Mik Kersten (00:06):
Hello, and welcome to the Mik + One podcast, where I sit down with industry leaders to discuss the project to product movement. I'm Mik Kersten, Founder and CEO of Tasktop and best-selling author of Project to Product: How to Survive and Thrive in the age of Digital Disruption with the Flow Framework.

Mik Kersten (00:25):
If this is your first time tuning into the podcast, then welcome! I'm thrilled to have you here and encourage you to catch up on previous episodes by visiting https://projecttoproduct.org. Today's episode will be a bit different. Today, it is just me, and I'll be summarizing some of my favorite episodes from the last 18 months. This podcast has been an amazing learning journey for me. I didn't realize how much I would learn from our guests, how much it would shape my thinking, my understanding, and my interactions with the entire DevOps, Agile and digital transformation communities. So, I hope you've had some of those learnings, epiphanies and takeaways as well.

Mik Kersten (01:03):
While we take a break for the summer and resume with new guests in September, in this episode I'll review some of the key themes and some of the great learnings and quotes from some previous podcasts. Some of the things that you might remember are: The fallacies of cloud transformations and how to actually measure innovation and cloud with one metric; how Flow Metrics and OKRs are actually this interesting match made in heaven; how bouncing portfolios to managing risk and debt can be a key enabler of innovation; the importance of equity, diversity and inclusion on value streams; the pivotal role of leadership for improving daily work; and all sorts of interesting insights on scaling Agile and helping your digital transformation succeed.

Mik Kersten (01:43):
Before we dive into those summaries, there's just a couple things I want to highlight. First, I just, again, did not realize how valuable the insight of these guests were in their roles, their organizations, their community, and in thought leadership. I've been surprised and delighted by how much that's shaped my thinking. I hope it has for you.

Mik Kersten (02:03):
I would really like your feedback in terms of what you would like to hear: The kind of guests and the kind of topics that excite you the most for next season, which again will start in September. We've put up a survey on https://projecttoproduct.org/podcast/. Please leave your feedback there, your comments, your thoughts and things that delighted you. And for the winner of those suggestions, I will actually do a raffle. You will be able to donate $1,000 to the food bank of your choice.

Mik Kersten (02:32):
If you're also listening to this podcast in July, please also take a minute to vote for it at the annual Podcast Awards. Again, I've been blown away by the reception. I hope you have as well and hope you have enjoyed the guests as much as I have. For that, you can go to https://www.podcastawards.com/. Once again, thank you for tuning into the podcast, and I really hope you enjoy this episode. So with that, let's get started.

Mik Kersten (02:53):
In the Project to Product series, I was lucky enough to be joined by Adrian Cockcroft twice. During our first conversation in August 2020, Adrian provided some great advice on how to move ahead in a digital world, how to really manage and measure for innovation and covered many key topics such as product centric innovation, creating feedback loops and measuring feedback with flow time.

Mik Kersten (03:19):
I've actually now had many people tell me that they wish that the podcast kept going. They found that Adrian's teachings, his experience with his days at Netflix and at Amazon invaluable, and his incredible way of sharing his knowledge with us. It was a no brainer to have him come on the podcast again and continue that conversation. With that, here's a clip of Adrian's first episode back in August 2020, talking about the aftermath of applying the theory of constraints to the OODA loop and the kinds of benefits or pitfalls that it can bring.

Adrian Cockcroft (03:49):
The whole point about the dogfight is that if you're in a competitive market and you're looping faster than your competitors, then you get to disorientate them, and you get to react to the market. You get to learn more about the customer, learn more about the market, learn about what your competitors are trying to do, and to destabilize or just outexecute people. Then that's the advantage, that is why CEOs are now asking their CIOs, you're doing micro services, right? Because we're to slow and that's how you speed stuff up. That's the why it came into that story as a shorthand for doing everything at a faster pace.

Adrian Cockcroft (04:28):
Then, what it really comes down to - I talked about this earlier as well - is time to value is how I'd measure things, and you were calling it flow time. So, how quickly can you have an idea change your customer, affect a customer with that idea. That is the time, that's the idea to the value and there's way too much work in progress if you're going slowly, and there's lots of unfinished things that are taking too long, so you want to break everything into tiny chunks of work.

Mik Kersten (04:54):
In that podcast, Adrian shared so much of his wisdom, which comes from some amazing successes in his experience, bringing companies to the cloud and creating some of the first large scale cloud architectures. Now I think the key takeaway for me, that I really want to make sure our listeners digest and dig into as I have since the podcast and had several follow-up conversations with Adrian on, is just how important this one metric is, this speed to innovation. When Adrian says there's one metric that matters, I could not agree more.

Mik Kersten (05:22):
Both prior to talking to Adrian, but even more so after, I've realized how much more successful organizations are if they focus their cloud transformations and actually all sorts of software and digital transformation activities, especially around how our technology stacks and our teams are organized. That key metric is speed to innovation as measured by flow time.

Mik Kersten (05:43):
So if you get to that point where you've got a flow time that's measured in days rather than weeks, or as we see in so many cases, in months, you're going to out-innovate your competition. The other metrics that we have, while they might be important, telemetry for teams, important for specific functions, such as your SREs, your Agile teams, people doing the business analysis or design, those are not the things that you need to measure your transformation to. These are proxies. These are in terms of delivering value and outcomes. These are often things that are very important to manage.

Mik Kersten (06:15):
So if you have a bottleneck in a particular part of your value stream, but focusing the transformation itself and really setting that top level company goal to reducing flow time and to making that every single sprint,

every single release to having a measurable reduction in flow time in multiple percent. I've seen organizations who have actually succeeded at 10% reductions in flow time every single quarter because there was enough low hanging fruit, through too much work in progress through bottlenecks that were upstream or downstream of development teams. So again, that key thing, it's all about speed to innovation, measure it with flow time and make that the to- level company objectives. And cost reductions, happier customers and better feedback loops will absolutely follow.

Mik Kersten (07:00):
Next on my list is a great episode with Dean Leffingwell, Co-founder and Chief Methodologist that Scaled Agile. This was first released in May 2020, and I've personally applied Dean's ideas to the way I build and manage software delivery throughout my career. His contributions to the industry, I find to be invaluable, especially applied with the vision that Dean has carried for himself, for his teams and really for how to effectively scale the principles of agility to the business.

Mik Kersten (07:24):
In this podcast in discusses everything from the importance of having business agility to abandoning hierarchies to the importance of focusing on the outcome-based metrics and more. I even had a chance to ask Dean why some SAFe implementations fail, and we get his feedback in terms of understanding what happens when you're measuring the wrong things, when you're over-focused on things like ceremonies rather than outcomes. Here's a snippet of discussing how important continuous learning is.

Dean Leffingwell (07:49):
I think the prevailing paradigm for the next decade is going to be continuous learning. So continuous learning culture is an example of things that we've integrated in the SAFe. That's not a technical practice, this is a cultural practice and things that we didn't have before. Also, the ability to measure how you're doing. As more and larger enterprises adopt SAFe, especially those that didn't start early, they want to know how they're doing. Are they meeting their benchmarks for adoption, are their outcomes improving, are the KPIs different?

Dean Leffingwell (08:18):
So, this need for business agility was expressed clearly. So, we extended the framework to do that through a couple of areas, the organizational agility competency, the continuous learning culture competency, the ability to measure and grow.

Mik Kersten (08:30):
While Dean's wisdom and experience in the industry is truly mind-boggling, and the number of organizations that he's seen apply and misapply some of these contexts, the main thing that really I think is an important takeaway from Dean's lessons is just the importance of establishing measurement and feedback loops. Those really are the principles of Agile at scale of SAFe is to not only do what organizations have done, which is deploy SAFe to Agile teams, but to really get to the point where we've got our end to end value streams defined.

Mik Kersten (09:01):
We've got the team supporting those defined, and we're actually able to both drive planning that includes various stakeholders through the successes that organizations have seen through things like PI planning and the way they've connected that up to their business planning to their other planning systems, such as OKRs, objectives and key results, but to really make sure that everything that's being delivered is driving to an outcome.

Mik Kersten (09:21):
That really is the point of product value streams. It's been great to see how SAFe has evolved to encapsulate the concepts of project to product. Especially what's happening with SAFe 5.1, where we actually have the flow metrics from the flow framework embedded right into SAFe. So again, great to see. And for those of you looking at how to really get more value more quickly and in a more customer centric way from the scale agile framework, make sure that you take a look at those Flow Metrics and how you can measure for outcomes rather than for all these proxies that organizations get caught into when they just measure things that are the easiest to measure rather than things that are the most meaningful to measure.

Mik Kersten (10:03):
Next on my list is my episode with Justin Watts, which was first released in November 2020. Justin is the Director of Agile Change at Lloyds Banking Group, one of the UK's big four banks. In this episode, we covered a ton of ground. Justin's expertise in lean and in applying the concept to the business is something that I come back to regularly. I lean on his examples and his learnings and his experiences at Lloyds as well. And so, have a listen to the quote from the podcast with him now.

Justin Watts (10:29):
What I've learned from the theory and in practice is, all those things are free when you change the system. When you get psychological safety, you get much more engagement and motivated colleagues when you change the system. When you change the measures, when you get rid of targets, when you get rid of some traditional ways of thinking about managing work and re-designing flow, all those things around engagement and happy people come for free because you've changed the system and removed lots of the things which create bad workplaces and the need for somebody to come up with a psychological safety program created by a bad system. When you change it, then things just work out for free.

Mik Kersten (11:09):
Reflecting on Justin's podcast, I think one of the most important concepts that he introduces is this difference between thinking about and managing to economies of scale versus understanding and managing to economies of flow. And Justin has just such an amazing perspective on this because what he's been doing is actually educating leadership, educating much of Lloyds on understanding flow and understanding the dynamics, and the relatively simple dynamics of flow, and making that case visible and making that case with data.

Mik Kersten (11:39):
I've actually participated in sessions with him where he's shown what happens when you put too much flow load on WIP, on particular value streams, and how flow efficiency simply drops. So making that case so visible, so clear and actually helping executives understand how their thinking needs to change, how this mismatch that's continually happening between capacity on the technology teams and on the IT side versus the demand that the business has, is actually creating all of these flow dysfunctions, such as productivity grinding to a halt because teams have been so overloaded with too much work in progress.

Mik Kersten (12:13):
And so, I continue to seek inspiration from this to leverage Justin's concepts as a way to teach leaders how to actually change their thinking in terms of some of what they may have learned in the past of how work should be planned and managed and optimized, to actually making sure that the way that we describe the concepts of flow to them is highly relatable in terms of how it's going to help them achieve those business outcomes.

Mik Kersten (12:36):
So again, this key balance between both helping teams and empowering teams and establishing a flow based system for that, being able to measure flow, to see the dysfunctions. And then in so many cases, as we saw in Justin's story here, to point out how a mismatch between the way business and planning and strategy are done and the way technology teams are delivering is actually creating this problematic and destructive feedback loop that by actually accepting the economies of flow, we can quickly resolve and actually deliver much, much more in a matter of weeks, rather than months as Justin's been able to prove out within Lloyds Bank. That was an absolutely great and inspirational one, and it's been amazing to see the results come in since that podcast as well.

Mik Kersten (13:27):
All right, moving on to the next episode, I was thrilled to be joined by Heather Munoz, who at the time of the recording was the Head of Retail Brokerage Practices at E-Trade. Heather has more than 25 years of experience in leading software development practices for financial technology organizations. She's passionate about teams, passionate about helping those teams deliver, but also gets into the details in a way that I think is so important for today's leadership, where rather than simply delegating everything around understanding flow and bottlenecks to her teams, she's actually supporting them very closely at identifying and fixing some of those systemic problems that they had in their Agile and DevOps transformation. With that, here's the snippet of the recording from the chat with Heather.

Heather Munoz (14:09):
I think I've been in technology for 25 years now. I think the thing that I started to learn deeply when I worked in development is I myself found it frustrating that somebody would tell me my teams weren't doing enough and we weren't good enough, and we weren't getting enough out the door for our customers. But it was because they were looking at what their information was on a spreadsheet versus what we were producing, in my mind from development environment and all the things we were releasing but we didn't have any tooling.

Heather Munoz (14:38):
As it is advanced, what I started to recognize is that every time we got results from a project, people wanted to add more developers. I can't force a product person to go look deeply into where we're generally waiting and really our metrics don't really show that literally the state of weight is always with the quality assurance teams because they're being overrun.

Heather Munoz (15:03):
E*TRADE, like most companies, but E*TRADE in particular, they like to solve everything with developers. It's that startup mentality. On some scrum teams, I could not get people to understand how disturbing this was until we've got all the tooling in place and we could see it. We had some scrum teams with literally 18 developers and one QA. And they're like, "It's fine. It's working fine." And I'm like, "How is that possible? There's no way that you can be getting meaningful work done." But they would say, "But the person's fine." Of course they wouldn't complain because they're just used to it and some of these people are just too nice. But I'm just looking at the numbers and that makes zero sense.

Mik Kersten (15:46):
For those of you who have read Gene Kim's awesome book, The Unicorn Project, after recording this podcast, I realized, wow, Heather really reminds me of the main character of Maxine in the sense that she was able to take her background in technology and working very closely with the code and actually help transform the way E-Trade builds software at a leadership level with those experiences. I think for me, the

lesson that really jumps out here is how she did that, it's how she made the case, and how important to her visualization and data driven decisions were.

Mik Kersten (16:18):
And of course, I think we're all used to this in terms of there being a lot of opinions, a lot of actual profound understanding on how work is done, but until we can actually make that case with data and even more importantly, see whether those opinions and opinions on how we improve delivery, how we improve the day-to-day work for teams, how we improve delivering outcomes. Until we can actually measure whether we're getting better on that or worse, given the complexity of technology today and the size of organizations, we're more often than not shooting in the dark and then blaming teams for not doing enough while of course, you end up with these problematic wait states that continued to get in the way of teams, as she told so eloquently and her story around QA.

Mik Kersten (16:59):
So again with that, I think the main takeaway is just the importance of making that work visible. There's another podcast, of course, that was in the series from Dominica DeGrandis, author of Making Work Visible, but the way that Heather applies these concepts, and again, elevates that data to the right level of granularity. Rather than taking the sort of telemetry that was near and dear to her and the CICD pipeline elevates that telemetry to really talking about flow and making it a case of impediments to flow and how to accelerate flow all the way to executive leadership, I think is a key inspiration and produced amazing results for E-Trade. And I think others can apply as readily as well.

Mik Kersten (17:42):
The next podcast I really want to highlight is Pieter Jordaan, Group CTO at TUI, the world's leading integrated tourism group operating more than 100 destinations worldwide. This story I have told over and over, because it was such a fundamental and ground-breaking result and the result that's continued. Recently, Pieter actually spoke at a DevOps Enterprise Summit and told the next steps of the story. I've also got some recordings with him that we did just last week on tasktop.com.

Mik Kersten (18:10):
What was amazing to me about everything that Pieter was doing is just the way that he had set up the transformation for success. COVID happened, both Pieter and the leadership at TUI embraced that opportunity, difficult as it was, to actually lean further into the transformation, accelerated and produced this amazing outcome of actually turning TUI into a technology company within the span of the pandemic. So just absolutely inspirational leadership thinking, product mindset and flow mindset as well. And with that, let's just listen to this snippet.

Pieter Jordaan (18:45):
Our whole strategy was actually then not about lift and shift or pick a system and force a market onto that system. It was like, was the most optimum way for me to deliver what the business wants in this domain? How will I break it up? And then that was the start of the global program. The global program now delivered in small stones, and we're running across multiple countries, single teams, global teams, global. We take two teams, global engineering teams in a product organization in a pandemic structure where everyone's working from home, doing global increments.

Pieter Jordaan (19:29):
We have increment days. We have demo days. Everyone is synced on when they deliver what, and that really changed the whole way of how we approach it. Because it was IT leading and the business realizing we need to provide an answer fast. Otherwise, we know we won't get there. We can't go away

for three months. What is the answer? What do we build? And that forced them to really start to break down the universe into smaller bits, which then started to marry with the whole agile mindset and actually delivering in increments.

Pieter Jordaan (20:06):
The pandemic opened up the opportunity to go fast and actually demanded to go fast. It created some challenges. But that was the start of how we shifted from traditional lift and shift, consolidating your business around people. But no, consolidate your business around your product and the capabilities that makes up your product, your domains, your business domains, your product set, and the capabilities of individual process to deliver to each other. And then the business like, "Okay, I can do that. I can talk about pricing. I can talk about documents, service. I can talk about my selling platform," rather than saying, "I've got this huge universe that needs to migrate all together."

Mik Kersten (20:54):
What we heard there was just some really what's countless best practices that Pieter collected, was able to act on and really change the way things work. I think one of the learnings I've had in the months after the podcast of continuing to work with Pieter and to work with the team at TUI is just how much sponsorship this took. There was both Pieter's leadership, but actually at a business level, the company embracing the changes that needed to make in terms of how they did business and the realities of what a new cloud based digital and product based platform would deliver and what it would take to move away from all the ways of doing things, how important it was to do things only once, how important it was for them actually bet in this case, on a single cloud platform.

Mik Kersten (21:36):
That could mean that they actually will go multicloud in the future, but just the focus of delivering value and shifting and this relentless focus that you probably could tell from Pieter's approach of shifting as much of the workload, as much of the revenue base onto the cloud, having all of that visible, measurable, understanding how much more value is delivering. Because the thing that's often not set through these transformations is that key parts of the business have to lose things, have to let things go.

Mik Kersten (22:03):
As Peter mentioned, there were parts of the organization or countries and regions that no longer had the kind of customizations for, let's say, the types of hotels that you book or promotions that you make. And so, there was a concrete loss from that, but helping everyone understand the value that can be leveraged from a platform, a much more innovative and connected and customer centric experience and how you can deliver on that with a modern technology stack and an ability to bring value to customers so much more quickly, and to measure that value into tune in it at scale over time. Again, the benefits of the business are so transformational. It's just been amazing to see those achieved and achieved in such a short amount of time.

Mik Kersten (22:42):
I frequently go back to this for inspiration, because I think I've seen few organizations be able to shift this quickly. Of course, the leverage of the fact that the pandemic paused their business operations, but in a fairly significant way. But I think what we can learn from Pieter is that creating these conditions, other transformations have done this as well. So creating these conditions within your organization is possible, applying these principles is possible and will absolutely help you move much more quickly away from a lot of the legacy that you have onto the new cloud platforms that invariably every organization who's going to be a part of the age of software is going to have to build, leverage and expand and scale.

Mik Kersten (23:23):
I was absolutely thrilled and humbled that Don Reinertsen, the author of The Principles of Product Development Flow, and the one of the biggest inspirations to me of my career. That book, by the way, is a book that I do have to recommend more highly than Project to Product, one of the many books I have to recommend even more highly. What's been so fascinating about Product Development Flow is just how much work it has inspired in the DevOps community and beyond.

Mik Kersten (23:48):
I think a lot of us have learned so much from the work of Don Reinertsen. A lot of us have created all sorts of, whether it's frameworks or written books or authored other work, have been very inspired by how profound his learnings about value streams, about the concepts behind queuing theory, about this whole notion of value stream networks that's a pretty fundamental part of project to product. I actually came across at the same time as I was working through the data that we saw on value stream networks and realized that Don Reinertsen had already defined it. That was just both amazing and delightful to me.

Mik Kersten (24:30):
The conversation with Don Reinertsen went in some really significant depth and outlined some concepts, which I think, are just as powerful today or even more powerful today than when he wrote them. Not to mention that he actually discusses how the things that he's learned since publishing Product Development Flow. Here's a quick quote. And then I'll summarize some of my key learnings.

Don Reinertsen (24:50):
Often, I phrase it to people as, look, when you build a buffer in your schedule, you are trading one currency for another. You're gaining the currency of reduced risk. You're eliminating variability. You're paying for variability reduction. But the currency you are spending for it is cost of delay dollars. When you put an extra six-month margin in your schedule, you're spending cost of delay dollars to buy a reduction in variability, and you ought to ask the question, is that reduction in variability worth the number of cost of delay dollars I've spent?

Don Reinertsen (25:35):
My cost of delay is a million dollars a month and I put in a six-month buffer, that's $6 million insurance policy on ensuring the product is going to be ready on time. Well, what's the value of the variability that you're like, "Well, there's one particular feature that we think is high risk, we wouldn't have that feature ready, unless we had a full six months of time for the thing." "But what's the consequence of that variability, that risk? What should I rationally pay to eliminate that risk?

Don Reinertsen (26:10):
There's a 30% chance I'd be missing a feature that corresponds to 10% of the product value, and I would be missing it only for the period of time it took me to complete that." So, I'm giving up 10% of the gross margin of that product for a six-month period, and in return giving up six months of cost of delay dollars. It makes no economic sense when you frame it economically.

Don Reinertsen (26:40):
My point is not is it correct or is it not, but think of the trades you're making, bring them into a common unit of measure, which I always use economics as the one to frame disparate things. And then you can look at the nature of the trade off, because I think it's the discipline of saying, what is A worth? What is B worth? Do I want to trade A for B? That is probably the central way you unravel these problems.

Don Reinertsen (27:15):

I would just add, the problem people create for themselves is they are unwilling to quantify the value of cycle time. They are unwilling to quantify the value of risk reduction on a program or variability, and then they chase after these philosophical goals, like we will have no technical debt in our design.

Mik Kersten (27:39):
With Don Reinertsen's podcast, it's almost impossible for me to take out a single key learning because there's so much important information in there and information that I just keep going back to in terms of looking for my own inspiration, how to evolve the Flow Framework and everything that we've been working on.

Mik Kersten (27:55):
The thing that really always stands out to me is the way that Don always brings it back to thinking in terms of economic models and actually modeling, using concepts that are understood by the business, understood by finance and understood by other approaches to operations and bringing those to software, so sort of demystifying software delivery and just simply making it more scientific and more based on the fundamentals of economic principles.

Mik Kersten (28:18):
The thing I want to make sure that people take away from this is that Don, while studying a lot of hardware and manufacturing, he has really, I think, challenged and changed the way that we need to think about products and the fact that a lot of the principles that we were initially applying around learnings from manufacturing and learnings from things like the Toyota production system, which were so popular in Agile thought leadership really applied to low variability work, to stamping up the same widget over and over.

Mik Kersten (28:49):
So Don brings this incredible way of looking at both what high variability work is because software fundamentally is that with, because it's creative work. We're always discovering, we'd be in much faster feedback loops. We're not stamping up that same widget over and over. And we actually need to empower workers with those principles of economics and the finance of actually quantifying things like the cost of delay and understanding that what matters in the long run, it really is a lifecycle profitability of every product value stream. In the end, that's why we build those products to delight those customers who will want more of that product and will drive the value and derive value from that product. So just amazing to listen to Don every time. And I could not recommend that episode more highly.

Mik Kersten (29:28):
In September 2020, I was joined by two special guests, Dr. Nicole Forsgren, a long-time collaborator of mine and Dr. Denae Ford Robinson, Senior Researcher in the SAINTes Group in Microsoft Research. Both Nicole and Denae are brilliant researchers, just absolutely inspirational thinkers and people and technologists who are pushing the boundaries of how we think about both the technological aspects of software, but also the social aspects of how software is built.

Mik Kersten (30:00):
It was an absolute pleasure to chat with them. I always wish we could spend more time. I think a lot of their research is so key to understanding where agile, DevOps, product thinking, flow, where all of this is going, because fundamentally, what we're trying to do is create these better, more diverse, more inclusive, more equitable value streams, where more creative work and collaboration happens. And I think their perspective on it is more valuable than just about anyone else I know. So with that, here's a couple of quick quotes from that podcast.

Dr. Denae Ford Robinson (30:32):
You can see who I am, you can see that I'm a woman, you can see that I'm Latina, but now I'm explicitly saying it, I'm not trying to make a political statement, but I'm saying that I am who I am. I'm also this too. I'm just really curious how that looks like in the technical space. When you mentioned remote work, it makes me think of how people bring different flavors of identity in the current pandemic where ways to do that are people showing their dogs that show up now. They're like, "yes. I'm also a dog mom or I'm also a farmer. Here's my tomato farm".

Dr. Denae Ford Robinson (31:02):
People will show different parts of their identity like "I'm an artist", you see that I have sculptures and pieces in the back, so now you see an explicit part of my personal life because you're in my home. You're able to view, but you're also obviously here for the technical content, which is why we're even having the technical conversation. We're at work, but you can see my home life explicitly.

Dr. Denae Ford Robinson (31:22):
I think with this pandemic, we're seeing people being a little more authentic. We're seeing some people sharing a little bit more of themselves where they feel comfortable. It's about providing a safe space in order to do that. There's other ways people are doing that by posting fun backgrounds or fun family photos. "There's my child, they're in the background here".

Dr. Denae Ford Robinson (31:43):
I'm hoping that this creates even more authentic expressions of people's selves in work settings beyond ... this is post pandemic I'm hoping for. I think it's happening a lot more now. I'm looking forward to what it looks like in hybrid work settings. How do we empower people to do that more later on?

Dr. Nicole Forsgren (32:00):
I think in some ways, some of this inclusion of whole identities has been ... I don't want to say a surprise, but maybe a little bit of a surprise for some people because for a long time, I've always heard bring your whole self to work, but for so often that has maybe unintentionally been said by white men because so much of tech is white men. Then, suddenly so many people were bringing more of themselves to work or maybe not.

Dr. Nicole Forsgren (32:27):
For much of my career, I have not brought my whole self to work because the smallest details from my past have been weaponized against me, which is strange. I'm from a small farm town in Idaho, somehow that was weaponized against me. It was very strange. For many of us, we have not because when you ask people who are underrepresented, marginalized, or vulnerable populations, and you ask them to essentially be more vulnerable, that doesn't always work.

Mik Kersten (32:53):
What I absolutely love about Denae's and Nicole's work is just how much they've done to quantify some of the topics that we think are so important in terms of diversity, equity and inclusion, and connect them up to a lot of the work that myself, other researchers, Nicole Forsgren herself, has been doing around productivity. And so, I think it is such a powerful message to understand that these are not just some soft benefits that you can delay as part of your transformations.

Mik Kersten (33:21):

These things that are core to your transformation, some of the learnings that Denae found through her work in open source and how that's actually connected to what makes teams effective, inclusive, how those environments, the safer work environments actually create better results. And of course, connecting that to better company outcomes, better outcomes for customers and for the organization, I think is so critical.

Mik Kersten (33:43):
I think taking some of their learnings and making sure that they're embedded within your organization. I know that years ago at Tasktop when we actually started measuring things like employee happiness engagement scores, that was actually transformation to how we thought about our software architecture, which was very surprising and interesting to me, and actually became one of the key components of the flow framework.

Mik Kersten (34:02):
And similarly, just over a year ago now, I guess a year and a half ago, we started measuring diversity statistics. Not to say that we're anywhere near that level, that Denae and Nicole are at with this, and I'm always looking to them and to others to understand how to get better at this, I also saw a transformational outcome from that. I think the key thing is, and this goes back to some of the work of socio-technical congruence and the fact that it's people that build software, and we want to really get beyond problems around Conway's Law is that creating the right kind of environment with the right kind of conditions will really help teams thrive both within and across value streams and especially right across to the business.

Mik Kersten (34:40):
Now, none of this really works if all of this is just left at the level of the teams. It's actually the entire organization, the executives of the organization that need to embrace this. So I don't think you could have a more compelling case than some of the research that's been done and that's continued from Denae and from Nicole. That was just absolutely great to see.

Mik Kersten (35:02):
Moving on to my next guest, that was none other than Gene Kim. He is the bestselling author of the Phoenix Project, Unicorn Project, The DevOps Handbook, and someone I just continually basically every two weeks get inspiration from when we have our regular chats. Gene has actually appeared on three of episodes with me at this point, and each one is filled with some incredible stories, and I'm sure there will be more to come. So let's start with a quote and then we'll go into some of the key themes that I learned from that.

Gene Kim (35:30):
I've got to tell this story, and I haven't told you this before. I got a chance to talk to Admiral John Richardson. He was Chief of Naval Operations for four years. That's the highest ranking uniformed officer in the U.S. Navy. Responsible for 300,000 sailors. He was describing the leadership dynamic within the U.S. Navy. Apparently, the Navys are famous for decentralization because not so long ago, once they went over the horizon, you couldn't talk to them anymore. You had to write very good orders. Captains had a lot of autonomy.

Gene Kim (36:00):
He talked a little bit about that in terms of, as a leader, you invest a lot in terms of building relationships, creating a common set of values, specifying what the mission goals are. He called it commander's intent. Here are the things we're trying to achieve. It's good if you do this. Turn over the card, here are the things that we'd appreciate if you don't do this because that's not helpful

Mik Kersten (36:17):
While Gene has offered so many learnings for the industry and in such a consumable and impactful format, I think the one that's kept coming up in, I think almost every meeting I have, I know it came up in two meetings just earlier today, was just this pivotal role of leadership and improving daily work. And when we look back at some of the main dysfunctions that we've seen over the past year in measuring organizations, value streams and measuring flow in these very large organizations and across different business units, across different geographies, when we're measuring these impediments to flow, the surprising thing to me was that too much work in progress is the number one thing that we see.

Mik Kersten (36:56):
So just way too much load, way too much imbalance between the usual capacity and demand. And the key thing is a lack of understanding, a lack of visibility for that. The problem has just been getting worse and worse. At so many organizations, the pandemic actually exacerbated this. More change happened on the business side, which dumped even more work on the technology teams without actually deprioritizing some of that work.

Mik Kersten (37:19):
One of the most effective things I've seen, and this shows up in Gene's ideals, it shows up in so much of his messaging, is again, that continuous improvement of daily work and actually always having capacity allocated to it, to make sure that we're actually improving flow, that we're removing burden from teams, that we're always understanding where the next bottleneck is.

Mik Kersten (37:38):
And the fact that, I think as Gene very powerfully states and across his many different works, is how important the role of leadership is for that. If all that leadership is posting for is roadmaps and dates and deliverables and not assigning any capacity to improvement of daily work, what we actually see is things slow down. And then the business, the customer is getting less. The company is becoming less competitive and less innovative.

Mik Kersten (38:02):
And so, actually creating this balance and making sure that leadership is behind it and supporting it and prioritizing it is transformational. And it really gets to a key part of Gene's work around creating this right kind of architecture and structure and dynamics that supports that and making sure that back to The Phoenix Project, the principles of flow feedback and learning are a part of that communication architecture, that organizational architecture, that's always customer centric and that's always able to sort of refine and re-optimize itself around maximizing flow.

Mik Kersten (38:38):
Another episode I really want to highlight is the one I recently did with Courtney Kissler. That was done just in June 2021. Courtney is CTO at the online retailer Zulily, and has also served in a wide range of roles where she was driving digital transformation across brands, including Nordstrom, Starbucks, and Nike.

Mik Kersten (38:56):
Courtney's just got this incredible approach and passion for learning, for sharing her journeys. And you'll hear that come through on this podcast. Let's have a listen and I'll call a couple things that I think are really critical to take away from this.

Courtney Kissler (39:09):
I can share the things that I think are super important when it comes to practicing and adopting OKRs. One is, and you said this, you have to have a structure and a system to really learn, and you said look at those leading indicators and make any adjustments required. I think a lot of companies will set up and I use my air quotes "OKRs", and then they have no system.

Courtney Kissler (39:43):
Sometimes I call it the system of accountability, not always popular, but just how are you inspecting and understanding that the work you're doing is really improving that OKR in the right way. And if not, what's your mechanism for adjusting what you're working on so that it does improve the OKR. So I think that's one. Absent the system, I feel like OKRs are meaningless.

Courtney Kissler (40:11):
I also have seen, even though this is out there in the industry, you can't have 50 of them. I think the structure matters a lot, the system. What we're using at Zulily, which I think is great. We have a weekly business review where we're looking at those leading indicators and we're making decisions about what we might need to do differently. Not in a, I think you could end up in a scenario where you're whiplashing in the organization. So it's like learn from the leading indicators, but be thoughtful about adjusting the OKR plan, because we don't want to just continue to context switch and move people working on things that you got to give it some time is what I'm trying to say.

Mik Kersten (41:03):
As we've seen, the concepts of the shift from project to product and value stream has really become an agenda for the executive team and the business. I think it's been quite fascinating to see how this trend around objectives and key results or OKRs actually dovetails very nicely with that. What I find so amazing about Courtney's approaches exactly how she's managed to get the rest of the organization to see ways of actually tracking and understanding the flow of value.

Mik Kersten (41:33):
Her journey, like so many of others, started with just operational stability, with understanding the application portfolio, defining the value streams. I'll never forget the moment when Courtney told me that when she was having the typical trouble that so many technology executives I see have with this ingrained mismatch in the organization between capacity and demand and really helping her executives understand.

Mik Kersten (41:59):
And in the case of Zulily, her peers understand that managing to a fixed capacity while looking at ways of, of course, increasing capacity by improving flow, but actually prioritizing around a fixed capacity, making sure that all objectives are based on that, that roadmaps are based on that. And that we're continuously striving to improve that at a regular cadence and really decoupling those concepts to make sure that we've got the plan grounded in reality.

Mik Kersten (42:24):
A reality that we're regularly improving is so key. I think this a little bit nuanced, but I find it so powerful the way that Courtney talks about making sure those objectives, the things that we measure, the results that we're after, the outcomes that we're after, and that we're positioning to the company to leadership as input the strategy are actually connected to something that matters to the business and to the customer.

Mik Kersten (42:45):

And so, that portion where we're talking about tech debt, where Courtney talks about not wanting to focus on tech debt. Of course, what we want to focus on is the outcomes of reducing tech debt, which has more value to customer, but helping our executives actually understand why that matters, why it matters to them and why it matters to the company's success.

Mik Kersten (43:05):
So just incredible learnings from Courtney here. And I think for those of you struggling as well on how to make the economic case, the business case, really the customer centric case for why investment in platforms and technologies and transformation is so key, this episode is just some amazing food for thought.

Mik Kersten (43:28):
My most recent guest on the Project to Product podcast was Christian Idiodi of the Silicon Valley Product Group, one of the five partners there. What Christian shared on this podcast both delighted me, in some cases basically blew my mind, confirmed a lot of things that I knew, and I think really helps us frame why we have such a large disconnect between these old ways of working, old ways of managing things, and what we know is needed for innovation, for success in the age of software. So with that, let's listen to a clip of Christian and then I'll share some of my key learnings from that.

Christian Idiodi (44:03):
My MBA was teaching me more of how to tell people what to do than how to work with people to solve problems.

Mik Kersten (44:11):
Interesting.

Christian Idiodi (44:11):
And I got very comfortable with the executive team presenting fancy PowerPoints and stuff to them, and then getting their blessing and then providing direction to a group of engineers. The MBA taught me heavily how to use people as resources, as a number on an expense sheet, how to allocate resources and spend money meaningfully by ensuring that all of those resources served the needs of the business, rather than how to build teams to solve problems for customers. So it reinforced some of those things then. Now, while the MBA highlighted the importance and impact of risk, there were no practical tools to tackle them. And it was really based on what we knew, with no techniques to tackle what we didn't know

Christian Idiodi (45:03):
More importantly, I think the most significant part for me is it didn't help me understand what I needed to do with customers. I was not spending enough time with customers. I was really making a lot of my decisions and assumptions and not validating with the people I was trying to solve the problem for.

Christian Idiodi (45:23):
And so, there are many things that business school was good for. It was good for a factory mindset. It was good for a command and control mindset. It was good for project thinking. It was good for connections with people that want to talk in that language and communicate in that language. But when it came down to truly meaningfully solving problems for people, than solving problems for the business, it continued to fall short.

Christian Idiodi (45:53):

And once I realized that, fortunately for me, I think I was doing my MBA while I was practicing product and innovation. So I had an opportunity to unlearn and take away what was meaningful and not hard in this mindset. Many people don't get that fortunate, people go years in their career, growing up in the ladder of becoming executives and leaders, reinforcing this executive MBA mindset, this command and control mindset. Really an interesting time in my career, I tell people it's the least thing I credit to my success, but I am fortunate that I went through it to understand why it was not meaningful.

Mik Kersten (46:37):
The goal that I created for the flow framework was actually to connect, to bridge this gap that I saw between the way that the business operated, the way strategy and planning was done, and the way that teams took work in, the way that teams deliver the work. And then oftentimes, simply lacked any feedback and the understanding of what the customer was.

Mik Kersten (46:58):
I can not think of a better story on this than what Christian experienced when he was doing his MBA. He was learning how to basically treat people as resources, throw work over the fence to be completed, and just basically maximize that process. And at the same time, of course, needing to understand how to innovate and realizing that these two things are just completely opposed, that this old way that we have of managing people that still is taught in many MBA programs is actually working against what's needed for innovation.

Mik Kersten (47:30):
It's been amazing to see the work of Christian of the Silicon Valley Product Group on how to really change thinking and how to help today's executives understand how to measure value, how to set up these organization structures for innovation, for the kind of autonomy, for the kind of mindsets that are needed, which as he eloquently put are not the factory mindsets of yesteryear.

Mik Kersten (47:50):
So I highly recommend Christian's podcast. I think his stories are amazing. His own story is something that I've been telling over and over since recording the podcast. And I think it really is elevating just how important this new kind of thinking is because I think one of the key moments for me in that podcast was realizing that Christian's most recent conclusions, which have matched my own. That is that to actually complete these transformations, to have the right kind of support for learning, for flow, for feedback, it's actually CEOs who need to create the structure for that.

Mik Kersten (48:25):
So we both reflected on this fact preparing for the podcast briefly. And then I touched on it during the podcast that the most successful transformations that we've seen, even at the largest, the world's largest organizations have actually had the right kind of involvement from the CEO, who's removing barriers and removing all the ways of working because so often those have to do with business models that no longer support or business operations that can't support innovation as they are.

Mik Kersten (48:52):
So, this need to not just make transformation, not just make the shift from project to product, be it technology problem, but an actual business initiative is critical. And I think Christian's advice on how to do that was just bang on and amazing. Thank you to Christian. Thank you to all of the guests from the last 18 months. And I encourage you to listen to the other podcasts. There been so many other topics covered there. I, again, take so much inspiration, so much learning and so much joy from listening to these guests.

Mik Kersten (49:19):
So with that, thank you. I'm looking forward to a whole new set of guests in September. I would encourage you to, again, please submit your feedback in terms of themes that you want to hear about, so go to https://projecttoproduct.org/ for that. Consider voting for the Project to Product podcast in the annual Podcast Awards at https://www.podcastawards.com/ in the technology category. I'm looking forward to a whole new season in September.