# Modern Companies

**Tampere Goes Agile 2015**

Juha Vuolle, Intopalo

**intopalo**

Hello
Fundamentals
Practices
Great but
One last thing

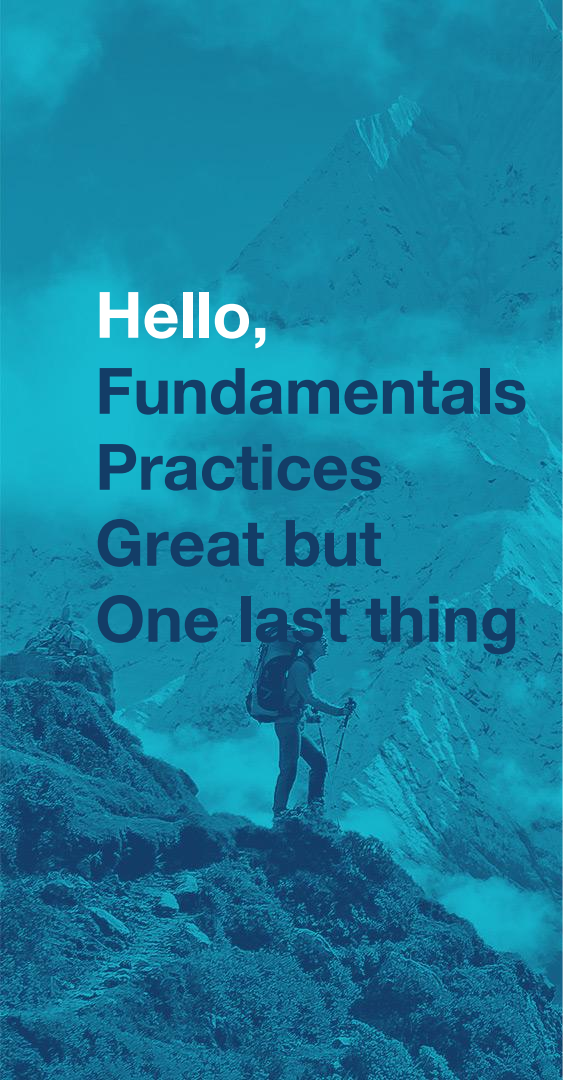**Hello**, my name is

**Fundamentals**, the theory, the motivation

**Practices**, Intopalo Operating System

**Great but**, the key challenges

~~One last thing~~

**Hello,**
**Fundamentals**
**Practices**
**Great but**
**One last thing**

**my name is**

35 years

13 years of professional software development

wife and 2 lovely daughters

special interests: quantum computing, artificial neural networks, human cognition

agile convert since 2007

3rd employee at Intopalo

generalist in software business

work here and abroad

# About Intopalo

Established late 2012

Privately owned

Headquartered at Hervanta

Customers globally

Employing 30+ software product development experts

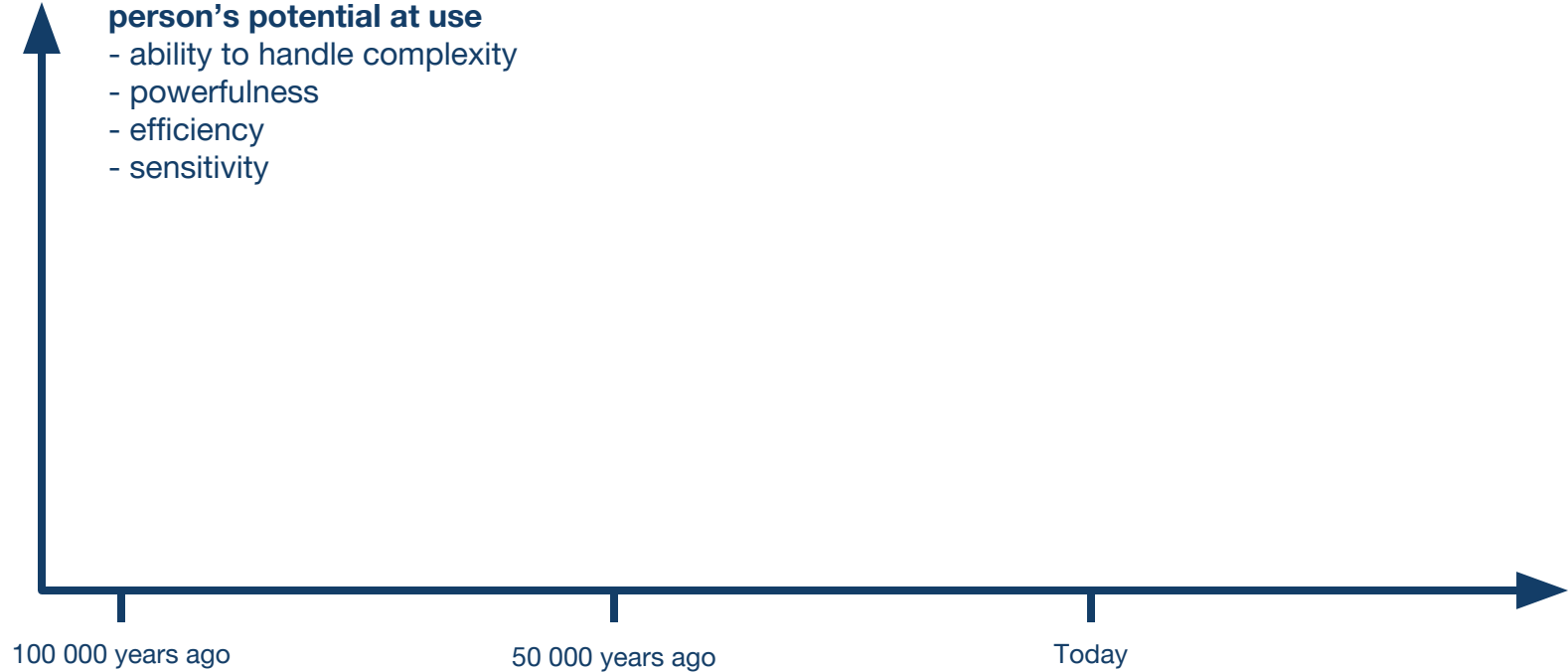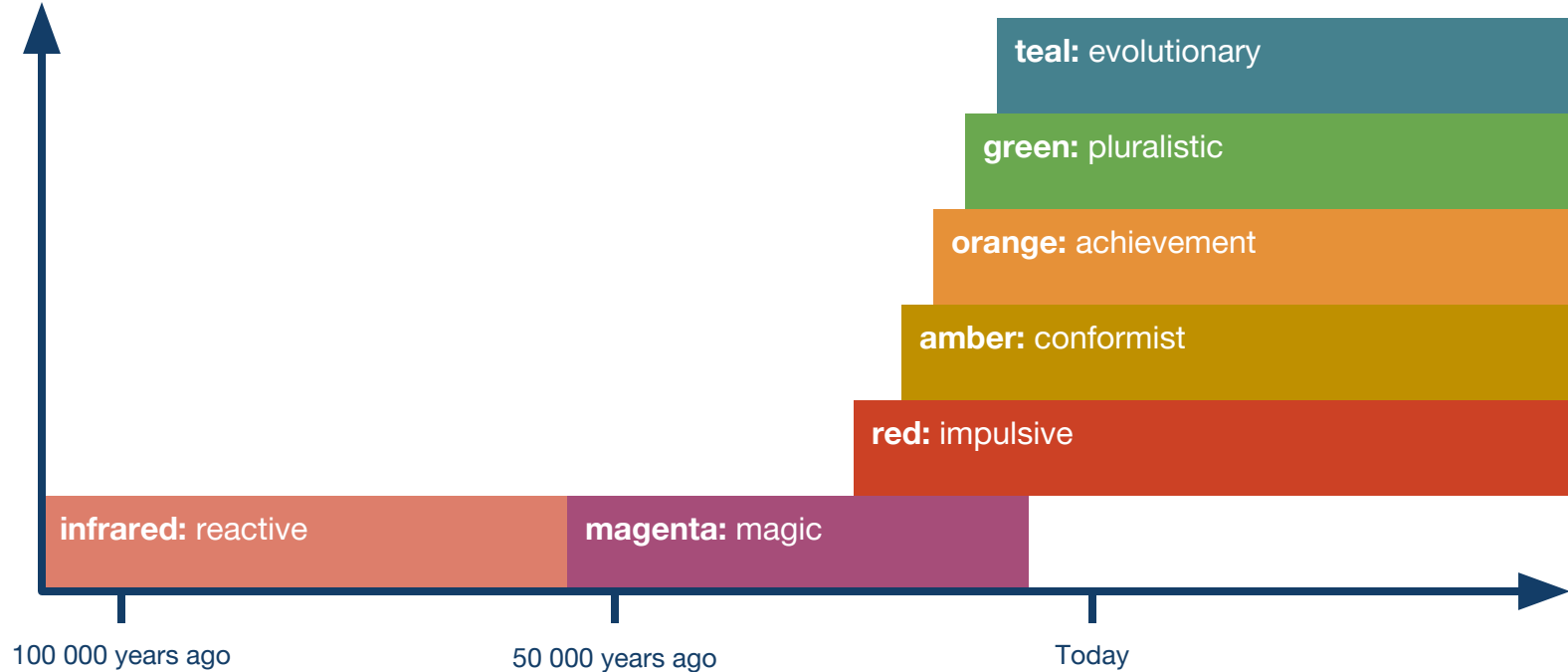modern companies

# Fundamentals

theory, motivation

# How we organize really matters.

**person's potential at use**
- ability to handle complexity
- powerfulness
- efficiency
- sensitivity

100 000 years ago          50 000 years ago          Today

# How we organize really matters.



teal: evolutionary

green: pluralistic

orange: achievement

amber: conformist

red: impulsive

infrared: reactive

magenta: magic

100 000 years ago

50 000 years ago
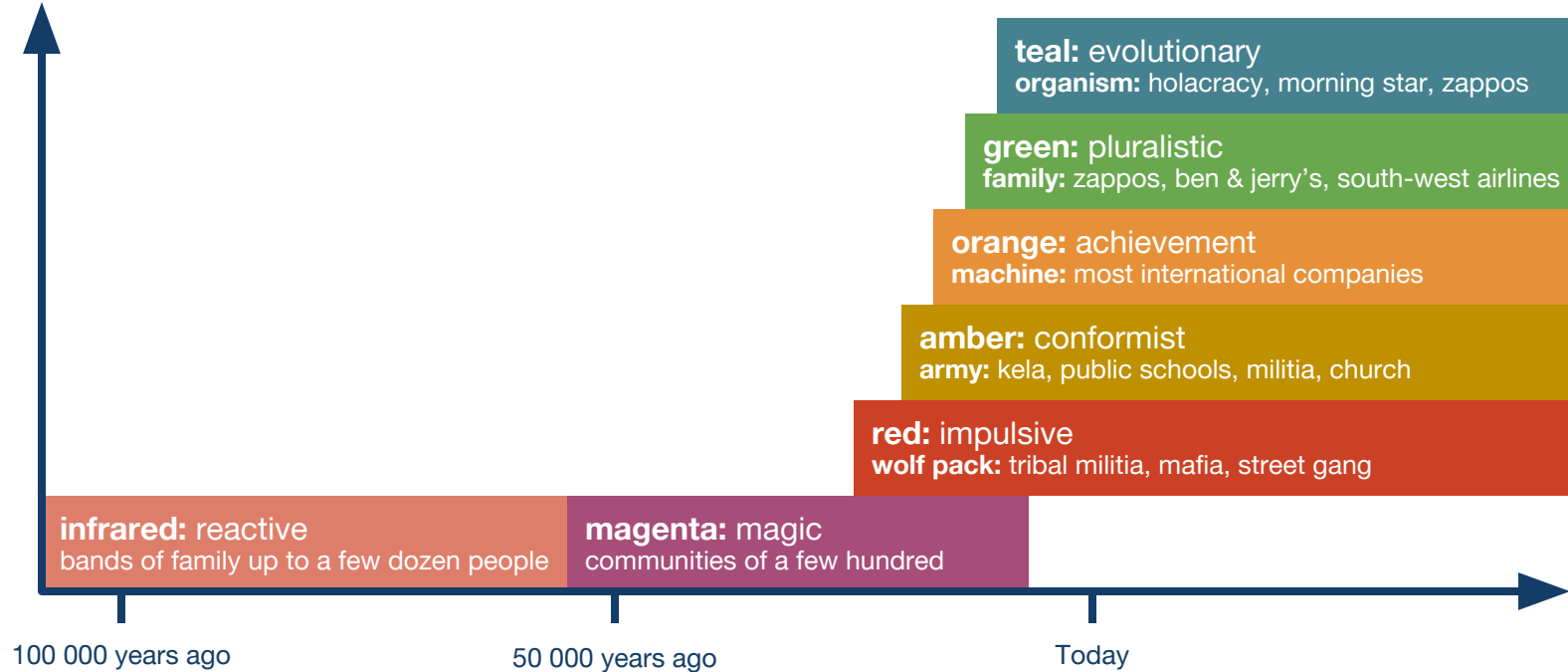
Today

Picked and adapted from Frederic Laloux: Reinventing Organizations (2014). A beautiful book, please have a look

# It does matter how we Organize



**teal:** evolutionary
**organism:** holacracy, morning star, zappos

**green:** pluralistic
**family:** zappos, ben & jerry's, south-west airlines

**orange:** achievement
**machine:** most international companies

**amber:** conformist
**army:** kela, public schools, militia, church

**red:** impulsive
**wolf pack:** tribal militia, mafia, street gang

**infrared:** reactive
bands of family up to a few dozen people

**magenta:** magic
communities of a few hundred

100 000 years ago

50 000 years ago
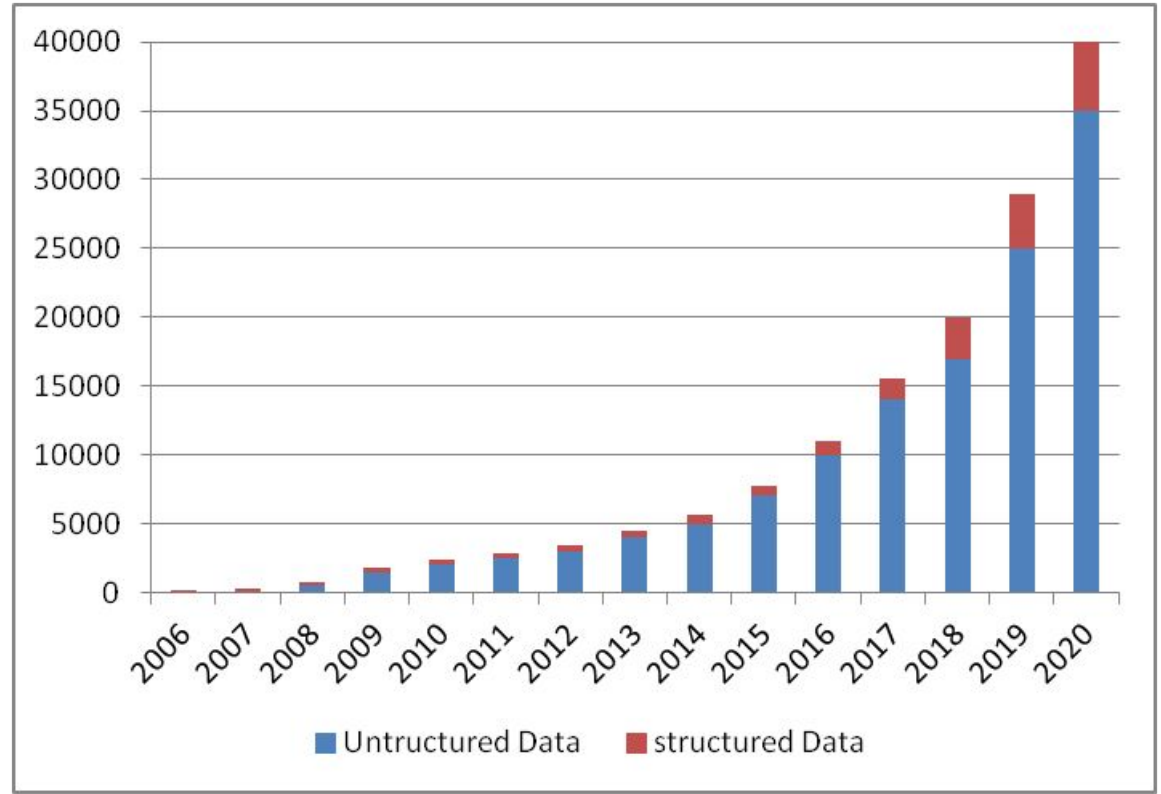
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**Nature and amount of available "information" has changed.**

**Where to find the relevant data?**

Individual's information/cognitive limit.

Organisation's information limit.

Company networks' information limit.



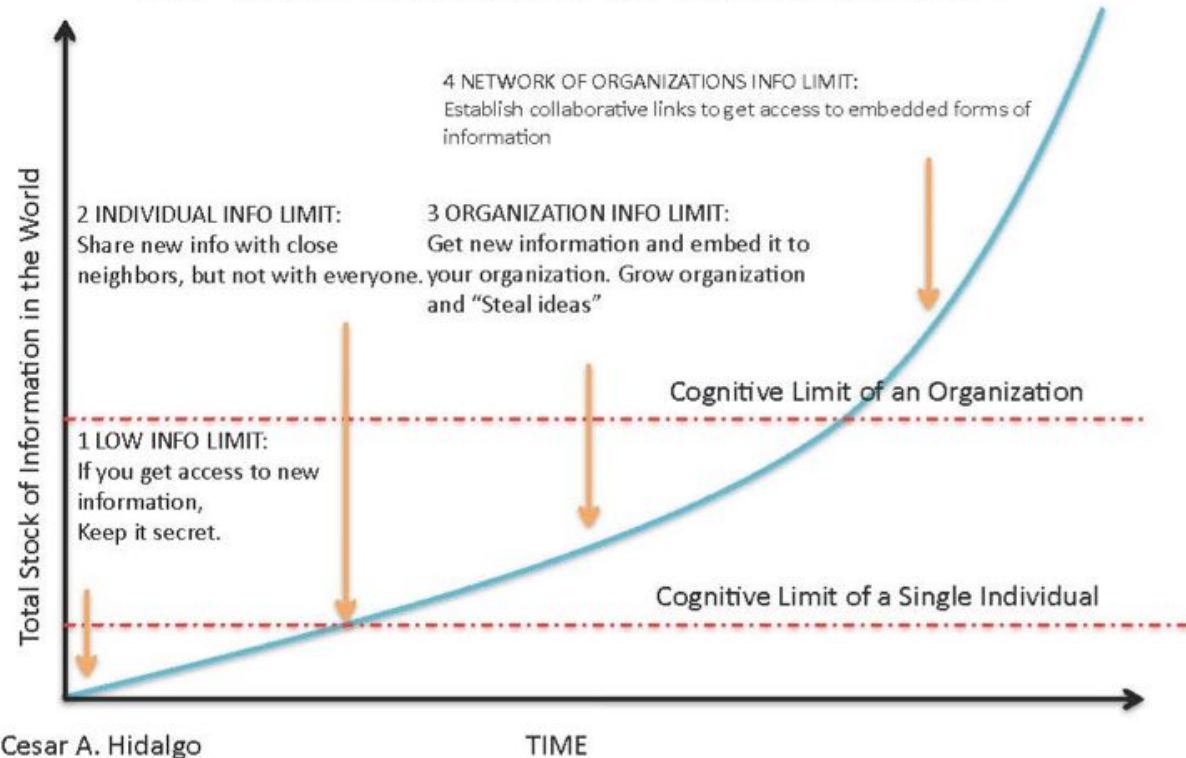The structure of a society is connected to its total amount of information

4 NETWORK OF ORGANIZATIONS INFO LIMIT:
Establish collaborative links to get access to embedded forms of information

2 INDIVIDUAL INFO LIMIT:
Share new info with close neighbors, but not with everyone.

3 ORGANIZATION INFO LIMIT:
Get new information and embed it to your organization. Grow organization and "Steal ideas"

Cognitive Limit of an Organization

1 LOW INFO LIMIT:
If you get access to new information,
Keep it secret.

Cognitive Limit of a Single Individual

Total Stock of Information in the World

Cesar A. Hidalgo

TIME

**Figure 1. Relationship between the amount of structure and performance (over 50 runs).**
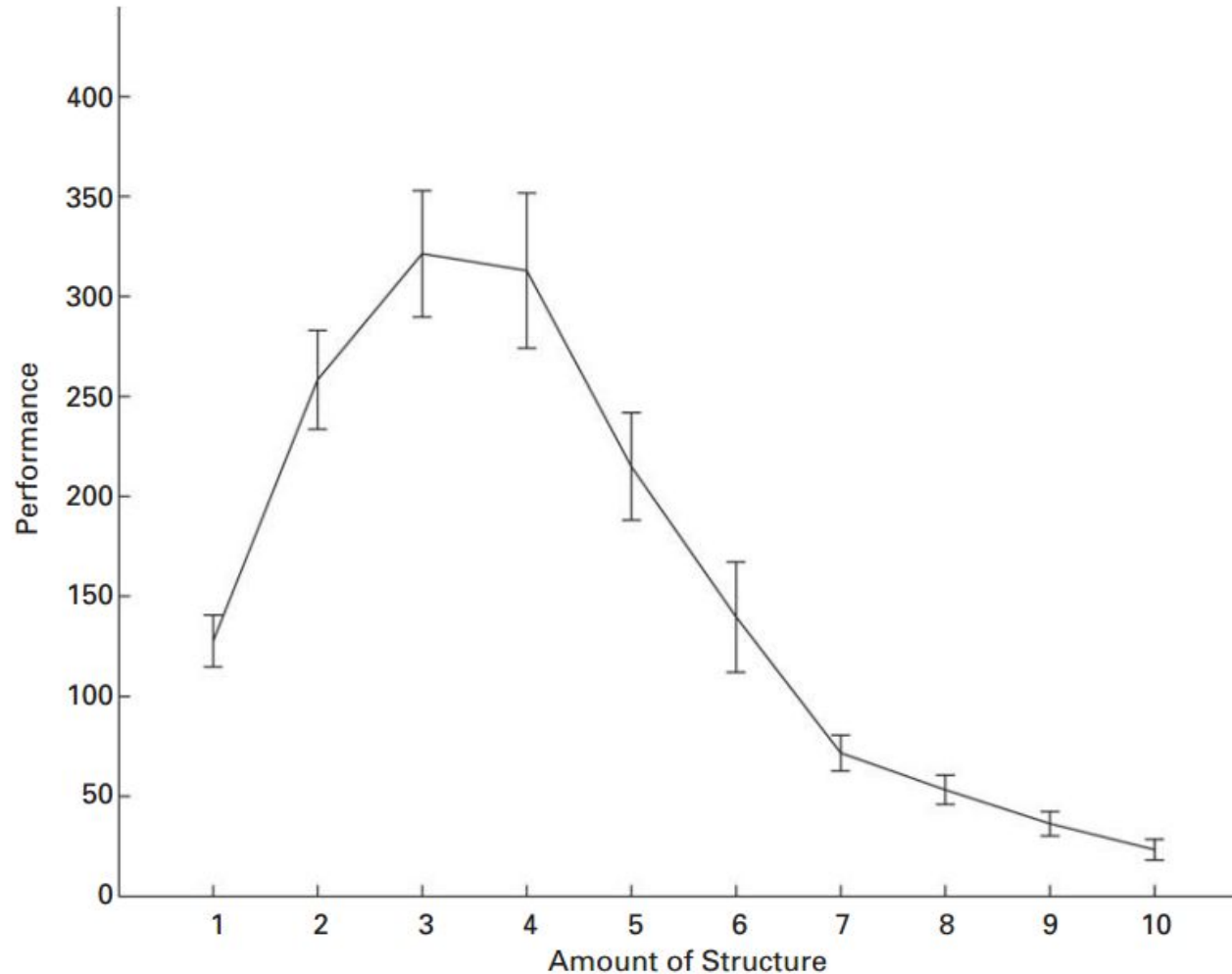
Optimal Structure,
Market Dynamism, and
the Strategy of Simple
Rules

**Jason P. Davis**
*Massachusetts Institute of
Technology*
**Kathleen M.
Eisenhardt**
*Stanford University*
**Christopher B.
Bingham**
*University of North Carolina*

**Figure 5. Effects of increasing environmental unpredictability on performance (over 30 runs).**
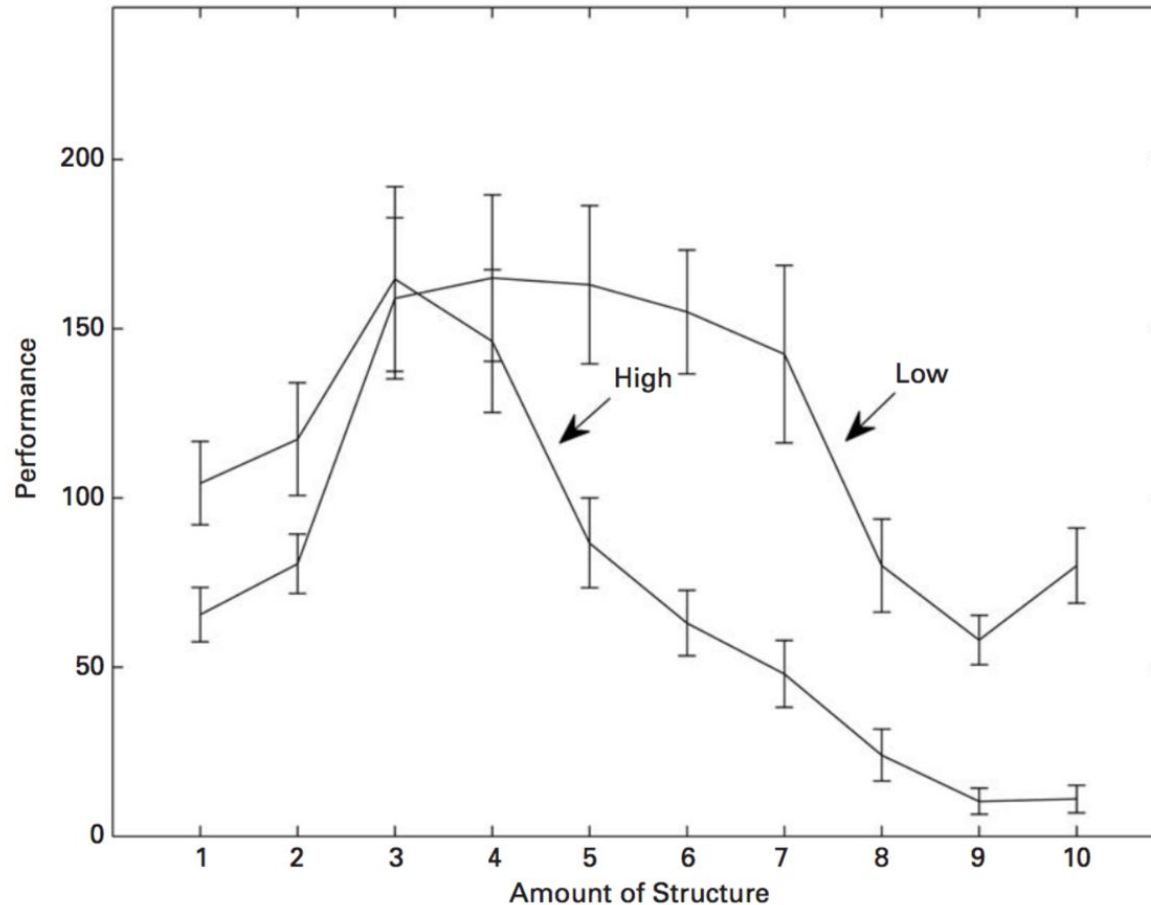
Optimal Structure, Market Dynamism, and the Strategy of Simple Rules

Jason P. Davis
*Massachusetts Institute of Technology*
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*University of North Carolina*

# Change Curve (relative mood)



Mel Aclaro
BusinessCasualBlog.com

Creative commons / share-alike / attribution
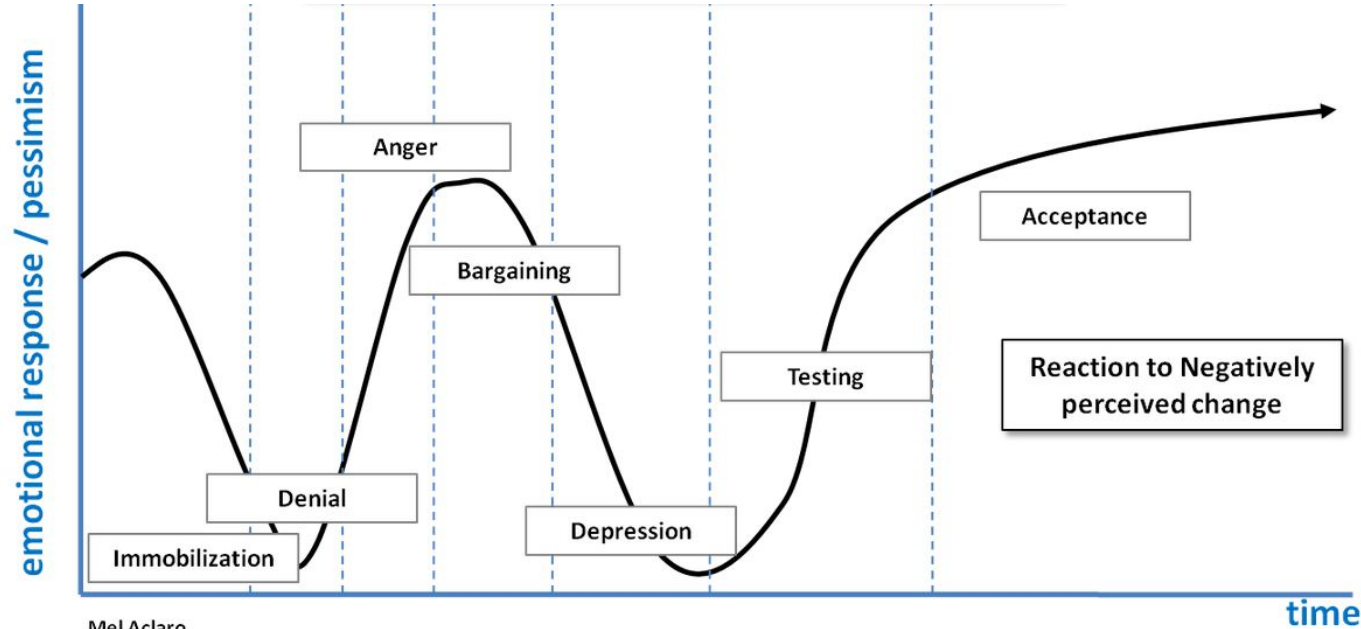
# Change Curve Phase Problem
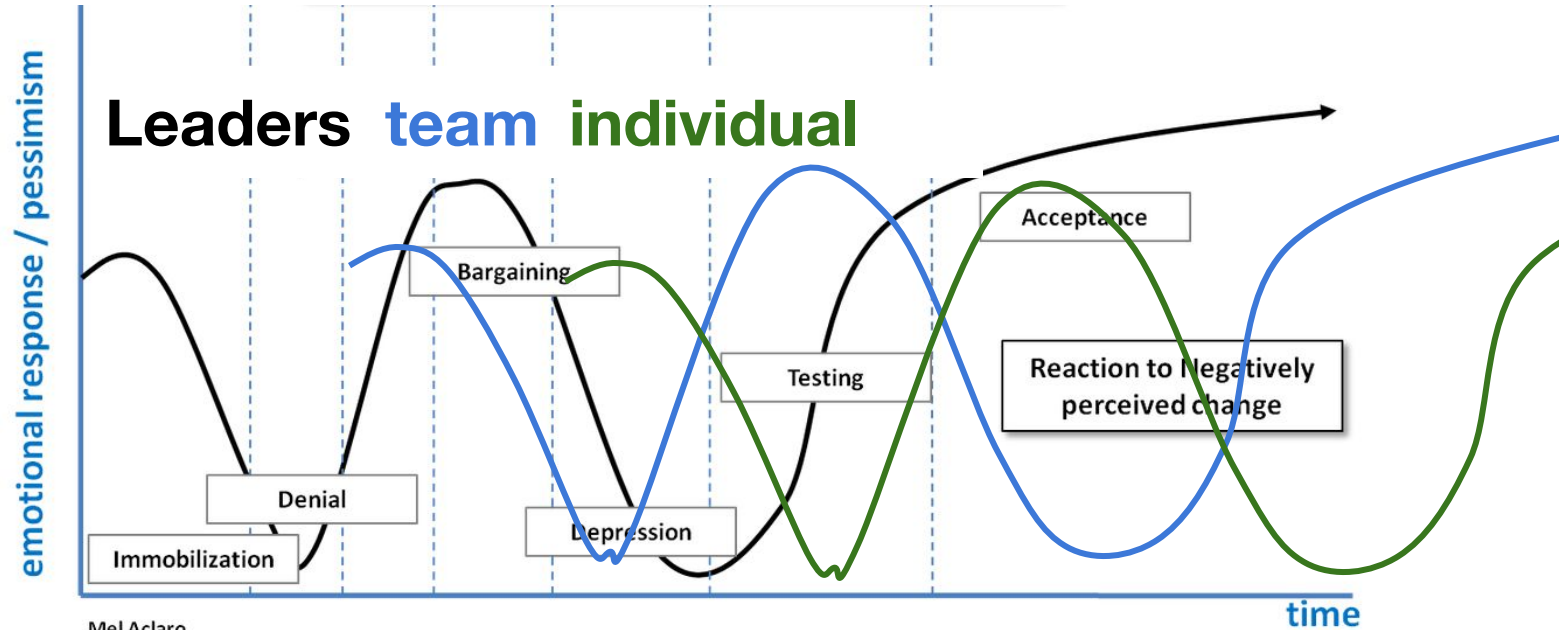
**A trend we see impacting everyone** - only the pace at which this happens differs depending on the industry

**52%** companies in the Fortune 500 have gone bankrupt, have been acquired, or have ceased to exist since 2000.

**1/3** Leaders in virtually every industry will be disrupted by competitors by 2018 - newcomers and established - that **leverage platforms to innovate**.
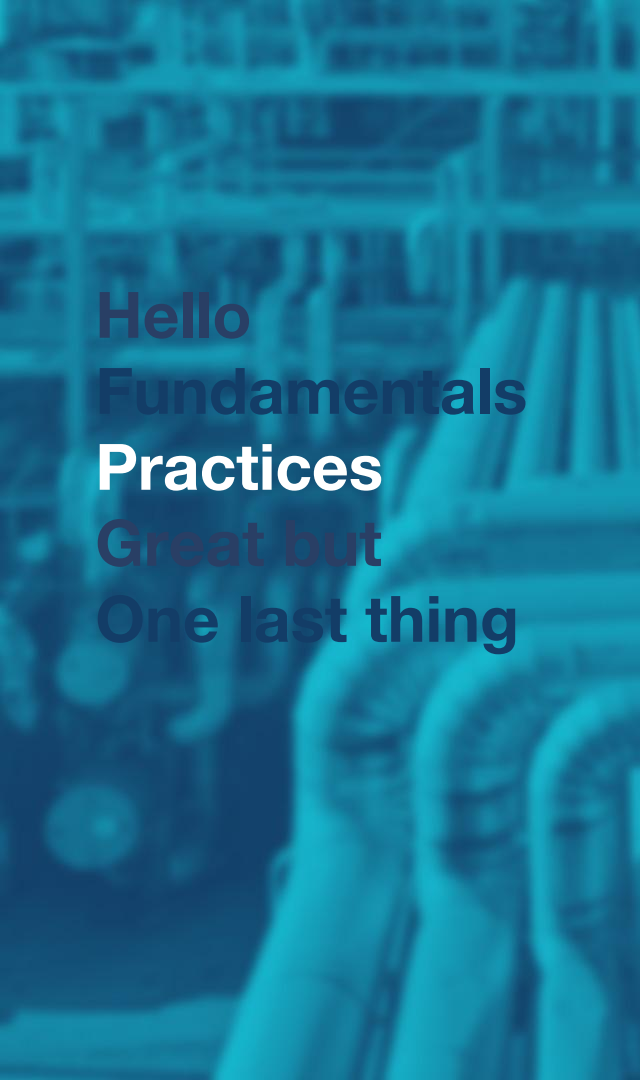
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## Conclusion

- **information explosion**
- **environmental dynamicity, opportunity velocity, unpredictability explosion**
- **right amount of structure**
- **change is the new black**

**Gives modern companies a major advantage.**

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# Practices

and

## Intopalo Operating System

# Traditional vs. Modern some telltale signs

| | Traditional (machine) | Modern (evolutionary) |
|---|---|---|
| **Organizational Structure** | Hierarchical Pyramid | Self-organizing teams |
| **Staff functions** | HR, IT, purchasing, finance, quality, ... | Advisory staff, teams handle, task forces |
| **Job titles and descriptions** | Job titles and descriptions | No formal titles, fluid and granular roles |
| **Change Management** | Arsenal of change management tools | (embedded within, foundation of) |
| **Decision Making** | Hierarchical Pyramid, invalidation | Decentralized in defined manner |
| **Conflicts** | Next hierarchical level? | Defined and people are trained |
| **Promotions** | Jockeying for positions, politics | Fluid rearrangement of roles, peer agreement |

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# INTOPALO OPERATING SYSTEM

**intopalo**
Software and Beyond

# Purpose

Document of our core functions and practices. Helps us to be better, faster, happier as we thrive and grow.

Core document is < 20 pages. This includes examples and some philosophy; lightweight.

# IPOS Structure / Big Picture

**IPOS**

Users: Customers, Families, Authorities,...

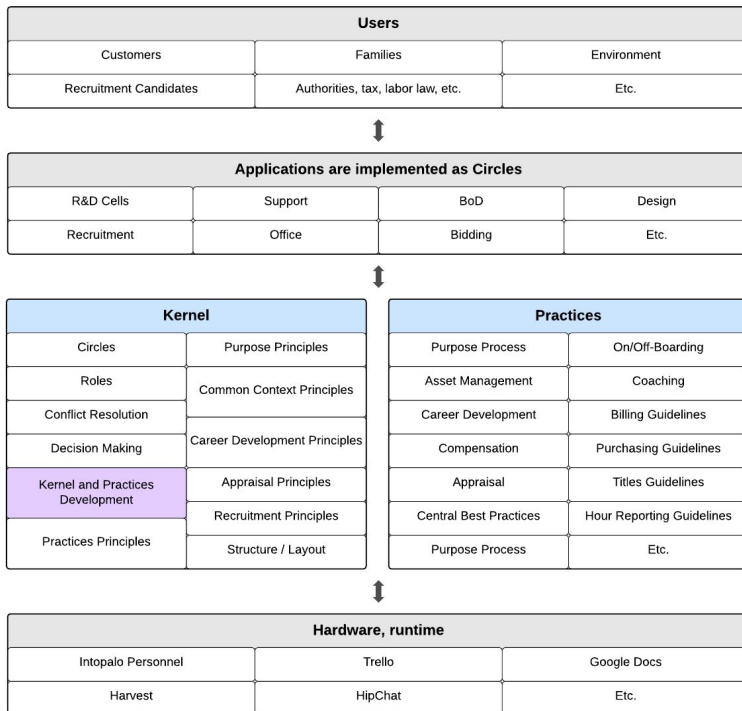R&D circles, Design, Support, Recruitment,...

IPOS Kernel

Practices

Hardware: Intopalo personnel and Tools

# Example snapshot
**(not up to date)**

## IPOS
### Closer look at:
**Circles and roles
Decision making
Conflict Resolution**

| Users | | |
|---|---|---|
| Customers | Families | Environment |
| Recruitment Candidates | Authorities, tax, labor law, etc. | Etc. |

↕

| Applications are implemented as Circles | | | |
|---|---|---|---|
| R&D Cells | Support | BoD | Design |
| Recruitment | Office | Bidding | Etc. |

↕

| Kernel | | | Practices | |
|---|---|---|---|---|
| Circles | Purpose Principles | | Purpose Process | On/Off-Boarding |
| Roles | Common Context Principles | | Asset Management | Coaching |
| Conflict Resolution | | | Career Development | Billing Guidelines |
| Decision Making | Career Development Principles | | Compensation | Purchasing Guidelines |
| Kernel and Practices Development | Appraisal Principles | | Appraisal | Titles Guidelines |
| | Recruitment Principles | | Central Best Practices | Hour Reporting Guidelines |
| Practices Principles | Structure / Layout | | Purpose Process | Etc. |

↕

| Hardware, runtime | | |
|---|---|---|
| Intopalo Personnel | Trello | Google Docs |
| Harvest | HipChat | Etc. |

# IPOS

## Closer look at:
**Circles and roles**
Decision making
Conflict Resolution

Circle has a documented reason (purpose) to exist.

**Circle X**

**Circle Y**

**Support Circle**

Z'

**Circle Z**

Z''

Roles that power the circle.

**Sphere**

**IPOS**

**Closer look at:**

**Circles and roles**

*Example: my roles today*

**Decision making**

**Conflict Resolution**

Office Circle: Kitchen Edibles

Christmas Party popup circle: Organiser

Customer Project X Circle: Technical Lead, Customer Lead, Software Developer

Customer Y circle: Customer Lead, Project and Product Lead

Recruitment Assignment Circle: Reviewer.

Company Support Circle: Adviser

IPOS Circle: Lead developer

Sales Circle: ...

# IPOS

## Closer look at:
Circles and roles
Decision making
Conflict Resolution

Calling Shots ←———— [ IPOS ] ————→ Consensus

**IPOS**

**Closer look at:**
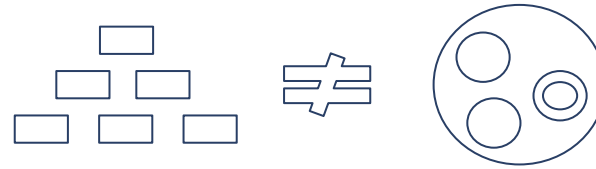**Circles and roles**
**Decision making**
**Conflict Resolution**

Anyone can make any decision, provided that:
1. Advice Process has been followed
2. Aligns with purpose
(3.    X times Y)

**Power as an uncapped supply**

**IPOS**
**Closer look at:**
**Circles and roles**
**Decision making**
**Conflict Resolution**

A person initiates *privately* a *confidential* resolution process with the person(s) in question.

*Respectful* and *confidential* discussion on the behaviours, actions or facts that cause conflict. The aim is to *resolve* the conflict.

If resolution cannot be found, a jointly agreed arbiter (3rd party) is summoned to mediate.

If still no resolution, ...

**Hello
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**Key Challenges**

Key Challenges

Company's development is limited by the development of its leaders (board, CEO, containing organisation, ...)

# Key Challenges

It's all fun and games until it is about the $ - matching the $ with the individual development and contribution.

Key Challenges

Principles transfer, practices do not.

There is no single recipe (unless: goal as a path).
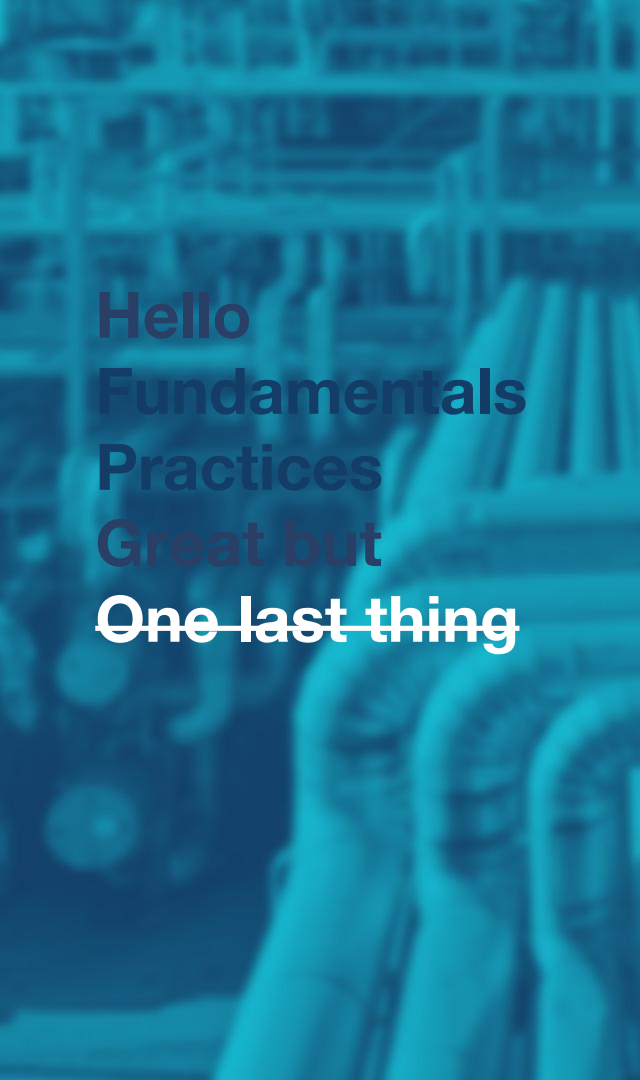
# Key Challenges

Scaling up:
Old ways become tempting (matrix organisations, internal billing, …). Instead: change the problem.

# Key Challenges

Easy to shoot down:
Optimise for the worst
case. Write a process
for every happened or
potential mistake.

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~~One last thing~~

# Thank you.
# I'm happy to have a coffee with you.

Juha Vuolle
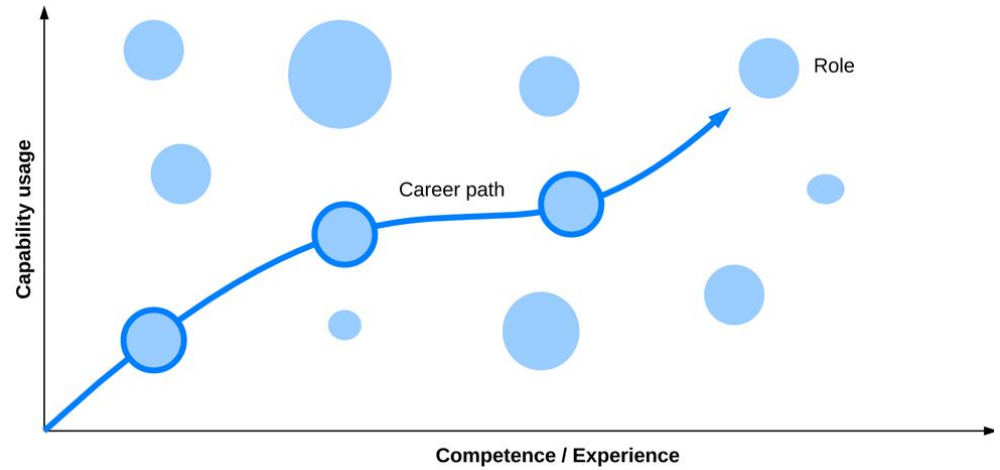Colleague, Intopalo
+358 45 3100 878
juha.vuolle@intopalo.com

**Recommended reads:**

- **Reinventing Organizations - Frederic Laloux (2014)**
- **Holacracy - Brian J. Robertson (2015)**
- **Freedom from Command and Control - John Seddon (2007)**
- **Thinking, fast and slow - Daniel Kahneman (2011)**

# Backup Material

**Career**

**IPOS Core-Word Cloud**