and continuously motivated to improve. Many believe

manufacturing jobs are tedious, but this business removed the boredom and created a team of knowledge workers who love their jobs, products, and customers.

Learning #2 – Storytelling and listening is a powerful tool that saves time in product improvement loops.

To understand more about customer satisfaction for a business, a consultant interviewed a woman in her mid-twenties about shopping online. Although the consultant personally did not use online shopping, they were curious to understand more.

The consultant learned so much about current trends in buying habits and what they could lead to in the future from listening to this fresh new perspective. The biggest shock was that these young ladies had a completely different approach to shopping to the organization's strategy. It was astonishing to hear her say, "Yeah, if I see something I like, I just order three of them in different sizes, then return the ones that don't fit."

In the Digital Jungle, everyone is an expert in their experience; quality can be improved when businesses choose to listen to the true experts.

Without having this discussion, the rationale behind why and how the demographic was buying would not have been known. It changed how the company viewed how people who have grown up in a digital economy think and behave. This perspective and listening shaped how the business approached products/services for future generations and technologies.

Learning #3 – Implement flow, not Agile frameworks.

We consulted with a team that worked in core legacy systems that had been together for over 20 years. The team was part of a scaled transformation of over 4500 people in the organization, but this team was resistant to change. The

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transformation team spent hours workshopping and in meetings to help the team understand why they should move to create small, persistent Scrum teams. After a lot of influencing, they agreed to try the approach, and a day was spent dividing everyone into Scrum teams of five to seven people.

But over a weekend of reflection, we realized the proposed changes created an unworkable structure. The teams had already achieved small batch flow within a known and predictable digital operating model. They had created agile flow twenty years before the term digital operating model had been coined.

Don't just implement a framework - focus on improving current quality outcomes.

After a short discussion on Monday morning, we worked with the team to map the current process to identify where there was flow and where the flow was broken. Then, we took those teams on the GEM™ Transformation journey to improve product management flow and validate practices that could be improved in product delivery teams. The team of 100 stayed in place using a “FAST Agile” type approach to manage their work. Flow improved, teams improved on their practices, and they went from acting as detractors to enjoying learning and improving as they completed their work.

Learning #4 – Accountable teams build autonomy, mastery, and purpose that promotes motivation and improves quality flow.

A new DevOps team who decided to use Scrum was very reluctant to share development and testing responsibilities. Most team members wanted to own their code, and developers did not want to learn to test. As the code base grew, the team started to slow down because the team was made of individual “experts.” When there was a problem, only

one person could fix it, which stopped producing the next work item in the queue.

Once the team was frustrated by the bottlenecks, the problem of individual ownership of code was gently pointed out to the team. As a result, everyone finally agreed that different team members should take turns to address bugs or errors in the code. One person would be taken off every iteration to provide support and help with testing in a Team of Teams approach.

Teams that own their work as a team instead of as individuals improve quality outcomes.

When the team was cross-functional, they were pairing and sharing on both the code base and developing automated test cases. As a result, quality went up, and workflow improved.

Bonus Tip

McKinsey's article "Slowing Down to Speed Up"³ covers the four steps leaders in an Industry 4.0 economy need to take:

1. Accept that challenges are complex.
2. Pace the speed of your work: Slow down to speed up.
3. Trust that solutions are always available.
4. Set the right attention and intention by being present and directing your energy.

Companies do face complex challenges, and they are not simple. There are so many moving parts to focus on, and people need to learn continuously in an ever-changing world. But every business needs to start somewhere to implement the DigOps model in their company. Saying it is too big and complex to manage means business results will not improve.

But this requires organizations to slow down so work can speed up. Leaders must look at every Lean Business Driver and address each element across the organization. The job of Quality Outcomes is for everyone.

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Nobody has all the answers, and in a digital operating model, leaders are no longer required to solve all the problems because it is recognized that they do not have the solutions. They shouldn't be expected to have the skills or knowledge to do this. Instead, leaders must motivate people to work together to identify solutions. Motivating people requires changes in the way people work, learn and measure together, and this is leadership's full-time job.

Be sure that no one is in a position where they are wasting any energy on perceived threats. For high-performance, everyone in the organization needs to be laser-focused on desired results with a clear product-centric flow.

Take time to listen and learn to deliver quality products that are useful to customers efficiently and predictably.

The jungle is a tricky place to thrive because of the amount of continuous innovation and adaptation required. The approaches and tools that got businesses into the Digital Age no longer work. But like any revolution, there is a path forward that can be forged to not only survive but thrive.

References

¹ <https://www.lean.org/whatslean/> Lean Institute

² Dan Pink, author of "Drive." He has a great video that summarizes this concept.

<https://www.youtube.com/watch?v=MGKTXtfK1OI>

³ McKinsey - Slowing Down to Speed Up,

<https://www.mckinsey.com/business-functions/organization/our-insights/the-organization-blog/slowing-down-to-speed-up>

Chapter 13: Industry 4.0 Disciplines

Measure Results

In your business, how do you currently measure progress against desired results? Is there a mix of quantitative and qualitative data, both internal and external, to the organization? Does leadership make decisions based on Fitness and Flow indicators to look at past performance and predict future action? And does your company assess Teamwork, Workflow, and Quality Delivery metrics, or just one of the three?

The Measuring Results Discipline supports organizations to truly understand what is happening inside the business and customer actions to predict emergent needs and prevent bottlenecks. When a regular cadence of accurate measurement is embedded, an organization's culture shifts within the DigOps model. A learning organization with a growth mindset is born.

This Discipline has two capabilities: Flow Measures and Fitness Measures. Flow Measures are leading indicators that are predictive and allow people to make decisions to change future Fitness Measures results pre-emptively. All organizations should use internal operations and external customer metrics to get a clear picture of what is happening.

A great example of this practice occurs in fast-food chains. Imagine if a fast-food store only ordered stock based on what people ate yesterday – a Fitness Measure. They also need to consider flow, how much the organization can produce in an allotted time, current demand, and anticipated demand. Having the right stock will not matter if the expected demand is higher than what the restaurant can deliver.

You can use the Covid vaccine distribution in 2020 as another example. Companies were funded to produce vaccines based on demand data – Fitness. Hundreds of millions of vaccines

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were produced and sent all over the world. But when it came to distribution, we saw vast differences. Israel was able to distribute and inject in a nice, predictable flow. The United States suffered as it could not create a national flow system. Lack of practice and strategic planning led to a failure to vaccinate in 2020. Again, they were unable to create flow.

The DigOps Agile Balanced Scorecard measures how nimble and adaptable progress towards desired results is by looking at four dimensions:

- **Financial** – is the company achieving its financial goals?
- **Customer** – is the company meeting customer needs?
- **Internal Processes** – is the company improving critical internal processes?
- **Innovation** – is the company improving its ability to innovate?

These four dimensions are supported throughout the DigOps Compass pathways. Every strategic activity impacts financial, customer, process, and innovation.

Every company measures Financial results using a ledger, balance sheet, and shareholder dividends. However, most businesses do not understand how to adapt and shift financially for an emergency need. To thrive, companies need to say goodbye to multi-year projects that blow out deadlines and budgets and still do not deliver the promised value.

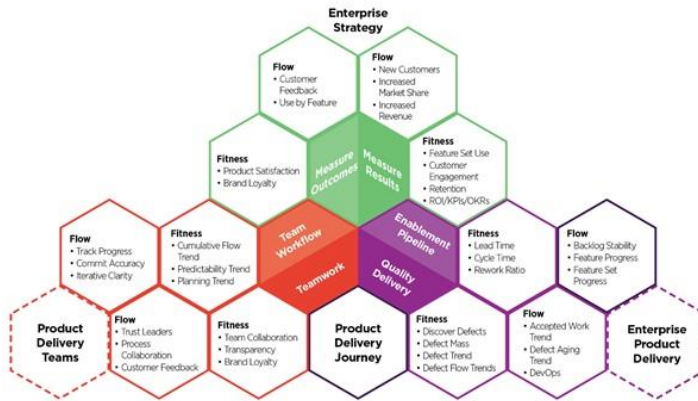
Organizations must measure financial goals for smaller, measurable outcomes and determine continued direction and investment. This measurement requires identifying results first, then a measurable product-centric flow for accurate measures. The DigOps Balanced Scorecard ensures that there are measures across the organization for financial responsibility.

Measuring Customer need in today's jungle can be challenging. Customers would compare one supermarket to another or one laptop to the next in the pre-Digital Revolution era. But in today's jungle, customers compare their food delivery to new clothing lines and cell phones to new car models without any clear idea of what they are after – just that they want newer, better, and longer-lasting. Customers don't know how to express what they want, so organizations must learn how to delight them by looking at the experience through their customer's eyes with a DigOps Balanced Scorecard.

Unfortunately, when it comes to the last two areas of the scorecard, experience has shown that Internal processes and innovation are often ignored or poorly measured because it is unclear what these dimensions are or the process to achieve them. People in businesses struggling in today's jungle cannot describe how work flows through the enablement pipeline. Organizations that are unclear on their internal processes are unable to innovate.

Businesses need to get much better at flow measures to understand when to cut an effort or adapt and shift to an emergent need.

Companies can not only survive but thrive in this new economy by using the DigOps Balanced Scorecard to measure product-centric flow accurately. Use the DigOps Balanced Scorecard to support organizations that have transformed to measure their health and sustainability. The measures are the basis for the scorecard used before, during, and after Digital Transformations to measure the organization's health.



DigOps Product Metrics

When using the GEM™ approach to digital transformation, your organization will learn and measure fluency progress against each metric. The metrics are used to measure progress in learning the necessary practices, and after the transformation, through the sustainability program, we can measure areas that may need to be addressed. These metrics are the core of the DigOps model measurements.

Measure Results Discipline manifesto

The values that underpin the Measure Results Discipline include:

- **People, process, and product outcomes** over focusing on project deadlines and outputs
- **People and customer relationships** over only quantitative metrics
- **Process flow and time to market** over siloed measures
- **The result of converging all effort results over** arbitrary results that cannot be aligned to initiatives



Real Question: “There is so much data available to us, with automated systems, social media, and our people. How do we know where to focus our attention on measurement to suit an Industry 4.0 economy?” – Commercial Officer.

Business problem: Organizations are good at measuring using distinct, separate indicators. But these siloed measures are not helpful when trying to understand and track how all the elements in the business work together to produce desired results.

Practical solution: Understand and measure the internal system from vision to execution. When combined with customer reactions based on Teamwork, Workflow, and Quality Delivery, organizations will understand which levers to pull to achieve their desired results.

What results does this discipline bring?

Measuring results is the beginning and continuation of a never-ending cycle. Customer-Centric Design was the first discipline discussed, which established the outcomes and results. And in this final Discipline chapter, businesses will understand how to measure against those results and feed into the next iteration of establishing hypotheses during the Customer-Centric Design phase. Although the chapters in this

book have broken down the disciplines for ease of understanding, every Discipline is interrelated.

The Measure Results discipline creates answers to the following problems:

1. Validated Customer Hypotheses

- How well did we understand our customers?
- Do we see the results we expected?
- Did our customers value the features delivered at the Cost we produce them for?
- Did we achieve internal people results and societal values?
- Are we achieving the desired quantitative and/or qualitative business outcomes?

2. Validated Time to Market Hypotheses

- Did we build and test in a time that brought value to customers?
- Did we miss a window of opportunity?
- How can we improve our processes to improve time to market?
- Did we achieve our planning and predictability goals?

3. Measured Value and Flow to Customers

- Are we delivering a high-Quality product that meets customer needs?
- Are we delighting our customers?
- Are our teams working together?
- Do we create a high Safety and Morale environment for our people?

- Are we as efficient and effective as possible to reduce waste and cost for customers?
- Do we have flow?
- What are our bottlenecks, and where are they?

Capabilities in your toolkit

Organizations use Fitness and Flow indicators to understand how close they are to achieving their desired results using a DigOps Balanced Scorecard. The DigOps Metrics can support this to help organizations understand what levers to pull to achieve their desired results – the element of Culture, Cycle, and Converge.



Measure: Teamwork

Best used for: Creating solid and aligned teams that can work together to create flow to customers.

Tips:

All too often, it is assumed that if people are assigned to work as a team, they will automatically act like one. But experience

and behavioral science show that developing teamwork is a valuable investment.

1. Working in teams has elements, including team dynamics, leadership, and environmental stimulus. To get this happening smoothly, critical thinking by the enablement pipeline leaders is needed to create a robust Team of Teams culture.
2. Teamwork directly affects product-centric flow. Teams will find it challenging to produce if they cannot work together consistently. First, measure leaders' ability to create a safe environment, enabling high morale and making space for innovation.

Measure: Predictable Delivery

Best used for: Flow metrics that help measure the ability to deliver high-quality outcomes predictably and highlight things impeding time to market.

Tips:

These metrics are essential for any team, regardless if they are delivering directly to the customer or to internal partners to support delivery. By measuring the ability to deliver against commitments, there will be ways to improve time to market capability.

1. To develop predictable flow, teams must be stable, persistent, and have a continuously improving mindset. Therefore, it is essential to monitor the flow impacts as people move in and out of teams.
2. It takes three months to achieve stability after a significant reorganization, and at least one month of stable workflow is lost any time there is a change to people in a team. This doesn't mean teams should never change. Instead, strongly consider the cost of change and trade-offs when moving people.

Measure: Quality Delivery

Best used for: Uplifting value flow and time to market best practices.

Tips:

If teams have invested in teamwork and have a predictable flow, they can improve quality and faster delivery. Some organizations believe by adopting “Agile,” they will get more rapid time to market. This is only true if they invest in all aspects of the digital operating model.

1. Teams need to measure to improve quality and time to market to find opportunities to enhance quality flow. By working as close as possible with management and other leaders, all teams can develop quality mindsets and build practices that improve the product quality and time to market.
2. Teams must develop their quality plans and procedures and then measure and define ways to improve delivery time. The team leader’s role is to advise and clear barriers that will enable the team to execute their plans and improvements. There needs to be tremendous trust developed to bring enterprise leaders and product management on this journey. But the teamwork and trust built through predictability are essential to achieve quality delivery.

Product Consumption Metrics – External customer measures

Measure: Customer Satisfaction

Best used for: Building customer relationships that help companies meet customer needs

Tips:

Businesses must develop a relationship with their customers and understand how the products or services make them feel.

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Behavioral science shows that people remember how companies made them feel rather than what is said or done.

1. When organizations understand their customers, it is easy to develop the right products that will delight them. By building empathy with customers and measuring how they feel about the business and their offerings, an organization can understand what satisfies them.
2. The most important thing an organization needs to measure is how the customer feels and what they say to others. By viewing the company's offerings, businesses will understand what actions will improve their relationship with their customers. And do not forget that employees are also customers more often than not, so use that expert advice!

Measure: Predictable Flow

Best used for: Decreasing lead time from inception to incremental delivery.

Tips:

Most organizations only focus on measuring cycle time or the time it takes to develop a product or service, rather than measuring the entire lead time from concept to delivery. This measure creates a false perception that decreases in delivery time can be made only by improving how fast the delivery team can work. By measuring the entire product-centric flow, organizations can measure time to market, test, and respond promptly.

1. Measuring organizational fitness capabilities and flow regularly is essential to determining what and when outcomes can be tested and help the organization pivot quickly to emergent needs.
2. It is also necessary to continuously measure customer hypotheses as soon as possible using low-fidelity

approaches. Measure tests during the Customer-Centric Design phase but follow with a plan to build light and test again. If work is spent running in a direction for several months or years based on a single test with no feedback along the way, the project is high risk and creates copious amounts of waste. Each cycle should be small, predictable, measurable, and followed by decisions based on what was learned.

Measure: Value Flow

Best used for: Incrementally understanding the realized outcomes against expected results. Hypotheses.

Tips:

All the efforts come together by asking questions such as “Did we do everything we could to achieve our desired results? Do we have good teamwork with our internal teams and customers? Do we have predictability? And are we delivering the right things with the high-quality delivery flow?” Thus, external convergence is where organizations measure how well these elements have come together.

1. The organization must measure the effectiveness of their hypotheses because the Industry 4.0 economy is volatile, uncertain, complex, and ambiguous, and the only certainty is that there are no certainties. Customers do not know what they want. Organizations don’t know what good looks like, so anything and everything organizations do should be treated as an experiment - and the outcomes and results must be measured, which is missing in most organizations.
2. It is crucial to measure investment in experimentation and evaluate measured outcomes and results as inputs into the organization’s next planning cycle. This process will keep the organization competitive and respond to emergent needs, capable of pivoting investments to reduce disruptions and be market leaders. Identify desired results, measure outcomes,

and learn into your cyclic investment strategy, in short, iterative cycles.

Learn from Slayers

We have seen various approaches to measuring from ignored, poorly done parts to overwhelming parts after being done well. Here are a few learnings to speed up your measuring journey:

Learning #1 – Including the entire organization in continuous improvement creates motivated teams and improves results across your digital operating model.

Most organizations measure by setting a deadline, filling the funnel to overflowing, and then pushing to meet the deadline, which does not work in the long run. One organization had senior product managers making deadline promises to the board, executive leadership, and customers without ever checking with the feasibility or capability of what they were promising. This impossible work was then pushed down to the Delivery Teams, who could barely function on such tight deadlines with no time to deconstruct or understand the work.

It took over a year to get anything to customers using this approach, and by the time they delivered the system, it was so riddled with bugs that it was unusable, and they had to shelve the product. The users went on strike and boycotted the use of the system for two weeks!

What's better? Upfront investment in a measurable digital operating model increases morale, quality, and innovation, or the large-scale waste and low morale created by broken operating models?

Now imagine if leadership had worked together in a Team of Teams approach. What if they had developed a product-centric flow approach, where fitness and flow were measured at the team and organizational level? What if they had focused on creating a well-tuned machine that could be used to get

customer feedback regularly, and decisions were based on this feedback? They were in too much of a hurry to do that, and the total waste was over \$18 million.

Learning #2 – Storytelling and listening is a powerful tool and saves time in product improvement loops.

Seven years of testing and learning resulted in the GEM™ Fluency Framework. That's seven years of experimenting, getting feedback, listening to customers, and changing the approach. From my learnings, muscles went on the skeleton framework, slowly.

The most challenging learning to implement was gathering transformation metrics. Initially, we tried to teach people to write SMART goals – which we found was nearly impossible. In reaction to this outcome, measures were developed for each practice. This was a considerable effort to establish a baseline and then iterate because everybody has an opinion on what should be measured.

The next iteration was using spreadsheets to measure. That was less than fun and was a single point of failure. It was hard to tell if people were reacting to the process, delivery mechanism, or measures. After listening to people's feedback, it was apparent that if people were not actively engaging to enter their assessments, they lost ownership, morale, and a drive to achieve goals.

But just when I thought the approach was ready for production, the customer story started to change. Customers began asking for new ways to learn, and not just from a consultant. Eventually, this resulted in the development of an electronic knowledge base. Listening was well worth the effort, as learning more about customer needs allowing me to continue to hypothesize and test to deliver a better product to market.

After listening to people and developing relationships, I understood customer needs better, and I created a better

***Digital Transformation experience for everyone involved
and into the future.***

Finally, we invested in a web portal and mobile app that allowed teams to work together by selecting the practices they wanted to improve, target deadlines, and electronic measure collection that provided data for the teams to analyze their achievements. Bam! That was it! People now loved the framework and knowledge base and were keen to go on their journey and measure success. Finally, all came together.

If I had built what I thought was needed seven years ago, I would have completely missed the mark and been a total failure!

Learning #3 – Implement measurable outcomes, not agile ideas.

One organization decided to build slack into their system by giving every person four hours a week to work on whatever they wanted as long as it improved their work. Everyone felt trusted and valued. But the slack time results were varied because very few people took advantage of this opportunity and just worked through the time.

Why didn't this work? The research shows that when people have slack time thinking and considering what could be different, morale, efficiency, and satisfaction improve. But giving people slack time without linking it to a desired, measurable result is not motivating for success. Implementing an agile idea without context, structure, or the foundation of Agile Values and Principles just does not work.

***Slack time is excellent but must focus people on
measurable desired results to develop continuous
improvement and faster market outcomes.***

I built the “Innovation Out of the Box®” program for constructive slack time that feeds directly into innovation boot camps and hackathons centered on finding a solution to real business problems using measured outcomes and results.

Learning #4 – Accountable teams build autonomy, mastery, and purpose, which promotes motivation and improves quality flow

The biggest mistake organizations make is expecting people who create products and services to count the hours they work for each project when every other department contributing to a project does not. The developers resent being the only part of the system measured and trick the system, decreasing morale and innovation.

An example of this was a transformation team with an unclear vision, no road map, or established desired results or measurable outcome cadence. Their efforts were getting minimal traction, and they began blaming rather than including others.

When looking at the root cause of this problem, it became apparent that the team was afraid to expose themselves to a regular cadence of learning as they were not sure if they could meet their deadlines. Instead of creating a DigOps Workflow that included vision, a product-centric flow with others in the organization, and developing a Team of Teams approach to deliver, measure, and learn, they blamed others.

A regular delivery measurement cadence always results in motivated teams who can improve. The only time this doesn't work is when the team is not empowered!

Teams should first identify together the data that is important to that team so that they can improve themselves. Then, identify measures that are important to their customers and stakeholders and develop a regular delivery cadence to learn

and improve. Then they can start helping other teams do the same.

At first, most teams are a bit dubious as they think that the data will be used as a punishment stick. But over time, once trust is built, the data is used to analyze trends and find ways to improve.

Bonus Tip!

Measuring for the sake of measuring without a strategic and aligned plan is not useful. However, every organization has access to technology and the ability to measure. If your organization chooses not to measure things that matter, you are putting yourself out of business.

The core principle of measuring results was summarized well in the postapocalyptic movie *Zombieland*. The film's premise is that following a zombie outbreak, a few uninfected people are trying to survive. One of the survivors put together a list of rules for survival – and the Number 1 rule was cardio fitness. The ability to outrun the zombies competing with the human race was critical, and the same is true for your business.

If you want your company to survive and thrive in the jungle, fitness is vital. You need to know where the competition is, the direction they are going, and how your business is tracking to get and to stay ahead. And the only way to do that is to measure and improve your business fitness and flow.

Measuring using the DigOps Balanced Scorecard will give your organization the data it needs to identify which levers to pull to win the race. Start with the end in mind and measure progress often and openly to thrive in the current economic jungle.

Conclusion

There is no debate that we are in a time of significant change. Yet, society is adapting to these changes in very different ways. Many people think of this large-scale change as something that doesn't affect them because it is far away or believe that they can continue to live in a bubble and not be impacted. Others will pick and choose what changes they embrace, like ordering online. These same people will reject other necessary changes, such as the different skillsets required and new organizational structures.

Humanity struggles to understand the magnitude and complexity of change this Industry 4.0 economy brings. As a result, the combination of human psychology and technological evolution is at the forefront of organizations managing disruption.

Technical change impacts our cultural norms and cannot be ignored. After spending several years in Australia, I returned to the United States in January 2020 and was stuck in a hotel room while it was snowing. I ended up binge-watching Bill Maher's HBO series, *Real Time with Bill Maher*. After watching a year and a half worth of episodes, I noticed an interesting theme that went beyond his satire - he accepted some things about our current cultural changes but could not accept others.

For example, Maher is delighted that marijuana is now legal but struggles to deal with millennials and their "adulting" issues. In many ways, he seems like a modern-day Archie Bunker, not accepting the way society is changing or embracing the next generation that will lead us through unprecedented times. Some of his comments make me think that he is afraid of the decline of the things he finds dear and is firmly standing against change.

The difference between Bill Maher and Archie Bunker is that Bill is well educated, witty, and white-collared. In this demographic, you would think he would be cutting edge, but the reality is we love what we love. It is easier for us to ignore that we are in the midst of a life-altering change than to embrace it. Many people, regardless of age, don't accept this and don't contemplate the efforts needed to change.

I am only using Maher as a recent example. He isn't alone; I, for one, am always trying to challenge my own biases. We are in a very chaotic time in human history where we must develop novel ways of working, learning, and measuring at work, home, and within our social circles.

Organizations large and small are exhibiting the same behaviors towards change that Bill Maher demonstrates. It appears that no one is immune; CEOs of multinational companies who could not grasp the concept that their reliance on a brick-and-mortar is outdated or entrepreneurs that are driving their business in the ground using antiquated management styles, both are susceptible to obsolete thinking.

The Digital Jungle, like the Covid-19 virus, does not discriminate. Yet, most organizations' most significant challenge is recognizing that they are in the jungle and that disruption is the **only certainty**. Many organizations seek a magical silver bullet solution to solve all their problems; others are happy to bring in "experts" to navigate through the jungle for them. Unfortunately, both approaches are futile. They do not change people's mindset and behaviors with the operating model, which is essential for survival and thrive in the Industry 4.0 economy.

Let's recap the entire approach that will work for any business, no matter the industry.

Firstly, organizations must implement a way of thinking that supports a digital operating model to navigate the Digital

Jungle. The traditional “build it, and they will come” mindset is no longer enough. The entire business must understand and develop fluency in the Vision, Flow, Value, and Outcomes that lead to changes of Mindset, Mechanics, Market share, and Maturity, which, as outlined in the DigOps framework, can be used by any organization that develops fluency in an outcomes-focused culture and delivers value flow to customers.



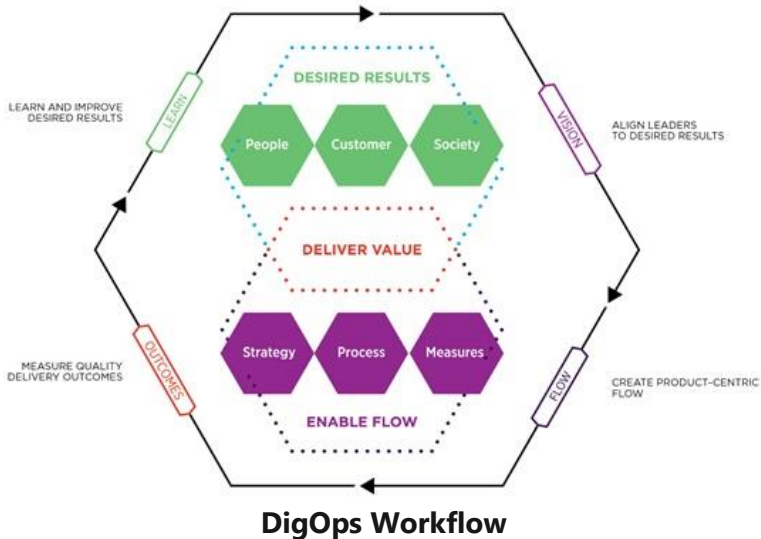
DigOps model

If Piggly Wiggly was able to implement this model in the early 1900s, why are businesses in today’s world struggling with this concept? Because like the pandemic of 2020, people cannot see digital operations. Given this blind state in the jungle, organizations need to heighten other senses to survive. Communication, diversity, equity and inclusion, and Team of Teams are just a few mentioned in the book.

Most importantly, companies must establish desired results and measured outcomes to learn and improve. With clear desired results, a competitive flow must be established to get the right product or service to the customers with the highest

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operational effectiveness. The saying, “just delivering isn’t good enough anymore,” is more accurate than ever. To compete in an Industry 4.0 economy, a well-coordinated DigOps Workflow will respond to emergent needs sustainably.



Organizations often respond to a specific need or crisis, such as the Covid-19 situation, but then return to the old ways because they didn’t fully understand the steps needed to sustain the approach. DigOps Workflow is generated by intertwining the desired results to the enablement pipeline, creating a flow of delivery, measured outcomes, learning, and experimentation. The key to achieving this flow is to respect, trust, and value everyone in the organization, which is core to the DigOps model.

Don’t rely on consultants; invest in and listen to your people because they are closest to the operating model and want it to work. The answers to your organization’s problems are within your business and are readily available if you remain curious, create opportunities for discussion, and are willing to listen and learn from others without bias. Leverage the Team

of Teams approach to become truly adaptable. To successfully transform to the DigOps model, your business will need to develop new ways of working, learning, and measuring. No single framework, consultant, or methodology can tell you how to run your organization. This means that instead of adopting a framework, companies need to transform into learning organizations.



Six Key Industry 4.0 Disciplines

A learning organization is formed by developing the capabilities of each of the Six Key Industry 4.0 Disciplines. Each discipline is part of a cycle and is connected to the others. Below is a summary of each Discipline and its core purpose:

Discipline 1: *Customer-Centric Design* – listen to the customer, know their needs and wants better than they know themselves, and remember that they are the experts.

Investing 50% of your consultancy budget into building customer relationships will provide more value and better results.

Customer-Centric Design feeds into developing the organizational strategic positioning and delivering the right product or service.

Discipline 2: *Align Leaders* – Break down organizational silos, prioritize developing a vision across teams, and align leaders to value stream thinking to deliver against desired results together.

A clear vision is essential for alignment at every level of the organization.

Picture being blindfolded in a jungle, and leaders who are supposed to clear the way are either going in different directions, sitting on high pillars watching the fight, or worse, trying to slash each other. The only way to survive is to work together.

Discipline 3: *Enable Flow* – Intentionally develop an enablement pipeline known and understood across the organization.

Organizations will know which levers to pull to respond to different emergent needs by enabling flow.

Without a reliable enablement pipeline, people will experience confusion as outputs are prioritized over outcomes and will simply lead to punching the time clock.

Discipline 4: *Deliver Product/Service* – Organizations need an 'all in' culture.

There must be a Team of Teams approach that empowers the group to make local decisions.

With a known vision and road map, teams will pivot based on what they learn on the ground from customers and other team's experiments to build better outcomes together.

Discipline 5: *Quality Outcomes* – Everyone in the business is responsible for quality. If a company delivers an inferior product that doesn't meet expectations, it will have reduced market share and a poor reputation.

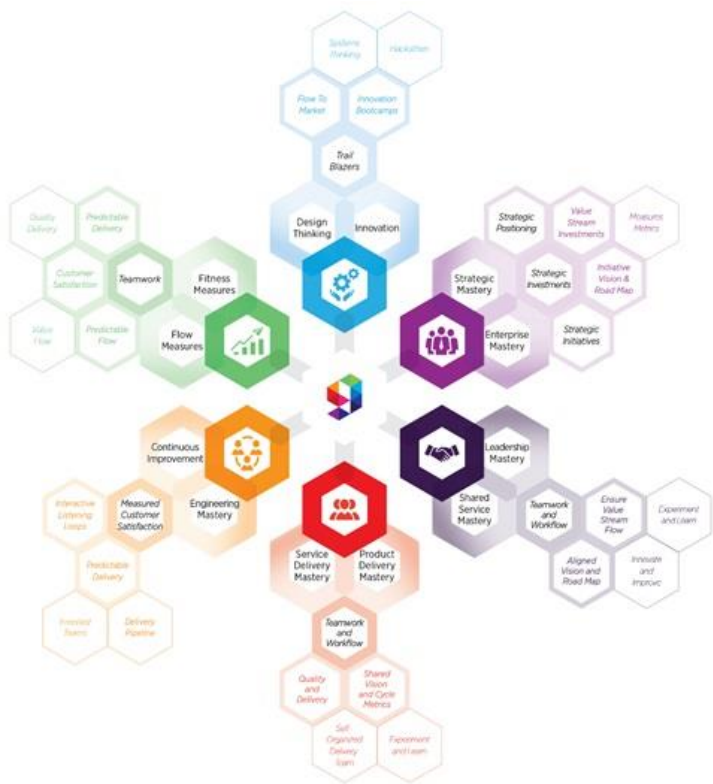
Invest 25% of current consultancy budgets into helping people develop quality delivery approaches across the organization.

People are very fickle and will not tolerate low quality, so it is core to every aspect of a business.

Discipline 6: *Measure Results* – Measuring is not easy, but businesses will not know what is valued and what levers to pull without it.

Adopt leading and lagging metrics and measure to learn on a regular cadence.

If an organization has all the other Disciplines in place but does not measure, there is no ability to improve as there is no tracking of the type and direction of progress against desired results.



Six Key Industry 4.0 Disciplines and Capabilities

These Industry 4.0 Disciplines change the organizational culture from a fixed mindset in a traditional operating model to growth mindsets and learning organizations in the DigOps model.

But don't forget that employees are people, with all the evolutionary biases and instincts they entail. A robust change management approach that supports people through any transitions will provide the most success. Tools such as the DigOps Ready, Set, Go Transformation Mastery are helpful approaches to support Digital Transformations.

Consultants use a variety of tools to thrive. This is our toolkit, but that doesn't mean every tool is applicable or valid in every situation. We love to help organizations develop their tools

along the journey. Tools are helpful, but they must support your strategy. A summary of the different available Tools can be found in the bonus chapter at the end of this book.

I am writing this closing chapter during self-isolation that has been brought on by one of the worst pandemics the world has seen in recent memory – Covid-19. Yet even in this humanitarian crisis, I cannot help but notice the world's parallels, responding to this change and how businesses react to the technological changes that impact them in the current economy.

Many organizations reach out in a time of crisis, looking for help to change the way they operate. This is often because the company wants to keep up with other agile organizations, or they believe the misnomer that their company will be faster if they are agile. Regardless of the consulting company's size, expertise, or approach, most fail at helping organizations transform because they address a symptom, not the disease.

This approach is comparable to the ongoing pandemic and the visible tension in the political and news arenas. There is tension between getting people, supplies, and behaviors aligned (operational effectiveness) while developing a strategic position that will pull us out of this to safety as soon as possible (and protect us from a repeat in the future). While people are hurling insults and making recommendations, they seem to fall into one camp or the other of focusing only on strategic positioning or operational effectiveness – not both.

As per Maslow's hierarchy of needs, if a stable level of physical environment and safety isn't established, people don't function very well. Organizations respond the same. Some organizations have responded well to this unique situation and have made every effort to put the brakes on and focus on future strategy. These companies provided early communication about job stability, regardless of whether people were permanent employee or contractors.

This provided security, allowing people to move from survival mode and continue to be productive.

Due to the pandemic situation, organizations are forced to make quick, pragmatic decisions, and in many cases cutting non-essential activities down to only those that are achievable and necessary. This is precisely what organizations do as part of a Digital Transformation.

I have watched industry after industry be disrupted and have tried to help organizations understand that the situation is much worse than what they can immediately see. Leveraging the activities that companies in crisis use when leaders make quick decisions as they are faced with an emergency is not as easy as when discussing the Industry 4.0 economy. If organizations do not disrupt themselves and correct their course, they will become victims of unseen changes and disruptions.

Just as the virus brought us a new standard, Industry 4.0 brings a new set of variables shaping our new digital world. 3-D printing, Artificial Intelligence, and Data Science are emerging on the cusp of product and service digitization. This will require more rigor around continually reshaping strategic positioning, operational effectiveness, and the ability to learn and adapt to market pressures. Without new ways of working, learning, and measuring in the new normal, organizations will be left behind.

This book is about improving results using the DigOps model that is adaptable and suits each business's uniqueness. By building capabilities in critical disciplines that will improve effectiveness, a company will achieve people, customer, and societal results that make them competitive in today's economy. For organizations to truly thrive, they need to focus on both operational effectiveness and strategic positioning. This begs the question, which came first, the chicken or the egg? Where should the effort be focused?

The most common approach is to focus only on operational effectiveness, which is not a bad option because it allows a company to get good at what it does to leverage the Six Key Industry 4.0 Disciplines to learn and improve. Learning can then be realized and used to develop new strategic positions. Companies that want to thrive must update their strategic position as they improve their operational effectiveness. If organizations follow the techniques described in this book, they will be well-positioned to work on both.

Let's return to our pre-agricultural revolution roots. There are parts of our DNA that refuse to change - we are naturally biased, a survival technique humans have used for centuries. But how does this help us survive the Digital Jungle? What if, because of these disruptions, there is a future that will allow us to live and work closely and directly in our communities? We have all seen an increase in awareness of these possibilities during the 2020 pandemic.

When I envisage the future, I imagine working with a group of people in my community for organizations that do not have a physical headquarters. While this may seem far-fetched, consider if an organization is made up of a complex structure of people. Is it the building or the people who make the organization? Through this pandemic crisis, we are learning now more than ever that we can continue to work as an organization without being in a physical building.

Think about a community-based world where we work with others in our community and with people across the globe through continuously improving technology. Imagine the costs that could be cut with virtual organizational headquarters. We are not far off from creating virtual realities where we can enter a virtual room together across the globe.

During months of social isolation, I have noticed that everyone has been more effective and empathetic when interacting with co-workers. People take the time that used to be spent racing

from room to room for meetings and converting it into opportunities to have meaningful conversations. These new ways that are emerging can do more than just give us back our sense of community; this will change the way we live.

Understandably, you may not think your business or industry is in danger of disruption. I mean, who am I? I am not a millionaire or a successful CEO. I am just some jungle jockey out there trying to slay a few dragons. Ok, then don't consider a change for financial reasons. But for goodness sake, do it for your people. Constant change and confusion are wearing people out and taking a toll on them professionally and personally—all of society benefits from a good healthy workplace. If you want to see if your people are worn out, don't rely on a poll; get out of your chair and talk to them. Ask them about what bothers them, what is wearing them down. Ask them when is the last time they felt heard, tried something new, or got to experiment. The talent is in your hands, don't waste it.

Ecclesiastes 3:1 (NIV) states, "To everything, there is a season and a time to every purpose under the heaven." Regardless of your belief system, these words ring true. As humanity is allowed more time to be creative through technology and automation, I suspect you will find us returning to a similar lifestyle to our pre-agricultural forefathers.

For this reason, I implore you to embrace this change and prepare yourself, and your company, for the Industry 4.0 Digital Jungle.

Bonus: Transformation Journey

Your Digital Operations Transformation Toolkit

Bonus Chapter – want to know how to get there? If so, this chapter is for you!

You may have read the whole book to understand the theory behind the DigOps model, the road map and pathways, and Six Key Industry 4.0 Disciplines and their capabilities. Or you may already know you need to transform and skipped to the bonus chapter to get the tools you need to get going! Either way, you are here!

At Powers, we truly live our processes and continuously learn and improve to provide even better tools and services. We know these tools work because we use an experimentation process that once the programs, tools, and techniques are designed, they are tested with customers.

Only once our desired results for the tool or program are achieved are our programs in 'production' for businesses to use. The tools covered in this chapter are ready to go, but there are many more in the pipeline currently undergoing trials and improvement that will be released once they produce our desired results.

The following tools are all registered with the United States Patent and Trademark Office with a patent-pending status.

1. Digital Transformation Tools

- DigOps® Transformation Road Maps
- GEM™ Transformation Mastery Journeys

2. Sustain and Improve DigOps

- DigOps® Sustain and Improve Program
- GEM™ Learning Internship Model (GLIM)

3. DigOps Certifications

- DigOps® Industry 4.0 Master Certification
- GEM™ Quick Start (Qst) Team Certification for Product/Service Delivery Teams Mastery
- GEM™ Leadership as Service Mastery Certification

4. Programs and Tools in Development

Digital Transformation Tools

DigOps® Transformation Road Maps

The DigOps® Transformation Road Maps scales transformation across an organization and includes ongoing metrics and health checks to ensure the transformation is embedded. If every part of the organization commits, this transformation can be completed within one year. Commitment and progress are examined every week, so escalations and support are provided quickly to get back on track.



DigOps® Transformation Road Maps

Road Map Details



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The DigOps® Transformation Road Maps uses a linear, logical structure. The road map begins with establishing strategic investment allocations and establishing desired results.



Then, an assessment of the vision and change plan is conducted using the DigOps® Agile Balanced Score Card. Based on outcomes, a change plan is created to ensure engagement and inclusion. The programs, timeline, and exit strategy are developed and agreed. If this is an internal transformation, there needs to be an in-house consultancy set up.



Using the plan, an organization develops a unique DigOps® model strategically aligned and utilizes an enablement pipeline with regular cadence and measures.



This allows teams to adopt new ways of working, learning, and measuring, completing the transformation to a learning organization that continuously improves.



Once the transformation finishes, ongoing organizational health checks conducted internally or by an independent consultant ensure the change is embedded.

The best way to transform a business is to transition the entire organization at once. However, we understand that this is not possible for every organization.

To assist, we have devised four tailored DigOps® Enterprise Transformation Road Maps that accommodate every business need.

GEM™ Transformation Mastery Journeys

As stated, it is best if everyone in the organization can go on the transformation journey together. This can be complicated. I developed the GEM Fluency Framework journeys to support a successful transformation to support self-serve learning, target changes to ways of working, and enterprise measures and metrics.

The GEM™ Knowledge Base defines the three journey value streams that need to be transformed to create effective change. When using the three value streams to change, the entire enterprise will learn how to transition, in a small incremental way, to a DigOps model. The DigOps compass, workflow, and Six Key Industry 4.0 Disciplines are embedded in the journey value streams.



GEM™ Transformation Journeys



GEM™ Knowledge Base Practices (example)

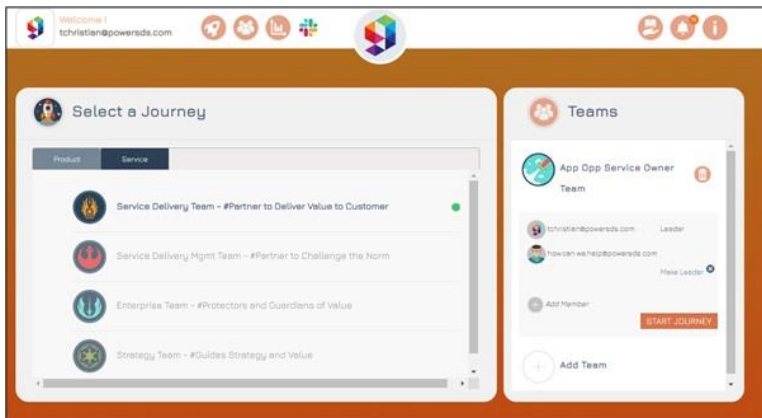
The GEM™ Web Portal assists organizations on their transformation journey with practices, measures, and metrics that value stream teams use to develop maturity and skill fluency. The organization can track its progress against its desired end as everyone transforms.

1. **Create the Vision:** Start with a DigOps Balanced Scorecard assessment to understand the organization and areas of improvement, establishing the desired results and critical metrics essential for incrementally measuring journey outcomes.
2. **Create the Road Map:** Teams and Teams of Teams develop their Digital Transformation road map, usually with a consultant's help, by deciding which journey has the building blocks and practices needed for their transformation.
3. **Create the Release Cadence:** Progress is reviewed regularly to understand outcomes, review progress measures, and learn.
4. **Create Weekly Increments and Measure progress Daily:** Teams set weekly goals by selecting practices on their journey and measuring their progress weekly through self-assessment observations. They develop team fluency daily by developing practice capabilities.

As teams and organizations advance, we work with leaders to ensure they understand the progress (or lack of progress) being made and develop a plan together to best support their development. Once we coach teams and see progress, their leaders help them sustain and improve these teams' new ways of working so that consultants can step out of the picture.

Details

As we train and coach teams on different practices, the teams use the gemPowers Web Portal to set their weekly goals, learn, grow, and measure their observations.



gemPowers Web Portal – Select your journey

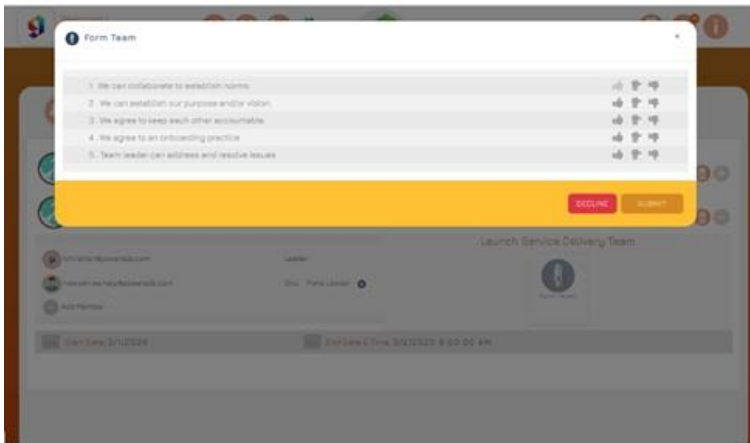
Teams create their own journey, not leaders. This method is effective because using the tool transfers the decision-making power to the team from the start of the journey. This is essential for a successful Digital Transformation and is the first step to ensuring the team owns the new ways of working.

Together, the team can practice what they have learned through coaching, workshops, training, self-serve learning, or combining these approaches. The methods used also depend on the teams and the organization's path to Digital Transformation.

Digital Operations

Over time, some teams will need more support than others. Coaching allows support to the teams who need specialized help. The most effective Digital Transformations take the entire division on their journey together, which reduces redundancy in coaching efforts and creates consistency across the enterprise.

Teams lodge their observations in the tool by giving a thumb up, sideways, or down against each of the five measures for selected practices. There is no failure in the system and no judgment, so when people need help, we coach and provide direction to help the entire team achieve fluency.



gemPowers Web Portal Team Practice Observation Measures

As with any substantial change to ways of working, the team will initially focus on just surviving the transition. But over time, teams begin to thrive and excel at continuous improvement as they develop their muscles to set expectations and examine changes. Although the changes are small and incremental, as things progress, the team can see how their evolution is creating new ways of working, learning, and measuring.

When everyone in the organization uses this process, the Digital Transformation can be done much faster with very satisfying results regardless of their role or job level. Remember, the goal is to help people across the organization think straight and not respond based on evolutionary protective behaviors while going through change. But at the same time, we try to be as light touch as possible to provide the stickiness teams need to sustain the new practices.

Initially, teams change their mindsets, then learn mechanics, as teams' mature coaches should be backing out and only provide support as needed. Three short videos are available to help to explain further how this comes together to bring lasting change.

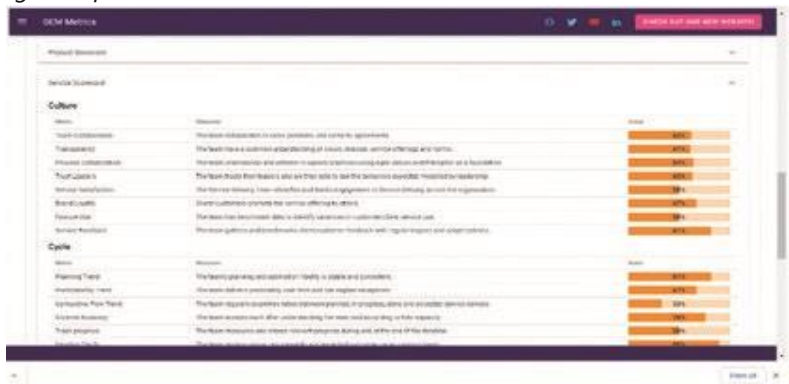
- [GEM Fluency Framework Overview](#)
- [GEM Fluency Framework Road Map](#)
- [GEM Knowledge Base and Mobile App](#)

Finally, the gemPowers Web Portal provides a mechanism to see Organizational Enterprise measures at every level, from team to divisions to organizations. The outputs and expected outcomes can be reviewed to discuss organizational results.



Sample – Division Metrics

When the whole organization is on the journey, you can see progress against the DigOps Balanced Score Card and Enterprise Metrics.



Sample – DigOps Balanced Scorecard



Sample – Enterprise Metrics

Enterprise Digital Transformations are made easy with the use of the GEM Knowledge Base and Web Portal. While the entire effort is easily measured with defined expectations for data-driven discussions and decision making. The GEM tools make the transition to the DigOps model simple with all the needed practices built to develop muscles in new ways of working, learning, and measuring.

Sustain and Improve DigOps

DigOps® Sustain and Improve Program

This program leverages the ISO 9001:2015 Quality Management System (QMS) standards for regular Sustain and Improve Health Checks. The difference between what we do

compared to what is traditionally practiced by internal auditors is that our approach is decentralized.

Rather than enforcing a centralized process that must be followed, areas within each organization understand what good to great looks like. Each area then reviews and applies this within the boundaries of the overall company's desired results.



KM Quality Engineering QMS Diagram

Details

The Sustain and Improve Program can be broken down into three objectives: Clarity, Accountability, and Measured Progress for ease of implementation. Each objective has focus areas that can be self-assessed or assessed by an external consultant.

1. Clarity

- a. Customer focus
- b. Involvement of people
- c. Leadership
- d. Mutually beneficial relationships

2. Accountability

- a. Process approach
- b. System approach to management

3. Measured Progress

- a. Continuous improvement
- b. Data-driven decision making

We recommend self-assessment on a more frequent and agreed cadence to support the digital operating model rather than an annual assessment. Measures should be collected across the organization for a complete view. Health Checks create opportunities for systemic improvements and validate ongoing measurement cycles.

Some organizations choose to perform health checks within value streams or using internal teams, whereas other businesses may hire external people to conduct them. If an organization has a healthy continuous improvement mindset, using internal people to perform the health check with an external review is suitable. For organizations that are still building a continuous improvement mindset, external people are the most objective and are free from organizational bias.

GEM™ Learning Internship Model (GLIM)

To compete in our current economy, organizations must be adaptive to guard against disruption and remain relevant. Changing current talent acquisition approaches to include engaging local people at a competitive rate improves cohesion, retention, and loyalty. The talent gap can be addressed through local training, but bottom-line savings and improved workplace culture result in better performance and higher revenue.

With 70 - 90% of technology jobs filled overseas, organizations lose the alignment and cultural fit needed to work together. This impacts effective delivery and the organization's ability to compete.

Details

The GEM™ Learning Internship Model (GLIM) provides a glimmer of hope for those who are under-represented in

technology to get a step up through an internship program. Our graduates have gone from holding several jobs to having a career with a pathway to make decisions to advance their life. It is the most rewarding program I have developed, and I am so immensely proud of the graduates.

GLIM is a win/win/win!

A win for Business:

1. Strategic Positioning - Positions the organization to attract local, competitively priced, loyal technology talent.
2. Inclusive Workplace - Reduces turnover risk by transitioning the workplace culture to new, inclusive ways of working, learning, and measuring outcomes.
3. Mechanics and Behaviors - The program addresses how to do the work and teaches teamwork skills that scale across the organization to create mental models necessary for operational effectiveness.

A win for People:

1. Opportunity - Provides options for people who didn't have them before by moving from working at a job to starting a career.
2. Local Work - People are any company's strongest asset, and those who gained entry stayed. Up to 80% of interns were still with the client after two years because they were local.
3. Interpersonal Skills - Interns learned to have meaningful and difficult conversations through learning Diverse Collaboration techniques. These skills were not only used in their work life, but they were useful in their interpersonal relationships.

A win for Society:

1. Equity - Giving underrepresented people a hand up to join middle-class career positions is not a handout; as

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most programs provide, it is a way to provide an equitable opportunity to people who deserve it. This supports the social justice we are striving for as a society.

2. Contribution – with the burden taken off of just surviving and providing a sense of security, there is time to look around and think about others. These interns are constantly looking for how to give others a hand up.
3. Representation – Research has shown that diverse and inclusive teams bring a broader perspective, identify new choices, reduce bias, and strengthen accountability, leading to better decisions than individuals by 87%. This impacts people's feelings of worthiness and promotes behaviors that benefit society as a whole.

DigOps Certifications

DigOps® Industry 4.0 Masters Certification

We have a solution to help organizations upgrade their operations to compete in the Industry 4.0 economy. This certification uses a 70/20/10 approach, where 70% of learning takes place on the job; 20% occurs through coaching and guidance, and 10% via formal classroom learning.

Our Industry 4.0 Masters Certification includes five courses to transform people across the entire enterprise.

- **Digital Ready, Set, Mastery Certification**
 - A step-by-step approach for people leading an organization through change to a business agility model.
- **Product Management Mastery Certification**
 - A comprehensive guide to help everyone in the organization understand digital product management.

- **Leadership as a Service Mastery Certification**
 - Learn 21st Century Leadership capabilities and essential activities necessary to lead and unleash business agility.
- **DevOps Organization Mastery Certification**
 - Learn the stages and disciplines to create a DevOps organization that delivers quality flow to customers.
- **Customer-Centric Design Mastery Certification®**
 - Learn the importance of developing a relationship with your customer and how to develop a community of learning.

Details

1. Digital Ready, Set, Go Mastery Certification®

In this certification, leaders and people involved in transforming digital operations learn to develop the best approach to change. This education also provides a step-by-step guide to the activities that lead to a digital operating model and a competitive strategic position.

2. Product Management Mastery Certification®

This program is a comprehensive guide to help Leaders, Product Managers, Product Owners, and Delivery Teams understand agile planning levels and the critical success factors, skills, and event investments for each level. Participants develop a deep understanding of team development, product management workflow, and the digital product-centric operating model using Agile, Lean, Design Thinking, and Diverse Collaboration® methods.

3. Leadership as a Service Mastery Certification®

Participants learn 21st Century Leadership capabilities to empower teams to be autonomous by developing

Digital Operations

techniques to enable team ownership, local decision-making, and accountability. They also learn the essential activities necessary to lead a digital organization to unleash DigOps© capabilities successfully.

4. DevOps Organization Mastery Certification®

For this certification, participants understand the stages and disciplines to create a DevOps organization that provides quality value to customers. The course guides executives, leaders, product managers, and delivery team members through the Agile Engineering Fluency model to help organizations navigate their way to high quality and timely delivery of value to customers. They will understand the proficiency required to create a high-functioning organization that can leverage DevOps tool and techniques.

5. Customer-Centric Design Mastery Certification®

Participants will learn the importance of developing an organization's relationship with its customers or potential customers. They develop skills to understand customers using design thinking techniques that are low cost, low fidelity, and bring significant results quickly through fail-fast approaches.

GEM™ Quick Start (Qst) Team Certification

Most certification programs are two to three-day classroom-based approaches with no real-life application or follow-through. Many of these certifications are marketed as learning for roles that do not directly support developing a digital operating model that promotes a Team of Teams approach. They fail to achieve business results.

The GEM™ Qst Certification is for team leaders, transformation leads, coaches, and Product/Service Delivery teams who are embarking on their journey to new ways of working, learning, and measuring. Our training spans five weeks and includes

one day in class each week. The longer span of training helps change agents in any company to quickly start their teams on the GEM™ Transformation Journey and bring teams together using a continuous improvement mindset. There is also hands-on practical application as part of the certification assessment criteria.

The program is based on the 70/20/10 approach, where 70% of learning occurs on the job, 20% happens through coaching and guidance, and 10% via formal classroom learning. The training is structured to support the entire team, not just the leaders, but also to understand the journey investment and results. The certification both publicly and privately offered to accommodate organizational-specific training.

Details

Participants take a deep dive into the GEM™ Fluency Framework and practical application. Time in the classroom is used to learn, practice, apply and plan. Each team commits weekly to use aspects of what they learned in their work.

Then at the next session, the group shares their trials of new tools and the learnings they took from each experiment. Both test results and the application activities in daily work are requirements for receiving the certification.

The five-week course covers the following practices:

1. GEM Launch Team and Events practices
2. GEM Vision and Road Map practices
3. GEM Delivery Mastery practices
4. GEM Quality Delivery practices
5. GEM Innovation Boot Camp practices



Powers Digital Solutions – GEM™ QsT® training Overview

Each set of practices focuses on developing and applying these key capabilities that are crucial to supporting digital organizations:

- Lean/Agile Values and Principles
- New ways of working
- Critical thinking skills
- Design Thinking
- 21st Century Leadership
- DiverseCollaboration

Given that we teach the practices and the capabilities needed to apply these in a digital organization, we have found no need to recertify or retrain. We have found that the need for training across the organization reduces as time goes on because those who are certified begin to cross pollinate the mindsets and practices throughout the organization.

GEM™ Leadership as Service Certification

When transforming, most organizations strongly support frontline people, but leaders and particularly middle managers are often forgotten or ignored. As described at length

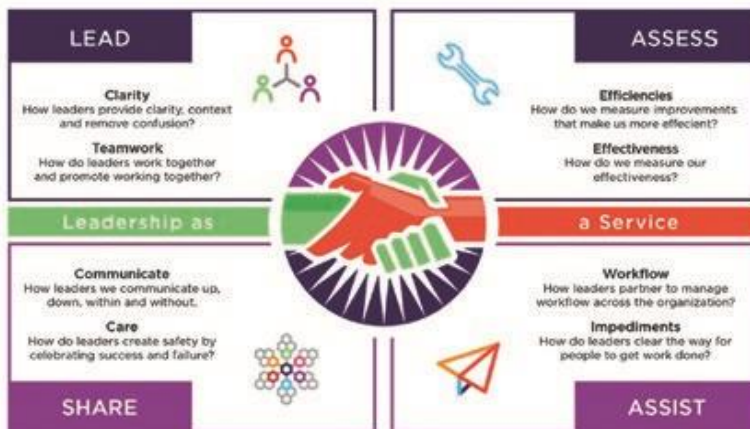
throughout this book, it is essential to bring leaders on the journey to align and clear the way for their teams. The Leadership as Service Program helps leaders by introducing and helping them continue developing core digital operations leadership.

The program focuses on two key components, Leader Capabilities and Leader Activities. Together, these two aspects of the program help leaders develop the behaviors and activities to support teams in a digital operating model.

Details

Leader Capabilities breaks leadership down into SPECE – Servant leadership, Problem-solving, Empowerment, Competency, and Elicitation/ Facilitation to shape their leadership journeys. When these behaviors are modeled to the team, they also adopt and begin to implement these behaviors.

Leader Activities supports leaders in a digital operating model to learn new ways of working to support their teams by developing competency in key leadership activities: Lead, Assess, Share, and Assist.



Powers Digital Solutions Digital Leader Activities Canvas

Leaders that come on this journey will successfully lead their teams by doing what they ask their teams to do, instead of asking their teams for one thing and demonstrating another. Leaders move from being reactive to proactive to support flow. This is what is needed in an Industry 4.0 Economy to create organizations that thrive and grow!

Programs and Tools in Development

All our tools and programs undergo many iterations based on client feedback before they are released to ensure that businesses can use them to achieve desired business results. Some of the programs and tools still in trial phases are outlined below. For updates on the status of these products, visit www.powersds.com. **Program under-development**

1. GEM Screening Service (GSS) – Automation

This service has been used and tested for several years as a manual process and has been highly valued by several organizations. Our next step is to automate this process so organizations can leverage it as a tool to identify candidate strengths and connect them with the right position in the organization.

2. GEM Onboarding Service (GOs) – Automation

This is currently a manual program that we are working on automating. Organizations can use this tool to help bring new people into the organization. They can learn how their team works, measure progress, quality delivery standards, and innovation tools and techniques.

3. C2C – a Coach Mentoring program

This program will help people aspiring to move into leadership career paths by developing strong coaching skills.

4. Train the Trainer program

In this program, we are creating education that will provide *train the trainer* sessions to support our learning pathways and practices.

Epilogue and Acknowledgements

So here it is – my jungle journey, in a book. My Digital Jungle journey has been intense and being an explorer of “what could be” in the future has left me with a life of never-ending learning.

My personal experience has been both daunting and rewarding, but an amazing part of this journey has been the people I have worked with and learned from. As with every business owner at the edge of something new, at times, my self-worth got in the way. I was not good enough, tall enough, thin enough, smart enough, male enough, or whatever criteria I was challenged with to silence my voice. This experience has helped build who I am. I am enough. I do have a voice, and I know people will benefit from what I have to say. Thanks to all who helped shape me; I give this back to you.

Here is a condensed list of the people, places, and cultures that brought me here today – if I’ve missed you, don’t feel disheartened, as my complete thank you list would be its own book!

All the work and learning with great people at Agile Open Northwest was essential and fulfilling. Learning with Diana Larson and James Shore during countless workshops about all things fluency was life-changing for me. Thanks to Daniel Cerda, who showed me the Agile Fluency Model™ - it is core to our approach.

Big thanks to Arlo Belshee for teaching me much about behavioral science and Agile Engineering Fluency.

Although I have not worked with Dave Snowden personally, I have studied everything I could get my hands on regarding Cynefin and Complexity Science. I am not an expert, but this work helped develop the GEM roadmap and approach. I love

his direct and pragmatic approach to shining a light on our agile “religions.”

Many learnings about metrics have come from Al Goerner. He is maybe the most brilliant person I have ever worked with. Al is always humble and willing to learn and share. He not only challenges your thinking but teaches grace and humility by example. And thanks to Chris Stone for pushing me to make them work!

There are other coaches, teachers, mentors, and people who helped along the way, too many to mention here. Some helped by challenging my thinking; others helped by encouraging me to keep going for it. I will never forget at the end of one experiment when Curtis Reed patted my back and said, “It worked, Teri.” I think I held on to that encouragement for several years. He gave me the hope I needed to fuel more experimentation. That experiment worked, but we were far from done.

Through the ups and downs, times of despair, and times of encouragement, I have learned. A few people have sent me encouragement, hoping that this book is a bestseller and that I will benefit greatly from the effort invested. As much as I would like monetary gain from this labor of love, it would only be an added benefit. The reasons for writing this volume of information are simple – I want to help organizations send people to the moon through valuing the janitor to the CEO – to create places where everyone matters.

I hope to arm well-meaning executives, managers, and people on the frontline with the information they need to either leverage what we have learned through reading this or develop their own way of achieving desired results. This is my gift to those people and an invitation for you to join me on this lifelong learning journey. Welcome fellow pioneers let's change the world together!

About the Author



Teri Christian is the president and founder of Powers Digital Solutions and focused on one single mission, We Create Market Leaders. But not market leaders who follow the traditional scientific management approach that views people as machines who conduct simple, repetitive tasks. More so, today's organizations need to harness all the talent in the organization to deliver value to customers whose needs are constantly change along with digital advancements. The Digital Operating Model, developed by Teri, helps organizations harness the collective talent of the organization and builds relationships with customers to create market leaders. At the core of the model is the inherent need to create diverse, equitable environments from which high performing teams can flourish.

With over twenty-five years' experience in Information Technology and Digital Operations, Teri has designed and delivered services that help to improve organizations ability to deliver quality digital products and services in an Industry 4.0 economy.

Teri started Powers Digital solutions in 2015 as a think tank of leading industry professionals who grappled with current industry problems and wanted to learn so they could experiment. Teri developed the Digital Operations (DigOps) model, with a patent pending, over 8 years of learning and experimenting as she addressed customer needs. Powers has offices in Seattle and Sydney and has operated virtually over the last five years making contributors across the globe.

Under Teri's guidance, Powers has delivered support to a variety of industries in essential activities to compete and

manage exposures given the changes in today's economy. She has helped organizations in six explicit workstream:

- Functional Strategic Positioning
- Digital Transformation
- Local Talent Pipeline/Internships
- Onboarding/Standardized Talent Acquisition
- Sustainability Support
- Adaptable HR Practices

Throughout her career Teri has worked in various senior management advisory roles supporting leaders in a variety of industries. She began her career working as a business analyst and management consultant. Her key capabilities are in strategic advisory to compete in the current Industry 4.0 economy.

With more than two decades of experience, executing, coaching, consulting and training in traditional, Lean and agile delivery across large scale, complex enterprise organizations as well as smaller agencies, Teri is well qualified to provide advisory support to multiple organizations at scale.

Helping people develop Learning Organizations is Teri's passion. She is focused on helping teams be successful to deliver the right thing to delight customers in a community that brings value to the organization. As President of Powers IT Consulting for over 15 years and author of several training and coaching materials, she has provided training and strategic coaching throughout the US and Internationally.

She helps organizations understand and implement the workflow and disciplines necessary to create a Digital Operating model within their environment. This book is based on the work Teri has done over the last 8 years helping organizations develop strategic positions married with operational effectiveness to deliver true value to customers. Teri is excited about how technology has impacted the world

we live in and how it is influencing a societal shift and cultural changes that are creating a movement to transparency, community, collaboration, respect and humility.

