

REMOTE LEAN & AGILE TRANSFORMATION—5 ESSENTIALS

Who would have thought that a teleworking operating model, setting, and workforce uniquely offers us the best of both worlds—in person and remote lean and agile digital transformations! Today's leaders are faced with unprecedented challenges with respect to lean and agile business, organizational, and enterprise transformations. At its heart, lean and agile thinking is all about quickly delivering innovatively new, high quality products and services in the shortest possible lead and cycle time, and, of course, lower costs. Transformations are tough business, and few, if any succeed to satisfy even their most basic outcomes or objectives in terms of greater productivity, cost and schedule efficiency, quality, customer satisfaction, or market performance. Just as lean and agile thinking was entering its golden age, organizational transformation and models were approaching the discipline of a science, and its cost and risk was at an all time low, a new market disruption came into play. That is, a global pandemic in the form of COVID-19! Is successful lean and agile transformation still possible? Can organizations still expect to yield impressive benefits from their transformations? Or are all bets off—Is everything lost? Well, Western post-industrial high-technology enterprises have proven to be a little more savvy, innovative, and resilient than we initially thought, lean and agile transformations never skipped a beat, and, in fact, they have never been more successful! However, some of today's executives may be still locked in the old brick-n-mortar worldview or ways of thinking. Let's examine some of these perceived sticking points in a little more detail and address the good, bad, and ugly of lean and agile transformations in our new remote, post-pandemic world!

1. *Operating Models*. Of course, the number one question on the minds of executives has to be, “*What is the recommended operating model for a remote lean and agile transformation?*” Conventional wisdom holds that the best workforce is a collocated workforce, otherwise modern cities, high-rise skyscrapers, and elaborate academic-style campuses wouldn't have emerged, replete with free food, gyms, bean bag chairs, and foosball tables. This traditional face-to-face model had many preconceived benefits (e.g., employee time charging could be verified, participation and focus time could be enforced, high-quality communications, collaboration, and innovation could be ensured, etc.). As history shows, leaders often fiercely labor to conduct regular censuses and count all of their war horses! From a lean and agile perspective, Agile Manifesto #6 was formed to codify the traditional mindset, “*The most efficient and effective method of conveying information to and within a development team is face-to-face conversation!*” Even Taiichi Ohno and the Toyota Production System (TPS) have a principle called, “*Genchi Genbutsu*” (現地現物) that literally translates to “*real location, real thing,*” or “*Go and See*” in the Western vernacular—Which meant executives must visit the factory floor to make high-quality decisions instead of relying on hearsay, reports, and meetings!

Well, there you have it, our forefathers have pre-determined that enterprise operations—much less lean and agile transformation—cannot be performed or yield its benefits without a collocated workforce participating in frequent, regular, and routine face-to-face communications! In fact, prior to COVID-19, most if not all lean and agile training courses and ceremonies were delivered or executed in a face-to-face setting in order to ensure the greatest possible efficiency, effectiveness, quality, and (transformation) outcomes. Whoa, wait a minute, slow down there partner, the Agile Manifesto says “*the most efficient and effective method...is face-to-face conversation,*”—They never said it was the ONLY method to achieve effective outcomes! Yes, it is true, there is no substitute for rich, high-context communications when it comes to yielding the promise of lean and agile transformation in the form of innovatively new, high-quality products and services at lightspeed! A simple watercooler conversation in the form of an “*elevator speech*” has more benefit than compliance with a domestic or international quality or process standard, a mile-long integrated master schedule, enterprise architecture, stack of business requirements, rigid governance boards and approvals, or rigorous manual testing.

On day one of the global COVID-19 pandemic, humans remarkably demonstrated the unique ability to innovate and quickly adapt to change in a remote setting. We picked up our laptops and cellphones, headed straight for home, hooked them up to our Internet routers, and continued our lean and

agile transformations without skipping a beat, exacerbating the market disruption, or our customers even knowing that we weren't in the office. Of course, we were all standing on the shoulders of giants from the last two centuries that brought us electricity, radio, telephones, computers, and, of course, the Internet. In addition, lean and agile frameworks come replete with transformation roadmaps (owner's manuals), our laptops come with Skype, and the Internet is replete with collaborative tools such as Zoom, Mural, and a host of lean and agile application life cycle management systems (tools). The number of trained, certified, and experienced transformation consultants is approaching one million people, and the number of willing enterprises is at an all time high. The lean and agile transformation operating model is rather simple—hire teams of itinerant transformation consultants, give them the tools they need to succeed, identify motivated operational functions and capital-intensive programs, assess their stage of development and form a get-well roadmap, and train, certify, and coach them to success from day one. In many, if not all cases, remote transformations do not come with unnecessary baggage such as travel expenses, need for large (hotel) conference rooms for collaboration, the politics of face-to-face meetings, and the lost productivity traveling to and from office locations and meeting rooms. Participants can simply glide in and out of Skype meetings with expert ease, never leave the comfort of their homes, focus on the task at hand, complete two to three times more work, and get from concept to cash quickly! Optimizing or balancing synchronous and asynchronous thinking and communication with a remote workforce and technological suite allows enterprises to simultaneously synchronize the intellectual capacity of their entire workforce to exploit *"Thinking Fast and Slow"* with a lean and agile mindset as the main operating model!

2. **Customer Engagement.** The second most pervasive question concerning remote lean and agile transformations has to be, *"What about the impact to customer quality?"* This goes hand-in-hand or is part-and-parcel to the first major question concerning the value of rich, high-context face-to-face communications (or any reduction in communication quality as a result of remote customer interactions). Lean and agile values, principles, and practices place the *"voice of the customer"* above all else. The goal of lean and agile thinking is to meet directly with our customers, empathetically listen to their needs, concerns, or problems, and quickly seek innovatively new product or service solutions, not only to satisfy those needs, but exceed customer satisfaction and utterly delight them as well. Most traditional businesses know how to satisfy their *"gold customers"* and executives with first class service, front row luxurious seating and offices, a plethora of fringe benefits going above and beyond the call of duty, unprecedented flexibility and latitude to adapt to their personal and family lifestyles and needs, and, most importantly, listening to them and solving their problems quickly in order to keep them and maintain the profitability due to the premium we place on their price of admission. Lean and agile thinking extends the traditional model of service to all customers, not just the *"gold customers,"* and it is highly dependent upon rich, high-context face-to-face communications.

Therefore, many lean and agile values, principles, practices, ceremonies, tools, and measures are directly geared towards empathizing with all customers like they were *"gold customers."* We schedule time to meet with them at their convenience, we select the best conference rooms, we assemble teams of senior transformation consultants with decades of experience, we listen to them empathetically, we gather and record their needs, and we collaboratively brainstorm and create solutions with our customers together. Furthermore, we select highly qualified technical experts to create premium, production-quality solutions, and we deliver the most innovative, high-quality solutions to our customers as quickly as possible (rinsing and repeating until our customers are utterly delighted). Once again, this formula is replete with superfluous rich, high-context face-to-face communications. For a transformation consultant, the output may not be an innovatively new product or service itself, but the result of directly injecting lean and agile thinking into the very psychology, fabric, policies, processes, practices, tools, and DNA of the operating model itself, where our customers are the delivery organization itself. Certainly, remote lean and agile transformation services cannot be effectively delivered without liberal doses of rich, high-context face-to-face communications. Don't forget Agile Manifesto Principle #6, *"The most efficient and effective method of conveying information to and within a development team is face-to-face conversation!"*

The key is to remember who the customer is, what is of value to them, what the goal of communicating with them is, and, most importantly of all, empathizing with them! The customers of lean

and agile transformations are often an organization's traditional "gold customers" (e.g., highly compensated executives, directors, and other key managers with limited time and bandwidth). Please remember that an organization's executives have very limited bandwidth, are traveling all over the globe in many circumstances making critical decisions, and have only a few minutes to spare for lunch, a bathroom break, or to respond to a personal email or text message. Most critical of all, is that an organization's executives are human, have families and personal lives, need to spend quality time with their loved ones, have long commutes and office hours, and they have to maintain a delicate balance in the hypersensitive emotional ecosystems we call family relationships. Not to mention, our executives are responsible for bottom line quarter to quarter revenues, profits, stock market performance, razor-thin operational cost efficiency, and transformative grow without a penny or second to spare. Remote transformation services uniquely offer us the best of both worlds. We can jump into a 10-minute Skype meeting in-between meetings with an executive around the globe 24 hours a day, gather critical information needs, and transform those into a time, cost, scope, and WIP-bound minimum viable product (MVP) in minutes and hours. More importantly, we can quickly show our MVPs to busy executives in record time, gather feedback, make improvements, and rinse and repeat until our busy executives are utterly delighted without having to skip their children's birthdays to meet with us face-to-face. The positive customer impacts of remote lean and agile transformation are endless!

3. **Organization Restructuring.** Okay, so we've tackled at least two very thorny issues—(1) How remote delivery streamlines and even enhances the efficiency and effectiveness of lean and agile transformations, and (2) how remote delivery magnifies our ability to meet busy hard-to-reach executives exactly where they are without degrading, but rather enhancing, their work-life balance to rapidly create innovatively new products and services in record time, minimal cost, and the least possible business and personal impacts. But, let's dispense with the slow pitches and throw a real fastball now, "*How can an enterprise justify the expense of a lean and agile digital transformation initiative when faced with the stark realities of near and short-term restructuring or downsizing (when it all boils down to paying for it with excess cash reserves)?*" Conventional wisdom also holds that one doesn't remodel the house when cash is tight. Instead, we wait for more profitable times, generous cash flows, the height of market success, and then skim off a few extra dollars for a transformation? Transformation is a luxury only for the rich and famous right—That is, to look good too! Oftentimes, the opposite is true, when times are good, the enterprise is at the top of the market rankings, and everything is stable, don't mess with perfection, don't rock the boat, and don't fix what ain't broke!

Unfortunately, it was both of these paradigms that led to the selloff of Western businesses in record numbers during the rise of global competition from 1970 to 1990. Enterprises that didn't enhance their factories with flexible manufacturing—precursor to lean and agile thinking—produced very poor-quality output with unrealistically long cycle times and were simply acquired by foreign investors. While enterprises at the top of the market ranking who also rejected flexible (lean) manufacturing principles due to pride, haughtiness, and just plain ignorance quickly plunged to the bottom of the market. These firms went billions of dollars into the red in lost annual sales, went bankrupt, were also purchased by foreign investors, applied for federal bailout loans, merged with other manufacturers, or simply disappeared forever! Sometimes the biggest problem was bloated bureaucracies, product lines, and gold fleeced products and services (too much WIP). All of this transpired in spite of a plethora of flexible manufacturing studies and proponents, operations research on the dangers of too much WIP, quality town criers like Deming, Juran, and Crosby, and the immense popularity of Total Quality Management (TQM) and Quality Circles in the Western press!

Don't worry, lean and agile transformation to the rescue! First of all, restructuring (downsizing) is a top-down executive prerogative, the goal is to strip the fat out of the organization, and do it quickly without cutting into the muscle and bone. That's precisely what lean and agile thinking is all about. It often begins with value stream mapping to quickly visualize the essential operations, identify and strip away the non-value adding elements, and automate the value stream as quickly and cheaply as possible. Even Michael Hammer exhorted us to "*obliterate our value streams!*" Doing so allows enterprises to get from concept to cash in 12, 24, and 36 months, whether or not lean and agile transformations were part of the original five-

year strategic operating plan. And, the cost of the transformation can be kept and rock bottom prices with small experienced teams of remote lean and agile transformation consultants performing precision surgical strikes, laser or arthroscopic surgery, and other highly-focused tactical improvements. Oftentimes, its like building the runway as the airplane is taking off (called an architectural runway in some lean and agile frameworks). The architectural runway doesn't have to be the innovatively new product or service itself, but rather the transformation initiative—Let's call it a lean and agile transformation runway.

Organizations simply can't achieve these short-term outcomes with traditional long-range 5 to 15-year integrated master schedules, enterprise architectures, and reams of business requirements. The keys to success are to appoint restructuring executives who are lean and agile thinkers and hire small transient just-in-time lean and agile transformation consulting teams to assist them. Then, restructure and reorient strategic revenue-generating products and services using lean and agile values, principles, practices, tools, and metrics; deliver innovatively new products and services as quickly as possible; collect feedback and rinse-and-repeat for a few cycles; and watch these initiatives succeed, flourish, and soar like an eagle (or rise from the flames like a phoenix if you prefer). Another key is to hire lean and agile thinkers directly into the new product and service management teams themselves, of which there are a lot with over a million lean and agile consultants on the global market. Then, small teams of remote executive coaches can train, monitor, and coach the program teams without too much management overhead. The keys are obvious—Hire lean and agile leaders, adopt lean and agile thinking, abandon long-term traditional practices, don't be haughty, and keep it lean and mean with remote teams.

(Footnote. *Intel was one of the few Western firms that survived the bloody onslaught of the “Five Tigers” in the 1970s— Hong Kong, Singapore, South Korea, Taiwan, and Japan—By applying lean and agile thinking to limit their WIP and focus their resources on their most innovative products and services— They closed all of their unprofitable semiconductor manufacturing plants overnight—eliminating memory or RAM chips—To focus solely on manufacturing complex software-intensive microprocessors in rapid cycles—Which the Five Tigers could not do—Crushing the competition!*)

4. **Organization Culture.** Okay, so now that we've swallowed the frog of illustrating that lean and agile transformation is part-and-parcel to short and long-term restructuring (downsizing), let's throw yet another hardball question. *“Lean and agile transformation is all about changing organizational culture, so how can this be done remotely, if at all?”* Once again, conventional wisdom holds that culture is a long-term, highly personal, and extremely sticky issue requiring ample amounts of sometimes painful face-to-face communications. The only way to effect change is to hire credible lean and agile transformation executive coaches with loads of instant face validity to convince the masses that lean and agile thinking will save-the-day in order for transformations to succeed. Conversely, without a rich, high-context personal touch using face-to-face communications by credible senior executive consultants with undeniable expert power, lean and agile transformations simply cannot succeed. Changing organizational culture is an inside out process of influencing the hearts, minds, bodies, and souls of stodgy middle managers, employees, operations personnel, and even executives over a long period of time by winning them over with your presence, talking at them non-stop, and holding their hands if necessary with a highly personal touch. After all, *“faith comes from hearing the word”* and even Buddha suggests a healthy dose of presence, mindfulness, and exploiting the transformative power of *“Now!”* So, how exactly can someone win the hearts, minds, bodies, and souls to the culture of lean and agile transformation without meeting, seeing, hearing, smelling, and touching someone? Even AT&T exhorted us to *“Reach out and touch someone!”*

The infamous Harvard Organizational Psychologist Edgar Schein said it best, *“The CEO is the most important driver of organizational culture!”* Furthermore, Schein asserted, *“Organizational culture is not a bottoms up or middle out phenomenon, and it is not a function of signs, symbols, stories, foods, rituals, and other physical manifestations like posters!”* Ever heard the old adages, *“one bad apple can spoil the bunch,” “a chain is only as strong as its weakest link,”* or *“a little yeast leavens the whole batch of dough!”* This is precisely what Edgar Schein meant, *“Make the CEO bad and boy is that bunch bad, conversely, make the CEO good, and you have a great bunch of apples!”* Think of Jack Welch and GE?

Jack was a big fan of Six Sigma, he hired the world's top Certified Six Sigma Blackbelts (CSSBs), he gave them power to institute its practices, and he personally pushed down the Six Sigma culture change record time. Probably no CEO in the history of the world pushed down a process paradigm like Six Sigma as hard as Jack Welch did and he personally effected the largest and quickest cultural change in world history with regards to a process paradigm! This is not to say that Six Sigma was the correct paradigm and now lean and agile thinkers like Eric Ries are trying to undo decades of organizational culture entropy, waste, and change with proper lean and agile transformation principles. However, what it does say is that effective organization change starts at the very top, just as Edgar Schein predicted in the 1960s, and he wasn't alone!

No amount of culture change can take place through non-remote face-to-face one-on-one bottoms up or middle out organization lean and agile consulting, no matter how much face validity, motivation, drive, or influence the change agent has. "*The big bad wolf can huff and puff as hard as he can and still not blow the house down!*" Sorry, no dosage or amount of Agile Manifesto Principle #6—"The most efficient and effective method of conveying information to and within a development team is face-to-face conversation!"—Will substitute for good ole' top-down CEO-driven organization change. The CEO must push the organizational change down and pull it up, but not single handedly. Like Jack Welch and GE, directors, middle managers, and front-line workers with lean and agile thinking training and certification must also be injected into the enterprise, and a reward system must be in place to foster lean and agile organization culture change. With these three pieces of the puzzle in place, then small teams of remote executive consultants may be engaged to help assess lean and agile maturity, develop and institute lean and agile roadmaps and other get-well plans, and gently guide and coach new product and service initiatives along the path to success.

As alluded to earlier, Eric Ries is doing the same thing at GE—A top executive bought into lean and agile thinking, hired Eric, enlisted powerful directors and middle managers, and began successfully developing innovatively new product and service MVPs in under 90 days. Sometimes, believing (organization change) comes from seeing, and there's nothing more powerful and motivating to win the hearts, minds, bodies, and souls of staunchly conservative Six Sigma traditionalists to lean and agile thinking as seeing the successful delivery of MVPs in less than 90 days. And, this in an organization steeped in an ironclad traditional culture of multi-decade long, multi-billion dollar manufacturing cycles producing too much WIP with unrealistic quality. There was a lot of disbelief that anything meaningful could be accomplished in only 90 days for thousands of dollars, but with top-down executive commitment, the impossible is being achieved in one of the last great Western manufacturing firms.

5. Organization Innovation and Value. Okay, okay, but "*What about innovation and value—You can't manage what you cannot measure or see—And, it's just hard to believe that a remote invisible lean and agile workforce is innovating or producing value?*" Again, this kind of goes back to the old measure of success from the last century, "*a value-adding employee is a highly-visible good ole' butt-in-seat with his head down and nose to the grindstone!*" Exactly how can we be sure that our lean and agile transformations can succeed, innovation is occurring, and value is being produced if I can't see, smell, hear, or touch someone with their butt-in-the-seat? To sound repetitive, "*one simply cannot manage what you cannot measure or see!*" A productive employee comes to work at 9:00 am, sits in his or her chair, logs into their computer, has their hands on the keyboard, inhales decades old dander from the office carpet and HVAC system promulgating cold, allergy, and flu viruses, clocks out at 5:00 pm, and does this five times per week for 50 weeks per year, right? The leader's or manager's job is to verify these basic measurement points, right? If you want to get fancy, you can further measure the innovation and value by the number of processes or ceremonies they follow, meetings they attend, words they speak, documents they write, hardware they manufacture, or software they code. Yeah, lines of code, um, er, we mean story points, lead time, and cycle time. So, physical presence, meeting attendance, documentation, and hardware or code produced are the ultimate measures of lean and agile transformation success, right? These measures have worked for over a century, why not now? Conversely, a virtual, remote workforce can't be measured, right?

Well, you've forgotten a few key things in this century like employee morale, engagement, mental health, happiness, work-life balance, productivity, sustainability, and even physical health? If an employee has to get up at o'dark thirty, drive an hour or two to work, sit without moving for eight hours, miss quality time with their families (including pets), leave work if they are sick or unhappy, get stressed out by too much WIP, or get harassed by their bosses or co-workers, then I don't think traditional measures of innovation and value are valid, nor have they ever been. These measures may even be delusional, misconstrued, or downright pathological. Studies have shown that over 60% of stress related heart attacks are suffered by ordinary employees due to routine daily harassment by their supervisors and peers. Now, take a high-tech Western manufacturer that hires the best and brightest engineer from a top-50 Western university, treats them like a convict in a maximum security prison, and calls this inmate an innovative and value-adding employee—That's just plain sick! The best and most innovative, value-adding firms do not apply traditional measures to enterprise success. In the most innovative organizations, over 90% of their employees work from home, do so at their own pace, are not separated from their families (or pets), do not have to get up at o-dark thirty, do not have to commute in heavy traffic, don't have to inhale cold and flu viruses from the enterprise's HVAC system, and don't have to receive daily doses of stress-heart-attack inducing harassment from their supervisors and peers.

With all of these distractions, detractors, and demotivators subtracted from the equation, employees can get up at a reasonable hour, attend multiple lean and agile ceremonies by Skype, reserve focus time to create innovative, value adding MVPs in 90 day cycles, and help move their lean and agile transformations forward while increasing market value and ranking. Wanna stop the needle of lean and agile transformation, hold your workforce hostage in your office building and attack their physical and psychological well-being. Wanna move the needle of lean and agile transformation forward, hire a remote workforce, empower them to create innovative value adding products and services with well-managed WIP, ditch the non-value adding supervisors, increase their physical and mental health, and watch your enterprise value soar like an eagle—Like Google, Amazon, Yahoo, Microsoft, and every other firm blowing away the global competition. As Amazon's CEO Jeff Bezos said, "*My challenge is to prevent my supervisors from killing the innovative and value-adding ideas from my front-line employees before they get to me, the market, and my customers!*"

Summary

So, what's the bottom line? What have we learned in this short treatise? Well, we've learned that "*Remote Lean and Agile Transformation*" is not an oxymoron! Rather remote transformation is the secret sauce to future operating models, customer engagement, organization restructuring, organization change, and innovation and value! We've learned that traditional brick-n-mortar operating models built on face-to-face butt-in-your-seat communications with a smattering of 20th century flexibility manufacturing principles were only training wheels for vastly superior 21st century operating models. We've also learned that lean and agile thinking values, principles, practices, and tools have never been more relevant in the early 21st century, remote workforces enhance rather than retard transformations, and remote workforces are not only more productive, but more innovative and value adding. More importantly, they're happier, healthier, mentally stronger, well-balanced, and better positioned to help their organizations, enterprises, and businesses succeed in the 21st century!

This is not to say that remote operating models are an instant panacea! There are still many traditional challenges that must be proactively managed in a distance setting. The CEO must set the tone for a remote operating model—That it's normal, people must follow lean and agile principles, valuable products and services must be produced, a culture of collaboration and teamwork must be fostered and created, a proper work-life balance should be established and maintained, and people must treat one another with respect and dignity. Once again, humans are humans, if they're good in person, they'll be good in a remote setting. Conversely, if they're bad in person, they'll be bad in a remote setting. Organizations must make a concerted effort to teach, coach, and expect high levels of emotional intelligence to maintain a world class culture of respect and dignity. It's just too easy to violate these basic principles with abusive behavior in the presence of a high-power distance between buyers and suppliers.