

Why companies need lean startup techniques

Klas Bendrik





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Why Companies Need Lean Startup Techniques....

Klas Bendrik

Vice President & Executive Partner

**Digital Disruption Is
the Biggest
Generator of
Change in the
History of
Human Kind**





**Disruptions seem to
come out of nowhere.**



***Digital* disruptions change
large areas over time.**



EVERY Product becomes a (software defined) Service



Intelligent Gas Cylinder

Display gas usage and flow
indicate remaining time
Increase safety and efficiency



Smart Soccer Ball

Analyze performance
Provide feedback
A substitute coach?



Tesla Model S

Autopilot, Auto Park
Free supercharger network
Software upgrades



Consider This ...

**Secondary effects
can be more
disruptive than the
initial digital catalyst**



So during my session you will get...

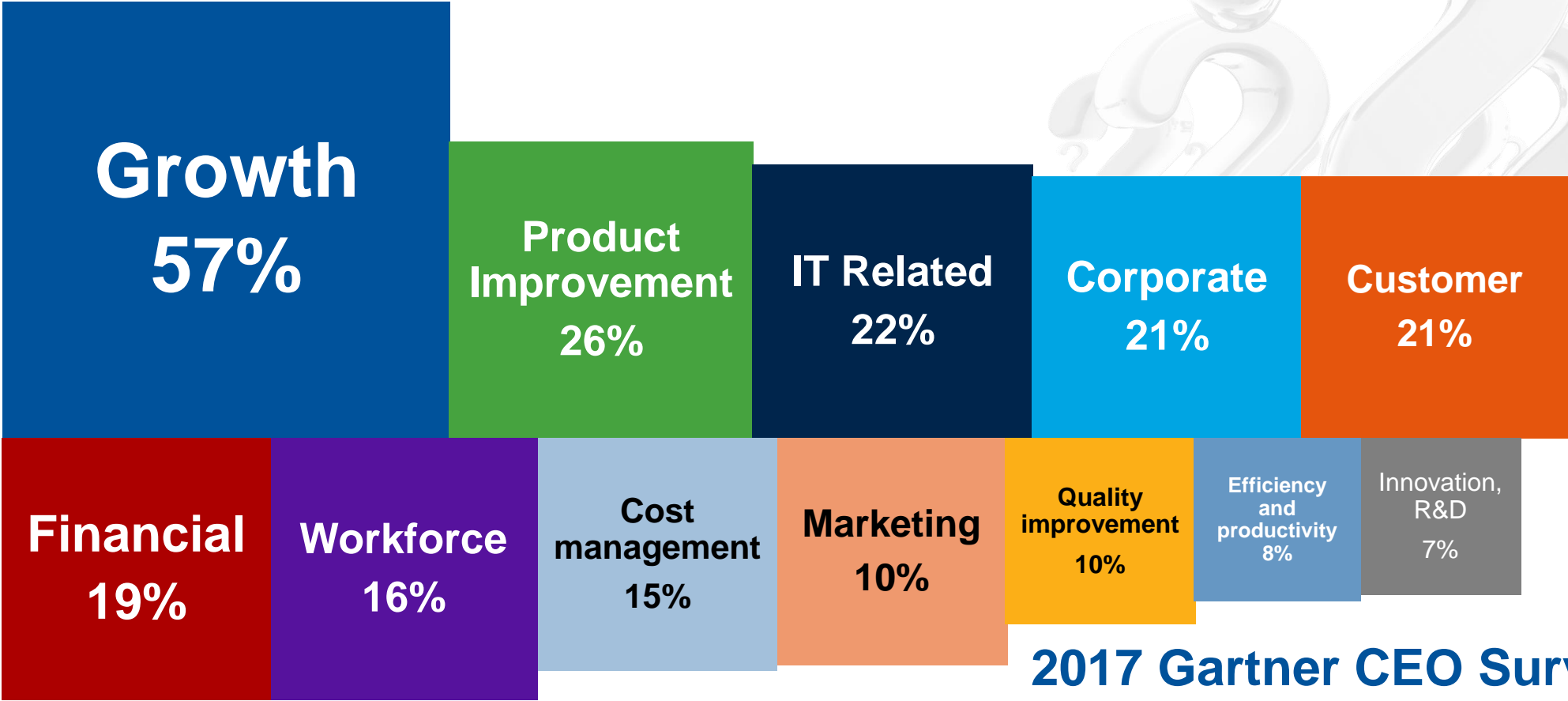
- Introduction
- CEO Priorities
- Why companies need lean startup techniques
- Industry case
- Key take away & a concrete 4 step approach to drive performance in traditional companies

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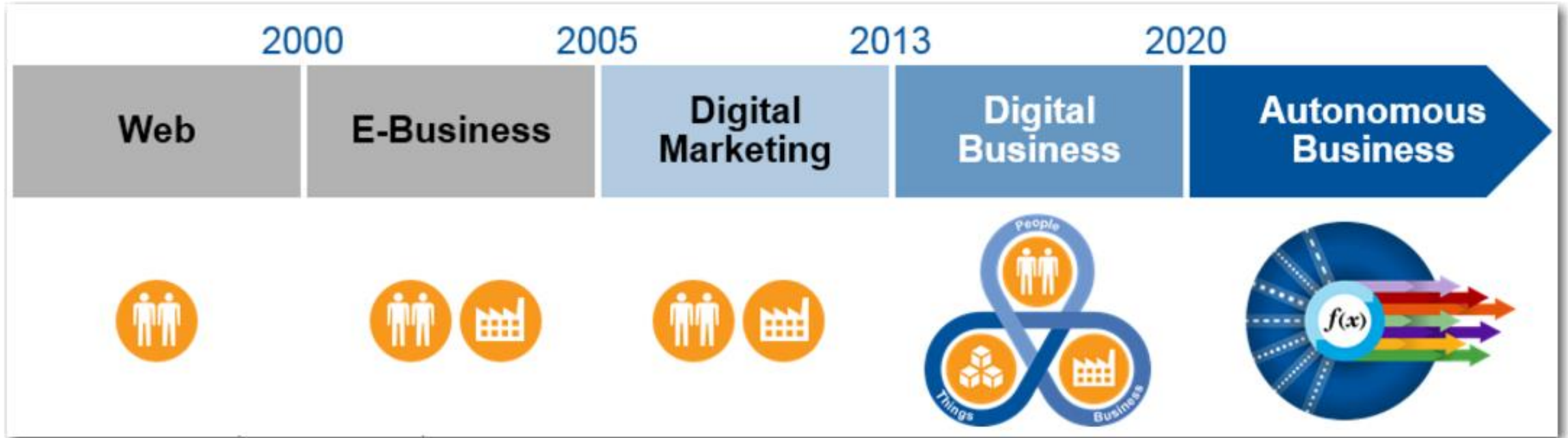
Focus on the growth, product, IT and customer is a Top Priority for CEOs

"Tell us about your organization's top 5 strategic business priorities for the next 2 years (2017-2018)"



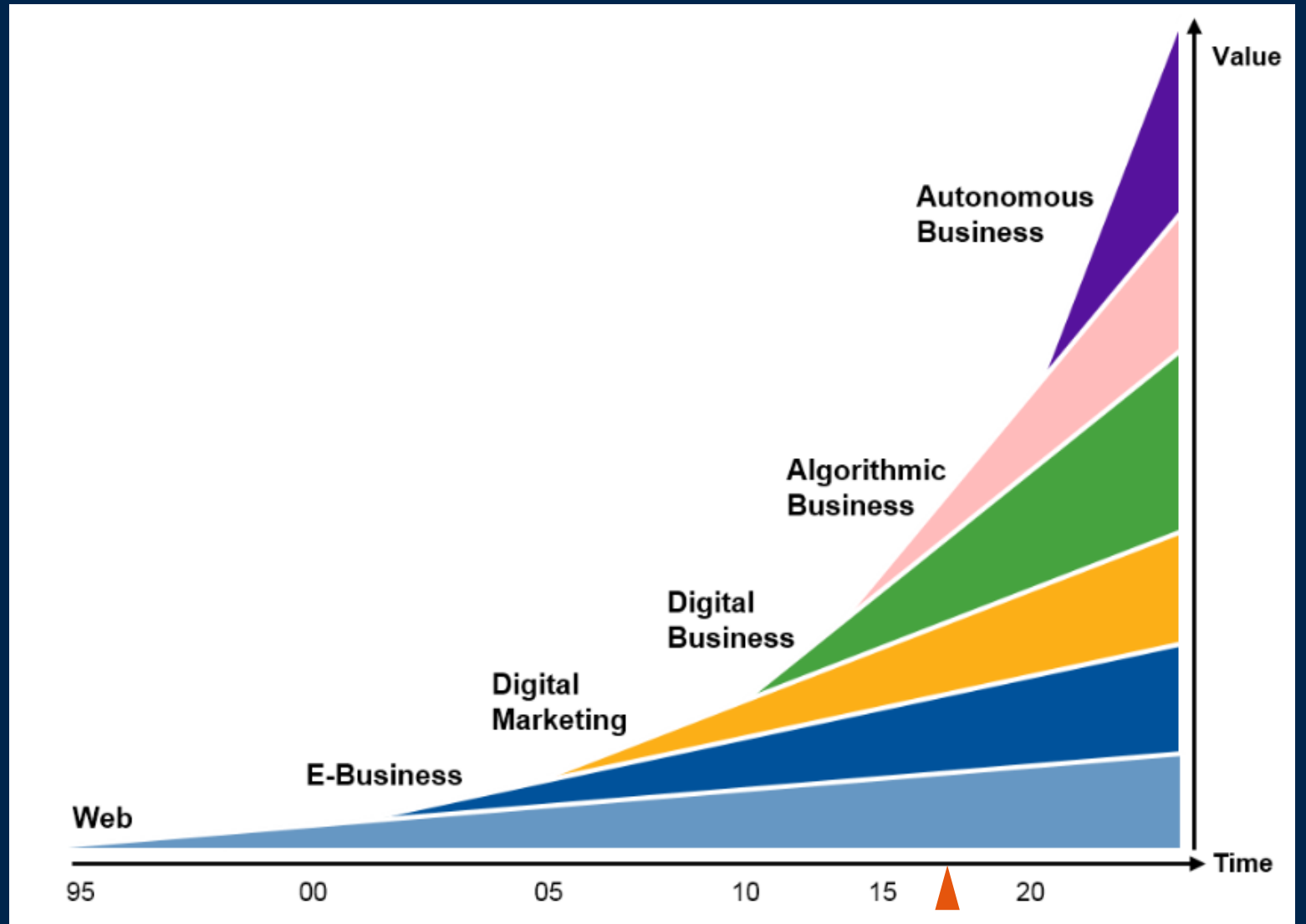
2017 Gartner CEO Survey

Digital Is Transforming Business



“People -Things –Business” the core foundation in practical terms

**The real value
(and impact)
of digital
business is
ahead of us**



Source: Gartner (February 2016)

Strategic Change Is Hard

Only 13%

of businesses
deliver on stated
strategic targets for
a given year*

* D. F. Prosser. "Thirteeners: Why Only 13 Percent of Companies Successfully Execute Their Strategy — and How Yours Can Be One of Them." Greenleaf Book Group Press. 2015.

Examples of forces and behaviours impacting the CIO or Digital lead...

CMO – We need digital services now, globally!

CFO – *"Digital is great, however IT spend can not increase..."*

Markets – *"Digital needs to be local..."*

Legal – *"We can not start due to data privacy..."*

IT – *We need to fix our legacy....*

Quality – We can not be hacked, right...

R&D – "Technology belongs to my part of the organisation..."

CEO – "We are behind our competitors in services and technology..."

COO – "Digital Innovation?, first we need to fix the basics..."

Non Ex. Board – "Have you hired a CDO yet?"

Business Development – *"Lack of Analytics capabilities and AI is hindering us..."*



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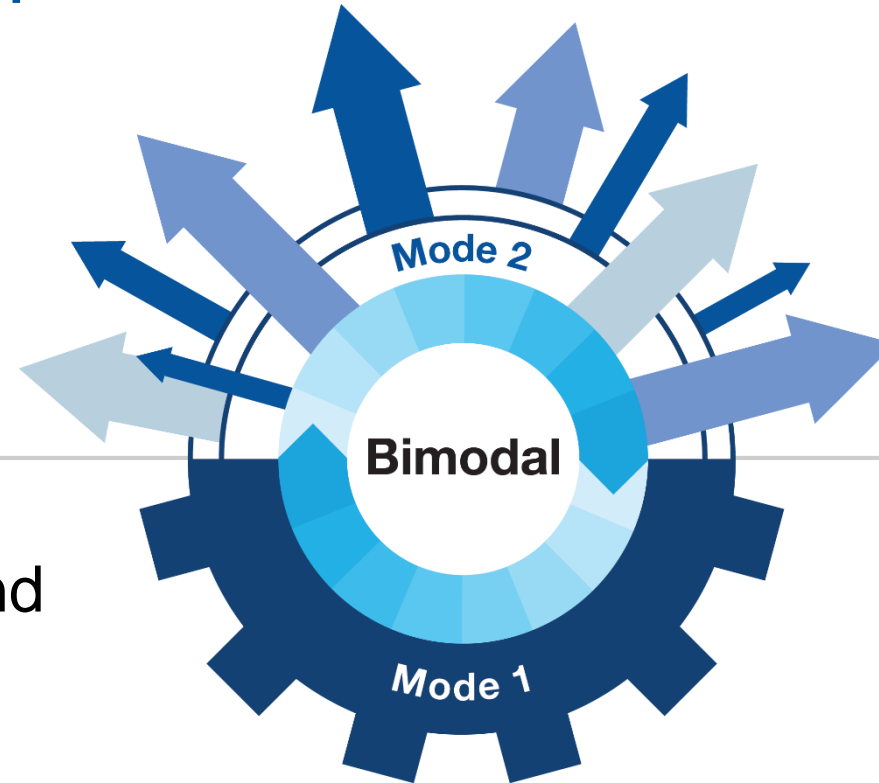


Tweaks to Existing Models Are Not Sufficient Because They Don't Address the Root Problem ...

69% of CEOs

Say That **Leadership
Mindset** Must Change
to Enable Digital
Business at Scale

Bimodal is the practice of managing two separate but coherent styles of work — one focused on predictability and the other on exploration.



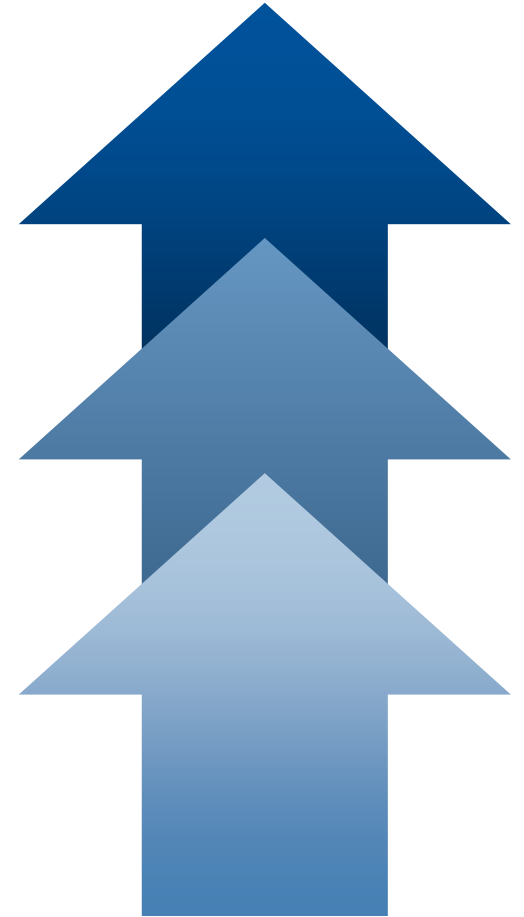
Mode 1 is predictable, improving and renovating in more well-understood areas.

Mode 2 is exploratory, experimenting to solve new problems.

Choose the right methods and practices based on the initiatives or problems you are trying to solve

Mode 1 Business Transformation: Business as Usual

- When you're certain you know where you're going
- The tried and true way
- One-off, one-and-done, 18 to 36 months
- Predictable: Plan ahead for everything, then march to orders
- Don't change much: Schedule, scope, people, target
- Big bets: Hard to reverse or recover if wrong ...



CERTAIN

Mode 2 Business Transformation: Business as Unusual

- Not sure of direction or path
- Need to do things ... and fast
- Experiment and explore new things
- Travel light
- Try multiple things
- Clarify outcomes to target (not "no plan")
- Test to verify outcomes and assumptions
- Change direction fast (pivot) or reverse
- Harvest those that work



UNCERTAIN

**Scaling bimodal extends
an exploratory work style
and new methods
to the entire enterprise**

Start With Agile and DevOps

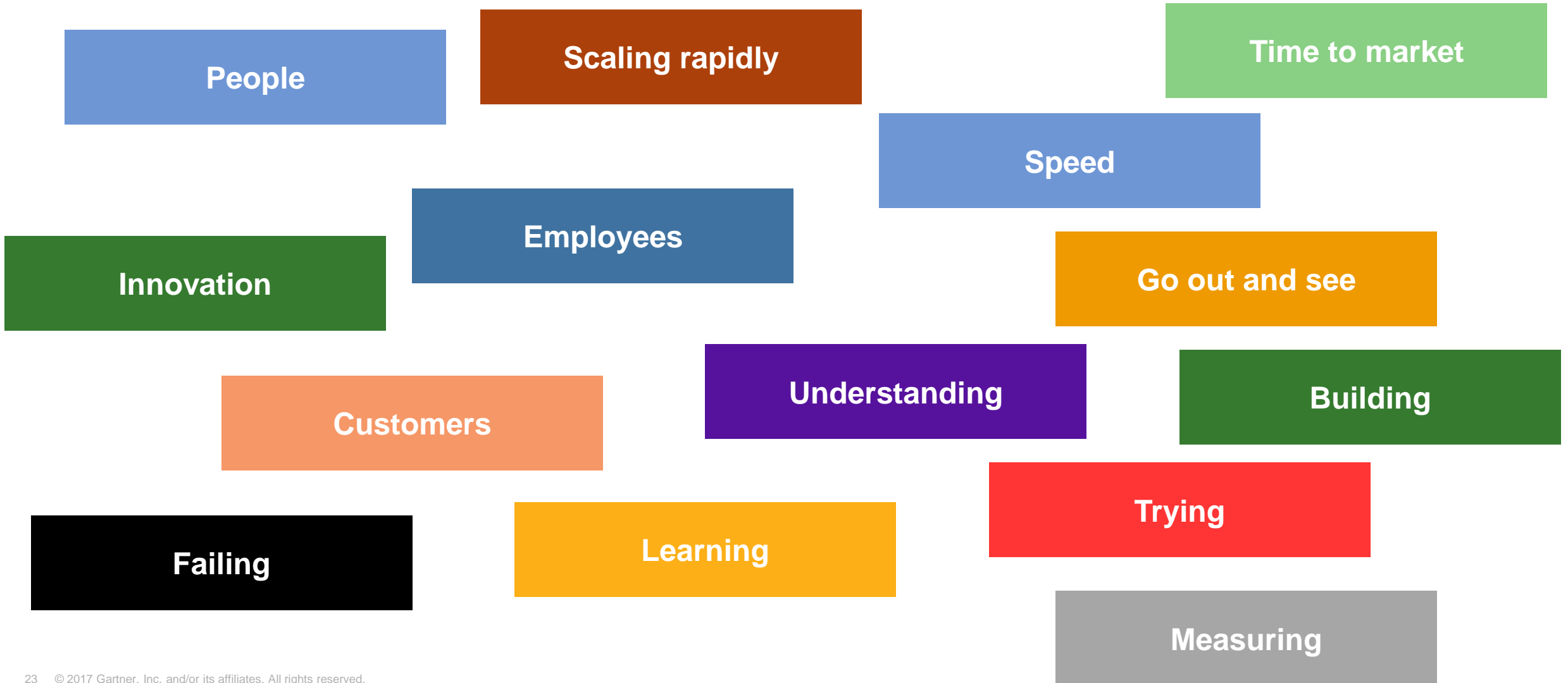
You're Already Doing
Agile and DevOps
RIGHT?!

But, Is Agile + DevOps Enough?

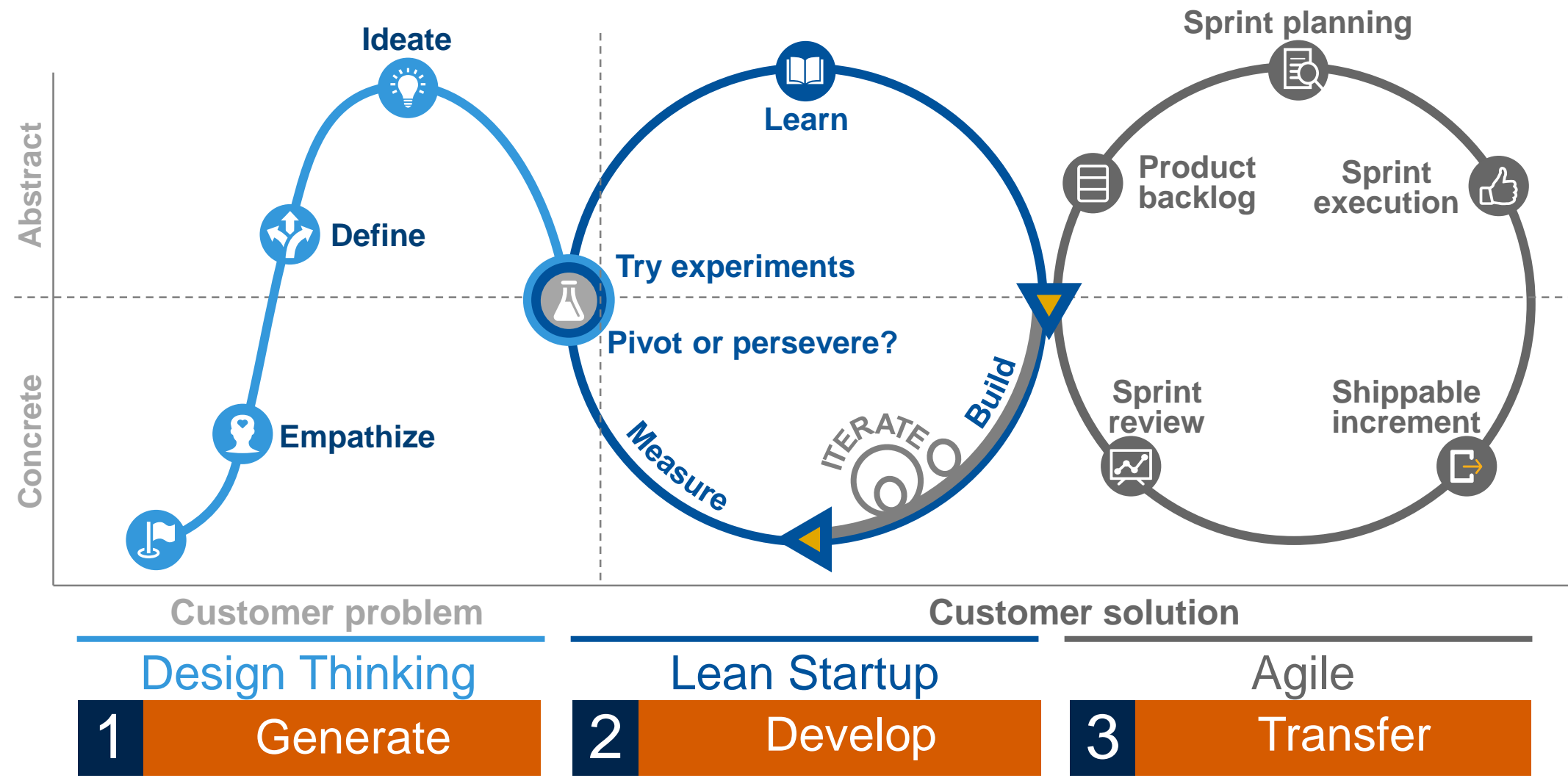
"A lot of people talk about being agile. Agility is a lot more than how our developers approach an issue."

Source: Interview with Don Callahan, Citigroup's Head of Operations and Technology reported in ["Rewiring Citi for the Digital Age."](#) McKinsey Quarterly, December 2016

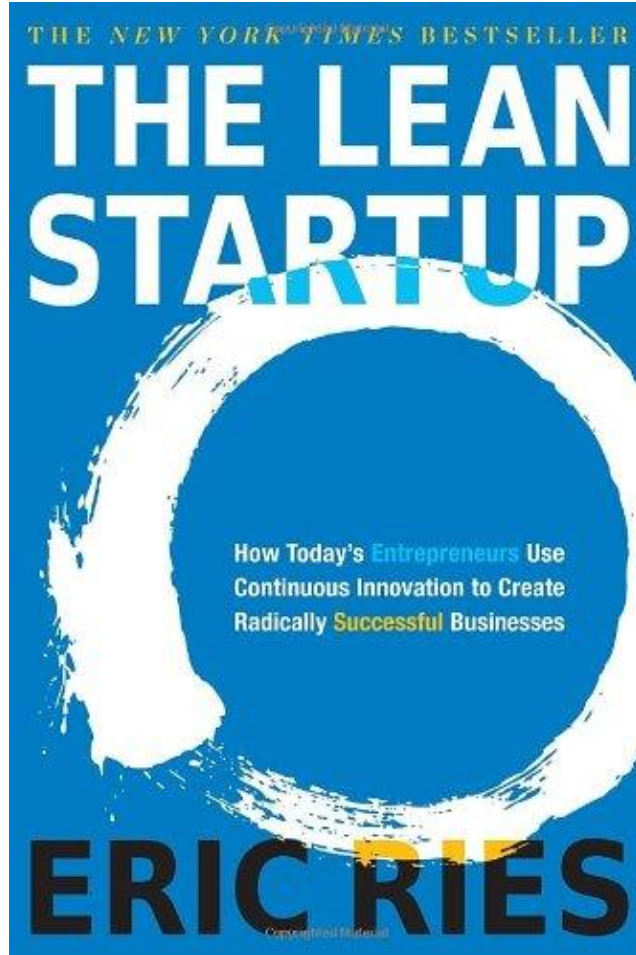
One path to success for ordinary companies...



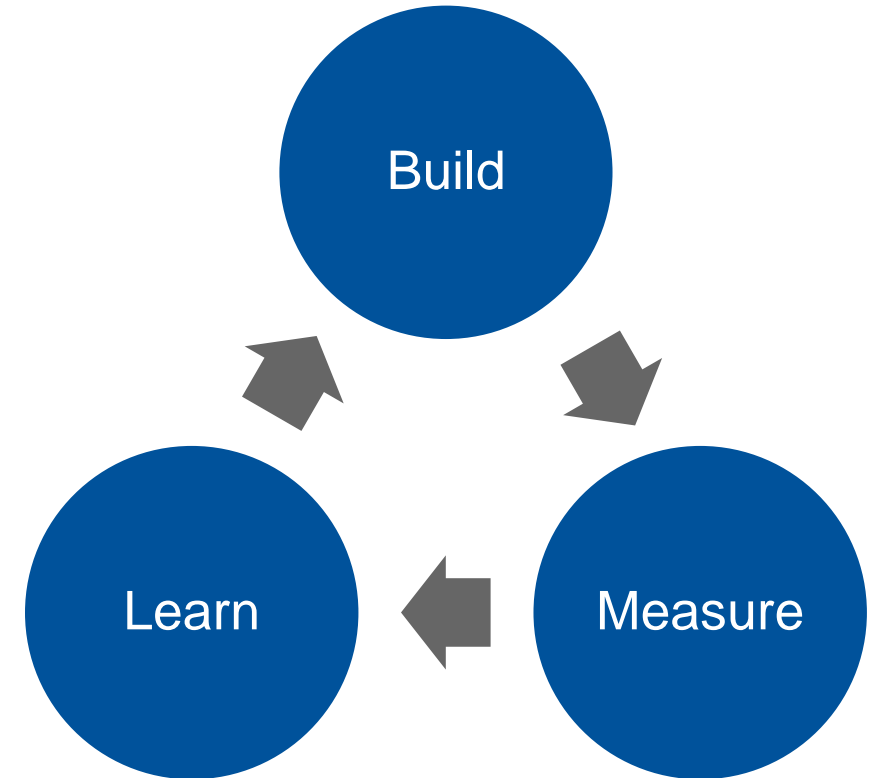
One path to success...



Business-Level Experimentation



- Minimum Viable Product (MVP)
- Validated Learning
- Small Batch

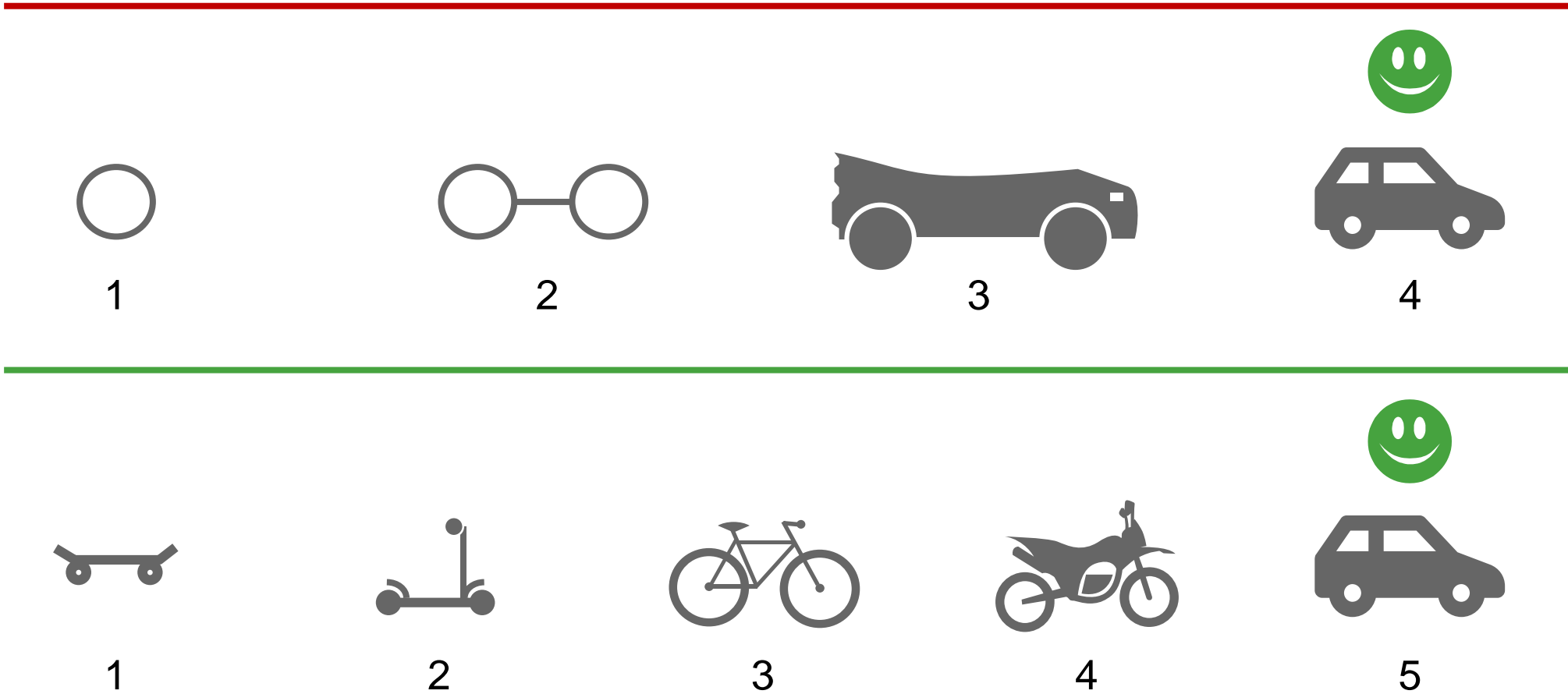


Source: www.amazon.com/The-Lean-Startup-Entrepreneurs-Continuous/dp/0307887898 (Published in 2011)

How to Build a Minimum Viable Product and why traditional companies find it so hard...







How to Build a Minimum Viable Product and why traditional companies find it so hard...







How to Build a Minimum Viable Product and why traditional companies find it so hard...

Not Like This



1



2



3



4

Like This



1



2



3



4



5

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Industry Case

Only for presentation

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75% of Top Digital Performers

Report That a **Bimodal Approach to IT** Improves Business-IT Engagement



Scaling bimodal
breaks down the silos
between business
and IT...

...using lean startup
techniques is one of
way's to enable
traditional companies
to thrive in an
uncertain world

How Should You Deal With New Technologies and business opportunities? -Create Future Options!



- **Scenario Planning:**



- **Check Other Industries:**

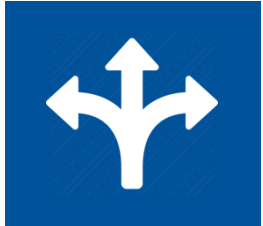


- **Visit Startups:**



- **Experiment:**

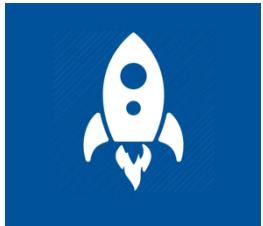
How Should You Deal With New Technologies and business opportunities? -Create Future Options!



- **Scenario Planning:** Create a scenario-planning exercise to map out possible futures.



- **Check Other Industries:** Don't copy your direct competition. Look at other industries, and translate to your own situation.



- **Visit Startups:** Visit to startups related to your industry as well as within your echo system, nearby and globally.



- **Experiment:** Through hackathons, universities, innovation labs and POCs, build knowledge so you can jumpstart.

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Please

**Remember to
rate this session**

Thank you!

