ORGANIC agility Handbook

ORGANIC agility®

Table of Contents

Introducing the ORGANIC agility Handbook

If you are holding this handbook in your hands (or you are reading it on your computer screen), you might have heard the words 'ORGANIC agility' before, most likely in one of our courses. The following chapters are going to go into greater depth regarding the background of this approach and what it entails, but first a few words on the booklet itself.

This handbook was initially created with the attendees of our Masterclasses in mind, but has evolved to include more and more content that should prove valuable to anyone who has been exposed to ORGANIC agility concepts. It is not intended for everyone to just pick up and read, since it is dense, but it is meant as a concise collection of theory and practice that we can put at the disposal of all practitioners who want to take the next steps in exploration and application. Whether you need a point of reference to refresh your memory on a method, or an ongoing guide of how different elements connect to one another, our hope is that this handbook will help you put everything you've learnt to work. It is not exhaustive, and it is not meant to be, but the ORGANIC agility Intranet, accessible to all ORGANIC agility Professionals[1], contains detailed descriptions of these and more methods and tools to support the ORGANIC agility principles.

Roughly following the structure of our courses, the handbook starts by exploring the environments of the market and the organization,

[1] At https://sites.google.com/agile42.com/organic-agility/home

and then turns its attention to ORGANIC agility itself as a response, touching upon the Leadership Framework, the 5 Principles, and several tools along the way. You can read it all the way through or dip in and out as needed, but we hope that you will get to make the most out of it.

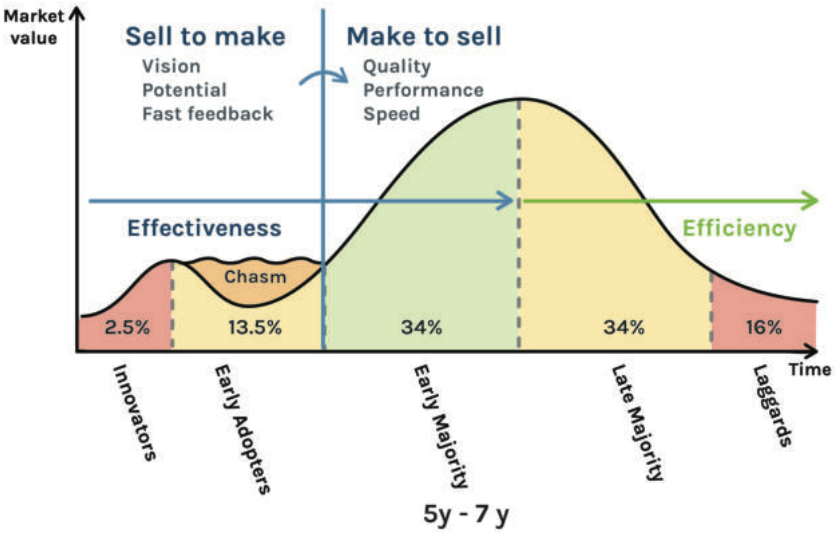
A view from the outside: The market

Market maturity curves are something a lot of the people reading this handbook will be familiar with. They are often represented as a bell curve, but in reality, as we know thanks to Geoffrey Moore[2], they are actually more complex, and more dangerous for the organizations trying to navigate them. Geoffrey Moore proposes a straightforward and relatable theory. At any given time, when introducing novelty (originally proposed for technology), we might encounter the following market audiences, who tend to behave differently and will adopt the new proposition at different stages and in different ways:

- **Innovators** (roughly 2,5%): they are passionate about technology and new ideas. They have area expertise and are willing to be the first to test new and even incomplete things. They like to demonstrate their own expertise, instead of relying on the experts within an organization. Innovators aren't willing to pay much, and they often actually expect things to be free of charge, but they will also provide work and ideas for free.
- **Early Adopters** (Visionaries, roughly 13,5%): they want to exploit the opportunity for significant competitive advantage, even if it means abandoning the status quo. They are willing to contribute to help the idea to completion. Because they see orders of

[2] Geoffrey Moore authored one of the most read and successful books since the '90s called "Crossing the Chasm", in which he demonstrates that market adoption in technology-related markets works differently.

- magnitude in potential gains, they aren't too concerned about price. Instead, they want to bring things to market quickly and they want to do it their own way.



OUTSIDE - IN VIEW

- **Early Majority** (Pragmatists, roughly 34%): they tend to make decisions based on majority and comfort. They are aware of what a solution could provide them, but won't adopt it until it is convenient for them. The sheer size of this demographic makes it important, but they are very careful in making decisions. Their focus is on proven and polished applications and they tend to follow the market leaders. They will insist on good references from peers and they will want to test the solution where they have control. They are responsible for both the *Chasm* and the *Tornado,* which we will cover later.

- **Late Majority** (Conservatives, roughly 34%): they are resistant to change, and they do the bare minimum to keep up with the market. They tend to be wary of technology and novelty, but when they have learned to use something they are very loyal. They are risk-averse, price-sensitive and highly reliant on a single, trusted advisor. They need fully-packaged solutions which are easy to use and demand premium services, though they aren't willing to pay extra for them.
- **Laggards** (roughly 16%): they will debate against any innovation or change and their goal is to preserve the status quo. They are good at debunking marketing hype. Even though they aren't customers, they will influence purchases as they are very likely to be deeply embedded in organizations who might become customers.

Crossing the chasm

What is especially interesting about this research is that the first two groups (Innovators and Visionaries) are actually attracted by innovation, new ideas and mainly the potential of these ideas, while the others (Pragmatists, Conservatives and Laggards) are against anything new on principle. This is what creates the *Chasm* and the so-called *Early Market* on the left side of the curve, which is characterized by large and visible projects, perhaps success stories, as well as audiences who are willing to accept ideas and technologies in process and who are interested in taking a look under the hood. The *Chasm* is often the consequence of the fact that none of the

Pragmatists are willing to jump on the new idea because there is no sense of urgency, and they are also reluctant to move if no one takes the first step. A good strategy for engaging them is addressing a problem that is already affecting one of the Pragmatists, because a process is already broken and a solution is required[3] to fix it.

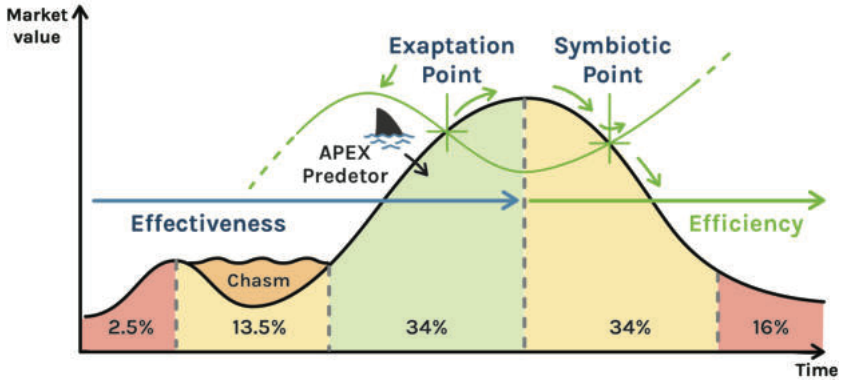
Because Pragmatists tend to move as a group, if we manage to create something that solves the problem, it will spread very quickly to everyone else within that market. Only after we have been able to prove that the solution works in multiple scenarios, and it is in fact relevant to different verticals, the growth will be substantial. This is the moment when we can shift from niche projects to actual products that can be sold to every market.

In terms of strategies in different market phases, companies should focus on getting a couple of marquee clients in the *Early Market* and build on those stories. At this point, companies will deliver projects and will need a different type of organization from the kind that will be needed later, when addressing the Pragmatists. In the *Early Market* there is value in getting a couple of large deals that are going to make the difference in terms of market penetration. Once a company begins to *cross the Chasm,* its attitude needs to change again and the whole organization should focus on solving a single important problem for a Pragmatist, shifting at the same time towards a product approach. This business is normally high profit, not discounted, because, from the Pragmatists' perspective, their problem is compelling and has high priority. Once the *Chasm* has

3 These are defined by Geoffrey Moore as the Pragmatists in pain. It doesn't matter what the reasons are for why it ended up like that, but the pragmatist's instinct is to fix it.

The Apex Predator Theory

The Apex Predator theory was developed by Dave Snowden by combining Moore's Crossing the Chasm with Charles Handy's S-curves. Drawing from ecological analogies, this theory recognizes an "Apex Predator", a dominant player who is vital to the balance of the market system as it currently is, but is also vulnerable to disruptions in the system. The theory also identifies strategies for selling on the other side of the chasm and optimal points for introducing innovation. For example, an exaptive strategy proposes the radical repurposing of existing capabilities for innovation, while a symbiotic strategy attaches a novel component to an existing solution to increase acceptance by Pragmatists and Conservatives.



been crossed, the focus needs to shift to delivering reliably, quickly, and with high quality, making the customer's experience seamless.

When the majority moves, speed of delivery is crucial. This is the *Tornado* strategy, which requires being in the right place at the right time with very aggressive sales and marketing to stay ahead of the curve. The final shift comes with the late majority, with a greater focus on efficiency, a reduction in expenditure[4] and actually slower

4 For the late majority market, the Conservatives, adopting "new" solutions is more of an expense than an investment, as they already know it isn't going to provide them any competitive advantage. However, they need that expense to stay relevant, which is why they drive prices downwards.

delivery in favor of less disruption and more stability for the Conservatives. There is little value in trying to capture the Laggards.

Unfortunately this is not the end because being strong - even being the dominant player - is no guaranteed protection against change. In fact, given the speed of contemporary market cycles, only change itself is guaranteed. This is the reason why resilience, rather than robustness[5], emerges as the main enabler of organizational survival. To thrive in this environment an organization must develop agility and a suite of practices that allow them to maintain the capacity for innovation at all stages of the market cycle as well as the capacity to adapt their own structure and strategy to the needs of each market phase and audience.

Alternative reactions to volatile markets

When markets become volatile and change cycles shorter, different companies react in different ways in order to preserve their status and survive these adverse conditions. Unfortunately, driven by high pressure and risk, many organizations revert to what they have been doing in the past, even though there is no guaranty that it will work in the present. When uncertainty grows, volatility increases, because consumers and clients are more conservative about making investments. This may include both reducing their budgets and distributing their money to multiple, sometimes competing, solutions. Because of rapid changes and fluctuations, companies are willing to lower their prices and package solutions with attractive

5 The next section deals with what these two terms mean in the context of an organization as a system. Both concepts were introduced in the space of businesses and their reaction to external stressors in the work of Nassim Taleb, in particular in his books “The Black Swan” and “Antifragility”.

value propositions, so that they can access the limited amount of money that is moved within a market. This behavior reduces the profit per deal as well as the capital that can be invested in further research and experimentation. There are fundamentally two different types of reaction to volatility and uncertainty:

- **Robustness:** it means that an organization will try to withstand threats by putting in place mechanisms that will limit the impact of sudden changes. For example, always investing in alternative solutions — while competing — is a robust approach. The biggest problem with *robustness* is that it works only within the space of foreseeable threats, since we can only design countermeasures for what we know, or can reasonably predict, is going to happen. Trying to build an organization capable of withstanding every possible threat would result in something so complicated that would become unmanageable: a threat in itself. Over-constraining an organization will definitely result in making it more *fragile* in regards to changes, rather than more *robust*, and you will find out why in the chapter on Principle 2.

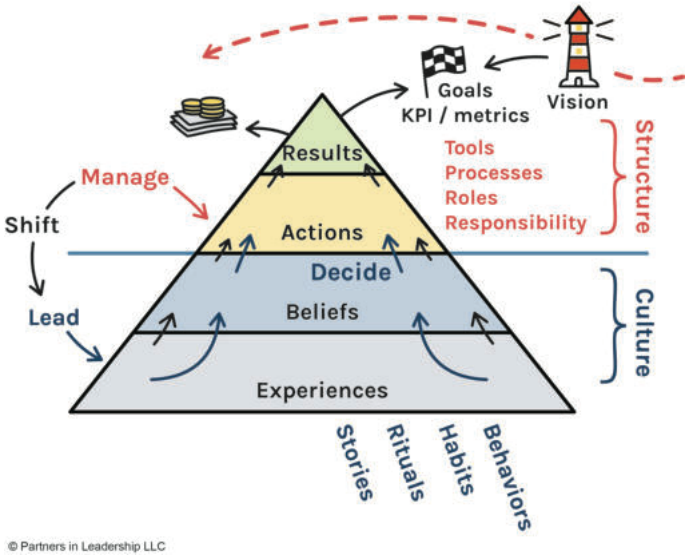
- **Resilience:** it means that an organization is set up to recover faster from failure and adapt faster to changes. This requires a higher level of autonomy and independence internally, as well as a necessary level of diversity. Resilience is more typical of natural and biological systems than of engineered ones. By tolerating and even training people within an organization to continually experiment and fail, the organization as a whole develops the ability to recover from failure faster than in an environment where failure isn't an option, just like an immune system growing stronger through exposure to pathogens. At the same time, it is

important to limit the impact of failure and avoid catastrophic consequences, or people will not be inclined to experiment and try something different.

Designing an organization for *resilience* as opposed to *robustness* requires a different type of focus, on people rather than structures. It will also need a long and committed investment in fostering autonomy and diversity without ending up in state of anarchy, which would create a sense of lack of connection and safety. For this to be successful, coherence (a term that will also be explored later) becomes more relevant than alignment, as we need diversity to allow different options to emerge, some of which will provide unique adaptations for volatility and uncertainty.

A view from the inside: Organizational culture

If we look at what makes up an organization, starting from the most obvious part, *results* are the first thing we see. Some of them are great, like bringing an innovative product to the market, and some of them are just necessary, like filing for tax returns. But all results come from *actions* taken. And going one step deeper, actions come



INSIDE-OUT PERSPECTIVE

from *decisions*, which in turn are informed by *beliefs*: we decide based on what we think is right, or best in the moment. In this sense, we are not talking of beliefs as in whether there are guardian angels, but in the sense of "this is how we do things around here", and "this is what makes things work". Finally, beliefs arise from *experiences*:

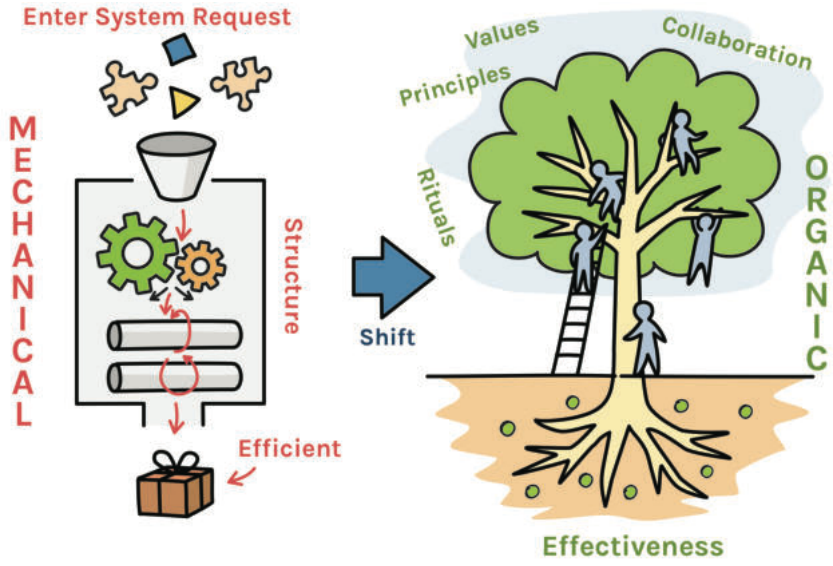
some beliefs are pre-existing or passed on, but they are constantly challenged by what actually goes on in the organization, which in turn either changes or strengthens them.

As the shape of the pyramid suggests, the deepest level, that of experiences, is the largest one. These experiences will cluster and interact to produce fewer beliefs, and then from those beliefs even fewer actions will arise, not all of them producing results. Management tends to focus on actions, which not only addresses just the tip of the iceberg, but it is an approach that is difficult to reproduce or scale, since actions are themselves just an outcome. Meanwhile, the response of over-regulation and hierarchy when management fails just slows down reactions and communication and makes the whole system more vulnerable to sudden change which, given market volatility, is certain sooner or later.

Experiences and beliefs taken together make up organizational culture, which can be measured through its manifestations, such as behaviors, rituals, stories of success and failure, ever-evolving habits, and unwritten rules. While management happens at the top of the pyramid, leadership happens at the bottom. Leadership does not consist of trying to turn those unwritten rules into official ones, because that will just create superficial compliance. Instead, the focus of leadership is using approaches such as mentorship and coaching and a transparent coherent strategy to create new experiences, which will then result in new stories, bringing change along with them.

Governance is normally enforced by alignment behind clear goals and structures such as processes, roles, or tools, which allows for an efficient and robust approach. However, robust is also rigid. The lack

of flexibility and alternative options creates space for unexpected breakdowns and crisis when the market and the organization's needs suddenly shift. This isn't new, but it has become more frequent and impactful in the past years (as described above), forcing even large organizations to try and tackle the problem by reorganizing, resulting in significant reorganization at least once a year for most companies. This approach to coping with continuous change falls short, as, no matter how good an organization becomes at defining and rolling out changes, the market will keep shifting. The cost of continuous change using a defined approach, meaning defining an organization structure, then explaining it to everyone and rolling it out, is both expensive in terms of cost of delay (the time it takes to get the organization operational again) and in terms of risk (because the assumptions included in the design might work in theory but not in practice).



ORGANIC AGILITY

This modus operandi is part of the common mistake of thinking of organizations as *machines* rather than thinking of them as *organisms*, or rather as *social networks* between individuals who will always leverage trust relationships to get the work done, because they care. Caring is a very important aspect, especially for knowledge work in organizations (most organizations today create value because of their IP), where engagement and ownership on the part of employees plays a very important role in terms of productivity and value delivered. Shifting the metaphor from machines to organisms/networks requires a new type of leadership, which is enabling and supportive, and focuses on mentoring and coaching employees to nurture a corresponding culture, or at least focuses on creating a coherent organizational culture.

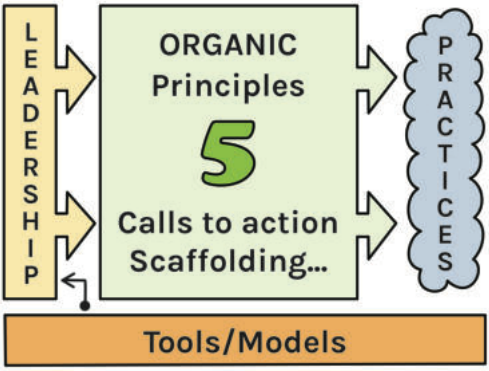
Leadership then becomes a key element in driving change in a complex world, and one of the three elements of ORGANIC agility.

ORGANIC agility as a framework

This section will expand on the three elements of ORGANIC agility in order to prepare the reader for what they are about to encounter in the rest of this handbook, as well as to explain the structure it follows. The ORGANIC agility framework aims to provide the right level of abstraction: one that allows adaption in context-specific ways and also includes guidance via practical tools and support that can be applied in multiple ways. As an evolutionary approach, it recognizes and starts from the present state instead of assuming an impossible clean-slate start. This is based on complexity thinking, which emphasizes the mobilization of the capabilities and natural dispositions of the present, as opposed to an ideal future state. All this allows different kinds of agility to grow in different environments, instead of imposing a single model on everybody. In this way it is possible to map existing capabilities to market demands, and evolve following trends, as opposed to implementing a specific organizational blueprint, which might have become irrelevant by the time it is finally implemented.

The first element is the **Leadership Framework**, which is also the subject of the next chapter. It is often the entry point for organizations, both because usually leaders in organizations have been fighting the uncertainty of the markets for long enough to have an instinctive grasp on complexity and because engagement at the leadership level increases the probability of positive results. There are three key aspects to ORGANIC Leadership: first, it sees leadership as a *capability* rather than a role. Second, it can be combined with and recognizes *multiple leadership models* that are out there in the world today and sees their value in context, placing

particular emphasis on the complexity-informed models. Finally, this is the only current framework that combines situational awareness, leadership attitude, and organizational culture in order to improve effectiveness with the minimum of resistance, and it is presented alongside an intervention model that can facilitate transition to a different kind of leadership.



The second element is a set of **five principles**, which play the role of scaffolding alongside the leadership framework. The principles represent different degrees of complexity and different intervention needs. Scaffolding in this case reminds us that the principles are not rules that are meant to be followed forever. There are different kinds of scaffolds: some support the construction of a building whose future shape we already know, some provide nutrients for growth to happen, and some completely disappear once they are no longer needed. The same applies to the five principles: once they have been fully integrated in an organization and become part of its DNA, explicit reference to them is unnecessary. This handbook dedicates a chapter to each principle.

Principles come associated with tools, the third element of ORGANIC agility. They are meant to help the translation of theory into practice and make complexity manageable. Understanding the present condition, establishing fast and diverse feedback loops, and exploring multiple options are all essential. We will show how the tools of ORGANIC agility make that possible. Instead of dedicating a separate chapter to those tools, we have integrated them with the principles that are most supported by their use, so you will find them scattered throughout this handbook alongside instructions on where to go for more information.

ORGANIC Leadership®

Defining Leadership

When you hear the word leadership, what do you think of? An army general? A politician? A friendly boss? Your parents? Defining leadership is not simple because it means different things in different contexts. Because of this, we have tended to make use of models to explain leadership.

Models are abstractions, ways to make the world a little bit simpler and easier to understand. By their very nature though, models can end in oversimplification and misconceptions. Frameworks, on the other hand, provide enough structure to improve interpretation, but also allow for different models, adapted to specific contexts, to emerge. The role of leadership in achieving organizational resilience is sometimes assumed but not always well-understood, so what does a framework have to contribute to it? In the following pages, we will introduce you to a dynamic leadership framework that moves away from viewing leadership as coming from positions in formal organizational structures, and looks instead at leadership in terms of behaviors and linkages within cultural and situational contexts.

Most current leadership approaches offer a checklist for the behaviors and features of the ideal *Leader* as a person. What is often sidestepped, and we believe is critical, is understanding *Leadership* not as, essentially, a job but as a universal capability to set changes in motion and create new possibilities that is expressed through interactions with others in specific situations.

By introducing the ORGANIC agility framework, we do not propose to replace existing leadership theories and models. Other models with a similar philosophical underpinning can be integrated, or even replace the ORGANIC leadership framework, as long as they embrace the same scaffolding approach.

Leadership for the era we live in

The majority of current leadership models and theories were created to address the problems of the Industrial Era, and they served us well. However, we are now in the Knowledge Era. This involves higher volatility, uncertainty and complexity, and thus a different dominant way of working — work primarily requiring cognitive effort over physical or mechanical.

This new type of work places a different set of demands on leadership, as we need to support and encourage people into innovative thinking, experimentation and rapid learning. Luckily we do not need to scrap all of our previous models and theories and start anew. Instead, we need to broaden our perspectives, and adopt a greater and more in-depth appreciation of context.

Leadership is not simply a capability that some people possess or a role they are put into, but the result of multiple interactions between a group of people, within a specific context and relationships that co-evolve within the group. The only leadership theories today that consider leadership an organizational capability rather than a title, are the leadership theories based on complexity thinking. Because of the connection to Complex Adaptive Systems (CAS), all complexity leadership theories include situationally based

behaviors as well as emergent ones. At the same time, they also support the idea of co-evolution of leadership behaviors and environment.

The role of Emotional Intelligence

Daniel Goleman[6] was the first to popularize the idea of emotional intelligence and demonstrate evidence of its impact within organizations. He passionately argued for recognizing the relationship between someone's emotional state and the actions driven by it, and how those actions in turn impact others and the organization (essentially the people they work with), whether positively or negatively.

This relationship can be directly visualized as:

EMOTIONAL INTELLIGENCE

Goleman did not attempt to suggest that emotional intelligence was a replacement for, or more important than, other types of intelligence but rather another piece of the complex human puzzle. Nor did Goleman mean to suggest that measuring or quantifying emotional intelligence is desirable or possible, but that being aware

[6] Goleman, Daniel. 1995. Emotional intelligence: why it can matter more than IQ. New York: Bantam Books. In 1989 Stanley Greenspan put forward a model to describe Emotional Intelligence, followed by another by Peter Salovey and John Mayer published in the following year, but Goleman was the first one to popularize the term through his book.

of the concept and its effects is essential. If a leader acts in a way that does not match the expectations of those they are leading, there will inevitably be frustration and dissatisfaction, even if the approach adopted is generally considered more adequate to the situation.

For example, if the culture of an organization is strongly hierarchical, then adopting collaborative leadership behaviors could lead to confusion. This frustration and dissatisfaction are defined in ORGANIC agility as **Motivational Debt**. Because of this dependence on context, expectations, and relationships, there are no leadership behaviors that are negative in themselves, but rather behaviors that are not helpful within a specific situation and might be perceived negatively in a given cultural context.

ORGANIC agility Leadership framework

A good leadership theory should support leadership growth as a capability as well as personal human development. This is an important distinction, because it allows leadership to grow within an organization rather than depend on hiring "natural born leaders".

A natural starting point when growing leadership capabilities is a process of self-reflection, while being guided through the realization of how an individual's emotional state affects their decisions and approaches. Self-reflection starts by increasing awareness of which emotions trigger actions that we aren't happy with in hindsight. By identifying the unsatisfied needs that generate those emotions, individuals can become more conscious of their emotional states and needs and build triggers that will allow them to better manage their actions without becoming victims of their emotions. Frameworks such as Non Violent Communication (NVC)

by Marshal Rosenberg[7] can be helpful in developing such awareness of oneself, particularly in accepting the very important fact that we are responsible for how we feel, not the people around us. This self-reflection can be complemented by building an awareness of how others see us through small stories about everyday work interactions. Self-development in leadership includes behavioral capabilities as well as emotional ones, which require the growth of self-awareness, self-management, as well as social awareness and social management through empathy.

Identity, Behavior, Culture

To support this reflection we can look at **Identity Theory**, which posits that humans have multiple, shifting identities that affect and are affected by our behaviors and our relationships within a specific context. In practice, this reflection can look something like this:

- As humans, we develop our *identities* on the basis of our *relationships*, so observing the relationships a person forms within their work contexts is a good place to start. How we behave in these relationships may or may not be appropriate for a specific situation. Guided reflection on stories of past experience can reveal our efficacy and demonstrate which behaviors manifest more naturally and which ones require a more conscious and explicit effort. We also have to be aware

7 Marshall Rosenberg (October 6, 1934 – February 7, 2015) was, among other things, an American psychologist and author. Through his experience with people facing prejudice and his efforts in promoting understanding and conflict resolution, he developed Nonviolent Communication, a process for training people in identifying their own wants and connecting with others. He travelled around the world offering his expertise as a peacemaker and, in 1984, founded the Center for Nonviolent Communication

that the formal *role* that a person fulfills within a specific context can be a strong catalyzer of certain type of behaviors, which are not to be confused with natural predispositions. Good leadership requires mastery of multiple behaviors;

- By adding the dimension of *organizational culture*, it is possible to start understanding which of the behaviors we have rationalized are having a positive or negative impact on the people we work with. This impact will depend on the tendencies and trends within that specific culture and on the expectations of others. Increasing the understanding of subtle cultural undercurrents and the awareness of the consequences of behavior is a fundamental step towards improving leadership effectiveness in a work environment;
- The final dimension is the awareness of the context of a *situation*, and how certain behaviors will be more effective in different circumstances (this is also discussed in detail in relation to ORGANIC agility Principle 2 and the Cynefin Framework). Good leadership, then, is also about analyzing the relevance, impact, and appropriateness of our behaviors;

Identity Theory supports the idea that as humans we adjust our behaviors to our context. This process spares us from having to expend unnecessary energy on analyzing a situation before responding and it consolidates around rituals and habits, mostly unconsciously. Once we become more aware of what behaviors have which type of impact on the people around us, we will be able to use them within specific contexts and relationships, because we will naturally develop habits and rituals to support them; not by

directing or simply deciding, but by cultivating and triggering. This is why self-development is important and why it is also important to continuously reflect on how our culture is co-evolving with the leadership capabilities within it.

Based on research and our experience, we have identified 6 different classes of behaviors that can be used to both learn and apply the most appropriate approach within each *relationship* or *context*, while being aware of existing *cultural* dispositions.

ORGANIC Leadership: a behavioral perspective

By cross-referencing different leadership models we identified the most common characteristics around which behaviors can be organized. When describing behaviors, we look at the following in particular:

- **Leader's perspective:** describes how the leader in a specific situation sees the context in which she operates, especially related to how things should be done, how people should deliver results, how responsibilities should be shared, and of course what expectations should be met;
- **Leader's attitude:** attitude is an outcome of perspective. It identifies the primary role of a leader within a group. Self-awareness and situational awareness are very important in allowing the leader to be aware of their own perspective and its effects;

- **Work management:** describes how work should be managed within a specific group in order to achieve results and produce the expected outcome. This includes how work should be organized, both in terms of who does what, but also in terms of interactions between different people and responsibilities;
- **Operative behavior:** describes the expected behavior of people working within a specific leadership context. It has to do with how people contributing to work think they should behave in order to achieve results;
- **Motivational Drive:** describes what motivates or encourages people to work. Whenever leadership behaviors are not supportive of the motivational drive, disengagement and *Motivational Debt* may result;
- **Group Unity:** describes what holds a group together. It is about interrelationships and individual interests, compromises and expectations, but also a sense of safety;

By using these characteristics to describe different behaviors, we have been able to characterize 6 types, presented below. Types of behavior across those different dimensions are also associated with particular archetypes, and they can become the basis for mapping archetypes as well as changing them, as the intervention model presented later shows.

Finally, the leader and the follower's perspectives come together to create a combined image. Remember that leadership is a capability that shifts within an organization according to the situation and the cultural context. The "leader" is, therefore, intended to be understood as the person in the group who is exercising leadership.

This can vary from moment to moment or can be more static because of imposed hierarchical and role boundaries (which are represented through the *Archetypes*, explained later in this handbook).

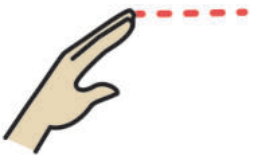
1. **Directing**

The leader sees themselves as an expert, accountable for the result of the group's work and responsible for monitoring process and reviewing and approving tasks. Discussion or negotiation is not welcome.

The followers perceive work as assigned to them and they comply with the direction. This can be both frustrating and comforting. Clear direction and the desire to learn from an expert provide motivation. In the context of true crisis, this behavior might be essential. The direct relationship with the leader and an awareness of the possible consequences of failure hold the group together.

The leader's image is that of an authority.

2. **Demanding**



The leader sees themselves as someone who prioritizes performance. Their standards are high and they apply them to their own work. They are competitive, and not afraid to push their group. They see themselves as modeling what success looks like.

The followers perceive the work as focused on results rather than methods, and they concentrate on their target. The bar is set high and the constant push forward can be both motivating in the short term and stressful in the long term. The favor of the leader and being part of the winning group can also provide motivation. Meeting targets and the conflict-solving abilities of the leader hold the group together.

The leader's image is that of someone who sets the bar high and leads by example.

3. **Conducting**

The leader sees themselves as a coordinator, and they encourage and channel collaboration. They encourage people to work together while meeting their targets and believe collaboration is important and increases quality.

The followers perceive the work as being delivered by them while the leader retains responsibility for delivering value. They see the responsibility for creating cooperation as lying with the leader, but they consider themselves responsible for their individual contribution and reaching their own targets. They are driven by the ability to organize their own work and knowing that help is available if needed. The clarity of roles and group dynamics hold everyone together.

The leader's image is that of an organizer.

4. **Envisioning**

The leader sees themselves as someone who encourages people to achieve goals by providing a challenging and attractive vision of the future. They shape that vision to inspire spontaneous collaboration. They want to grow a sense of shared responsibility and feel that they are part of the team and trust the member's abilities. It is key for the leader to maintain an awareness of their own capacity to provide meaningful inspiration that translates into action and remain coherent with the provided direction.

The followers perceive the work as managed through collective conversation and agreement and they believe in collaboration and a shared identity that involves both risks and responsibilities. Being on the "same boat" provides safety and the feeling of belonging drives the group forward. The feeling of being able to learn and achieve more together might be motivating. The team identity and the shared inspiring and appealing purpose hold the group together.

The leader's image is that of an enabler.

5. **Coaching**

The leader sees themselves as supporting team members in individual growth at the same time as supporting and challenging the team to become more effective as a whole. They feel like they, in turn, need to earn trust

and respect, and they want to push people out of their comfort zone and create autonomy and purpose for everyone. Some aspects of this behavior can only be applied at a smaller scale.

The followers perceive the work as being self-directed and flowing from their goals and the meaningful collaboration organized around them. They share responsibility and have a high level of autonomy, which involves people picking their own work and learning from their mistakes. They are driven by a sense of belonging as well as the challenge of reaching their potential. The sense of being masters of their own destiny holds the group together.

The leader's image is that of a servant to the team.

6. **Catalyzing**

The leader sees themselves as setting things in motion, amplifying the success of the team and connecting them with the rest of the organization, ensuring positive interactions, a contribution to strategy development, and a valuable overall understanding of the organization's aims. At the same time, they channel the team's feedback back to the organization. They provide both praise and challenges and emphasize synergies and connections as part of a larger whole.

The followers perceive their work as self-governed when it comes to execution as well as goals. They maximize value delivery and incorporate clients' feedback autonomously. They see themselves

as open-minded, curious and on a path to continuous learning, as well as adaptive to change. They are motivated by their team's contribution in creating value for clients, and their mutual trust and search for new challenges hold them together.

The leader's image is that of a challenger and an amplifier.

Archetypes and theories: Mapping organization, culture and leadership

An overview of leadership theories shows that the ideal characteristics they represent are based on archetypes, ideal types of what an organization should look like, their underlying culture, and therefore what the leader's image should be in that organization. In turn, leadership theories can help us understand those archetypes and what they contain. The empirical evidence from multiple client engagements supports this, and has led us to observe a very strong relationship between *leadership attitude*, as it manifests through *behaviors*, o*rganizational design*, and *organizational culture*. On the basis of that relationship and pre-existing leadership theories, we have identified and refined different *Archetypes* that are expressed under specific conditions and bring leadership behavior, organizational design and organizational culture together. Within the ORGANIC agility framework, there are tools and methods to allow recognizing the *Archetype* to which an organization can be mapped at a given moment in time, and provide guidance for transitioning to a different archetype, while increasing coherence between *culture*, *organizational design* and *leadership behaviors*.

The idea behind ORGANIC leadership is that there isn't any right or wrong leadership behavior, but rather there are behaviors that one can master, and can be appropriately called upon in specific *situations* within a specific *culture*. As the *culture* creates part of the texture within which leadership behaviors are modeled, it has a strong impact on the emotional reaction of the people involved and creates specific expectations. Even a leadership behavior that is appropriate to a specific *situation*, if it doesn't correspond to the cultural expectations of the people involved, will very likely cause a negative emotional response, and potentially increase motivational debt. Being aware of the interconnections between *culture*, *leadership behavior* and *situation* provides much better insights about how to act, compared to more statically defined approaches to leadership.

To increase the level of flexibility and support the idea of scaffolding at the core of ORGANIC agility, mapping leadership behaviors to the archetypes according to what makes more sense in terms of identification within a specific organization is encouraged. This process will require some collective sense-making but will allow a narrative that is more specific to the organization to develop, supporting further transitions and evolutions.

In a slightly simplified manner, groups of theories that are in use today can be mapped to the following archetypes:

LEADERHIP THEORY	ARCHETYPES
Great Man Theories, Trait Theories Vision: Some of a Leader's characteristics are inherent and cannot be taught or acquired **Management or Transactional Theories** Vision: Task assignment and performance assessment are part of a leader's duties and reward or punishment can influence performance	**Expert Archetype**  The leader is the functional or technical expert. They define what needs to be done and how. In the corresponding group there is specialization and little collaboration, since relationships are formed directly with the leader who is responsible for reviewing and integrating the work done by the group. The underlying culture is primarily focused on *Control* and delivery quality.
Behavioral Theories Vision: Behaviors can be learned and changed through external and internal influences **Situational theories, Contingency theories** Vision: The emphasis is on the context and the suitability of leadership features and characteristics for a specific situation	**Co-ordinator Archetype**  The leader is responsible for the group working together effectively. The leader encourages participation but retains most responsibility for communication and decision-making. By encouraging participation, conflicts will inevitably arise that the leader needs to facilitate and resolve. Without resolving those conflicts the group will not be able to evolve to a higher degree of autonomy. The underlying culture is slightly more *Collaborative* than in the expert archetype, but still strongly anchored towards *Control*. In some manifestations this archetype can even support *Competing* behaviors between the members of the group.

Relational Theories Vision: The perspectives of the leader and the follower are both significant and connecting them is important for creating engagement	**Peer Archetype**  The leader is positioned as a member of the group and there is opportunity for more shared decision-making and peer-to-peer feedback. The leader supports the growth of team members by providing a shared purpose and encouraging them to take responsibility for the results. Learning how to make decisions collaboratively is necessary for the group to evolve further. The leader trusts the group more and is no longer involved in all conversations and decisions. The underlying culture is primarily *Collaborative* even if a small amount of *Control* might be present as the leader can still veto group decisions.
Participative Theories Vision: Collective decision-making has great potential, especially under stress situations where it can boost individual capabilities	**Coach Archetype**  The leader is positioned outside the team, playing a coaching role in terms of both individual and team development, as well as by providing benchmarks for continuous improvement. Operative work is carried out independently by the team within the boundaries set by the leader's strategic direction. To evolve to a higher level of autonomy the team will have to have learned how to provide constructive feedback to one another in order to foster a mentality of continuous improvement. The underlying culture is fully *Collaborative* and partially *Creative* and supports the growth of individual autonomy based on trust.

Complexity Leadership Theories	Strategist Archetype
Vision: Leadership is not a person or a position. Instead, it is a shared function based on a holistic systemic view. This means that, because of high levels of trust and complexity, leadership can shift within the team depending on context and needs. Leaders in this environment and aware of this property and actively promote it	 The leader is a strategist, and has the surplus to do it, because they have no need to exert control over the teams. The teams themselves are able to contribute to strategy design as well as execution, with an awareness of the bigger picture such as marketplace position and value creation. The role of the leader is now that of a conduit who maintains the connection between organizational strategy and the team's feedback. This does not apply just to one fixed team, but it extends to multiple teams coming together in clusters and dissolving as required, drawing on their cultural coherence and interconnectedness in order to achieve that. The underlying culture is in balance between *Control* and *Compete* and strongly weighted towards *Collaborate* and *Create*. Because of the awareness of the impact of their actions, the group knows how to shift towards the most appropriate culture for their challenges.

Creating your own archetypes

The archetypes outlined above are based on recurring characteristics in leadership theories. They are broad and based on organizational research, so they have a wide range of applicability in different types of organizations within groups (cohorts) that can map themselves to them. Sometimes it is more helpful for organizations to extract their own set of archetypes that are unique to them and reveal how they look at themselves and their organization. Archetypes are not stereotypes, a way of sorting everyone into predefined categories, but a way of making a set of shared cultural understandings visible. Here, we will briefly describe one way to do it, created by Dave Snowden[8]. This method takes place in the course of a workshop and it is ideal for the participants to know as little of the method as possible in advance.

- Archetypes come out of stories, so stories are the first step in the process: a collection of short narratives or anecdotes from as diverse a sample within the organization as possible. These can be collected through interviews in advance, or in the workshop itself, but it is important for any prompts to tell a story to be indirect, and to place the person telling the story in a specific context. For example, you should not ask "How would you describe leadership in our company?", unless you want people to repeat platitudes back to you.
- Once a body of stories has been collected, the groups participating identify all the characters that are present in the

[8] There is a range of publications your can refer to for more information on this, such as Snowden, D. (2005). "Stories from the Frontier". E:CO Issue Vol.7 Nos. 3-4 2005 pp. 155-165.

stories, and give them a name combining a noun and an adjective, e.g. “relentless detective". Similar characters are then combined into clusters, and the clusters themselves are given character names.

- Throughout this process the participants work only in their own groups, but for the next stage the groups can be mixed again, depending on the intention of their composition.

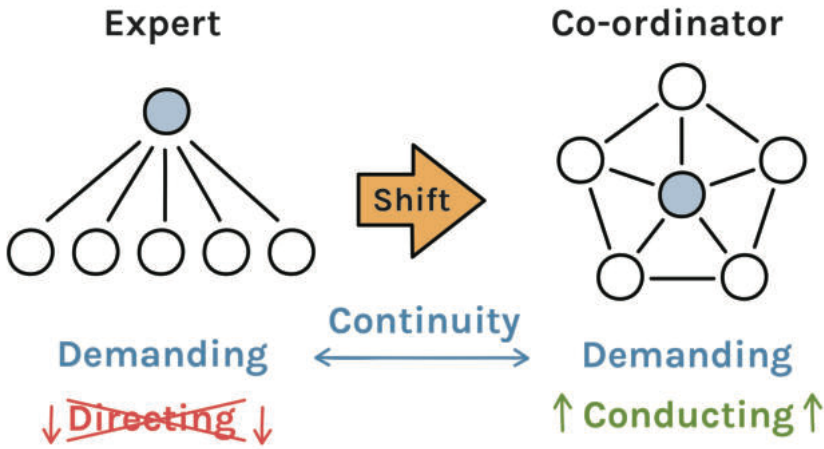
- Now starting from the character clusters that are on display (up on the wall for example), the participants identity a list of attributes, positive or negative, that are associated with this cluster (e.g. brave, or exhausting), trying to aim for a balance of positive and negative attributes (characteristics). All groups should participate in this process for all character clusters. The facilitator can at this point record which attributes emerged out of which cluster[9], but attributes need to remain distinct, because in the next phase the character clusters are removed and the attributes are all that remain. These are randomly mixed, and then clustered again without taking into account the origin of the attributes. These new attribute clusters should also show a balance of positive and negative.
- They are given a name, and these names represent the final archetypes. The names cannot be the name of a real person. As a final phase, the participants themselves (or someone more artistically gifted) can visually represent the archetypes. If the representation is done by someone else, it is the group that created the archetype that should give the illustrator instructions on how to represent it. The whole process can even be repeated with different groups, and the resulting archetypes can then be compared.

[9] This will allow you later to see which characters have a relationship with specific archetypes

Change through archetype transition: a dynamic model for intervention

Continuity is one of the keys to reducing resistance and conflict in transition. All change, even with the best intentions, can create what was previously described as motivational debt by introducing big gaps between expectation and reality, and essentially shifting the context without warning. Each leadership archetype encompasses multiple behaviors and the same behavior can be a part of different archetypes: for example an Expert and a Coordinator might both include demanding behaviors. These shared behaviors are going to be the bridge that will let us transition from one state into another with less disruption and less resistance.

This process of transition and discovery can be shaped through a workshop bringing diverse perspectives together. This starts by asking people to write stories of success and failure on post-its, using different colors for success and failure. The stories are then mapped on to archetypes, whether they are the generic ones offered here or context-specific. At this stage it is useful to separate the leader — if there is an appointed leader — from the group, so that we can compare their perspectives: do they associate stories of success and failure with the same archetypes or with different ones, and what do the archetypes that are associated with success or failure show us? Is the group uncomfortable with higher autonomy or does it favor it? Is the leader trying to nudge a situation prematurely or are they holding on to power? A lack of a pattern in the associations, or the presence of too many archetypes is a pattern as well, indicating a very fragmented and incoherent culture, probably being reinforced by the erratic operation of leadership.



INTERVENTION MODEL

Now, by taking the most common and successful archetypes and seeing which behaviors they have in common and which differ we actually have a path towards change that is grounded in the present state. Transition in this case is based on adopting more of the behaviors that are associated with the desired archetype and less of the ones that are not. Generally, the aim is to move towards a direction of greater, interconnected autonomy. It is easier to use a behavior of lower autonomy, if needed, at a higher autonomy archetype, but it is impossible to act with higher autonomy when it is simply not present. Autonomy and interconnectedness together provide diversity of options and solutions associated with the capability to form quick connections and feedback loops, which in turn result in higher organizational resilience.

ORGANIC Leadership: situational perspective

Another dimension of ORGANIC Leadership is the *situational* perspective. As expressed by Dave Snowden in the Cynefin framework (see later for a more detailed description) the capability to analyze a situation and understand which approach to action is more appropriate in that specific context is a key characteristic of good leadership. Within ORGANIC agility's *Principle 2* we introduce the importance of focusing the decision making process on the situation at hand and the specific circumstances in which the situation is happening. Cynefin helps qualify those circumstances into different domains, or rather allows different domains to emerge from those circumstances, which are in turn characterized by different approaches to decision making and acting. The distinction between *Ordered* and *Unordered* domains, provides a vocabulary that can be used to establish a common language and in turn create a coherent approach to deciding and acting.

This will be discussed in greater detail in the "Systems" section from the chapter dedicated to the Principle 2, but to briefly explain the distinction: In ordered domains, there is causality, meaning there is a clear relationship between cause and effect. This means that we can plan and act, based on the recognition of specific signals and characteristics of the situation and the context in which it is happening. In some cases what to do is self-evident, in others it requires analysis. When analysis is required, expertise plays a very important role, and knowing who the experts are, so we can ask them to analyze the situation, is the way to move forward. In order to improve the quality of what is decided and executed, establishing expert peer review is the most effective way.

In unordered domains, the lack of causality makes planning and the direct reuse of existing approaches very difficult, almost impossible. When ending up in a chaotic situation, the capability to act promptly is what will make a difference, no matter in which direction. Waiting and trying to analyze the situation is going to be useless as volatility and uncertainty are very high. When the situation seems to be complex, expertise doesn't help much, and what is necessary is the ability to run multiple parallel probes (some of which will fail) that will allow the identification of repeating patterns and show us how to modulate the system.

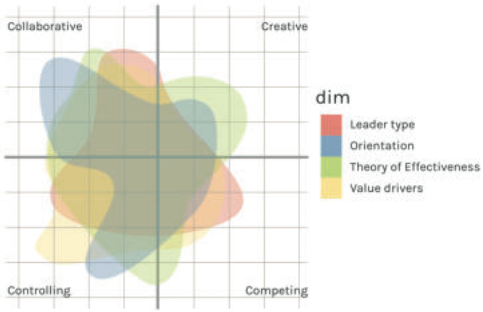
The understanding of the context and the situation allows leaders to act more effectively in a range of cultural contexts and levels of organizational maturity. In most cases, cultural context and organizational maturity influence the details of *how* things are handled (i.e.: different rituals will emerge), but do not influence the overall approach to action (e.g.: in a hierarchical organization the leader will very likely appoint experts and will make decisions in a complicated situation, while in a more collaborative organization the group will appoint experts and options on how to move forward will be vetted and discussed by the group). However, there are some cases where, independent of the cultural texture and organizational maturity, things will need to be handled swiftly to avoid further loss of energy and motivation. These cases are hopefully rare and unusual and they require specific handling, as opposed to the normal daily flow of work (i.e.: in the ordered domains, where planning and managing work well). Leaders should be aware of the context and the situation and also of how to appropriately shift their behaviors, even if in some cases those shifts won't be welcome by

the group around them because they do not reflect the existing cultural expectations.

Situational awareness adds a layer to thinking through the best behaviors to adopt in order to be more effective. At the same time, it provides a way of recognizing behavioral patterns and understanding how to interact with existing constraints to shift those behaviors towards more beneficial ones.

The OrgScan: making culture visible

We said that there are many methods out there to assess culture, and the OrgScan is one of the most comprehensive. It uses patented SenseMaker design to let people in an organization tell mini-stories of decisions made in the organization and interpret their own narratives in a way that doesn't encourage them to give the "right" answer. These decisions are then used to clearly visualize the current cultural state. This tool allows the combination of unique internal knowledge in interpretation with expert support in analysis, which is based on a comprehensive report at the end of an initial capture period. After this period, the OrgScan can continue facilitating cultural change through visibility and rapid feedback loops. For more information, visit https://www.organic-agility.com/tools/organizational-scan/



Principle 1: Increase Cultural Awareness and Coherence

Since culture is one of the three dimensions of the ORGANIC Leadership framework as well as the main element of the first principle, it provides our first connection and point of transition from leadership to the five principles. There are many organizational culture models and frameworks out there, and they are all potentially viable options as long as they support a complexity-informed perspective and include a contextual understanding. The idea of ORGANIC agility is that the specific models are interchangeable when the overall philosophy is the same. Embracing complexity means being aware that culture is not a static definition of values or behaviors, but rather a dynamic and ever-changing interaction of relationships, habits and rituals that make culture "observable" but not definable and definitely not implementable. As long as the organizational culture model represents culture as an outcome of many interactions, and not something you can design, they are probably going to fit with the ORGANIC agility approach.

The connections between organizational culture and leadership behavior are not straightforward or direct, but they are observable over time, as leadership behavior influences culture and the other way around. Culture is the context in which leadership develops, and that means that an organizational culture's predispositions will significantly influence the direction leadership will take. Along the same lines, leadership behaviors are going to be well-received whenever they reflect existing cultural dispositions, and they are

going to be considered a threat whenever they go against them. This is how leadership behaviors have an impact on culture and how culture can influence leadership attitudes.

Most models identify a set of characteristics through which culture can be observed and measured. While there are many subtle differences, almost all models agree[10] on a subset of comparable characteristics:

- **Leadership Type, Style or Attitude:** is a characteristic describing how leadership is practiced within an organization, in terms of capability rather than personal choices (which is consistent with our definition of leadership). Leadership can influence culture in many ways, and depending on context can either support or impede progress. In particular, leadership can influence the way people approach work;

- **Quality Strategies or Orientation:** is a characteristic describing how work is being organized and executed, with particular attention to what the word "quality" in delivery means. This is related to the idea of culture as "how we do things around here", and in particular to what we refer to as "done right" or "done wrong";

- **Theory of Effectiveness or Success criteria:** is a characteristic describing an organization's perception of success, in particular according to a definition of what the purpose and aims of an organization should be. Note that this should represent the direction towards success and not the criteria themselves: for

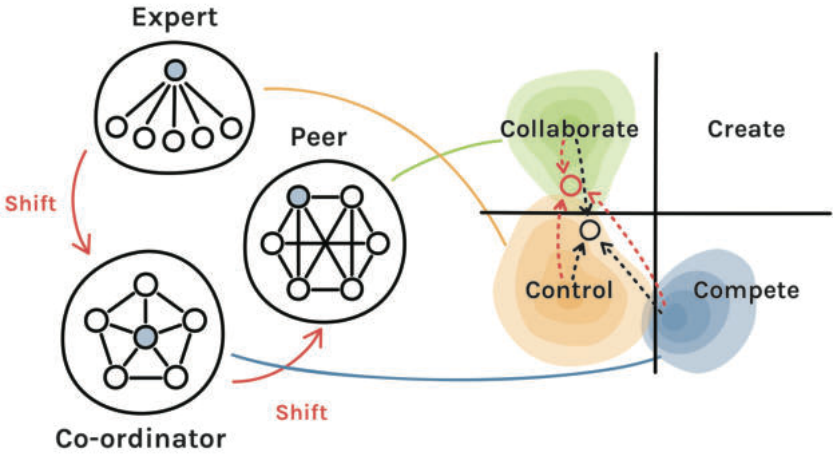
[10] A good summary can be found on Wikipedia: https://en.wikipedia.org/wiki/Organizational_culture

example, "creating new offerings" is a direction (purpose), while "creating new data packages for mobiles" is a criterion (measurement). This is future-oriented and can be observed through the stories people tell as well as reinforced or weakened by the same stories;

- **Value Drivers, Motivation or Beliefs:** is a characteristic describing what motivates people to act within an organization. This relates more to individual values and beliefs than to the collective view of the organization. People act coherently with their own value system (most of the time) and this is the way human beings maintain coherence while also taking on multiple identities, according to Identity Theory. Just like leadership itself, those cannot be seen directly and asking what they are is unlikely to lead to an answer, but they can be seen indirectly at the border between belief and action;

Any existing cultural framework that shares a similar approach to describing culture can be integrated with the ORGANIC agility Leadership Framework. As previously stated though, the framework should support a complexity thinking approach to influencing culture, through continuous small interventions, rather than a systems thinking approach to culture. The latter starts with the definition of a desired final cultural profile and, by performing gap analysis between the current state and the desired state, guides the practitioner through the implementation of a culture change plan. As a starting point, we often use the Competing Values Framework (CVF) which recognizes all those dimensions and allows them to be plotted based on two axes running from an internal to an external orientation and from centralization (control) to differentiation

(flexibility). It is very widespread, and its application in many different contexts as well as its recognizability facilitate communication and make it a useful model to start from.



INTERVENTION MODEL -CULTURE

We have talked about describing culture, but how do we change it, given that this is a major preoccupation in organizations? This brings us back to awareness and coherence, as well as to leadership: by mapping stories of success and failure and intervening to act on leadership through behavior, we are influencing organizational culture itself, not through proclamations but through actions. Awareness comes from making culture visible, and coherence will also be revealed through that process. There are many ways of doing that, from archetype assessment, to 360 leadership assessments, to even more sophisticated ways (see also the information box below). Ideally, it is best to assess culture in multiple ways, so that you can even check for coherence and validate your results through comparisons between methods.

Once the incoherence or coherence, as well as a representation of the culture has been visualized, it is easier to locate the direction for change. This visualization needs to be a valid approximation rather than a perfect representation of reality. A key concept for transition, which visibility supports, is that of the adjacent possible: instead of trying to aim for a distant goal, it is best to aim for the closest point to the present state that has the highest level of acceptance. This is likelier to be achievable with less energy expenditure and less cost in frustration and resistance to change. The intervention to shift culture through leadership happens via archetypes, as outlined above, using shared behaviors to ensure a degree of continuity. Leadership behavior itself can be influenced and reinforced through coaching. A last note on this matter is that transparency is not always a virtue: when it comes to changing organizational culture, proclamations of intention and direction could lead to people trying to figure out what is expected of them and comply, which muddies the water and doesn't allow change to happen organically.

Leadership is usually the first element that changes in organizational culture because it is the one most quickly and directly affected by those who exercise it. Orientation can then follow (how work gets done), followed by Effectiveness (what is success). Change in those dimensions can be supported by observing existing rituals and fostering the positive ones, without trying to define them. Despite the trend in efforts of organizational transformation to begin by emphasizing the company values and making them explicit, Value Drivers are usually the last dimension of organizational culture expected to change. The emergence of new Value Drivers indicates that a transition is real and complete.

Principle 2: Decide based on context

As described in the ORGANIC Leadership framework, an important dimension in acting is the situation/context in which those decisions and actions need to be taken. The second principle of ORGANIC agility suggests adopting a shared approach to decision making, which is based on the understanding of the complexity of the context and guides through the steps of situational analysis and decision making. Moreover, the establishment of this common approach to decision making doesn't depend on achieving any particular level of coherence in organizational culture. By using the Cynefin framework, created by Dave Snowden, we can identify different approaches to decision making and acting, determined by the recognition of the context in which we operate. Identifying the context itself is an exercise in sense-making, which can be individual or collective, when performed within a group. With no ambition to oversimplify Cynefin, ORGANIC agility *Principle 2* proposes the following approach:

- When an individual or a group of people agrees that what needs to be done is self-evident and doesn't require specific knowledge or expertise, it means that anyone within that organization who finds themselves in a similar circumstance would act in a similar way. This implies that the organization has defined policies, processes or tools for specific types of activities, and every employee knows when such constraints apply, either because they are common sense or because they are explicitly taught as a part of the organization's on-boarding process. The way to improve decision

making in this context is to hold regular reviews of those policies and see if small changes can improve the quality of decisions. Monitoring for people using workarounds and gaming the processes or policies is also useful, not to make people comply, but because these might be indications that a process no longer works as intended;

- When an individual or a group of people determine that, in order to decide, some sort of expertise or analysis is necessary, then the better approach to decision making is to identify the experts in the specific domain, allow them to provide options (vetted through peer review) and then decide based on those options. To improve decision quality, multiple experts can collaborate, facilitated by a non-expert who can introduce naïve questions, avoiding the risk of analysis paralysis and a limited expert point of view. The recognition that analysis is the best approach and expertise will provide the solution implies that we are still in an *ordered* domain (see also the section on a situational perspective on Leadership). If the experts cannot decide between multiple coherent options within a reasonable amount of time, the following might apply instead;
- When an individual or a group of people determine that it is impossible to analyze a situation given the high level of volatility and uncertainty, then the better approach to decision making is to run multiple parallel probes, in the hope that certain patterns will emerge that will help decision making . Under such conditions expertise doesn't play a role, and in fact can hinder if experts cannot see beyond the scope of their expertise, and instead of exploring potential patterns they see every new input through the

prism of their pre-existing models (to an expert in hammers every problem will be a nail). To make decisions and act in such situations we need to continuously compare different ongoing experiments and create repeatable patterns by changing the amount and type of constraints. We can then compare the experiments and patterns to one another and try to amplify beneficial ones and dampen negative ones, by identifying factors that can be used as catalyzers. In time, patterns might be stable enough that analysis can replace experimentation;

- When in a true crisis, it is impossible to analyze the situation, because the volatility is so high that even experimentation won't help. The only way to proceed is to make decisions with authority as fast as possible. A bad decision is better than no decision at all, as it will create some constraints that will allow patterns to emerge in the system. We recognize such situations as chaotic and very energy-draining, but the presence of constraints and creation of coherence will allow us to move back into a context where experimentation is possible.

The first two contexts belong to what has been introduced in the situational perspective on leadership as *Ordered domain,* while the last two contexts belong to the *Unordered domain.* Both are part of the Cynefin framework, which is explained in detail in the next chapter.

Going Further into Cynefin

If you have already attended the ORGANIC agility Foundations, you were introduced to the Cynefin framework as a powerful support for decision-making. This introduction included the idea of

different contexts with different characteristics, to which different types of response are better suited depending on the level of complexity and the relationship between cause and effect. This framework can form a common basis for understanding the decision-making processes in an organization and is especially valuable in the context of the growth of distributed leadership. In practice, you also dove a bit deeper into how complexity works, since this is built into strategy creation with the Strategy Map (which will be introduced in the context of ORGANIC agility *Principle 4: validate changes in small increments* later in this handbook).

Introduction: Types of systems

The Cynefin framework has five main domains. In part, the characteristics of those domains come from their belonging to three different types of systems. These systems are a higher level way of recognizing different kinds of relationships bound together in a coherent way. They are characterized by types of constraints specific to each and the distinct causal (or lack of causal) relationships that exist within them. *Ordered systems* are characterized by repeatability, predictability and are highly constrained. There are direct, accepted relationships between cause and effect. *Chaotic systems*, on the other hand, are typified by lack of any effective constraints between and acting on the elements within them. They are in effect random without discernible patterns from the perspective of an individual decision maker. When it comes to humans, truly chaotic systems are actually difficult to sustain without significant energy consumption, as the tendency to create some constraints that initiate pattern formation is universal. These constraints often take the form of relationships, and the emergence

of patterns co-evolving with the context means that the system will no longer be chaotic, but complex. Chaotic systems only exist as a temporary phenomena, very temporary if they happen accidentally. Nevertheless, their impact and consequences shouldn't be underestimated.

Finally, *complex systems* do show internal connections and patterns and some constraints operate in them, but many of these can change in response to the elements in the system and change them in return. These shifts happen in non-linear and unpredictable ways. Relationships here do not follow any linear form of cause and effect but of a broader landscape of general tendencies to move in a certain direction (known as dispositions). Because of the multiple elements that are connected in ways that are not always visible, outcomes are unknown and actions will have unintended consequences.

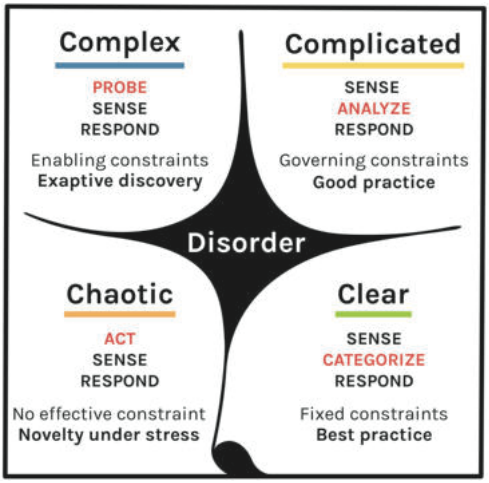
No system is better or preferable to any other, but failure to recognize what kind of system we are operating in and adapt accordingly can have significant consequences, the degree of which depends on the relationships between systems. Moving from one type of system to another is not a simple and gradual transition, but a movement, a phase shift, from one state to a very different one, of a different nature and characteristics. This is a key distinction because it means that once a boundary is crossed radical change should be expected. Emphasizing this helps us perceive the difference and deal with the change more easily. The differences between these systems are not only in nature but in energy level. To represent this visually, imagine them lying at different elevations: the consequences of acting as if you are on an ordered system when

you are not, and falling over into chaos can be very heavy, like falling off a cliff in the dark. Returning to an ordered system is like climbing up: it requires a high energy investment. On the other hand, as we said, establishing patterns that will shift a chaotic to a complex system requires far less energy because it works with the natural tendencies of systems and not against them.

The Cynefin framework: a quick refresher

Two of the Cynefin domains are ordered systems: the *Clear* and *Complicated* domains are both characterized by some level of constraint and visible connections. The Clear (formerly Obvious) domain is where well-defined procedures, automation, and strict rules belong. The rules and constraints are known to everyone and there is a generally known and accepted best practice. Since there are no hidden elements, categorizing a situation appropriately is enough for being able to respond to it (i.e.: knowing which rules or processes need to be applied). In the Complicated domain, on the other hand, even though there are direct relationships between elements these are not known to everybody, but just to experts. Variability is greater, so there are multiple possible responses and many of them might be equally good, but only experts can determine that. Constraints are more boundary-like in nature and defined in response to expertise and peer review. Analysis or deep expertise is a prerequisite for action.

The *Complex domain*, just like complex systems, is where multiple, changing, non-linear, and invisible relationships come in. With unpredictability being high, analysis is not helpful here. Instead, we create multiple parallel probes: selective constraints that allow



patterns to develop among the multiple options and that can reveal some of the tendencies and capabilities of the system. In an organizational setting and in the context of strategy, these can take the form of multiple parallel safe-to-fail experiments. In order to be able to act on the results of those experiments it is important to have in place strong observation and feedback mechanisms and dense networks that will allow fast reactions. Variability and multiple perspectives are especially important for covering a broader range of possible responses. From the observed patterns, the beneficial ones can be reinforced while the negative ones can be dampened. In this way, practices emerge through interaction and, without knowing exactly what the future will look like, it is possible to evolve the present to a more desirable condition.

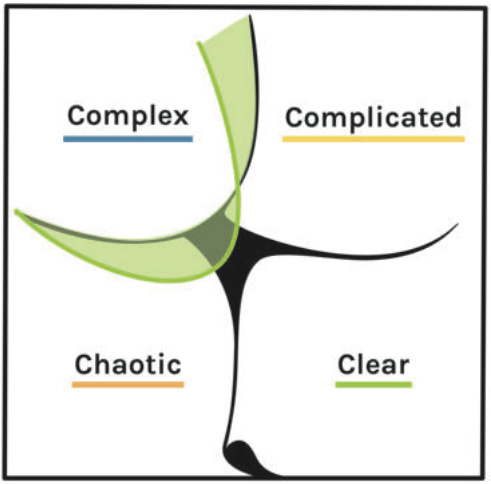
The *Chaotic domain* has all the characteristics of a chaotic system and there are no effective constraints. When we find ourselves there by accident (how and why we might enter this domain intentionally is covered in the following sections) it is usually a moment of crisis, and the main focus is on exiting. This makes firm and immediate action necessary. However, chaos is also an opportunity for innovation, as all preexisting constraints are broken. It is not by accident that the Chaotic and Clear domains are found side by side on the representation of Cynefin. The reason is that rigid

constraints and standardization are essential tools in context but they include an inherent risk: over-constraining a system (especially if we mistakenly think the system is ordered) will create tensions, and the tight constraints and illusion of predictability can prevent us from seeing the cracks until it is too late. The result is a collapse from *Clear* to *Chaotic*. Used deliberately, the Chaotic domain is one of innovation and distributed decision support and situational assessment.

Finally, the domain of *Disorder* is, at its simplest version, the state of not knowing which domain we are in. In the process of decision-making, this is often the starting position. The risk is failing to recognize that. It is a common response for decision-makers to try and reduce the discomfort of uncertainty by interpreting the context in the way that is most suited to their preference and tendencies, whether it matches reality or not. However, this is an important space for uncertainty, and the role it plays becomes clear in the discussion of the liminal domains and dynamics that follows.

Introducing liminality

From the beginning of the creation of Cynefin, by Dave Snowden, there was a sense that the five domains were not quite enough to express the reach of the framework. Even though the ideas of transitional zones and movement within and between domains were always there, they were often ignored in favor of a more simplistic, almost four by four understanding. The current form of the liminal Cynefin, however, turns those movements within and between domains into domains themselves and forces us to pay attention to them.



Liminality is a concept that comes from anthropology and it expresses the state of being in-between, in transition. Literally, it is the point of crossing a door when you are not on either side. Because of that, it is very important for expressing and understanding movement from one area into another, and it is also connected to rituals, which can trigger movement into a liminal area, or out of it, or make the process of transition more manageable. In Cynefin, it is visually expressed through the green curved line you see in the image above, which defines three liminal domains.

- The first liminal domain lies between the Complex and Complicated domains. It is what happens after multiple parallel experiments have been run in the Complex domain and some stable results, or patterns, have emerged. In this area, we can focus on those patterns and experiment with a focus on testing and refining them in an iterative process. This phase should last for as long as possible, to make sure that we really do have repeatable results that can safely belong in the area of expert but secure knowledge, in the Complicated domain. A lot of the methodologies that are associated with agility, such as Scrum, work particularly well in that area.

- The second liminal domain cuts through Disorder. The domain of Disorder in general is characterized by not knowing which domain we are in, but there are two subdomains within it: one is when we are in a state of transition, which includes some unavoidable uncertainty and tension about context (authentic Disorder). The other, and more dangerous, is when we are in a domain, but think we are in another because it suits our biases and preferences better (inauthentic Disorder).

- The third and final liminal domain is between the Complex and Chaotic domains. You will notice in the image that this is represented by a closed line, unlike the one between Complex and Complicated, which is open. This domain is essentially a safe bubble within chaos, and the firm boundaries are needed to both create and protect it. It is a powerful relaxation of all constraints within a well-defined area that allows novelty to emerge. It has some of the characteristics of both neighboring domains, but it requires attention to keep it liminal and prevent it from moving into either domain.

Collapse into Chaos

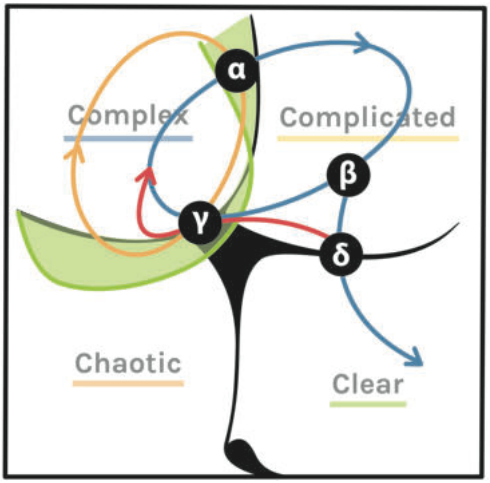
You might have noticed that there is no liminal domain between Clear and Chaotic. This is because there is no possibility of transition there, and therefore no transitional state either. The line between the two is often visualized as a cliff: it is easy to fall off Clear and into Chaotic (the mechanisms of that have been mentioned in the introduction of the domains) but it takes a lot of energy to climb back up. As the next section will imply, the natural “exit” from chaos

is not back where you came from, but the much easier move into Complex and the re-establishment of new patterns.

The major danger involving the relationship between the Complex domain, the Clear domain, and this collapse is the effort to eliminate complexity by either ignoring it or trying to force it into Clear-like characteristics by constraining it too much: the assumption that if you treat a context as obvious then it is going to become so. If that sounds similar to the description of Disorder above, it is by design. In fact, Dave Snowden has suggested in his latest work[11] that this zone between Clear and Chaotic can be thought of as an extension of inauthentic Disorder.

[11] https://cognitive-edge.com/blog/cynefin-st-davids-day-2019-5-of-5/

Dynamics



A discussion of dynamics is also not new to Cynefin, but their combination with liminality and therefore distinct transitional states made them more purposeful and made clear which of the (initially multiple) dynamics were the core ones. Dynamics refer to the movement between domains, and they can be created or encouraged by changes in constraints. An important warning here is that the dynamics do not mean that one domain is preferable to another, and therefore we "should" move in that direction. Instead, what matters is adjusting action to the characteristics of the domain, and recognizing when the desired outcome does not correspond to the qualities of the domain we are in, and therefore movement is necessary. For example, if we want to scale something by repeating patterns and adding onto them, then it is necessary to get it to the Complicated domain, without forcing the process. This is possible through an understanding of dynamics:

- The dynamic shown as blue in the image is the most stable pattern: it begins with the (by now a bit more familiar) parallel safe-to-fail experiments in the complex domain, which become iterations for testing and improvement in the liminal domain. As mentioned before, this process should be sustained for as long as possible, and only once a pattern has been

demonstrated to be fully stable can it be considered to belong to the Complicated domain. A helpful criterion here is the reaction of the pattern to increased constraints: if it is repeated under constrained, controlled conditions, then it is indeed safe to consider Complicated. However, continuous alertness to the possible need to move back into the liminal or even the Complex domain is still necessary. If a pattern truly remains stable over time, then it might be standardizable enough to move to the Obvious domain, but even then flexibility is necessary, and especially checking for increases in variability.

- The dynamic represented in red in the image, is the response to what happens if it becomes clear that something has been pushed into the Clear domain before its time and it is now too late to move it back to the stable pattern of the blue dynamic. It is called the "shallow dive into chaos". Unlike the collapse into Chaos, which is described in the section on Liminality, this can be a real recovery through radical change and restructuring. An indication that constraints have been imposed too soon is that they only appear to be working because people are either ignoring them or working around them. This radical change with a period of high uncertainty allows a return to the Complex domain and eventually, potentially, to exploitation. Exploitation here refers to refinement through the liminal domain that is the precursor for stabilizing something enough to make it Complicated, and therefore potentially scalable.

- The final dynamic is the one shown in orange in the image, the "Grazing Dynamic". Never quite making it into Complicated, this circle represents very fluid states that move through all

three liminal areas and the Complex domain. It can include the creation of innovative elements and practices (something that often happens through contact with Chaos), but even when some relatively stable patterns form there is no opportunity for full exploitation.

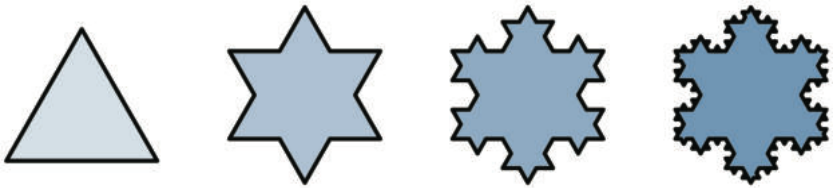
Planning, control, and management

These three aspects are not just related to one another and to understanding context in order to act, but they also have an immediate effect on the practice of leadership in an organization. The degree of control and the possibility of planning differ from domain to domain. Starting with the extreme states, in the Chaotic domain control needs to be high and strict, to facilitate a fast exit into the liminal and Complex domains. Little planning is possible, since there is no way of knowing what the outcome might be. Instead, in the Complex domain controls are emergent, they are changeable, and they are created through multiple relationships and interactions that affect one another. This process requires multiple parallel experiments, fast information exchange, and adaptability. Planning is possible to some degree, not through aiming for a specific target but through the awareness of a general direction for change. This is also expressed in defining goals in the Strategy Map as a direction, and in measuring progress as a vector (see ORGANIC agility *Principle 4: validate change in small increments* later in this handbook).

In the liminal domain between Complex and Complicated, more specific planning is possible as a specific idea is being tested, refined, and verified. Complicated itself is the domain of expertise, which

means that both planning and control change in nature: instead of being explicit, they are part of long-term structures of experience, professional practice, and dedicated training. Targets need to also change in response to this, and be broad enough to allow for compromise and variation in response to expertise and the relationships, standards, and evaluations of peers. Finally, in the Clear domain, control is present but through process. In terms of leadership, this means not constant imposition, but the establishment of shared understanding that allows delegation. Meanwhile, remaining alert to the need for change suggested by the increase in variability or the subversion of processes and controls that no longer work is an essential leadership characteristic here. In terms of measuring results, specific measures such as KPIs work well in this domain, as long as they are few and clear.

Fractal Cynefin



A FRACTAL

Previous sections addressed scaling through the dynamic move from the Complex to the Complicated domain, so that patterns can grow by repetition or addition. Fractal Cynefin addresses the process of scaling in complexity. A fractal is a pattern that repeats and is identifiable at different scales. If it is actually the same at different scales, then it is called a self-similar pattern. There are many fractals in nature, such as the leaves of a fern or the whorls of a shell. The two key elements for transferring this metaphor successfully to organizations and leadership are breaking down the problem to the correct size for patterns to start forming and not expecting that patterns will be the same at different levels.

The process of parallel experimentation and gradual move from Complex, to liminal, to Complicated, represents exactly that fractal quality of breaking down, and combining to create something different. What is important is that, because of the properties of complex systems, it is not possible for the process to work backwards: you cannot break a problem down into smaller pieces and expect that the combination of individual solutions is going to

give the larger solution. As discussed on the subject of planning, aiming for a specific target is impossible.

Finally, Cynefin is fractal not only in its understanding of the process of growth and scaling, but in its nature as a framework, since it works in different levels and enables communication between different levels and different perspectives by creating a shared abstract language that leads to different, context-specific understandings.

Principle 3: Focus on value creation

This principle of ORGANIC agility introduces two different questions that need to be answered:

- What is value? What does the market we are targeting recognize as value? What do our customers describe as valuable?
- How can we deliver that value? Should value be delivered effectively (fast) or efficiently (conveniently)?

The dual focus of this principle allows different techniques and methods to be introduced, which can be applied both to identifying and discovering what is valuable to each of the target groups that an organization might address, as well as to understanding, based on market positioning, how to organize internally to deliver such value appropriately.

Let's focus on answering the first of the two questions. Validating value statements with customers is very challenging, and one of those elements many organizations on the market today don't feel are worth investing money on. Their assumption is that either they already know what is valuable and what isn't, or that customers won't know what they value when confronted with something totally new. Reality and practice, though, have demonstrated in many cases that the lack of dialog and validation with customers or the market is a major reason for failing to grow and become successful. Of course, the potential for introducing innovation is real (remember the lessons of the Apex Predator theory from the introductory chapter). Moreover, the method introduced in this

chapter, when systematically applied, allows organizations to discover even needs and value that the customers were actually not aware of, or that the organization was not serving.

Connecting back to what has been shared in the chapter *A view from the outside: the market,* we know that the behavior of customers changes significantly depending on the specific market phase. In the *Early Market* phases it is important to share and learn the customers' issues and needs, so that we can develop solutions to those needs by using rapid feedback cycles. These would persuade *Visionaries* to promote our organization and potentially enlarge our market share. While crossing the *Chasm,* it is important to be able to understand specific problem domains and to customize the solution to respond to the needs in those domains. On the other side of the Chasm, *Pragmatists* focus on having their problems solved. They are very keen to provide details and support solutions in order to achieve that, so organizations delivering such solutions should react promptly. Moving to Late Majority markets requires organizations to simplify solutions to the point that *Conservatives* would find it easy and comfortable to switch from their existing systems to new ones. No matter how much we are able to simplify something, the *Conservatives* will still require premium services, mostly for free. This is one of the reasons why overall profit in this phase of the market inevitably shrinks, making efficiency more important than effectiveness. In fact, the late majority market prefers stability and slow evolutionary changes, making it irrelevant or even disturbing and unsettling to have frequent improvements.

Recognizing which of the aforementioned groups our customers belong to is a very important step in order to be able to determine

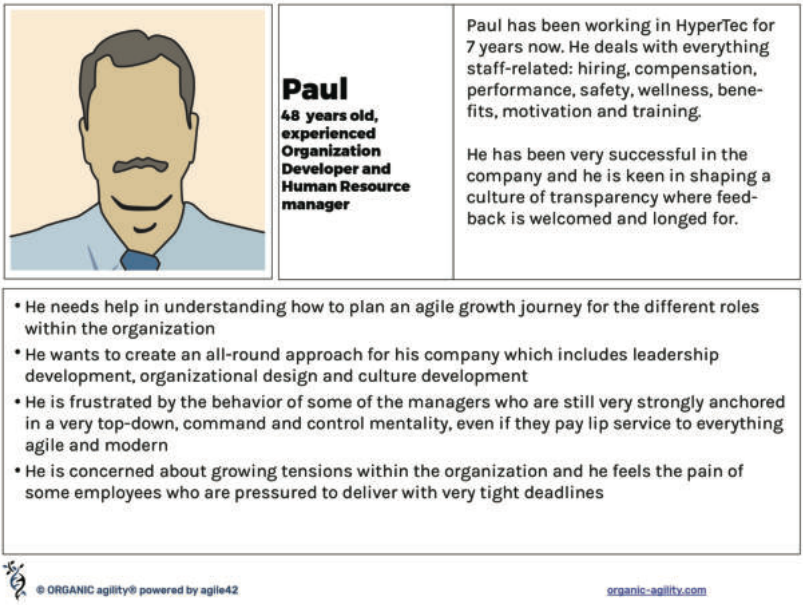
what they value the most. ORGANIC agility introduces a method called **Value Stream Discovery**, to both identify target groups that are being serviced by an organization's product and service portfolio, as well as to help identify their behaviors and recognize which market group they might belong to, through the creation of *Personas*. Target groups and personas help maintain focus on valuable actions. They also help companies learn how to extend and improve value creation to better serve existing customers' target groups.

Now focusing on the second question: How is value delivered? Or rather, once value has been identified, which organizational form is best suited to deliver it? Reflecting on this opens up new possibilities. Traditionally, organizations tend to determine their structure beforehand, statically, based on expected business cases (or accidents of their evolutionary course so far), but neglect adapting that structure when the market shifts to different phases. This fits into the mechanical approach described earlier. Based on what the two introductory chapters presented, it is especially inadequate for the *Early Market* phases, particularly when having a varied portfolio of services and products. Depending on the target group and their positioning on the market, we might want to use different types of organizations to deliver to and service each of the target groups. This means that designing an organization with a single standardized form might be wrong. In *Early Markets* we might even want to avoid "organizing" too much, but rather provide *Enabling Constraints* to allow for more flexibility and adaptability, and foster emergent positive rituals, while dampening negative ones. Either way, the ORGANIC agility approach - being evolutionary in nature - starts by mapping existing capabilities to

required market needs, to determine how to best organize, given those capabilities. This is in line with complexity thinking, and it is in contrast to (still) more common system thinking approaches on the market. The latter define first a new (ideal) organizational blueprint, potentially with empty roles and boxes that will be filled by moving people internally or hiring externally. This approach requires to sometimes radically change the organization in order to achieve the newly defined ideal state. In this large change initiative, the co-existence of new and old roles, responsibilities, artifacts, processes and tools will be a major cause for duplication of efforts, frustration and disengagement of employees, while also wasting a lot of the achievements already made in the organization, in order to start anew. ORGANIC agility introduces another method called **Competency Mapping** which aims at mapping existing organizational competences to required market needs, and facilitate the identification of strategies to increase effectiveness (in case the addressed target group is in the *Early Market* or *Early Majority*) or efficiency (in case the addressed target group is the *Late Majority*).

Value Stream Discovery

This part of the workbook is less theoretical and more based on practical steps you can take. It is especially relevant to Principle 3 of ORGANIC agility, and it closes the distance between value creation and value delivery. This section will take you over the process of Value Stream Discovery step by step, enabling you to apply it continuously and frequently in your own context.



PERSONA EXAMPLE

Step 1: Create Scenarios

Those *scenarios* should be based on consumer or customer interactions with your company. The scenarios should be specific, and throw light on the current situation, as well as the needs and dissatisfactions included in it, by describing the actors who are involved in the scenario and their expectations. These will become leverage for the next step.

It is possible to start from hypothetical scenarios based on past experience, but validating these through interviews with real customers, present or future, is essential to making sure that they correspond to reality and are relevant to you. This is what makes them valuable. Carrying out the interviews will be an exercise in

practicing awareness, since you need to avoid leading questions and creating bias as much as you can.

Step 2: Extract needs and dissatisfactions

Now that your scenarios have been validated, use those narratives to extract needs and dissatisfactions. This can be seen as a process of clustering that begins from the actors and needs in the scenarios and concludes with *personas.* These personas can aggregate needs or frustrations that are represented in multiple scenarios. At the end of this step, you should have a set of persona cards, each with their set of needs. In this description of the process, personas are used, but the use of *archetypes* is also possible.

Interviews are a useful way of validating again that the personas are real and relevant and that the clustering or needs correspond to actual customers, even if the persona itself is an abstraction.

Step 3: Aggregate Personas into Target Groups

At this point, another look at the needs and dissatisfactions is necessary. Those that are similar can be used to aggregate personas themselves into *target groups*. This process is not perfect and is meant to involve trial and error, as well as multiple possibilities. There are, however, some heuristics that can help:

- The number of personas per target group: big inconsistencies in the size of the clusters is an indication that something is not quite right. Similarly-sized clusters that can be used to represent specific characteristics are the goal.

- Relevance to current products and services: if your target groups have absolutely no relation to any products and services that you are currently offering, it is again likely that something has gone wrong with the clustering.

After having identified target groups, each should be given a meaningful name (e.g. teams of less than 12 people). The target group should be thought of as a shortcut to the personas and the needs that those represent. The primary needs or dissatisfactions expressed in the cluster should also be highlighted by the target group.

Step 4: Create the Value Streams

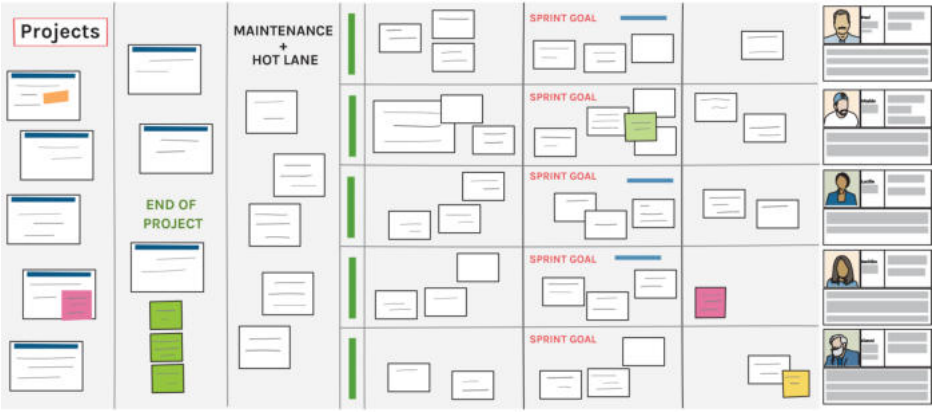
Each of the target groups you have identified lies at the end of a *value stream:* this means that in order to respond to the needs you have identified for that group, you have to provide value. This value is produced by a sequence of combined activities. A more abstract view of those activities creates general subprocesses that make up value delivery. Every step along the way that contributes to the ability to offer a service or product (deliver value) should be included there, from building it, to marketing it, to providing support for it. Anything that contributes towards evolving that same product or service also belongs to the same value stream.

Step 5: Activity Mapping

For identifying types of activities included in Value Streams at the right level of abstraction, it is possible to use actual or completed projects (20 or 30 as a suggestion). Use a *project canvas* that includes

information such as the effort the project required, how long it took, skills needed, and how much each skill contributed to the total effort. In this way, you can identify the average capacity needed, in addition to the activities included.

After the project canvases have been completed, the mapping process works as follows:



VALUE STREAM DISCOVERY

A. Prepare a large surface, such as a big board or an entire wall. The target groups can be placed to the far right.

B. Map the project canvases onto target groups, whether the relationship is one-to-one, or one-to-many. If there are multiple projects that address many target groups at once, this is useful information to reflect on: is it related to the way you have defined the target groups, or to the way your projects address customer needs?

C. Identify the subprocess represented in the project canvases for each target group. Look also at the distribution of effort across

different skills in those canvases and include the entire value stream for that specific project, along with activities such as marketing and support. This will give you a list of subprocesses that are general enough to apply across similar projects.

D. Looking at the projects for each target group separately, create cards representing each of the activities included in their value streams. For each activity capture the percentage of effort relative to the whole project effort represented by it and the skills it involved. Group these activities and skills according to the target group they correspond to.

E. Look at the skills included in each target group, along with the relative percentage of effort they represent and create some heuristics that will serve as enabling constraints in guiding the design of the organization. For example, consider identifying skills that:

- Are required by almost all projects (each skill in about 90% of the projects) in the target group and they represent each at least 10% of the total effort. These are *core skills*.
- Are required by some projects (each skill in less than 20% of the projects) in the target group, but they represent less than 10% of the total effort. These are *specialist skills.*
- Are required by many projects (each skill in more than 50% of the projects) in the target group and they represent more than 10% of the total effort. These are *accessory skills.*

F. Combine the clusters that share similar skills and, based on those clusters, define the subprocesses the skills are part of, which lead to partial but valuable results. These results go towards satisfying the needs of the personas that are part of the target group. You can give

the subprocess a distinctive name, and think of it as part of the value stream that includes those particular skills. Recognizing those subprocesses helps contribute to the creation of customer value, even if it is not enough for delivering it and achieving customer satisfaction. Complete value delivery is the result of the combination of subprocess that makes up the value stream, which should be more clearly defined, including the necessary clusters of skills, by the end of this exercise.

G. This is the last confirmation, comparing the abstract process with the specific projects represented by the project canvases: do the value streams that have emerged reflect reality? Here it is important to recognize that a value stream is at a higher level of abstraction, so reflecting actual projects needs to take that abstraction into account. The overview at that level is going to help gear the organizational structure towards delivering a continuous value flow.

Competency Mapping

This process follows after a technique that defines skills needed along the value stream, such as Value Stream Discovery, and involves every employee, using a three-layer process consisting of peer-to-peer review, appreciative inquiry, and wisdom of the crowd in order to identify currently existing capabilities and map them against market needs. The awareness competency mapping provides can then provide a basis for matching organizational structure to the requirements that best fit the market phase.

Scoring system

Starting from the skills identified during the value stream discovery and mapping, every employee should perform a self-assessment. The scale used is qualitative (so not 1-10, for example) and the self-evaluation should be supported be storytelling and peer review.

Three kinds of skills can be distinguished:

- Technical and functional (e.g. front-end programming, project management)
- Domain and business-specific: these can not simply be found on the job market but have been developed internally in the organization, perhaps over years, and might be a part of the company's intellectual property
- Interpersonal and communication (e.g. conflict resolution, mentoring)

The qualitative scale is the following:

1. **I have no idea** 
2. **I know the theory** 
3. **I can do work but I need help** 
4. **I can do work independently** 
5. **I can mentor others** 

The Self-assessment

This will require self-reflection. It also involves people pulling stories from their personal experience that demonstrate their level of competence. Giving each of these stories a title will be helpful, and the other colleagues who appear as characters in those stories will later act as peer reviewers. To achieve this combination of structure and narrative, there are some further guidelines to take into account:

- The person assessing themselves should go through all identified skills
- Each skill assessment should be accompanied by a story with a title
- Once the evaluation is complete, the people who appeared in the stories the most can be invited as peer reviewers, selected by the person being assessed

Peer Review

The ideal number of peers is 2-4, and the invitation to participate in the review should come from the person who is to be reviewed. Each of the peers independently evaluates the competence level of the person under review against every skill identified as part of the value stream, based on stories from their own experience.

After the peers have also completed their assessment, they meet with the person requesting the review and they compare results. Some heuristics to apply here are:

- If there is a difference greater than 2 points between all of the reviewers and the reviewed person (which is produced by adding the differences between the score of each from the score of the reviewed person), then everybody shares stories to determine the appropriate level of competence.
- This is especially important if the disagreement is regarding whether the reviewed person is at the level of being able to work independently, because this level and ability for independent work will be the foundation for building teams later.

Following this meeting, there should be a consensus rating for the reviewed person that takes into account any adjustments made through the peer review process.

Group presentation

The last step of the process for every person undergoing the assessment is presenting their assessed competencies to a larger group. The evaluation of the assessment has already been completed through peer review, so the emphasis here is on the appreciation for what they can bring to the group. The purpose of this is to share the level of proficiency in the entire group, but also to understand and value the constructive feedback of the reviewers

and strengthen trust in the review process. Finally, this is an opportunity for the group to offer support on the areas the person being assessed wants to improve.

The process goes more or less like this:

- The person who has completed the self-assessment presents their personal competency map and discusses the skills that were debated during the review process.
- They then emphasize the skills they want to improve, in order to give the group the opportunity to offer help.
- The group offers their appreciation and support for growth, focusing especially on the areas that are relevant to the business goals. Help or support should come mostly from people who are at a mentor level in a particular skill area. In fact, when trying to ramp up certain skills across the organizations it is more productive to have the masters pair with novices and teach, rather than to keep practicing the skill.

Evolving the organization's design

The Value Stream Discovery demonstrates what needs to be done: how value can be delivered to customers. Competency mapping, on the other hand, gives you an accurate outline of the existing skills and levels of competency. But how do you actually bring those together in teams? One of the issues these two methods combined address is the tendency in organizations to solve perceived gaps in skill base by defaulting to new hires. This is related to the

mechanistic view of organization: it is essentially bringing in a new part to cover for the missing one. A more evolutionary approach, however, is leveraging the existing capabilities, either in a direction of effectiveness or one of efficiency.

This process starts by going back to the list of skills identified for each subprocess and the percentage of effort they represent. Now is also the time to think of the team formation that best corresponds to delivery needs: for example, if a cross-functional team that can deliver the whole value stream from end to end, is ideal, we know in which persons the needed skills lie. If the skills are distributed among too many people, we can instead form multiple teams around sub-processes included in the value stream, but ensure that those teams are synchronized. In this scenario, there would be a cost to pay in coordination at first, but as the teams work together and are exposed to one another their collective competency levels increase, concentrating the same range of skills with higher levels of competency, in fewer people. This is an example of initially choosing effectiveness (with higher cost of coordination to enable skills cross-pollination) over efficiency. Some experimentation might be needed around that in order to discover the optimal amount of teams and people per team needed for faster and smoother delivery, but once it is discovered it can be reinforced with the creation of constraints: initially enabling ones, at the experimentation phase, and later governing, once the pattern is clear and established.

The relative demand and effort each skill represents is also going to create a guideline for the organization's design: those identified as *core skills (*see the *Value Stream* Discovery process outlined earlier in

the chapter) need to be present in every team operating in a value stream, to avoid certain and constant dependencies with other teams, and they also need to be at an appropriate level of autonomy (i.e: at least at the autonomous level, which is the one before master). *Accessory skills,* on the other hand, might not be always necessary for the team to deliver value, and can be distributed in different teams. Working with a pull system will ensure that activities that require such skills will be pulled by teams who have them. Finally, *expert* or *specialist skills* could be treated in a completely different way: they could be aggregated into expert teams which, instead of being dedicated to a specific value stream or subprocess, would service the other teams. This is a dependency, but it is a controlled one. We can monitor the work queue for each of the service teams, and increase the teams' capacity as needed. Moreover, given that, intentionally, only skills that are present in few projects (less than 20%) are designated as specialist skills, the queues should be controllable. It is also useful to keep in mind that a skill is not a person, and a person will in fact have multiple skills. If a value stream requires 40 skills, this — hopefully — does not mean that it requires 40 people.

Depending on the market maturity of the *Target Group* addressed by a specific *value stream*, the organization should be optimized either for *effectiveness* (in the first 50% of the market) or for *efficiency* (in the second 50% of the market). The form of the organization will then adapt by grouping together people who have the necessary skills to satisfy the specific need, and they will have to learn how to organize themselves in order to deliver value. This is where the importance of a coherent underlying organizational culture emerges: bringing people together into groups will restart the process of forming

relationships of trust based on people's experiences at work, which will be observable in the form of *Archetypes*. If the underlying culture is fairly coherent, the likelihood that people will converge towards the same (or at least adjacent) archetypes is quite high, and expectations of how leadership should be understood and work should be managed would also be coherent, allowing a team to focus on delivering value.

Principle 4: Validate change in small increments

This principle of ORGANIC agility aims at growing organizational resilience by establishing a continuous learning culture. Validated learning requires experimentation and context awareness, as what works for someone else in another company might not work for you in your organization. The process of discovering what does work and maintaining the alertness to continuously adapt it is what will create a continuous learning culture in practice. The core idea behind this principle is that changes must have strategic relevance and must be accompanied by a clear understanding of their impact and implications. When impact is initially unknown, which is very likely in a complex domain characterized by unintended consequences, the process of parallel experimentation allows us to begin operating strategically in the absence of certainty. At the same time, as change becomes the norm in very volatile and unstable markets, this principle aims at having an organization practice reacting to unexpected events through safe-to-fail experiments , which enable mindset and culture to act similarly when unexpected things happen outside experimentation, in the real world. Instead of planning for every eventuality, this principle builds responsive anticipatory capabilities.

ORGANIC agility introduces a tool called **Strategy Map,** which integrates change into the strategic context, and leverages the knowledge of Cynefin to help validate different hypotheses through safe-to-fail experiments.

The Strategy Map

A not so new approach to risk

Nowadays it is very hard to base our risk management strategy on robustness, in this case predicting and preventing failure. Risk used to be visualized as a bell curve, which makes its management complicated and slow, by focusing on what lies inside the bell curve alone. Rare, one-off events (Black Swans, in Nassim Nicholas Taleb's terminology) are impossible to predict that way, and are therefore especially destructive — they have a greater impact. If we rely on preparing for what we think we know, then what will potentially hit us the most is what we actually don't know, or what we think we know. By accepting the possibility of failure, an organization can instead orient its strategy towards early detection, fast recovery and fast exploitation. Statistical techniques are still valuable for **probable** events, and simulations and scenario planning allow us to gain some clarity in the realm of **possible** events, but when it comes to the enormous number of **plausible** events, we need to use abductive logic to draw connections between multiple events and seek coherent (but not necessarily true at this point) explanations.

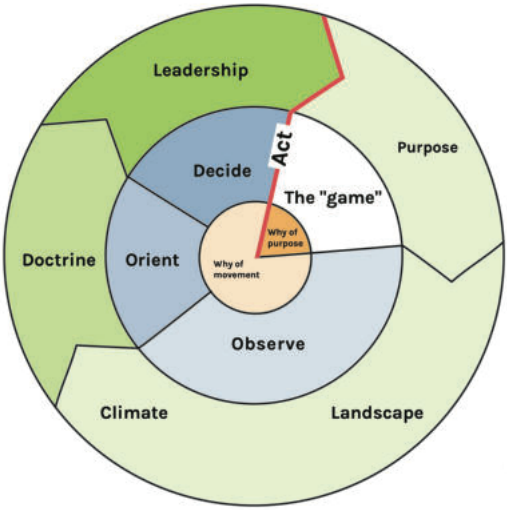
In order to broaden the spectrum of options available and to be able to discover what might help and what not, we need to approach risk management as a whole in a more experimental way. Focusing on probability alone will not work; we will have to learn what is possible and what is plausible. We can formulate hypotheses based on intuition, but those hypotheses will not be used to make decisions, but rather to start multiple parallel experiments to validate those hypotheses. This approach requires us to be open to

observing and listening to everything that happens, especially if it is unexpected.

The comprehensive framework of the Strategy Map has been shown to serve as a good catalyst for change and coordinating multiple, parallel experiments.

The Strategy Map™ and its background

The Strategy Map's origins are rooted in Eliyahu Goldratt's "Strategy and Tactics Tree"[12], a thinking process codified in his



The Strategy Cycle
Sun Tzu's five factors
John Boyd's OODA loop
The two types of why

Theory of Constraints. This provides a model for aligning and synchronizing continuous improvement. The Strategy Map tool evolved into a framework that can be used in multiple

[12] If you are interested in knowing more about Eliyahu Goldratt's "Strategy and Tactics Tree" you can have a look here: https://www.toc-goldratt.com/tocweekly/2011/06/gst_a_step-by-step_guide_for_change/

circumstances: it helps with maintaining coherence towards a common goal, orients everyone on the current state of affairs, and allows us to straightforwardly track dependencies. It also merges strategic priorities with tactical and operational needs, allowing for a more focused approach.

Additionally, the work of Peter Senge, presented in his book The Fifth Discipline, the Art and Practice of a Learning Organization, has been a significant influence. Validating change in small increments is essentially about building a culture and discipline of learning, rather than simply defining a plan that we presume will result in achieving our Goal. To quote Senge, "In the long run, the only sustainable source of competitive advantage is your organization's ability to learn faster than its competition" ... "If there is one single thing a learning organization does well, it is helping people embrace change". Furthermore, Senge's "Wheel of Team Learning" provides a simple way to consider the process of collective learning and reflects the set-up and running of the Strategy Map: we identify shared needs and goals (Shared Meaning, in Senge's terms), co-create the Strategy Map (Joint Planning), agree on validating through collaborative actions (Coordinated Action) and make it transparent for all to see (Public Reflection).

Finally, Simon Wardley speaks of real maps not only being **visual** and **context-specific**, but also showing **positioning** in relation to an **anchor** and **movement**. Many things that we use and call maps in the workplace are not maps at all, lacking at least one of those elements. If they don't include an anchor (equivalent to the North on a geographical map) to support clear direction and positioning and show us where we are in relation to other elements on the map,

then how can we use the map to orientate ourselves? Wardley has combined the thinking of OODA loops (the decision-making cycle[13] of observe, orient, decide, and act) from military strategist John Boyd and "The Art of War" from Chinese general Sun Tzu (VI-V century b.C.) to create a basic cycle for thinking about strategy.

Using this cycle we begin to see that strategy changes based on the needs and maturity of the market and where we want to go next. This, of course, has significant impact on the way organizations are structured and operate.

To sum up, based on Wardley's insights, good strategy tools:

- Are **Visual** → easy and intuitive
- Are **Context specific** → relevant to the context (different parts of the business might have a different strategy or different products and it is important to know what is universally applicable and what is not)

- Are **Positional** → displaying connections and current state to help navigate the map
- Have an **Anchor** → acts as a reference for direction

[13] Which can be more accurately visualized as multiple loops rather than a single cycle

- Show **Movement** → suggested changes and where are we going / where have we been

Elements of a Strategy Map™

The Goal

The Strategy Map is a real visual map that includes the elements of anchor, position, and movement. In principle it is a way to visualize a goal, as well as the success factors and dependencies that are relevant to moving in the right direction. The **anchor** of a Strategy Map is a Goal, which can be expressed as a specific target, measurable and timed, or simply as a direction towards which to move, depending on the complexity of the context. It represents the business goal and creates focus for the strategy, orienting all other elements. Since the Map is also **context-specific**, the Goal will need to fit the context of where the organization is and where it intends to go.

It is also very important for the Goal to be outcome-based, not output-based, which means that it must be connected to creating value to users, customers, and/or employees. Stakeholder value is a product of the fact that customers and users are satisfied and employees are engaged.

If the Goal is a specific target, it is possible to use different techniques to formulate it, such as the SMART checklist[14].

[14] You can read more about different variations of the SMART checklist here: https://en.wikipedia.org/wiki/SMART_criteria

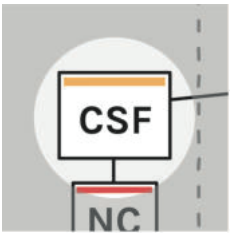
In the case of the Goal as a direction, according to complexity thinking, it can be expressed and measured in terms of Vector Tracking (as direction and speed of change related to the intensity of effort). The target for the organization can then be the direction and speed of change. For instance: *"We want to increase our customer satisfaction 20% faster than it is currently growing, so we will be outpace out competition and significantly increase our market share"*.

Even if we have defined the Goal, we want a way of reminding ourselves that we should challenge what we are trying to achieve as often as possible, because reality and conditions around us change very quickly. The volatility we are dealing with nowadays is such that it is very risky to base medium- and long-term plans on current situational analysis without planning for continuous adaptation. The Goal itself might be discovered over time, or at least refined, if not reshaped, by integrating new insights.

Exploring the existing Landscape

Virtually every organization has some kind of strategy, or at least has a plan to get to some definition of success. Most organizations are where they are because they have achieved a level of success in the past, whether intentionally or just out of luck. Even when these strategies are very static and expose an underlying linear and mechanical thinking, it is important to show appreciation for what the organization has achieved, and identify what has helped the company be successful in the past.

Confirmed Success Factors (CSFs) are an expression of the successful factors that have led a company to its current state and

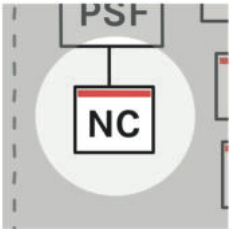


will provide a picture of the past Landscape and Patterns (to refer back to the concept of the map). These - in line with the ORGANIC metaphor - could be considered like an organism's acquired capabilities, which became part of its DNA as a result of an evolutionary process. The CSFs might be in the form of processes, rules, policies, constraints, approaches, in short everything that is established as a way of working within the organization, as well as established value propositions to existing customers. All these things, learned over time and validated, are assets to the organization, and are probably responsible for a significant part of the overall revenue. Given the defined Goal, we may be able to identify a subset of CSFs that will be enablers for achieving the goal. We want to be clear about focusing on those that we believe to be relevant to the Goal and its specific context. This might seem like a hard decision, but if you want to achieve success you need to focus on what is most important to you and relevant to your business.

The term "Confirmed Success Factor" emphasizes that we have attained some knowledge and that this lesson has been retained and consolidated into an organizational asset. A CSF is, then, always in the Obvious or Complicated domain according to the Cynefin framework.

A Confirmed Success Factor may be expressed in the following form:

> **WE LEARNED THAT** <SOMETHING> **CAN BE LEVERAGED TO ACHIEVE** <GOAL OR OBJECTIVE> **AND WE CAN MEASURE IT WITH** <LIST OF METRICS>



As mentioned previously, it represents an acquired capability for the organization that can act as an enabler towards achieving the goal. The fact that the CSF is already achieved and known doesn't mean that we won't have to do anything about it. On the contrary, a CSF is like a lever that we can use to enable our organization to achieve success and needs to be oiled and maintained, or it will decay and lose relevance. To maintain and continuously evolve a CSF we require at least one **Necessary Condition**. This can act as an anticipatory trigger, reacting to or prompting specific events/needs, for example periodically reviewing a policy to check how it's performing against some Key Performance Indicators (KPIs). We can create triggers in the form of Necessary Conditions, connected to the KPIs or to a specific moment in time. The dimension of time is also integrated into the Strategy Map, so if the NCs are connected to a date (likely at some point in the future), they should be placed in the Future column of the strategy map, while still being linked to the relevant CSF. If we are unable to define what is necessary for maintaining the Confirmed Success Factors, this may be a sign that they have not actually been confirmed/validated or perhaps that they are no longer relevant.

Define hypotheses to test explicitly

Going back to the Cynefin framework, in the *Complex Domain,* because we do not yet know what we don't know, the path to a Goal is never straightforward. Most of the time we have to understand and analyze our hypotheses and challenge our assumptions in order to figure out our next move. For this reason, the next step in the creation of a Strategy Map is the definition of those hypotheses that might help us move towards the Goal. These hypotheses need to be made explicit, so that dependencies can be made visible through transparency. The primary purpose of declaring explicitly what could be helpful towards achieving the goal, is to identify changes or adaptations that can be used to our advantage. Ideally we would want to have many alternative hypotheses available, and we shouldn't discard them right away. At this level, a good set of 10 to 14 different hypotheses would provide enough options to explore and help us avoid focusing only on the obvious ones. Hypotheses can be naive, or even completely stretched: as long as they are plausible and coherent, they are good. These hypotheses are captured using **Potential Success Factors (PSFs)**. The name is a reminder that they are still to be validated.

A Potential Success Factor is expressed in the following form:

> **BY** <DOING SOMETHING> **WE EXPECT** <SOMETHING TO HAPPEN> **THAT SHOULD SUPPORT ACHIEVING** <GOAL OR OBJECTIVE>

Given the example of Goal: *"Increase the number of annual mobile service's customers by 20%",* an example of a PSF can be: *"By creating new free services, we expect to attract more people to our platform, that should support achieving an increase in the number of paying customers by 20%"*. PSFs are designed to be validated or invalidated through rapid experimentation. After they are validated, they will provide more insight into our strategy and increase or decrease the level of confidence in moving forward in one direction or another. If we feel confident about a PSF then it will eventually be converted into a Confirmed Success Factor (CSF). Once we have defined the PSFs, we visualize them underneath the goal to make them transparent and take full advantage of the visual capabilities of the tool. Since it is important to base decision-making on context, we have to make explicit which kind of hypothesis is described in each PSF: The Potential Success Factors either represent known unknowns (which then means we are in the *Complicated* domain), or unknown unknowns (in which case we are in a *Complex* domain).

Decide what to focus on

As we said at the beginning, if we want to be able to focus on small validated changes, we must decide which PSFs we want to work on first. Contrary to a more traditional way, we don't want to actually

prioritize the PSFs but rather make them smaller so that we validate their impact on the goal faster and more effectively. Every Success Factor (PSF or CSF) should have a Champion, who will work to build a cohort that can collaborate and focus on moving the PSF forward, and who will remain the Champion if the PSF becomes a CSF. The cohort is what we call an Improvement Squad, as its objective is to improve the organization and the work of everyone involved, not to mention the results, by exploiting new capabilities or leveraging existing ones.

Identify Necessary Conditions to validate the hypothesis

We need to find ways to validate our hypotheses as fast as possible, empirically, and without relying on assumptions that ultimately increase risk. This can be achieved by designing small, safe-to-fail experiments. Before getting there though, we need to identify what is necessary in order to be able to define such experiments. What do we need to have in place or deal with in order to be able to validate the hypothesis? These may be things we need to change or implement, or they may be constraints that we must address in some way. These "necessities" will also be captured using Necessary Conditions (NCs) which should also highlight (in the Experiment Canvas capability of the Strategy Map) what could go wrong if they aren't fulfilled. This helps prioritizing and identifying dependencies. Once all the NCs have been fulfilled, we should be able to define one or more experiment(s).

A Necessary Condition may be expressed in the following form:

WE NEED TO <....> **OTHERWISE** <…>.

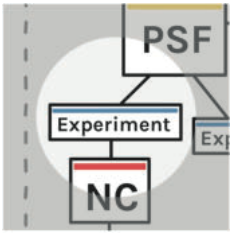
Given the example of the PSF above, an example of NC can be: *"We need to create at least one additional free service in order to measure increased subscriptions, otherwise we won't be able to understand the impact", or "We need to measure existing conversion rates, otherwise we won't be able to set an appropriate target and measure the increased conversion because of free services".*

In short, the Necessary Conditions will bring the strategy to a tactical level and allow operational work to start. They help in either validating a PSF, in planning the roll-out of a newly identified CSF, or in structuring the management of an existing CSF.

Relationships between Necessary Conditions and PSFs/CSFs/ Experiment Canvases give different meaning to a NC depending on where it is visualized on the Strategy Map. Here is a summary table defining the meaning of each specific relationship:

Strategy Map element	Position on the Map	Meaning of NC
Possible Success Factor (PSF)	Present/ Validation	What do we need in order to create an experiment to validate this PSF?
Experiment Canvas (EXP)	Present/ Validation	What do we need in order to be able to start this experiment?
Confirmed Success Factor (CSF)	Present/ Validation	What do we need in order to make this an asset for the organization? Which training, changes, automation, policies…
	Past/ Confirmed	What do we need in order to monitor, measure, and maintain this CSF? Do we need to create any anticipatory triggers?

Create safe-to-fail experiments



As soon as you have identified which are the Potential Success Factors you want to focus on, you pull those from the Future/Potential position to the Present/On going position of the Strategy Map and start creating experiments to validate those hypotheses. To get quick feedback and make decisions, the recommended duration of the experiments is 4 to 12 weeks. If we go back to Cynefin and complexity thinking, we can see that experiments in the complicated domain are meant to evaluate possible options, while experiments in the complex domain are meant to let new options emerge. Therefore, for the complicated domain, we run one experiment and validate it. When dealing with

situations in the complex domain, we suggest running multiple parallel experiments, as the context in which the experiments are executed might change quite rapidly. By having multiple parallel experiments, we will be able to recognize recurring pattern(s) across those experiments, identify the possible catalysts that sustain those patterns, and finally validate that what we have identified are actual catalysts by testing those on all the experiments in parallel, as described in the context of Principle 2. This type of approach isn't possible when running a single experiment. The quality of the situational analysis will also be greatly amplified by having multiple different datasets. The recurring patterns might lead to options (the identified catalysts) for which we want to define additional experiments, now in the complicated domain, in order to evaluate the most appropriate one(s). We use an Experiment Canvas, integrated in the Strategy Map framework, to help articulate what the things we need to know and measure when running an experiment are.

Decide which experiments to start

With small validated changes in mind, we probably won't start running all experiments at once, but decide which are the most appropriate to run first, pull them into the central column of the Strategy Map, which is the present/validation column, and place the others in the future/potential column. The faster you can validate or invalidate your hypotheses, the earlier you will have an understanding of how to develop your strategy. In this phase, more Necessary Conditions might emerge as preconditions for experimentation, depending on the level of complexity you are

dealing with. As soon as you have fulfilled all the NCs required for the current experiments, there should be no further delays. Every experiment should have predefined success and failure conditions, as well as amplifying and dampening actions[15]. Identifying those before you start helps you make validated choices without unnecessary interference and track progress over time[16]. It will also help to empower the team who will run the experiment, by providing clear boundaries and suggestions on what to do when specific success or failure conditions are met.

Reporting on experiments' results

When running an experiment we don't want to wait 8 - 12 weeks to assess and communicate if it was a success or a failure. You can instead visualize the real-time status for each experiment: Each time the experiment team decides that one of the success conditions in the experiment has been fulfilled, they are empowered to tick it off. The same applies to failure conditions. This is mapped by a line moving upwards or downwards to indicate the level of success/failure over time, which can increase confidence in making decisions on how to move forward.

---

[15] to learn more see http://cognitive-edge.com/methods/safe-to-fail-probes/

[16] the software version of the Strategy Map, connected to the OrgScan, allows the user to relate decision-making speed, emotional responses and other indicators to specific experiments. The tool permits real-time monitoring of each experiment's progress, and trigger-based intervention, to enable the next generation of strategic decision making platforms.

Roles

The following roles connected to the Strategy Map are not mandatory, but we have found them critical for the success of any strategic change:

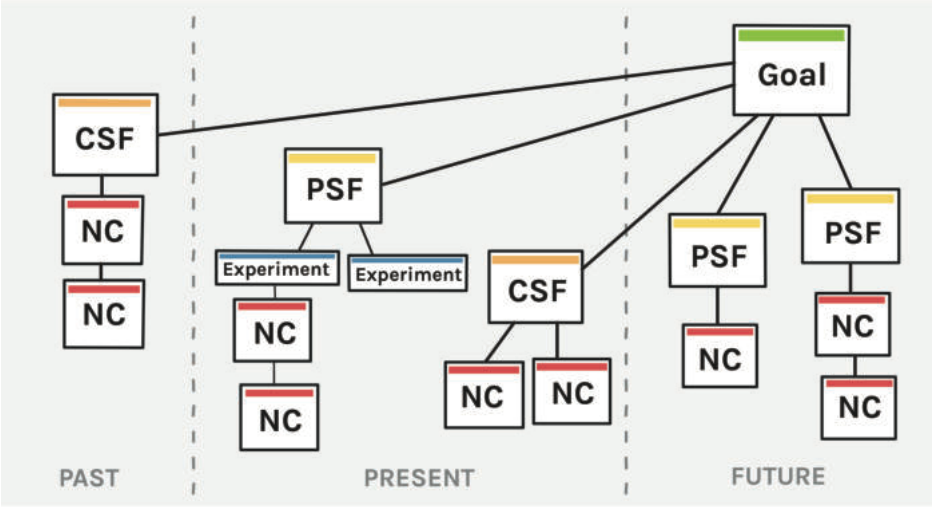
- **Sponsor**: The Sponsor is usually at the C-level or an executive leader. The Strategy Map Sponsor is the person responsible for the budget the organization needs to invest in change. She advocates for the overall strategy and supports the Champions and the Improvement Squads in their initiatives. In some cases, depending on the size and complexity of the organization, we may form a Guiding Coalition of leaders who are responsible for dealing with large organizational constraints and insuring overall strategic coherence.
- **Champions**: Each PSF or CSF has a Champion who advocates for it and ensures that it is getting the proper attention. They are usually a senior leader or an opinion maker, who can influence others and help create the proper environments for feedback and learning. Champions will recruit an Improvement Squad as they feel appropriate. All Champions together will form a team to collaborate on the overall strategy map, focusing on individual Success Factors as well as overall map design and movement.
- **Improvement squad**: In most cases, the Success Factor Champion will need help to define and accomplish the NCs, design any experiments needed, or deal with constraints or prerequisites for an experiment to start. Each Champion should recruit an Improvement Squad, a cohort of people who can contribute to moving forward with the necessary actions. Notice that it is a

Squad and not a Team because it will change composition over time, depending on what is necessary for supporting the change.

- **Experiment team**: Once an Experiment Canvas is designed, a volunteer-based experiment team is formed to carry out the experiment. This team remains stable for the whole duration of the experiment. While they run the experiment, the Improvement Squad supports the process and monitors the outcome. The same experiment team may be able to run more than one experiment as long as they aren't dependent on each other.

Evaluate and Validate

Collect data at regular intervals



STRATEGY MAP

Make sure the Strategy Map is visible to the whole organization and set up a system so that everyone can contribute. There are multiple ways to leverage the collective intelligence and cognitive diversity in your organization. For instance, create a straightforward way for anyone to give feedback on the strategy in terms of Goals, PSFs/CSFs, and NCs. The Improvement Squad discussed in "Roles" is an additional way to involve more people. They can visualize the activities related to the different NCs on a Tactical Board, which is both a way to move from strategy to operations and a very powerful information radiator.

Once the experiments have started, you should be able to collect up-to-date metrics regularly. This can happen at very fast intervals, or even in cycles of 1 to 2 weeks. The data should help us understand in which direction and at which speed the experiments are moving (Vector Tracking, as described above), which should allow us to make decisions faster.

In complex environments we have multiple safe-to-fail experiments/options for each success factor. Here, we are trying to understand what patterns emerge, so that we can start amplifying the good (those that give us the results we are looking for) and dampening the bad. Occasionally we discover unintended consequences or hidden patterns that impact parts of the organization or factors that we did not consider. We could end up solving additional problems in this way.

In complicated environments we gather data and evaluate our options. We can then decide if the Potential Success Factor can become a Confirmed Success Factor and how to close the feedback loop to check on the necessary conditions.

Observe the projects interfering as little as possible

We define amplifying actions and dampening actions before the experiment starts. Note that some experiments might be designed to fail, so in that case the "success conditions" will be about failing. The creation of these conditions and actions provides a set of enabling constraints with triggers to action, which help create a safe-to-fail environment for the experiment team.

Validate the results and learnings

While experiments are running - particularly in the Complex Domain of Cynefin - we have to constantly monitor the emerging patterns. To be sure they are actual patterns, we need to evaluate their stability and validate their repeatability by identifying which enabling constraints can reproduce them. These constraints can take the form of catalysts, which can both amplify the effects of positive patterns, as well as dampen the effects of negative ones. Will these catalysts help to reproduce the positive effects we have observed during the experiment? How could we transfer those learnings and benefit to the organization as a whole? The answer to these questions will help us make decisions about whether to roll out the learnings or not. Remember that we are talking about a Success Factor, which should be leveraged to achieve our goal, so if we are unsure about it, then there is no benefit to rolling it out.

Engage with all relevant stakeholders

Engage with all relevant stakeholders and parties in the organization to initially set up the Strategy Map and to understand the implications of a roll-out. Make sure all necessary preparation is complete before roll-out, so that the transition to the new system is as quick as possible. Use the stakeholders to support the transition and engage with all involved to increase acceptance and reduce resistance.

Roll out the change

By supporting everyone involved, finding out fast what works and what doesn't, and providing support where problems arise, you will make your roll-out smoother and more effective. In this phase it is very important to handle all impediments promptly by ensuring through frequent meetings that they are removed as fast as possible to maintain momentum. The Strategy Map is a powerful enterprise and leadership coaching tool: the outcome is important, but the conversation is even more important, because it embodies the principle of validating change in small increments. The impact in terms of sense of ownership and momentum determined by co-creating and collaborating around a common goal greatly increases focus on the business goals, and offers unique opportunities.

Principle 5: Optimize the value flow

This principle focuses primarily on the optimization of value flow. In most cases, focusing on this principle makes sense only after the *value* proposition has been validated by focusing on Principle 3 (Focus on Value Creation). Ideally, optimization should focus on the identified value streams and should be driven by the appropriate characteristics determined by the *Target Groups*. For example, if the *Target Group* we are addressing is in the *Early Majority* market, then we should try to optimize for *Effectiveness*, and prioritize shorter delivery time over lower delivery costs. The application of techniques such as *Value Stream Discovery* and *Competency Mapping* should have laid the foundations for an appropriate organizational structure to deliver on each of the specific value streams. Nevertheless — particularly when shifting towards the tail end of the market — it is important to optimize and remove any non-value-adding activity. There are already many techniques that are very successful at driving optimization. There is no need to reinvent the wheel, so we aren't going to describe them in detail in this chapter. It is, however, important to mention that most techniques that have been successfully applied and fit well with the overall ORGANIC agility philosophy belong to Lean thinking. Techniques such as *Value Stream Mapping* or *Demand Analysis* are particularly useful in optimizing value flow, and can be applied iteratively in combination with the Kanban method.

Reading List

Selected references on the market, the organization, and scaffolding

Moore, Geoffrey A 1991. *Crossing the Chasm: Marketing and Selling Technology Products to Mainstream Customers*. New York, N.Y.: HarperBusiness.

Handy, Charles B. 1994. *The empty raincoat: making sense of the future.* London: Hutchinson

Handy, Charles B. 2015. *The second curve: thoughts on reinventing society*. London : Random House Books

Connors, R., & Smith, T. 2012. *Change the culture, change the game: The breakthrough strategy for energizing your organization and creating accountability for results*.

Juarrero, A. 2002. *Dynamics in action: Intentional behavior as a complex system*. Cambridge, MA, US: MIT Press

Pendleton-Jullian, Ann M. And Seely Brown, Jon 2018. *Design Unbound: Designing for Emergence in a White Water World*. The MIT Press

Selected references on leadership

For more on Nonviolent communication:

Rosenberg, Marshall B. 2003. *Nonviolent communication: a language of life*. Encinitas, CA: PuddleDancer Press

Overview of Leadership Theories for a general audience:

Cherry, Kendra 2019. *The Major Leadership Theories*. Retrieved from

https://www.verywellmind.com/leadership-theories-2795323

on 08 April 2019.

For more on Great Man Theories and major early influences see:

Carlyle, Thomas 1866. *On Heroes, Hero-worship and the Heroic in History*. Cambridge, MA: J. Wiley

Spencer, Herbert 1873. *The Study of Sociology*. London: Henry S. King

For more on bureaucracy and management theories see:

Weber, M., Roth, G., & Wittich, C. 1978. *Economy and society: An outline of interpretive sociology*. Berkeley: University of California Press.

Waters, T., Waters, T., & Waters, D. 2015. *Weber's rationalism and modern society: New translations on politics, bureaucracy, and social stratification*. New York: Palgrave MacMillan

For a classic of behavioral psychology see:

Watson, J. B. 1913. *Psychology as the behaviorist views it*. Psychological Review, 20(2), 158-177

For an applied approach on situational leadership styles see:

Hersey, P., & Blanchard, K. H. 1993. *Management of organizational behavior: Utilizing human resources*. Englewood Cliffs, NJ: Prentice Hall

For relational leadership and the integration of multiple perspectives see:

Uhl-Bien, M., & Ospina S. 2012. *Advancing relational leadership research: a dialogue among perspectives*. Charlotte: Information Age Publishing

For the link between Participatory theories and motivation as well as for a more recent approach see:

Maslow, A. H. (1943). *A theory of human motivation*. Psychological Review, 50(4), 370-396

Cotton, John L., et al. *"Employee Participation: Diverse Forms and Different Outcomes."* The Academy of Management Review, vol. 13, no. 1, 1988, pp. 8–22

For Complexity Leadership Theory see:

Lichtenstein, B. B. et al (2006). *Complexity Leadership Theory: An Interactive Perspective on Leading in Complex Adaptive Systems*. Emergence. 8. 2-12.

Uhl-Bien, Mary, Marion, Russ and Mckelvey, Bill. (2007). *Complexity Leadership Theory: Shifting Leadership from the Industrial Age to the Knowledge Era*. The Leadership Quarterly. 18. 298-318

Uhl-Bien, M., & Arena, M. (2017). *Complexity leadership: Enabling people and organizations for adaptability*. Organizational Dynamics, 46(1), 9-20

For ORGANIC Leadership and agility see:

Keynote by Andrea Tomasini at Fast Growth Icons Berlin 2019: *https://www.agile42.com/en/blog/2019/05/14/organic-agility-keynote-berlin-2019/*

For the creation of archetypes see:

Snowden, Dave 2005. *Stories from the Frontier in E:CO*, Issue Vol. 7 Nos. 3-4, pp. 155-156

For more on the Competing Values Framework see:

Quinn, R. and Rohrbaugh, J. 1983. *A Spatial Model of Effectiveness Criteria: Toward a Competing Values Approach to Organizational Analysis. Management Science,* 29, 363-377

Yu, T., & Wu, N. (2009). *A review of study on the competing values framework*. International journal of business and management, 4(7), 37-42.

Selected references on Cynefin

This is a collection of resources including multiple excerpts from Dave Snowden's blog, which allows those who want to know more to turn directly to the words of the Cynefin Framework's creator.

The latest on Cynefin: The St David's Day Series 2019

1. *https://cognitive-edge.com/blog/cynefin-as-of-st-davids-day-2019/*
2. *https://cognitive-edge.com/blog/cynefin-st-davids-day-2019-2-of-5/*
3. *https://cognitive-edge.com/blog/cynefin-st-davids-day-2019-3-of-5/*
4. *https://cognitive-edge.com/blog/cynefin-st-davids-day-2019-4-of-5/*
5. *https://cognitive-edge.com/blog/cynefin-st-davids-day-2019-5-of-5/*

More on **Cynefin and different types of systems:**

The Origins of Cynefin - Part 2

https://cognitive-edge.com/blog/part-two-origins-of-cynefin/

See also part 3 of the St David's Day Series

On the ordered domains

A sense of direction (2)

http://cognitive-edge.com/blog/a-sense-of-direction-2-2/

More on Liminal Cynefin and its development process

Liminal Cynefin, stepping over the threshold:

http://cognitive-edge.com/blog/liminal-cynefin-stepping-over-the-threshold/

Liminal Cynefin – image release:

http://cognitive-edge.com/blog/liminal-cynefin-image-release/

More on Dynamics

For an early example on multiple dynamics see:

Kurtz, C.F. & Snowden, David. (2003). *The new dynamics of strategy: Sense-making in a complex and complicated world*. IBM Systems Journal. 42. 462 - 483. \

A later stage of the development of thought on dynamics:

Cynefin dynamics:

http://cognitive-edge.com/blog/cynefin-dynamics/

On Fractal Cynefin

Scaling: merge, match & masticate

https://cognitive-edge.com/blog/scaling-merge-match-masticate/

Fractality and Cynefin

https://cognitive-edge.com/blog/fractality-and-cynefin/

Coherence through shared abstraction:

https://cognitive-edge.com/blog/coherence-through-shared-abstraction/

Other Key Publications

Snowden, D.: *Complex acts of knowing: Paradox and descriptive self-awareness*. In: Bulletin of the American Society for Information Science and Technology, (2003) April/May, pp. 23-28

Snowden, David. (2005). *Multi-Ontology Sense Making: A New Simplicity in Decision Making*. Informatics in primary care. 13. 45-54

Snowden, David & E Boone, Mary. (2007). *A Leader's Framework for Decision Making*. Harvard business review. 85. 68-76, 149

Selected references on risk, the background of the Strategy Map, and support on optimizing value flow

For more on risk see:

Taleb, Nassim Nicholas. 2007. *The black swan: the impact of the highly improbable*. New York: Random House

Sornette, Didier 2003. *Why Stock Markets Crash: Critical Events in Complex Financial Systems*. Princeton University Press.

For more on key influences on the Strategy Map see:

Eliyahu M. Goldratt and Efrat Goldratt-Ashlag 2008. *The Choice.* North River Press

Senge, Peter M 1990. *The Fifth Discipline : the Art and Practice of the Learning Organization*. New York :Doubleday/Currency.

Wardley, Simon 2018. *Wardley Maps; topographical intelligence in business. https://medium.com/wardleymaps* .Retrieved on 5 November 2019

For more on lean and related techniques see:

Womack, James P., Jones, Daniel T., Roos, Daniel 2007. *The Machine That Changed the World: The Story of Lean Production-- Toyota's Secret Weapon in the Global Car Wars That Is Now Revolutionizing World Industry*. Simon and Schuster.

Liker, Jeffrey K. 2004. *The Toyota way: 14 management principles from the world's greatest manufacturer*. New York: McGraw-Hill

Anderson, David J. 2010. *Kanban: Successful Evolutionary Change for Your Technology Business*. Blue Hole Press

Acknowledgements

There are many who helped bring this first version of the ORGANIC agility Handbook to life. Dave Snowden and Geoff Watts provided comments and review, in particular on the sections on the Cynefin Framework, Leadership, and the Markets. This is an opportunity to learn more about them:

Geoff Watts is the founder of Inspect & Adapt Ltd and one of the most experienced and respected Scrum coaches in the world. He focuses on creating cultures of reflection, empowerment and engagement and is at the cutting edge of developments in the agile world. You can find out more at https://inspectandadapt.com/about-me/

Dave Snowden is co-founder and Chief Scientific Officer of Cognitive Edge, and co-developed the much-cited, award-winning Cynefin framework. He has pioneered a science-based approach to organizations drawing on anthropology, neuroscience and complex adaptive systems theory. You can find out more at https://cognitive-edge.com or follow him on twitter under @snowded.

The ORGANIC agility Professionals are the ones who can turn this from an approach to a movement and they were crucial in providing feedback during the development of this booklet. Particular thanks are due to Christine Brunn, Hogir Habasch, Simone Longoni, and Gregory Keegan for their input. Anna Panagiotou helped with the words and with connecting the dots.

Who is behind this booklet?

Andrea Tomasini is one of the founders of agile42. His background includes experience in product development, system architecture, business and strategic analysis, lean coaching, organizational change, and agile leadership. Andrea has trained and coached a diverse range of teams and helped many companies in various industries in implementing agile methods like Scrum. These days, Andrea works primarily as a Strategic Coach, supporting Agile Leaders in the process of transforming their organization, strategy, and culture to achieve greater agility and resilience. Being an international expert in the area of Agile Leadership, he is currently pioneering data capture and analysis methods in complex organizational structures and working on a book on ORGANIC agility. Find him on twitter under @tumma72 or LinkedIn at www.linkedin.com/in/andreat/

Resilience is the ability to bounce back from adversity and is a vital quality. agile42 was founded in Berlin in 2007. Today, agile42 consists of more than 10 country companies. Through its highly qualified coaches and trainers, agile42 offers coaching, training, and consulting in the areas of agility and leadership, from the framework of Scrum and its associated methods, to in-depth questions of organizational culture. agile42 focuses on helping organizations of all sizes and from all industries become more resilient and adaptive, by adopting ORGANIC agility® practices and principles as well as supporting the operational implementation of agile methods like Scrum, Kanban, and beyond in a sustainable and validated way that meets their unique needs.

Read more at www.agile42.com

ORGANIC agility®

www.organic-agility.com