

# The Dual Operating System

The Key to Sustainable Business Agility



**SAFe**<sup>®</sup>  
**SUMMIT**  
**ONLINE • 2021**  
THE PATH FORWARD



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# Why a dual operating system?



# A digital organization is more than product development

- Product research, development, delivery, support and evolution

- Revenue & cost
- Finance & accounting
- Sales & marketing
- Legal & governance
- People & careers
- Production of goods and services
- Facilities



Development Value Streams

**Shared**



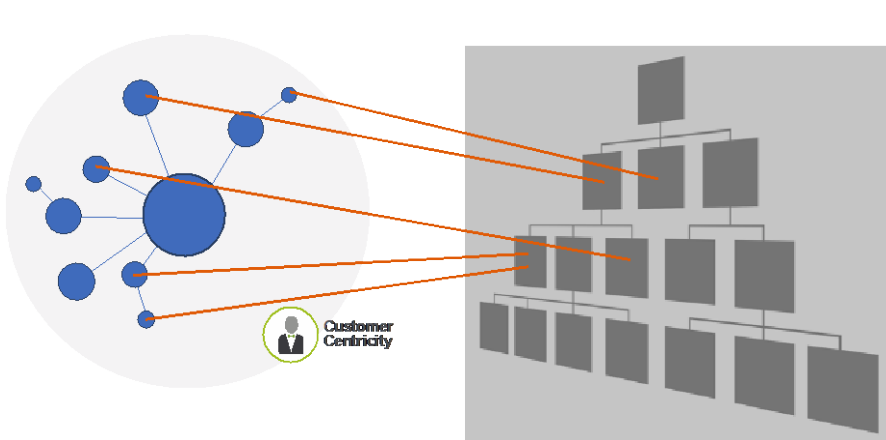
Operational Value Streams

- 
- Strategy
  - Customer engagement
  - Support
  - Culture

# There are two aspects to a digital organization

## Development Value Stream Network

- Product research, development, delivery, support and evolution



## Functional Hierarchy

- Revenue & cost
- Finance & accounting
- Sales & marketing
- Legal & governance
- People & careers
- Production of goods and services
- Facilities



Development Value Streams



Operational Value Streams

**Shared**

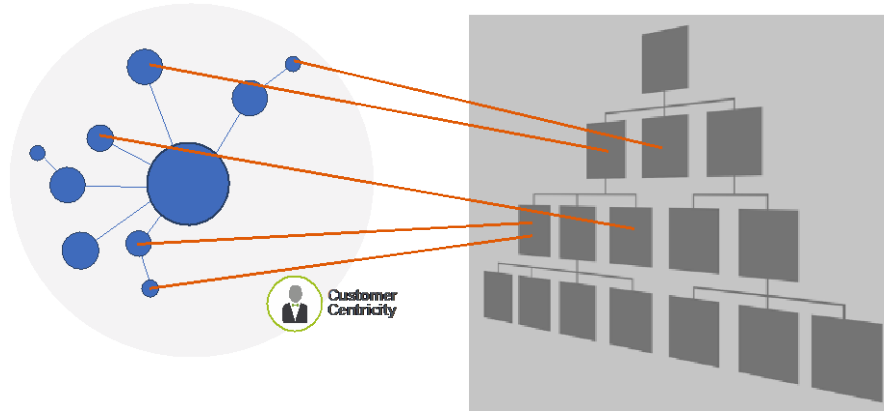
- Strategy
- Customer engagement
- Support
- Culture

# That have different characteristics

## Development Value Stream Network

### Speed of Innovation

- Self organizing
- Constantly evolving
- Fast and furious
- Innovative/  
Experimental
- Can afford to fail
- Short-term memory



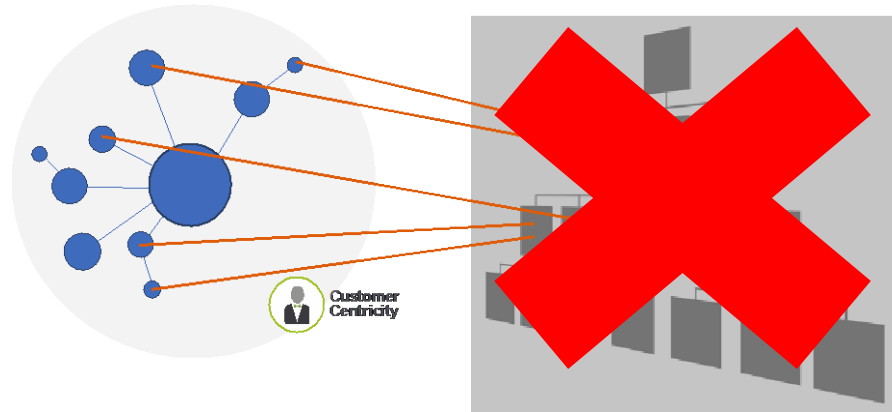
## Functional Hierarchy

### Efficiency & sustainability

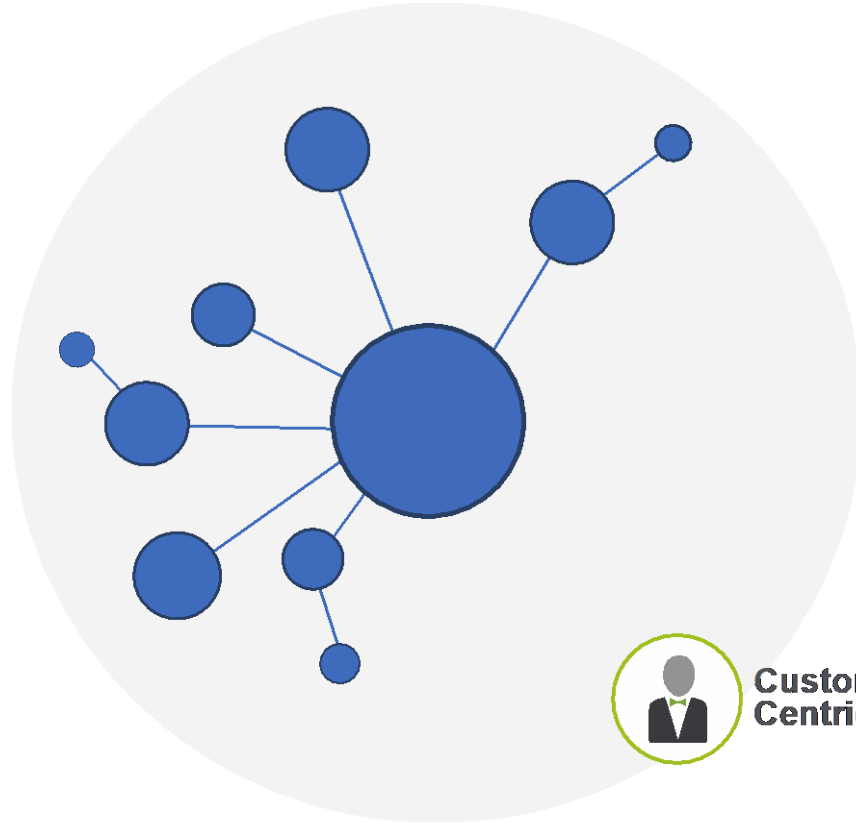
- Standing organization
- Evolves as needed
- Steady
- Predictable/  
Reliable
- Can not afford to fail
- Long-term memory



# But surely as we're all agile we don't need a hierarchy!

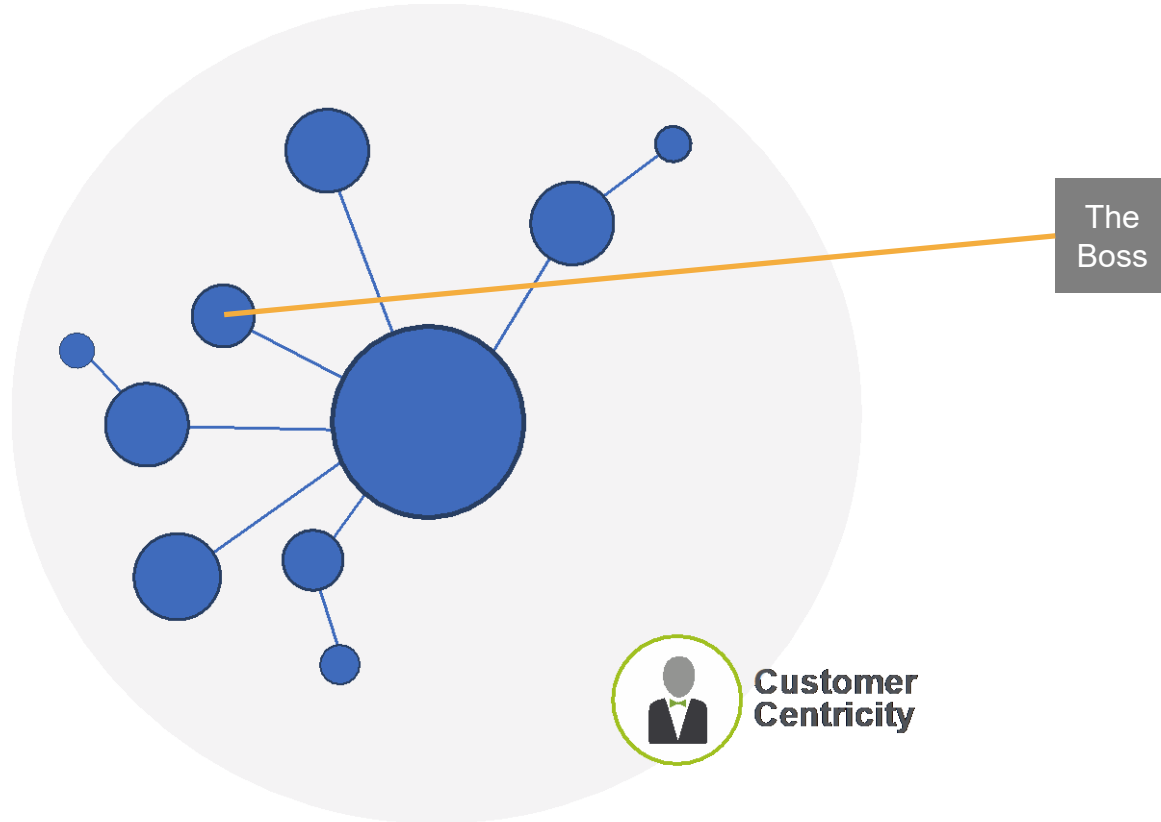


# No matter what you do there is always a hierarchy

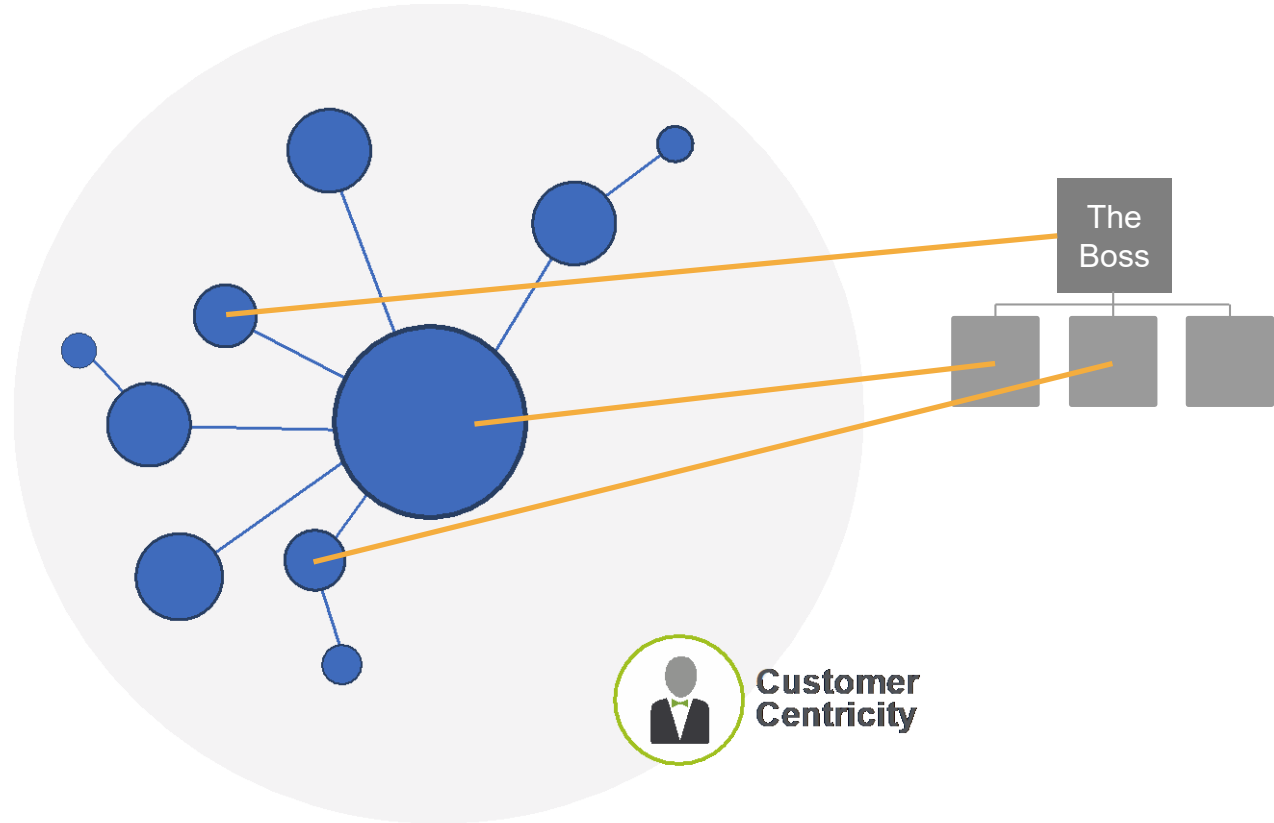


**Customer  
Centricity**

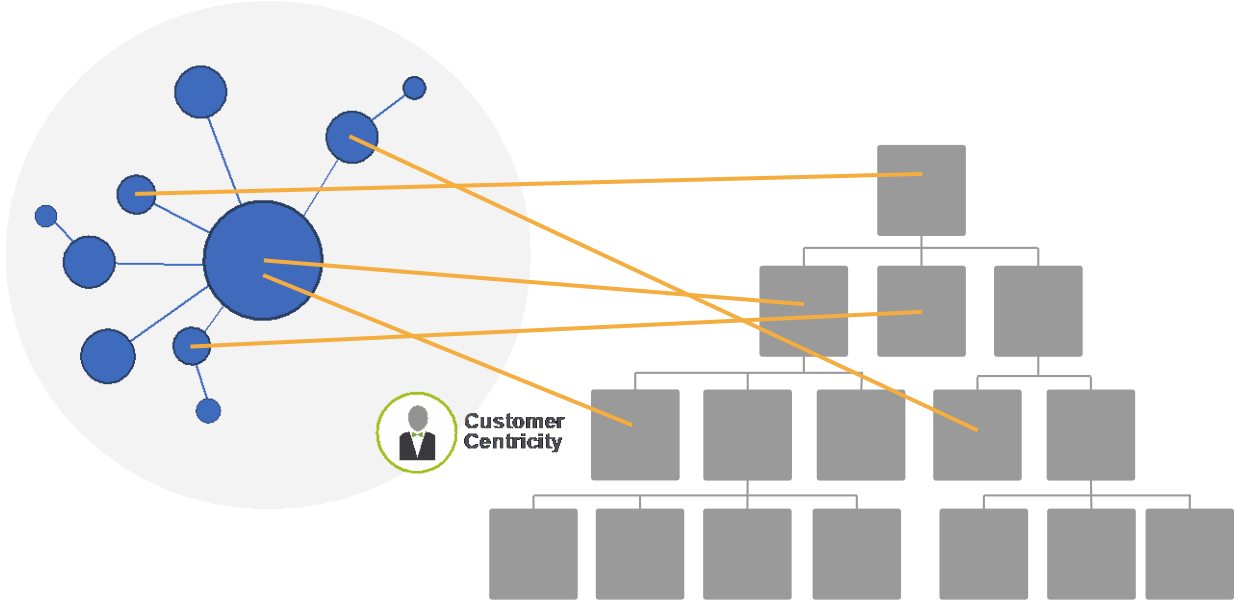
# No matter what you do there is always a hierarchy



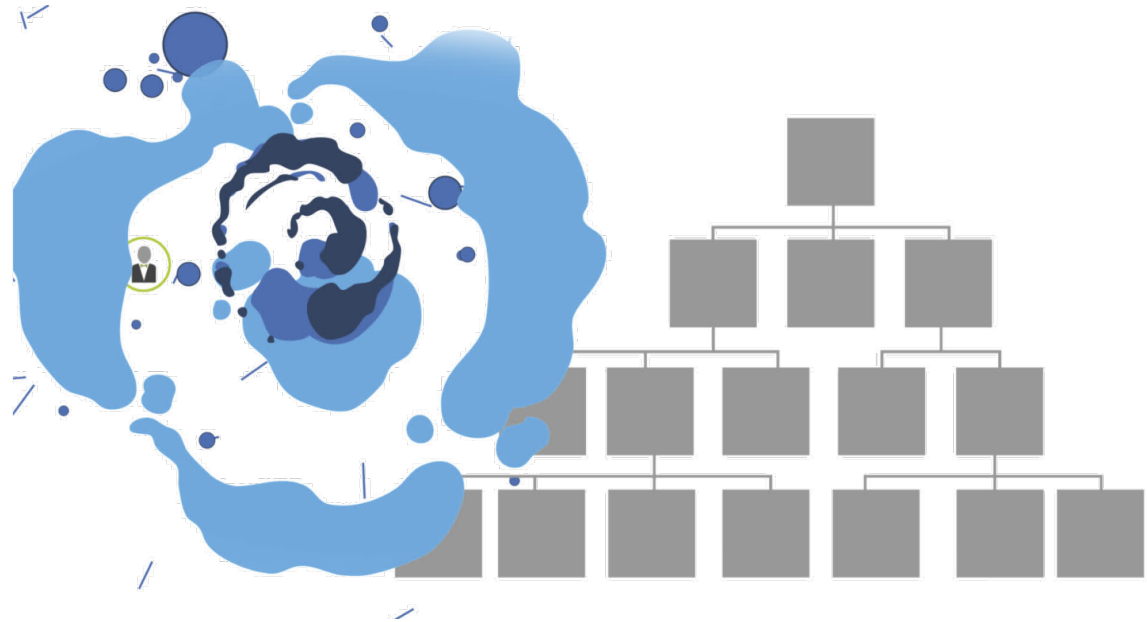
# It grows as the organization matures



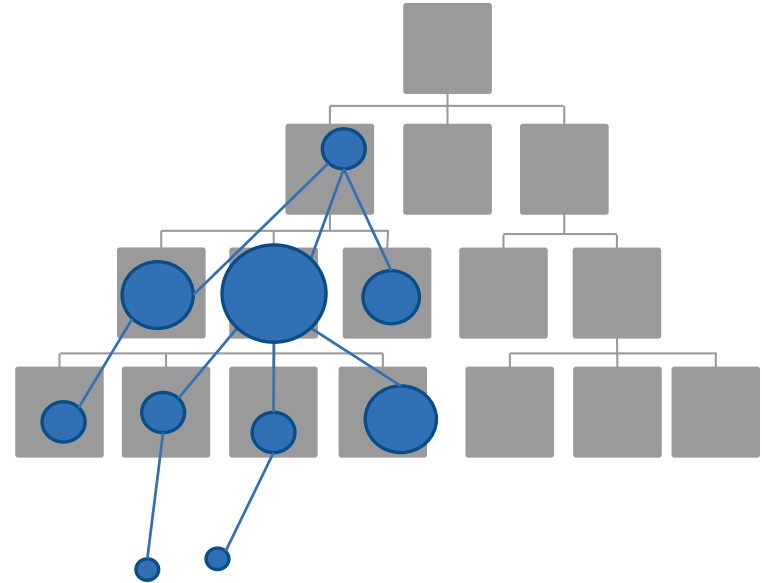
# And starts to take over



# Destroying the Network

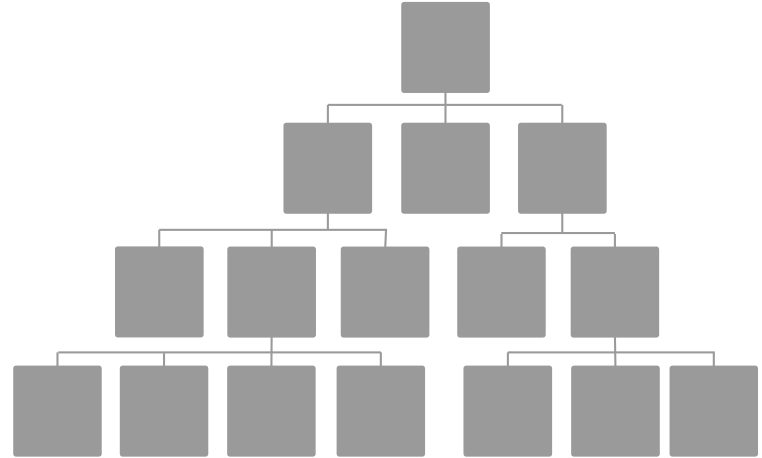


# Or subsuming the Network



So most mature organizations...

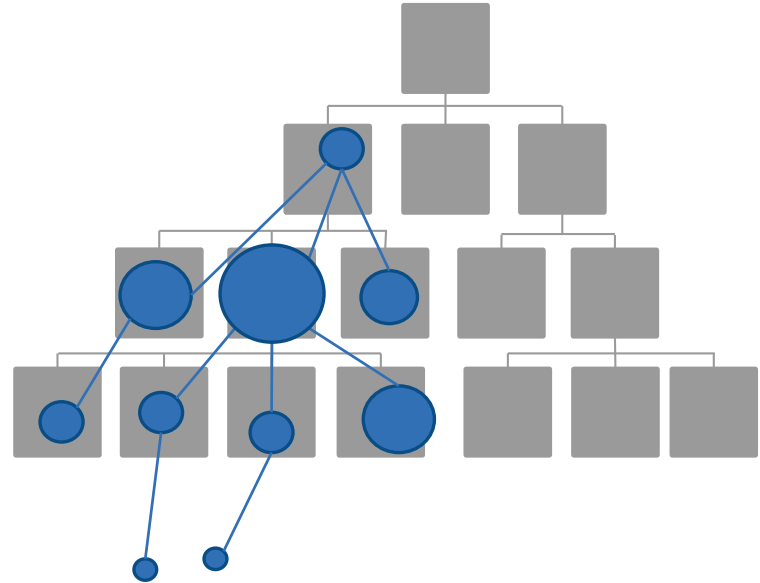
**ARE ALL  
HIERARCHY**



So most mature organizations...

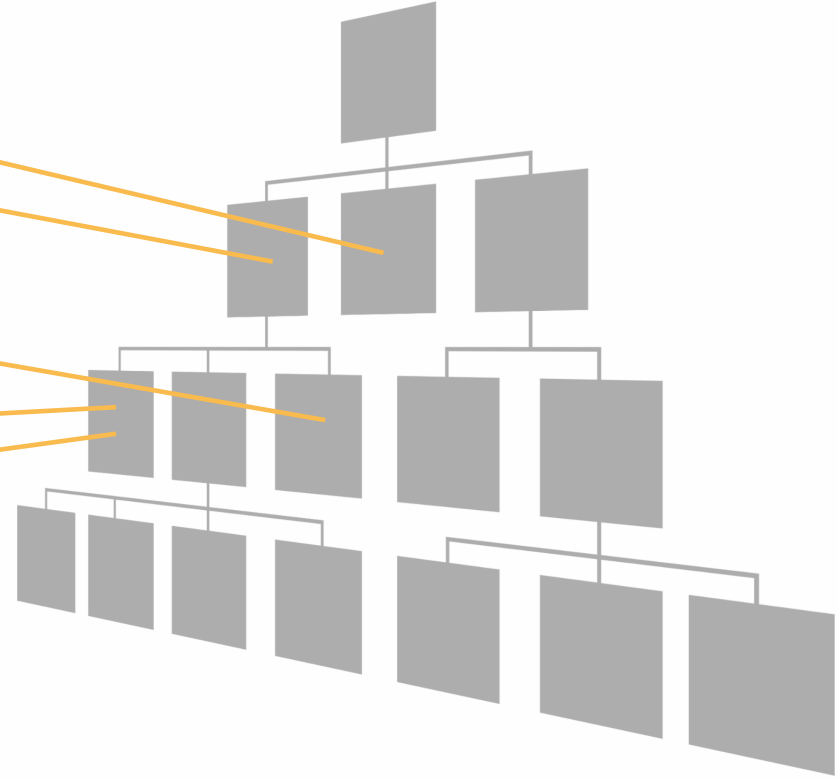
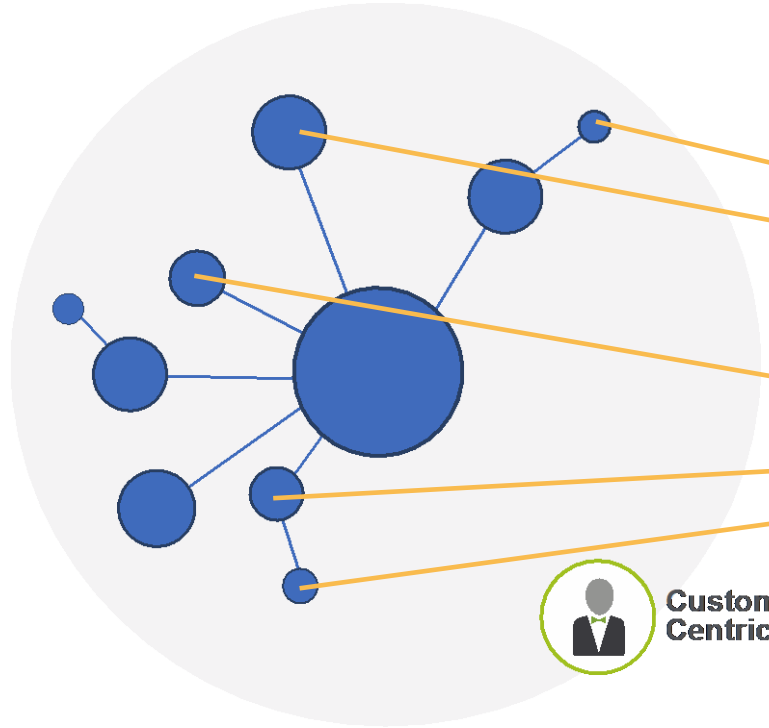
# ARE ALL HIERARCHY

...even when they're agile!



# To restore balance we need a dual operating system

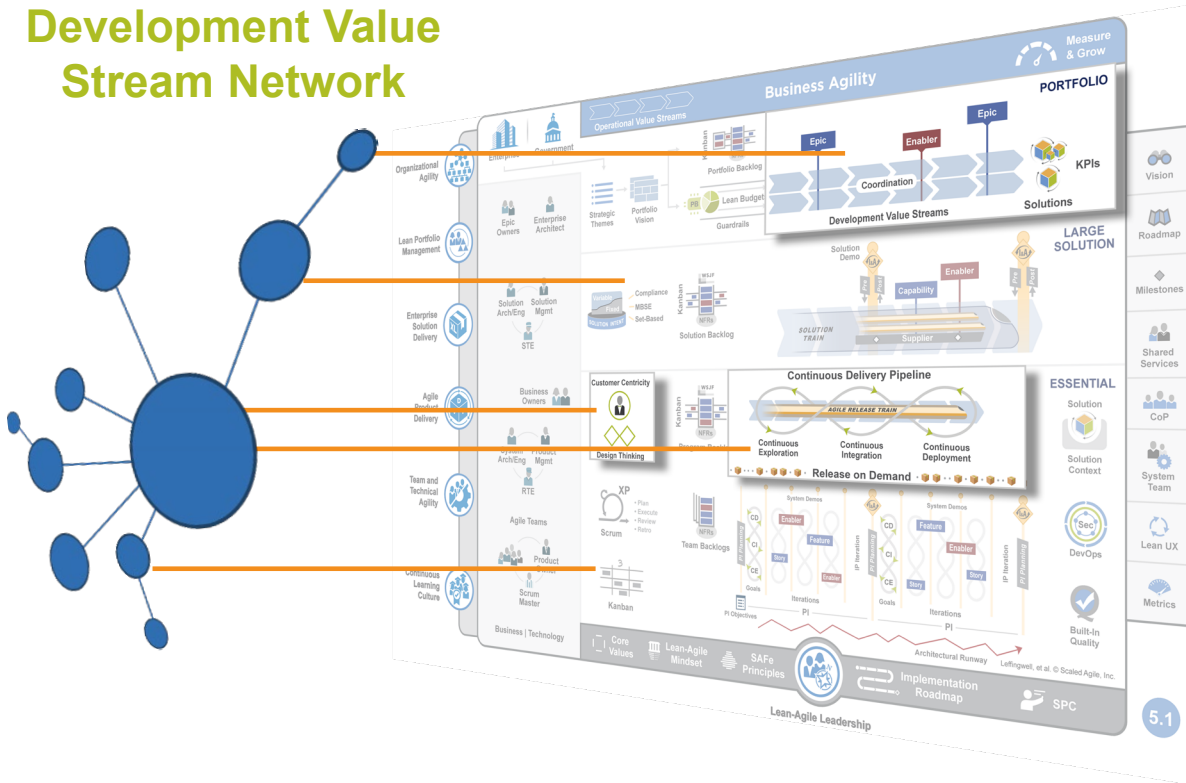
Efficiency and stability



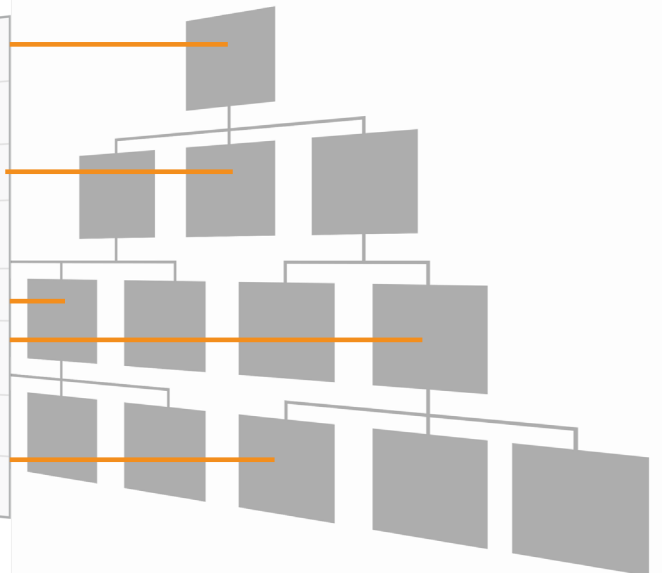
Speed of innovation

# And SAFe 5 provides it

## Development Value Stream Network

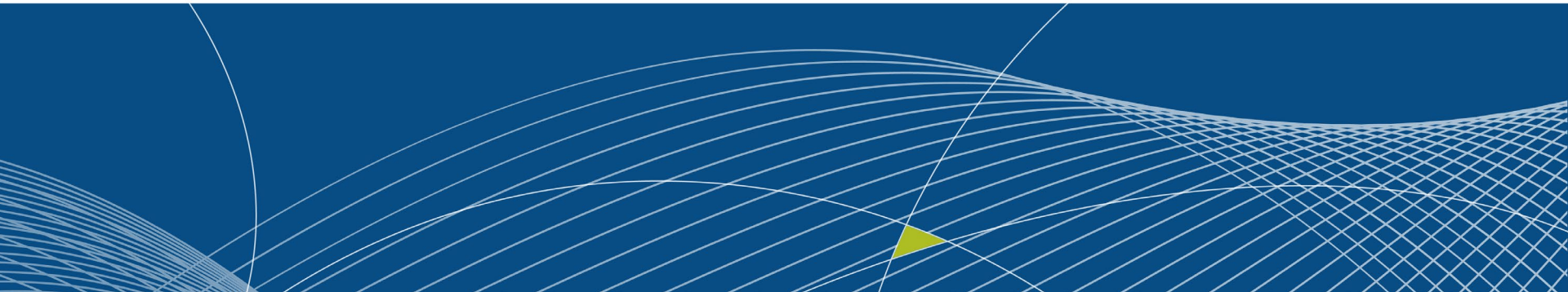


## Functional Hierarchy

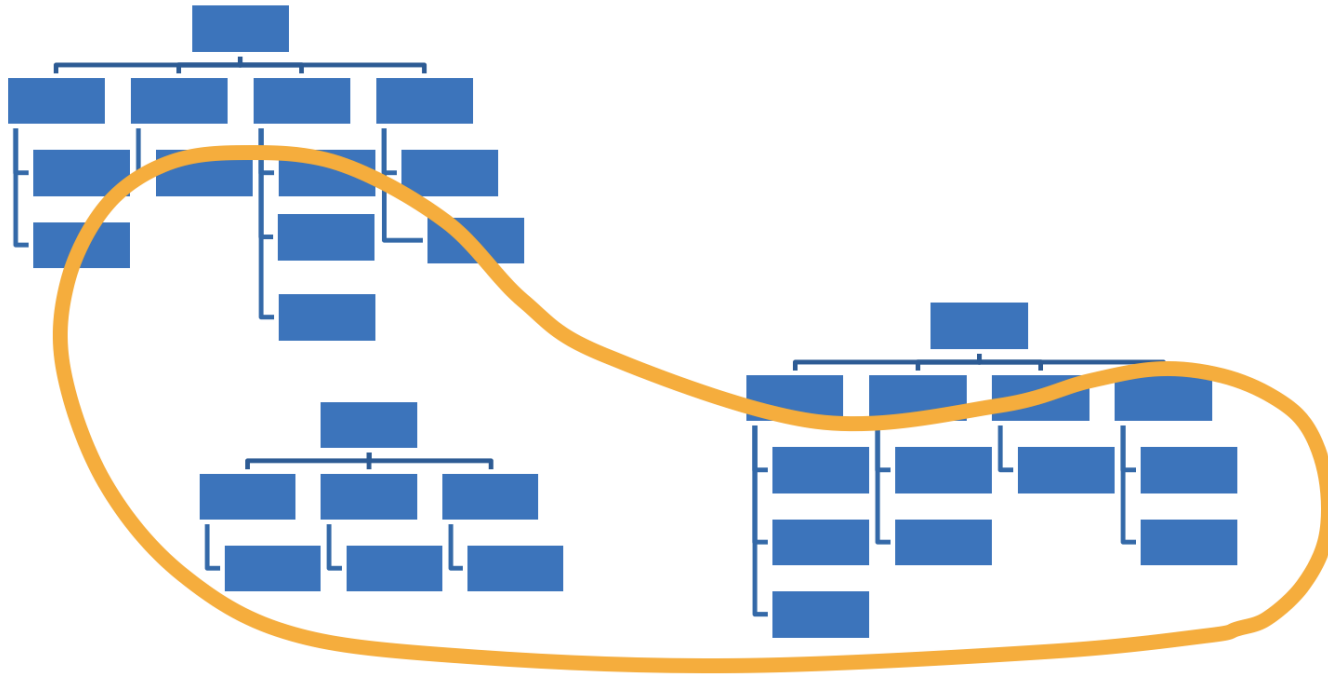




**Working together to  
increase enterprise agility**

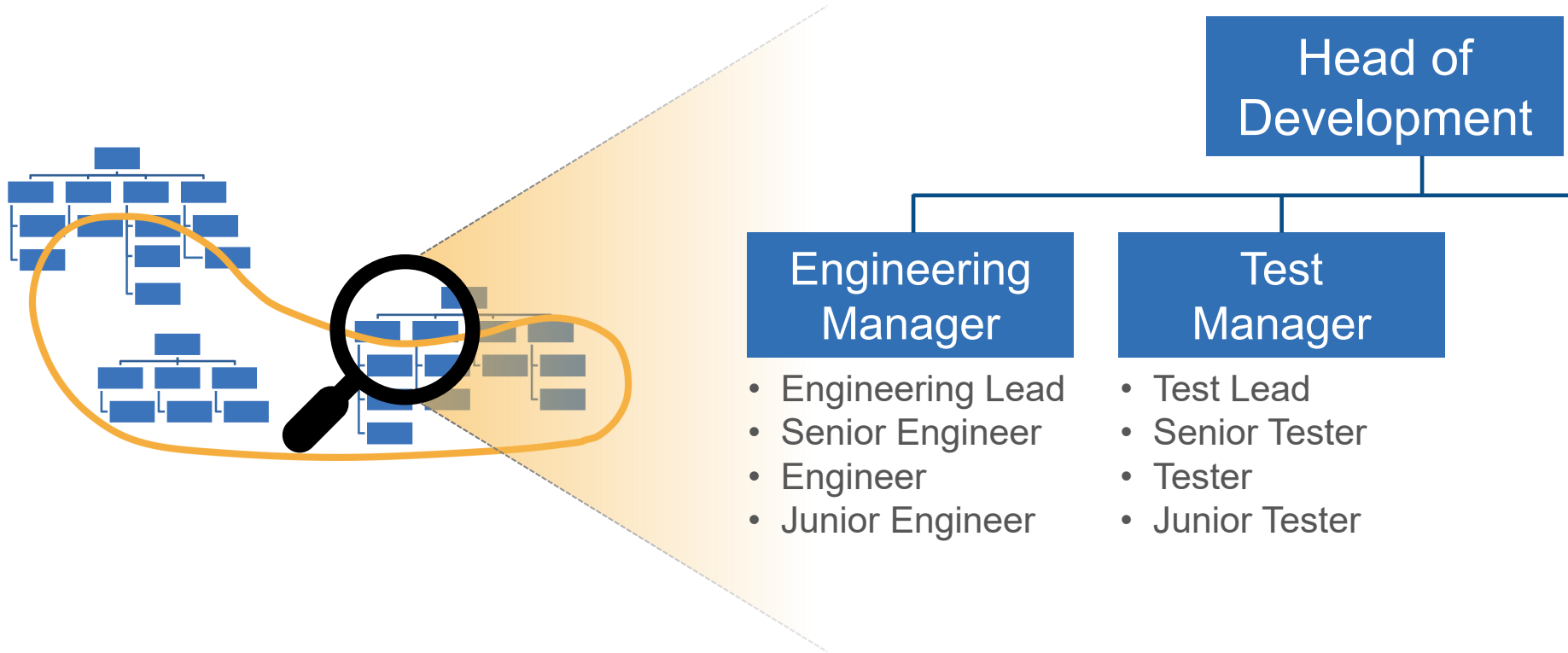


# First: Re-establish the Development Value Stream Network

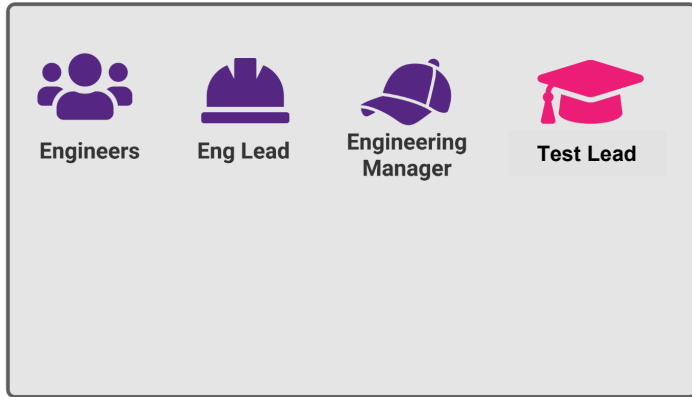


This is SAFe's home ground.

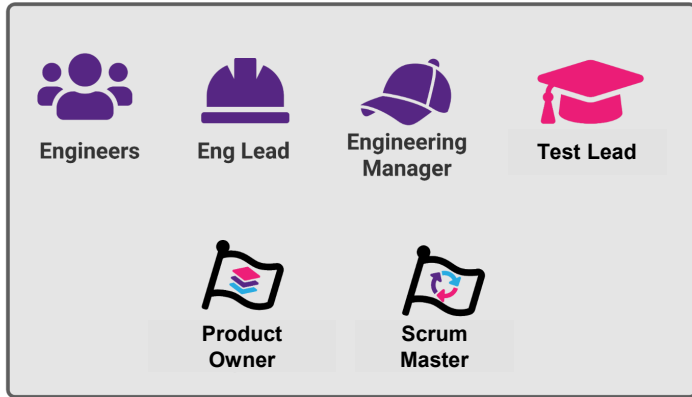
# Then re-focus the Functional Hierarchy



# You don't need to re-work the positions in the hierarchy...



# You don't need to re-work the positions in the hierarchy...

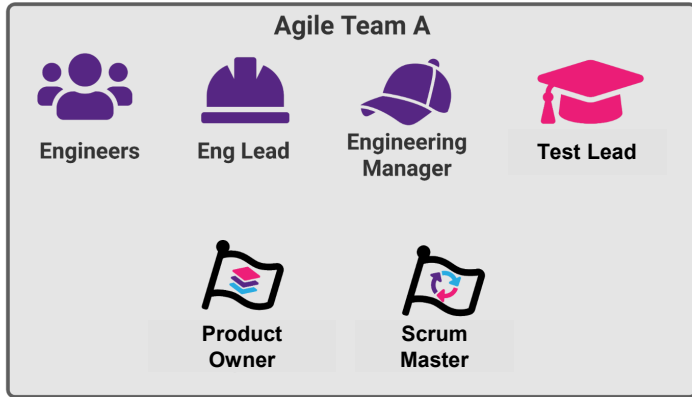


...but you do need to introduce the new accountabilities

**Constraint:** you can't assume both accountabilities at the same time.



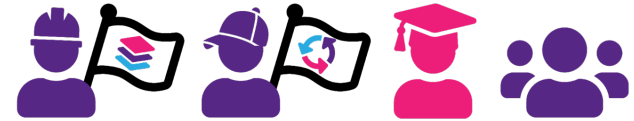
# Enabling self organization



## Assignment Options....just a selection

### Standard Option

- EL acts as PO
- EM acts as SM



### EL is a technical expert

- TL acts as PO
- Engineer acts as SM



### Empower engineers

- Engineer acts as PO
- EL acts as SM



# Turn the managers into community leaders

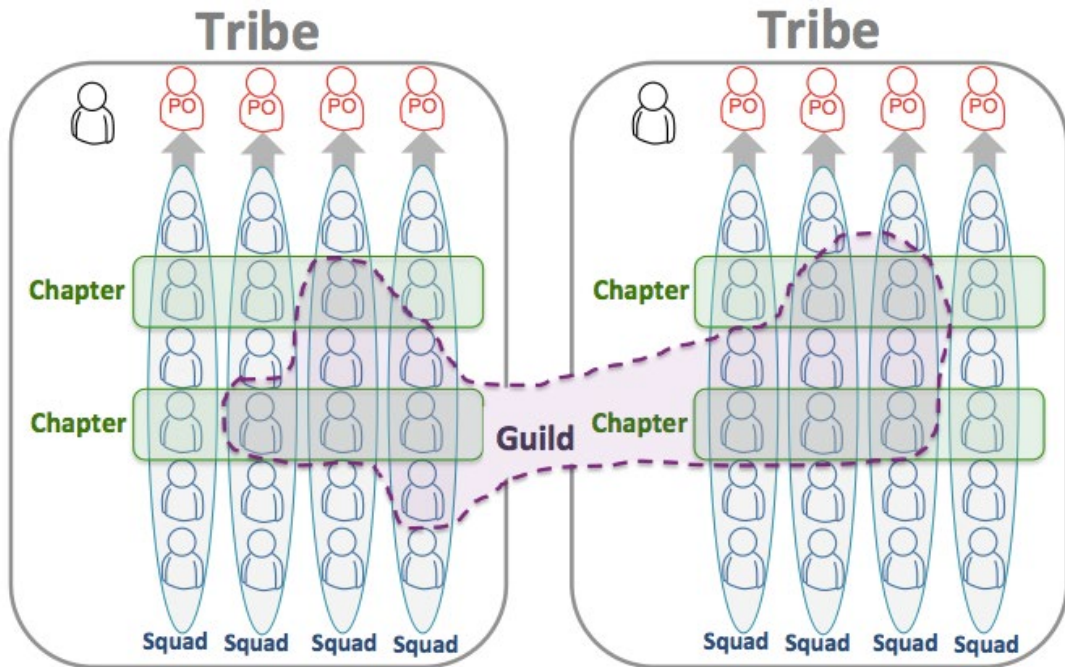


Image source: **Scaling Agile @ Spotify**  
with Tribes, Squads, Chapters & Guilds  
Henrik Kniberg & Anders Ivarsson Oct 2012

## Chapters

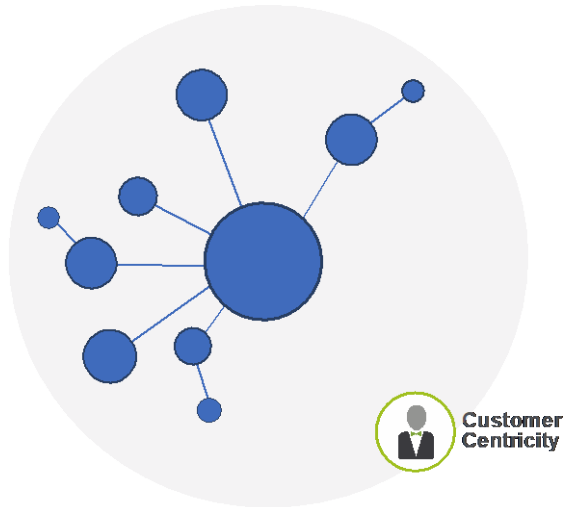
- Promote team collaboration and innovation
- Group of team members working in a special area; for example, Testing or Engineering
- Get together and exchange ideas
- Cross pollination
- **Chapter Lead** acts as the **line manager**

## Guilds

- Community or members with shared interest
- A group who want to share knowledge, code and practices
- Each guild has a **coordinator**
- Guilds can be created anytime if enough interest

# That embrace networking

The Development Value Stream Network is not the only Network!



DEVELOPMENT VALUE  
STREAM NETWORK



CHAPTERS, GUILDS AND  
OTHER COMMUNITIES

# And start to eliminate waste

## PMI Standards

According to the **PMBOK**<sup>®</sup> Guide—Fourth edition (**PMI**, 2008a, p. 434) the **definition** of a **project** is “a temporary endeavor undertaken to create a unique **project** service or result.”

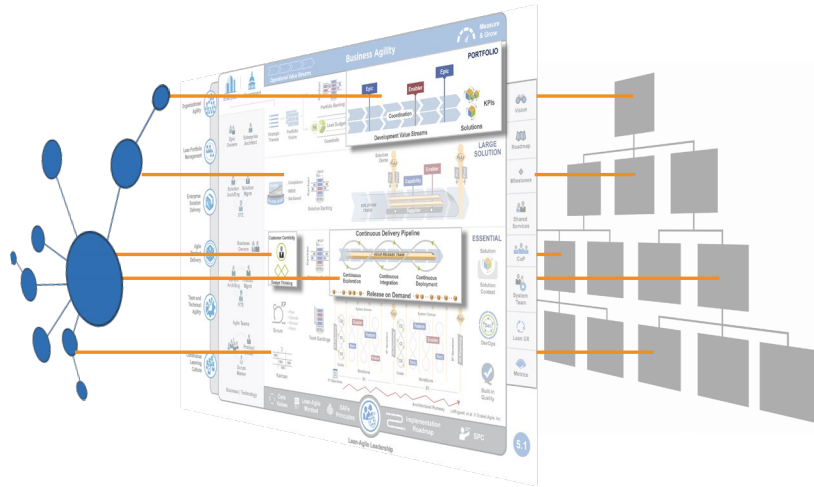
**Projects** are temporary and close down on the completion of the work they were chartered to deliver.

# And optimize for performance

## Development Value Stream Network

### Speed of Innovation

- Self organizing
- Constantly evolving
- Fast and furious
- Innovative/  
Experimental
- Fail fast
- Short-term memory
- Exploit variability



## Functional Hierarchy

### Efficiency & sustainability

- Standing organization
- Evolves as needed
- Steady
- Predictable/  
Reliable
- Don't fail
- Long-term memory
- Reduce variability



*Development Value Streams create and produce profitable Operational Value Streams*

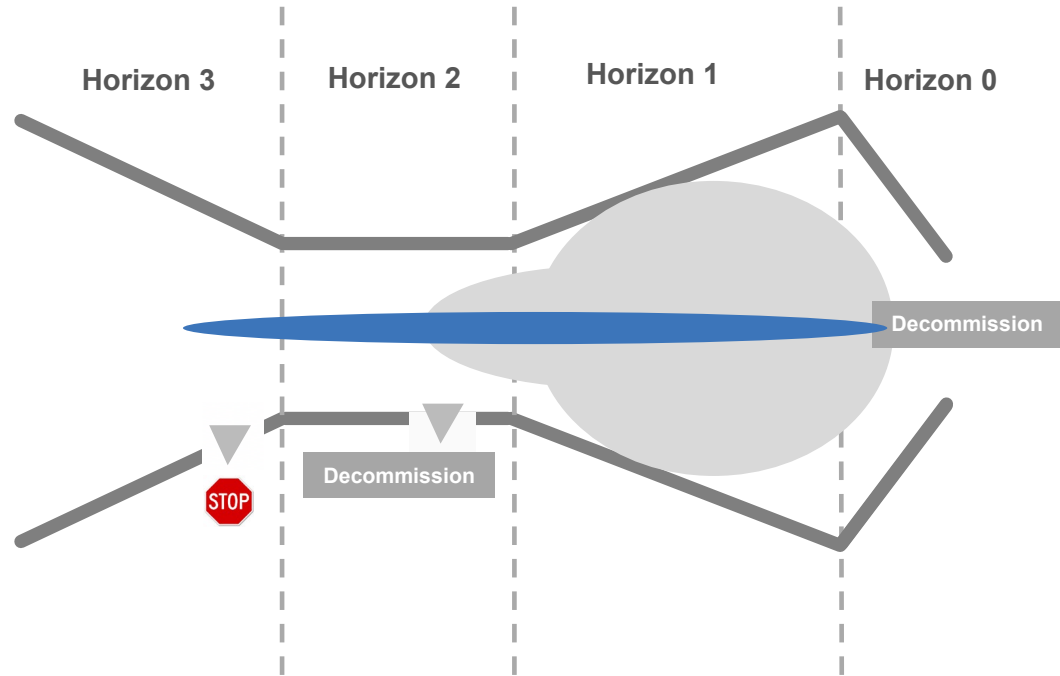
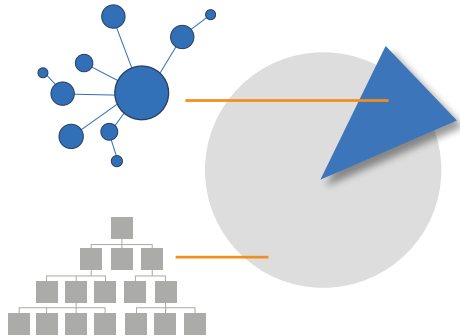


**Don't just digitize**

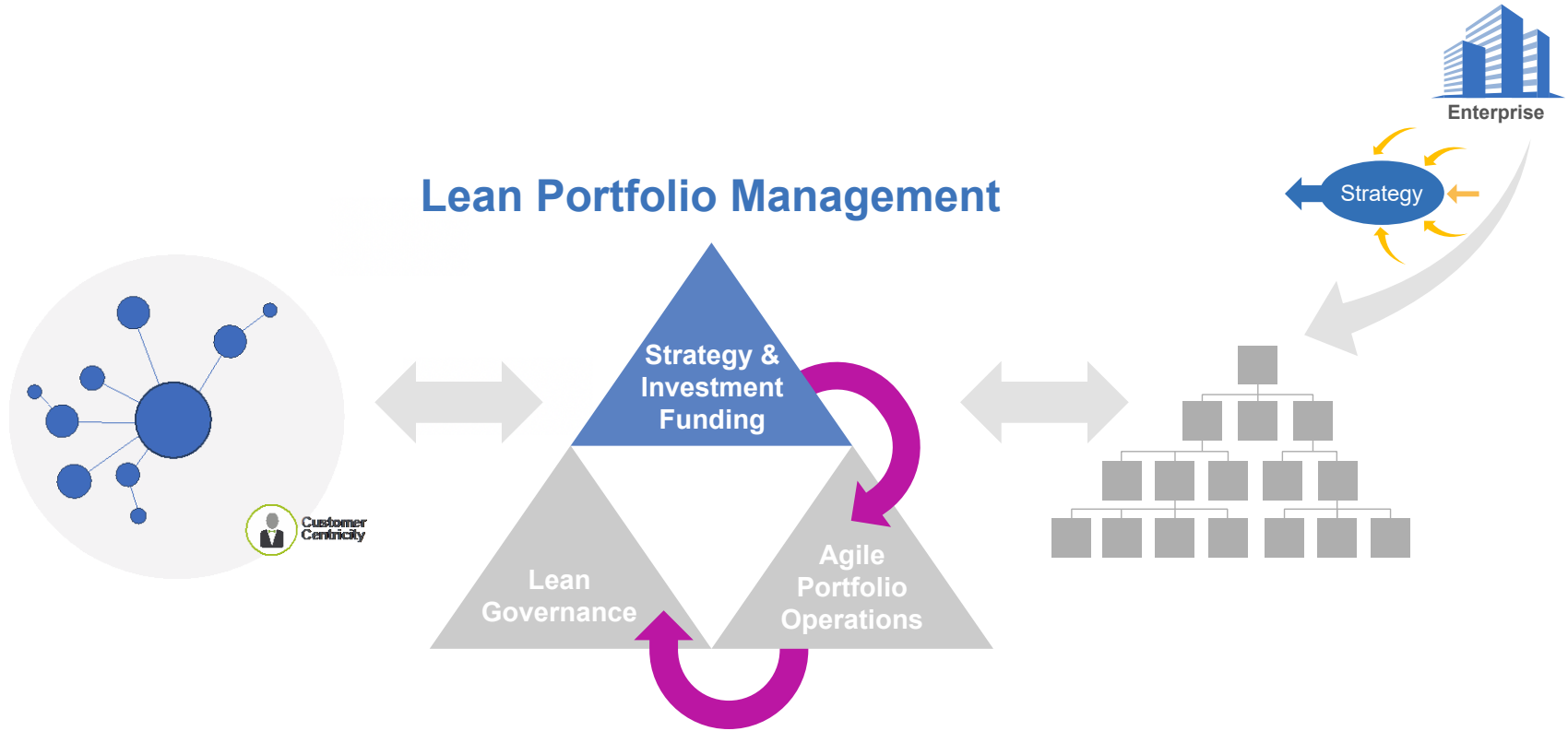
**Encourage the new network  
to drive agility in the  
hierarchy and the  
operational value streams**

# Balance investments

## Expense allocation



# Share strategy formulation

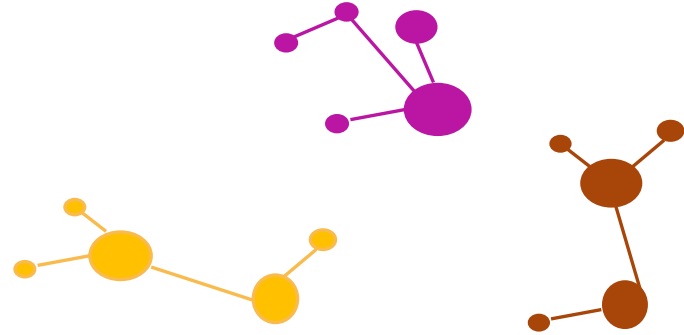


# Embrace networking

The Development Value Stream Network is not the only Network!

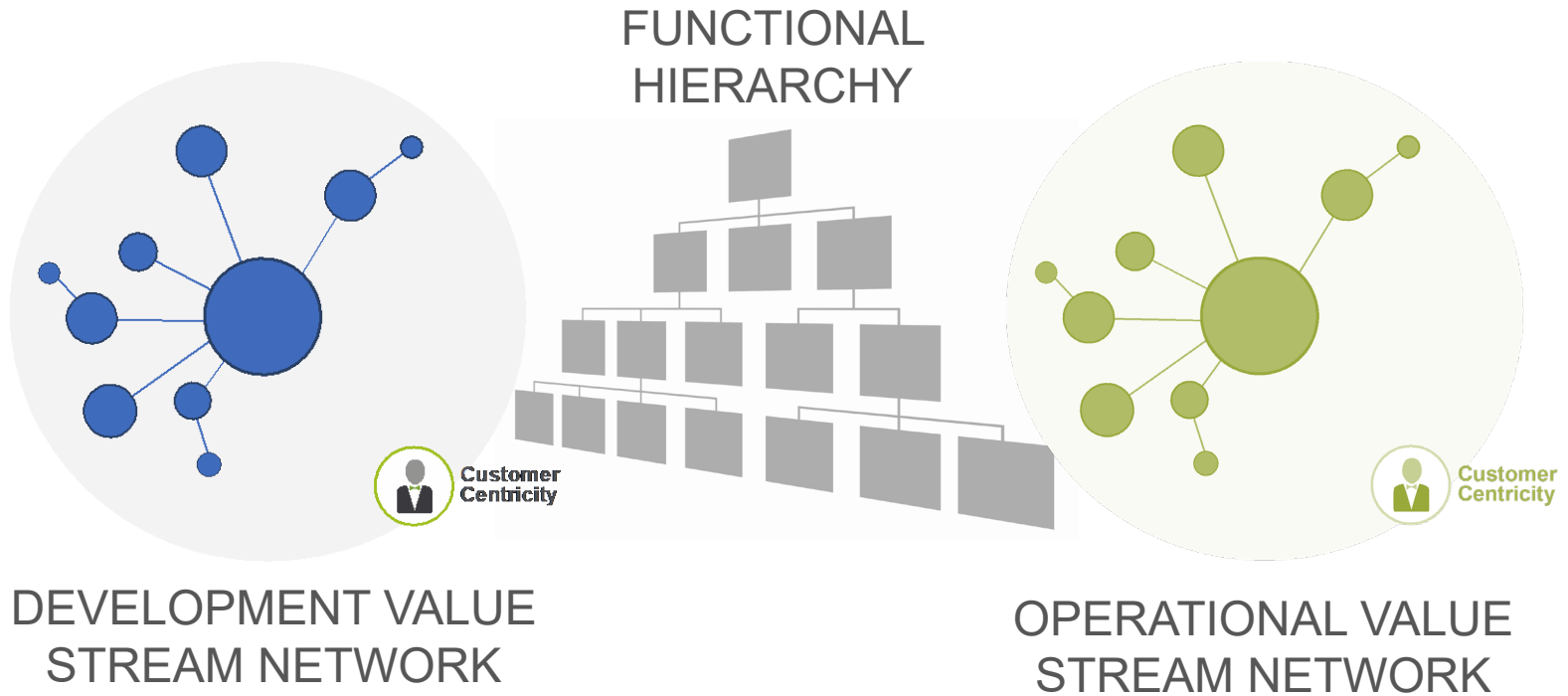


DEVELOPMENT VALUE  
STREAM NETWORK



OTHER LESS FORMAL, MORE  
TRANSIENT NETWORKS

# Embrace networking



# Embrace networking

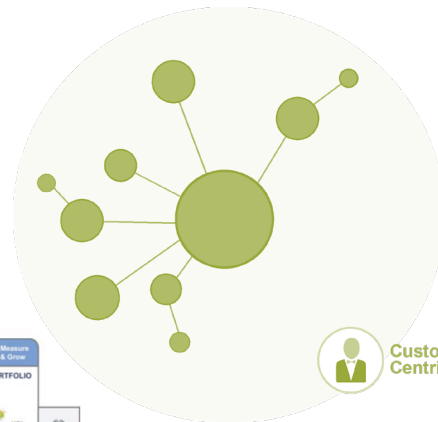
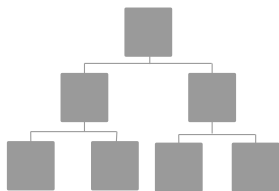


DEVELOPMENT VALUE  
STREAM NETWORK



Customer  
Centricity

## FUNCTIONAL HIERARCHY



OPERATIONAL VALUE  
STREAM NETWORK



Customer  
Centricity



\*Currently only in Ian's imagination



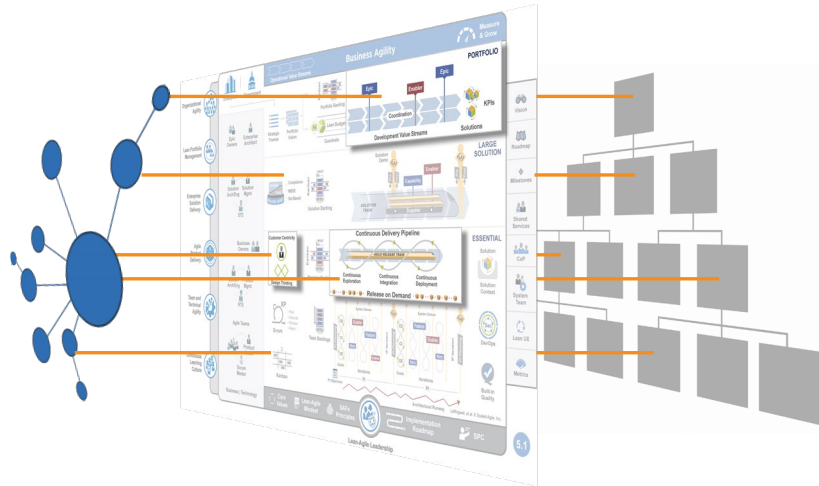
# Wrap Up



# Business Agility requires Agility in both

## Network

- Lean-Agile Mindset
- Lean, Agile, DevOps principles and practices
- Optimizing development value streams



## Hierarchy

- Lean-Agile Mindset
- Agile Marketing
- Agile Contracts
- Agile HR
- Optimizing operational value streams





The solution is not to trash what we know and start over but instead to reintroduce a second system – one which would be familiar to most successful entrepreneurs.

You need a dual operating system.

—John P. Kotter



To release the Network from the constraints of the Hierarchy you must first embrace and then refine the Hierarchy – not replace it.

Don't allow your new network to become another hierarchy.

—Ian Spence



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 [linkedin.com/in/ian-spence-agile1](https://www.linkedin.com/in/ian-spence-agile1)



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