

Introduction to business agility



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Introduction: why improve ways of working?

With the latest technology-led revolution, we have gone from the Age of Oil and Mass Production, where work was mostly repetitive and knowable, to the Age of Digital, where work is mostly unique, time-sensitive and unpredictable. Like going from the Stone Age to the Bronze Age, a new means of production creates new expectations. In order to survive and thrive, there is a need for businesses to adopt ways of working suited to the new means of production.

In the Age of Digital, every organisation is a software organisation, directly or indirectly, and there are few cases where value delivery is not in some way underpinned by information technology. For example, government agencies, universities, health facilities, manufactured products, distribution and financial services all leverage software to solve human needs. Whereas in a factory 1,500 cars might be produced every day, one car a minute, repeating the same processes over and over again, in the Age of Digital, you do not write the same software thousands of times. Software is written once and then *runs* thousands of times.

This new means of value generation requires a completely new approach to ways of working. This applies whether you are in a service/product design, process improvement, operations or software engineering role and whether you are a senior leader or a junior leader. Agile is one of many possible practices, along with Lean, DevOps and more; however, it is not the 'end' in itself. Improvement can be elusive – organisations can be 'doing Agile' and not seeing any improvement in their outcomes

Learning Outcomes

After studying this course, you should be able to:

- explain the most important focus areas when seeking to improve ways of working and how these can be measured
- apply two practical activities to your own context in order to get started with business agility
- locate further information and resources to dive deeper into this topic.

1 Business agility patterns

Sooner Safer Happier is a textbook based on decades of practical experience of improving ways of working in hundreds of organisations. Learnings are structured into eight '**patterns**' and '**antipatterns**' for business agility.

A pattern is a response to a situation that, more often than not, is effective and improves desired outcomes. Of course, this all comes with ups and downs, back and forth; it's all about the people. A pattern can help to create a tailwind for change.

The antipattern is to deploy a capital 'A', capital 'T' Agile Transformation across your organisation, with fixed scope/budget/plan, that is, to apply old ways of thinking to new ways of working, which is unlikely to generate the desired benefits.

Better Value Sooner Safer Happier (BVSSH) is an outcome-orientated approach to continuously improving ways of working. It is a model for improving outcomes as organisations pivot to the nature of work in the Age of Digital. Instead of focusing on a particular framework, the focus needs to be on achieving a positive trend on desired outcomes, using Agile, Lean, DevOps, systems thinking, design thinking, theory of constraints and so on as figurative tools in the toolbox, suited to your context. Every organisation is unique and is a complex adaptive system; there is no one-size-fits-all approach.

Table 1 summarises the types of organisational problem these patterns can assist with. (*Italic text* in the third column refers to topics discussed in the *Sooner Safer Happier* textbook that are not covered in this course.)

Organisational problem	Desired outcome	Recommended BVSSH pattern(s)
'We're too expensive and inefficient. It's too hard to get anything done, and organisational inertia is holding us back. The cost of change is high and it takes ages. We have to be more efficient!'	I want more efficient delivery of value	Pattern 1: Focus on the outcomes Pattern 5: Build the right thing <i>Intelligent Flow</i> Pattern 7: Continuous attention to technical excellence
'We need to get better at benefits management. We don't really know what value our change investments are adding; it's just opinion. We have to get smarter at articulating, measuring and prioritising highest value!'	I want to optimise for highest value	Pattern 1: Focus on the outcomes Pattern 5: Build the right thing <i>Intelligent Flow</i> <i>Create a Learning Ecosystem</i>
'Things take too long. If we don't change, we will not exist. We are not keeping up with the competition. Doing nothing means we are going backward quickly. We have to accelerate.'	I want to decrease time to value	Pattern 5: Build the right thing <i>Intelligent Flow</i> Pattern 6: Build the thing right <i>Intelligent Control</i> Pattern 7: Continuous attention to technical excellence
'When our delivery teams hit the risk and control gates, it doesn't matter whether they are agile or not: they all slow to the same speed. It can feel like we have governance gridlock, yet we	I want to have both speed and control	Pattern 4: Leadership will make it or break it Pattern 5: Build the right thing <i>Intelligent Flow</i> Pattern 6: Build the thing right

are highly regulated and must manage risk and maintain regulatory trust.'

Intelligent Control

'Our best people keep leaving. The talent market is so competitive. Our staff turnover is really wasteful. We lose knowledge and reputation. We have to get better at attracting and retaining the best talent.'

I want a more engaged workforce

Pattern 1: Focus on the outcomes
Pattern 3: Invite over inflict
Optimisation over One Way
Create a Learning Ecosystem

'We waste a lot of time talking about it. We have some pockets of improvement, but there is no shared understanding. Everyone has such entrenched beliefs. The arguments can get heated. Our energy needs to be focused on making real improvement.'

I want to know why ways of working matter

A Sense of Urgency

Pattern 1: Focus on the outcomes
Pattern 4: Leadership will make it or break it

'We have talked about transformation for a long time and made a start. We're making some progress in IT, but the wider organisation is not yet feeling the benefit. As a leadership team we want to improve outcomes, and we want lasting change.'

I want to nurture cultural change

Pattern 2: Achieve big through small
Pattern 3: Invite over inflict
Optimisation over One Way
Pattern 4: Leadership will make it or break it

'For our organisation to survive and thrive, we know we have to adapt quickly. The scale of change is daunting, and we are not sure where to begin making these changes.'

I want to know where to (re)start

A Sense of Urgency

Pattern 1: Focus on the outcomes
The Best Time to Plant a Tree Is Twenty Years Ago; The Second Best Time Is Today

'Our investment funding is tied to detailed upfront business cases and annual project cycles. It's hard to understand what a different funding model might look like in new ways of working.'

I want to know how to fund agility

Pattern 1: Focus on the outcomes
Pattern 5: Build the right thing
Intelligent Flow
Pattern 4: Leadership will make it or break it

2 Pattern 1: Focus on the outcomes

What are BVSSH outcomes?

(B)etter is quality. Quality that is built in rather than inspected in later. There are fewer incidents and outages and less rework. More time is spent proactively rather than reactively. Improving quality can be demonstrated through, for example, continually reducing trends of breaks/data exceptions/outage, increased mean time between failures and reduced time to recovery. A wide range of metrics is available to demonstrate quality trends, depending on your context.

(V)alue is unique; it is an outcome of value to your organisation, and it is your purpose. It could be financial; it could be maintaining public safety; it could be charitable. As the future is not knowable, value is articulated via outcome hypotheses with leading and lagging measures.

- The *leading* measures act as an early indicator, an early feedback loop, based on whether we are seeing the desired behavioural shifts happening. This enables pivoting and agility in order to maximise the outcome or have the cheapest cost of failure.
- The *lagging* measures will align more closely to impact metrics and more traditional benefits statements.

(S)ooner is time to market; time to learning, to pivoting, to de-risking, to avoiding a 'sunk cost fallacy,' to locking in progress and value early and often. There are three key measures:

- *Lead Time* is the time from starting work on an item of value to getting it into the hands of a customer.
- *Throughput* is the count of items of value delivered into the hands of a customer in a time period. As lead time comes down, throughput should go up.
- *Flow Efficiency* is the percentage of time that work is actively being worked on during its elapsed end-to-end lead time, as opposed to waiting to be worked on. For most large, service-based organisations, flow efficiency is typically 10% or lower. This means that work is waiting at least 90% of the time. This is where significant gains can be made. Focus on where the work *isn't*, not where the work is.

(S)afer is Governance, Risk, and Compliance (GRC), information security, data privacy, regulatory compliance and resilience in chaos, be that a cyber-attack or a global pandemic. It is customers trusting your organisation.

(H)appier covers customers, colleagues, citizens and climate, as it is not about 'more for less' at any human or climatic cost. It is high levels of customer advocacy and colleague engagement with a positive impact on society and the one planet we live on.

Together, **Better Value Sooner Safer Happier** balance each other. If Sooner is achieved by working people harder or cutting corners, the result will be a reduction in Better, Safer and Happier.

When establishing **BVSSH** measures, it is important to look at the trends over time, the vector metrics, rather than absolute values. What matters is not the specific metric you use, nor the level you or your team are at, but rather that teams are monitoring and seeking to continually improve their performance along these dimensions. Think 'personal bests', not 'I'm the best'.

BVSSH contains two types of outcome:

- Better Sooner Safer Happier are the *how* outcomes. They measure the improvement in your system of work.

- Value is the *what*, the 'business' outcome hypothesises that the system of work produces.

The two sets of outcomes form a virtuous circle, as illustrated in Figure 1.



Figure 1 BVSSH (Better Value Sooner Safer Happier) meanings © Sooner Safer Happier Ltd, 2020

Improvements in *the how* lead to improvement in *the what* due to faster feedback, the ability to pivot, higher quality and more engaged colleagues and customers. Rather than inflicting one set of practices, focus on BVSSH and empower teams to improve using their own brains, with support, in their unique context. With incentivisation and psychological safety, this will build a new muscle memory, a continuously learning and improving organisation.

2.1 Outcome hypotheses and OKRs

Activity 1 (below) aims to help you understand how to measure and continually improve Value.

The value associated with unique change is best articulated as **outcome hypotheses** (also known as Objectives and Key Results, or **OKRs**). This creates a clear expectation that it is a hypothesis and may be invalid and that there are unknown-unknowns that will only be uncovered when the work takes place. It also creates a clear expectation that experimentation is required, with people empowered to use their own brains to discover how to best achieve the outcome, or even if the outcome hypothesis is worth continuing trying to achieve.

You can write an outcome hypothesis like this:

Due to <this insight>

We believe that <this capability>

Will result in <this outcome>

We will know that we're on the right track when:

- Measure 1: quantified and measurable leading or lagging indicator

- Measure 2: ...
- Measure 3: ...


In the short video below, Myles Ogilvie, Principal at Sooner Safer Happier Limited, explains more about the importance of leading and lagging indicators, and how they relate to value and behavioural shifts.

Video content is not available in this format.



To aid the writing of your first business outcome, use the canvas below (Figure 2).

Activity 1: An outcome hypothesis

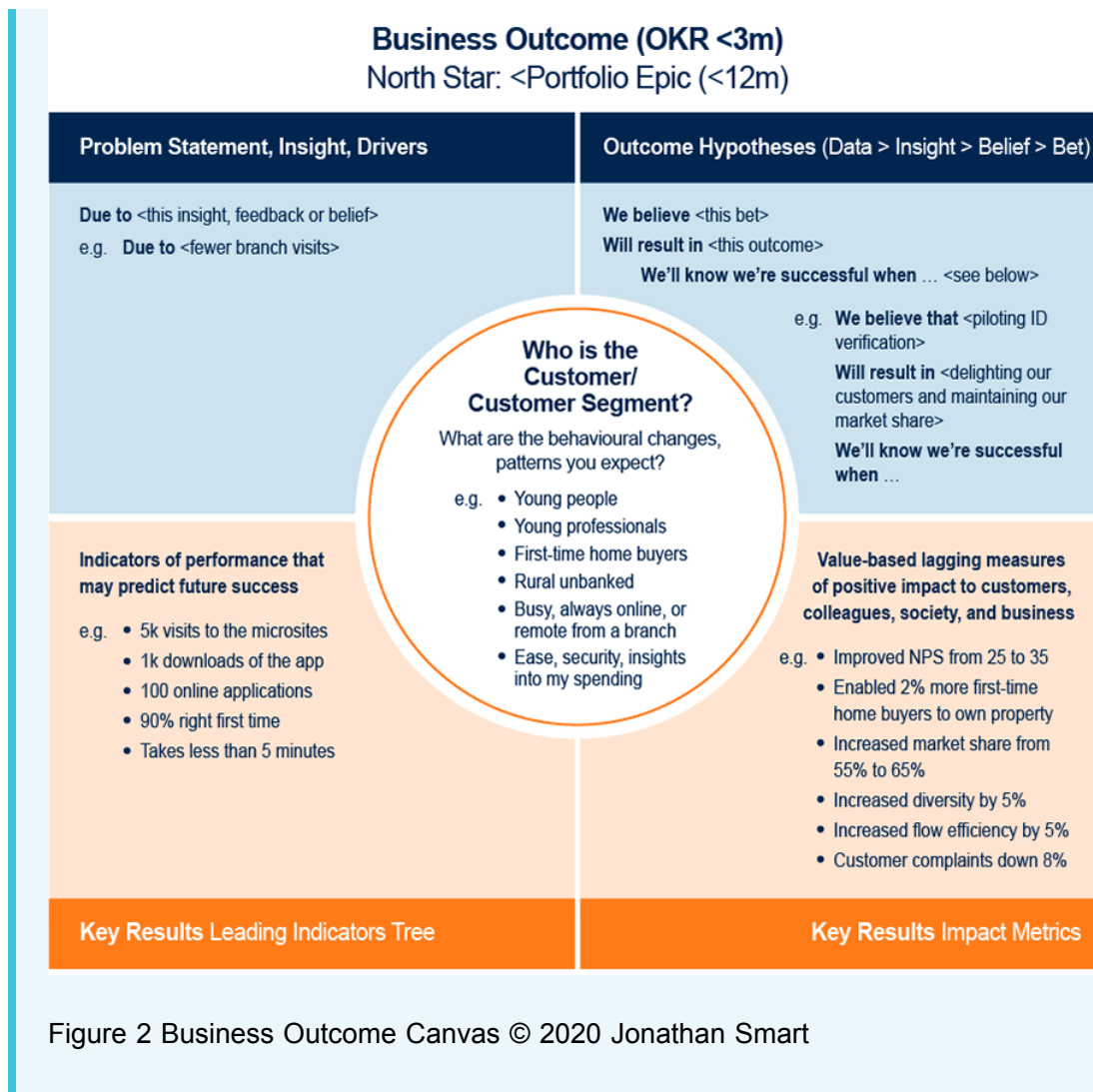
 allow at least 30 minutes

On a whiteboard (or digital canvas), draw four quadrants with a circle in the middle, like Figure 2 (below). Label the quadrants as shown in Figure 2 and the circular customer segment in the middle.

For an outcome you are seeking to achieve, and using the completed canvas in Figure 2 for guidance, start to populate each sector with information. It does not matter which sector you start in, and you can iterate each sector as your thinking develops.

As you populate your canvas, reflect on the following questions:

1. For this outcome – how will you decide when your outcome is achieved? Is it based on a date, a scope, budget spent or something else?
2. What is the time horizon you chose for your outcome? (see Pattern 5)



Over time, as your mastery of this approach increases, consider writing business outcomes as 'moonshots' or stretch goals. Traditional objective setting tends to lead to mediocrity, to underpromising in order to overachieve the goal. Achieving 100% regularly is not thinking big enough. Instead, achieving 60% to 70% of a business outcome is doing well.

Further information

To explore this pattern in more depth, watch the following YouTube videos:

- [OK NOTOK OKRs - Jon Smart \(Americas\)](#) (54 minutes 54 seconds)
- [Output vs Outcome & Impact](#) (10 minutes 37 seconds)

2.2 Value Stream Mapping

In the following video, Myles Ogilvie introduces Value Stream Mapping, a powerful technique to help you to understand how to measure and continually improve flow.

Video content is not available in this format.



Figure 3 illustrates how to measure the flow efficiency when queuing for a cup of coffee. In this case, the flow efficiency is 20%, meaning you spent 80% of the time waiting.




Figure 3 Value stream mapping © 2021 Sooner Safer Happier Ltd

As Myles Ogilvie explained in the video above, the wait time is when work is not happening. There are many different reasons work stops. Using the language of astronomy, the wait time could be considered the 'dark matter' of your system of work. By visualising and tackling this wait time, you can achieve radical performance improvement. In most large organisations where there has been no historic focus on optimisation, the flow efficiency associated with work is below 10%: in other words, for over 90% of the time, work is waiting in queues. In order to improve the flow of value through your organisation, you will need to:

- visualise the flow,
- identify the wait times and bottlenecks and
- evaluate where the best place is to apply improvements.

Large organisations are complex and adaptive – as their people and environment shift, there can be a steady increase in disorder (entropy). A continual improvement approach to improving flow is advisable – improving ways of working is not a one-off exercise. The [Law of Marginal Gains](#) (the belief that small improvements to any process amount to a significant improvement when added together) means that many small improvements over time can lead to extraordinary outcomes.

Activity 2: Value Stream Mapping

 *allow at least 30 minutes*

Try applying Value Stream Mapping to a process at your organisation.

1. Using a whiteboard or a digital canvas, draw a horizontal line from one side to the other.
2. At each end, place a sticky note (or a text box) explaining the start and end of the process you wish to improve.
3. Between these, place another sticky note (or text box) describing each step of your process. Use the same colour notes for all of these. On each sticky note, write the time it takes to execute the tasks.
4. Now add a different-coloured sticky note between each of the process steps you have just created and write the wait time on it.
5. Finally, normalise the units you have used (seconds/minutes/hours/days/weeks/months) and calculate the flow efficiency of your process.

As you map your process, reflect on the following questions:

- What are the major impediments to flow in this process, the main sources of wait time?
- In order to accelerate flow, what do you want to tackle first?

The business agility patterns described in the next sections are fundamental enablers for improvements in Better Value Sooner Safer Happier outcomes within your organisation. Brief summaries are provided, but further information about these patterns can be found on YouTube at <https://soonersaferhappier.com/> and in the published text *Sooner safer happier, patterns & antipatterns for business agility* (Smart, 2020).

3 Pattern 2: Achieve big through small

It is hard for humans to change behaviours learned over many years. Change can lead to a dip in morale and competence before learning embeds and improvement happens. Achieving broad organisational change that sticks requires transformational 'baby steps'. Start with the smallest possible group of people who might effect improvement and the smallest possible scope that might make a difference. Run the experiment, create a rapid feedback loop using BVSSH measures and learn from that experience before determining the next step. As expertise increases, the changes will accelerate.

The antipattern would be to deploy a large-scale change across your complex organisation, changing hundreds or thousands of people's roles and behavioural interactions at the same time.

4 Pattern 3: Invite over inflict

Improving ways of working is a form of innovation, and Everett Rodger's writings from the 1960s on the Diffusion of Innovation are useful in this context. The population will contain some individuals who are most open to change – innovators and early adopters – but the majority will need to see social proof that the innovation is useful before they will feel comfortable to follow. There will be others who are highly sceptical of the change and may never agree to it.

There is no one-size-fits-all approach for improved ways of working leading to better outcomes. Experimentation is needed. When helping your organisation to change, it is important to identify innovators and early adopters – and to *invite* them to participate. These people are more likely to relish the opportunity, to have greater curiosity to explore what works and what doesn't and to demonstrate the resilience to overcome obstacles. The antipattern would be to *inflict* a one-size-fits-all, off-the-shelf framework across your complex organisation, mandating a fixed set of practices developed elsewhere.

5 Pattern 4: Leadership behaviour will make it or break it

Culture is set by leadership, and specifically by how leaders behave rather than what they say. This applies to leaders at all levels – teams, departments or the whole organisation. When leaders model improved ways of working, demonstrating curiosity and experimentation and learning, it sends a powerful signal to everybody else. Examples of positive leadership behaviour include:

- focusing on outcomes,
- using visualisation walls that are available to everyone in the organisation,
- fostering psychological safety and
- providing clarity of mission together with autonomy for teams to determine how to achieve their mission.

The antipattern would be ‘Do as I say, not as I do’ – a lack of role modelling, a continued focus on output rather than outcomes, a command-and-control behaviour set.

6 Pattern 5: Build the right thing – outcomes over output

The outcome you defined in Activity 1 fits into a set of nested outcomes for your organisation.

For example:

- Level 1 – strategic goals.
- Level 2 – multi-year outcomes
- Level 3 – 1-year outcomes
- Level 4 – 3-month outcomes
- Level 5 – 1 month experiments, weekly iterations
- Level 6 – daily stories/tasks

To help your organisation optimise building the right thing, it is necessary to establish clear traceability of work across these levels, with regular prioritisation. This information may be shared through the visualisation walls mentioned above. Regular reviews and reprioritisation by leadership at all levels are based on measuring leading indicators of progress (answer to Experiment 1, Question 1).

To help your organisation optimise around the regular flow of value, it is necessary to consider how people are structured to support these outcomes. There is a pivot from project-based models towards long-lived product/service teams within long-lived value streams – containing all the cross-functional capabilities to achieve their prioritised outcomes. The longevity allows you to optimise belonging, learning, and colleague engagement. Hand-offs with areas that cause delay can be reduced.

The antipattern would be milestone-driven predicted solutions, where the output was defined up front, without experimentation, at the time of least available knowledge. This antipattern prioritises delivery of output over the outcome. As a UK government minister said in February 2021 during the COVID pandemic, ‘In determining the correct course of action we should be guided by the data, not the dates’.

Further information

To explore this pattern in more depth, watch the YouTube video from Jonathan Smart, [*The PMO is dead, long live the PMO*](#)

7 Pattern 6: Build the thing right – speed with control

Public organisations and regulated industries have a large number of externally mandated governance, compliance and control restrictions. The rise of online cyber crime represents a threat to all industries. Organisations need to manage risk to maintain customer trust.

The antipattern would be a fixed mindset around risk where a product/service/change undergoes inspection by risk experts once it has been built. At one organisation it took 3 months to complete inspection before a sample program that could familiarise users with the process was internally deployed. In that case, the control plane of the system of work was not optimised for flow.

Improving BVSSH outcomes requires speed with control. This includes seeking early collaboration between delivery teams and risk experts and taking a context-sensitive approach to judging risks and specifying mitigations. Equipping the system of work with measuring instruments used by product/service teams can help to visualise identified risks and their mitigations.

Operating at speed requires the availability of strong brakes, and this can be achieved through standard automated checks at time of release.

Further information

To explore this pattern in more depth, watch the YouTube video from Jonathan Smart, [*Risk & control is dead, long live risk & control*](#).

8 Pattern 7: Continuous attention to technical excellence

Many organisations operate information technology departments as ‘feature factories’, with the emphasis placed on maximising the rate of feature delivery. A lower priority is placed on technical excellence practices, with the result that shortcuts taken to expedite feature delivery fail to be resolved – building up ‘technical debt’. Technical debt accumulates over time, and, if not repaid, it makes change harder, slower and more costly to achieve. Stakeholders with an interest in continually improving platforms should actively support continual investment in the technical underpinnings of the platforms themselves to reduce the long-term cost of change.

Further information

To explore this pattern in more depth, read Simon Rohrer’s article [‘Slow down in order to “speed up”: Pay continuous attention to Technical Excellence’](#)

9 Pattern 8: Pop the learning bubbles – become a learning organisation

Your organisation will be organised into departments and silos. Humans are tribal in nature, and we need to belong to groups. The tribal instinct is not just to belong; it is also to exclude. This exclusion promotes the creation of social bubbles – whether consciously or unconsciously.

While social structures have positive effects, they also raise challenges – especially when it comes to knowledge sharing across an organisation. Much of this course has focused on learning and the need for knowledge sharing within organisations to spread information about new ways of working. If the silos/social bubbles of your organisation are too strong, then this will not happen.

Being a change agent means finding ways to ‘pop the bubbles’, to foster the spread of knowledge about improved outcomes and new ways of working. This can be achieved through, for example:

- ‘brown bag’ lunch talks;
- communities of practice;
- internal conferences, events and awards;
- internal mobility programmes (helping folks transition their role across the organisation);
- book clubs; and
- open spaces.

Popping the learning bubbles does not just apply within your organisation; it also applies across organisations and industries. Organisations can learn from each other and from their presence at external conferences and interacting with/listening to thought leaders.

Conclusion

Sooner Safer Happier is a movement dedicated to enabling organisations to achieve better outcomes for all and a more humane world of work. The movement is supported by an active, open-to-all, free-to-access, global community of practice – for details, see <https://soonersaferhappier.com/community/>

References

Rogers, E.M. (2003) *Diffusion of innovations* (5th ed.). NY: Free Press.

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Find out more about Sooner Safer Happier at soonersaferhappier.com. The Sooner Safer Happier book, [Antipatterns and Patterns For Business Agility](#), is also available.

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