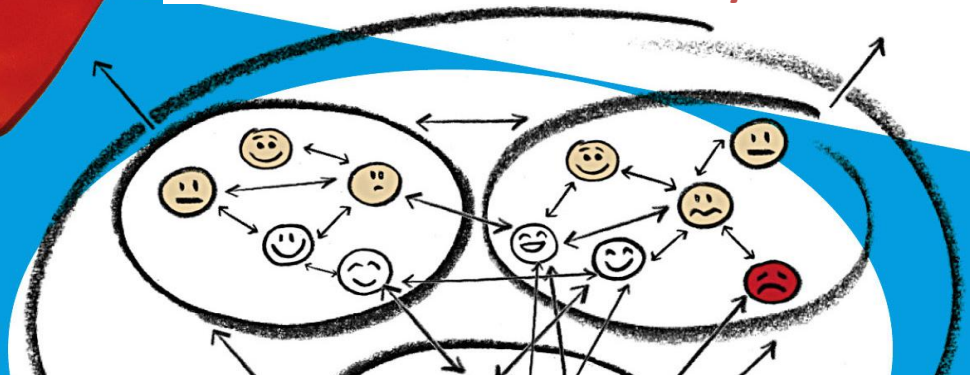
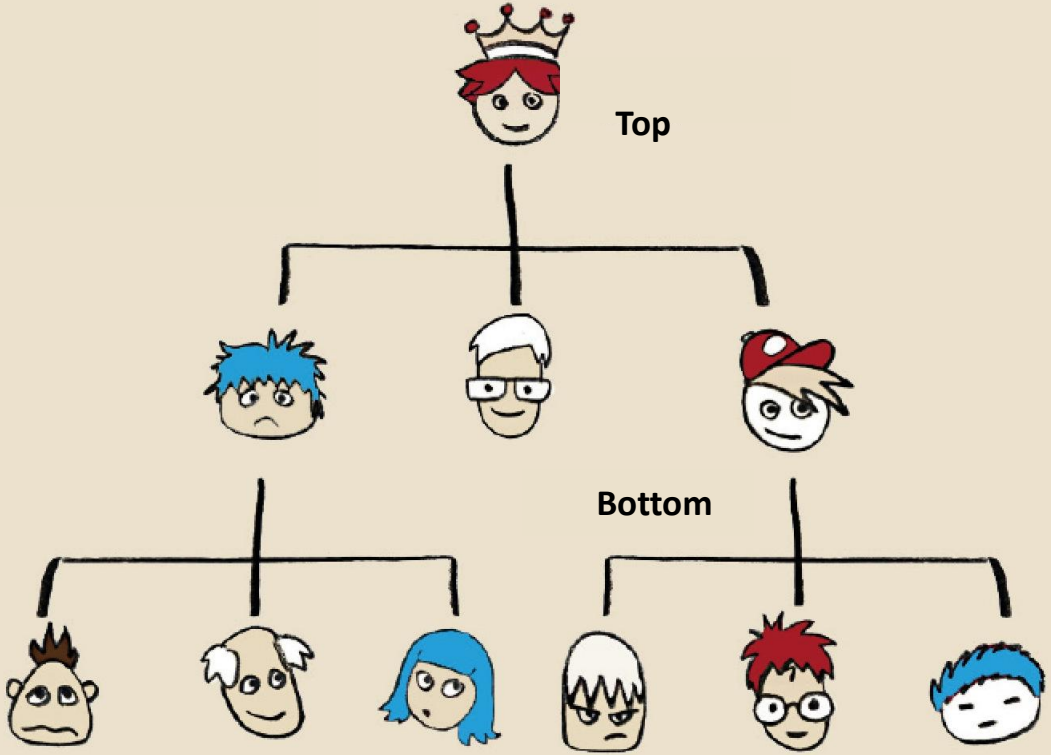
Agile New England
Boston, 05.03.2018
@NielsPflaeging @Complexitools
#AgileNewEngland

Complexitools

The Blue and the Red, and how to create the truly agile, complexity-robust, high-performance organization. Everywhere. Sooner than you think



Niels Rflaeging
Silke Hermann
Complexitools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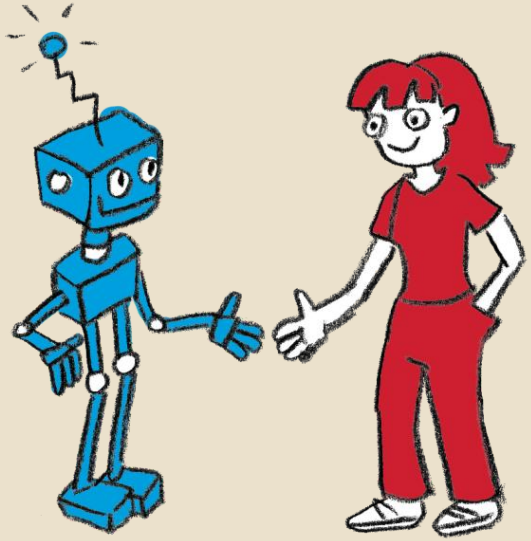


Dynamic part of value creation **Solution: Man**

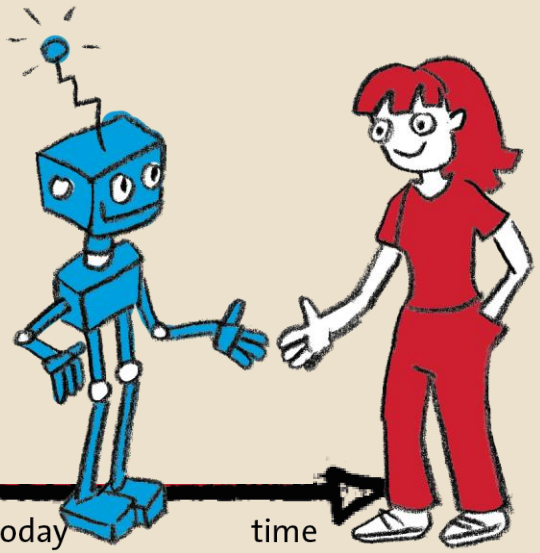
Formal part of Value Creation **Solution: Machine**

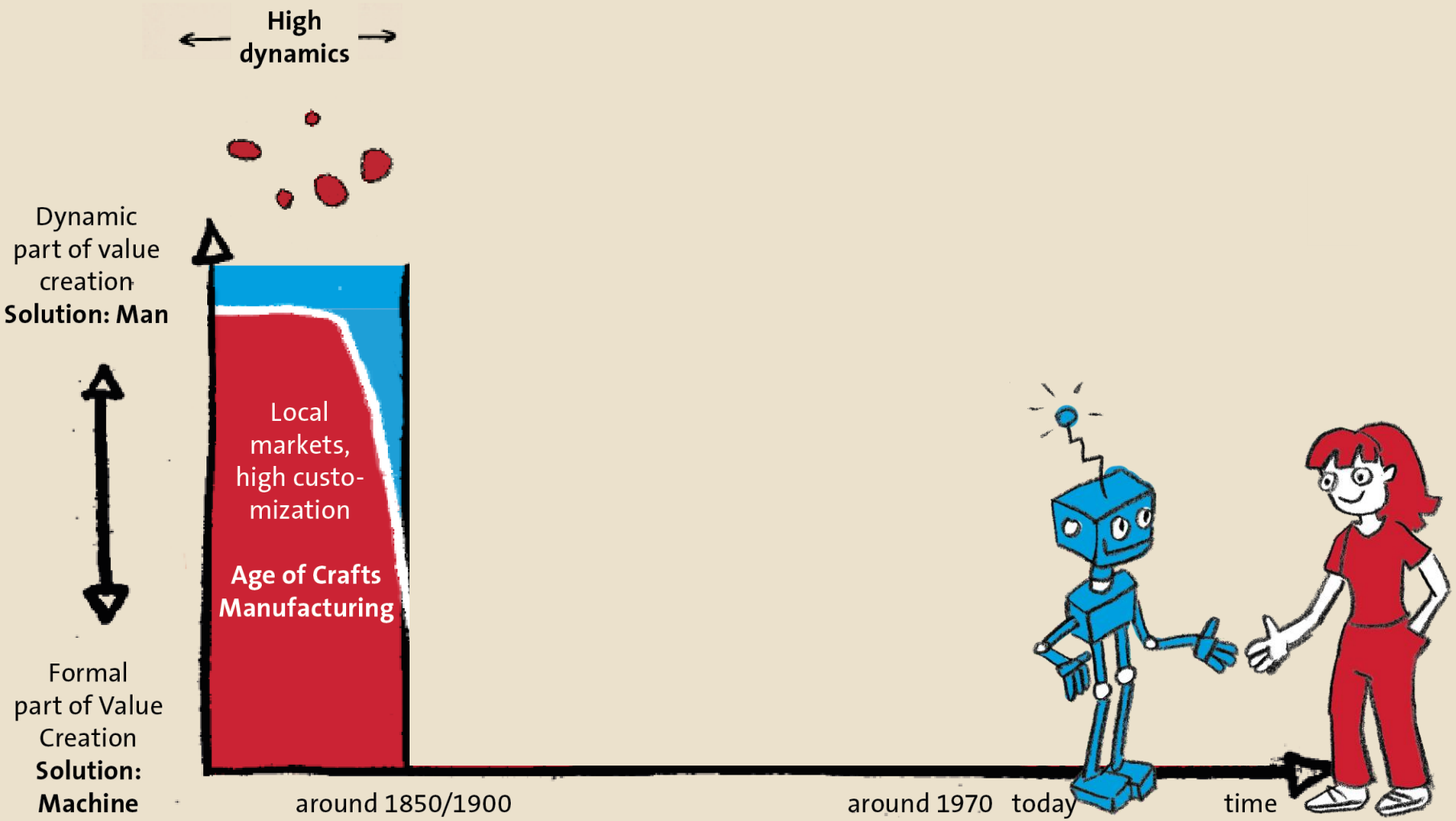
around 1850/1900

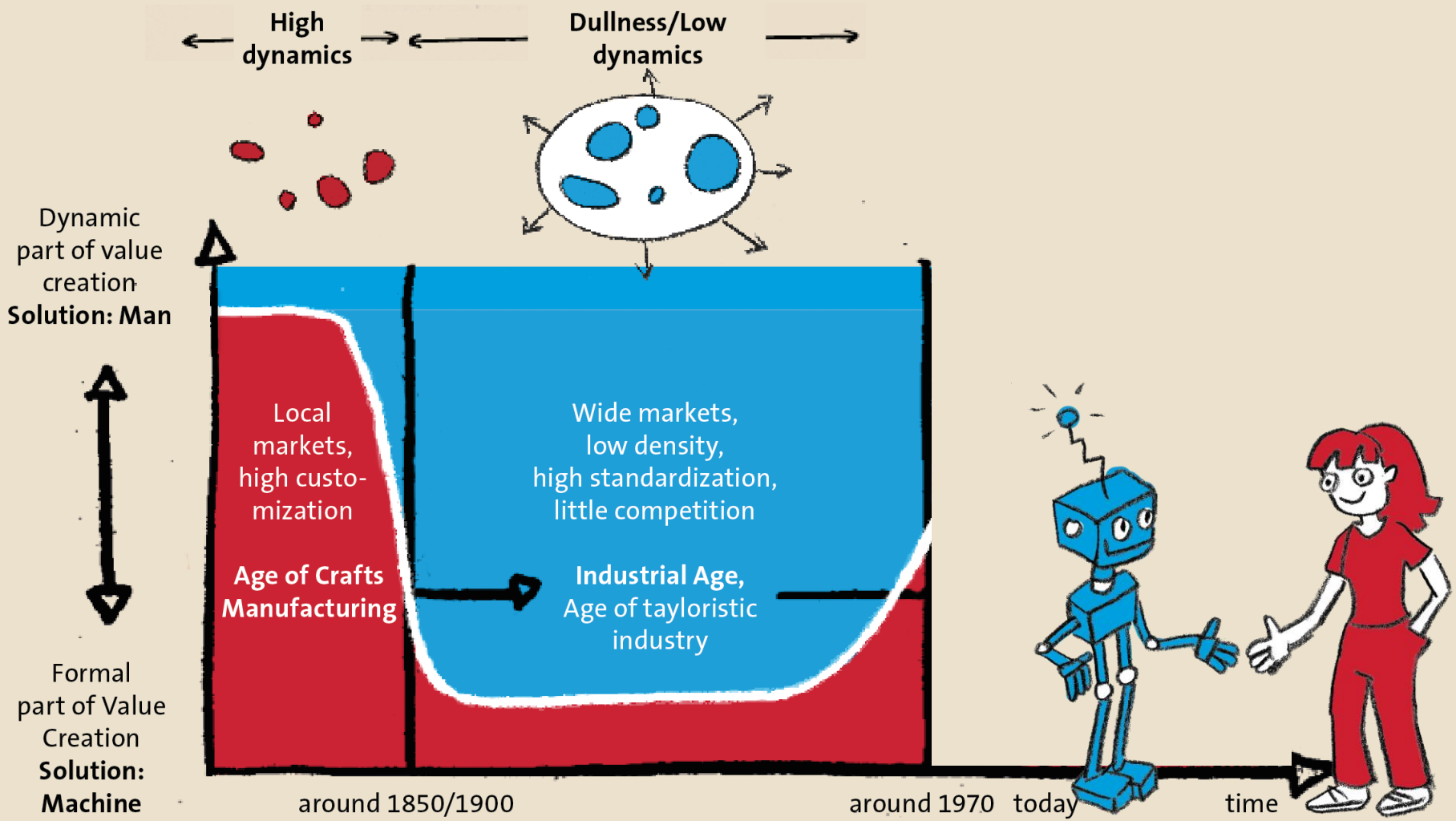
around 1970

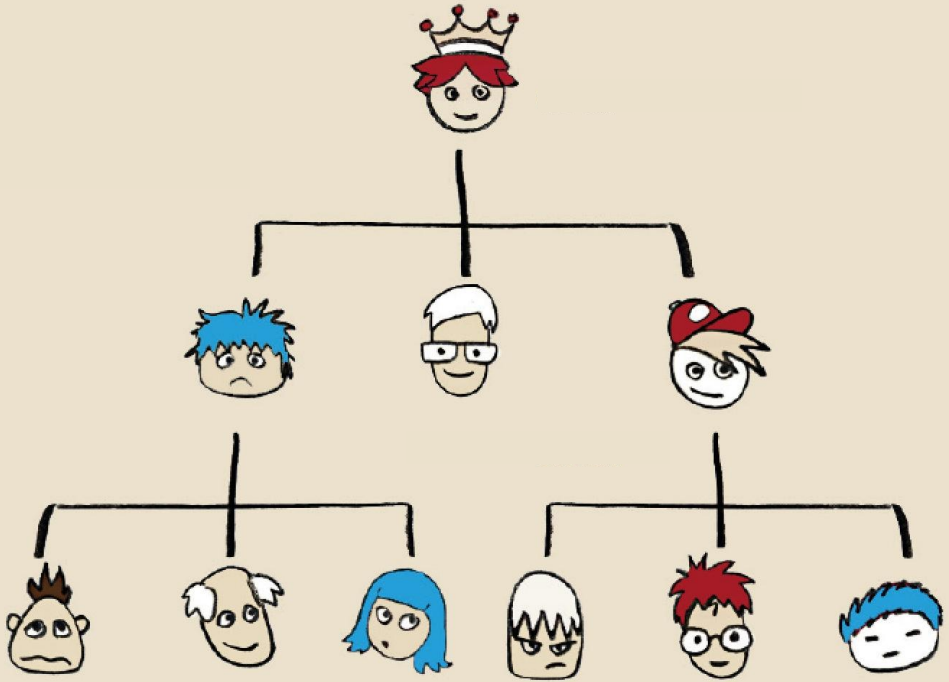
today

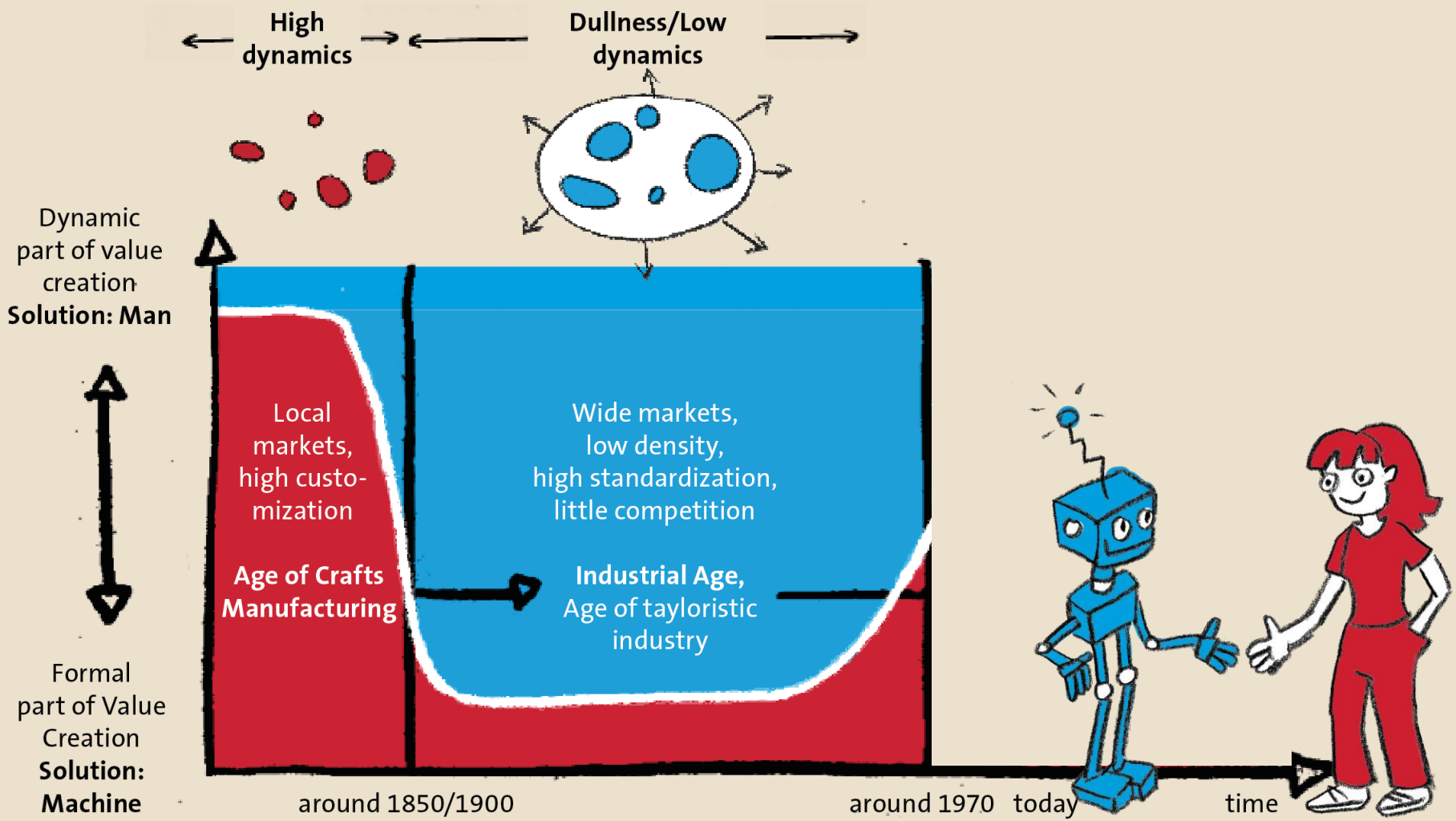
time




High dynamics
Dynamic part of value creation
Solution: Man
Local markets, high custo-mization
Age of Crafts Manufacturing
Formal part of Value Creation
Solution: Machine
around 1850/1900
around 1970
today
time


High dynamics
Dullness/Low dynamics
Dynamic part of value creation
Solution: Man
Local markets, high custo-mization
Age of Crafts Manufacturing
Wide markets, low density, high standardization, little competition
Industrial Age, Age of tayloristic industry
Formal part of Value Creation
Solution: Machine
around 1850/1900
around 1970
today
time




High dynamics
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Solution: Machine
around 1850/1900
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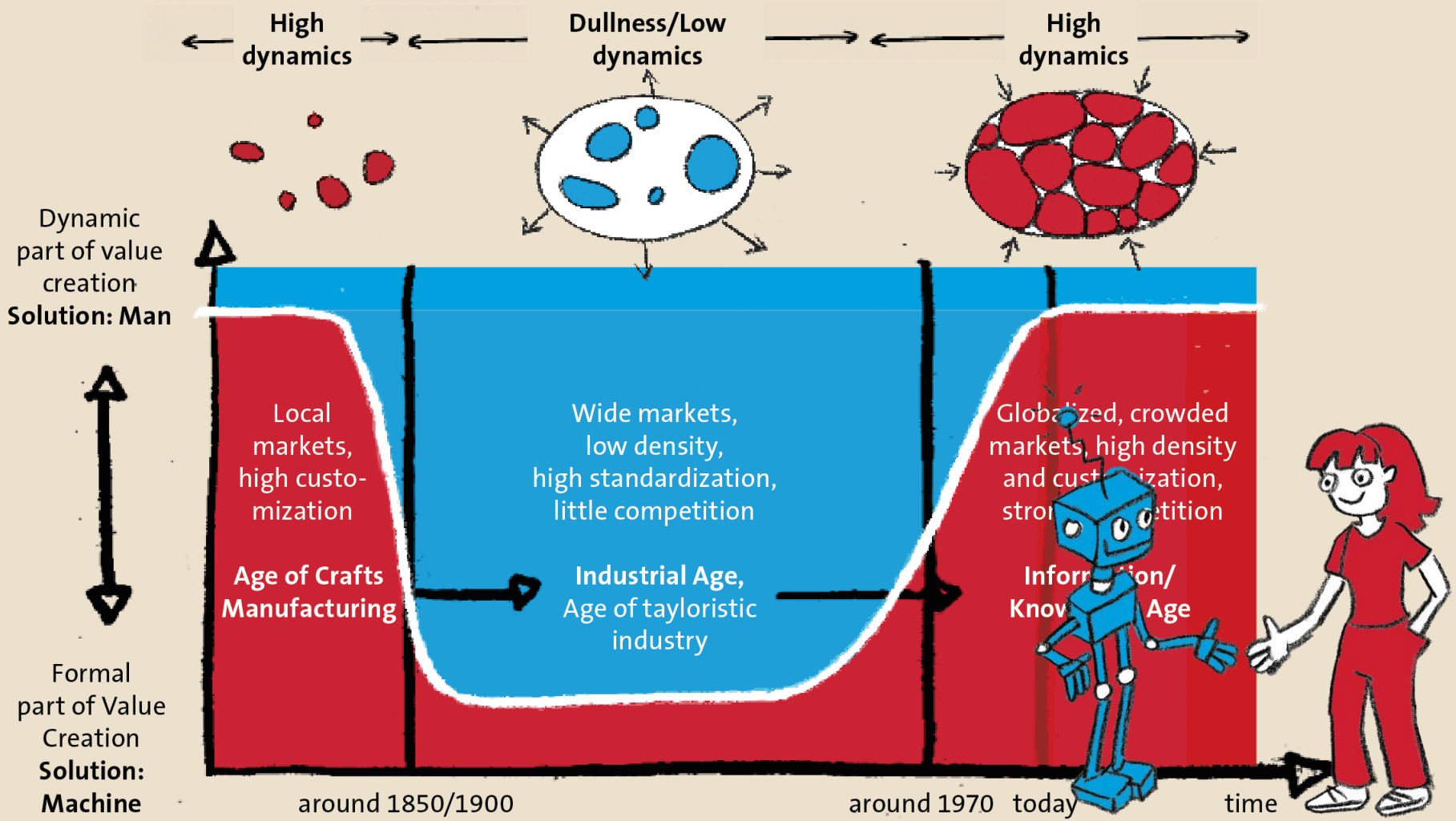
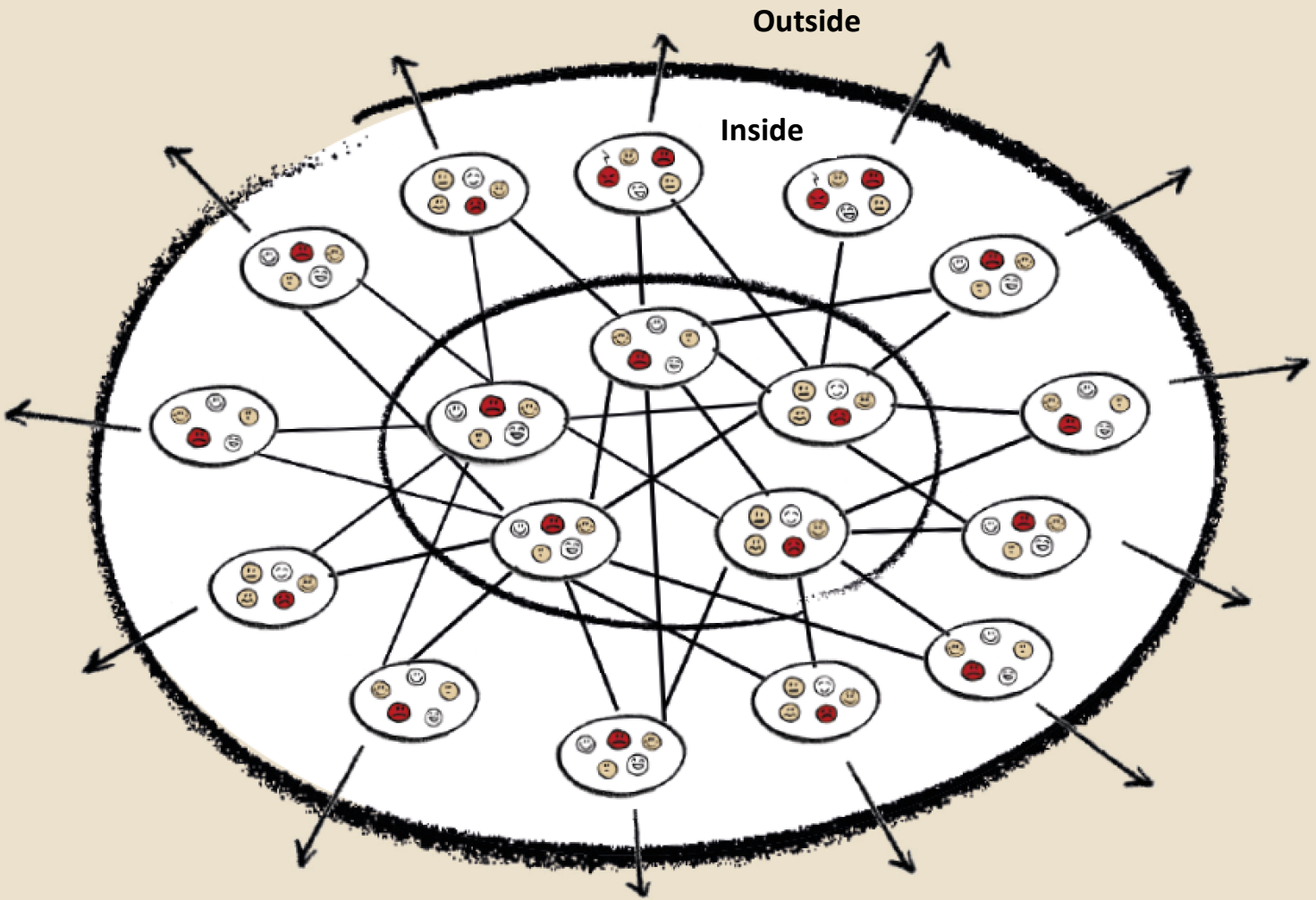
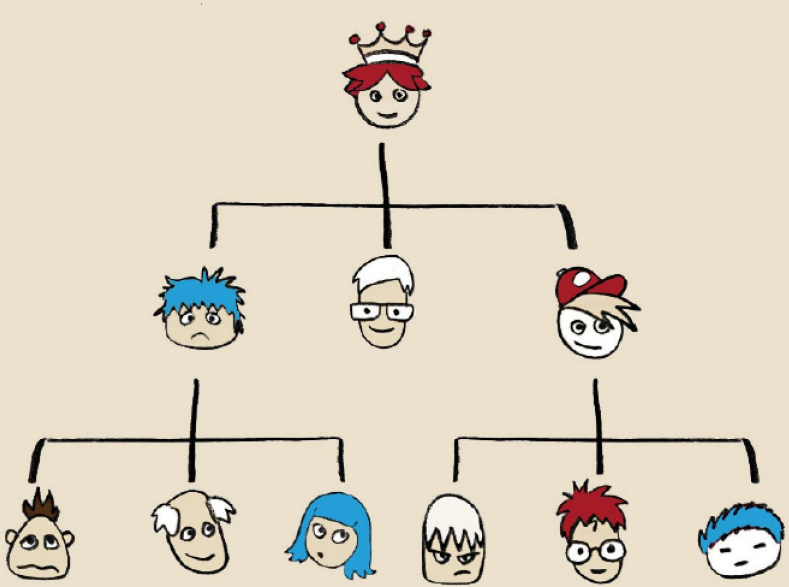
today
time


High dynamics
Dullness/Low dynamics
High dynamics
Dynamic part of value creation
Solution: Man
Local markets, high custo-mization
Age of Crafts Manufacturing
Wide markets, low density, high standardization, little competition
Industrial Age, Age of tayloristic industry
Globalized, crowded markets, high density and customization, strong competition
Information/ Knowledge Age
Formal part of Value Creation
Solution: Machine
around 1850/1900
around 1970
today
time

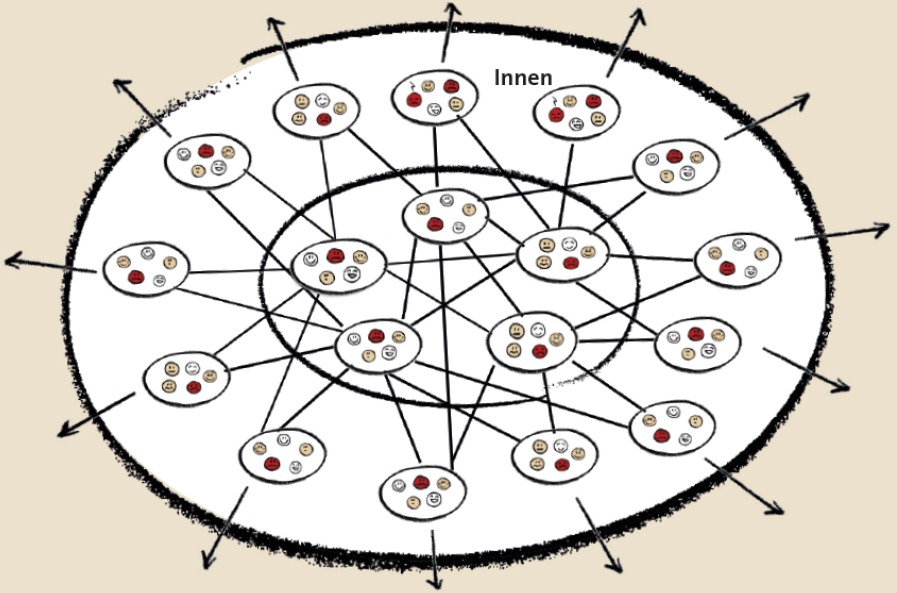

Outside
Inside

Industrial Age



Mechanistic, dead, steering
Functionally divided, individualizing
Work the people!
Top-down, managed
In parallel, in line
Centralized, efficiency-oriented, stability-seeking

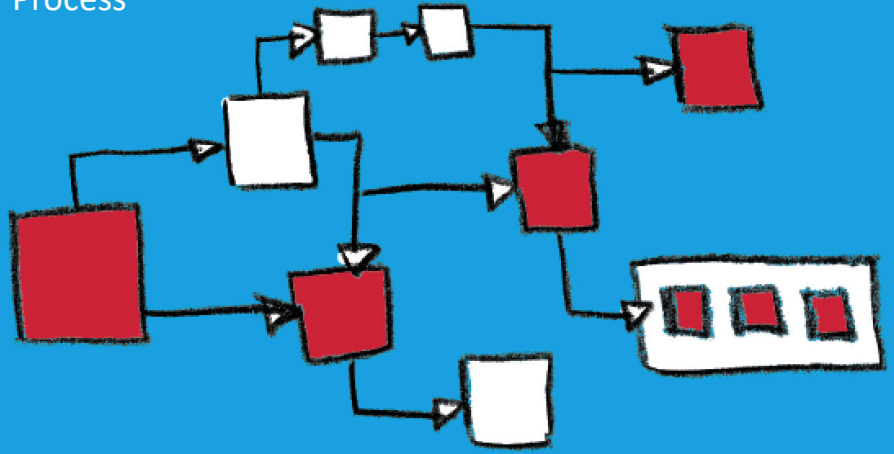
Knowledge Age



Systemic, alive, market-driven
Functionally integrated, team-based
Work the work!
Outside-in, led, socially dense
With-each-other-for-each-other
Decentralized, complexity-robust

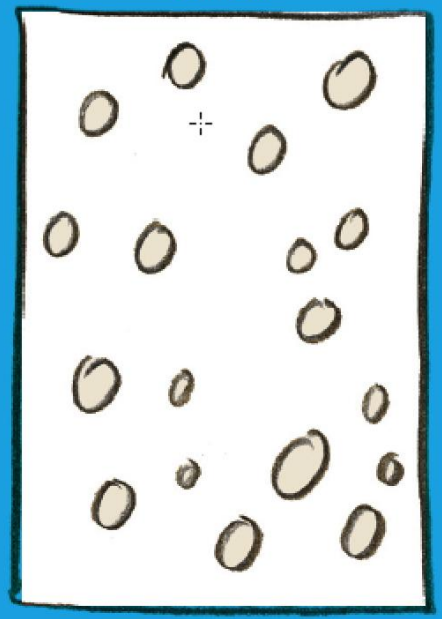
Law		Beta	Alpha
§1	**Freedom to act**	Connectedness	not Dependency
§2	**Responsibility**	Cells	not Departments
§3	**Governance**	Leadership	not Management
§4	**Performance climate**	Result culture	not Duty fulfillment
§5	**Success**	Fit	not Maximization
§6	**Transparency**	Intelligence flow	not Power accumulation
§7	**Orientation**	Relative Targets	not Top-down prescription
§8	**Recognition**	Sharing	not Incentives
§9	**Mental presence**	Preparedness	not Planning
§10	**Decision-making**	Consequence	not Bureaucracy
§11	**Resource usage**	Purpose-driven	not Status-oriented
§12	**Coordination**	Market dynamics	not Commands

Process



Project

?



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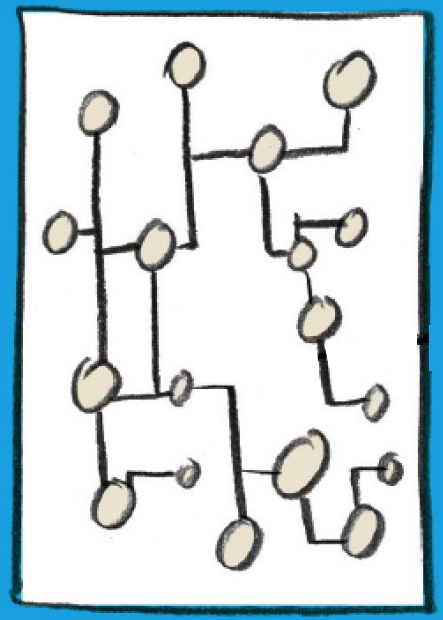

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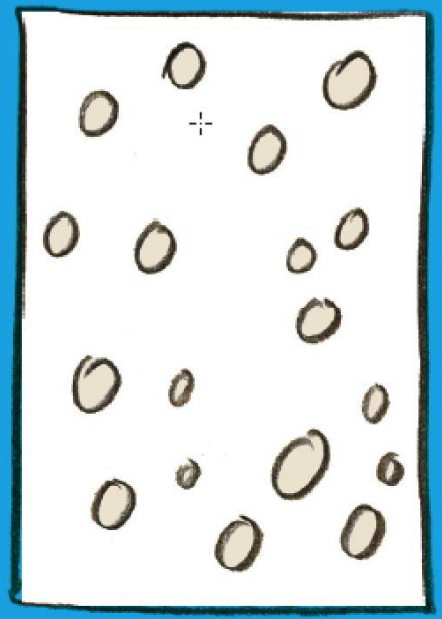

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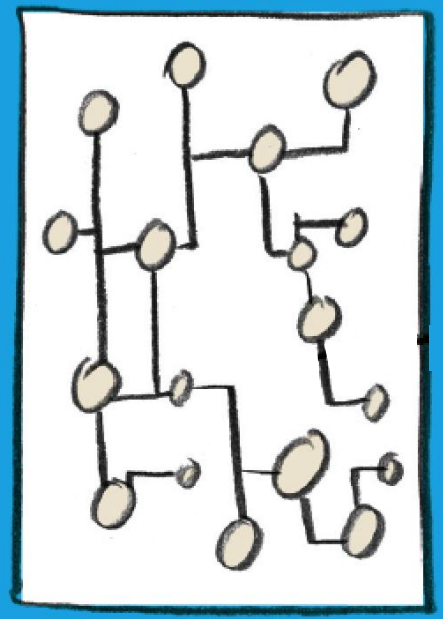
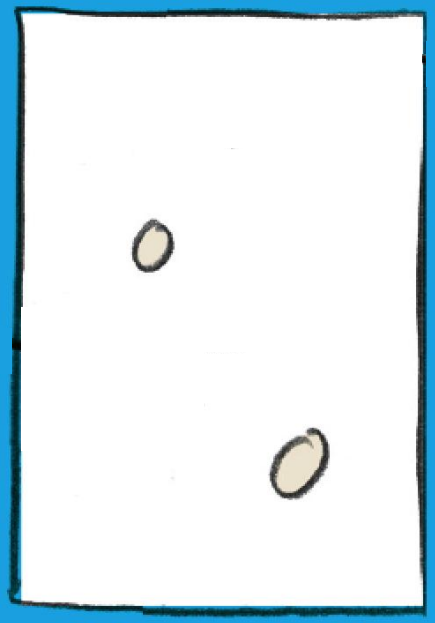


Knowledge



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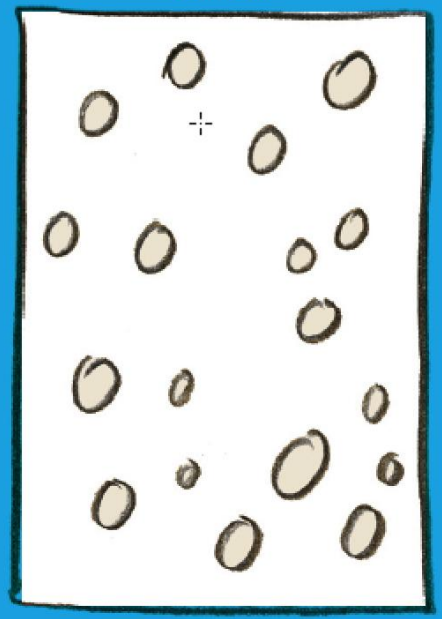

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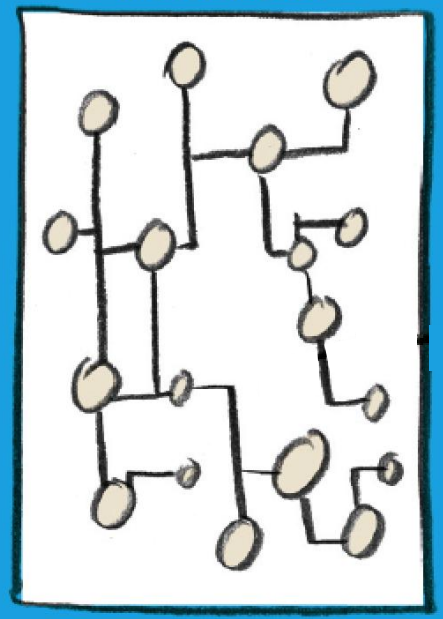
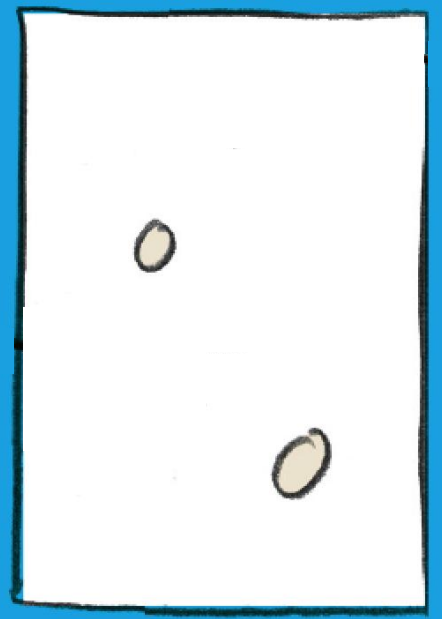
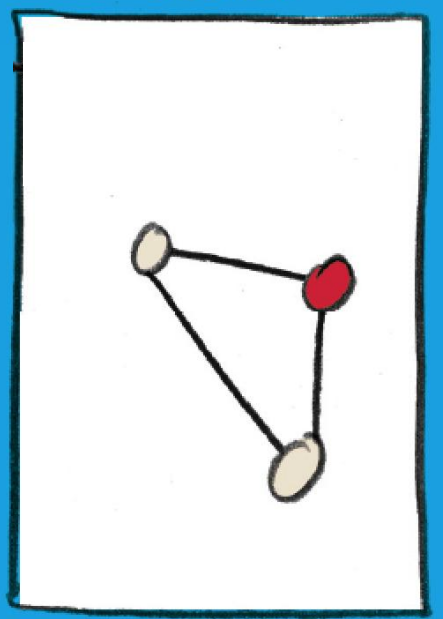
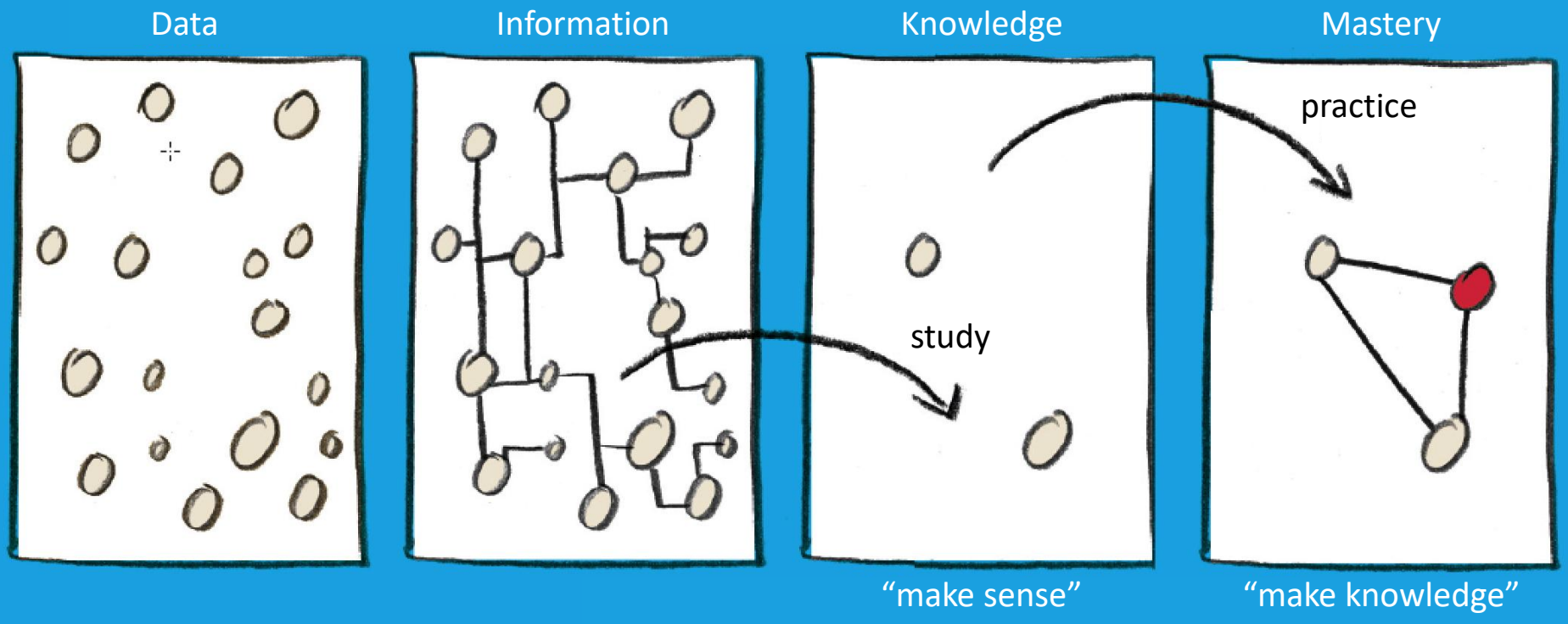


Knowledge



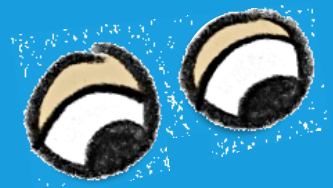
Mastery



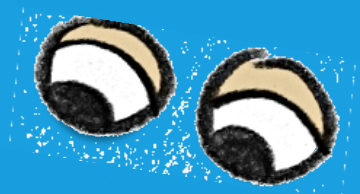

Data
Information
Knowledge
Mastery
practice
study
“make sense”
“make knowledge”

Theory X

Theory Y



Theory X



Attitude

People dislike work,
find it boring,
and will avoid it if they can

Leadership

People must be forced or bribed
to make the right effort

Responsibility

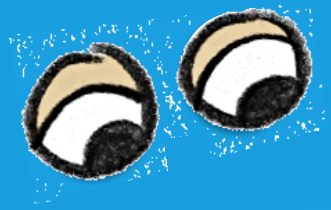
People would rather be directed than
accept responsibility (which they avoid)

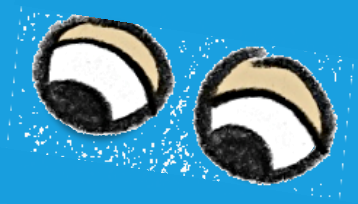
Motivation

People are motivated mainly by money
and fears about their job security

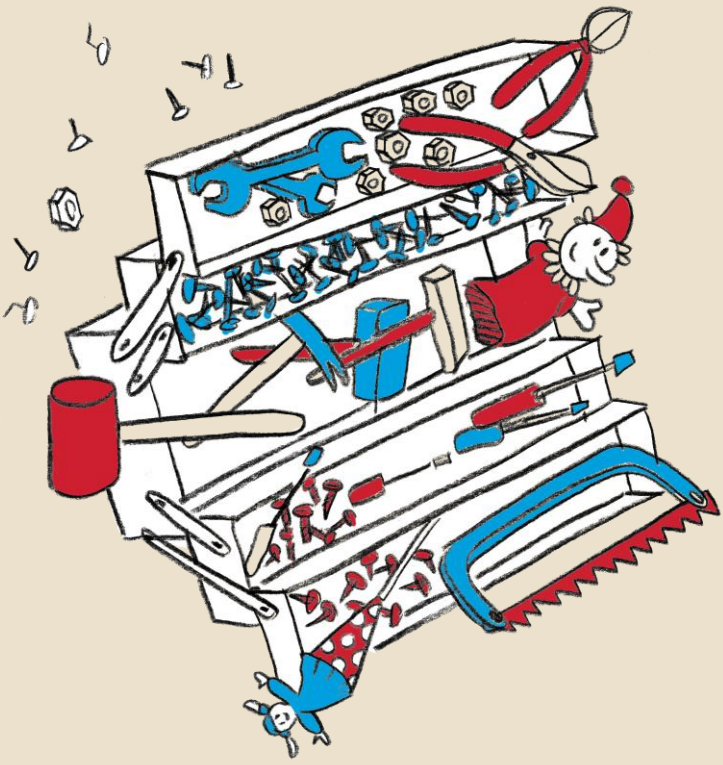
Creativity

Most people have little creativity - except when it
comes to getting around rules





Theory X	Theory Y
Attitude	
People dislike work, find it boring, and will avoid it if they can	People need to work and want to take an interest in it. Under right conditions, they enjoy it
Leadership	
People must be forced or bribed to make the right effort	People will direct themselves towards a target that they accept
Responsibility	
People would rather be directed than accept responsibility (which they avoid)	People will under the right conditions seek and accept responsibility,
Motivation	
People are motivated mainly by money and fears about their job security	Under the right conditions, people are motivated by the desire to fulfill their own potential
Creativity	
Most people have little creativity - except when it comes to getting around rules	Creativity and ingenuity are widely distributed and grossly underused



Bonuses/Incentives Control of work hours Business Unites

Key Accounting Personnel Development Assessment Centers Forecasting

Dress Codes Performance Appraisal Cross-Selling Sales Meritocracy

Matrix struktures Cost management Process management HR

Org charts Earnings guidance Milestones Development Centers Target negotiation

Budgeting Extra hours/Extra hour pay COO Allocations Personnel expenses

Core work hours Quotas Project management Executive parking lots

Pay for Performance Balanced Scorecards Job descriptions Strategic Planning

Management by Objectives Product management Employee surveys

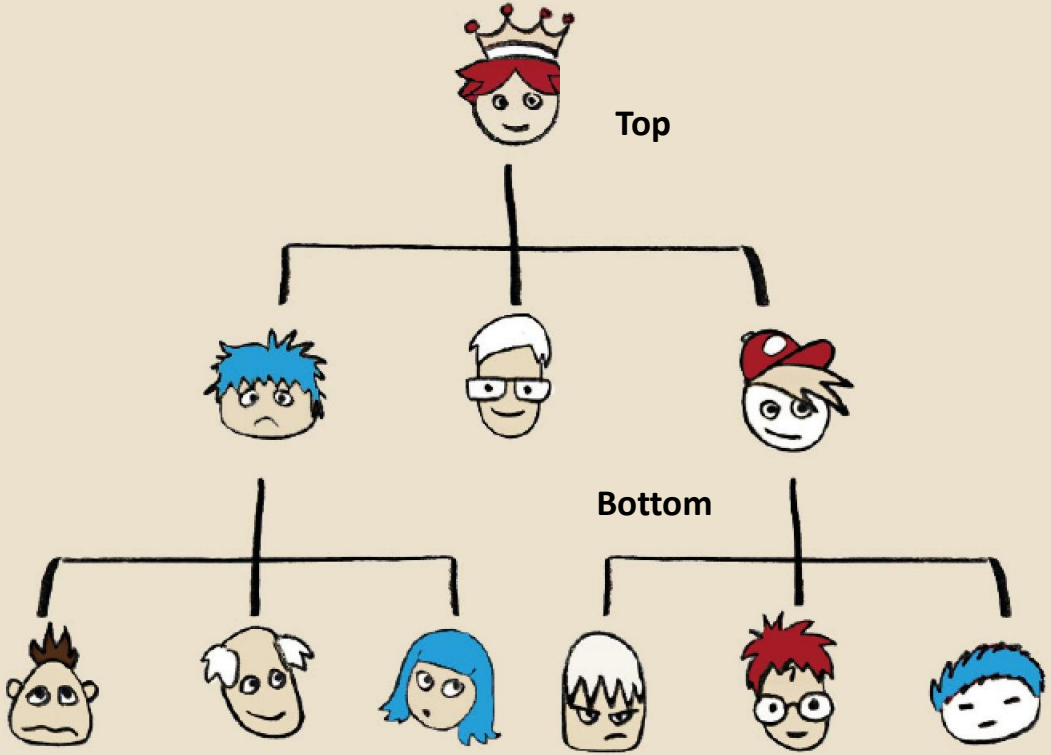
Job titles Individual targets Competence management Training budgets

Plan-Actuals variances Decision-making in meetings Salary ranges

Knowledge management Travel policies Budgets Quality managers

Suggestion boxes Business Units Project managers Shared Services

Business Partners Standard costing Board decisions ...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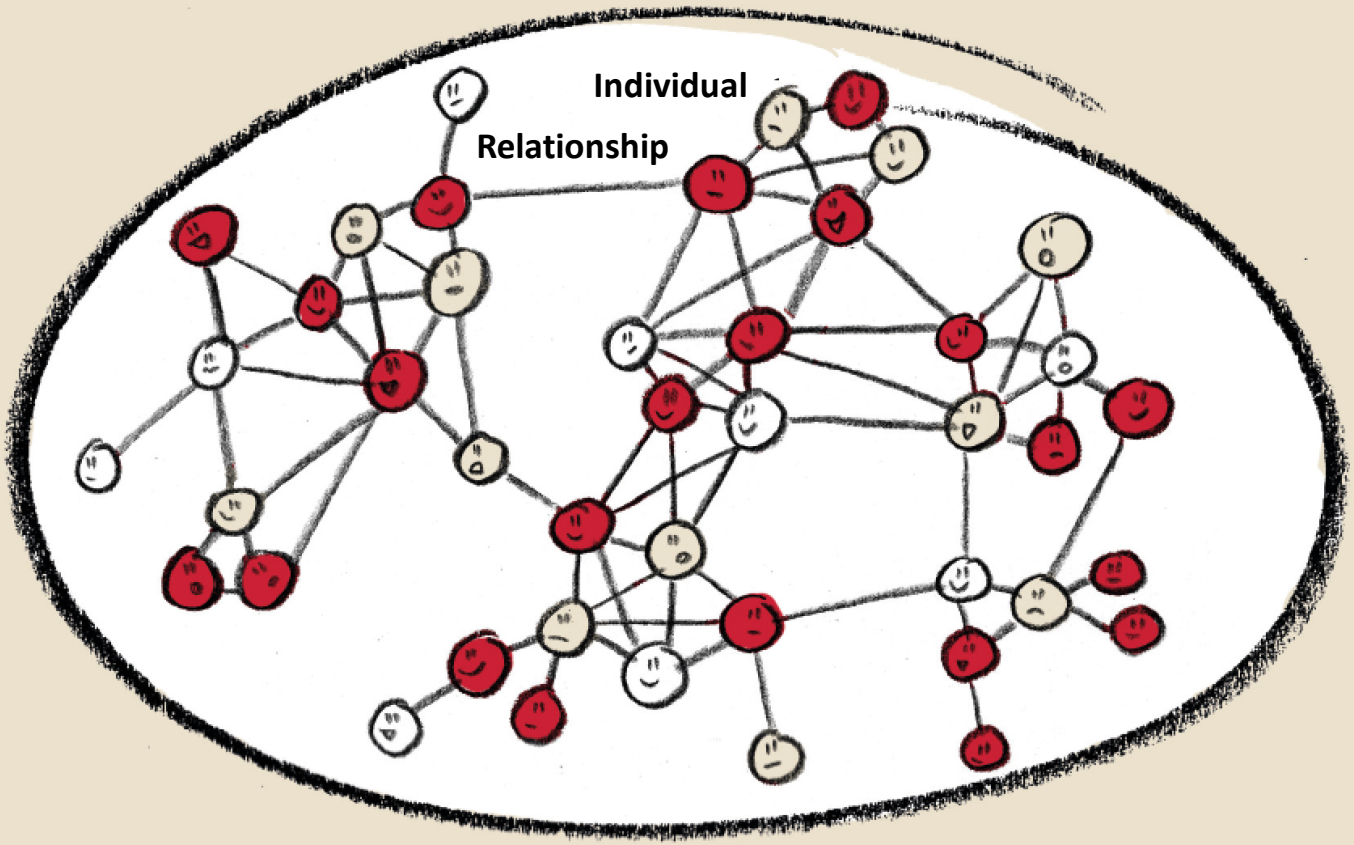
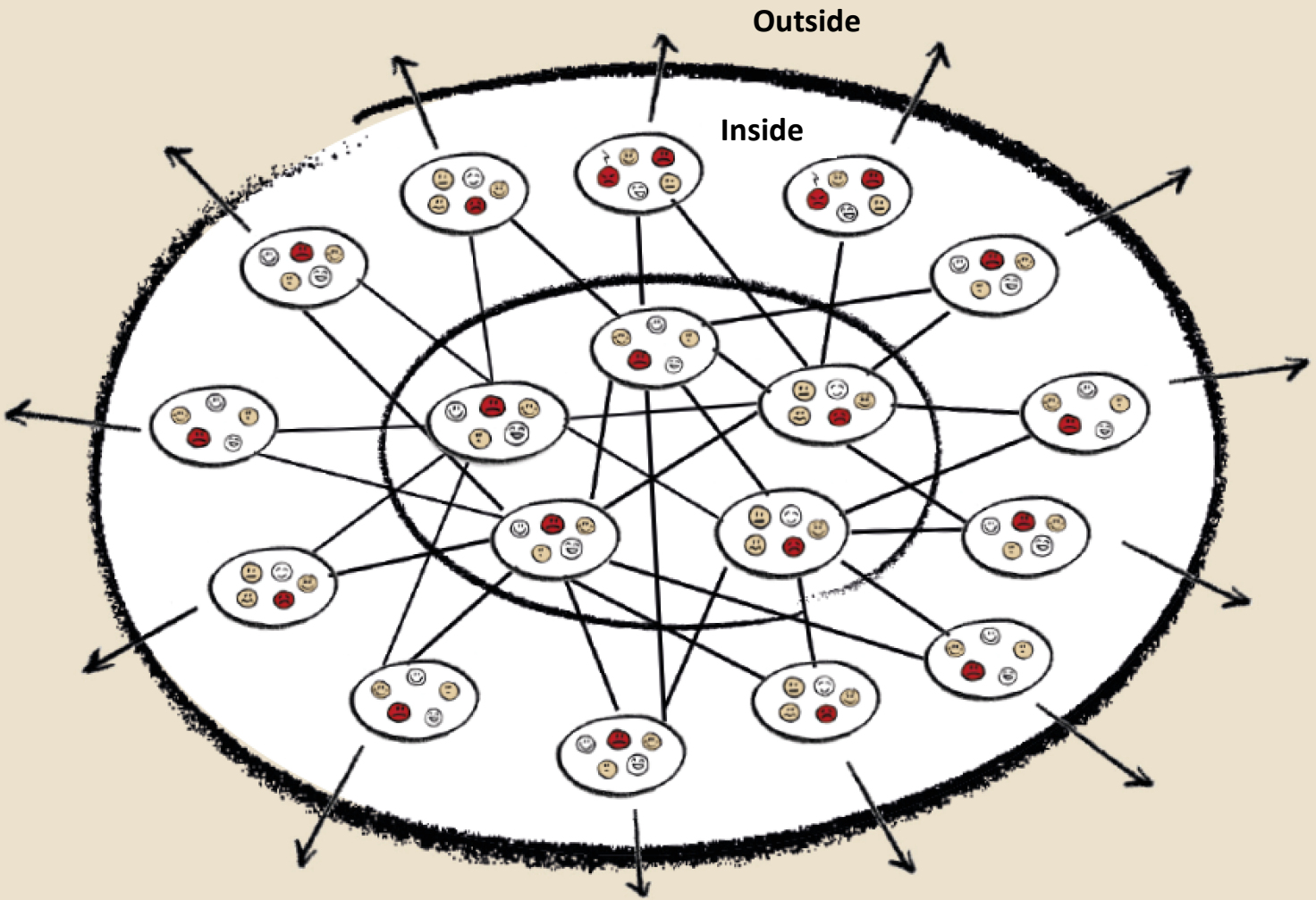
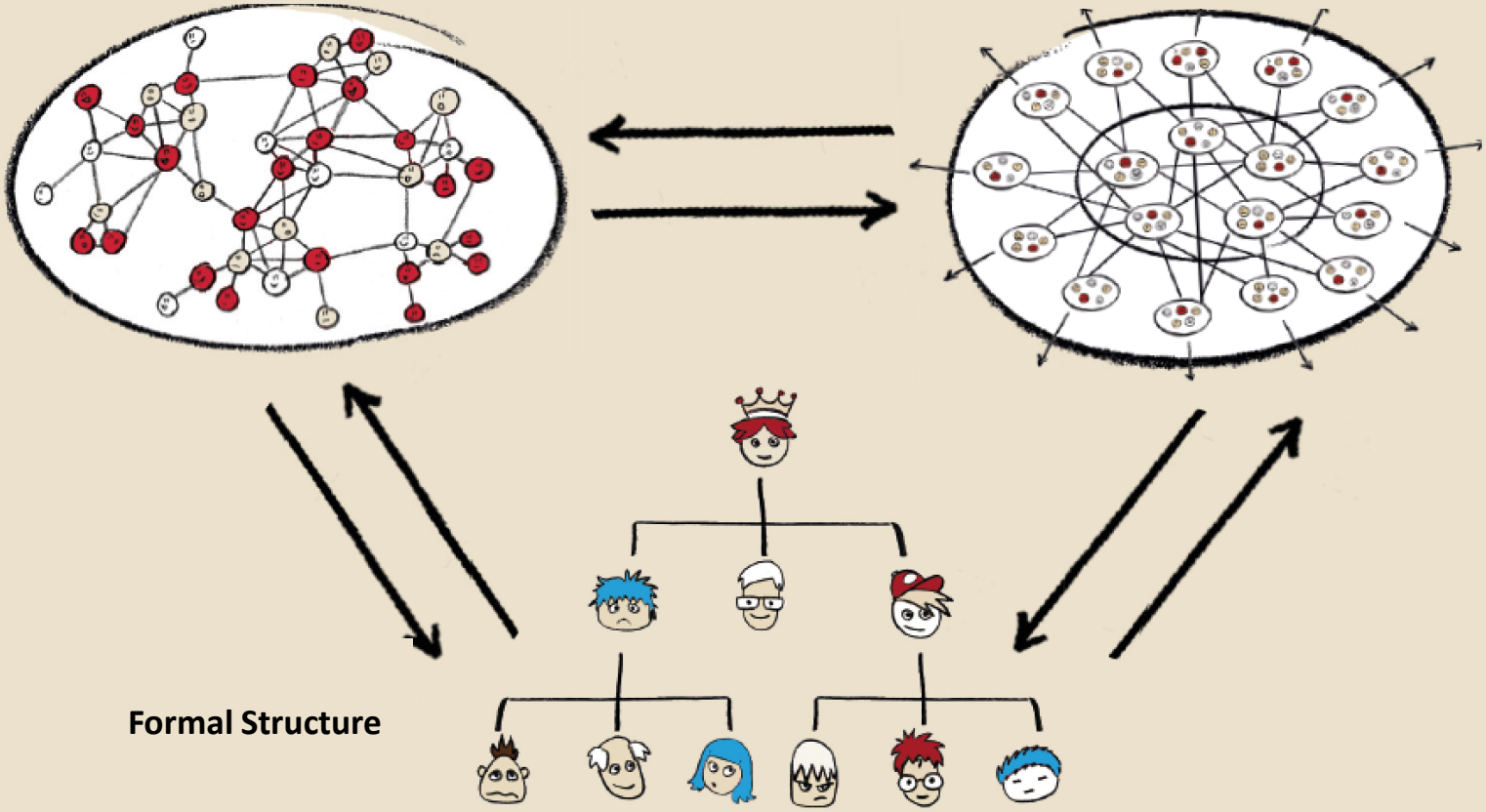

Individual
Relationship


Outside
Inside

Informal Structure

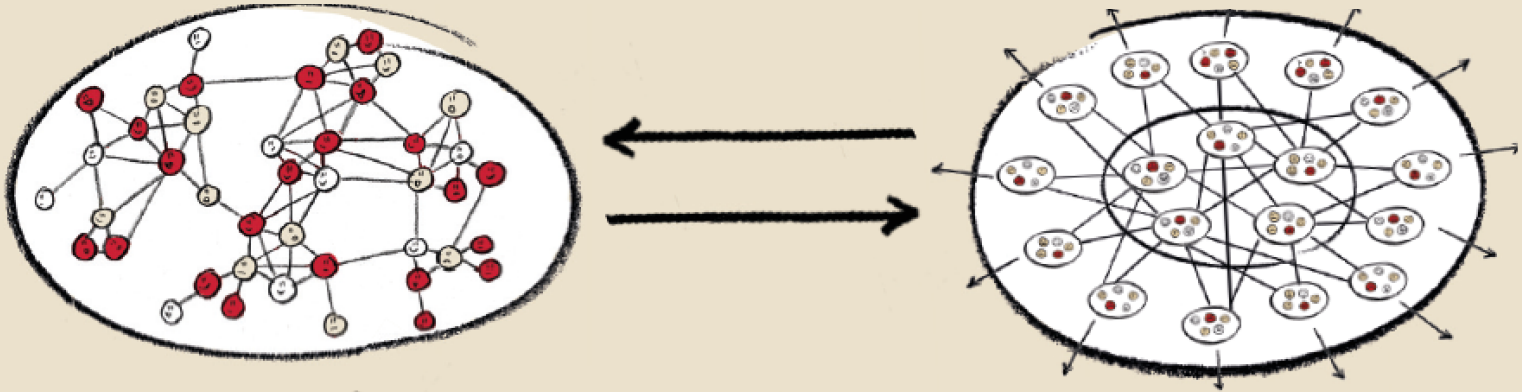
Value Creation Structure

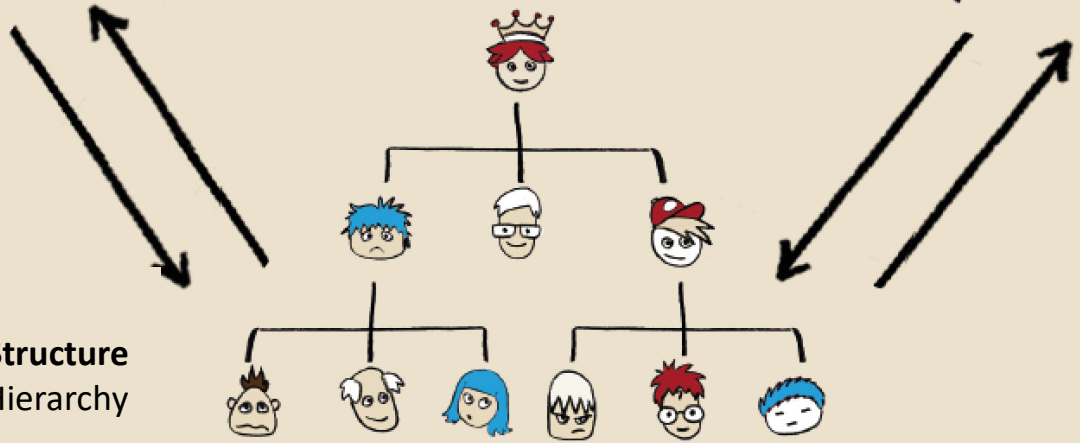


Formal Structure

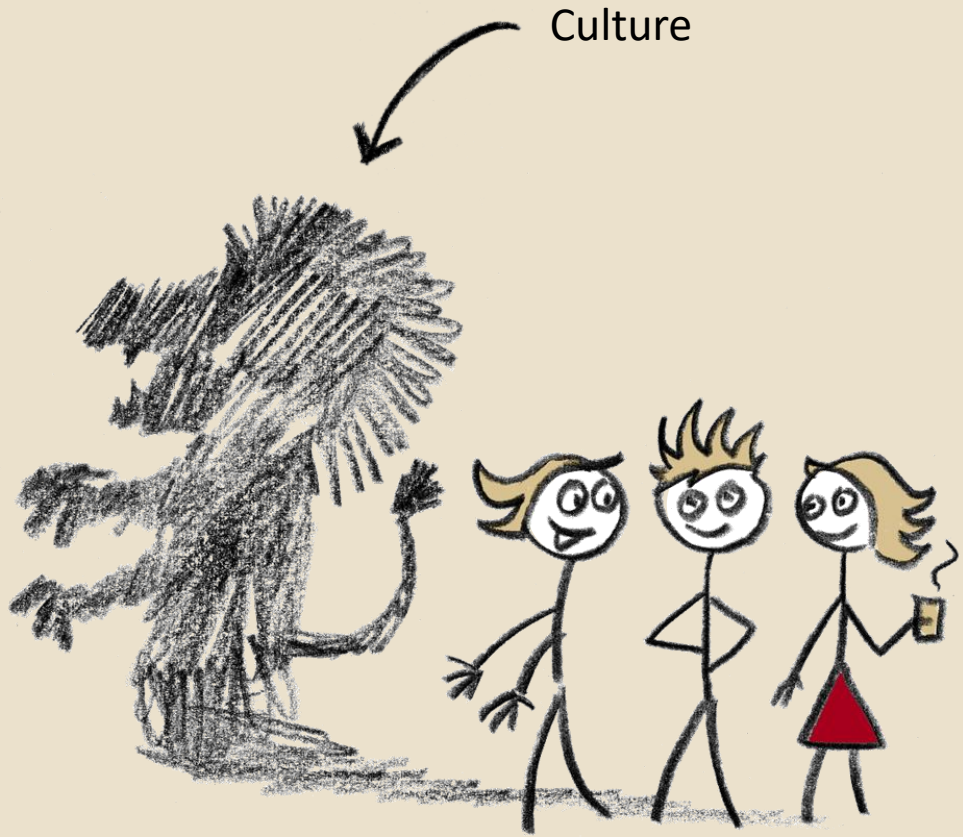
Informal Structure
Power: Influence

Value Creation Structure
Power: Reputation



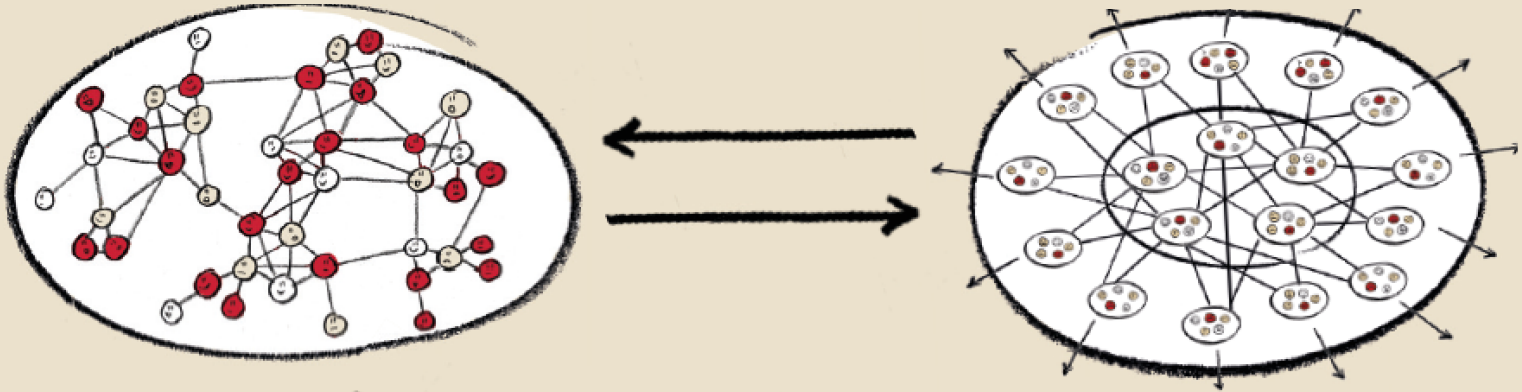


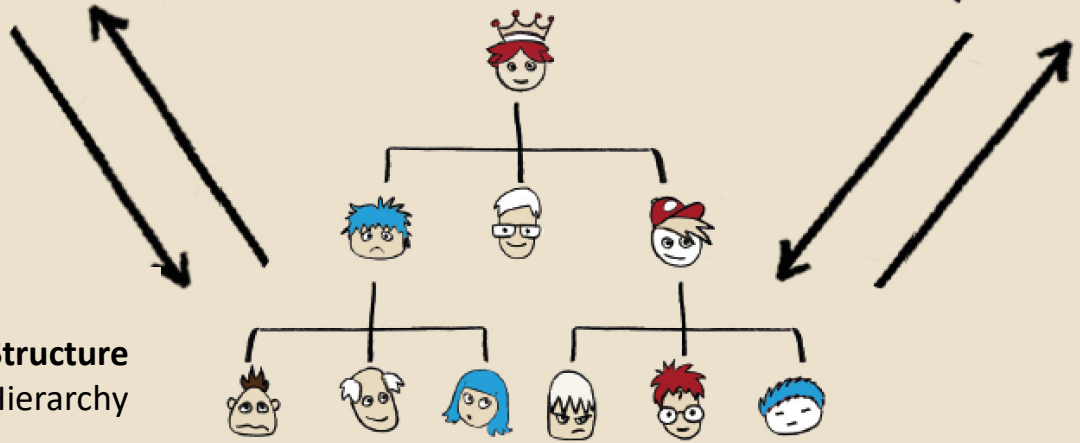
Formal Structure
Power: Hierarchy


Culture

Informal Structure
Power: Influence

Value Creation Structure
Power: Reputation





Formal Structure
Power: Hierarchy

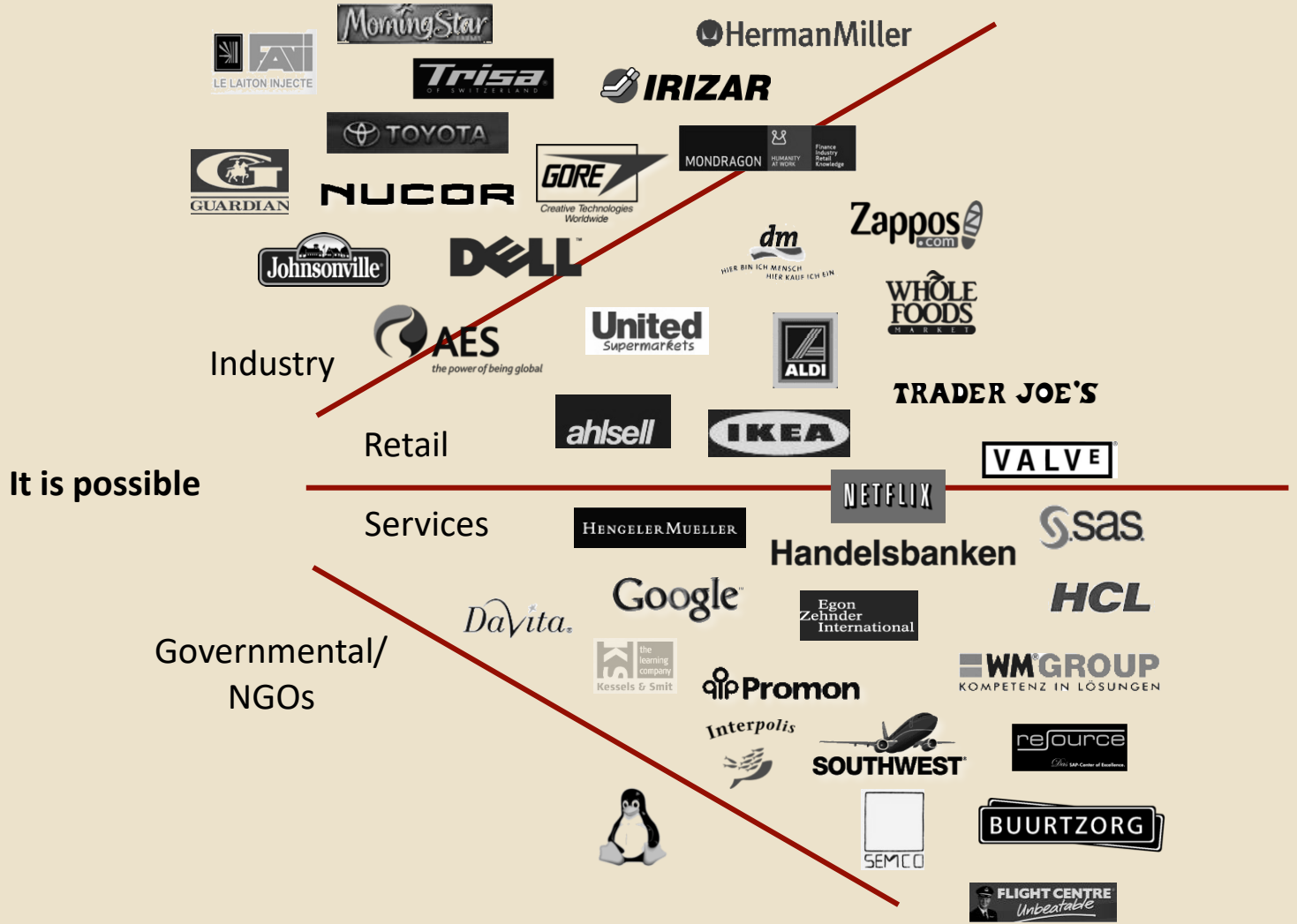
Z...

Your people **are not the problem.**
Your system is.

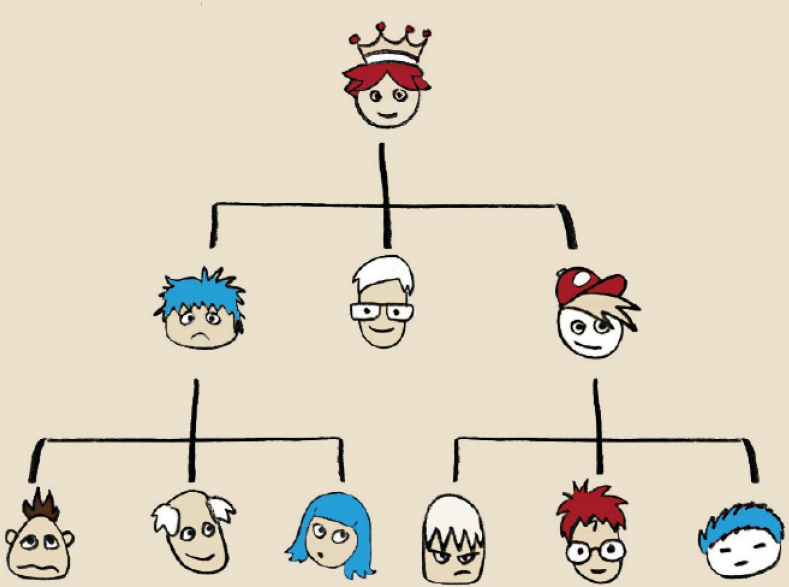
Systems drive behavior.
Not the other way ´round.

The radically decentralized “peach“
model of organizing is **not a f*@king option.**
It is a necessity.

We have to stop working
the people, and **start working, or flipping organizational models,** or systems.


Industry
Retail
It is possible
Services
Governmental/
NGOs
LE LAITON INJECTE
MorningStar
HermanMiller
Trisa
IRIZAR
TOYOTA
MONDRAGON
GUARDIAN
NUCOR
GORE
Creative Technologies Worldwide
Zappos.com
Johnsonville
DELL
dm
HIER BIN ICH MENSCH HIER KAUF ICH EIN
WHOLE FOODS MARKET
AES
the power of being global
United Supermarkets
ALDI
TRADER JOE'S
ahlsell
IKEA
VALVE
NETFLIX
HENGELER MUELLER
Handelsbanken
sas
DaVita
Google
Egon Zehnder International
HCL
the learning company
Kessels & Smit
Promon
WM GROUP
KOMPETENZ IN LÖSUNGEN
Interpolis
SOUTHWEST
resource
SEMCO
BUURTZORG
FLIGHT CENTRE
Unbeatable

Industrial Age



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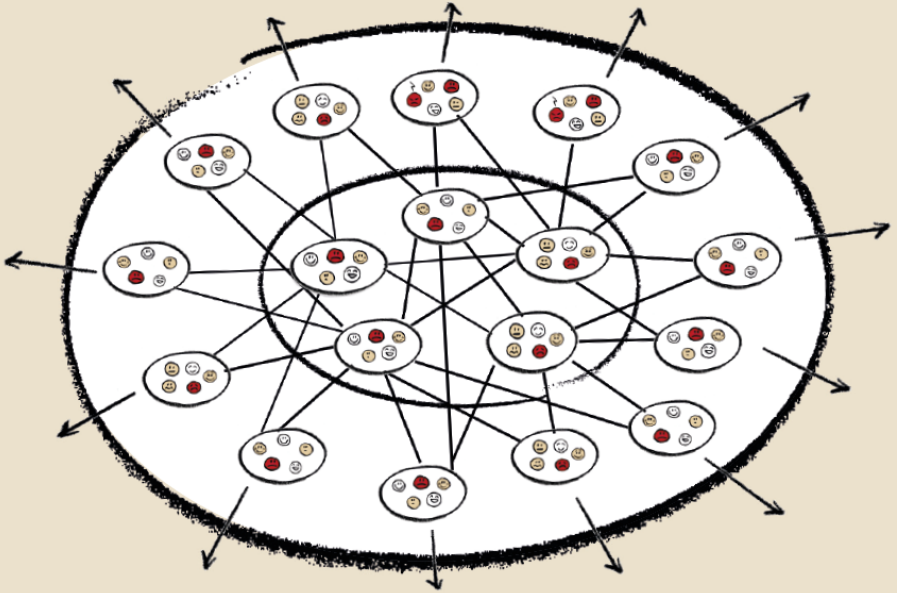
Knowledge Age



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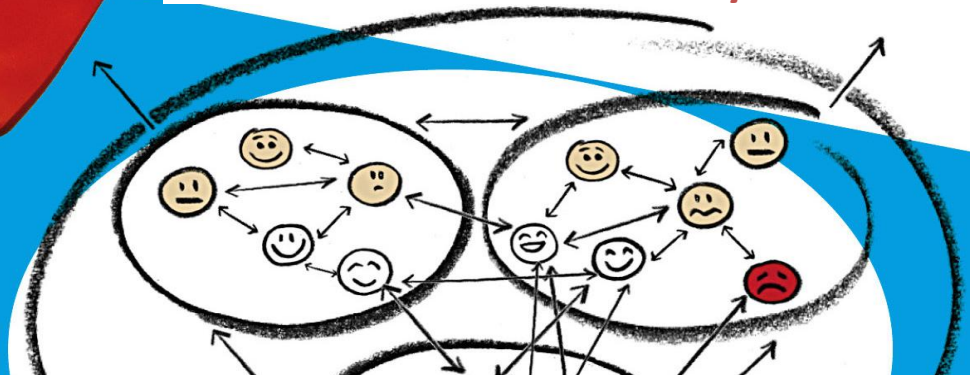
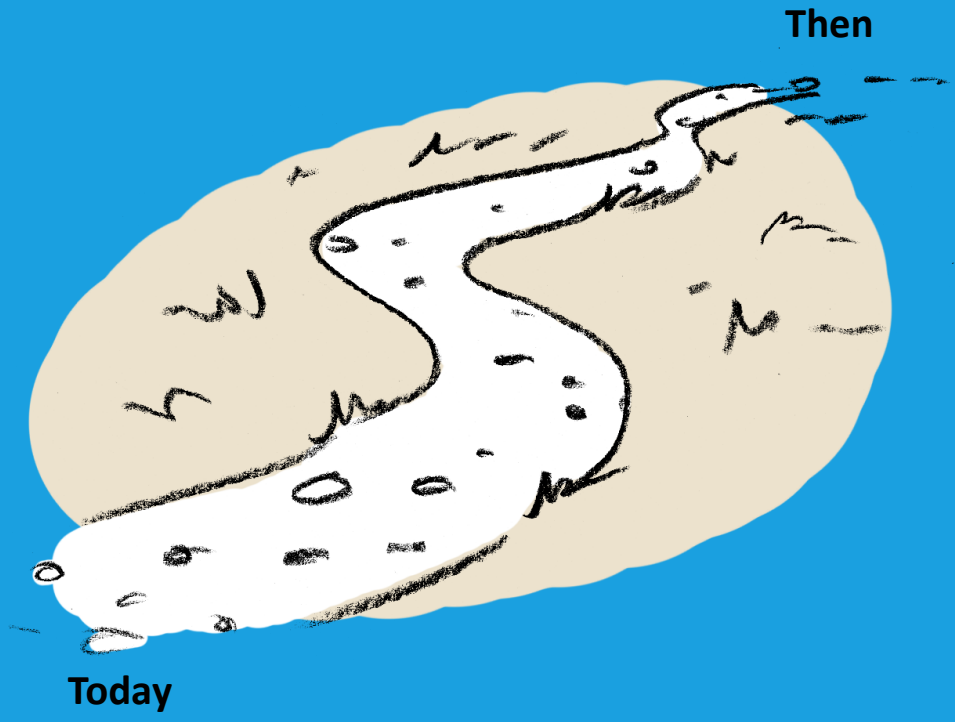
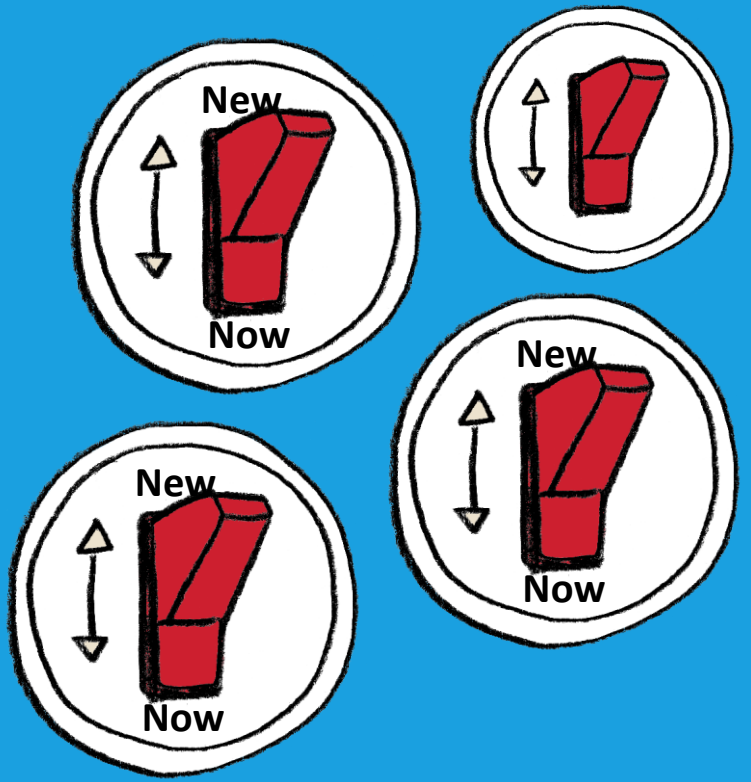
Agile New England
Boston, 05.03.2018
@NielsPflaeging @Complexitools
#AgileNewEngland

Complexitools

The Blue and the Red, and how to create the truly agile, complexity-robust, high-performance organization. Everywhere. Sooner than you think




Then
Today


New
Now
New
Now
New
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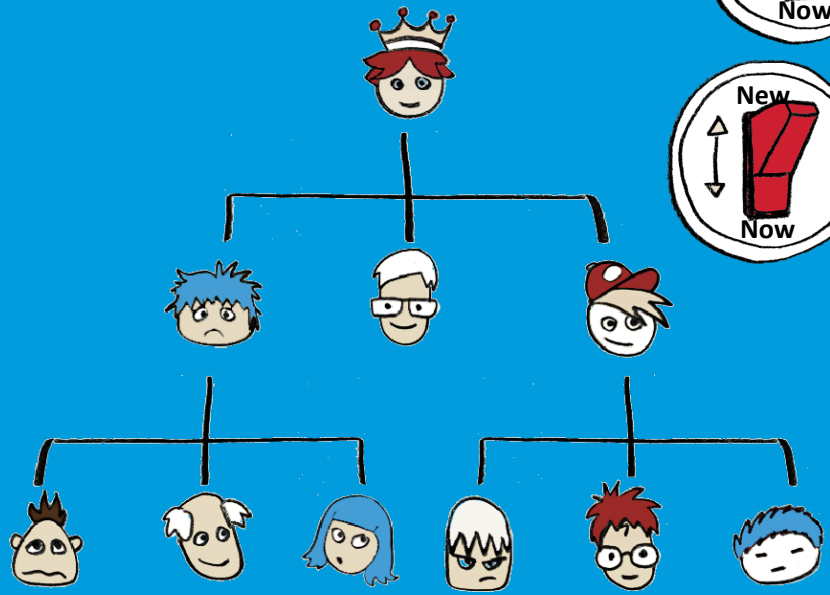

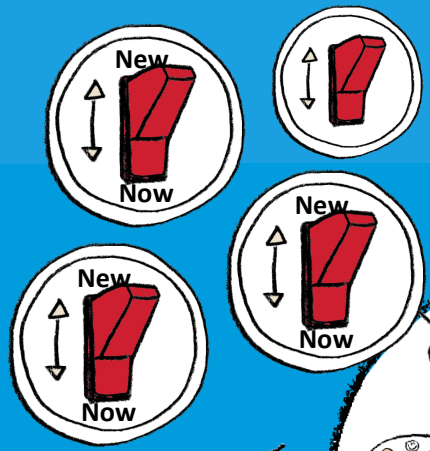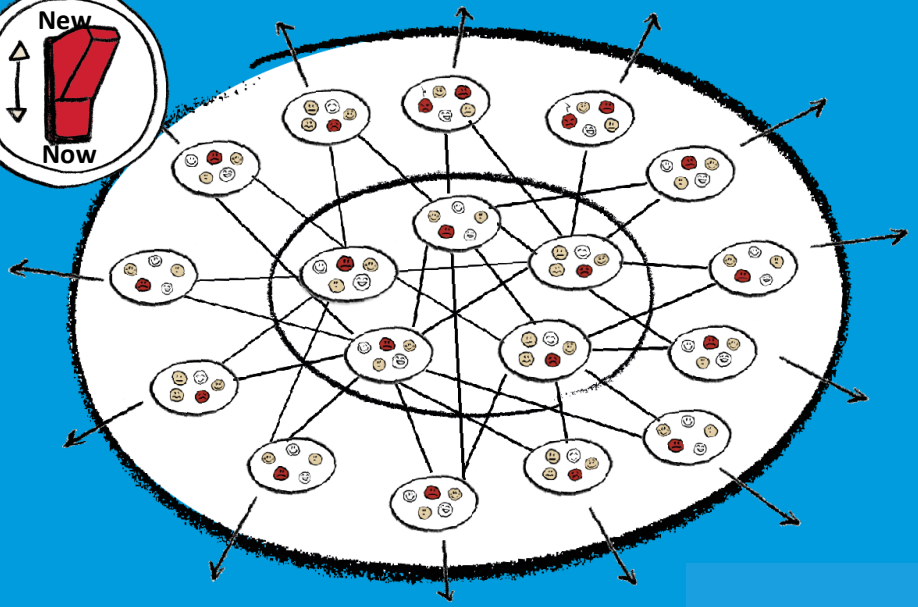
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