2017 REPORT OF THE SD LEARNING CONSORTIUM

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www.sdlearningconsortium.org

I. About the SD Learning Consortium (SDLC)

The SD Learning Consortium (SDLC) became a legal entity in January 2016 and is dedicated to discovering together the progress made by companies in acting entrepreneurially with continuous innovation and then disseminating globally what has been learned. The approach involved the SDLC members conducting site visits, going and seeing for themselves what is happening on the ground in their organizations and discussing in depth what has been learned. The members also made several site visits to non-member firms. During eight site visits in 2016 and five site visits in 2017, they explored the hypothesis that some large companies are making progress in developing and implementing goals, themess and values that exemplify the entrepreneurial spirit and continuous innovation.

The SDLC member firms in 2017 were Barclays, Cerner, CH Robinson, Ericsson, Fidelity Investments, Microsoft, Riot Games, and Vistaprint. They range in age from 9 years to 327 years. The firms operate globally and have been on their various Agile journeys for periods ranging from 3 years to 15 years. Some of the firms were "born Agile" while others are engaged in a transformation from top-down bureaucracy.

Overall, the work of the SDLC suggests that large organizations can instill an entrepreneurial spirit and overcome the inertia of hierarchy, bureaucracy and internal politics. In effect, when organizations consistently embody four main themes of an entrepreneurial mindset, they can act entrepreneurially.

II. The SDLC mindset

Although the SDLC site visits revealed many variations in managerial practices and different labels being applied to what was being done (including Agile, Scrum, Lean and Kanban), the site visits in 2017, as in 2016, revealed a striking convergence towards an entrepreneurial mindset focused on achieving better business outcomes, based on four themes.

- **Delighting customers**: An obsession with continuously adding value for customers and users, as well as a recognition of the current need to generate instant, intimate, frictionless, incremental value at scale, anywhere, anytime, on any device. As a result of globalization, deregulation, knowledge work and new technology, power in the marketplace has shifted from seller to buyer. This is more than an increased attention to customers: it is a fundamental shift in the goal of the organization—a veritable Copernican revolution in management.

The Copernican Revolution in management
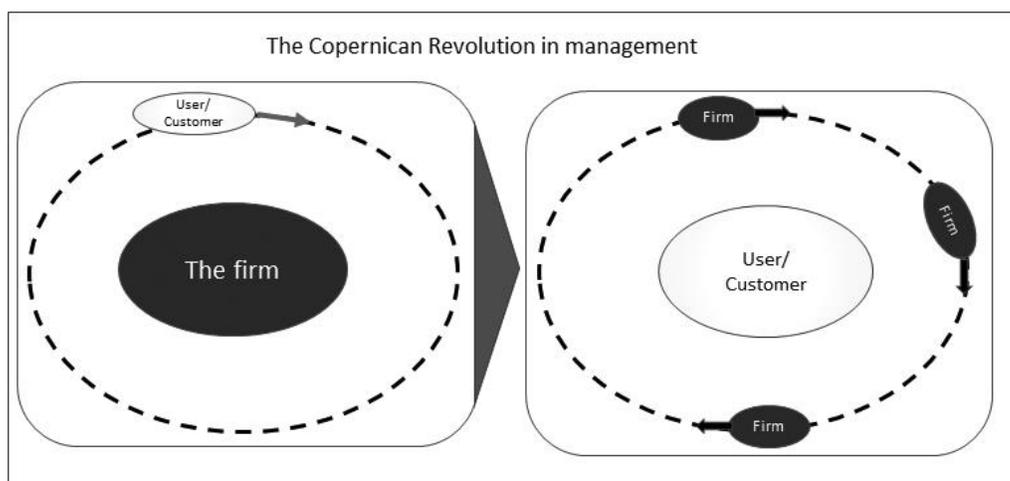
- **Descaling work**: A presumption that in a volatile, complex, uncertain and ambiguous world, big difficult problems need to be disaggregated into small batches and performed by small cross-

functional autonomous teams, working iteratively in short cycles in a state of flow, with fast feedback from customers and end-users.

- **Enterprise-wide Agility:** A recognition that, to be fully entrepreneurial, the whole organization needs to embrace the entrepreneurial mindset: the entire firm functions as an interactive network, not a top-down bureaucracy with a few teams implementing Agile tools and processes. In effect, Agile is not just for IT: it is a change in the way that the whole organization thinks and operates.

- **Nurturing an Agile culture:** A never-ending commitment to actively nurture and systematically strengthen entrepreneurial mindsets and behavior throughout the organization. This includes everything from leadership, strategy and values to onboarding, training, communications and people management.

Agile substance over labels: The SDLC members often refer to these principles with the umbrella terms such as "Agile" "agile," "Lean" and "DevOps". Different members use different labels. Some members prefer to capitalize the word "Agile" to register the fact that the SDLC principles go beyond the meaning of the English adjective "agile," in the sense of "nimble." Some firms prefer their own home-grown label, like Menlo Innovation's "joy in the workplace."

Barclays' current tag-line is "Better Value Sooner Safer Happier;" it is led by the "Ways of Working team" and is focused on business outcomes, rather than "agile for agile's sake." The Barclays program is pull based, rather than push-based. Agile is not currently in the headline: better business outcomes are. The toolbox includes agile principles and practices. This reduces resistance that often comes with words like "Agile" and "Transformation" (implying involuntary change).

Labels can be misleading, since outside the SDLC, many firms proclaim themselves to be "agile" even though they are not proceeding with an agile mindset or implementing its themes. Overall, the SDLC members regard labels as less important than the substantive question whether the organization is implementing the substance of the entrepreneurial mindset.

III. Delighting Customers

A. Continuous Innovation

The most important of the SDLC themes is an obsession with continuously adding value for customers and users, as well as a recognition of the current need to generate instant, intimate, frictionless, incremental value at scale, anywhere, anytime, anyhow.

Innovation labs: While all teams are focused on delivering fresh value to customers, operating teams usually do not have the time or motivation to focus on game-changing innovations. The SDLC reviewed several autonomous units, groupings or labs focused on achieving major innovation, including

- the Fidelity Innovation Lab/FCAT (Fidelity Center for Applied Technology);
- Vistaprint's Hatchery;
- the group at C.H. Robinson developing the Luminosity application:
- Barclay's Rise centers in seven cities and Eagle Labs in the UK;
- Cerner's inventory of 615 innovation projects;
- the Microsoft Research and Microsoft NExT organizations;
- the Ericsson Research and Ericsson Labs organizations; and
- the Labs at Riot Games.

Integration with "the mother ship": To promote major innovations, member firms have groups that are to some extent autonomous, but also connected to operating teams. Without integration, the innovations may not be usable for the "parent" organization, and the innovations may not be accepted by the operating teams. In some cases, the connection was achieved by pairing regular employees with outsiders or new hires (as in Fidelity's incubators). In other cases, it was achieved by actively seeking ways to integrate the work of start-ups and other outsiders with initiatives of the parent organization (as with Barclays' Rise centers).

Clear missions, screening criteria, integration programs: Most of the innovation labs recognize the importance of clearly defined missions. FCAT, for example, describes its mission as "**Scan** the outside world, **Try** to learn quickly from experiments, and **Scale** ideas to major business opportunities."

The labs and incubators also had criteria for what projects and ideas to advance from concept, to prototype and pilot, to handoff to an operating group.

- The Fidelity incubator program uses a seven-step "ADEPT" model (with stages Intake, Access, Design and Experiment, Pilot, Transition, Deployment).
- The Vistaprint Hatchery started with over a hundred ideas, winnowed those to a few concepts to prototype; in 2017, it was in the process of preparing its third concept for handover to an operating group.
- Barclays examines the work of startups in its Rise centers and Eagle labs. It sponsors over 200 FinTech startups a year. Any outcome is possible. It works with selected ones to integrate their work into existing programs. It could lead to disruptive innovation and exploring new business models rather than exploiting existing ones. It might invest further in the startup. It might use the services of the startup or it might not. Barclays also has internal staff who pitch their ideas and create startups via Rise.
- Riot labs have a policy to "kill ruthlessly" products that do not meet its criteria for market potential, no matter how far in the development cycle the products have progressed.

Prototype fast, test fast, learn fast, productize fast: The innovation labs place a strong emphasis on fast prototyping and taking a minimum viable product (MVP) approach.

For example, **Vistaprint's Hatchery** creates paper versions of products and web pages in place of three-dimensional prototypes and live web pages. The Hatchery also does rapid customer testing of alpha and beta versions of concepts to determine customer interest without testing the full buying process. The group's goal is to develop prototypes of new products in 30-60 days, and take no more than 90 days to determine if a product is likely to succeed.

Several firms mentioned that if a concept does not test well at first, they will attempt to "pivot" to another version of the idea rather than killing the idea outright.

Opening the company culture to innovation: There was a common emphasis on opening the company culture to innovation. Practices to encourage innovation and bring in new ideas included:

- Investment and venture capital groups within the company;
- Hackathons;
- Participation in local communities, standards organizations, and open source groupings;
- Innovation awards and programs to recognize and encourage new ideas.

B. Understanding Customers

Labs and customer testing: There was a strong emphasis in several members on testing new product ideas with customers early in the design process and frequently thereafter.

Fidelity's usability lab includes rooms set up like offices and customers trying prototype web pages. The lab tracks all of their activities. It creates "gaze plots" showing eye movements and heatmaps showing intensity of viewing of parts of the web pages.

Other companies highlighted testing labs, product demonstrations with customers, and customer councils to provide regular input on new product concepts.

Customer contacts at all levels: Some members of the group discussed programs to help managers and employees at all levels to better understand the needs and preferences of customers. Activities mentioned by **Vistaprint** included:

- Invitations to its small-business customers to attend leadership meetings and discuss their business and marketing needs.

- A program to have employees, including the leadership team, sit with customer service representatives and take customer support calls.

- An "In Their Shoes" program where small teams "adopt" a small business, observe and interview the owners, and provide design and consulting services to their adopted companies.

- A national tour in an RV (recreational vehicle) outfitted with computers and printing equipment. In each city on the tour, rotating teams of 10-12 Vistaprint employees spend a week inviting small business owners into the RV, discussing their businesses and marketing needs, and helping them select and design marketing and promotional products.

IV. Descaling Work

A key SDLC theme is that of descaling work, i.e. a presumption that in a volatile, complex, uncertain and ambiguous world, big difficult problems need to be disaggregated into small batches and performed by small cross-functional autonomous teams, working iteratively in short cycles in a state of flow, with fast feedback from customers and end-users.

A. Enhancing team effectiveness

Agile, Lean, Kanban and DevOps: Member firms emphasize different approaches to solve different kinds of problems. They use Agile approaches to eliminate unneeded work. They use Lean thinking and Kanban to reduce work in process and enhance flow. They use DevOps to reduce friction and delays from handoffs from one team to another.

Team membership: While member firms emphasize team stability, they also allow teams to periodically self-organize and reform. Although in practice, there is not much change in in team composition, the ability to change teams is considered vital. Some firms create opportunities for team members to rotate into short-term special project or initiative teams where they can gain new "tribal knowledge" that they can then bring back to their "home" team.

Team Autonomy: Firms find that enforcing specific team structures, sizes, or reassignments doesn't work well. Firms hesitate to break up a successful team or combine separate successful teams. Some firms allow team members periodic (every 12 – 18 month) opportunities to move rather than mandating changes.

Making effective cross-functional teams: Cross-functional teams are the backbone of the Agile transformations in member firms. Members aim to create teams that ensure continued health and integrity of products; that code across all products, both minimizing cross-team dependencies and increasing team engagement and accountability. Resources are reallocated when teams don't have the resources to tackle priority work.

Alignment: Clear corporate strategies are key so that teams know what outcomes align with corporate needs and can choose their own methods to achieving those needs, thus taking psychological ownership of their work.

Cross-dependencies: Processes are needed to ensure that cross-dependencies between teams. Ideally, the teams themselves sort out dependencies on their own. The role of management is to enable and facilitate rather than to control.

Learning fast: Firms endeavor to use setbacks as learning opportunities so that teams can figure out what went wrong and how to succeed in the future. Only when a team consistently fails to perform or learn from its failures is it time to impose change.

B.   The Agile journey at Vistaprint

The Agile transformation at Vistaprint began in 2013 with one coach from an Agile consulting firm, although some teams had started to experiment with Agile and Lean practices earlier.

1.   The LeanX team (coaches)

The first iteration of the transformation involved two full-time Agile coaches and a transformation lead. The initial concept was to train Agile coaches in several of the technology teams, who would spend 10%-20% of their time on coaching activities. This model was not successful, however, because the part-time coaches tended to lose focus. After that, the transformation was led by a centralized team of full-time coaches. The size of the team has fluctuated between three and ten coaches, plus a support person and a communications person (the team "storyteller").

The LeanX team now includes HR (known in Vistaprint as "Talent & Experience"). The two groups are collaborating to instill Agile themes into the culture at Vistaprint.

In the second half of 2016, the LeanX team began training a cadre of "Agile Champions." These Agile Champions remained members of their teams, but also spend 10-20% of their time being trained on Agile and Lean at an advanced level and then teaching beginning Agile courses. This offloads some of the work from the full-time Agile coaches, and also increases the level of Agile competency on the teams.

2.   The transformation process

Vistaprint's Agile transformation has involved a series of iterations. After each iteration, the coaching team reflects and adjusts its strategy and processes.

The first iteration focused on a small number of technology teams. Training involved a "Value-Flow-Quality" curriculum.

The next iterations expanded to more teams, and to training on additional Agile and Lean methods. They also expanded to teams outside of technology, with a particular push into the "Creative" group (essentially Vistaprint's large in-house advertising and marketing agency).

In due course, the creative organization produced some dramatic success stories. One group reduced the lead times for creating marketing campaigns by 75% through practices that included Kanban boards, story mapping, and cross-functional teams. These improvements attracted management attention and helped strengthen the momentum of the Agile transformation throughout Vistaprint.

3. A pull-oriented approach ("working with the willing")

The Agile transformation strategy at Vistaprint has taken a pull-oriented approach. Teams must request training and coaching. Coaches meet with the requesting teams to assess their needs. The coaches then propose an increment of training or coaching activities. The teams must agree to certain conditions, for example, meeting with the coaches on a regular basis and giving feedback at the end of the increment.

This strategy is based on a "working with the willing" approach, rather than with trying to transform an entire group or department at one time. This has been successful because:

- The coached teams have demonstrated very positive results and can explain the benefits of Agile to the lagging teams.
- When the coached teams start moving faster, this put pressure on the lagging teams to catch up.

4. Executive and management participation

Vistaprint's Agile transformation strategy is defined in terms of three strata: executives, "key leaders" (i.e., middle managers), and the overall business unit.

The top executive team was a focus of the program from the beginning. The coaching group has developed a training course specifically for the executive team (the Agile Executive Pathway, or AEP), and one of the senior Agile coaches participated in executive team meetings for a year. Several top executives are Agile evangelists and they encourage other members of the executive team to adopt an Agile mindset.

The coaching team is currently rolling out a similar program aimed at key leaders, with a tailored Agile Leadership Pathway (ALP) course. This process will take longer, because of the large number of key leaders, and some continuing resistance among middle managers.

5. Course structure

Vistaprint does not favor giving in-depth courses in a single session of 4 or 5 days. The preferred method is to offer 8 sessions over 12 weeks. This allows participants to practice the techniques learned between the sessions, with one-on-one coaching from the instructor when required. Participants are asked to write up a case study or experience report by the end of the course.

6. Scrum Masters and Agile Facilitators

Most of the Scrum teams at Vistaprint have a Scrum Master. Typically, one Scrum Master supports 3-4 squads (teams). Teams using Kanban usually have an "Agile Facilitator" who plays a role in a Kanban setting similar to that played by Scrum Masters.

7. 'Mob programming' and 'Mob Design'

'Mob programming" is a technique that takes pair programming a step further. In this approach, people work together on one task, on one computer, at the same time. While this sounds inefficient, when done correctly, experience shows that it can produce about the same amount of output as conventional

programming, but with much higher quality and better design, because people with different skill sets are contributing ideas and checking each other's work.

Vistaprint pioneered the idea of "mob design"; applying mobbing techniques to design tasks such as creating banner ads and web page layouts for online marketing campaigns. An example is described in this blog post: "How Four People Worked Faster By Sharing One Computer."[1]

On this site visit, two volunteers from the SDLC joined an art director, a copy editor, and a marketing manager from Vistaprint to perform a half-hour mob design project. The team was given an existing large banner ad and about eight change requests, ranging from changes in headline and copy to changes in artwork and layout.

At any given time one team member was the "driver," who worked the keyboard and mouse, and the others were "navigators" who made decisions and advised the driver on how to use the design tool (Adobe Photoshop). Every five minutes the team rotated in a clockwise direction and a new member became the driver. (The members were required to do a short dance as they changed chairs.)

The team made and approved all of the requested in changes in the half hour available—a process that would have taken several hours or days in a conventional business process of creating drafts, emailing them for feedback, adjusting the drafts, and iterating through more feedback and approvals.

V. Entrepreneurial Agility

A. The Riot Games approach

During the October site visit, Ahmed Sidky presented the **Riot Games approach to product management**. Riot began with reassessing what product management was within Riot. It broke down into science/craft versus art/judgement/intuition. Science/craft further distilled into two distinct dimensions:

- **Strategic product management**: understanding what to build and what not to build and how those products and decisions align with the overall Riot vision.

- **Tactical product management**: addressing backlogs, grooming, writing user stories, creating story maps, etc.

The framework includes five components: vision, impact, strategy, outcome, and output. In identifying these terms, it became clear that they weren't commonly understood across Riot. The definition of terminology started with output, outcome, and impact:

- **Output**: An output is a "thing" produced and delivered to an audience. At Riot Game, that might be something like a 'skin'or a 'board game' for Leagueu of Legends.

- **Outcome**: An outcome is an actual behavioral change that occurs over time *in a member or members of the target audience*. In the Riot this could mean getting an applet into the hands of a target and *then something happens*. It's not "the player will like it" or "now there's more trust," it's what happens when the player likes it.

- **Impact**: Impact is that overall result of systematic changes that need to happen to realize the firm's vision, resulting from multiple outcomes at scale over time. Usually impact doedsn't directly map to a single outcome, but come from a variety of different outcomes.

Thus, when moving from vision to value, teams have to figure out what the overall impact needs to be and determine what outcomes will lead to this impact. Prior to these definitions and models, Rioters didn't think as clearly about the behavioral changes needed from the audience (outcomes) as a result of

their output. They tended to link output directly to impact. The new model got Rioters to focus more on thinking through what outcomes are needed to achieve a specific impacts.

Work differently: create vivid visions: Changing how Rioters talked and thought required changes in how Rioters worked. That involved three main dimensions: creating vivid visions, identifying strategic options, and generating validated learning.

Vision vs mission: Often muddled together in the outside world, Riot makes a clear distinction between a vision and a mission. This is because a product doesn't need a mission, but it does need a vision.

- **Vision**: an inspiring articulation of a future state. For example JDRF's vision statements is "A world without type 1 diabetes."

- **Mission**: Who, what, why—the reason we exist. JDRF's mission statement is "Accelerating life-changing breakthrough to cure, prevent, and treat T1D and its complications."

But a vision statement isn't enough to create a vivid picture in people's heads. They need vibrant, engaging, and specific descriptions of what it will be like to achieve that vision as well as a picture of what obstacles may stand in the way. That led to vivid descriptors that translate the vision from words into pictures, so that people have an image that they can carry around in their heads.

For example in 1905, Ford's vision was to "Democratize the automobile." However that statement doesn't generate a clear mental picture of the goal. Compare that to Ford's vivid description to the vision.

> We will build a motor car for the great multitudes. It will be so low in price that no man making a good salary will be unable to own one and enjoy with his family the blessing of hours of pleasure in God's great open spaces. When we are through, everyone will be able to afford one. The horse will have disappeared from our highways and the automobile will be taken for granted.

That gave a more vivid picture than Ford's vision statement alone.

By investing in creating a vivid descriptor to communicate a picture of its vision, Riot gives its autonomous, self-organizing teams a north star by which they can navigate to new outputs and outcomes that align with Riot's vision. It helps people make micro decisions every day that align with the company vision.

Products (and sometimes massive product investment or large initiatives), not teams, have associated visions. The goal is to limit the number of visions to a minimum: how many north stars do you really need to be able to navigate successfully?

Riot's leaders are now creating vivid descriptors that become their teams' north star. This is one of the most important roles of a leader at Riot.

Overall, to achieve entrepreneurial agility, there has been a shift in focus from outputs to outcomes and impact.
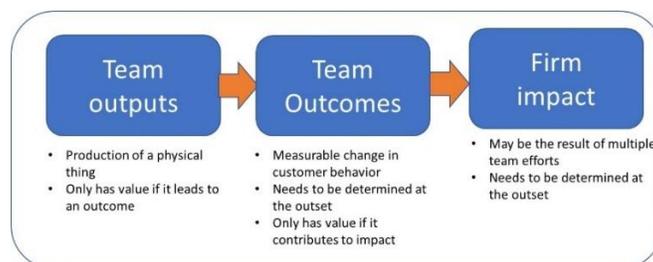
B. Portfolio/Project Walls

Several SDLC members are using portfolio or project walls to make major activities and resource allocations visible to top management and the entire organization. The group toured the Fidelity Portfolio Funding Wall and the Vistaprint Enterprise Visibility Room (EVR).

These walls can serve many purposes, including:

- To show how people, resources and capital is being allocated across different groups and projects

- Helping teams align and prioritize work based on overall company priorities and on customer personas

- Organizing tasks by priority, and making those priorities visible to the entire organization

- Providing insights into the amount of work in process

- Providing visibility into dependencies between groups and teams, and the possible impact of delays in one team on other teams

- Highlighting scarce skills and suggesting where to make investments in upcoming time periods

- Creating meaning for the organization: i.e. *meaning at* work ("I can see that my firm is doing something worthwhile") as well as *meaning in* work as well as ("I can see that what I do on a day to day basis is contributing something worthwhile.")

The planning walls can have different purposes at different levels:

- Senior leadership – for planning, creating and enhancing commonality of purpose, (such as primacy of customers), and turning the senior leadership team into a real team (as opposed to a collection of squabbling individuals protecting the interests of their various units and their own careers).

- Middle management and teams for information and alignment

- Radiating Information throughout the organization– what is going on? Instant access to current information.

Evaluating planning walls: The members discussed the cost, resources and tools needed to support a planning wall, and the processes behind creating and managing them. Overall, members felt that planning walls are promising but do not represent any kind of "silver bullet."

Plan vs planning: Members often concluded that even if the plan was imperfect or incomplete, the planning process added a lot. In most cases, the process of organizing the wall was more important than the product itself. The planning walls were far from total failure even though none of them fully met their immediate explicit purpose. The process of putting the plan together, doing it together, having the physical act of placing the card on the wall or moving the card, doing this as a group, discussing with the group while it is happening was highly valuable.

Physical planning walls vs digital plans: Some members explored "digital-only planning walls" but concluded that they are not a solution. When people come together in front of a planning wall, they stand and talk. That's where the "planning wall magic" can happen. There is a kind of dialogue that wouldn't occur if they were looking at on a computer screen, or even sitting around a conference table. Thus, planning walls are not just about transparency, and making the work visible. It's about triggering the conversation.

Sharing vs deciding: A planning wall helps people share. As people are standing up in front of the wall, not seated in a fixed position, it helps the flow of conversation. People can move about and get closer to some parts of the wall or some participants that they are interested in. This helps with interaction. Participants are not stuck with whoever is currently talking or with their fixed position in the room. Some members are finding it is less helpful as a decision-making event.

Co-development of the wall is important. Preparing the planning by one team on behalf of the senior leadership team hasn't worked well. It was important to have the leadership team involved in building it so that they understand the role it's going to play in managing.

Encouraging transparency: The planning wall can serve broader purposes beyond that of the leadership team, i.e. in creating firm-wide transparency. For example at Vistaprint, teams see their own team planning wall as a component of the corporate wall. The visibility of the firm's planning wall is extremely powerful from the team's perspective. Everyone can see it. The team takes pride in it. The team wants to succeed. Teams get recognition because they are being called out and shown on the wall.

Team vs leadership planning walls: At the team level, a planning wall tends to Kanban-based, and a focus is on flow. The corporate walls were more on alignment: How does the work that I am working on align with the bigger picture? It helps with team accountability. When their team is shown as "the blockage," the team wants to solve the problem as soon as possible and cease to be identified publicly as the blockage. There is a huge empowerment when the wall is used for that. It sparks the right kind of conversations when blockages become visible.

Identifying impediments: Making impediments explicit can be important. However sometimes impediments are hidden. In some cases, the actual impediments still not surface to the top of the organization.

Vistaprint's Executive Visibility Room

The Executive Visibility Room, or EVR, is designed to make major tasks visible and to ensure that work is aligned with the top priorities of the business.

It has also helped groups identify and resolve dependencies, as well as limit the tendency to over-commit and fail to complete tasks in promised time frames.

One central panel of the EVR shows five strategic priorities on cards that are color-coded and listed in priority order.

In this quarter, two related panels show 16 outcomes to be completed in this quarter. The colors of the outcome cards match the colors of the priority cards with which they are associated. Each card includes a list of the teams working on that outcome.

The rest of the EVR is made up of panels for each team in Vistaprint, with the outcome cards to which the team is committed. These outcome cards are copies of the 16 outcome cards shown on the central panels, with some additional notes about the tasks the teams are performing to help reach those outcomes. They are stacked in priority order.

The team panels list the product owner and technical lead for each team and the number of team members. They also show the percentage of capacity during the quarter required for each of the

outcome cards on the panel (e.g., the first outcome card might need 10% of the team's capacity for the quarter, the second card 15%, etc.)

It is important to note that these capacity figures are for the strategic outcomes tracked in the EVR, and exclude two types of work: "run the business" tasks, and local team backlogs (such as tasks to reduce technical debt). For most teams the amount of capacity available for the strategic outcomes in the VFD is about 50%, although that figure can vary widely from team to team.

Colored stickers on each outcome card indicate whether that particular outcome is on schedule, potentially behind schedule, or definitely behind schedule.

A cumulative flow diagram (CFD) shows the number of outcomes started in the quarter that are:

- Completed

- Very likely to be completed during the quarter

- Not as likely to be completed during the quarter

Observers in the VFD can quickly gather information and answer questions on many topics. For example, they can see or deduce:

- Which outcomes are related to each of the five strategic priorities.

- Which teams are working on each outcome.

- How much WIP each team has, and how much WIP is in the system in aggregate.

- Are teams working on outcomes in the right priority order.

- Where are likely dependencies between teams.

- How many of the outcomes are likely to be completed during the quarter, and how many are likely to be in process at the end of the quarter.

Managing the EVR

The top five strategic priorities are set by the executive team.

The outcome cards are created by the executive team and team managers. They describe the outcome in hypothetical language, stating why the outcome is important and what will be achieved when it is realized. Each outcome must be aligned with one of the five strategic priorities, and they are stack ranked based on the priority of the strategic priority with which they are associated (so the outcome cards associated with the #1 priority are attached to the top of the outcome card panel, the outcome cards associated with the #2 priority go below, etc.)

The executive team and team managers must also decide how many outcomes can be completed during the quarter. In the first iterations of the EVR the outcomes included far exceeded the capacity of the organization, and consequently very few of them were completed during the quarter.

After the outcomes have been set, representatives of the teams (or sometimes entire teams), participate in a "pull meeting" where they choose outcomes to work on based on their skills and interests. Work on high-priority outcomes must be pulled first, so if it turns out that there is not enough capacity to complete all outcomes, only the lower-priority outcomes are left.

Teams then have their own rituals to break the outcome cards down into specific tasks. Most teams have their own boards where these tasks are displayed.

Every three weeks a status update is held. The stickers on the outcome cards are changed if necessary, and the CFD chart is updated.

This process gives teams a lot of autonomy in selecting and managing the outcomes they want to work on. However, it also provides visibility to ensure that all work (outside of "run the business" tasks and local team backlogs) is directed toward one of Vistaprint's strategic priority. It also helps teams identity and manage dependencies, and ensures that they have realistic WIP levels and workloads.

VI. **Nurturing Culture**

A. **The Agile journey in HR**

All SDLC firms are in the process of re-thinking their people management practices (aka HR) to become them more consistent with and supportive of Agile themes. In a day-long review in March 2016, members shared their respective people management journeys, including the progress made and the challenges remaining.

All SDLC members are seeing an evolution of their people management policies and practices. Most are on a journey from a role of people management of "*controller*" (acting principally as agent on behalf of the top management) or as *"moderator,"* (who seeks to be responsive to the needs of all stakeholders—managers, staff, shareholders) towards becoming *"Agile business partners"* (in which people management is closely linked to the business with a focus on delivering value for *external* customers). See table below

The firms in the SDLC are all at different places on their respective journeys, and they are proceeding at different speeds. But in terms of people management, they are generally heading in the same direction.[2]

	Different roles of people management			
	Role of the people management function	People management as Controller	People management as Moderator	People management as Business Partner
1	Nature of management	Bureaucracy	Meritocracy	Agile management
2	Name of function	Human Resources or HR	HR or Talent management department	Talent or People or Talent & Experience
3	Orientation	Control	Process	Growth mindset
4	Reporting to…	Chief Operating Officer or Chief Financial Officer	Chief Operating Officer	The business leader (CEO or business head)
5	Relation to the business	Separate	Separate	Embedded in the business
6	Labels for people	Employees	Employees or associates	Associates or talent or people
7	People employed by the firm seen as	Resources	People or talent	People or talent

8	The people management function sees itself working for…	Top management	Management and staff	External customers
9	Preoccupations	Implement top-down diktats; enable downsizing; protect top management	Fair practices, reflecting interests of all stakeholders	Help organization deliver value to customers through continuous innovation
10	Focus	Body count	Individual	Team and individual
11	Value add	Cost-cutting	Motivated staff	Value for customers
12	Main goals	Lower costs	Unit or project outputs	Business outcomes
131	Main downside	Fear and loathing of management among the workforce, lack of innovation	Slow-moving, bureaucratic practices hinder innovation	Often at odds with existing culture, legacy practices, and existing leadership skills
14	Classifications of performance levels	By numbers	By numbers or descriptions	Descriptions
15	Speed of action	Quick	Slow	Flexible
16	Periodicity of feedback	Annual	Annual or quarterly	Combination of annual/semi-annual and ad hoc
17	Initiative for feedback	Top down	Top down and staff	Staff
18	Direction of feedback	Top down	Top down and/or 360 degrees	360 degrees
19	Principal purpose of evaluation	Cull low performers	Reach balanced outcome	Enhance value for customers
20	Principal role of manager	Command and control; judge and remove poor performers	Implement of organizational criteria	Help staff understand feedback and learn faster
21	Performance & compensation guidelines	Stack ranking and forced culling of low ranked performers	Top-down criteria for % of rankings or $ amounts	Managers have flexibility to decide
22	Focus of evaluation	Unit	Unit or Project	Product
23	Nature of feedback	Formal	Formal and informal	Formal and informal
24	Non-compete clauses	Yes	No	No
25	Status	Generally, in public retreat or hidden	Currently the most prevalent in large organizations	Growing in importance, though the models are still being worked out

B.   Talent & Experience at Vistaprint

One of the firms that is most advanced in terms of reconceiving the people management function is Vistaprint. Four of the most striking features of the particular case discussed (Vistaprint) are (a) the change in name from HR to Talent & Experience (T&E); (b) the way in which T&E is fully embedded in the business itself; (c) the way in which Vistaprint has embraced Agile thinking and totally reconceived the T&E function in terms of creating continuing *products*, rather than time-limited *processes* or *projects*; for instance, the employee experience at Vistaprint is conceived as a T&E product; and (d) the way in which the T&E team seeks to align the employee's experience with the customer's experience.

Vistaprint is a wholly-owned and rapidly growing subsidiary of Cimpress (CMPR), which employs over 7,000 employees globally in its offices and printing facilities. Through the use of its own patented technology, Vistaprint aggregates large numbers of customized orders from each of its brands and print them in automated production facilities in North America and Europe. Over the last five years, the stock price of Cimpress has risen from around $45 in 2013 to over $150 today. The company's U.S. offices are in Waltham, Massachusetts, while its European offices are in Barcelona, Spain. Its three printing facilities are in Deer Park, Victoria, Australia; Windsor, Ontario, Canada; Venlo, Netherlands and Reno, Nevada.

Vistaprint has three major groups.

- Professional services (technology, transformation, marketing, product, analytics, finance)
- Manufacturing, which is responsible for making the physical product
- CARE, which is mainly customer service.

Chris Connors, head of Technology and Transformation at Vistaprint, and Colleen Fuller, head of Talent and Experience (T+E) presented the T+E group and their Agile transformation journey, in which the T+E team acts an active business partner.

Vistaprint's Agile Transformation Journey

The Agile transformation journey concerns the professional services group within Vistaprint. The CARE group has been going through an analogous transformation for the last couple of years and didn't use the term, "agile", even once. The Manufacturing group went through a Lean transformation about five years ago, and that has really taken hold. Vistaprint cares less about labels than about the substance of what t they are doing.

Vistaprint started on its Agile transformation journey 4 years ago. It staffed a coaching team to assist in the journey. Then coming into 2017, they went from three to ten coaches. They also took the entire Talent and Experience Team and brought them into the same organization as our Agile coaches. They are now part of the organization called Technology and Transformation. Within our group, Colleen Fuller heads the Talent and Experience team.

Chris Connors: We are doing some things well and some things we are still working on. One advantage that we have at Vistaprint is the strong support that we have from what you might call "the top." That is one area where we take advantage of being a medium-sized firm, as compared to giants like Microsoft with over 100,000 staff. I am a member of the team that you might call the C-suite. I report to the CEO of Vistaprint. Our leadership team has been on its own Agile transformation. We have lots of gaps and we are still far from where we want to be, in terms of implementing Agile themes. But we are being very intentional about it and we are agreed on the direction we are heading. It's important to note that while today we have top-down support, this isn't how our transformation started. It was much more grass roots.

Our journey is a bit different from some of the other firms. We have fully integrated Talent and Experience both as a business partner of Vistaprint and in our Agile transformation journey. We've been operating this way for over a year now and we've made significantly more progress on our people investments than in years past. This tells me we're headed in the right direction. We also have lots of companies asking us 'how we did it' and 'what it looks like' which is another encouraging signal.

HR Becomes 'Talent and Experience'

Colleen Fuller: We call this "Talent and Experience" not HR. We don't think of our people as "resources" to be mined. We changed our name in 2016. Our team is known as the Talent and Experience team. This better reflects the work that we are doing. We are very much focused on nurturing talent and enhancing the experience that we are trying to create in the people who work here. That includes how they are growing and developing, and how we are bringing people into the organization once they are recruited and what kind of experience they have here, and beyond.

Now that we are part of the Transformation group, the change in name makes even more sense. We are now fully integrated in terms of our approach to talent. We partner very closely with the Agile coaches, as we help figure out how we can help instill the Agile mindset throughout the organization.

Vistaprint is implementing a significant transformation. Over the past year, the organization has defined our purpose (or what we call, our "why") as well as a set of cultural behaviors and ways of acting that represent us at our very best. We also recognized that we needed to enable teams to move faster, to innovate and to bring our customers' needs closer in. Ultimately, we want to create an environment that will not only help us reach our strategic goals, but also make Vistaprint the kind of place where everyone is inspired, passionate, and feels they can make a difference.

There is also a significant external driver as well, related to how people want to work. The old methods of command-and-control and organizational hierarchy are now replaced by networks of individuals organized around common goals and outcomes. People don't all want the same development opportunities, rewards and physical space. The one-size-fits-all approach is becoming increasingly undesirable, so we need to evolve how we work as a global organization and how we create experiences for our employees.

Our team, which used to be called HR and is now called the Talent and Experience (T+E) team, was formed in parallel with the Agile business transformations. These factors have pushed us to take a step back and define both what we do and how we evolve. In the past, work such as career development was handled functionally, often through the old HR Business Partnerships model. In this new world, we've empowered our T+E team leads to function similarly to a traditional Product Owner in Scrum software development. They are tasked with defining outcomes in support of an improved employee experience.

The Biggest Shifts

Having changed our operational model, one of the biggest shifts is how we have gone from being very reactive and functionally oriented, asking questions like, "What does the function need?" to being proactive, where we might now ask, "What experience does the employee need to deliver this particular product?"

In addition, our transformation calls for us to focus on all aspects of how we show up, work and behave in our everyday interactions. We have pulled in the Agile Coaches into our Transformation Team to focus on achieving high performance and better ways of working to deliver value to our customers early and often. We believe that by aligning coaches, who were members of the former Agile coaching team,

directly with the Talent & Experience team, creates a tighter integration with the overall business transformation.

We have spent a lot of time thinking about our vision and trying to get the words just right! Ultimately, our vision is to both create and enable a customized and exceptional employee experience that inspires and supports our teams to deliver their best work for each other and our customers. We aspire to create an environment that is so unique and impactful that when our team members look back at their career here it is crystal clear: "Vistaprint is a moment in my life that fundamentally stands out because of the significant impact it had on me, both personally and professionally, and it was impossible to get it anywhere else. It just exceeds any other experience."

'Employee Experience' As A Product

We focus on the employee experience as a kind of continuing product, rather than a project or process is very interesting. We are trying something fundamentally different from the way that we have operated with regard to delivery of our work. We are approaching the employee experience as a product portfolio. Within that portfolio, we have different areas or "products" that we choose to focus on and invest in. Examples of this include performance and feedback, reward and recognize, grow and develop, leadership, and acquire and onboard.

We are leveraging a similar approach that the organization uses with customer experience to help us define our employee experience approach. We leverage insights internally and externally to guide us and we use segmentation and personas to help us identify different groupings of employee drivers and needs.

How It Works In Practice

We believe that building and organizing cross-functional and agile teams around a set of prioritized features for our desired employee experience – each with its own product owner – will enable the design and delivery of these experiences faster.

What this means is that we will build feature teams for the 'employee experience' product. The Talent & Experience Product Owners define the roles or skills needed and then we will look to resource the team accordingly. The team members could come from the Talent and Experience team, as well as other centers of excellence. In addition to this, we rely heavily on people across the organization for input and feedback. We think it's critically important that we design our experiences with our target audience (our employees) at the table with us. The Product Owners work in an agile way across the entire team, approaching work in increments, leveraging white-boards to visualize our work, incorporating feedback loops, and co-creating with our customers. We have agile coaches embedded on all our product teams to ensure we are working in ways that are consistent with our agile values.

We also rely on two key groups of people from around the organization, the Agile Champions network and a Feedback Champions network. There is a distribution list that anyone in the company can use to initiate a pull signal for help with a particular topic. It can be anything from facilitating retrospectives, asking for assistance with an impediment or even offering training for teams on giving and receiving feedback. These Champions Networks have become a great extension of the T+E team.

The 'Regular Work' Of The T+E Business Partner

The 'regular work' of the T+E business partner is evolving, too. In the past, our Business Partners were embedded in the functions and were a critical part of the functional leadership, focusing on things like team health and new team formations, performance feedback loops, organizational design,

communications, and talent agendas. We saw a lot of overlap between our Talent Business Partners (Talent Management) and our Agile Coaches, now called Transformation Coaches. So, we decided to bring these teams together and in doing so, they now have a shared backlog, based on pull signals, and we are moving away from dedicated Talent Business Partners by function. This has enabled us to do a lot more and has also created incredible learning opportunities for both our coaches and our business partners by aligning on work and sharing new ways of operating.

We have a team focused on employee insights which pushes evidence-based data, insights and conclusions to continuously improve our product of the 'employee experience.' They are responsible for analyzing data, generating insights, and testing of our ideas and potential new products. They also partner with the feature teams and Talent Management to launch new initiatives and to increase the effectiveness of ongoing initiatives.

We also have a Talent Acquisition team which is responsible for delivering on our product known as the 'acquire' experience. This includes finding new ways to source candidates, as well as integrating aspects of our overall employee experience into ways that evaluate talent against our cultural values.

For example, this year we began experimenting with interview games that allow us to more easily assess alignment with culture and role by bringing in key elements of our employee experience right into the interview. An example of this is the "Sailboat" game, where candidates experience real-time feedback delivered and discussed with the hiring manager during the interview itself. The experience of real-time feedback, delivered directly from the person who gives the feedback, is a regular part of what it feels like to work here. So, incorporating that into our interview process helps us to see whether candidates are open to and value that kind of experience.

Talent & Experience In An Agile Way

The T+E Team approaches its work in an agile fashion. We do our work in increments, leveraging white-boards to visualize our work, incorporating feedback loops, and co-creating with our customers. We prototype our products, deliver Minimum Viable Products, iterate and test with our customers (i.e. our employees) often. We have a dedicated agile coach to build this discipline within our teams.

Practically speaking, we can see this change physically, with work-visualization boards, stickies everywhere, and daily standups. But it's also present in less tangible ways such as more transparent communication, work that gets feedback way before it's done, and teams sharing their failures because in reality they're just learnings. It's these less tangible results of agile that have really become part of our everyday culture so much so that we don't always think of it as "agile" but simply how we work.

Another important thing to note is that the Agile Transformation Coaching team sits as part of our overall team. So, they help and remind us: we have to practice what we preach!

Talent + Experience Transformation Operating Model

Feature Teams	Insights Team	Ground Control (Talent Mgmt. & Talent Acquisition (run the business))	Transformation Coaching
Feature teams organized around transformational employee experiences	Collection and interpretation of workplace and behavioral trends aimed at increasing the effectiveness of employee experience feature teams and ground control services.	Strategic and operational services and consulting in a number of crafts in support of all people aspects of the business and feature teams. Model would be "pull" (non-dedicated to teams) from a pool of resources and a shared backlog with Transformation Coaching	Coaching teams and leaders to achieve high performance and better ways of working to deliver value early and often to our customers. Balance between driving set-priorities based on the needs of the business and responding to "pull" requests related to our overall transformation (including agile) in partnership with Ground Control.

Feature Teams

Roles:
- Product Owners
- Employee Experience Spec.
- Agile coach
- Delivery teams made up of x-functional craft leads and required disciplines (varied team members)

Initial Work:
- Performance & Feedback
- Grow & Develop
- Acquire and Onboard
- Reward and Recognize
- Integrated experience (Blueprint)

Insights Team

Roles:
- Insights Lead
- People Analytics – Support

Initial Work:
External Benchmarking & Internal research:
- Job levels & promotion research
- Performance & Impact
- Employee segments and personas
- Employee Experience Surveys and Pulse checks
- Employee demographic data
- Experimental experiences to gather learnings (learn labs)

Service Offerings: Shared Services Backlog

- Recruiting
- Sourcing
- Onboarding Execution
- People Relations (ER)
- Change planning & communications (team level)
- Hi-po and succession planning
- Site leadership (Hat)
- Organizational and team design

- Team formation and dynamics
- Facilitation support
- Agile Coaching
- Matrix Feedback Training
- Team Health
- Support T+E Feature teams
- Establish and support Transformation Networks

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