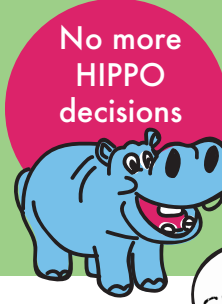


# Enabling Business Agility

Human and flexible organizations for more value

in a Nutshell



- Volatility** - The dynamics of change and speed creates instability.
- Uncertainty** - The lack of predictability in outcomes.
- Complexity** - The multiplex of forces, no cause-and-effect chain & confusion.
- Ambiguity** - The fuzziness and cause-and-effect confusion that leads to mixed meanings.

Don't manage people, manage the system

System **95/5** People

% performance influence

Version 1.0

## People Perspective

### Theory X and Y



If we have an X view on people we believe they are lazy and don't want to do a good job. They need to be managed and controlled to do their work and have very little creativity. This is reflecting how traditional management processes are set up.



If we have an Y view on people we believe that under the right conditions people like to work and that they are creative. People are motivated when they take ownership and set their own goals. This is a modern management view for the knowledge era of today.

We need everyone's brains to solve this problem.



**Skill Development & Growth**  
Job descriptions are boxes to stand on, not living in. Use the full competence.



**Business Performance Team**  
Finance, HR and Managers in collaboration to enable Business Agility.  
Removing impediments for the whole organization.

I'm the CEO. Chief Enabling Officer

From managing performance, to enabling performance

Who can best decide when to drive or not?

Coherence between what we preach and what we practice

## Business Perspective

Separate conflicting purposes into different processes and then improve each one

### Budgeting

- Target**
  - Inspiring, stretching & relative
  - VUCA robust
- Forecast**
  - Unbiased - expected outcome
  - Limited detail
- Resource allocation**
  - Dynamic - no pre-allocation
  - Mandates, standards & decision criteria
  - High level constraints (where necessary)



### Performance Development

- Feedback & coaching**
  - Continuous, not annual
  - Through regular conversations
  - Peer feedback - Manager facilitates
- Increasing performance**
  - OKR's - Organizational, team & individual
  - Bottom up - and top down
- Learning & development**
  - Continuously learning as a way of working
  - Build a learning organization
- Compensation**
  - Base pay - Objective criteria, make it fair
  - Performance pay - subjective criteria, use collective intelligence

### Modern Agile



### Lewin's Equation

$$B = f(P, E)$$

Behavior (B) is a function (f) of the person (P) in their environment (E). 1936, Kurt Lewin

### Leadership Principles

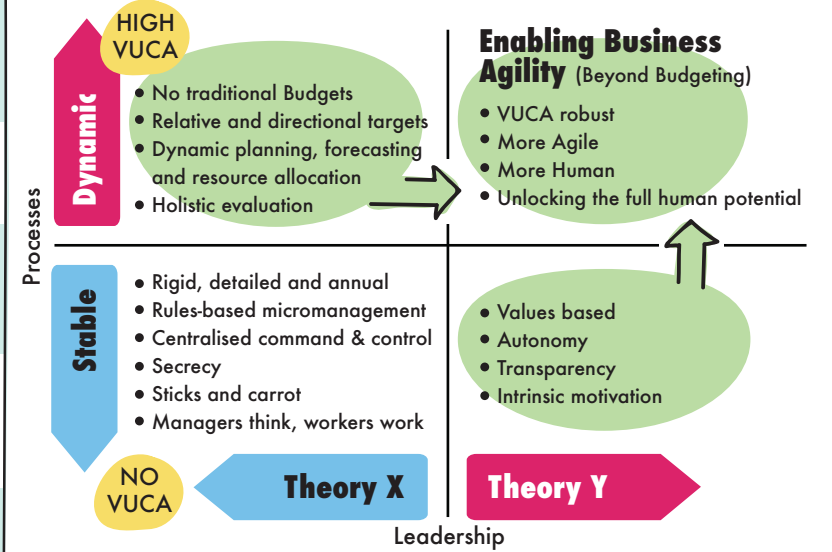
- Purpose** - Engage and inspire people around bold and noble causes; not around short-term financial targets
- Values** - Govern through shared values and sound judgement; not through detailed rules and regulations
- Transparency** - Make information open for self-regulation, innovation, learning and control; don't restrict it
- Organisation** - Cultivate a strong sense of belonging and organise around accountable teams; avoid hierarchical control and bureaucracy
- Autonomy** - Trust people with freedom to act; don't punish everyone if someone should abuse it
- Customers** - Connect everyone's work with customer needs; avoid conflicts of interest

### Management Processes

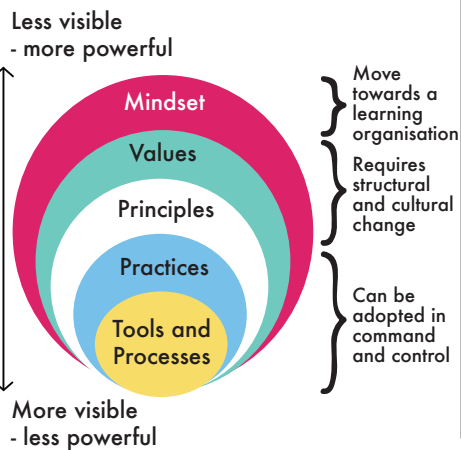
- Rhythm** - Organise management processes dynamically around business rhythms and events; not around the calendar year only
- Targets** - Set directional, ambitious and relative goals; avoid fixed and cascaded targets
- Plans and forecasts** - Make planning and forecasting lean and unbiased processes; not rigid and political exercises
- Resource allocation** - Foster a cost conscious mindset and make resources available as needed; not through detailed annual budget allocations
- Performance evaluation** - Evaluate performance holistically and with peer feedback for learning and development; not based on measurement only and not for rewards only
- Rewards** - Reward shared success against competition; not against fixed performance contracts

This is the core of Beyond Budgeting

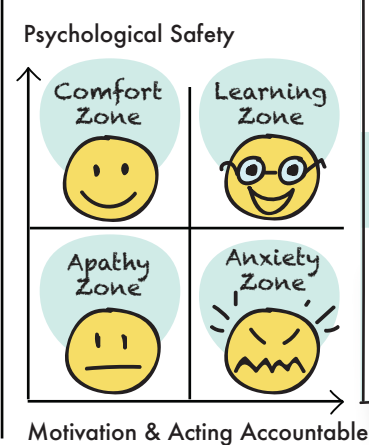
### Aligning Processes with Leadership



### Embracing the Mindset



### Learning Zone



### Advice on your Change Journey

- Create problem understanding before talking solutions
- What's the real risk? Upside vs downside
- Set vision & principles. Prototype, test - and jump!
- You can't get rid of «command and control» through command and control
- Careful if starting with rolling forecasting
- Involve IT, Product, Marketing, Operations... all functions need to come together.
- Get help from someone who has an Agile Mindset and implementation experience

Infographic Poster by: mia.kolmodin@dandypeople.com  
Download: dandypeople.com/blog

**DANDY PEOPLE**

In Collaboration with:  
Pia-Maria Thorén - Inspiration Director at Agile People  
Bjarte Bogsnes - Chairman Beyond Budgeting Roundtable

### Learning Organizations

