

# Adaptive Governance Principles for the Era of Fusion Teams

Sharon Hakkennes

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# Adaptive Governance Principles for Fusion Teams

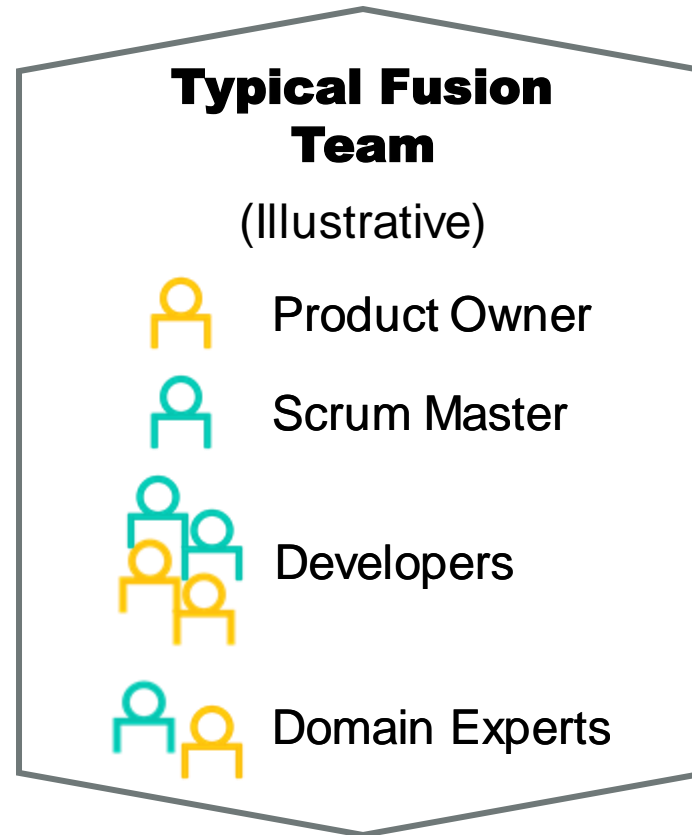
- 1 Organize for Interdependence, Not Autonomy.**
- 2 Redirect the Center to Agility, Not Just Control.**
- 3 Manage Risk at the Edges.**
- 4 Co-Create, Don't Dictate, Standards.**
- 5 Break, Don't Create, Talent Siloes.**



# Fusion Teams: The Work Units of Digital Delivery

**Fusion Teams:** Multidisciplinary teams that blend technology or analytics and business domain expertise and share accountability for business and technology outcomes.

 Business Areas  IT Staff



# The Era of Fusion Teams

**Digital delivery moves  
to where value is created:  
closest to customers,  
products, operations.**

# Digitalization Changes the Meaning of IT



**Business Strategy  
Drives IT Strategy**

**Business Strategy =  
Technology Strategy**

# Digitalization Changes the Meaning of IT

**All IT Projects Are  
Business Projects**

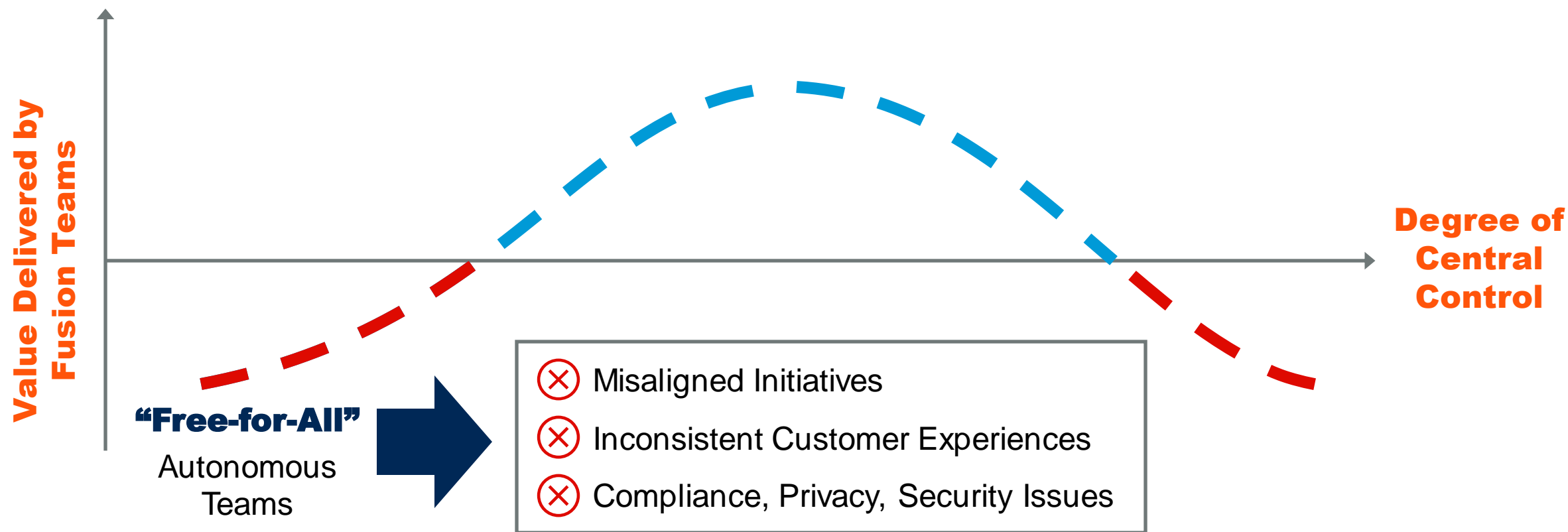
**All Business Initiatives  
Are Technology Initiatives**

# Digitalization Changes the Meaning of IT

**IT Is Sole Provider  
of Technology**

**IT Equips and Empowers  
Others to Build Digital  
Capabilities**

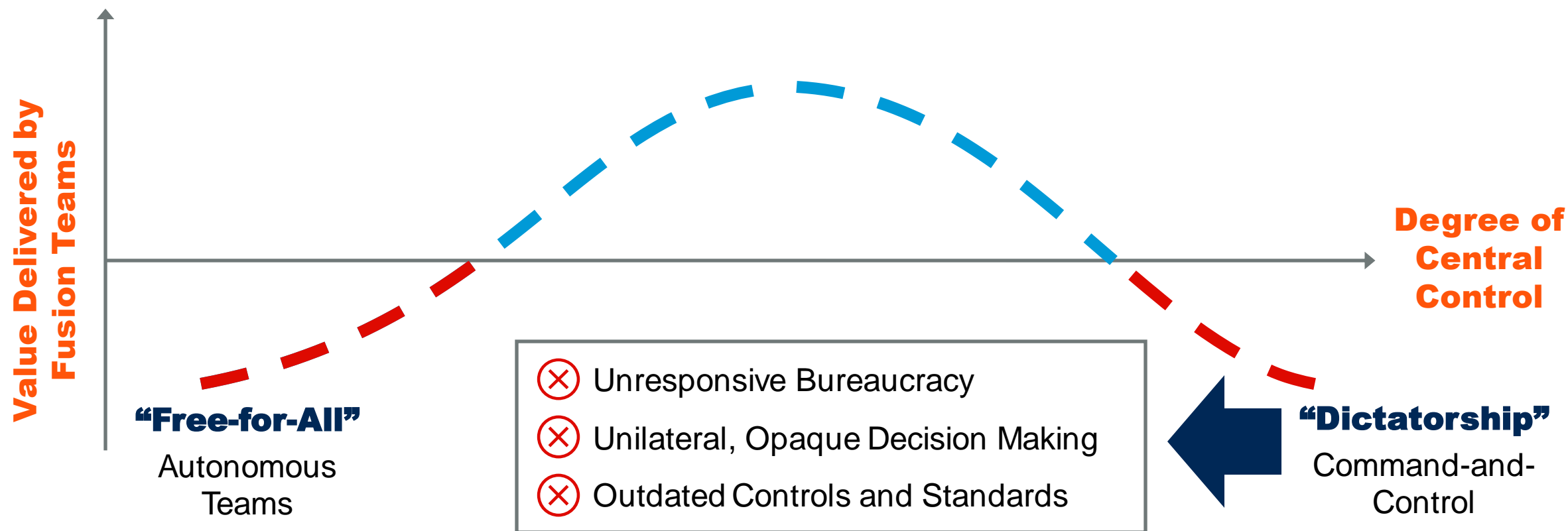
# Not Too Tight, Not Too Loose



Source: Gartner

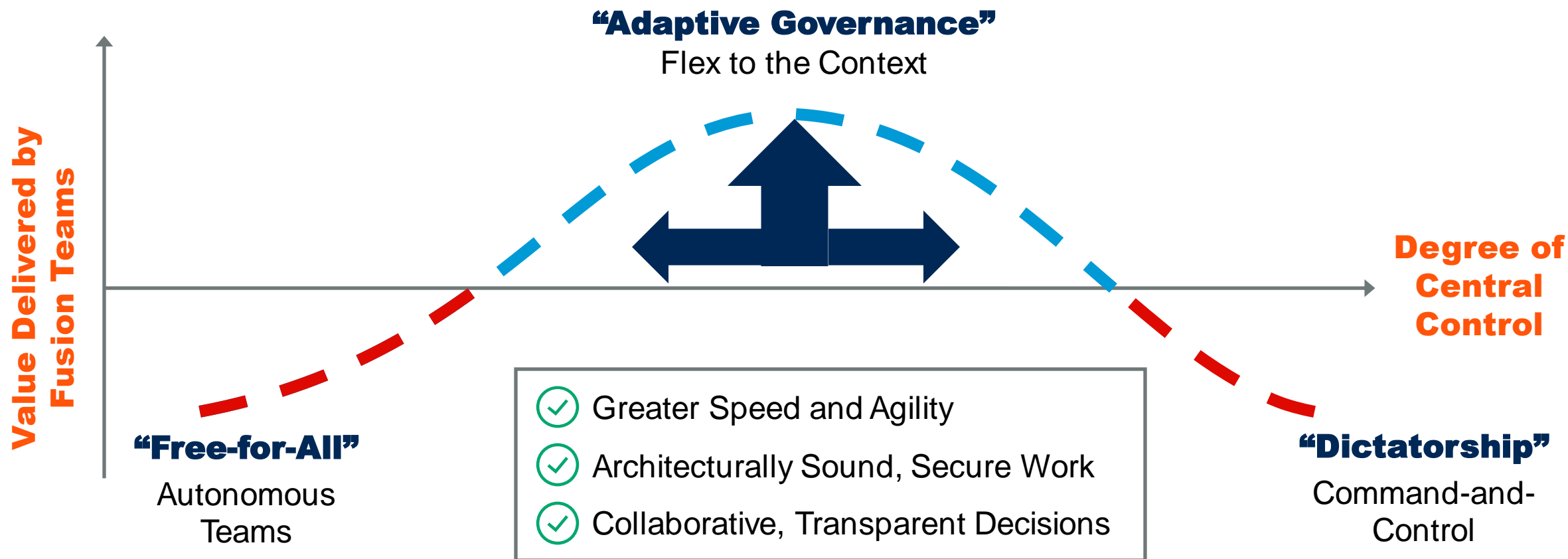


# Not Too Tight, Not Too Loose



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# Not Too Tight, Not Too Loose



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# **The World's Richest Dataset on Fusion Team Performance**

# Adaptive Governance Principles for Fusion Teams

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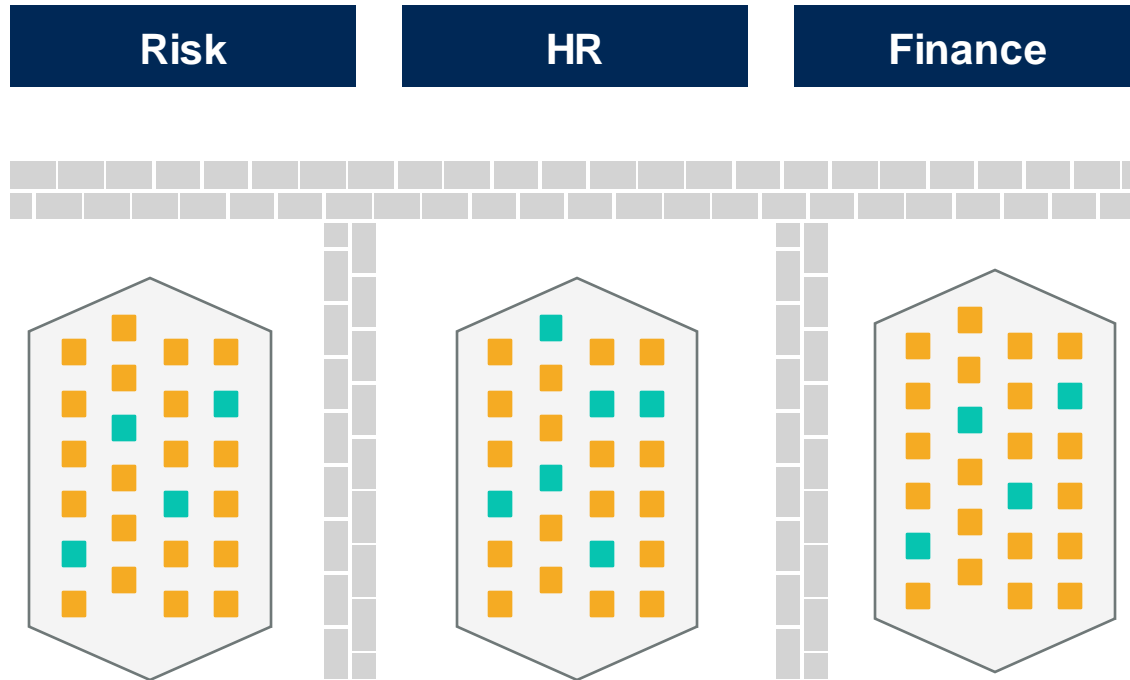


# **Organize for Interdependence, Not Autonomy.**

# The Myth of the Autonomous Fusion Team

## The Self-Contained Team

“Hermit Lifestyle”

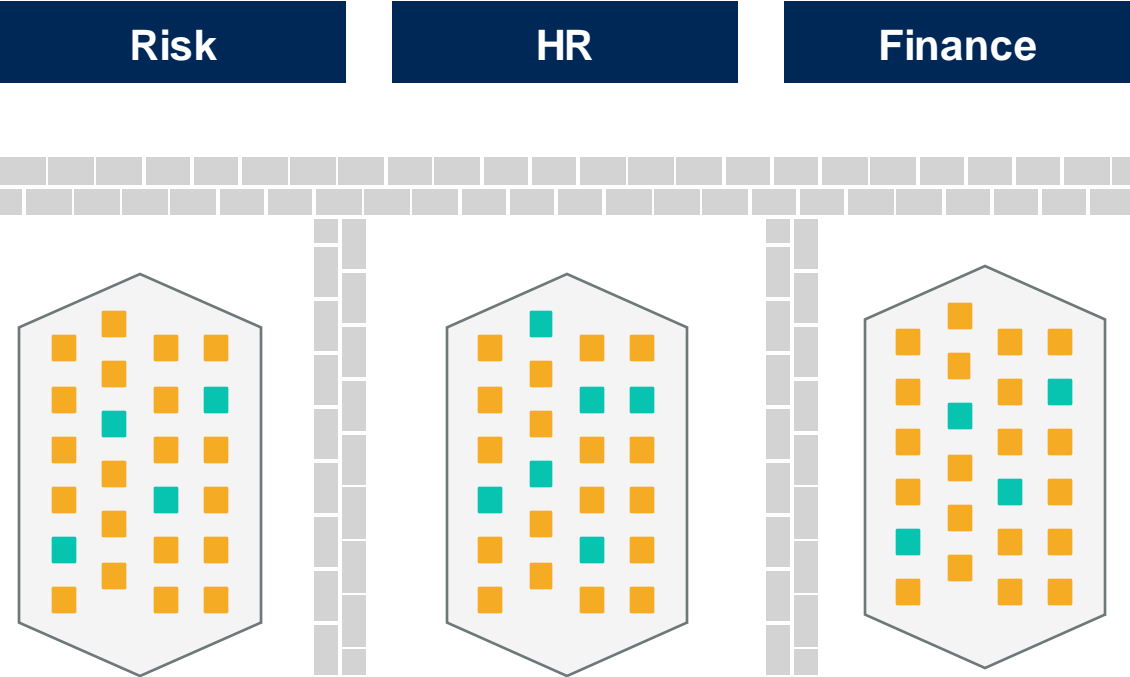


# Hyperconnected, Not Self-Contained

Alternative Teaming Philosophies

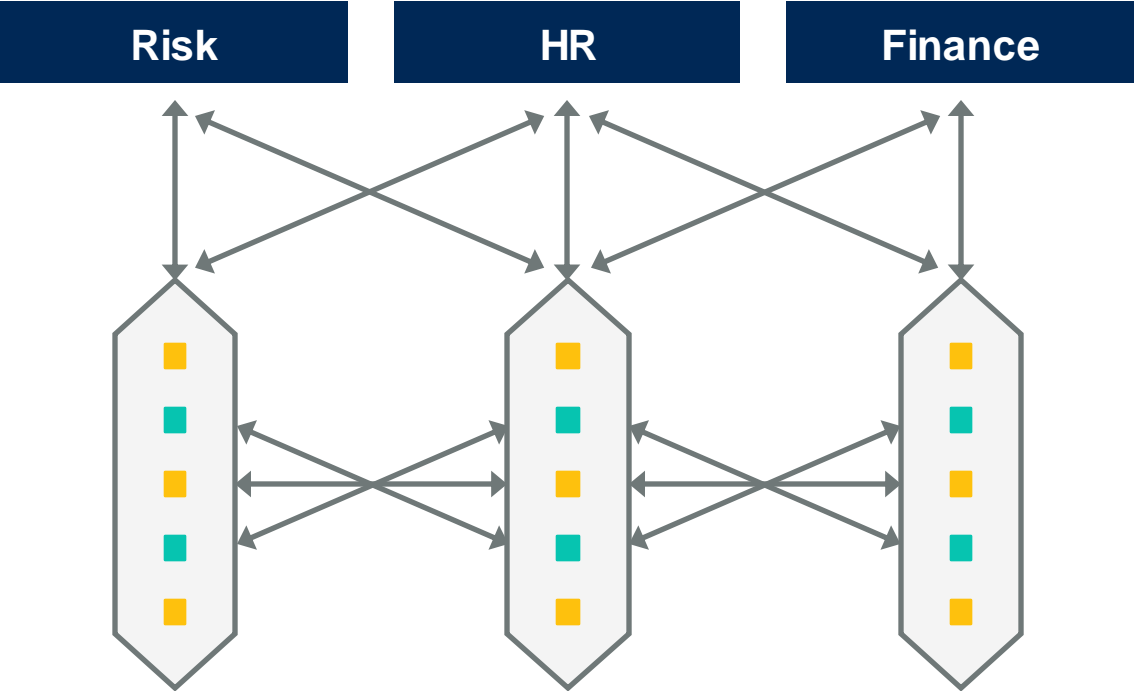
## The Self-Contained Team

“Hermit Lifestyle”



## The Hyperconnected Team

“Socialite Lifestyle”

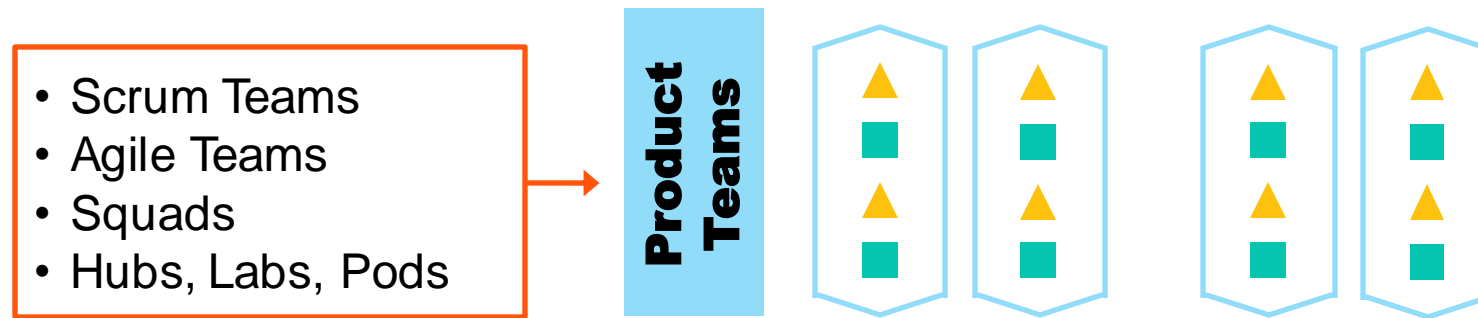


# Reorient Structures to Manage Interdependencies

Hierarchies Refocused on Interdependency Management

▲ Business Area Staff ■ IT Staff

Also Known As



Source: Gartner

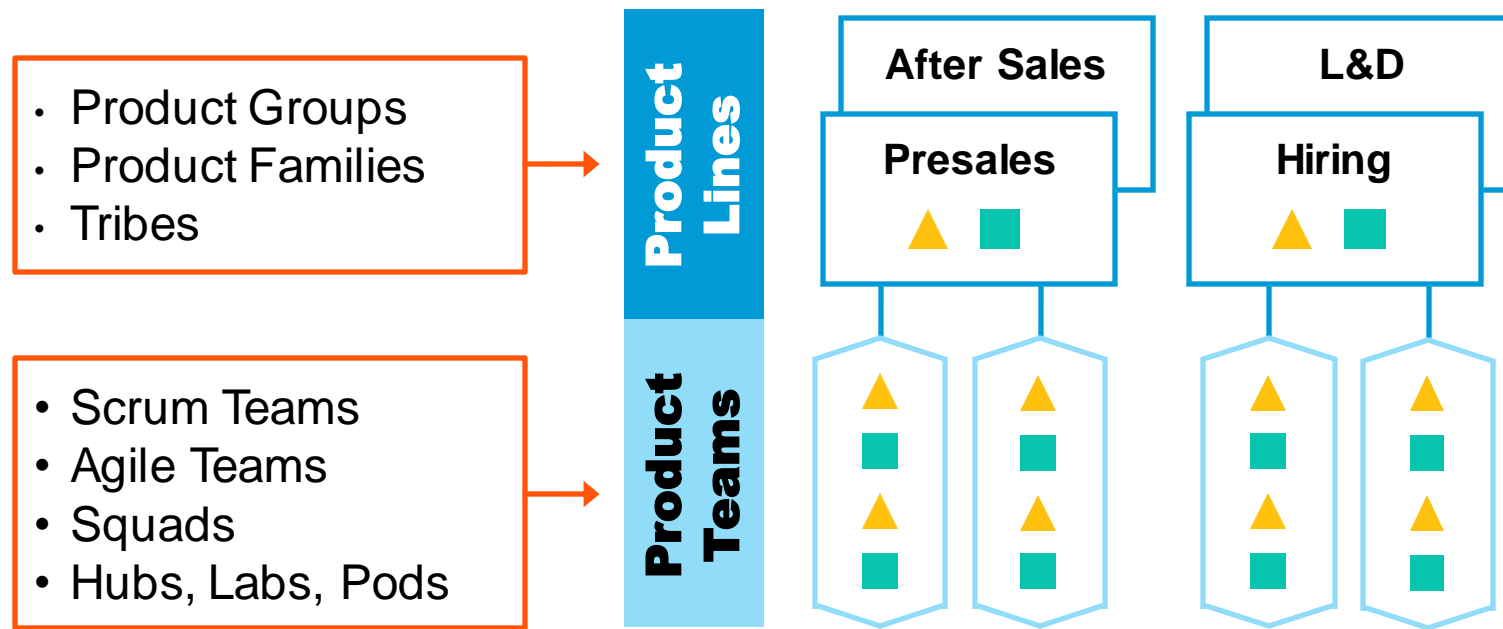


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Hierarchies Refocused on Interdependency Management

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Also Known As



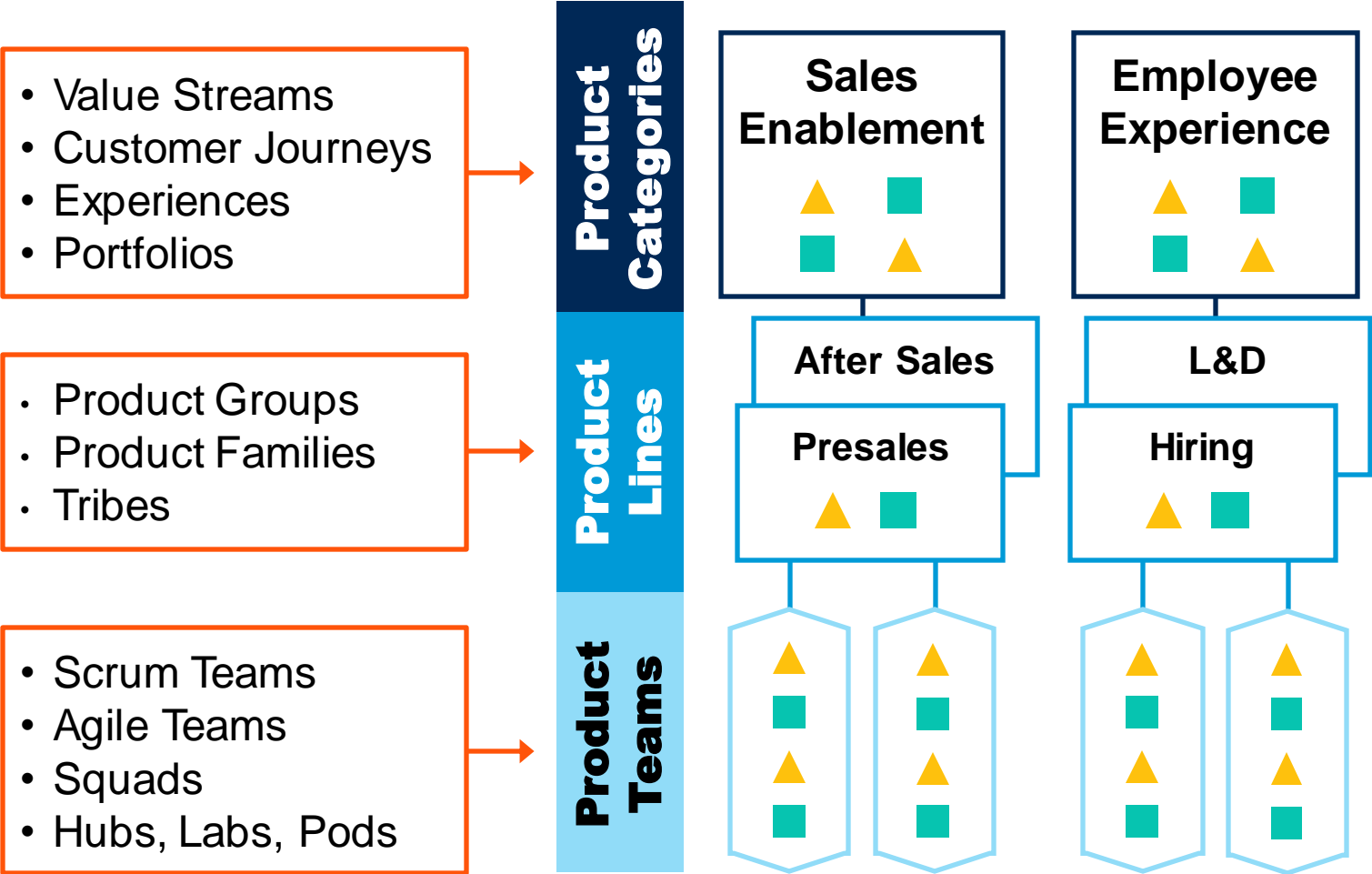
Source: Gartner

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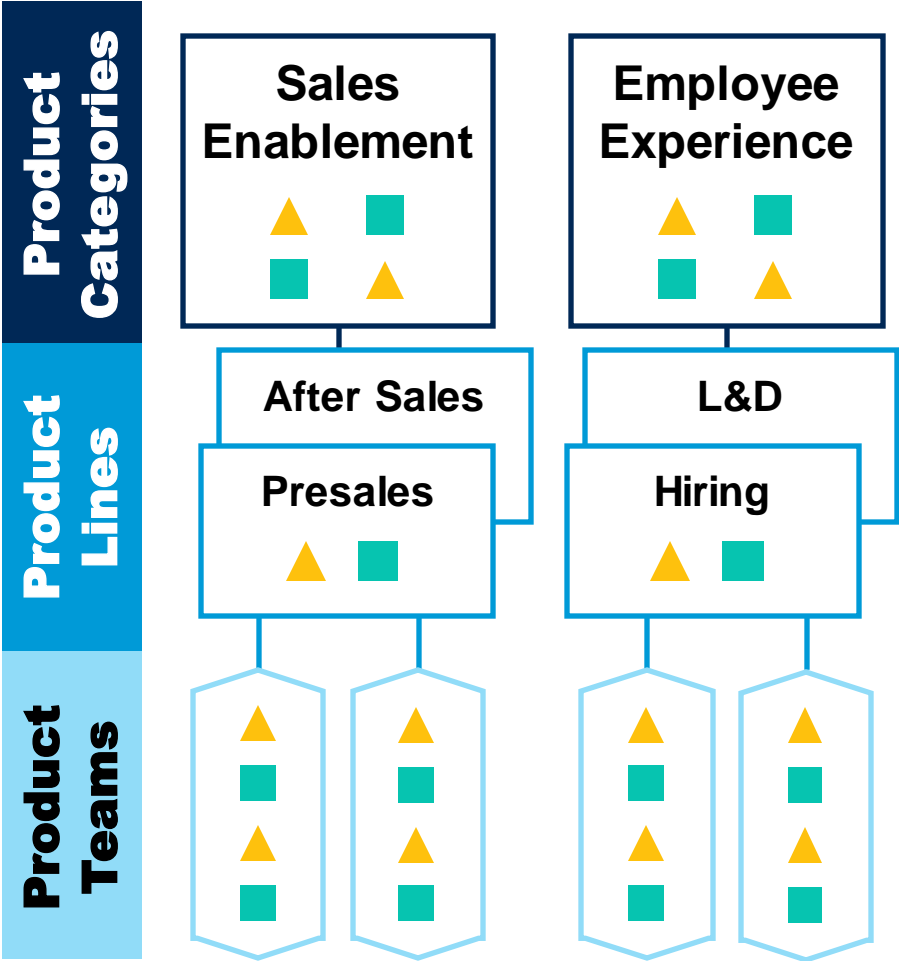


Source: Gartner

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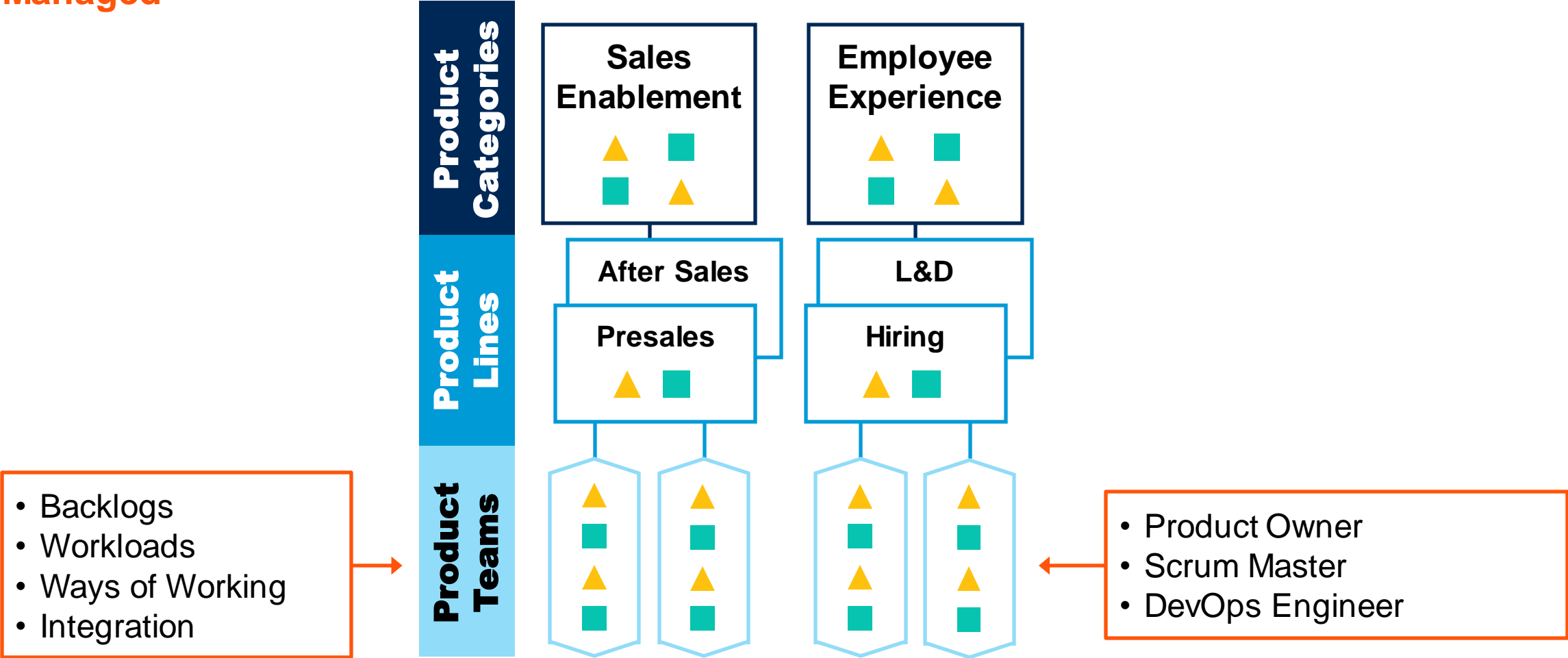
## Gartner Case Studies:



# Reorient Structures to Manage Interdependencies

## Typical Interdependencies Managed

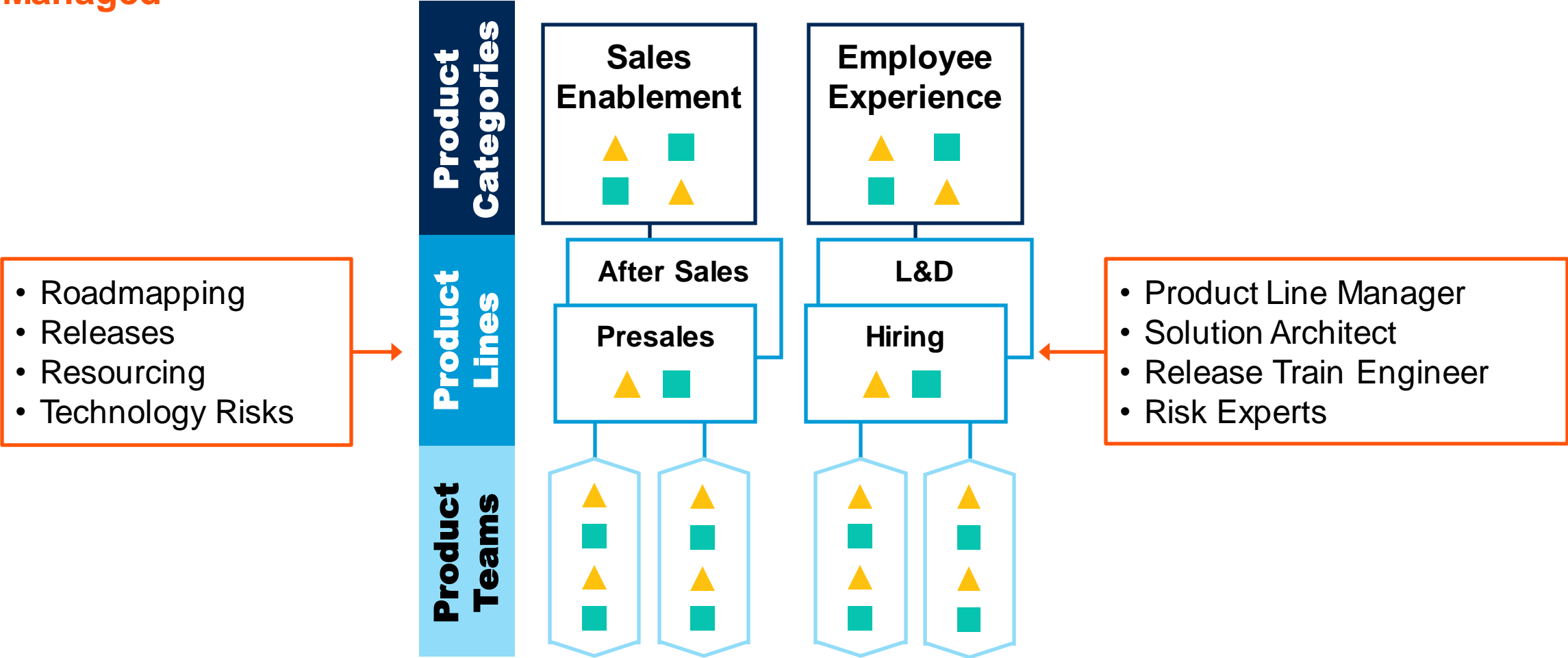
## Typical Roles



# Reorient Structures to Manage Interdependencies

## Typical Interdependencies Managed

## Typical Roles



# Reorient Structures to Manage Interdependencies

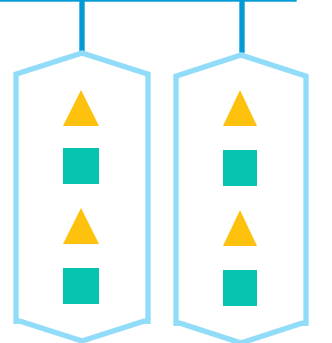
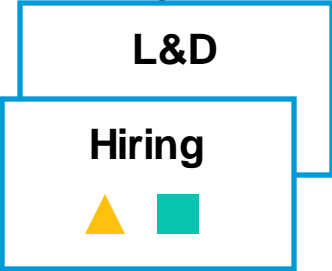
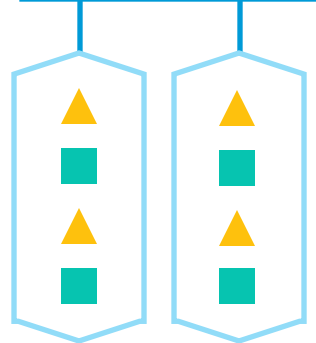
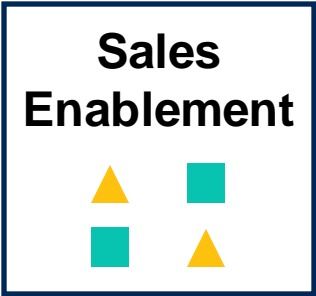
## Typical Interdependencies Managed

- Strategy Alignment
- Priorities
- Funding
- Business Risks

**Product Categories**

**Product Lines**

**Product Teams**



## Typical Roles

- Product Category Manager
- Enterprise Architect
- Portfolio Manager
- Risk Experts

# Reorient Structures to Manage Interdependencies

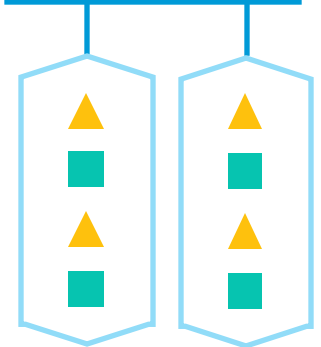
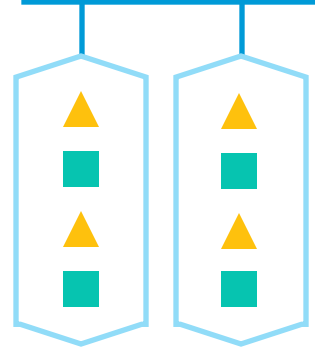
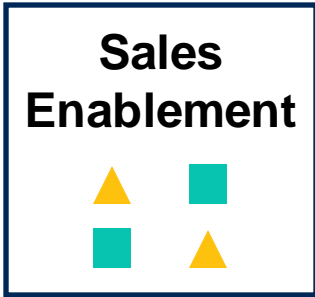
## Typical Interdependencies Managed

- Strategy Alignment
- Priorities
- Funding
- Business Risks

- Roadmapping
- Releases
- Resourcing
- Technology Risks

- Backlogs
- Workloads
- Ways of Working
- Integration

### Product Categories Product Lines Product Teams



## Typical Roles

- Product Category Manager
- Enterprise Architect
- Portfolio Manager
- Risk Experts

- Product Line Manager
- Solution Architect
- Release Train Engineer
- Risk Experts

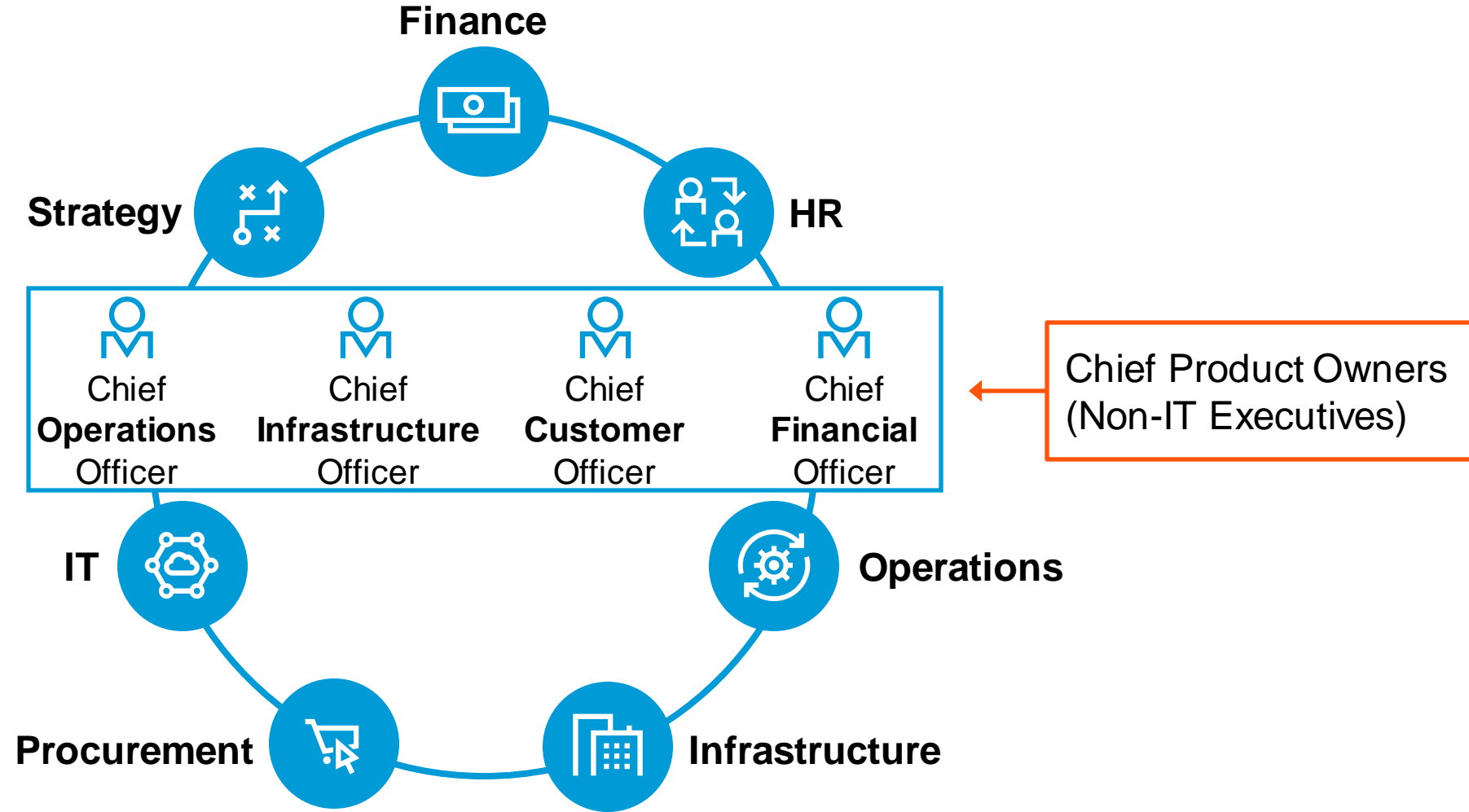
- Product Owner
- Scrum Master
- DevOps Engineer



# **Redirect the Center to Agility, Not Just Control.**

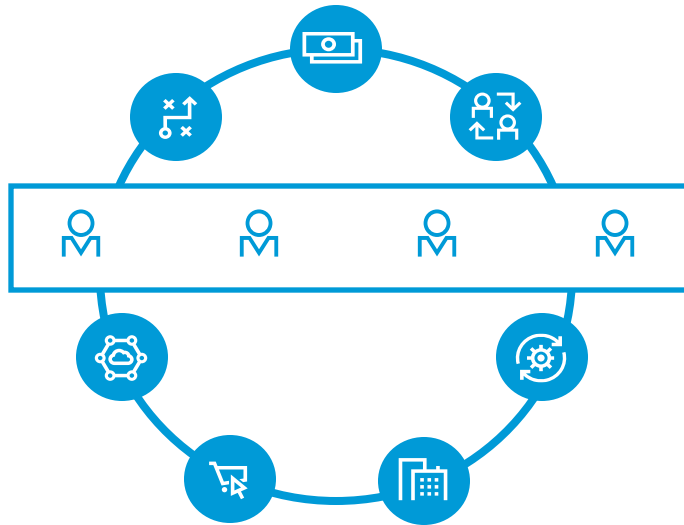


# Codify Leadership Behaviors for New Ways of Working



Source: Adapted From Watercare

# Codify Leadership Behaviors for New Ways of Working



## Leadership Manifesto for New Ways of Working

1. Behaving Over Instructing
2. Openness Over Fixed Mindsets
3. Outcomes Over Rules
4. Transparency Over Opaque, Siloed Decisions
5. Encouragement Over Condemnation
6. Learning Over Perfection
7. Innovation Over Risk Aversion
8. Agility Over Control

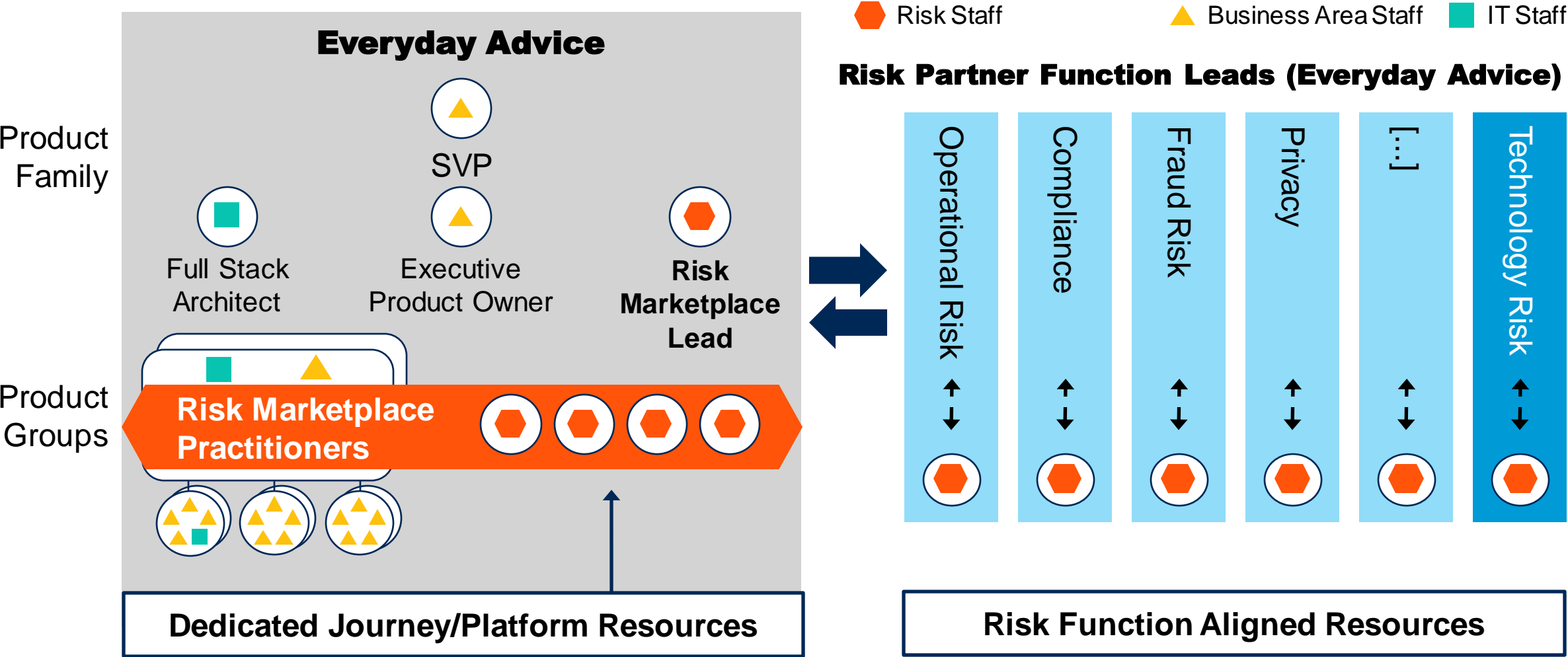


# **Manage Risk at the Edges.**

# Embed Risk Experts in Fusion Teams

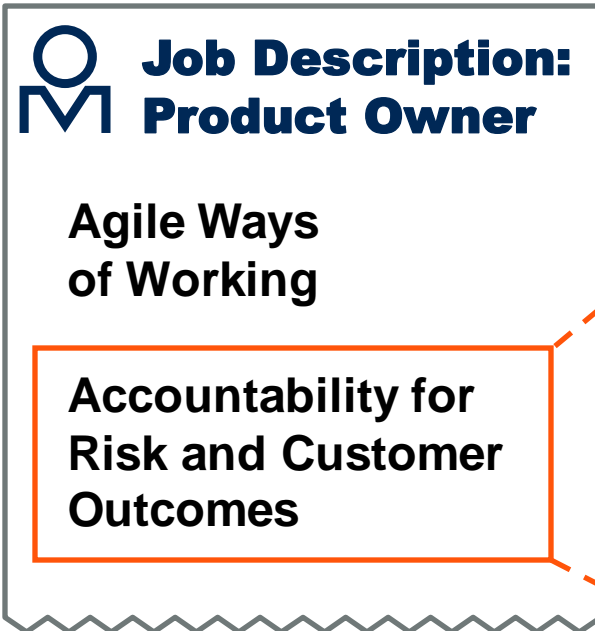


Risk Operating Model Supporting Next Evolution of Work (Partial Representation)



# Make Risk Management Accountability Explicit

How TD Embeds Risk Ownership as a Core Responsibility for Product Leaders



## Accountability for Risk Outcomes

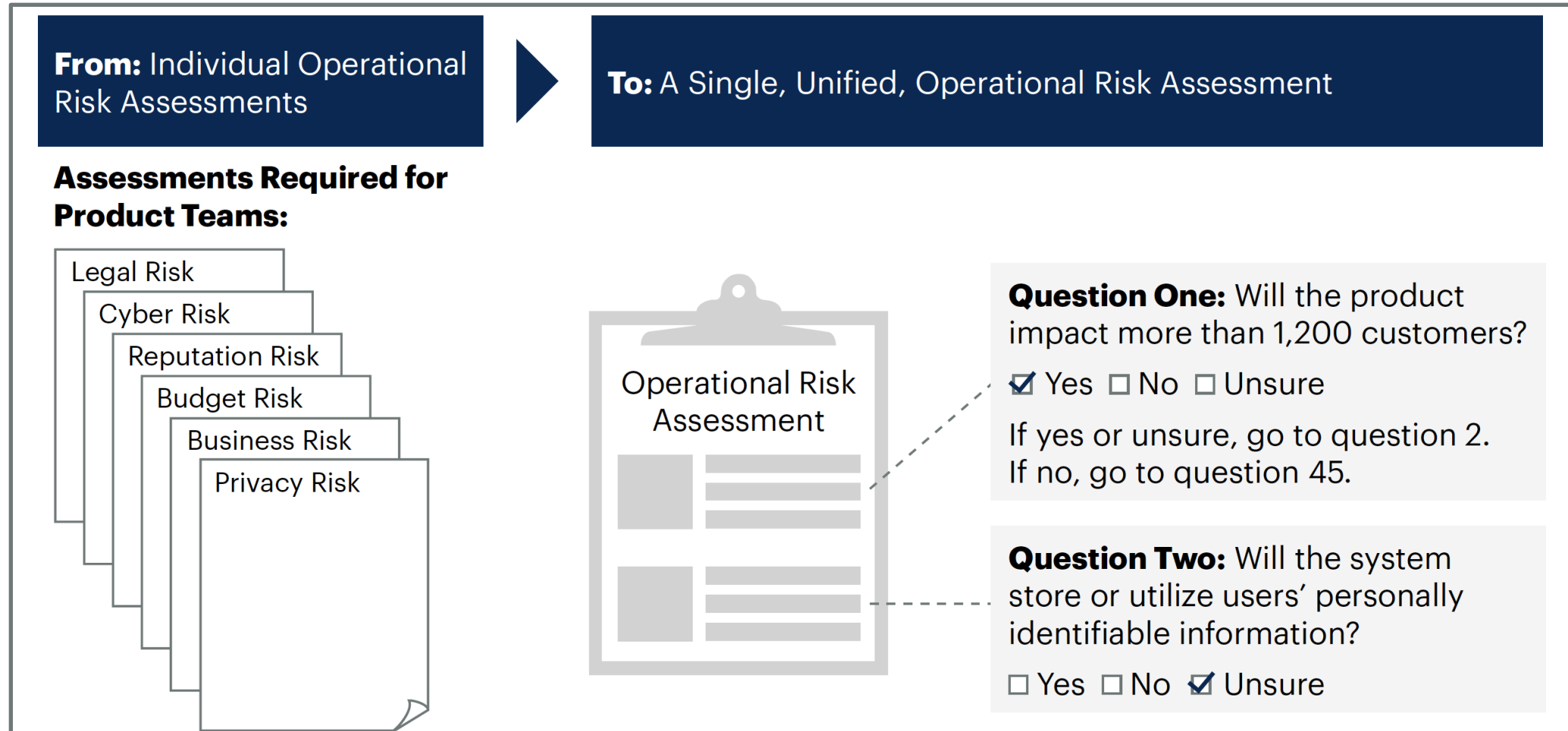
- ✓ Empowered to Make Product Delivery Decisions ...
- ✓ Identify and Manage Risks ...
- ✓ Maintain a Culture of Risk Management ...
- ✓ Anticipate ... Regulatory/Risk Issues



**Co-Create, Don't Dictate,  
Standards.**

# Streamline Risk Assessments for Fusion Teams

Illustrative



Source: Adapted From Nationwide Building Society







**Break, Don't Create,  
Talent Siloes.**



# Use Badges to Recognize Technologists' Achievements






**RK Forche, Payroll Manager**  
*Desired Role: AI Manager*  
  

Earned (39)

ALL PUBLIC X



Responsible  
AI

Accept

Issuer

University of South Florida

Criteria


- Articulating the Need for Responsible AI
- Creating Responsible Algorithms

**Virtual display** (curated by the CIO) to showcase technology achievements.




**Experience-focused**  
Badges give employees proof of often uncaptured/hard-to-measure skill, achievement or experience.

# Translate Badges Into Career Moves





**RK Forche, Payroll Manager**  
*Desired Role: AI Manager*


  

Earned (39)

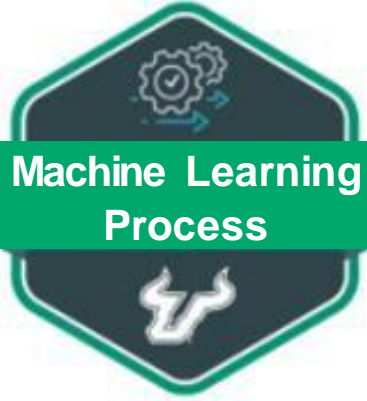
Display Case (35)

ALL


X



Responsible  
AI



Machine Learning  
Process



Data  
Cruncher

**Hiring managers can view employees' career preferences**

and badge portfolios to help employees advance in their careers.

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**CxOs**

**CEO**

**GMs**

**CIO**

**CFO**

**CHRO**

**Legal**

**Risk**

**L&D**

**Gartner**

# Recommended Gartner Research

- 🔍 [Adaptive Governance Principles: How to Orchestrate and Boost the Success of Fusion Teams](#)  
CIO Research Team
- 🔍 [Case Study: A New Digital Delivery Model for Customer Centricity](#)  
CIO Research Team
- 🔍 [Risk Management for Enterprise Agility \(TD\)](#)  
CIO Research Team
- 🔍 [Case Study: Nationwide Building Society's Approach to Product-Aligned Cybersecurity](#)  
Cybersecurity Research Team
- 🔍 [Case Study: Digital Badges to Provide Recognition for Business Technologists](#)  
CIO Research Team

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