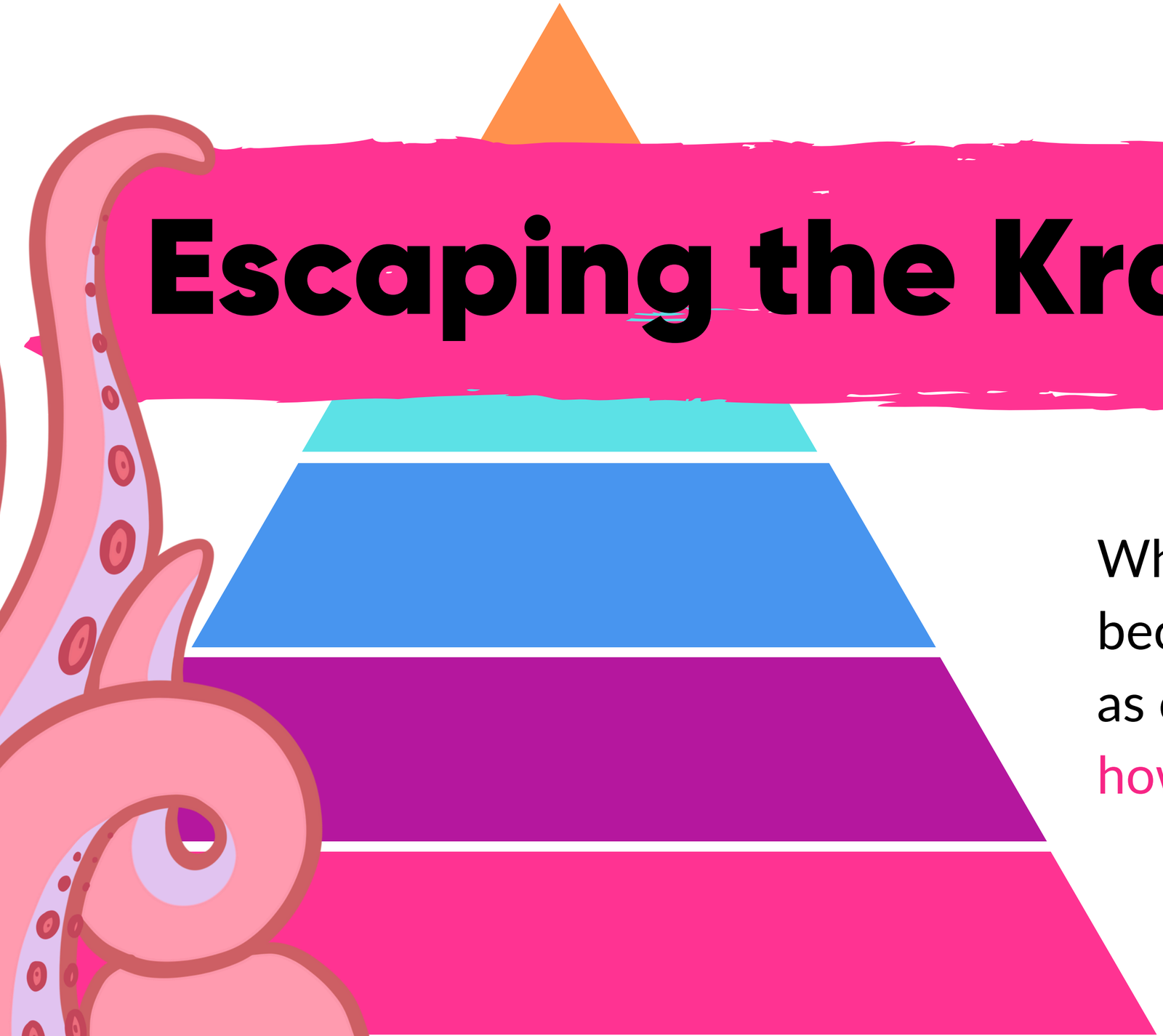
Escaping the Kraken



Why do easy things
become nearly impossible
as companies grow and
how to fix it?

Maarten Dalmijn

Statement: “It’s Easy to Build Great Products at My Current Job”



Easy peasy lemon squeezy:

- No difficult stakeholders
- Everyone is on the same page
- No useless planning rituals and roadmap ceremonies
- Teams have ownership over results
- No sudden work pushed to the teams

Statement: “I’ve Worked at a Company Where It Was Difficult to Build Great Products”





Product Management is Often Infuriatingly Difficult



Why is this the case?

Did I work at the wrong companies?

Is something wrong with me?

Talking to Someone at One of the Most Admired Tech Companies in the World

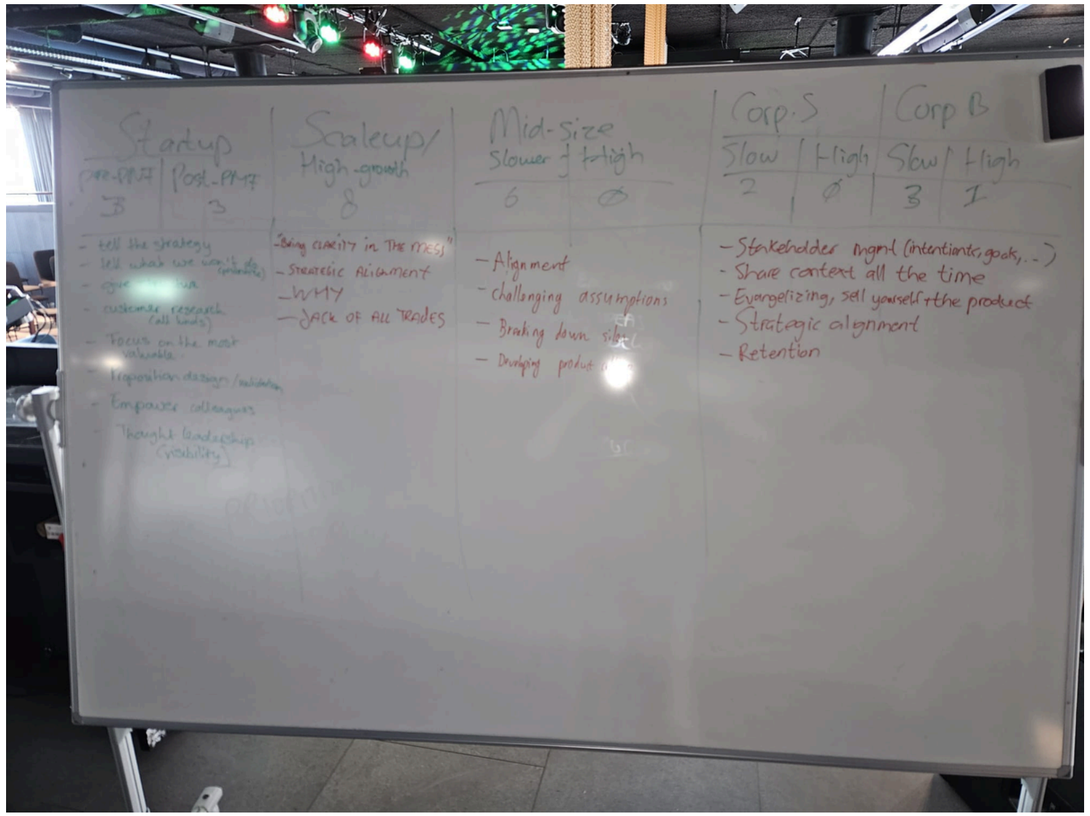


“Over here easy things are impossible and impossible things are easy.”

How Can You Make Impact As a PM

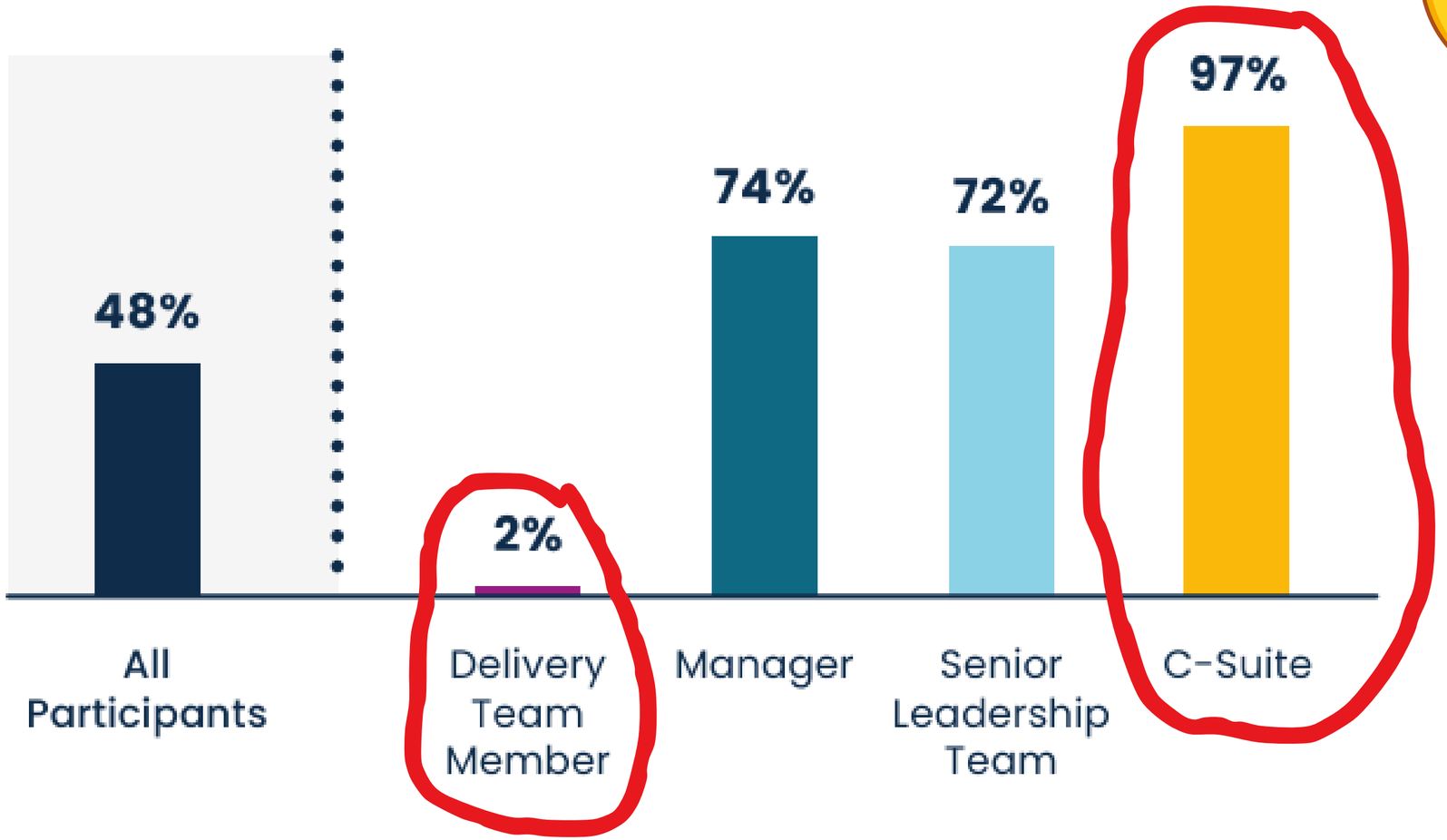
The problem isn't expertise

- Customer was mentioned once.
- Nobody talked about the competition or the market, vision or strategy.
- Almost all points related to struggles from within: organizational obstacles





“Our leaders role model agile behaviours”



3rd State of Agile Culture Report, 2023

The Solution: Fire and Replace All Leaders?



Example: Sonos

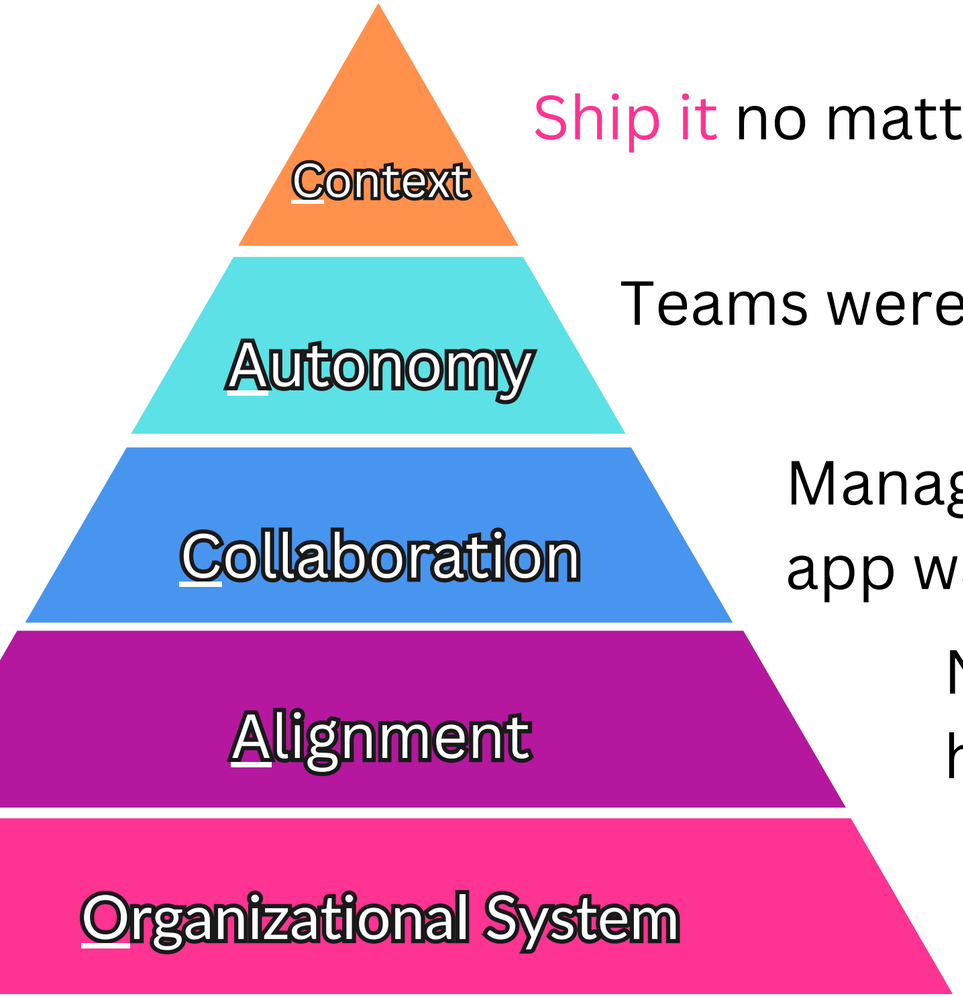



Disaster Struck

TECHNOLOGY | SCIENCE OF SUCCESS

The $500 Million Debacle at Sonos That Just Won't End

Companies update their apps all the time. This one annoyed customers, cratered the stock and cost the CEO his job.



Ship it no matter the quality

Teams were organized around silos

Managers yelled at developers when they said the app wasn't ready

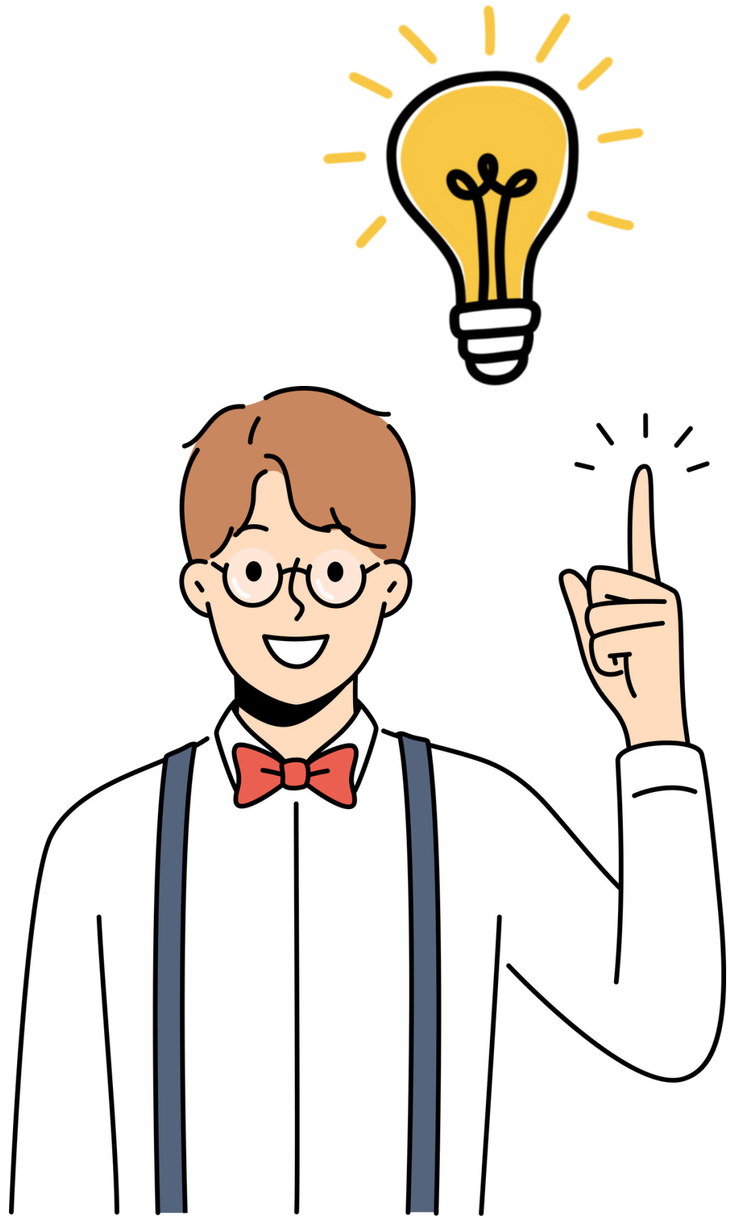
New app must be finished before Ace headphones

Decided to rebuild their product

Plus: go public, restructure team to silos, launch more products, and get rid of QAs

Expertise Isn’t the Bottleneck

Lack of expertise is not what makes Product Management difficult.




Interviewing for the Job


Doing the Job


Why The Massive Delta?
Interviewing for the Job
Doing the Job

The Problem is the System



The Kraken

Counter-Productive Organizational System For Teams

Organizational Structure

Culture

Leadership

Policies

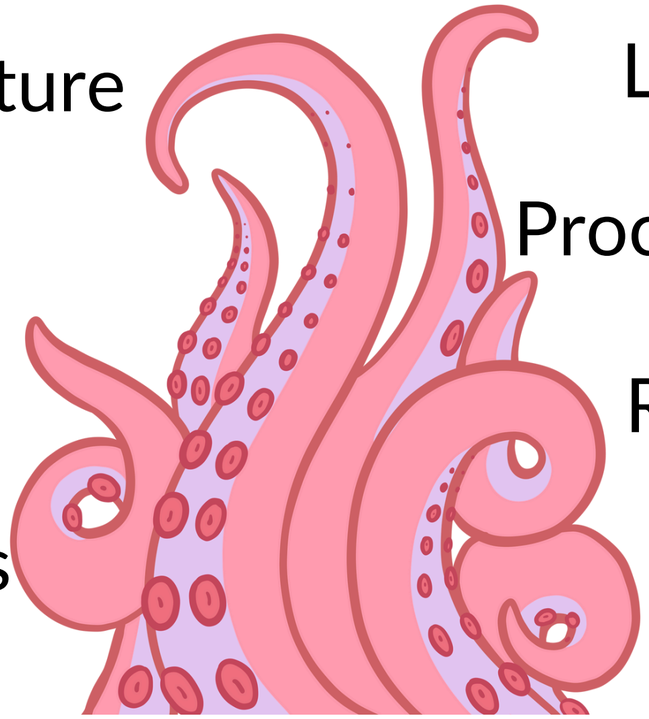
Process

Mindset

Rules

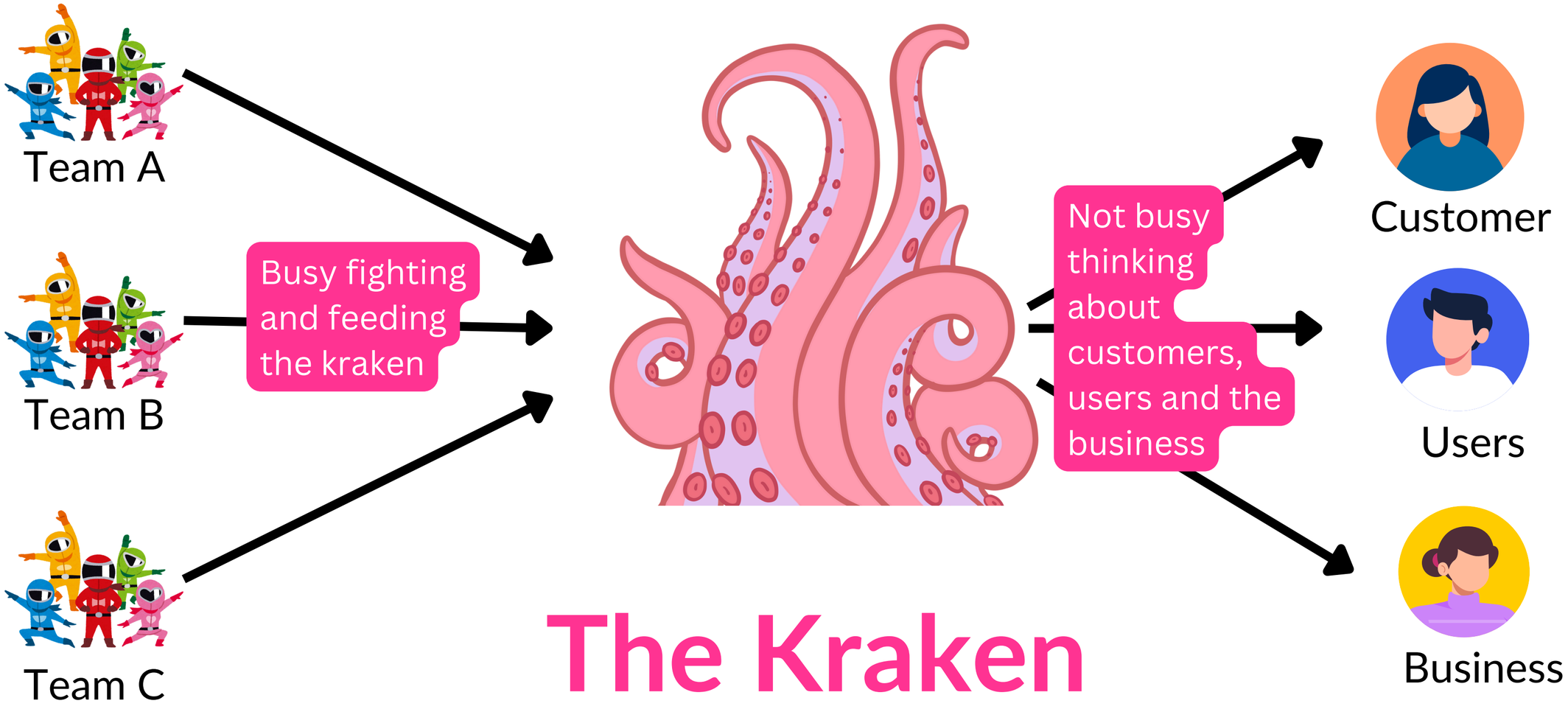
Departments

Bureaucracy



The Kraken

Brittle Teams Feeding the Kraken



Large Kraken = Brittle Teams

Teams that are like circus animals busy jumping through hoops.

Flexible and adaptable towards the kraken.

Inflexible towards the work and the results we want.



Most Great Products Are Built By Small Teams with Trust and Psychological Safety



Around 25 people



Around 30 people

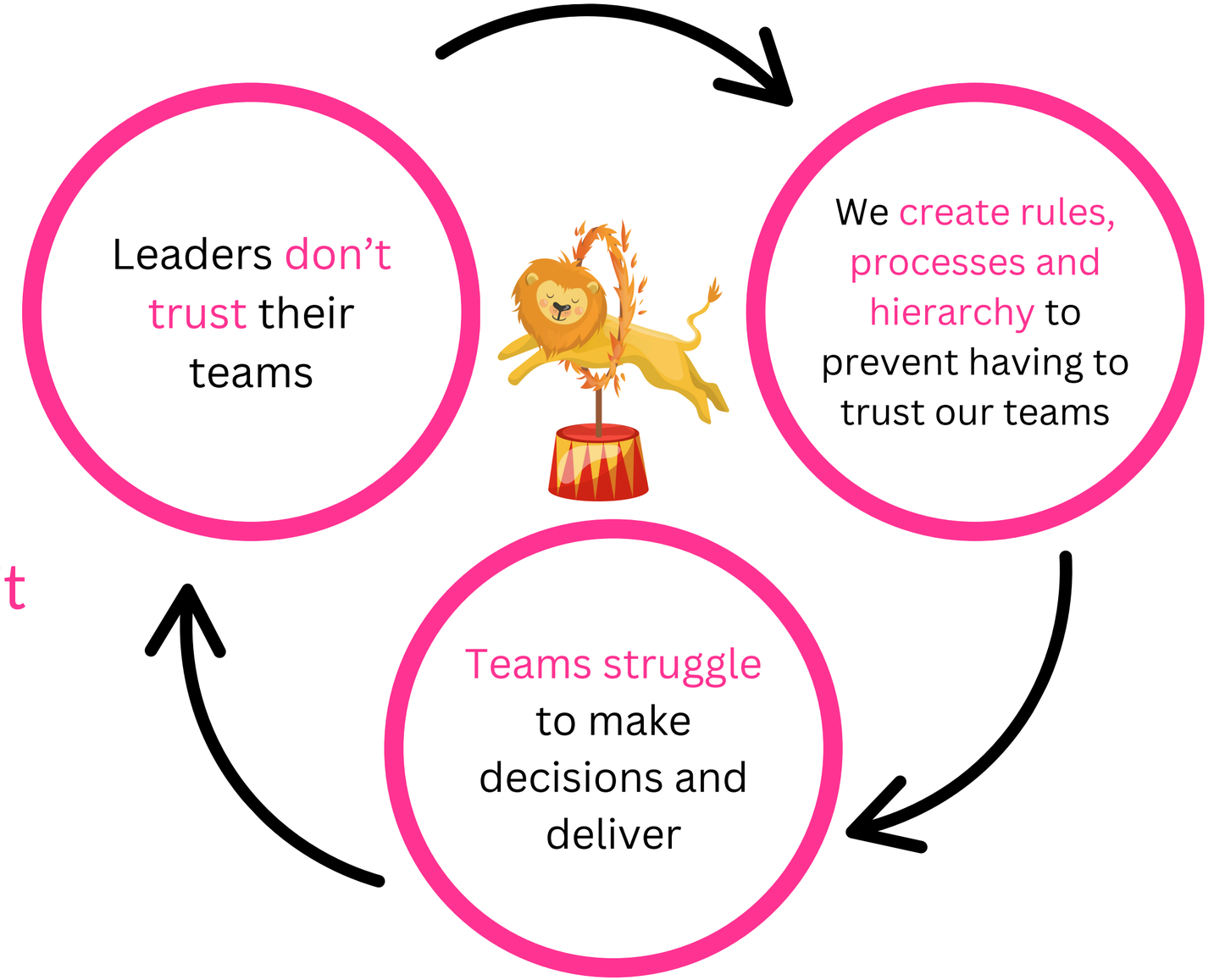


Around 300 people

The Cycle of Distrust

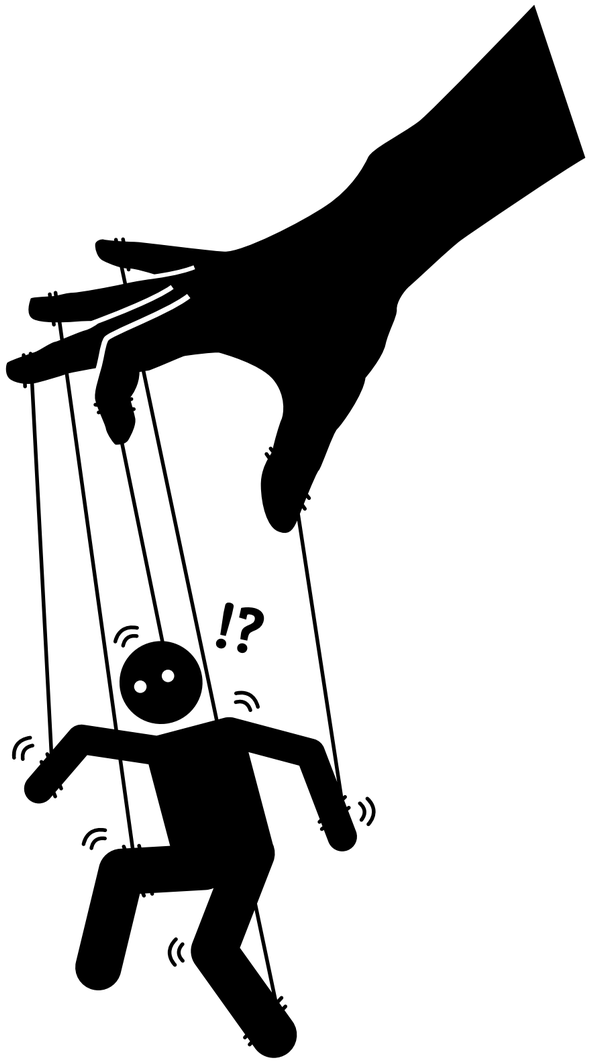
When you don’t trust your people you will develop an organization where you can’t trust your people.

Distrust breeds distrust



The Paradox of Control

Leaders want to iterate quickly
but they don't want to grant the trust necessary to iterate quickly



Distrust in Practice

“Our job at Opendoor is to build the best platform possible to make selling, buying, and owning a home as delightful as possible. That's the mission and it matters because home ownership matters. Every week we don't make immense progress against this mission is a bad week for the world - the world is objectively worse and families are worse off if we don't make an insane amount of progress every single week.

So we need to move faster - always. And we can't do that without being Al obsessed.

So, starting today the first line in everyone's job expectation is simply this: Default to Al. (This applies to everyone, including me!)

Starting with the next performance review, in addition to asking how much impact each employee delivered we will also ask ourselves how frequently does each person default to Al.”

3 Reasons Why Leaders Often Create Brittle Teams

1. Not knowing what you WILL be doing is NOT the same as not knowing what you're doing. Messiness is not necessarily incompetence

2. When you try to prevent sucking at predicting, you will guarantee to suck at adapting.

3. Better coordination doesn't fix poor collaboration



Chocolate is Deadly for the Kraken

CACAO Model for High-Performing, Empowered Teams



Elastic Teams

Teams that are flexible and adaptable towards external obstacles that may come their way.

Short feedback loops between team, the work and the results we want.

Score high on CACAO.



Teams Do Work To Create Value

Team → **Work** → **Results We Want**

If the work is linear and predictable, dealing with internal obstacles is easy

Not Linear, But Messy



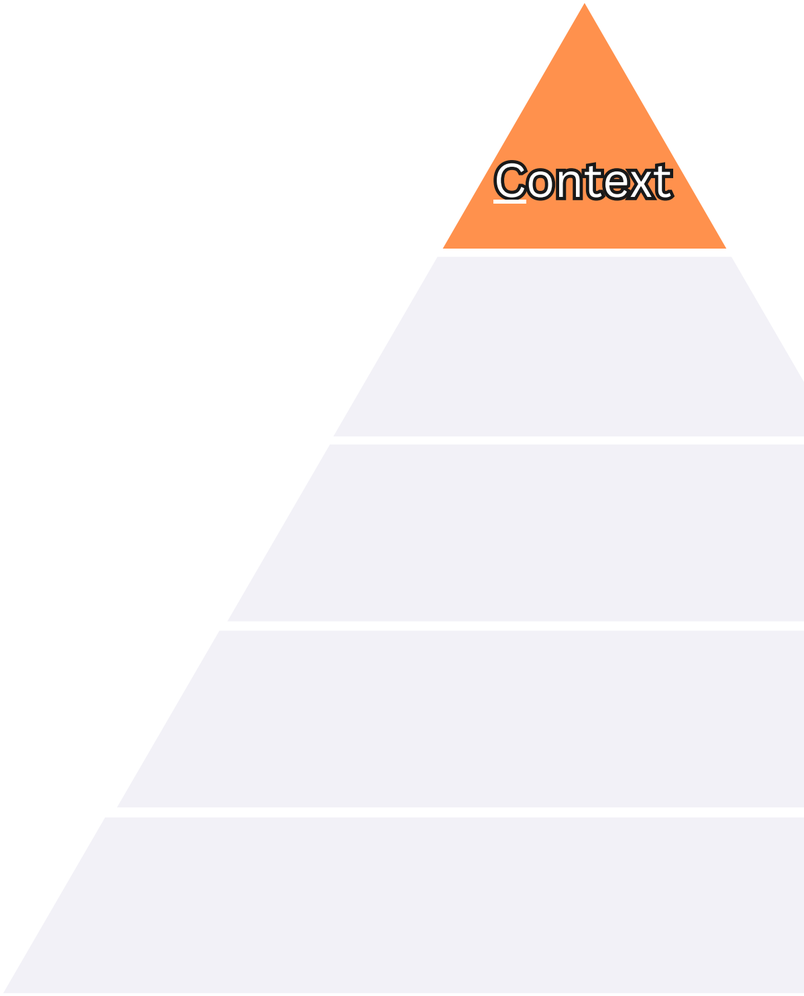
We need Elastic Teams that are flexible and adaptable

The 1st Obstacle

"The procedure is actually quite simple. First you arrange things into different groups depending on their makeup. Of course, one pile may be sufficient depending on how much there is to do. If you have to go somewhere else due to lack of facilities that is the next steps, otherwise you are pretty well set.

It is important not to overdo any particular endeavor. That is, it is better to do too few things at once than too many. In the short run, this may not seem important, but complications from doing too many can easily arise. A mistake can be expensive as well. The manipulation of the appropriate mechanisms should be self-explanatory, and we need to not dwell on it here.

At first the whole procedure will seem complicated. Soon, however, it will become just another facet of life. It is difficult to foresee any end to the necessity for this task in the immediate future, but then one can never tell."



One of the Easiest Things to Fix

TABLE 1

MEAN COMPREHENSION RATINGS AND MEAN NUMBER OF IDEAS RECALLED, EXPERIMENT I

	No context (1)	No context (2)	Context after	Partial context	Context before	Maximum score
Comprehension	2.30 (.30)[a]	3.60 (.27)	3.30 (.45)	3.70 (.56)	6.10 (.38)	7
Recall	3.60 (.64)	3.80 (.79)	3.60 (.75)	4.00 (.60)	8.00 (.65)	14

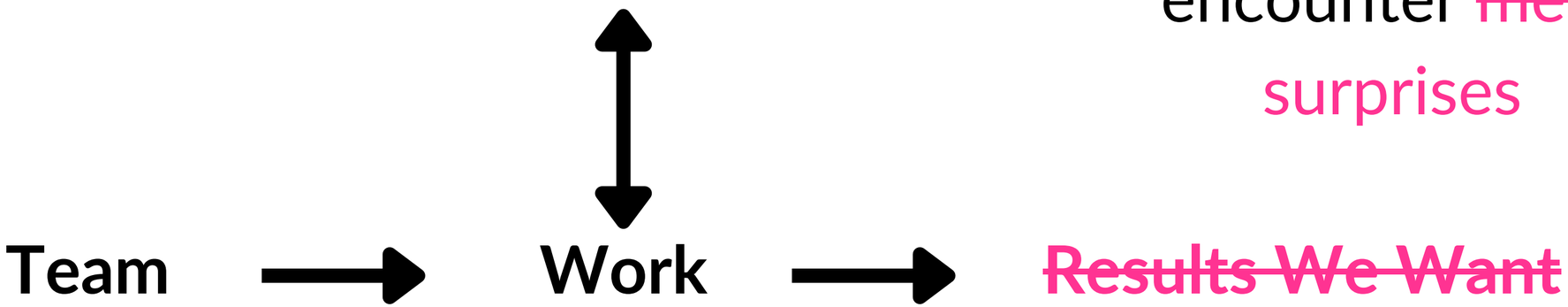
[a] Standard error in parentheses.

Understanding and remembering only improves significantly if context is provided before

#1. Obstacle: Missing Context

Self-referential:
The goal of the work is to finish the work

Result:
Team unable to make decisions when they encounter ~~mess~~ surprises



#1. Obstacle: Missing Context

The team needs lots of hand-holding and instructions (babysitting)

- The Product Backlog focuses on solutions.
- Talking to team members, they don’t know why they are working on something.
- Constantly asking for instructions and clarification
- Unable to reframe problems



Fixing the Missing Context

The team needs to have all information available to them to make decisions.

- Every Product Backlog Item must include the relevant context
- Roadmaps cannot focus purely on features as you will lose context
- Whenever team comes to you with a question as a PM or PO, ask why can’t they answer this without needing me?

Teams With Context

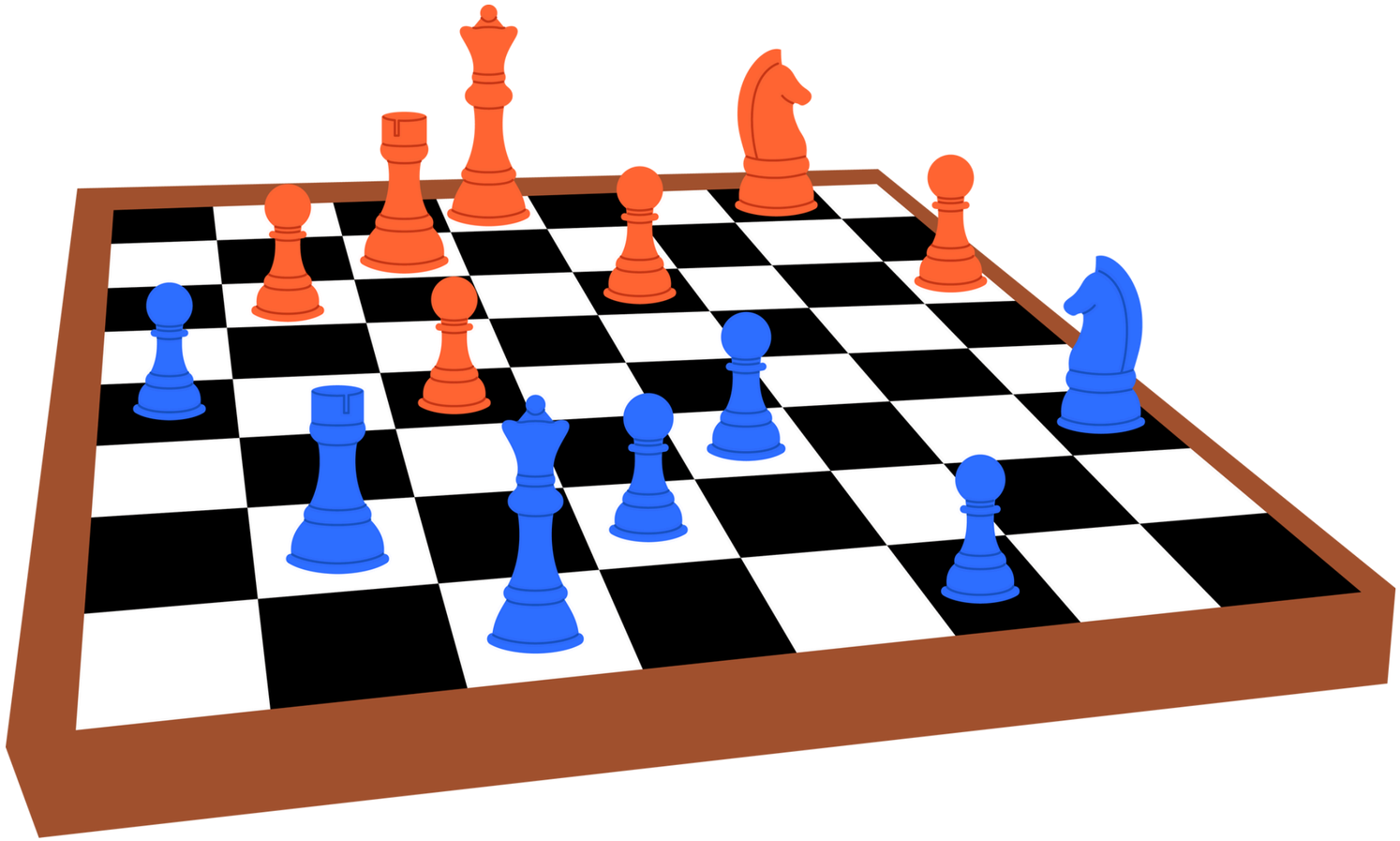
Characteristics:

- Rarely ask for instructions and make decisions
- If they encounter problems, they can come up with different ways to solve them
- Can challenge their PM/POs

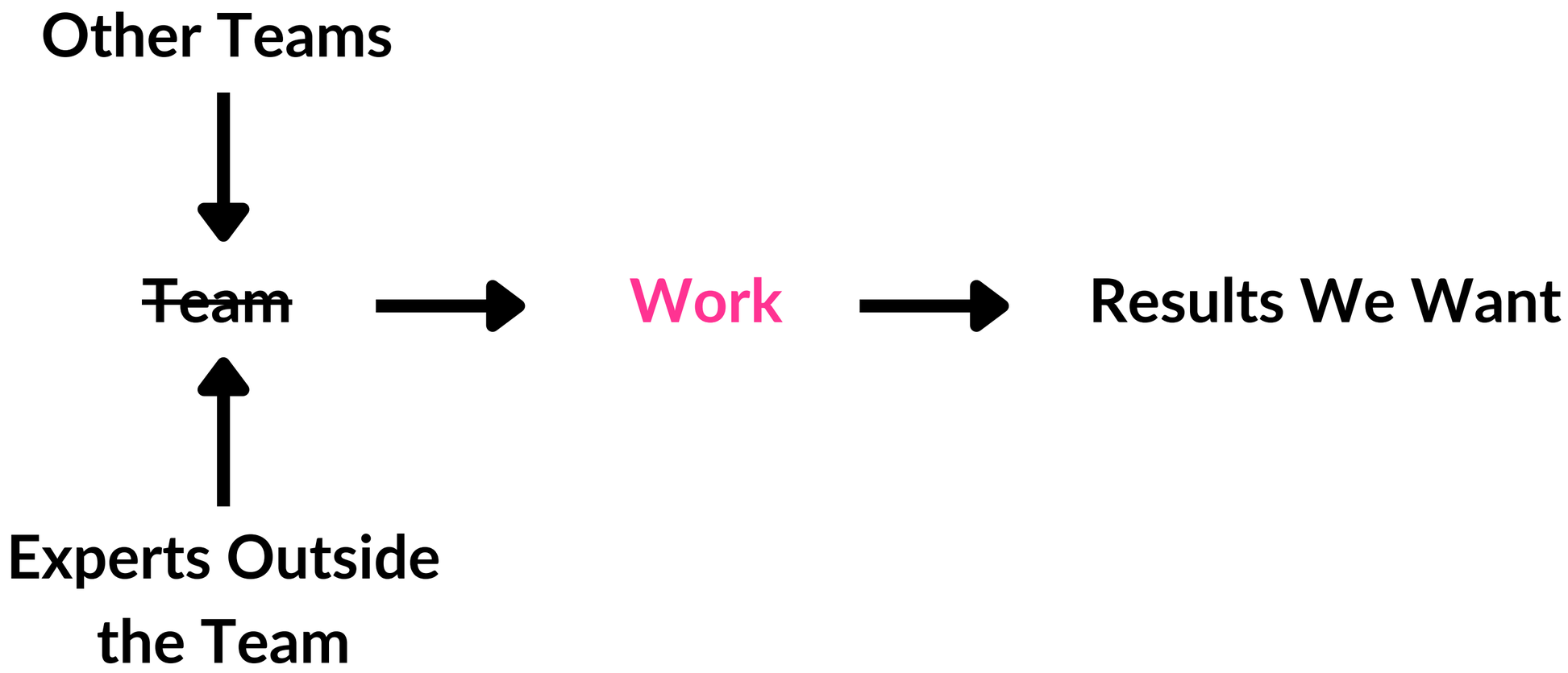


Moving authority to information:
Decentralized Decisions

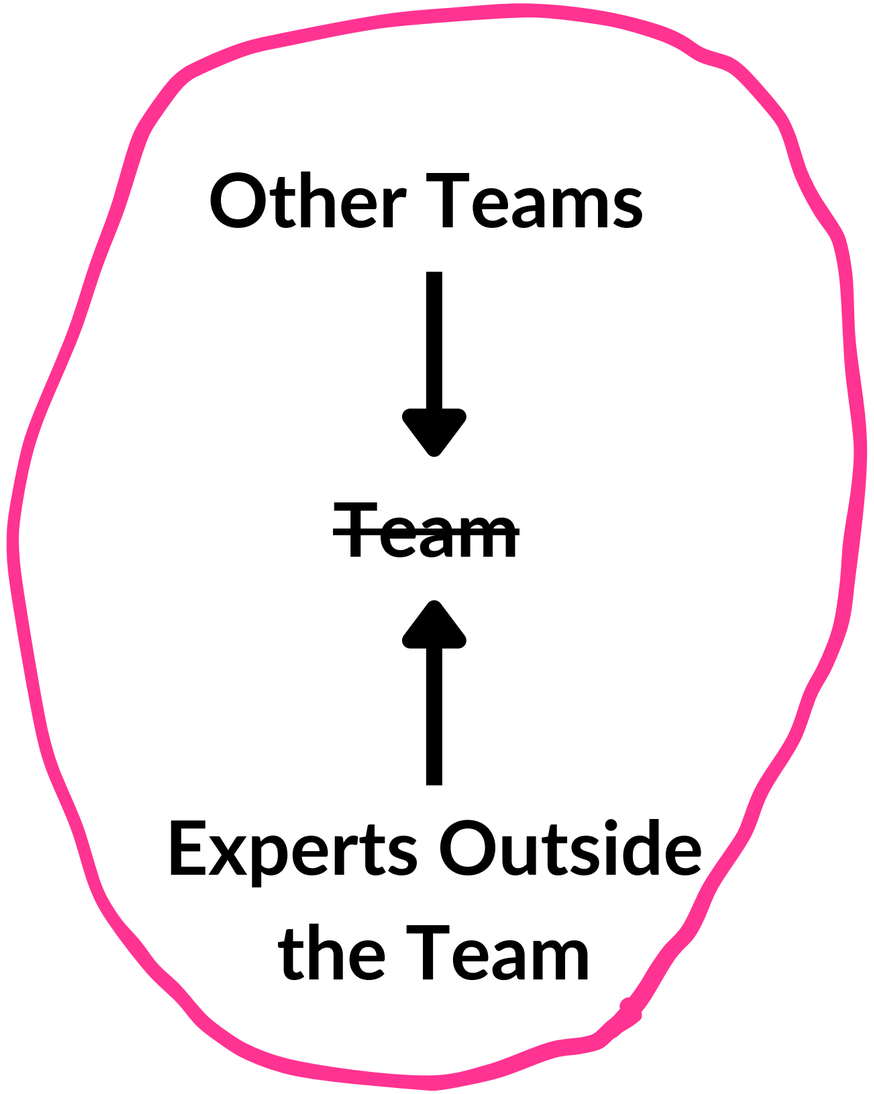
Expertise Matters For Context



#2 Obstacle: Inadequate Autonomy



#2 Obstacle: Inadequate Autonomy



The Real Team

The team lacks the expertise or trust to make decisions without involving others outside of the team

#2 Obstacle: Inadequate Autonomy

Lots of waiting, high WIP and way too many meetings:

- Teams must coordinate with many other teams
- Team can’t make decisions because they depend on others outside the team
- Teams scared to make decisions due to culture or environment



Overcoming the 2nd Obstacle:

Conditions for Autonomy

~~Waiting and inaction~~

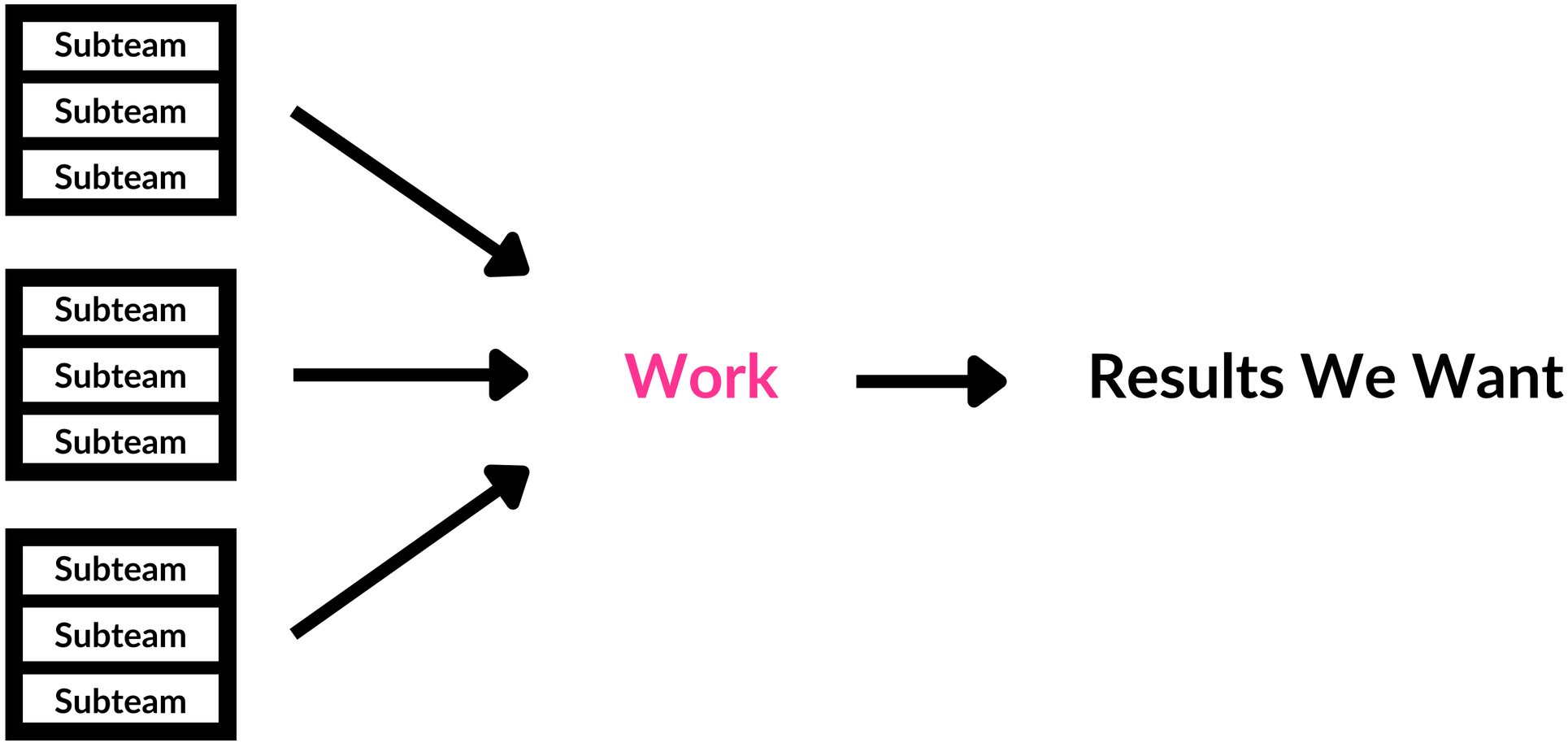
Decisive Action

Characteristics:

- Teams can ship features to production independently
- Team can mostly make decisions without depending on others
- Team has trust and psychological safety



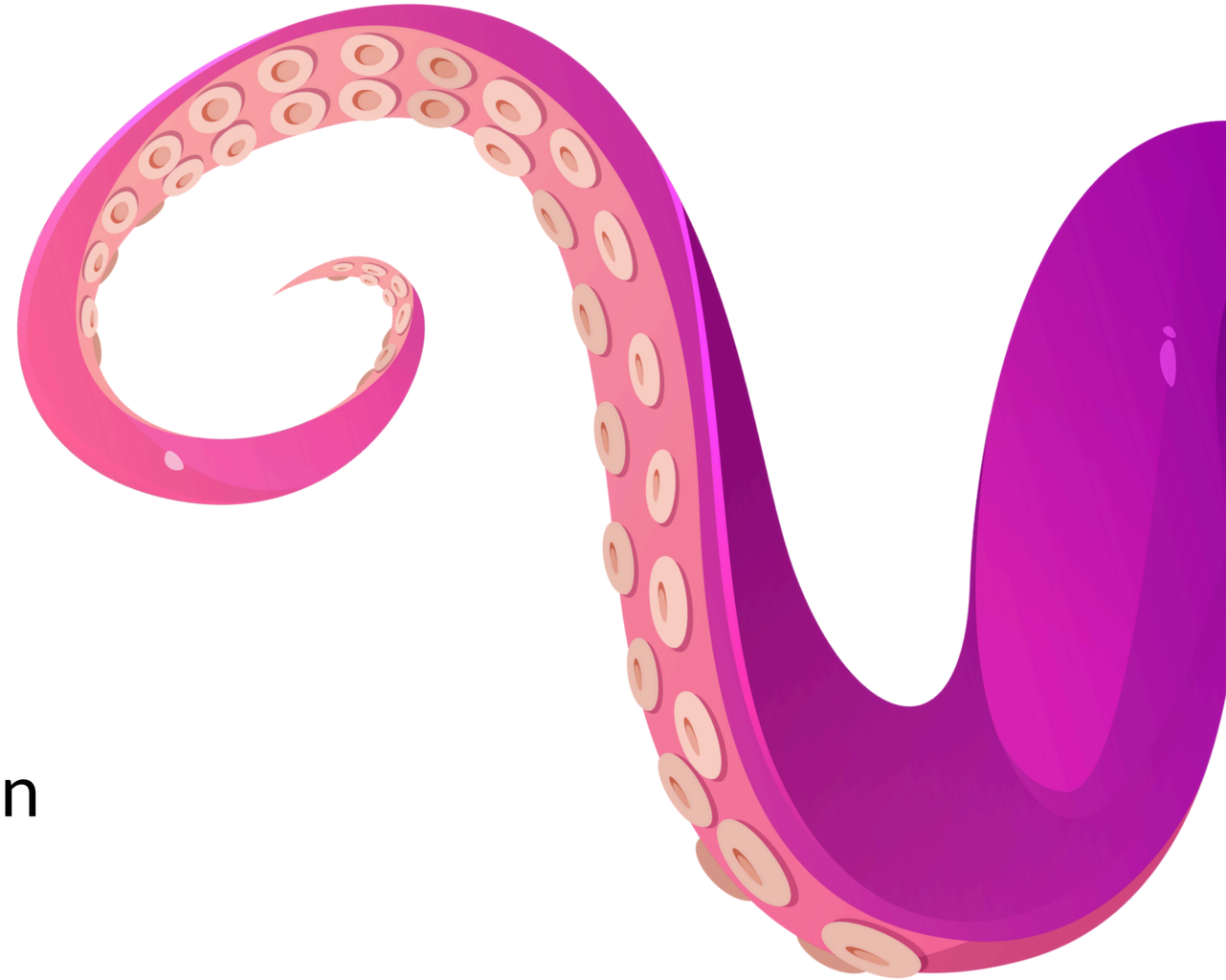
#3 Obstacle: Lack of Collaboration



#3 Obstacle: Lack of Collaboration

Silos everywhere all at once. Even simple things become difficult:

- Teams work in silos and horizontal slices.
- When you need help from another team, you don’t get it
- Bottlenecks within and between teams, e.g. QA is slow



Effective Collaboration

~~Sluggish Silos~~

Collaborative Teams of Teams:

- Teams collaborate as necessary to produce vertical slices of value
- Receive help as necessary from other teams
- Bottlenecks within and between teams are swiftly resolved

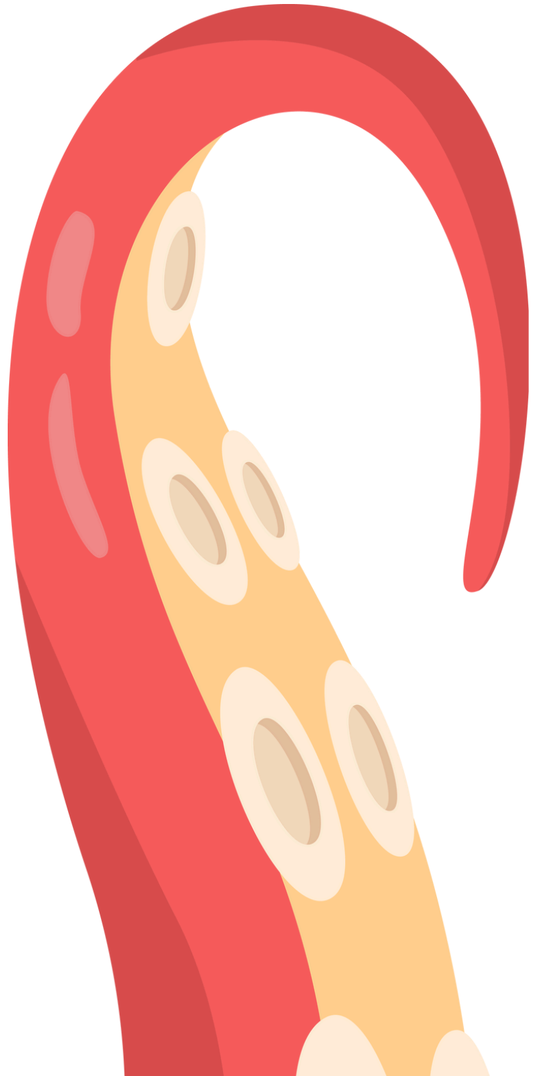
Collaborative Teams of Teams



#4 Obstacle: Insufficient Alignment

3Cs: Chaos, Cannibalization and Conflict

- Teams have no clue what other teams are working on
- When teams need help, there is a big fight
- Teams are working on too many different things at once



Moving Along a Shared Trajectory

Characteristics

- Teams know what other teams are working on
- When teams need help from each other, it's quietly and quickly resolved
- Feels like teams are pulling in the same direction

~~3Cs:~~

~~Chaos, Cannibalization and Conflict~~

Focus and Clarity



Why Fighting the Kraken is Difficult

#1. The longer you are part of a system, the more blind you become to problems of the system.



#2. When your organizational system makes it hard to make decisions, making changes also becomes harder.



#3. Organizational systems have evolved based on conditions from the past and are not designed for the future.



Age of AI: Small Teams That Have Ownership Over Results No Longer Optional



Don’t worry about your teams NOT adopting AI.

Worry about your teams not being able to operate as an elastic team.

AI will take care of itself.

Feeding and Fighting the Kraken



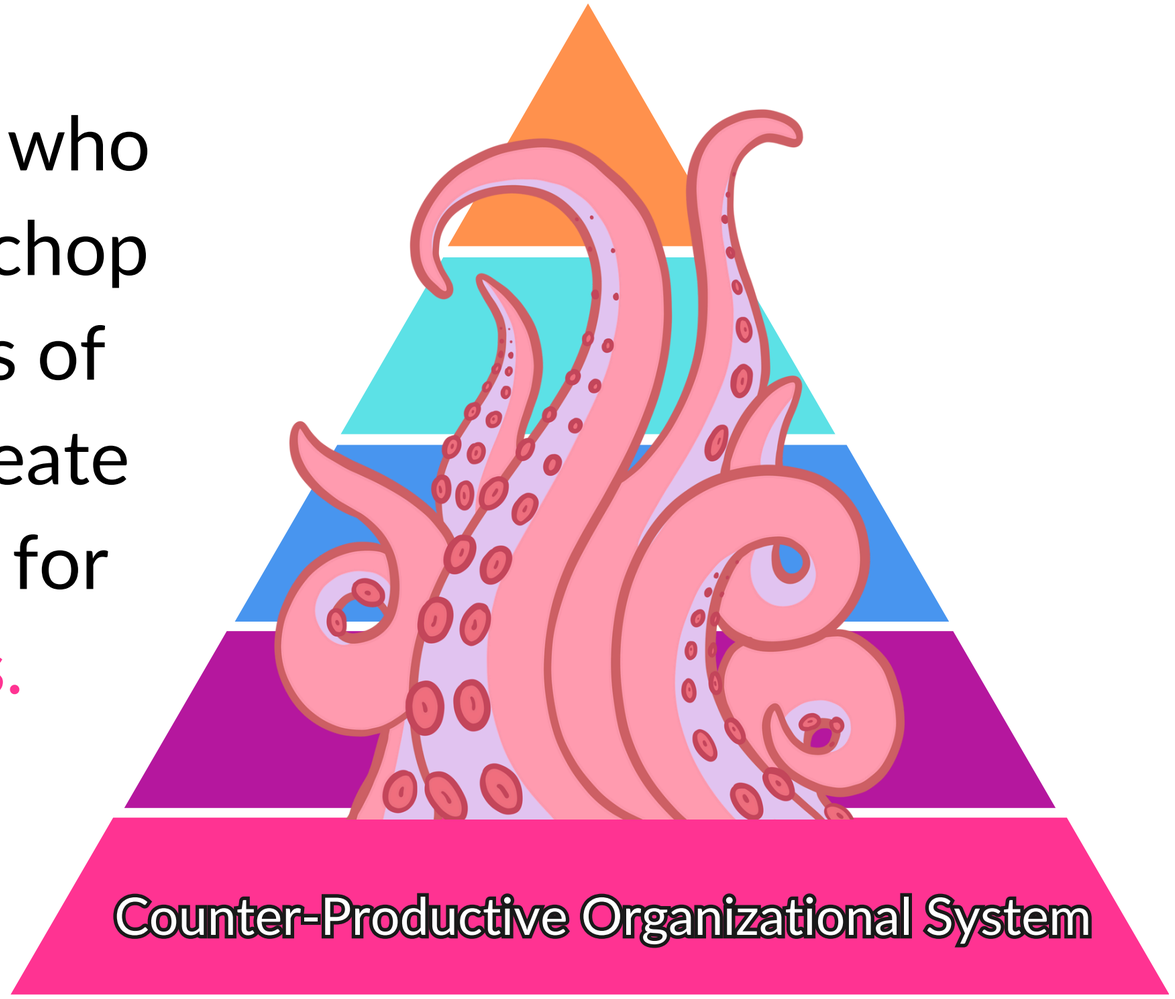


Like the bottom of the pyramid constrains the top of the pyramid, our organizational kraken constrains the context, autonomy, collaboration and alignment of your teams.

We Need Leaders With More Guts



We need leaders who have the guts to chop off the tentacles of the Kraken to create an environment for Elastic Teams.



Don't Be Atlas

Learn to let go of what you can't influence.

You can create high-performing teams in organizations with huge krakens... but you'll bump into walls and your effort may not even be appreciated.



Strategy for Slaying the Kraken

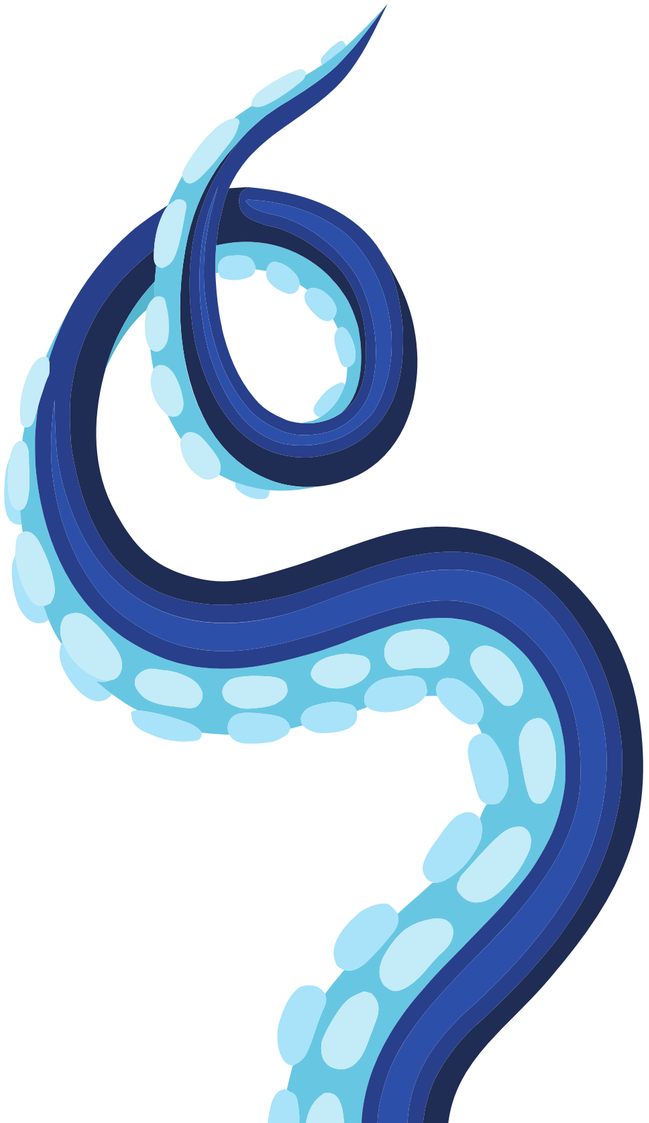
The goal is to create a small little oasis - a small pocket of product management excellence.

Start with providing Context.



Strategy for Slaying the Kraken

As you move down, you will begin to notice systemic problems



Fixing inadequate autonomy often means:

- Changing team structure
- Moving individuals around
- Fixing cultural issues (trust, psychological safety)

Strategy for Slaying the Kraken

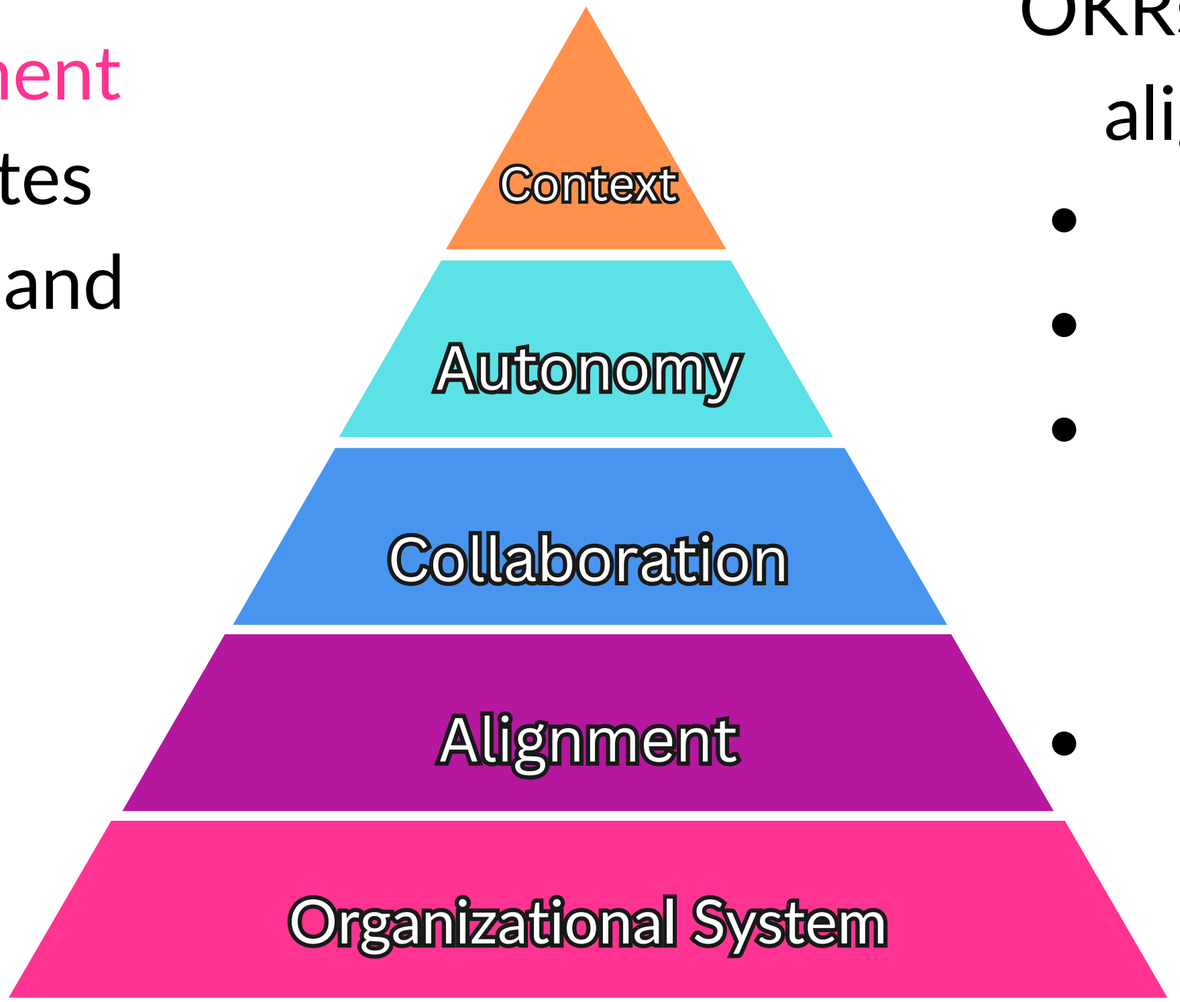
Lack of Collaboration is one of the toughest nuts to crack.

It’s impacted by all dysfunctions above and below.



Strategy for Slaying the Kraken

Lack of Alignment usually indicates organizational and leadership problems.



OKRs don't fix insufficient alignment, start with:

- Vision
- Strategy
- Removing Institutionalized Competing Interests
- Reducing WIP

Strategy for Slaying the Kraken

Fixing broken organizations is like fixing spaghetti code.

When you touch one area, you might be touching ten other areas at the same time.



This is why most organization settle for short-term surface-level success like the Spotify model or OKRs

CACAO to Fight the Kraken

Do you want Brittle Teams or Elastic Teams?





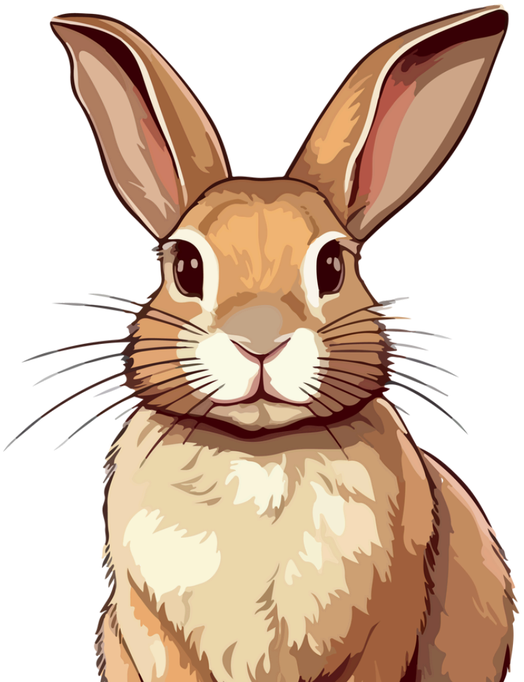
If You Remember Two Things...

#1. Changing complex systems is much harder than developing Product Management expertise.

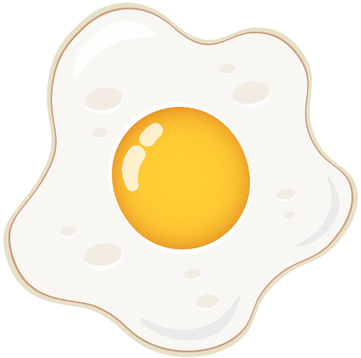
“A bad system will beat a good person every time.”

- W.E. Deming

This is why Australia is still plagued by 200 million rabbits.



It’s also why we still don’t know whether eggs are healthy or not.



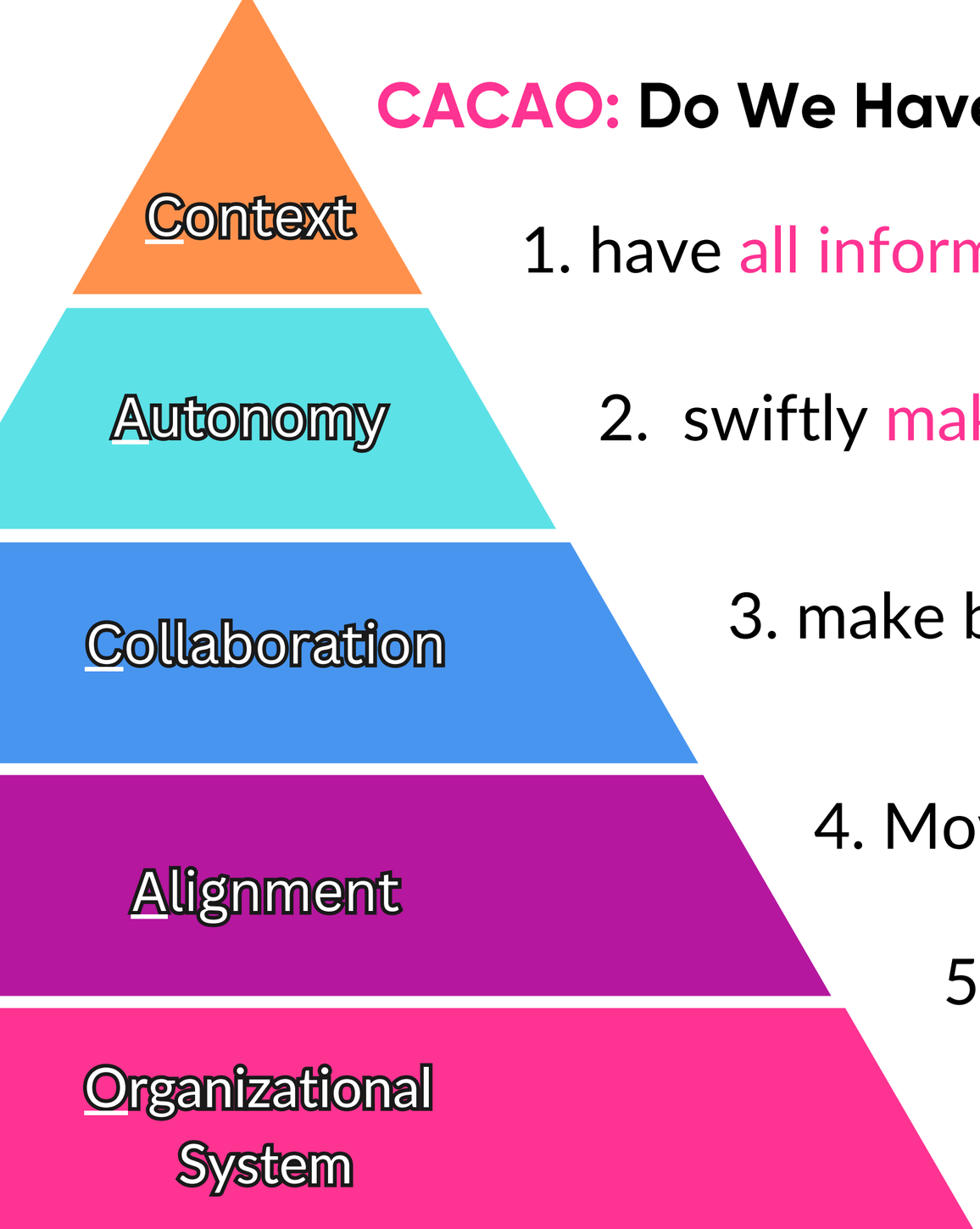
#2. Use CACAO to Create Elastic Teams with Short Feedback Loops to The Results We Want



Context
Autonomy
Collaboration
Alignment
Organizational System



Feel free to send any questions you might have to maarten@dalmyn.com



CACAO: Do We Have Brittle or Elastic Teams? Do Teams:

1. have all information to make decisions?
2. swiftly make decisions and act?
3. make better decisions together?
4. Move along a shared trajectory?
5. Work in an Organizational System that supports Context, Autonomy, Collaboration and Alignment?