Obeya as a Continuous Improvement Tool

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Context

Obeya is a Japanese word for "large room" that refers to a dedicated space where team members meet to collaborate and solve problems.

This collaboration tool had its origin at Toyota in the '90s. The managers of the Toyota Prius project met in a room to solve problems. This way they could accelerate the communication and decision-making process, reduce organizational barriers and increase transparency.

This large room had the walls covered with metrics in the form of visually and attractive graphs and tables and was considered a great success at Toyota. It was quickly disseminated in conferences, adopted and implemented in other companies becoming a powerful tool to improve team spirit, encourage collaboration and to keep people together, focused on problem-solving and decision making.

Obeya is already being used at FARFETCH, namely in Product Master Data & Product Availability and Inventory teams.

Teams Collaboration

Effective team collaboration in a work environment is an important characteristic of long-term success.

In large teams, it is common to have several people trying to solve the same problem, each in their own way, without knowing that there are other people trying to do exactly the same thing.

Synergy within team dynamics is absolutely essential. According to Merriam-Webster, the definition of synergy is when "the whole is greater than the sum of its parts".

Every team member brings a different background, skills and ideas. With synergy, the goals are common, and thinking is aligned; there is harmony and determination in the processes as well as a strong conviction to overcome the existing challenges. Therefore, in synergy, people are moving in the same direction, working together in an effective and innovative way to produce the best results. Things happen more naturally.

Successful team collaboration is an ongoing process. It's not a set of tactics or strategies to put in place and forget about. It's an intentional, dynamic process that needs to be evolved over time. It

is necessary to create a safe atmosphere of communication and collaboration, encouraging participation and helping people to get out of their comfort zone and try new things.

Team members engagement is one of the biggest factors towards creating a fruitful environment.

How can we build this engagement and collaboration?
Nowadays, we are taking advantage of Obeya.

Setting Up Obeya

Obeya gets people out of their comfort zone to meet, discuss key information and solve problems. We can do it in person in a large room or virtually through video conference meetings and using some tools like Miro, Mevisio, IObeya or even a simple well-organized powerpoint presentation, as we do in the PMD and PAI teams. The important thing is to create a safe space where people can plan, discuss and work together.

Obeya normally includes three basic elements:

- issue space for problem-solving and decision-making;
- visual space containing goals, targets and metrics;
- action space with the next steps.

At FARFETCH, in the first version of Obeya implemented in Product Master Data (PMD) & Product Availability and Inventory (PAI) teams, 4 major areas were included:

1. Top of Mind

The list of concerns we wanted to solve is designed Top of Mind.

In a brainstorming session with teams, each person identified their concerns, in the following areas:

- People and Team
- Initiatives and dependencies
- Incidents and quality assurance

The areas were just to help people think.

The list of identified concerns was available for voting in order to identify Top of Mind (the top 6 problems we want to solve).

The Top of Mind survey is performed periodically (by semester/quarter).

2. Experiments

After identifying the Top of Mind concerns, for each problem, we meet again. In this brainstorm session, we identified experiments to help us in continuous improvement in order to better lead with the identified problems.

Based on a **context** where we are today, experiments allow us to define actions that we believe will help us achieve goals (hypothesis).

The purpose of the experiments is to analyze where we are today (context) and to define where we want to be in the future (hypothesis).

In the course of the experiment, we can decide to abort if we are not happy with the result. When the period defined for the experiment ends, we can decide to extend it with new actions and new goals. The purpose of experiments is to overcome the previous result, improving or mitigating our day-to-day problems and learning throughout its execution, even when the experiment fails.

One experiment executed by a virtual team composed of people in the PMD & PAI teams was "Decrease infrastructure costs". This experiment was aligned with FARFETCH profitability OKRs. We started with a total cost of 50,000€ in March and 4 months later, in July we had a total cost of 39,000€. In 4 months we reduced 22% of our costs with infrastructure (the numbers provided are fake, please consider only for demonstrative purposes). This virtual team did an excellent job in analyzing each of our services and managed (without affecting service performance nor functionality) to decrease the number of instances, the memory used, the CPU used, among other improvements.

Obeya was itself an experiment executed in PMD & PAI teams and now it is an implemented process.

3. Metrics

"If you can't measure it, you can't improve it."

A major difficulty we faced was the lack of metrics and facts to support the Top of Mind concerns.

There are some distinct metrics that we can explore with teams:

- Service Level Indicators, such as error rate, throughput and messaging queues lag;
- Product metrics, such as number of the products created/edited;
- Incidents metrics, such as the number of P0, P1, P2 and P3;
- Team Metrics, such as throughput and lead time;
- Infrastructure costs, such as the cost of maintaining the integrated test environment servers;

Those metrics allow us to look at our day-to-day work, identify improvements and follow the evolution.

We usually use metrics to define Experiments success criterium.

The metrics shared on Obeya must have a clear purpose: What is the problem to solve? We shouldn't have a lot of data that doesn't help us at all.

4. Achievements

This space is used to share our achievements and celebrate them together.

Normally we might think we've got nothing big enough to bother celebrating. We are almost certainly wrong and ignoring this important gesture is potentially very dangerous for our team's motivation.

The idea of making progress towards a goal, generally shapes how we feel about our jobs, and how enthusiastic we feel about coming into work each day.

"Teams that celebrate together, stay together."

Ceremonies

Obeya ceremonies are held periodically (weekly, monthly or quarterly).

Before the official ceremony, a preparation session is held by leads and managers. In this meeting, the contents of the board are organized and it is discussed what should be presented at the official ceremony.

Obeya gives everyone the chance to have an effective voice in decision making. At the end of each session, people are challenged to participate by sharing new ideas creating a real moment to listen to other perspectives. This simple act generates a powerful sense of belonging and engagement while increasing the number of innovation experiments.

Conclusion

Positive and effective collaboration shouldn't just be a simple goal, it should be a critical part of our organisational culture and vision.

The main difference between Obeya and traditional dashboard is the communication that Obeya generates - it's a great excuse for everybody to talk about what's going on and to shape new ways of doing things, together.

Obeya raises awareness of team concerns and acts as a call to action for people who benefit from the necessary knowledge and power.

There's certainly no one-size-fits-all approach to effective collaboration and you should try to find the approach that best suits your team. Whatever that is, the key is to promote open communication, create a collaborative environment and generate action. Then you can watch your teams thrive and grow. This is our approach to collaborative continuous improvement, what is yours?