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# World Agility Forum Celebrates Excellence, Flays Fake Agile

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In a world in which Agile is increasingly seen as the way to manage any organization in the 21<sup>st</sup> Century, the [World Agility Forum](#) (WAF) in Lisbon last week set out to explore the state of play around the world and to celebrate excellence. As in 2018, the overall thrust of the presentations at WAF 2019 was overwhelmingly positive: Agile is still eating the world. Surveys show that over 90% of senior leaders give high priority to being agile, even though less than 10% are currently agile.



World Agility Forum panel Lisbon 2019 WORLD AGILITY FORUM

Yet Agile has also become a victim of its own success: “badly done Agile” has proliferated to such an extent that Agile is not only eating the world: the world is now eating Agile.

The growth of genuine Agile, it was suggested, has three main drivers. One is Wall Street. The most valuable and fastest growing firms in the world today, like Amazon and Microsoft, are implementing various forms of Agile. Wall Street now gives huge premiums to firms that they view as capable of strategic agility. As a result, even firms making massive financial losses, such as Uber and Lyft, are being given high valuations in large part because Wall Street figures (rightly or wrongly) that they are strategically nimble enough to find a path to profitability.

A second driver is the customer. As power in the marketplace has shifted from the seller to the buyer, customers now insist on instant, frictionless, intimate, incremental value at scale—something that bureaucracies organizations simply can't deliver.

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The final driver is top talent, who are drawn to firms where their skills are valued and they have the space and the authority to exercise them. Top talent won't stay where they are not inspired and engaged. They won't tolerate bureaucracy, fake Agile, or [Agile sweatshops](#), which sadly are multiplying.

The positive aspects of Agile were reflected in the WAF annual awards for excellence in agility, as shown below. A structured process of nominations and evaluations carried out by an independent jury of international experts, under the guidance of the WAF Council, led to awards in six categories: Leadership Agility, Lifetime Achievement, Community Organization, Enabling Organization, Customer Service Leadership and Small Firm Transformational Initiative.



### **Toyota's Journey From 'Lean' To 'Flow'**

A highlight of the presentations in terms of excellence in organizational agility was one by Nigel Thurlow who described the journey of Toyota from “Lean” to “Flow.” (Toyota had received an [award for Agile excellence](#) from the WAF in 2018).

The case of Toyota is particularly interesting because, in the 20<sup>th</sup> Century, Toyota was the famous pioneer of the Toyota Production System (TPS), which in due course led to the Lean Manufacturing movement—a precursor of Agile management.

The TPS was built on two pillars: continuous improvement and respect for people. Now Toyota, Thurlow said, had discovered that the TPS and Lean thinking were “no longer enough for the world we are now living in.” TPS had focused on “building the product right” with extremely high-quality products. Now they needed to give more attention to “building the right product.”

What is now emerging is the Toyota Flow System, which built on the foundation of the TPS. It is not another Agile scaling framework. Rather it is which is a system of *learning and understanding*. Achieving “flow” requires three additional elements or helixes: “Complexity thinking,” “Team science,” “Distributed leadership” Intertwined, these three strands create the DNA of the organization. In effect, at Toyota, Lean Thinking has evolved into Flow Thinking.

### **1. Value To Customers Through Complexity Thinking:**

From its very beginnings, Toyota focused on the customer, embracing Peter Drucker’s idea that “there are no results *inside* the corporation... only cost centers.” Yet underlying this focus was an assumption that what the customer wanted was knowable in advance: the management task was to figure this out and then build a system to deliver that. “Focusing on the customer enabled the elimination of waste.”

But now the customer has become even more important. It’s a [Copernican revolution in management](#).

“ Thirty years ago, you wouldn’t have flown 500 miles on a plane to save \$10 on a purchase of a pair of shoes. Now, with a click of a mouse, you do...”

As a result, the customer is much less predictable or even knowable. As the marketplace now embodies complexity, a linear production system can’t cope. The production system itself also needs to embody complexity.

Toyota is thus in a transition from the world of the TPS in which problems were seen as *complicated* but essentially *linear*: ordered and predictable with a fixed allocation of resources, to a world of “flow” where problems are recognized to be *complex and non-linear*: unordered and unpredictable, requiring a *dynamic* reallocation of resources. It is a shift from a *closed* system where subsystems are maintained by a master system, to an *open* system, which is continuously adapting and self-organizing in response to change.

## 2. Team Science:

The TPS was also built on teams. Yet Toyota has come to see that merely putting people with team processes, or even Agile processes, is not enough. Implementing Scrum processes or appointing people in roles doesn’t turn a bunch of people into a team. To be a team, the members need to be working interdependently and adaptively. It is different from performing tasks in a project. It is about how people function together a complex adaptive system. It doesn’t happen automatically.

Teams need to learn how to self-assess and self-correct. To facilitate this, Toyota is now engaged in creating a culture of on-the-job learning and continuous development.

Managers have to be coaching, building an engaging vision, and establishing the psychology safety necessary to raise questions.

Attention is being paid to the power-distance index and moving the authority closer to where the information is. Where the information is with the customer, that means getting closer to the customer, with more rapid feedback. This new world requires a new kind of leadership with emergent patterns and interactions with feedback.

### **3. Distributed Leadership.**

Teams, which were always a part of the TPS, have a new role in Toyota's Flow Thinking: leadership. Instead of the organization leading its teams, now teams are seen as leading the organization. This is more than introducing team-based systems into a conventional top-down system. The need is now to have decisions made as close as possible to those who have the necessary information to make the best decision, namely, by the teams themselves.

“In this new world,” said Thurlow, “linear systems thinking and Toyota business processes, such as the ‘five why’ analysis’ in problem solving don’t work. It doesn’t function because many of these problems are not reducible to their individual parts or their original state. Emergent outcomes need different thinking. Leadership becomes a collective construct, not an individual construct. It is a function shared by all the people participating in the team. The team itself becomes the leadership.”

“Distributed leadership” doesn’t mean that “the lunatics are now running the asylum.” It means that in multi-team situations, teams focus on the collective goals of all the teams.

## **The Growth Of Fake Agile**

Yet despite the growth, success and recognition of Agile management, the conference noted that the shadow of badly done Agile had grown steadily larger and more problematic.

A remarkable development over the last year was the issuance of a guide by the U.S. Defense Innovation Board (DIB) entitled, “[Detecting Agile BS](#)” developed for the U.S. Department of Defense (DoD). It is aimed at helping identify and drive out fake Agile, which had become rampant since the 2011 edict that all software contractors for the DoD had to “be Agile.”

The discussion also built on a number of popular articles that have been written about the phenomenon, including “[Understanding Fake Agile](#),” “[The Hype of Cosmetic Agile](#)” by Paoio Sammiceli, “[The End of Agile](#),” “[The Revenge of the PMO](#)” by Marty Kagan, “[Agile Gone Wrong](#)” by Joe Van Os.

Articles like these are read, shared and sometimes even celebrated, by those managers who would prefer to maintain the bureaucratic status quo, or by those staff who have been savaged by managers implementing “fake Agile.”

## **Fake Agile: A Serious Problem Or Not?**



Some felt that unless the champions of genuine Agile fix this issue, there is a risk that genuine agile may be infected, downgraded, undermined and ultimately destroyed by the fake variety. To some extent, the gap between the 10% of firms that are truly Agile and the 90% who want to be agile has been filled with firms that claim to be Agile but in reality are “Agile in name only.” The large amount of “badly done Agile” is in turn giving the genuine Agile a bad name. As in [Gresham’s law in economics](#): bad money drives out good.

Others with a longer time horizon area were not too worried since in the overall scheme of things that wouldn’t matter. They saw Agile as a better way, and perhaps the only way, to cope with the complex 21<sup>st</sup> Century marketplace; firms that aren’t Agile will inexorably be driven out of business. Such firms will be unable to deliver instant, intimate, frictionless, incremental value at scale. On this viewpoint, there is no need to try to “save the corporate whales” or worry too much about fake Agile. They would die out of their own accord.

In reply, it was suggested that the “bad Agile” might still cause considerable damage in the short run as the corporate whales thrash about in their death struggles. The eventual transition of all management towards Agile could be delayed by years, even decades. The scope of fake agile is itself worrying: it is now much larger than genuine Agile.

## **The Nature Of Fake Agile**

The conference distinguished several different varieties of “bad Agile.”

Some distinguished “bad Agile” from “early stage Agile” where the firm is still learning, and “partial Agile,” while genuine Agile has only taken root in part of the organization. In the former cases, the management is simply early in the learning curve. In the latter, the firm may have decided that Agile is not appropriate for that part of the business.

Chet Hendrickson argued that “badly done Agile” was almost harmless in comparison to what he called “*dark Agile*,” where the micromanagers were misusing the highly effective tools of and processes of Agile, such as daily standups and retrospectives, which were designed to help teams self-manage and organize, in order to identify and punish poor performers.

Paolo Sammiceli referred to “*Cosmetic Agile*” where firms use Agile process to suggest that the firm is more valuable than it actually is. Cosmetic Agile can thus be useful to companies to reach short term goals, like mergers, acquisitions or to recover from a chaotic and unstructured product development approach. It also appears to be behind the explosive growth of “Agile BS” at the Department of Defense.

Many suggested that fake Agile is often a phenomenon where the organization is actively implementing the processes of Agile management but where the managers lack the *mindset or the values of genuine Agile*. Without the Agile mindset, the practices of supposedly agile management are likely to have as much relation to real agile as a flamenco dancer wearing flamenco costumes and talking about flamenco, without having mastered flamenco dance steps or displaying a feel or flair for flamenco music.

*Scaling Frameworks* were satirized in a scathing presentation by Craig Larman, who suggested that scaling frameworks often amount to little more than putting new labels on top-down bureaucratic structures, which make the firm even more complex and less nimble. Instead of “scaling Agile,” firms needed to focus rather on descaling big complex problems into smaller pieces that can be managed in a truly Agile fashion.

Dave Snowden suggested that “bad Agile” was in part the result of *Agile being tamed* like domesticated dogs so that there was no longer any place for the once-high-value agile predators which could prowl and survive in the ecosystem like wolves. At the same time, some wondered whether the precarious status of almost all ferocious predators as endangered species on the planet today might suggest that collaboration could ultimately be a more effective strategy for survival within in the human ecosystem.

The selling of *Agile consulting services* particularly by large firms, who themselves had little experience or know-how in the domain, were identified as a factor by Andrea Tomasini. *Agile certifications* that were issued without an adequate experience or understanding may also be contributing to the growth of bad Agile.

It was also suggested by Andrea Tomasini that the proliferation of bad Agile could have something to do with the possibility that Agile was a *depreciating fad* in which the main returns had mostly gone to “the early adopters” while the “late adopters” and “laggards” were left with meager returns in “the trough of disillusion.” This argument ignored the possibility that Agile may not be a short-lived fad at all, but rather a permanent part of the management landscape that is steadily growing in value over time, as greater depth

and breadth of understanding and expertise are acquired. On this perspective, firms that have reached the slope of enlightenment or the plateau of profitability are likely to make even larger gains if they are able to avoid the lessons of experience of the innovators and early adopters.



The Hype Cycle according to Gartner STEPHEN DENNING

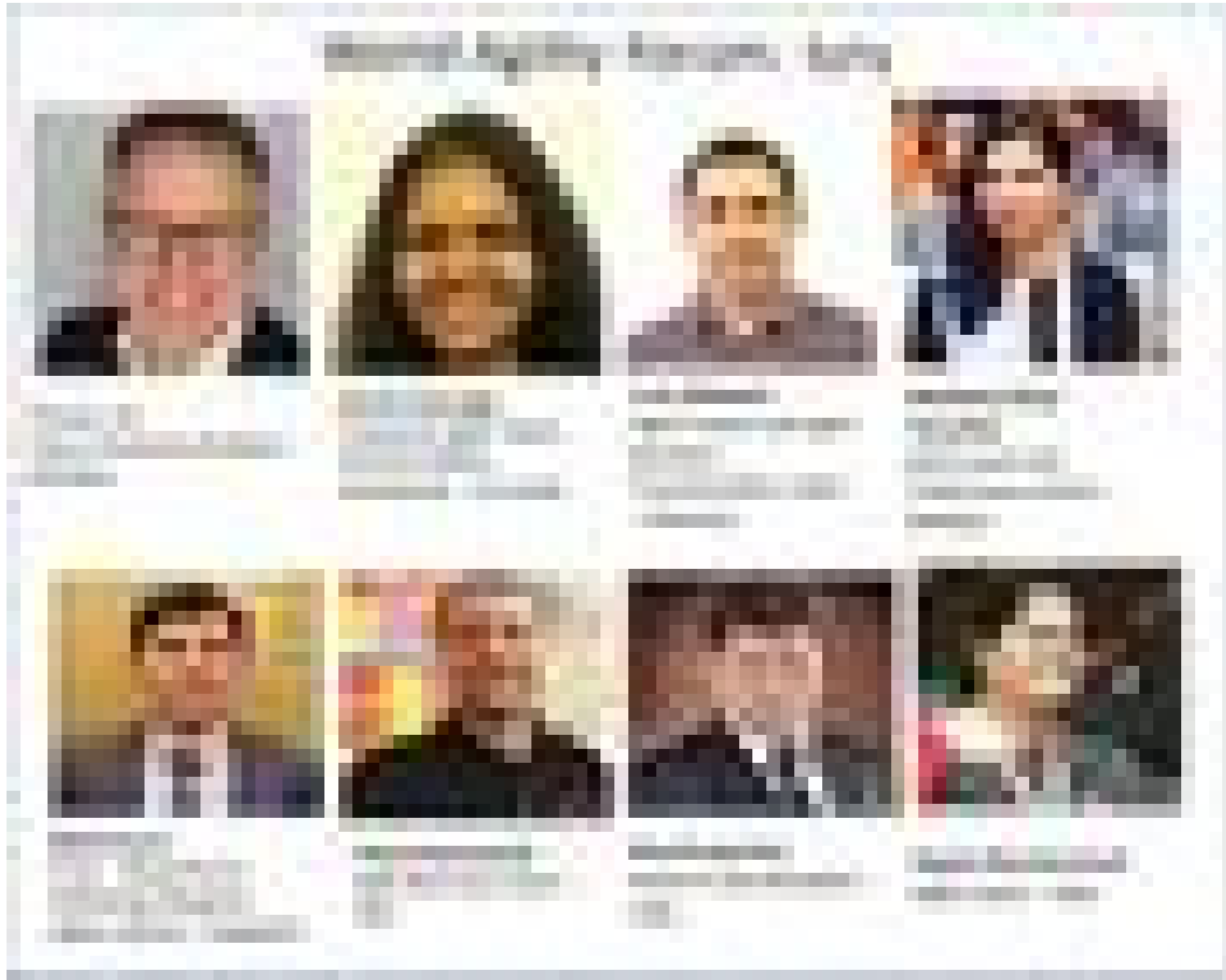
Unlike other management fads that were corrupted and died quickly like business process re-engineering, Agile already has hundreds of thousands of practitioners, all around the world, many of whom know what the real thing is. This was illustrated by the WAF panel on “Agile around the world” and the awards for excellence which showed that Agile has become a genuinely global phenomenon.

### **A Message From The Chair Of the World Agility Forum**

I asked Hugo Lorencio, the chair of the World Agility Forum, for his take. He told me: "Inside organizations, we are often more obsessed with our project and our frameworks than with the customer's problems. We need to understand what agile really means in the 21st Century economy. We need to observe, empathize, and experience our customer's experiences at first hand. The Forum is about hope. We hope that next year we will hear from many more companies who are focusing on delivering better products and services that delight their customers."



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Note: The author is a member of the World Agility Forum Council.

**And read also:**

[Understanding Fake Agile](#)

[DoD and Fake Agile](#)

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**Steve Denning**

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