# WHY CHANGE?

## Idea in brief

**If we want our organisations to survive we must capitalise on the disruption created by a rise in technology over the last few decades. It is time to update our old 'rules of thumb' and replace them with a new set of guiding principles. The first step to any change is self-awareness.**
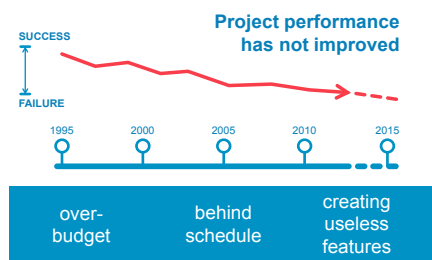
Our organisations exist at a time where the ability to change is more highly prized than ever. Think of the way most initiatives are run. We often work to lengthy plans, meaning that many products risk being redundant before they are even launched.

We make decisions based on what we believe has worked in the past, but we are not always completely rational about why these worked and the old ways do not always help us compete in increasingly fast and dynamic environments. Often it requires our intuitive, automatic response side (known as System 1) to be replaced by a more deliberate set of processes that help unleash our rational thoughts (known as System 2).

Project managers commonly focus on the constraints of delivering on time, on budget and on scope. However, product and software development are complex, requiring us to reframe the constraints to which we work. So how do we get there? By changing our focus.

It is easy to talk about change. The difficulty occurs when you start to consider it within your own organisation. We must each create our own message for *Why Change?*

## Ideas in practice



- Many projects are characterised by inflexibility, long lead times and a cost that magnifies the risk of failure.
- New methodologies have come along and yet we still suffer the same fate.

In fact, Don Reinertsen, an expert in Product Development, said…

> *The dominant paradigm for managing product development is wrong… Not just a little wrong, but wrong to its very core.*

- As Don Reinertsen said; in product development we follow a model that is wrong.
- Working harder alone is not going to fix this.
- We must find a new process to succeed.

| Complicated | Complex |
|---|---|
| 1. Repetitive | Unique |
| 2. Predictable | Unpredictable |
| 3. Fixed | Evolving |
| 4. Bounded | Unbounded |
| 5. Visible | Invisible |

- In today's marketplace it is hard to keep up with the increasing number of choices.
- We do not know which features really make users choose a product.
- In a complex environment we cannot identify a link between cause and effect.

### Common rules of thumb



- MINIMISING COST IS GOOD
- FOCUS ON EFFICIENCY
- YOU NEED TO MINIMISE RISK
- DELIVERING ON TIME IS ALWAYS GOOD
- DETAILED PLANS ALLOW US TO MONITOR PROGRESS AND STAY ON TRACK

- Our rules of thumb are built upon ideas from a complicated environment.
- A focus on time, cost and scope makes projects longer, more expensive and increases waste and risk.
- We cannot rely solely on our existing rules of thumb to deliver products and services.

### SYSTEM 1

- Effortless
- Fast
- Automatic
- Intuitive

### SYSTEM 2

- Laboured
- Rational
- Logical
- Applied explicitly

- Rules of thumb stem from System 1 thinking.
- People pride themselves on the intellectual nature of System 2 yet they revert to System 1 under pressure.
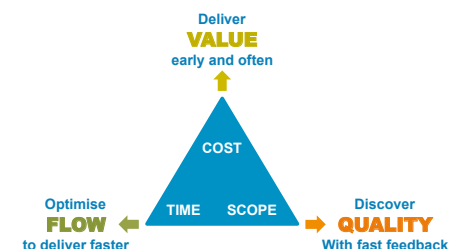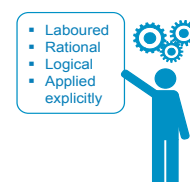


- We must change our focus to increase our chances of success by updating our rules of thumb.
- A new set of guiding principles are required to deal with the challenges of product development in todays marketplace.