TECHNOLOGY IS NOT ENOUGH

@jemolesky @barryoreilly @FlowConSF #LeanEnterprise
CREATIVE DESTRUCTION

http://www.technologyreview.com/view/519226/technology-is-wiping-out-companies-faster-than-ever/
PREDICTIVE VS COMPLEX

https://www.youtube.com/watch?v=U39RMUzCjiU
### 5 most significant challenges to meeting priorities for digital programs

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Total, n = 850</th>
<th>&lt;$1 billion revenue, n = 527</th>
<th>≥$1 billion revenue, n = 276</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty finding talent (both functional and technical)</td>
<td>28</td>
<td>32</td>
<td>20</td>
</tr>
<tr>
<td>Organizational structure not designed appropriately for digital</td>
<td>22</td>
<td>16</td>
<td>31</td>
</tr>
<tr>
<td>Business processes too inflexible to take advantage of new opportunities</td>
<td>19</td>
<td>15</td>
<td>27</td>
</tr>
<tr>
<td>Lack of quality data to inform business decisions</td>
<td>18</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>Inability to adopt an experimentation mind-set that is key for best practices</td>
<td>17</td>
<td>13</td>
<td>25</td>
</tr>
</tbody>
</table>

1Out of 12 challenges that were presented as answer choices.
ORGANIZATION STRUCTURE

DECISION MAKING

TALENT
WHO’S IDEA WAS THIS?

Purple Flying Hippo, http://earcl01.deviantart.com
NETWORKED COMMUNITY

Peter Hinssen, *The Network Always Wins*
HOW DO WE LEAD A NETWORK?

Principle of Mission
SURVIVAL VS LEARNING ANXIETY

Edgar Schein, *Organization Culture and Leadership*
INDIVIDUAL MOTIVATION AND ENGAGEMENT

AUTONOMY  MASTERY  PURPOSE

Dan Pink, *Drive*
INFLEXIBLE BUSINESS PROCESSES
The Control Bureaucracy
10-20% of costs

Target and incentives
Budget contracts
Balanced scorecards
Compliance rules
Risk models
Quality controls
Inspections

Adapted from: http://www.bbrt.org/beyond-budgeting/bb-problem.html
TARGETS AND INCENTIVES
CLEAR ACCOUNTABILITY MAPS FOR SELF MANAGED TEAMS

Executive Team

Support Services Teams

- Strategy, Finance, HR
- Marketing, IT, Supply chain, Product development

Value center

Customers

Adapted from: http://www.bbrit.org/beyond-budgeting/bb-vision.html
UK GOVERNMENT CHALLENGES

British National Health Service, had a program to computerized patient records.

Projected to cost £2.3bn in 2002 and Despite the cancellation in 2011, it is expected to end up costing over £10bn.

At the end of 2013, only 55% of the population had their medical records in the system.
For me, the acid test for Directgov is whether it can empower, and make life simpler for citizens and at the same time allow government to turn other things off.

- Martha Jane Fox, UK Digital Champion
The websites of all government departments and many other agencies and public bodies are being merged into GOV.UK.

Here you can see all Policies, announcements, publications, statistics and consultations.

NATO Summit Wales 2014
The UK is hosting the NATO summit for the first time since 1990. It takes place in Newport, Wales on 4 and 5 September, 2014.

GOV.UK blogs
Search the list of GOV.UK blogs, and find one to match your interest.

Worldwide
Find out what the UK government is doing in over 200 world locations. You can read the priorities for each location and get embassy information and contact details.
Digital Transformation

Government is building digital services that are simpler, clearer and faster to use. We’re starting with these 25 services. You can follow our progress on this page.

<table>
<thead>
<tr>
<th>Discovery</th>
<th>Alpha</th>
<th>Beta</th>
<th>Live</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>3</td>
<td>17</td>
<td>5</td>
</tr>
</tbody>
</table>

- User needs are researched and identified
- A core service is built to meet the main user needs
- The service is improved, then tested in public
- The service is public and works well. It’ll be continually improved to meet user needs

Learn more about the discovery phase
Learn more about the alpha phase
Learn more about the beta phase
Learn more about the live phase
1. Don’t slow down delivery
2. Decision when they are need at the right level
3. Do it with the right people
4. Go see for yourself
5. Only do it if it adds value
6. Trust and verify

https://digitaltransformation.blog.gov.uk/2014/06/24/governance-principles/
Organisations: Government Digital Service

Roadmap update: Friday 29 August

Neil Williams, 29 August 2014 — GOV.UK, Roadmap updates

We post roadmap updates twice a month. These posts show what the GOV.UK team has recently changed and what we’re working on next.

The second post in each month also includes an updated, full product roadmap which gives a longer-term view of the changes we’re planning.
Press release

Government draws the line on bloated and wasteful IT contracts

From: Cabinet Office, Efficiency and Reform Group and The Rt Hon Francis Maude MP

History: Published 24 January 2014

Part of: Transforming government services to make them more efficient and effective for users, Buying and managing government goods and services more efficiently and effectively and + others

New rules for IT contracts will ensure maximum value for taxpayers.

The government has published “red lines” for its IT contracts to ensure maximum taxpayer value, the Minister for the Cabinet Office Francis Maude announced today. The new rules have been published to encourage competition in the sector, and free the government from longstanding inflexible contracts with IT providers.

The new rules are aimed at encouraging the widest possible range of
Big IT and big failure have stalked government for too long; that is why this government is radically rethinking the way it does business.

- Francis Maude, Cabinet Office
OTHERS NOW STARTING TO FOLLOW SUIT

White House launches ‘U.S. Digital Service,’ with HealthCare.gov fixer at the helm

By Nancy Scola  August 11  Follow @nancyscola
OTHER INDUSTRIES USING THESE PRINCIPLES

The Southwest Secret
How the airline manages to turn a profit, year after year after year.

By Seth Stevenson

• Continuous evaluation process
• Profitability
• High customer satisfaction
• Plan and implemented any time of year (not just annually)
INABILITY TO ADOPT AN EXPERIMENTATION MINDSET
Doubt is not a pleasant condition, but certainty is absurd.

- Voltaire
WHAT DO YOU SEE?
The Health Insurance Marketplace is Open!

Enroll now in a plan that covers essential benefits, pre-existing conditions, and more.

Plus, see if you qualify for lower costs.

APPLY NOW

WANT TO LEARN MORE FIRST? START HERE

Get covered: A one-page guide
Find the Marketplace in your state
Get lower costs on health insurance
See what Marketplace insurance covers
Get help with your application

Health Insurance Marketplace
179 DAYS LEFT TO ENROLL

OCT 1
Open Enrollment Began
JAN 1
Coverage Can Begin
MAR 31
Open Enrollment Closes
The System is down at the moment.

We're working to resolve the issue as soon as possible. Please try again later.

Please include the reference ID below if you wish to contact us at 1-800-318-2596 for support.

Reference ID: 0.c674017.1380600533.39d54f72
REDUCE UNCERTAINTY WITH EXPERIMENTS

Verify Qualitative

Create an experiment to test it

Evidence-based decisions on outcomes

Validate Quantitative
14 people
£250,000
8 weeks
WHAT CAN WE DO TOMORROW?

Leadership, Strategy and Tactics
CONCLUSION

1) SET PEOPLE UP FOR SUCCESS

2) CONSIDER END TO END FLOW OF VALUE

3) GET COMFORTABLE WITH UNCERTAINTY
THANK YOU

@jemolesky | @barryoreilly
#leanenterprise | @jezhumble

ThoughtWorks is hiring!
http://join.thoughtworks.com

Australia | Brazil | Canada | China
Ecuador | Germany | Italy
India | Singapore | South Africa
Turkey | Uganda | UK | USA

Pre-order our new book!

© 2014 ThoughtWorks, Inc.
QUESTION TO CONSIDER IN YOUR ORGANIZATION

☐ How structured or networked?

☐ How does information flow and get processed?

☐ How do leadership create accountability?

☐ Do the measures drive the intent outcomes they are designed to?

☐ What approach does you use to make investment decisions?

☐ Can you think of a safe-to-fail experiment for the current initiative you are working on?