

# Innovation culture is not a fancy hub or a project with startup label

Jaroslav Procházka

Agile Prague



Agile Prague Conference

*First Conference in the  
Heart of Europe*

# About me

- Agile coach and mentor
- Innovation mentor
- (e-)book author
  
- Co-founder of QuickJOBS and SimplyIT.cloud
- Co-founder of Viva incubator
- Mentor in JIC, GreenLight, iKid

**Blog:** [www.differ.cz](http://www.differ.cz)

**Twitter:** @JarekProchazka

<https://twitter.com/JarekProchazka>

## Hlavní reference:



## Další reference:



## Startupy a komunita:



Agile is not a SW **development** approach ...

... it is a company **organizational** and  
**cultural change**

... **and innovation culture** and management is its part

Therefore need to be ...

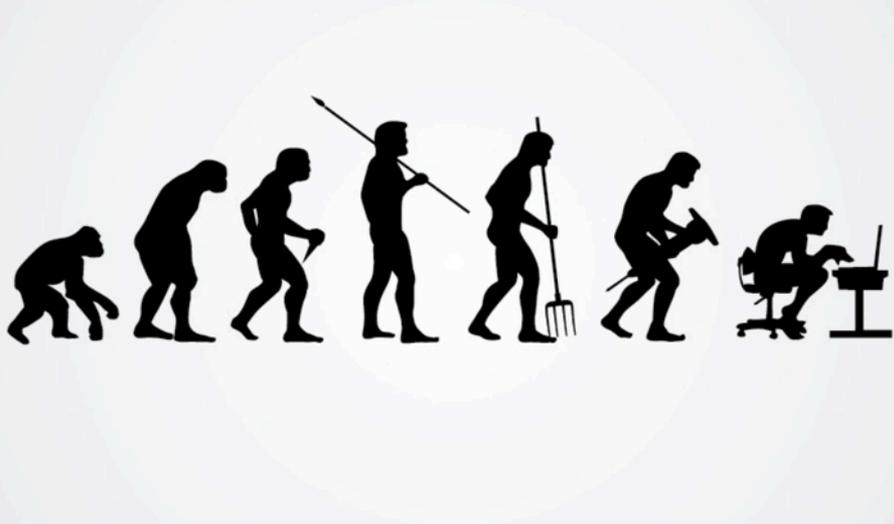
**supported** by business

**driven** by business

done **together** with business ...

... and with **people** (employees, customers)

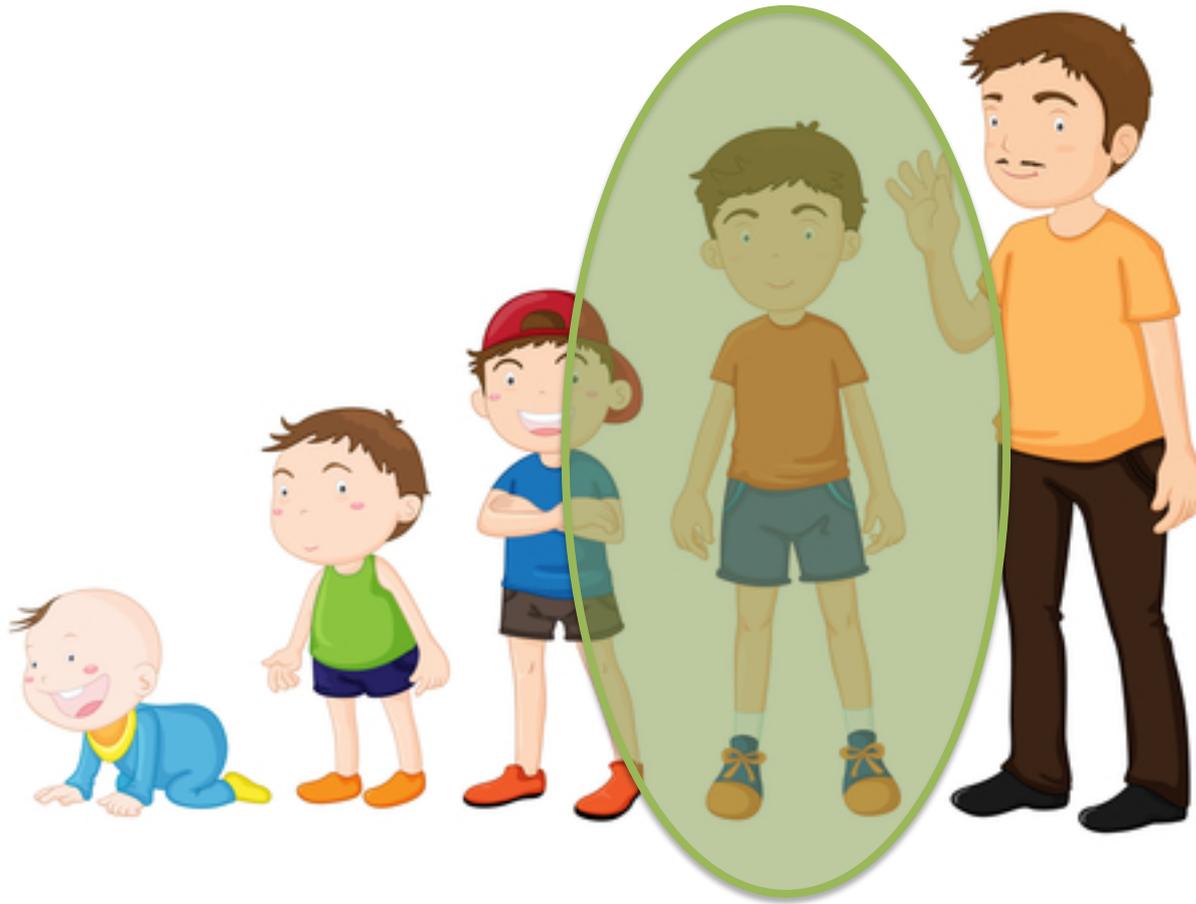
# Software development and Agile approaches (50+ years)



# Engineering disciplines (5000+ years)



Still evolving ...



# Phase 1: internal **cleaning** (behind the wall)...

(**Guerrilla**) Agile **implementation** only in IT teams

Iterations, **engineering** practices

(pair working, code review,  
automation, UC/US, TC, CI)

Be more **efficient**, **quick**,  
have better **quality**,  
**predictability** and **internal visibility**

## Phase 2: **Dismantling** the wall...

US with clear business **value**/benefit

**Early and frequent** customer involvement

**Contract** updates

Regular **Demo**

**Measuring** the success  
and **visibility** for the business/customer



## Phase 3: IT part of the **business**...

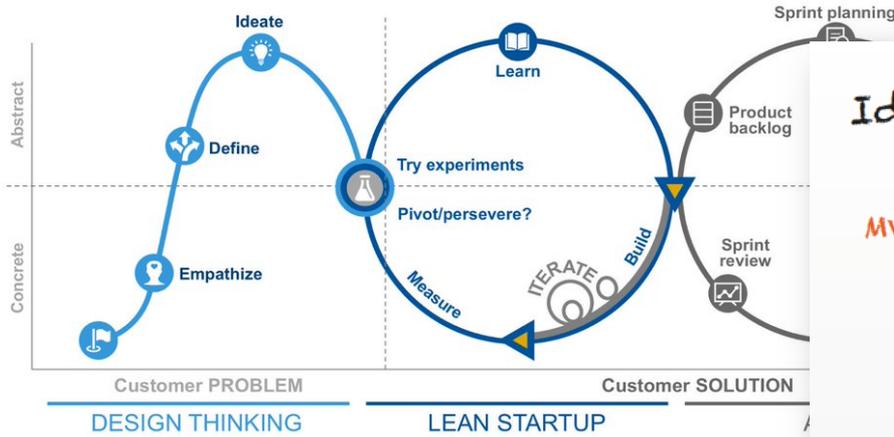
Tight **cooperation** between **IT** and **business**  
(cross teams, Agile business teams)

Agile **contracts**

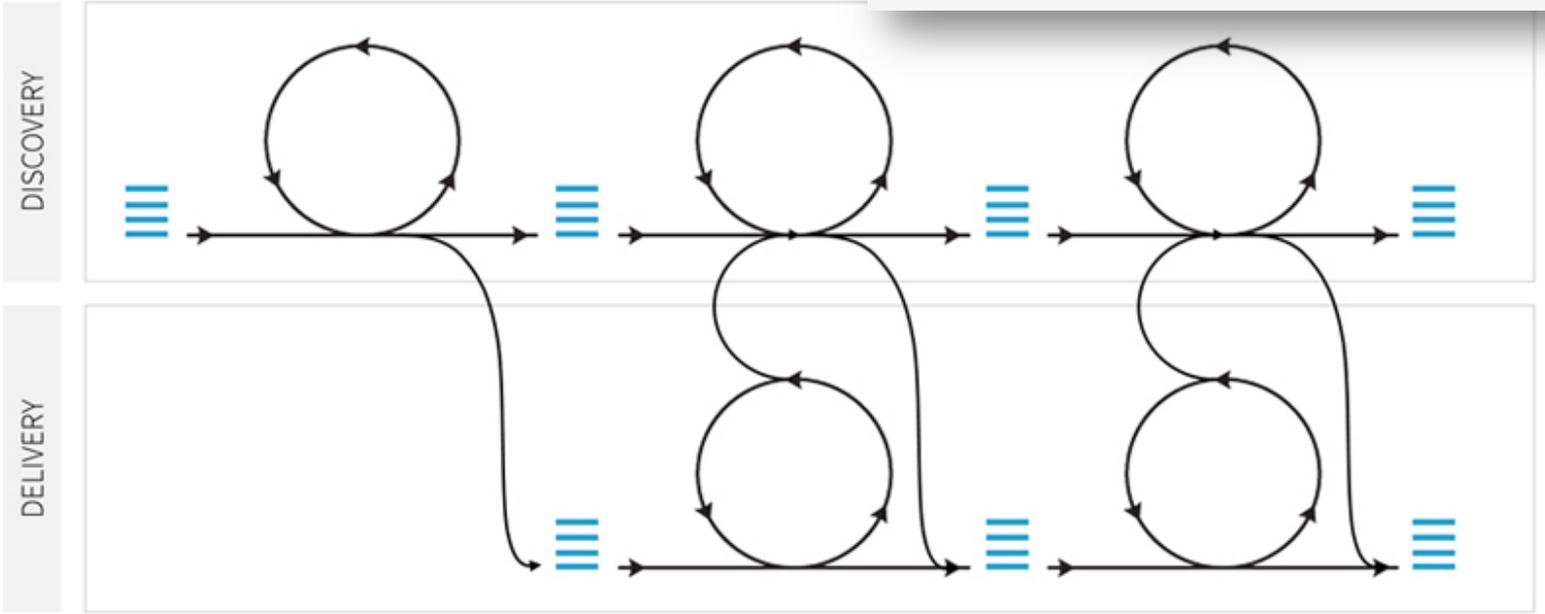
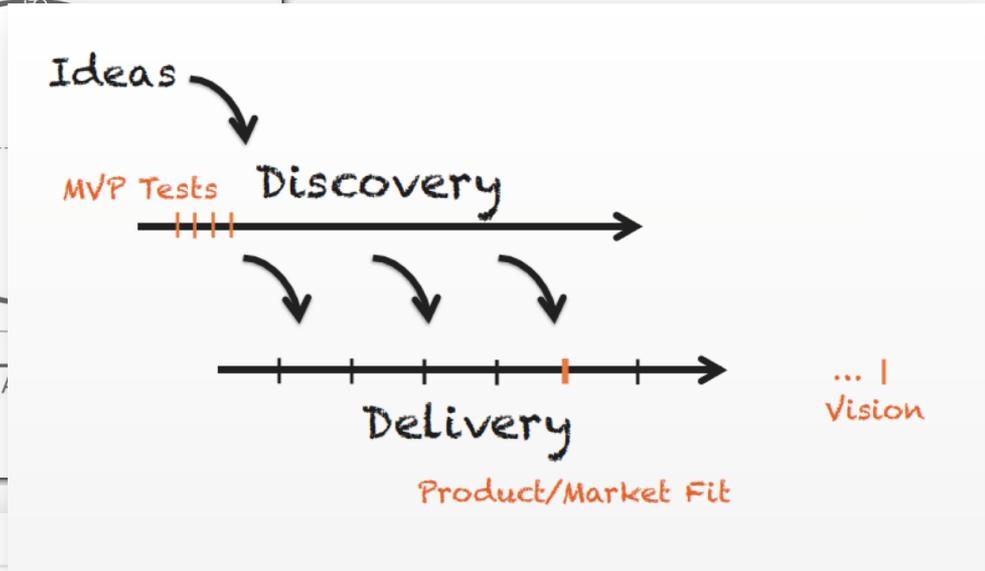
**Measuring** the success  
(company boards)

**Discovery** process / **dual track** Agile  
(here the **business innovations** appear!)

# Combine Design Thinking, Lean Startup and Agile



#GartnerSYM  
 21 CONFIDENTIAL AND PROPRIETARY | © 2016 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner and ITyp0 are registered trademarks of Gartner, Inc. or its affiliates.



## Phase 4 **Driving the business...** (Strategic/Business Agile):



**Managers** as organizational **coaches**

**Hiring** based on **values (HR)**

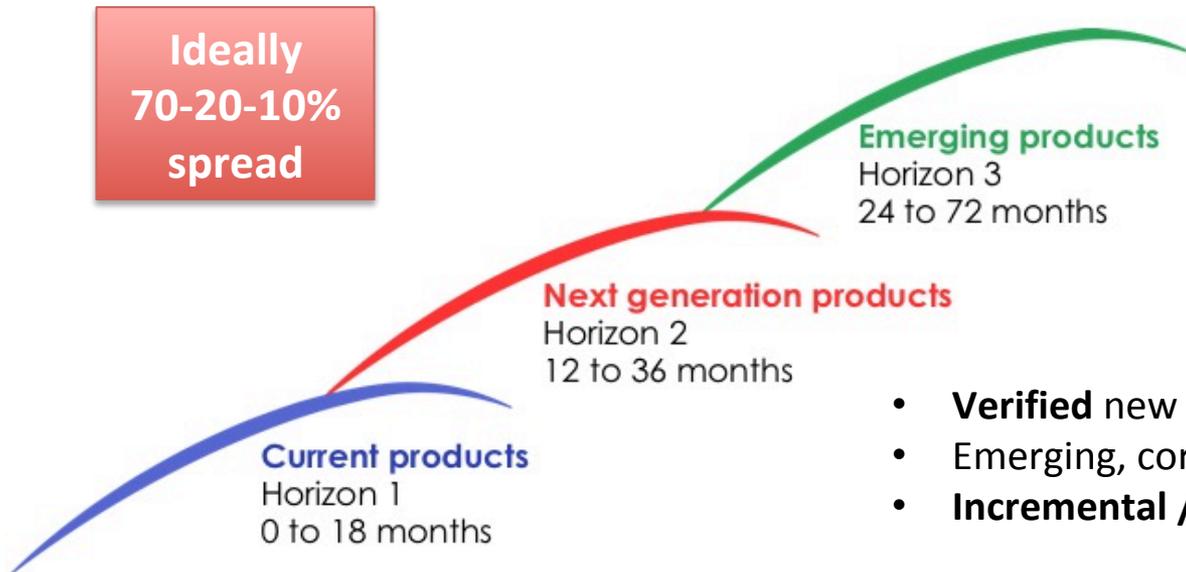
**Management** as one team

Agile **procurement** → vendor ecosystem (Agile RFP)

**Incremental innovations** part of **daily business**

Future **horizon: Internal startups, LABS, new markets,**  
**products/services**

# McK: 3 Horizons

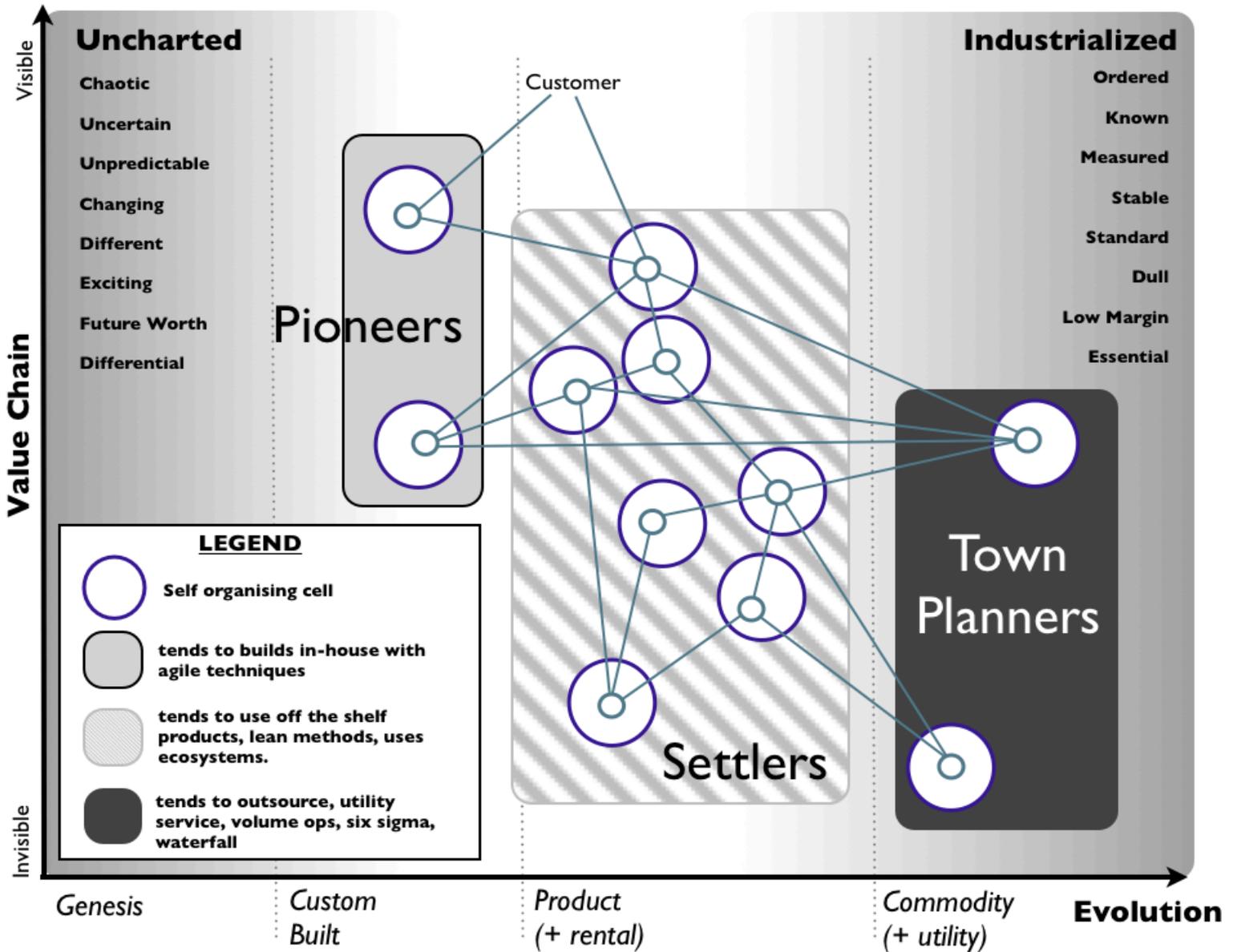


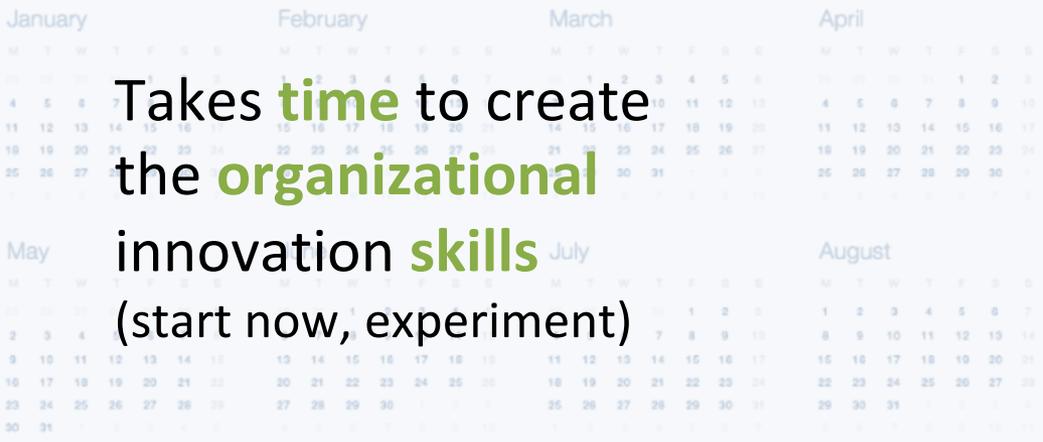
- **Unknown Business Model**
- Different mindset needed (**startup, R&D**)
- **Need to be verified**

- **Verified** new products
- Emerging, core product complement
- **Incremental / verified disruption**

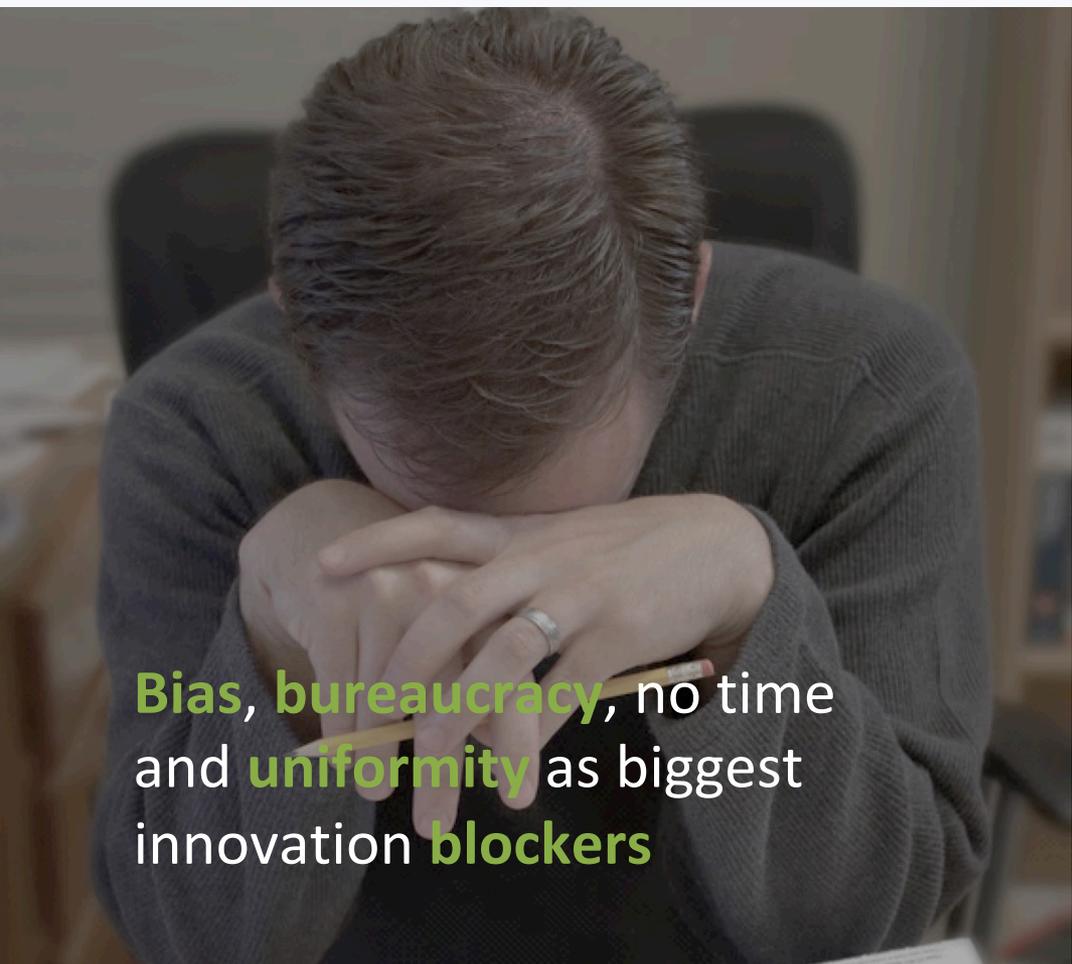
- **Existing core** products/services (key business)
- Focus on **defend and optimise**
- **Incremental changes**

# Simon Wardley: 3 party system





Takes **time** to create the **organizational** innovation **skills** (start now, experiment)



**Bias, bureaucracy**, no time and **uniformity** as biggest innovation **blockers**



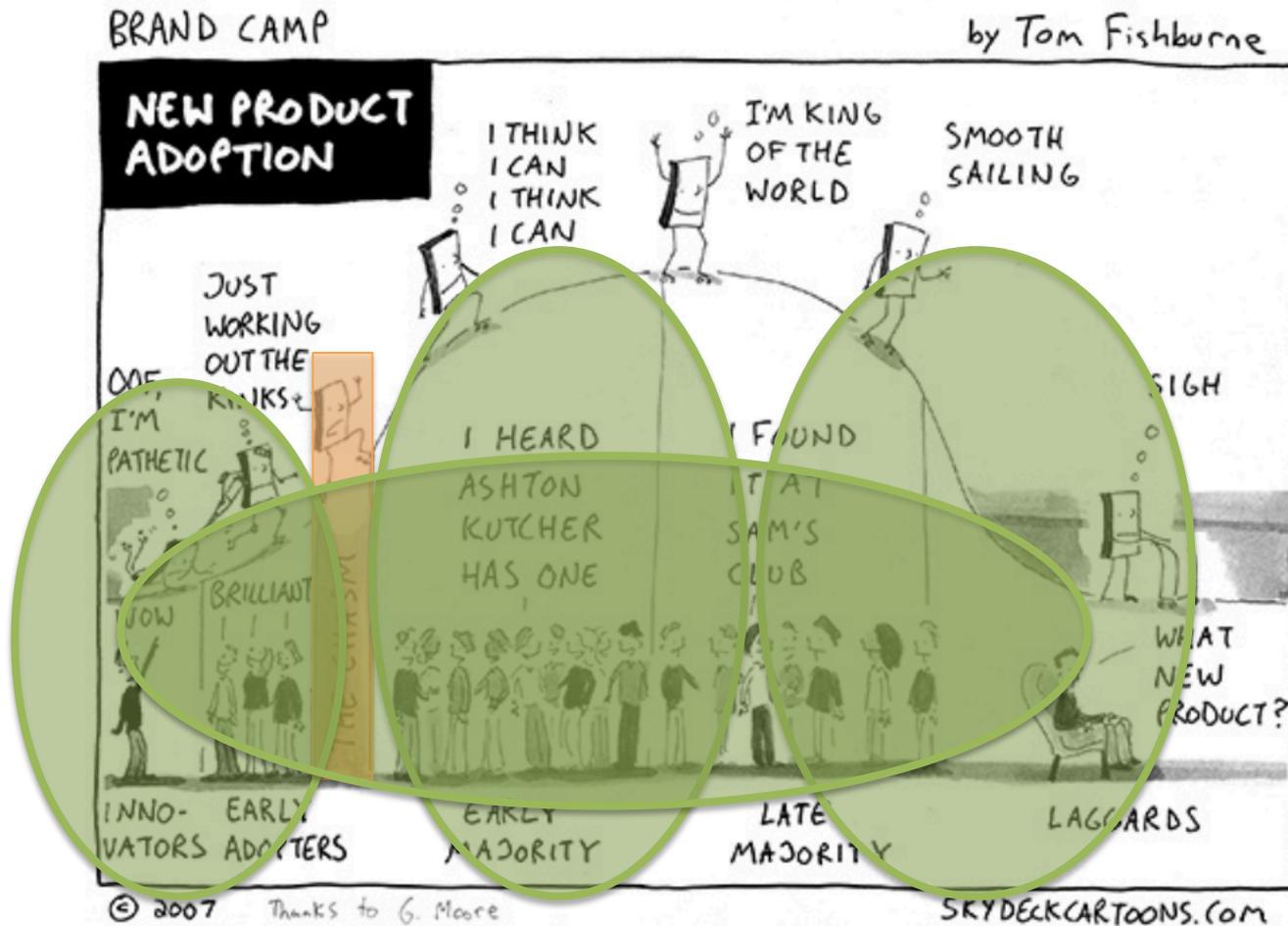
Internal start-ups change **mindset** of **organization**

Also **fail** is a **success**, learning

(we DON'T do what nobody would buy)

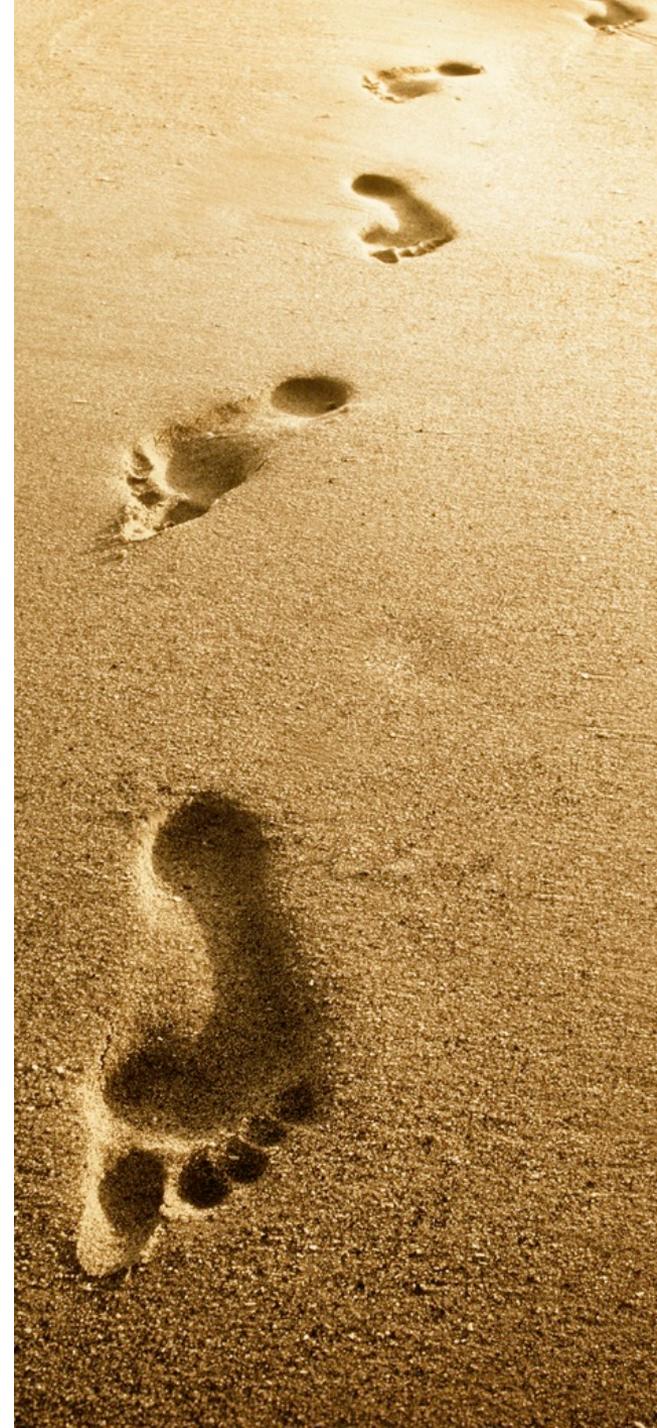


# What type of company is yours?



## Initial experiments to take

- Deliver **incremental** innovations
- Conduct regular **demos**
- Run **FedEx day**
- **Measure** and **visualize** E2E (NPS, product usage!)
- Invite **startups** (talks, presentations)
- Conduct internal innovation **conference**
- **Share user feedback** and NPS results
- **SM:** shift **from team** coach to **organization** & mgmt. coach
- **PO:** **experiment, verify,** prototype
- **Visualize** what you **know now** (data, facts, not assumptions)
- Explain 3 horizons





Anti-pattern - possible steps



Mt. fish



## Explicit „NO“ and lacking focus

*“Show me your business case” even before small experiment*

*Do it as part of your daily (overwhelming) operations!*

### Steps:

- **Grant** people limited **time** for experiments (e.g. 10%, FedEx days, hackathons)
- (Partly) **Fully dedicated** teams
- **Innovation process** to gather ideas
- Organize **hackaton**, FedEx day or Design Sprint



## HIPPO / confirmation bias

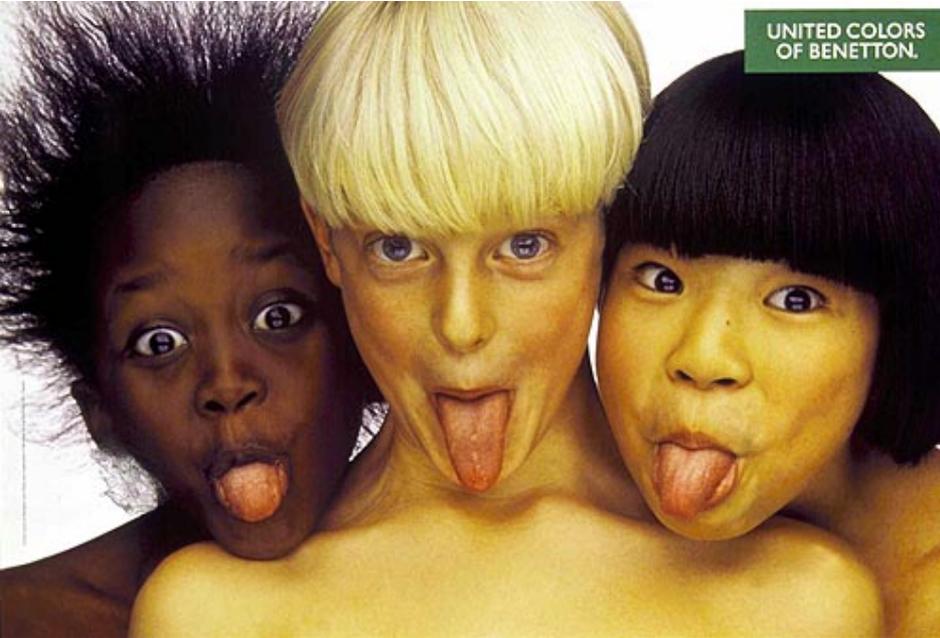
*I know what they want!*

*I think/assume/like ...*

*We have this market research...*

### Steps:

- **Clarify and visualize** product/service **vision** (LC/BMC/Product vision board)
- Start to **say NO** as PO
- Conduct **small internal experiments**
- **Show current** usage data (NPS, product usage, heat maps, word clouds from feedback)



## Everybody innovative!

*They do not innovate, they just do their daily operations...*

### **Wrong assumptions behind:**

- *All people are the same*
- *All teams have the same goal and context (product, dev, maintenance, support, ...)*

### **Steps:**

- Explain **3 horizons** of business and different **types of innovations**
- Explain and respect **people typology** (only few like changes)
- **Demonstrate** your (personal, team) **specific value** and skills
- **Don't forget to focus on H1!**  
**This is your core business**





## External innovation agencies

*They will create the innovation for us (as this is granted and less risky)*

*We will hire external people to do innovations*

### Steps:

- Build **internal competence**
- **Involve internal** employees in innovation **agency projects** (to change their mind & teach them the techniques, tools)
- **Mix** internal & new hires
- **Question status quo** (processes, handovers, roles, ...)



## **Innovation without** (working/ verified) **Business Model**

*This technology is great!*

*Let's release it, we will think about  
money later*

*Consider **Twitter, Tesla, Google  
Glass***

### **Steps:**

- Think about all 3 parts: **customer needs – solution – BM**
- **Verify** also/mostly **BM**
- **Monetize** since the **first** MVP



## “We-them” culture

*These old style folks!*

*Those innovation junkies have always some benefits (better rooms, free snacks, ...)*

### Steps:

- Realize that **your company is also your customer!**
- Focus on communication (blogs, video, internal magazine)
- **Share your findings** (personas, needs, feedback, figures)
- **Open demos** regularly



**Blog:** [www.differ.cz](http://www.differ.cz)

**Twitter:** @JarekProchazka  
<https://twitter.com/JarekProchazka>

**LinkedIn:**  
<https://www.linkedin.com/in/jaroslav-prochazka-6a65b14/>



**e-book on internal startups (50 pages, 8 MB):** [goo.gl/4hZzxZ](http://goo.gl/4hZzxZ)