培育创新生态系统
- 提升组织业务敏捷性

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Major practices used to achieve business agility

Align — Ochestrate

Refine

Collaborate

Accelerate — Empower

"All these are UNBELIEVABLY realized step by step in support of using Kanban!"

—— quotes from the CEO

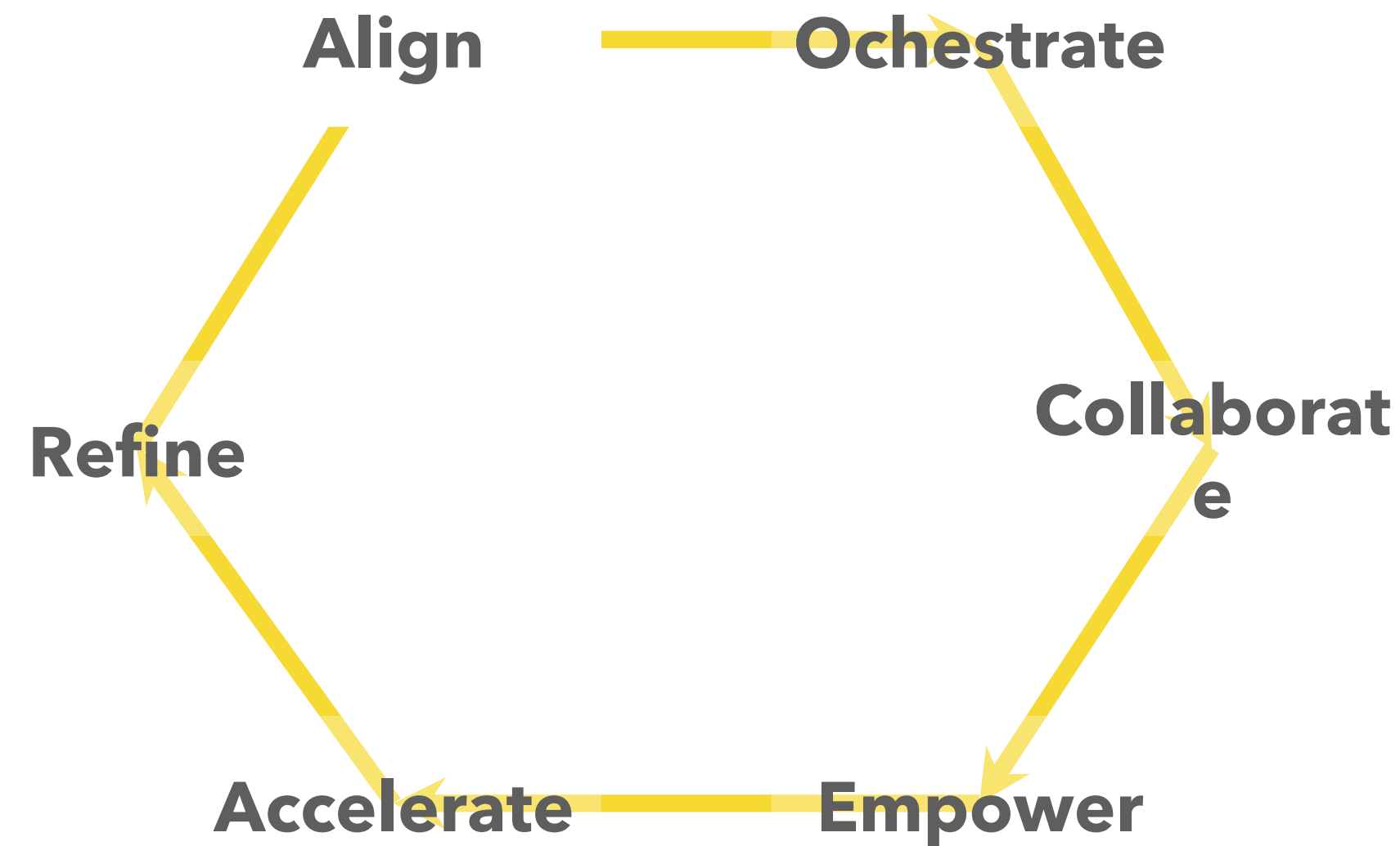| Align	• Set up OKR mechanism using Kanban • Align the key results with real business
Ochestrate	• Discover end-to-end value streams • Set up virtual operational structure in Spotify Model
Collaborate	• Visualize flow • Hold virtual stand-up meeting using Kanban
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Re-consider the KPI system

- Many traditional organizations in China use KPI system to manage their staff.

- It worked for decades, however, some common issues appeared lately:

  - People are given a complicated list of KPIs, and each KPI represents 5-20% of the whole.

  - People have the eagerness to achieve 100% of all KPI items, which sometimes misled them from the most important goal for the organization.

  - Lots of employees believe their KPI results will influence their payment and position, and this may cause people to be conservative when draw down their KPIs.

  - KPI mechanism is usually a top-down process, making it lack of full and thorough communication during the setup, especially on horizontal level.

Bring in OKR machenism (Objective and Key Results)

- OKR mechanism suits dynamic and innovative environment much better

  - The setup process is good for vertical and horizontal communication and objective alignment.

  - OKR system takes 70% achievement as "normal score", which encourage people to be more aggressive.

    This is especially important considering culture!

  - OKR can be adjusted quarterly or bi-quarterly in accordance with the changing speed of the circumstances.

  - No direct inner link between OKR result and staff evaluation system. People can be truly evaluated based on their contribution at the end.

    Less fear aroused when balancing the risks between person and the organization.

Communicate OKRs using Kanban

- OKR Kanban
- 1 org, 8 tribes, 6 guilds

To Do	Draft		Vertical Alignment		Horizontal Alignment		Done

Abandoned later on

OKR for each tribe/guild

CEO's OKR

Announce OKRs to the org

- After the Objectives and Key Results agreed, we announced them to everyone in the organization

  - A big introduction meeting was held, over 100 attendants, 3 offices in BJ, SH, and SZ together

  - Distribute the relevant information to each tribe / guild

  - Follow-up meetings to ensure every staff can obtain and understand OKRs of the org and of their own

It's very important to make sure people in the org are on the same page!
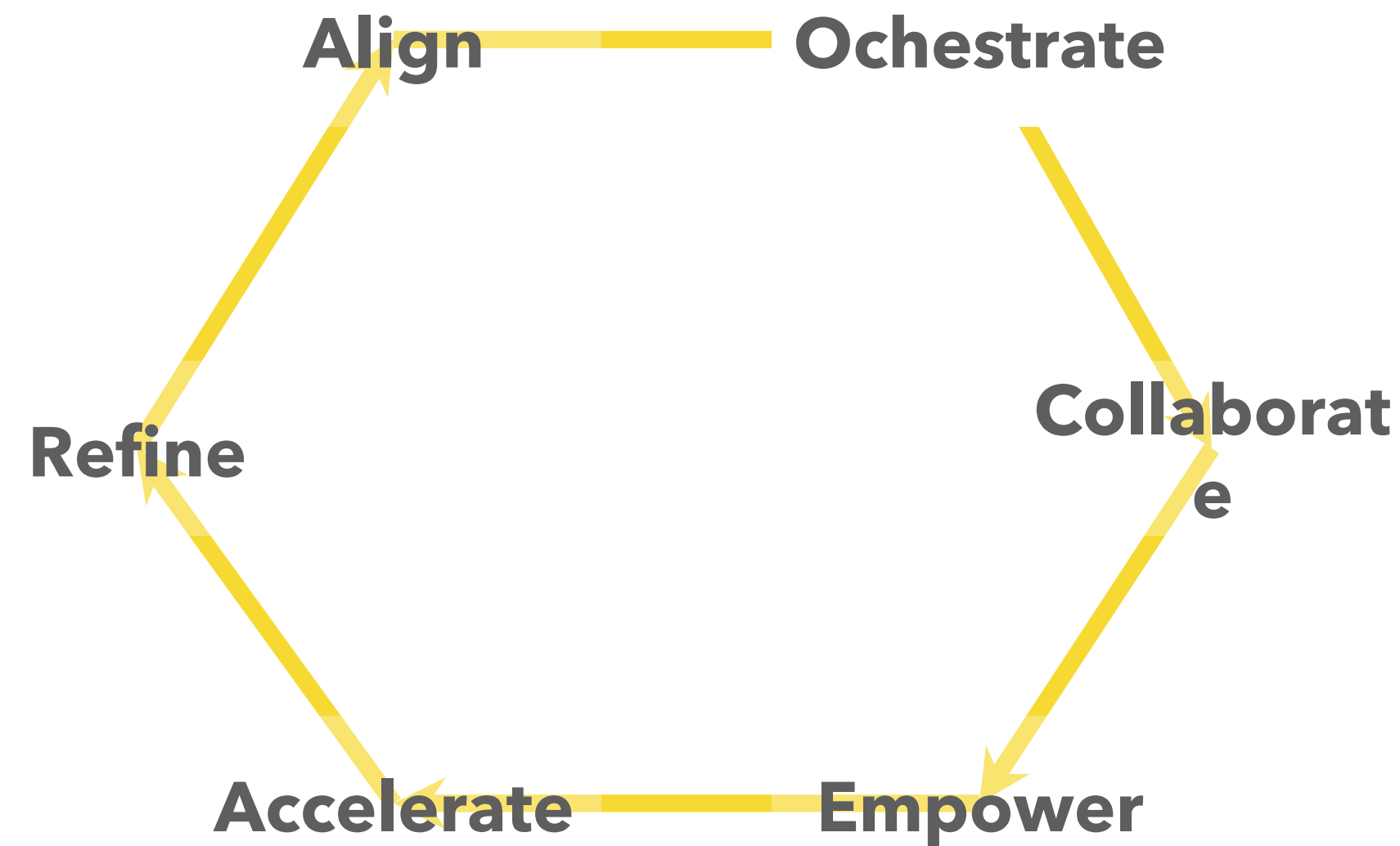
Align the Key Results with real business

- Each tribe / guild quickly reviewed the gap between the Key Results and the current situation

- Using tools such as impact mapping to align figures with the products / functions they need to build, or projects they need to implement

- Specify follow-up actions
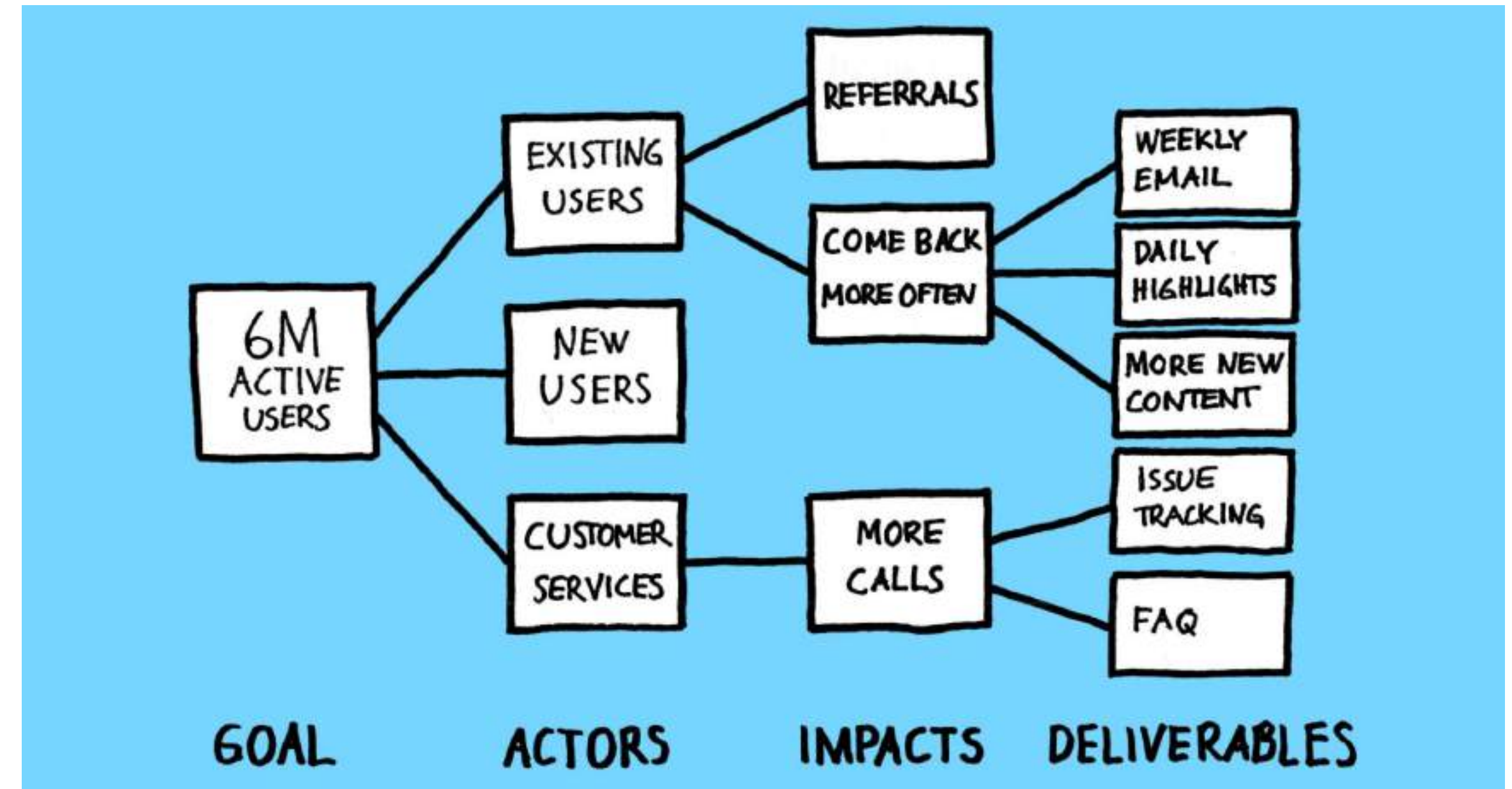
People are more thoughtful when coming to the real actions.

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Discover the end-to-end value streams

- After OKR become clear and the roadmap was drawn, people start to feel pressure.

- When people are under proper pressure, they can be quite supportive as we discuss and draw down business value streams, and visualized it with Kanban.
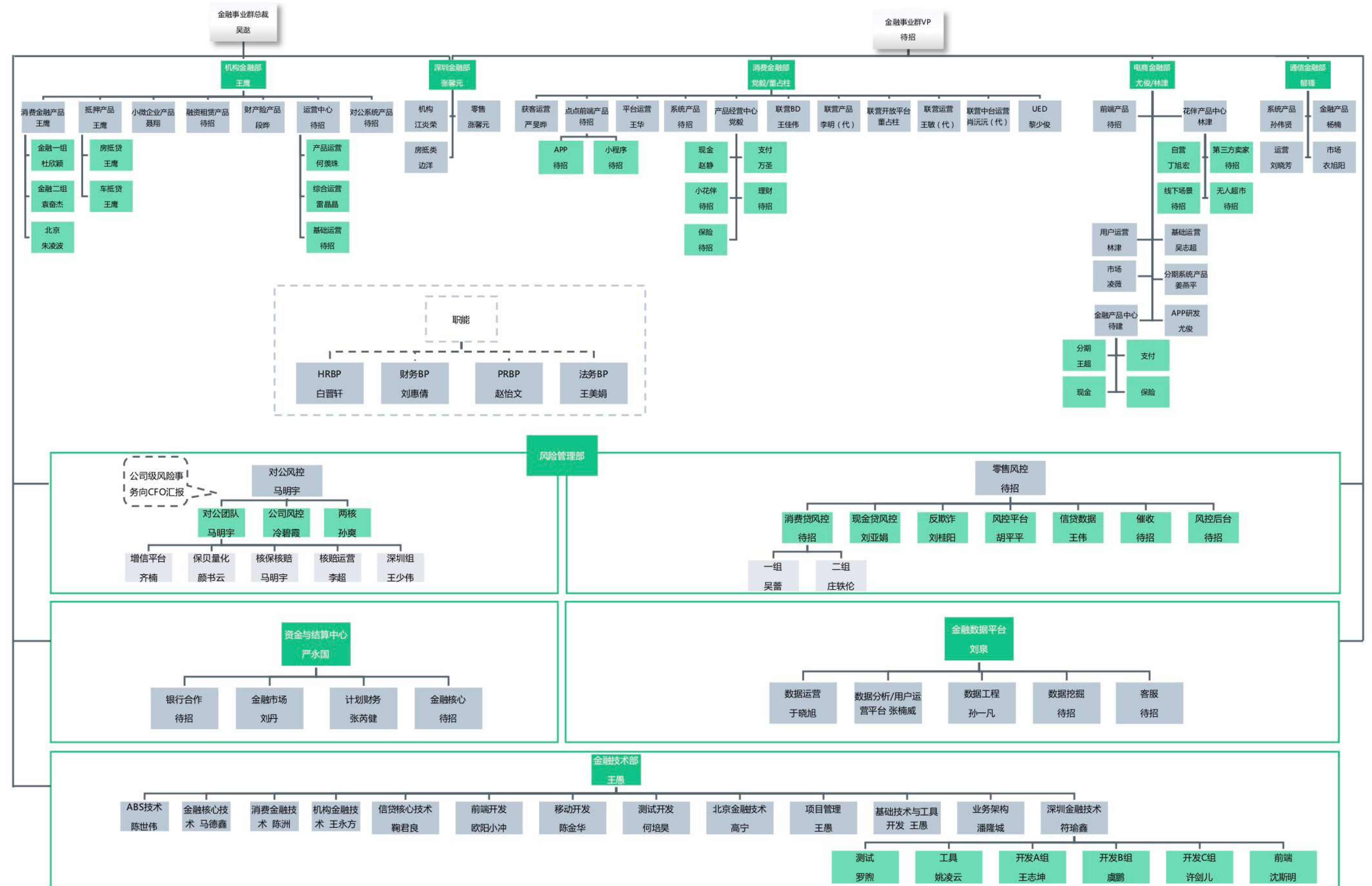

People who do the real job may sense the problems in the process, and could be really helpful during this process.

Set up virtual operational structure in Spotify Model

- Yes, they have a traditional organizational chart.

- How to operate to fulfill the need of future?

Set up virtual operational structure in Spotify Model

- 8 tribes, 6 guilds, a dozen of squads and charters established

- OKRs are for tribe / guild level, but leaders are allowed to split them further if they want.

- People may get confused between organizational structure and operational structure. Don't worry, they will get used to it after one month or two.

- Operational structure may change into organizational structure finally, but it took time.

operational struture
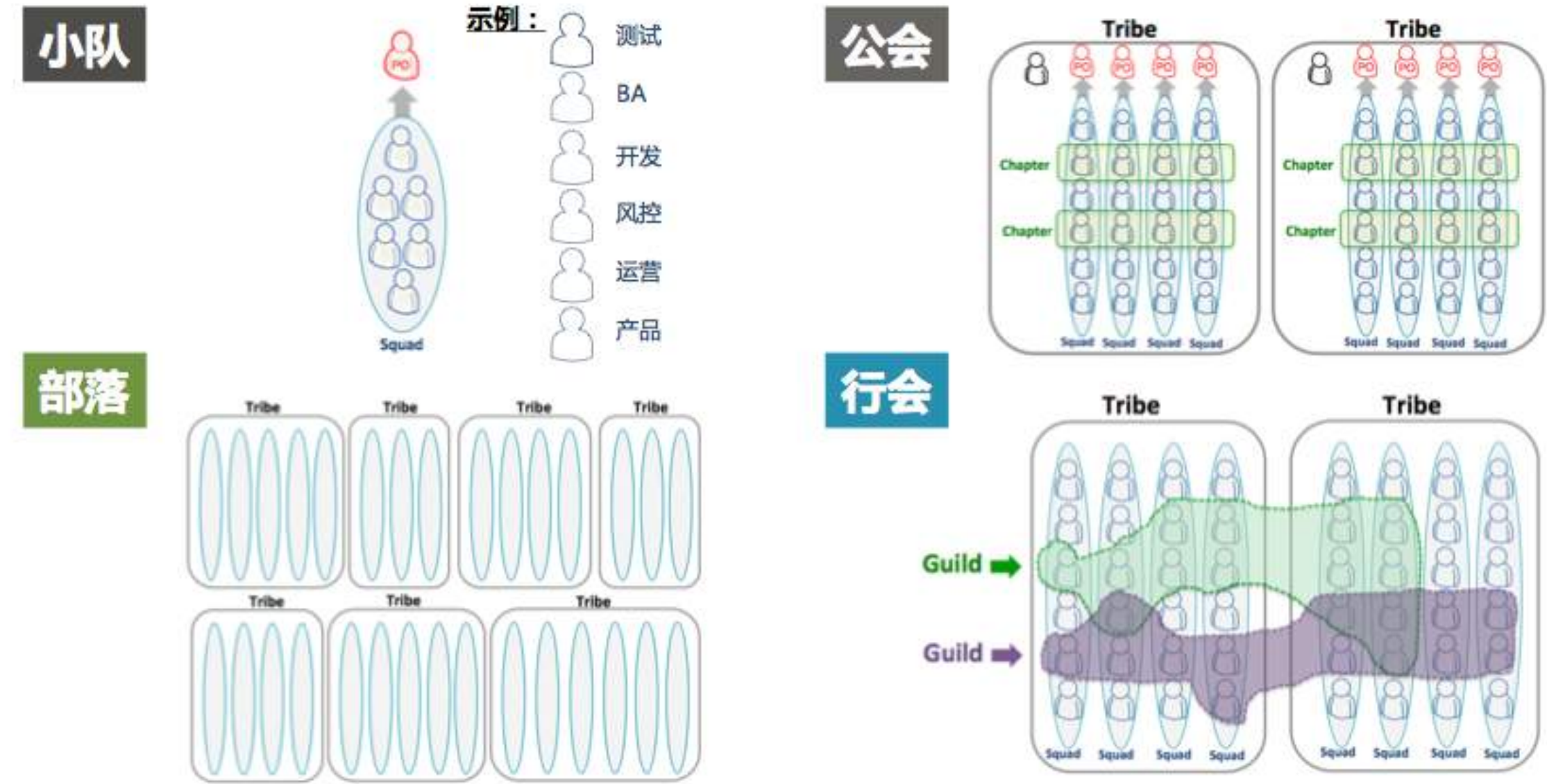
OKR mechanism

Blend the team in a virtual operational structure

- Sometimes, it's not feasible to embed an employee of certain function into another tribe / squad, because although certain work need specialists with different skills, the need is evenly distributed.

- In this situation, a squad with core functions can be formed, and it just assign supporting person out when needed.

- The resources are always limited, so it's good to have an effective and efficient way to calculate ROI.

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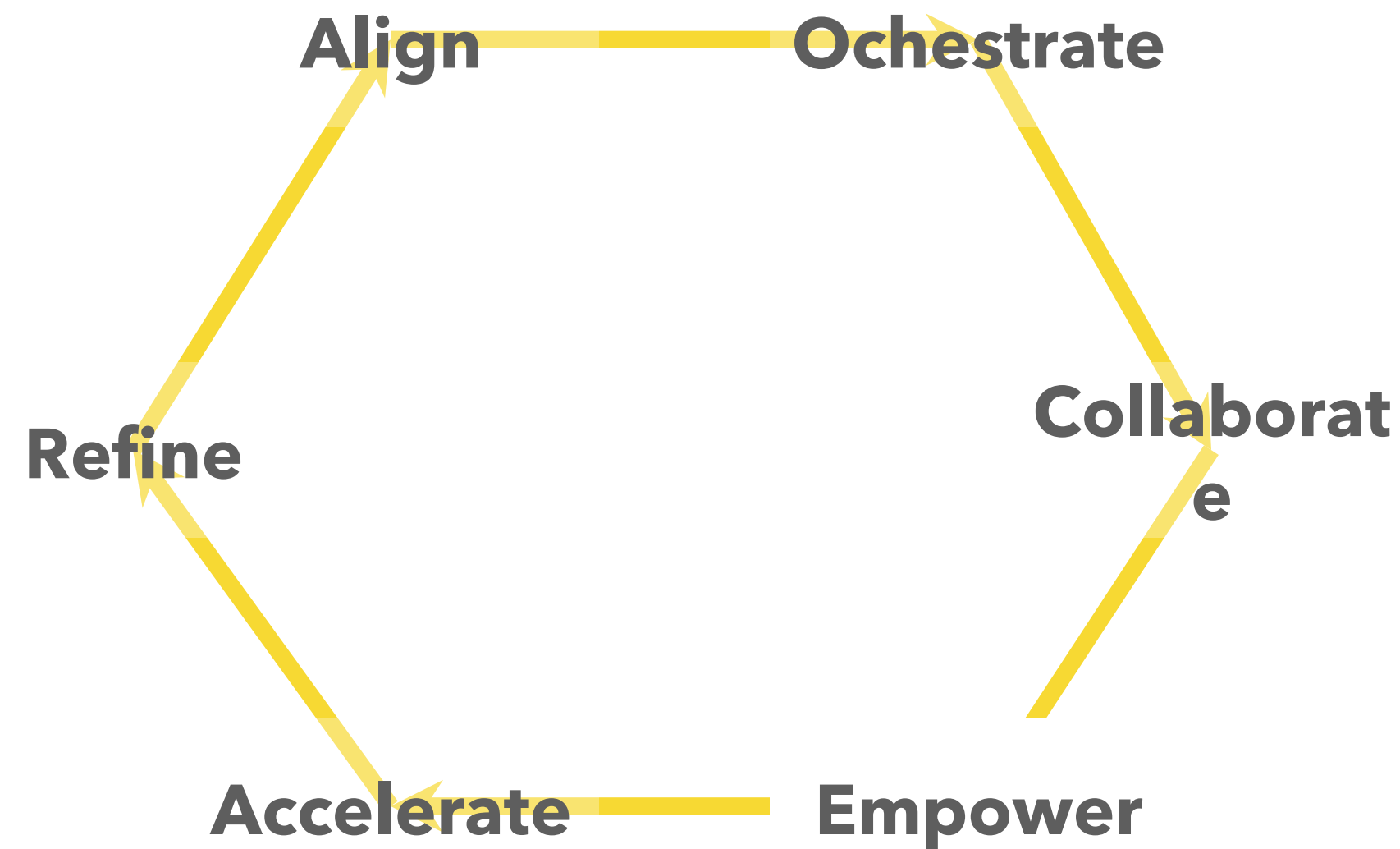| Align	• Set up OKR mechanism using Kanban • Align the key results with real business
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Hold virtual stand-up meeting using Kanban

• Since offices are located in different cities, virtual stand-up meeting became a good choice

It's very helpful to invite the senior officers to attend, especially at the beginning.

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Lay down empowerment policy and keep it explicit

- To ensure the meetings and decision making process to be efficient, empowerment is the key.

- People of the supporting functions should attend with certain authorization to decide.

- Take the PA Credit Card for example, the Finance BP gave approval to the Marketing Sector for experiments which cost 70K USD or less.

- It's important for the team to continuously make the empowerment policy explicit.

Use experiments to boost empowerment

- Most of time, the biggest bottleneck to empowerment is manager's lack of confidence that the team can make the right decision.

- Therefore, it's vital for the organization to form up the culture, environments and supporting mechanisms for teams to do experiments at low-cost quickly.

- In this way, teams can build up capabilities to make right decisions, while managers can build up the confidence to authorize.

- Here is an experiment value stream.

识别	痛点痒点识别 (开始步骤)	解决方案构思	MVP搭建	实验方案确认	实验		产品市场匹配	客户规模化	市场饱和 (结束步骤)
					实验中	结果分析			
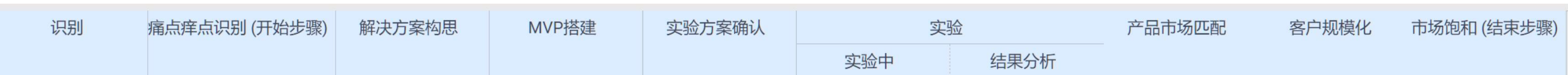
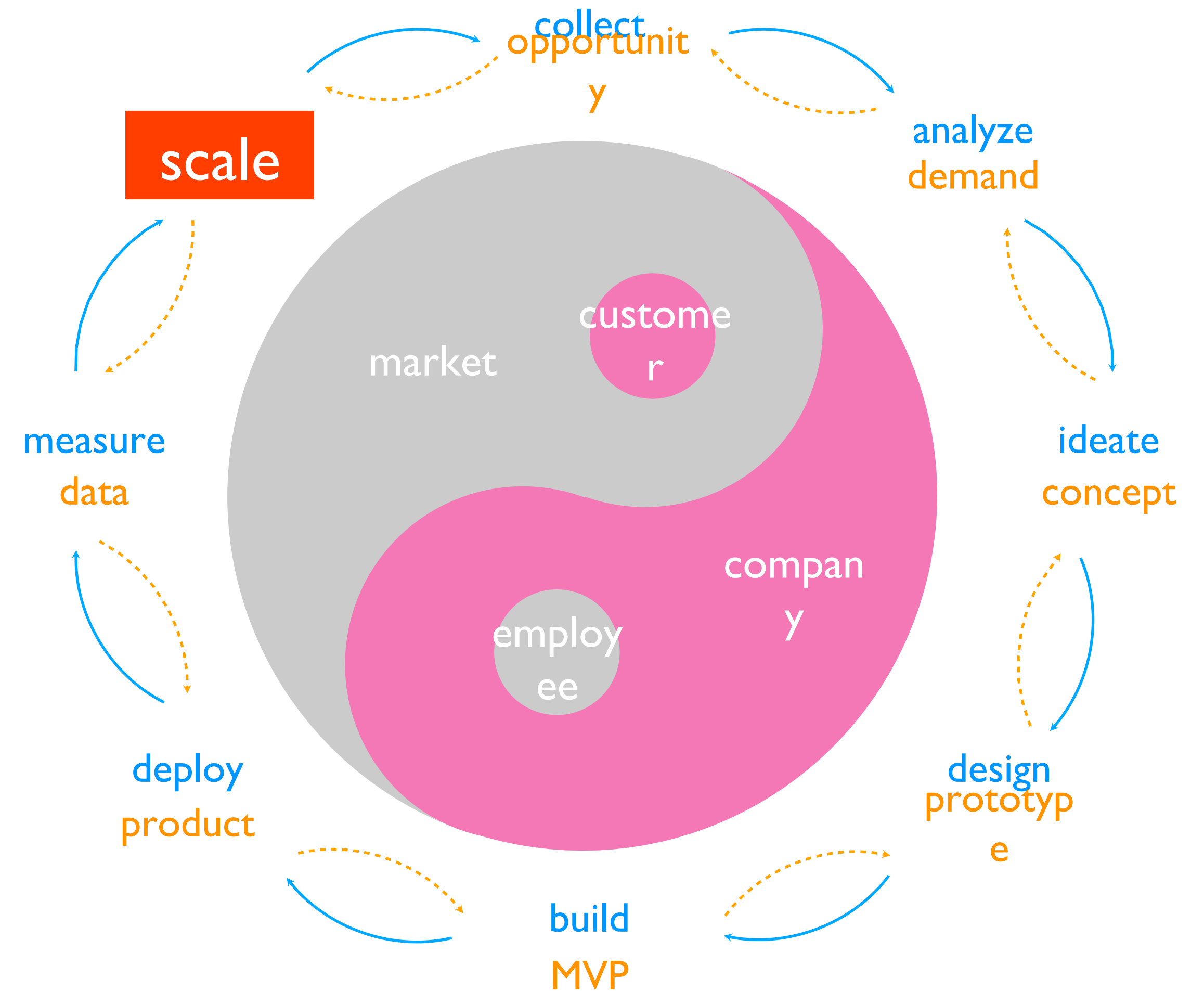# Explain innovation experiment model using Tai Chi charter

Investment

- Include labor, capitals, and other governable resources
- Don't scale until the experiment finished

Return

- Valuate from the angle of money or knowledge obtained
- Avoid waste, but allow necessary ones

Explain VUCA using quotes from an ancient Chinese Philosopher

Lao Zi（老子）, the Chinese philosopher who lived 2500 years ago
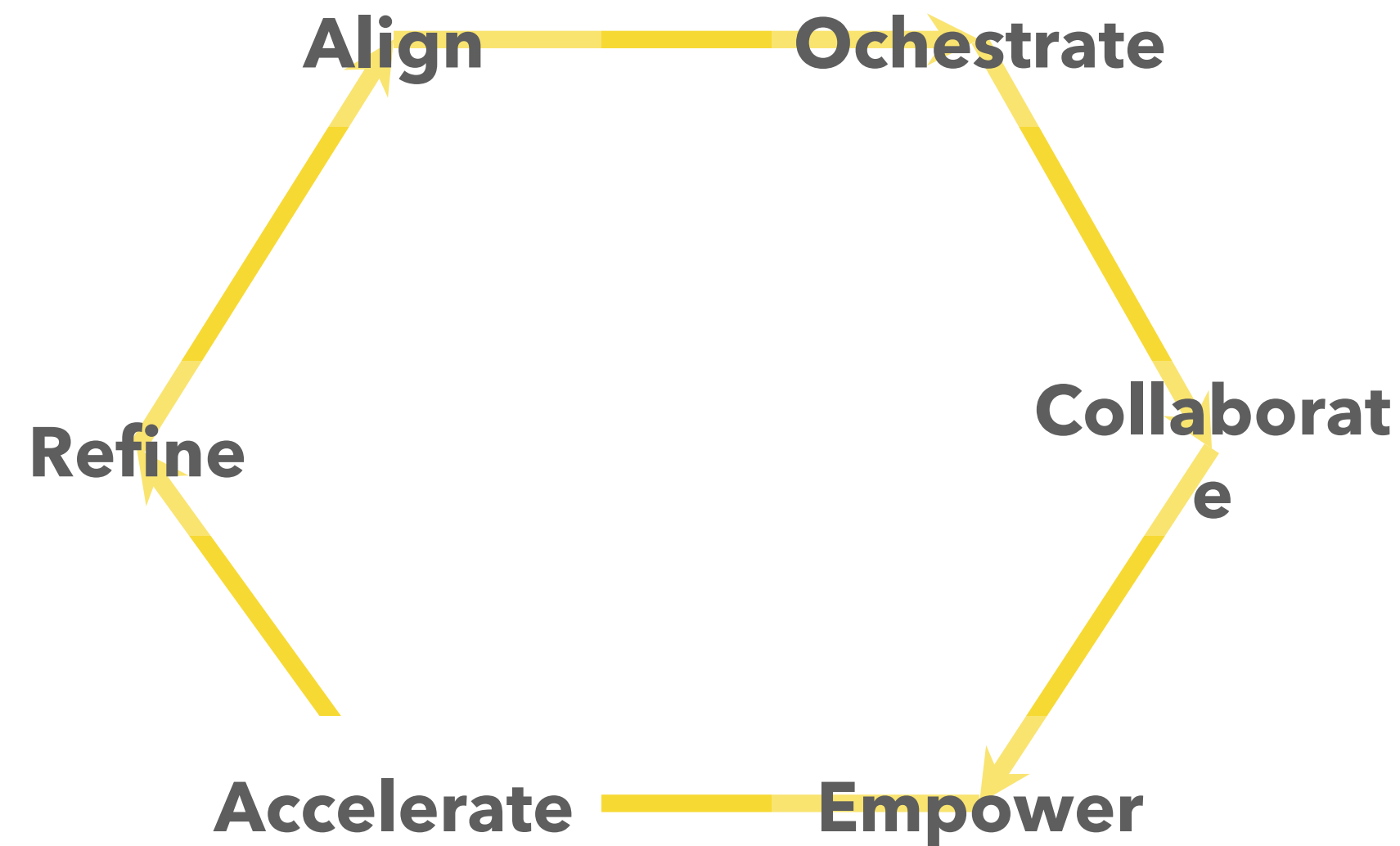
"道可道，非常道"
"What can be clearly spoken of is not true."

VUCA
- Volatility
- Uncertainty
- Complexity
- Ambiguity

Try to explain in a simple, understandable and trustworthy way.The best situation is that you don't need to persuade them.

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RCA model

- With team empowerment, there are still many decisions may need CEO's approval in daily operations.

- To speed up this process, we assign one responsible person for the proposal, and one manager as the consultant to review the proposal, so as to avoid multiple layers of review.

- Team can choose among two options:
  - Empower lower level managers to do decisions
  - Make higher level managers directly responsible for preparing the content if the decision is too important

Parallel engineering

- To prepare better for the important decisions, team can offer multiple proposals for one thing.

- Follow MESE rules (mutually exclusive and collectively exhaustive)

- This may spend more resources, but it can benefit the lead time, which in most cases is more important for organizational agility.

- For example, team can prepare multiple card designs in parallel and choose one from those, instead of reviewing one design each time.
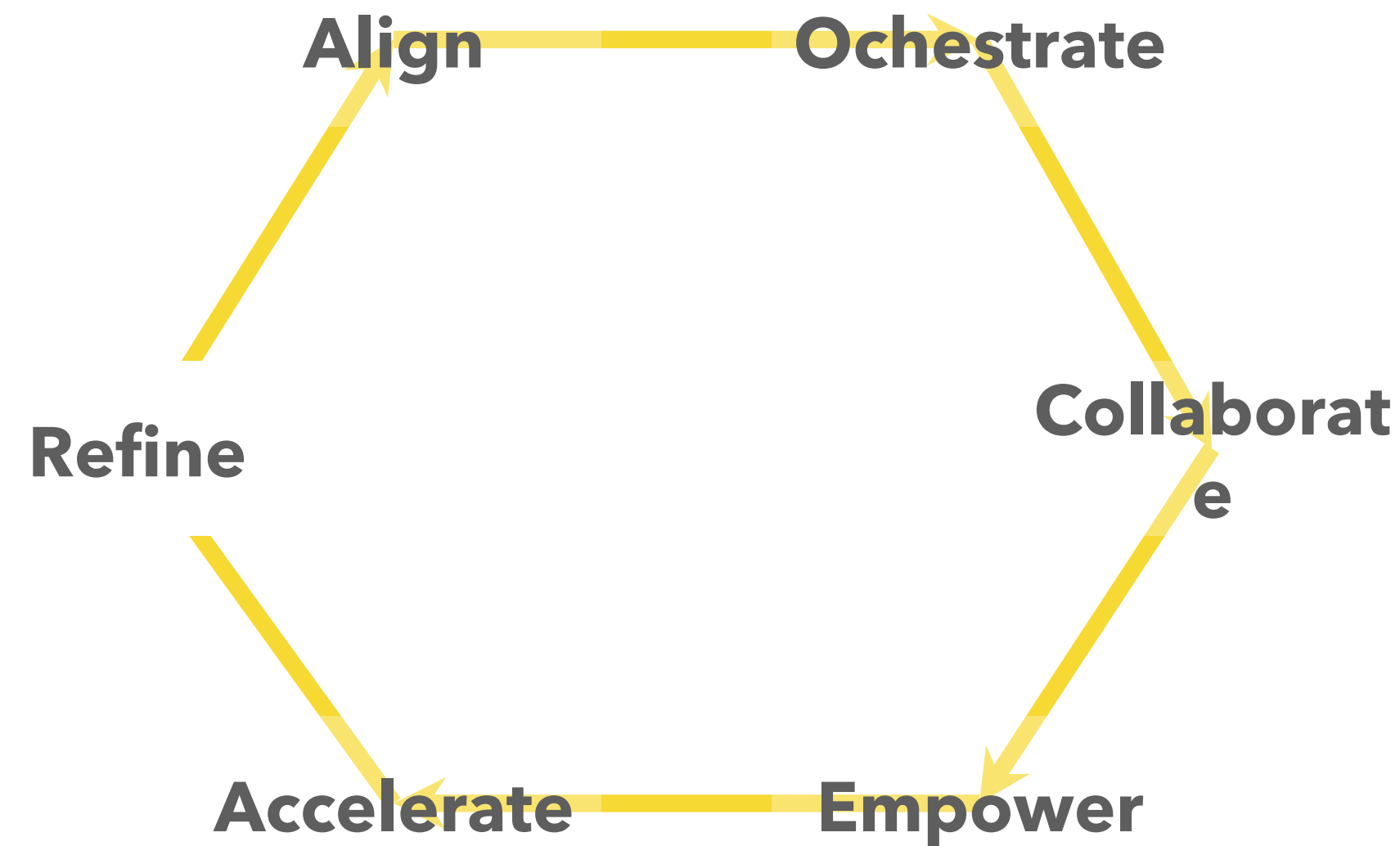
Productization

- To short the lead time of different stages, a good solution is productization.

Normally, you will get push back from sales team when starting productization. Hold tight!

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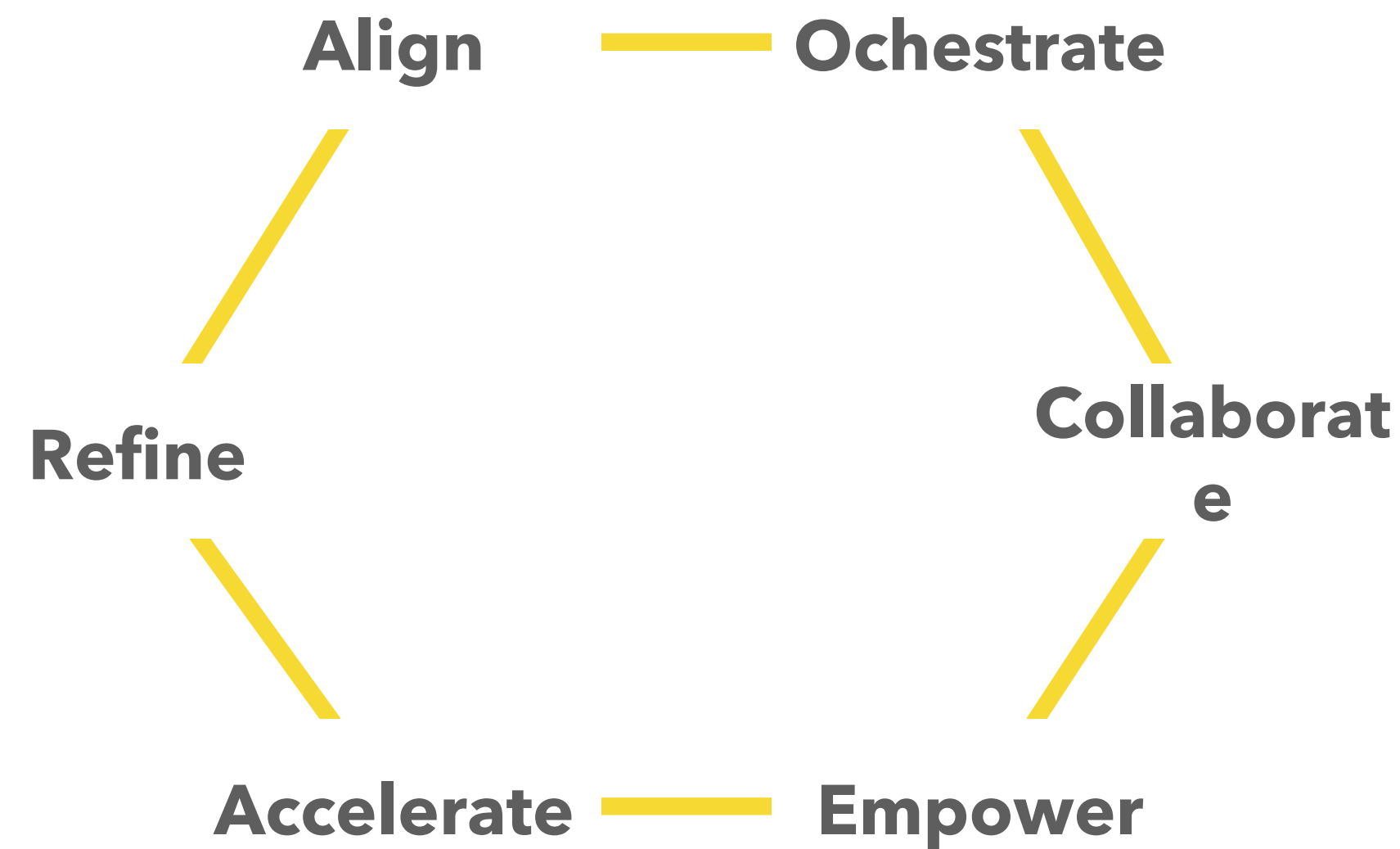|	
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Hold virtual review meetings using Kanban

- Bi-weekly operation review

- Monthly strategy review

- Speed up the frequencies of review to fit the fast changing circumstances

I Like   I Wish   Follow-up

Again, very effective and cost saving for distributed offices!

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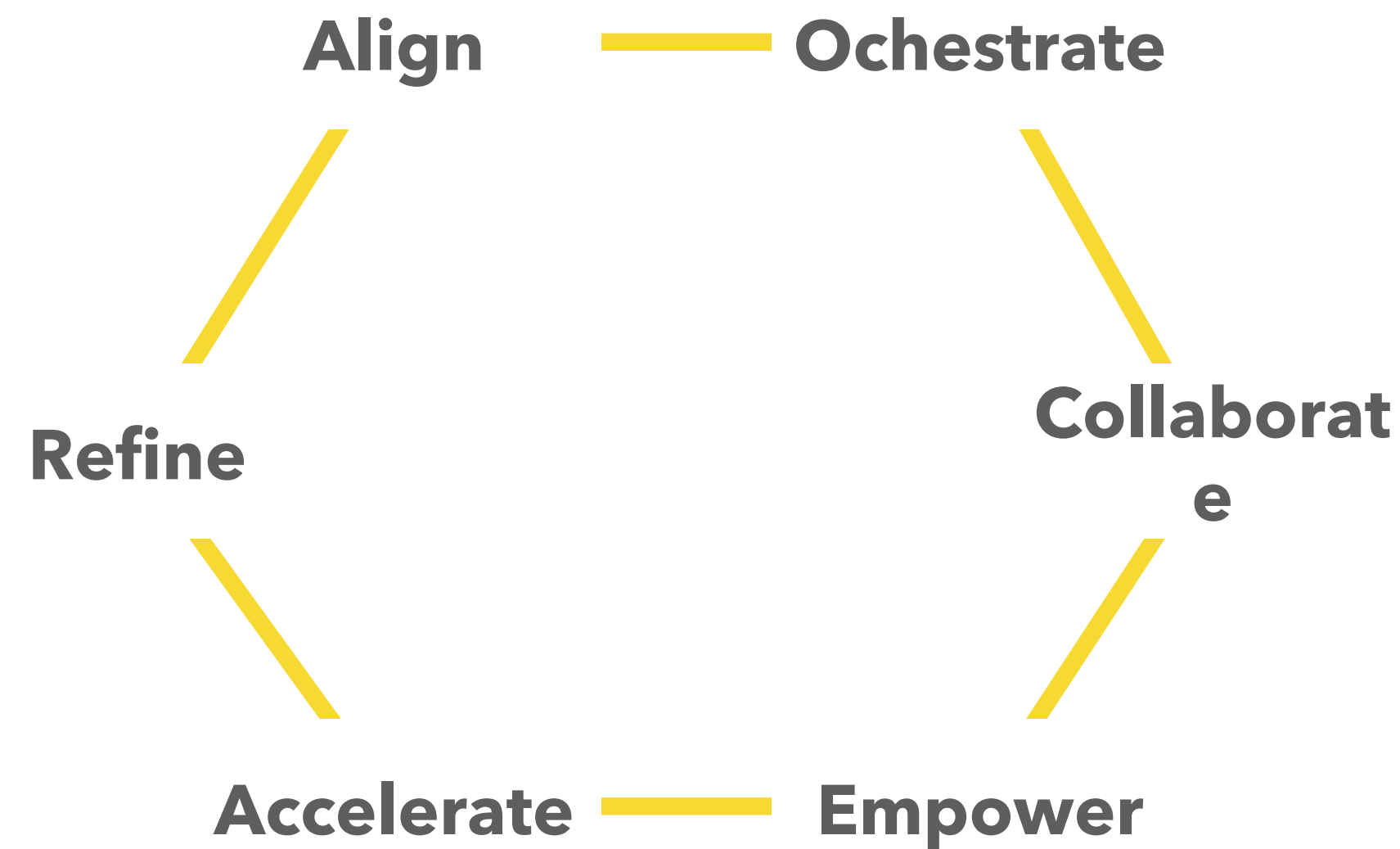| Refine | • Virtual service delivery review |
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The Confucius (孔子), lived 550 - 479 B.C.

- Just be good enough

- Keep the flow flow

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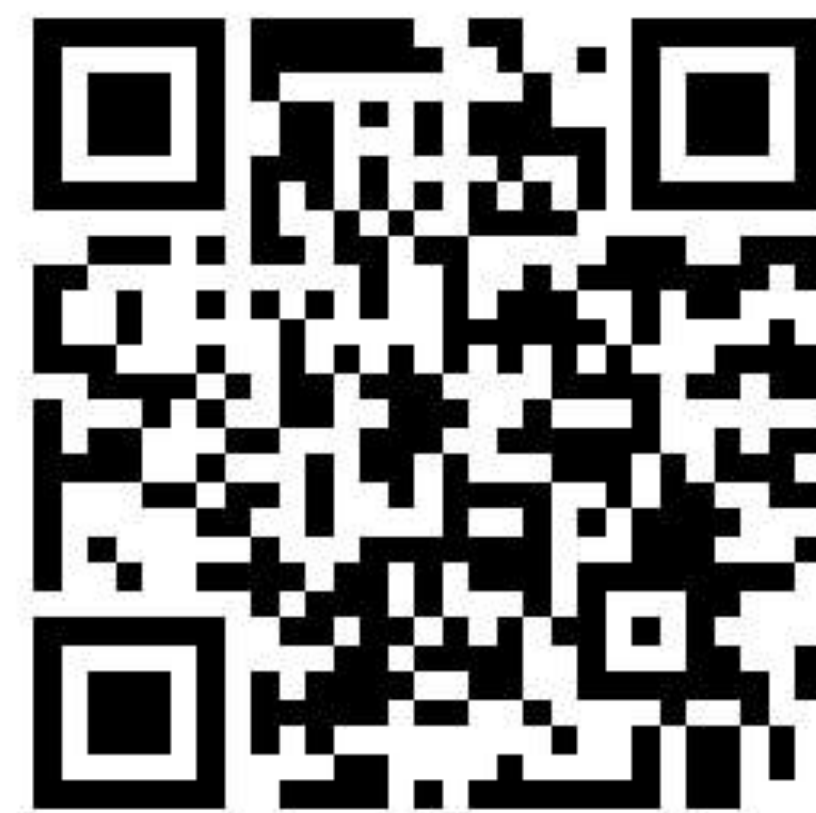
深圳站：2018年7月6–9日   北京站：2018年12月7–10日

Thank You!

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