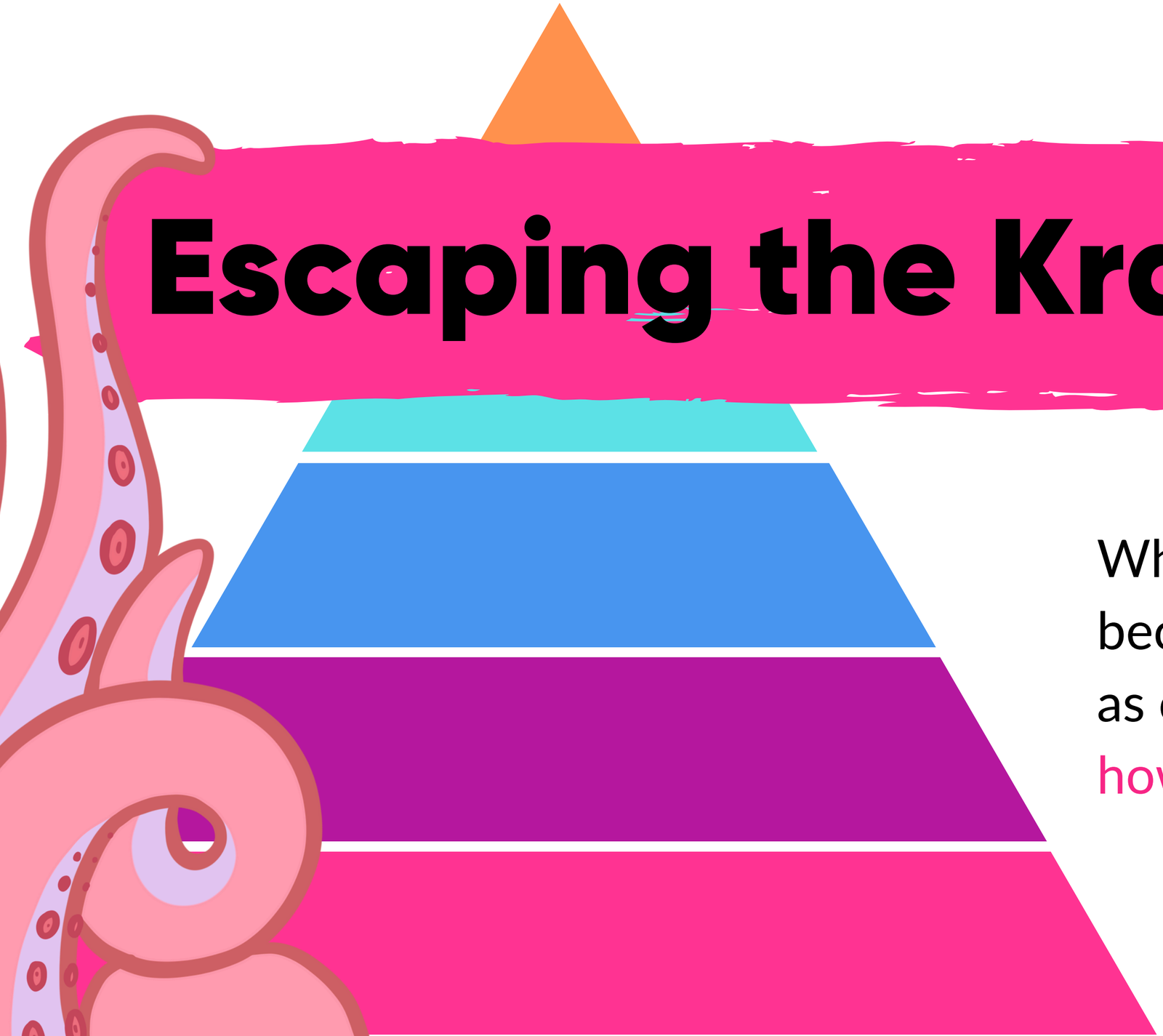
Escaping the Kraken



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?

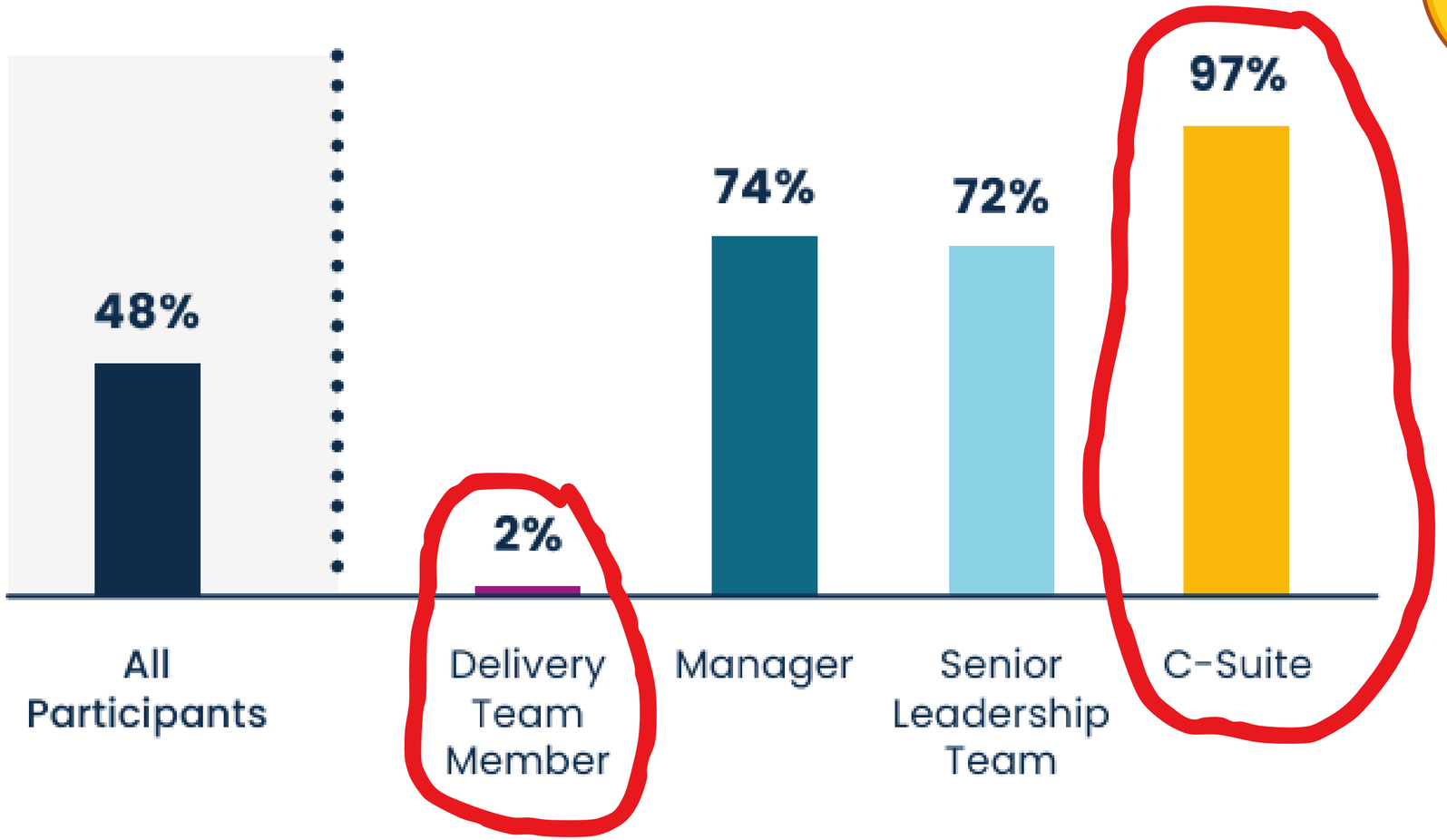
Talking to Someone at One of the Most Admired Tech Companies in the World



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



“Our leaders role model agile behaviours”



3rd State of Agile Culture Report, 2023

The Solution: Fire and Replace All Leaders?

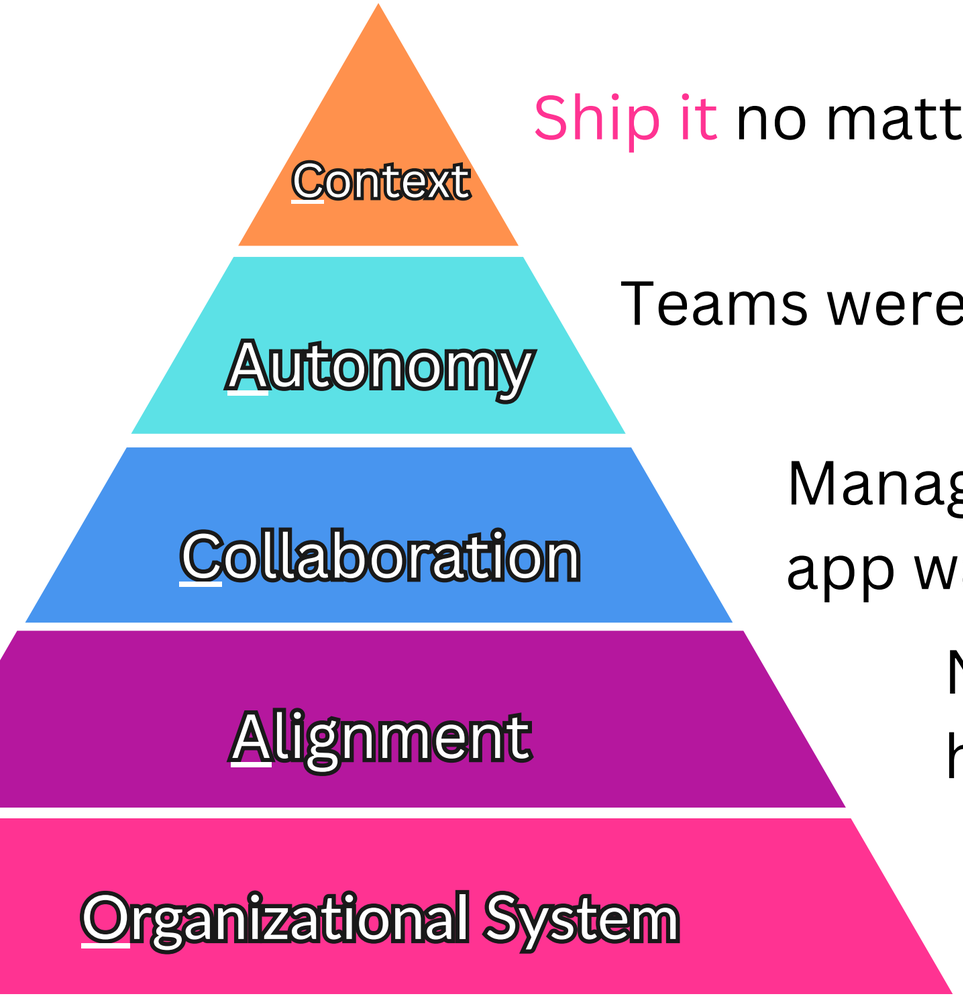


Example: Sonos




Disaster Struck

CACAO Model



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

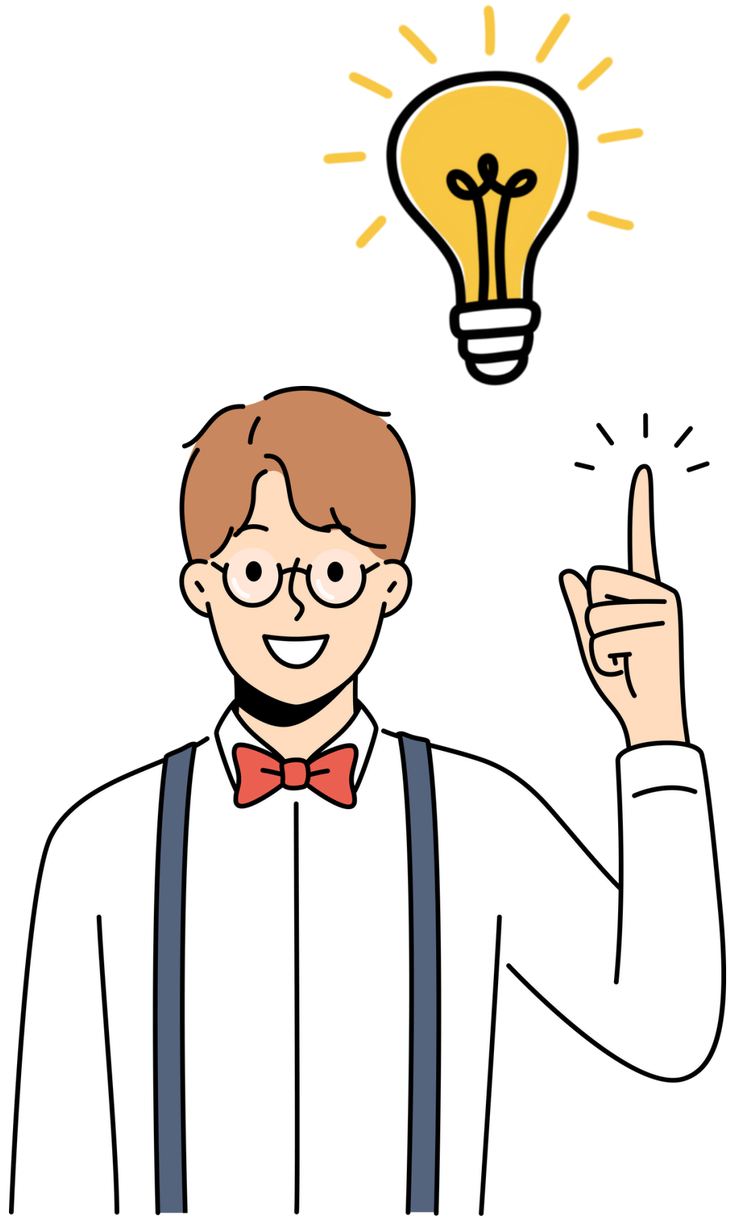
TECHNOLOGY | SCIENCE OF SUCCESS

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.

Expertise Isn’t the Bottleneck

Lack of expertise is not what makes Product Management or Agile difficult.




Interviewing for the Job


Doing the Job


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

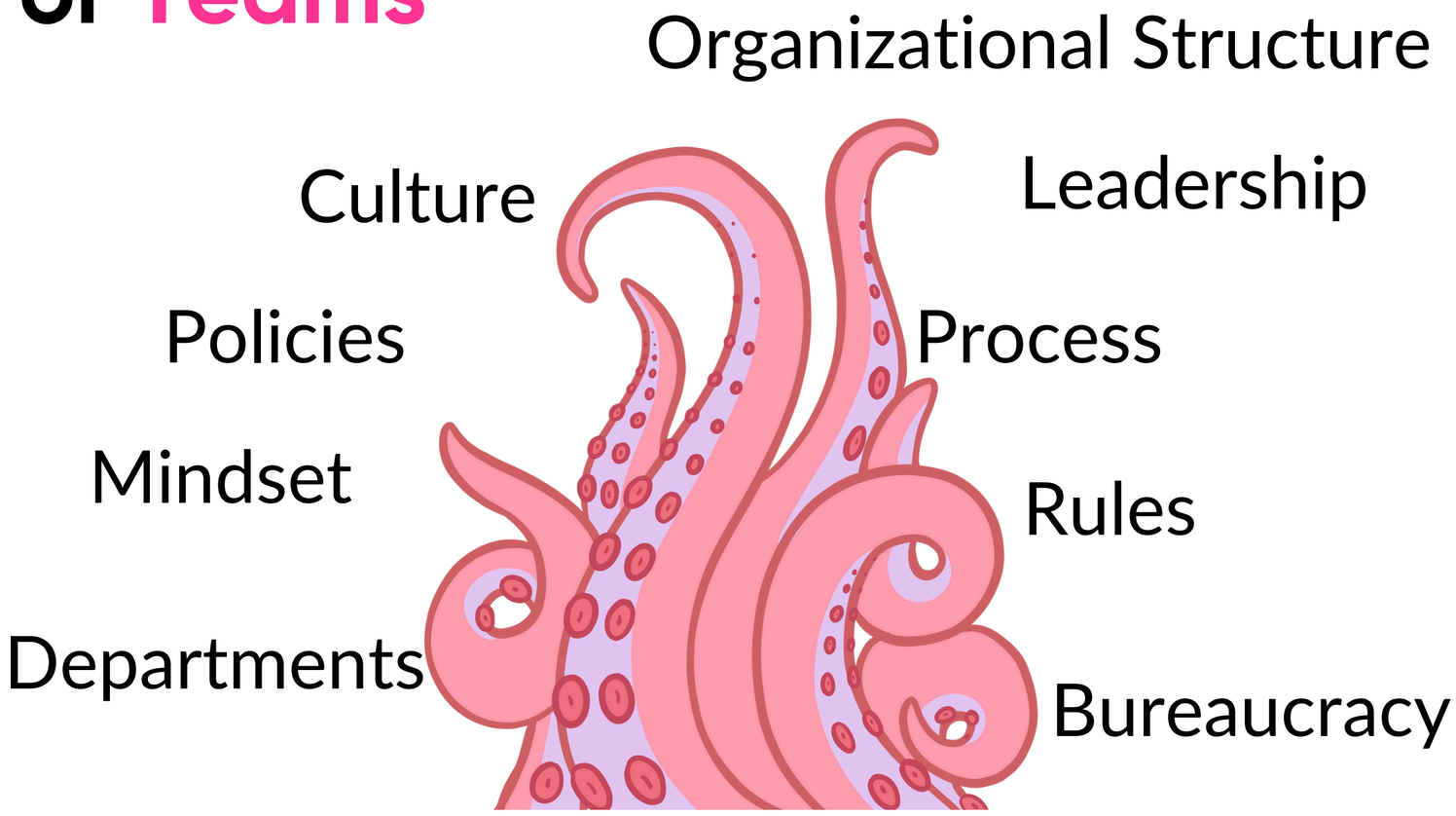
The Problem is the System

The Kraken is what makes Product Management (and Agile) difficult



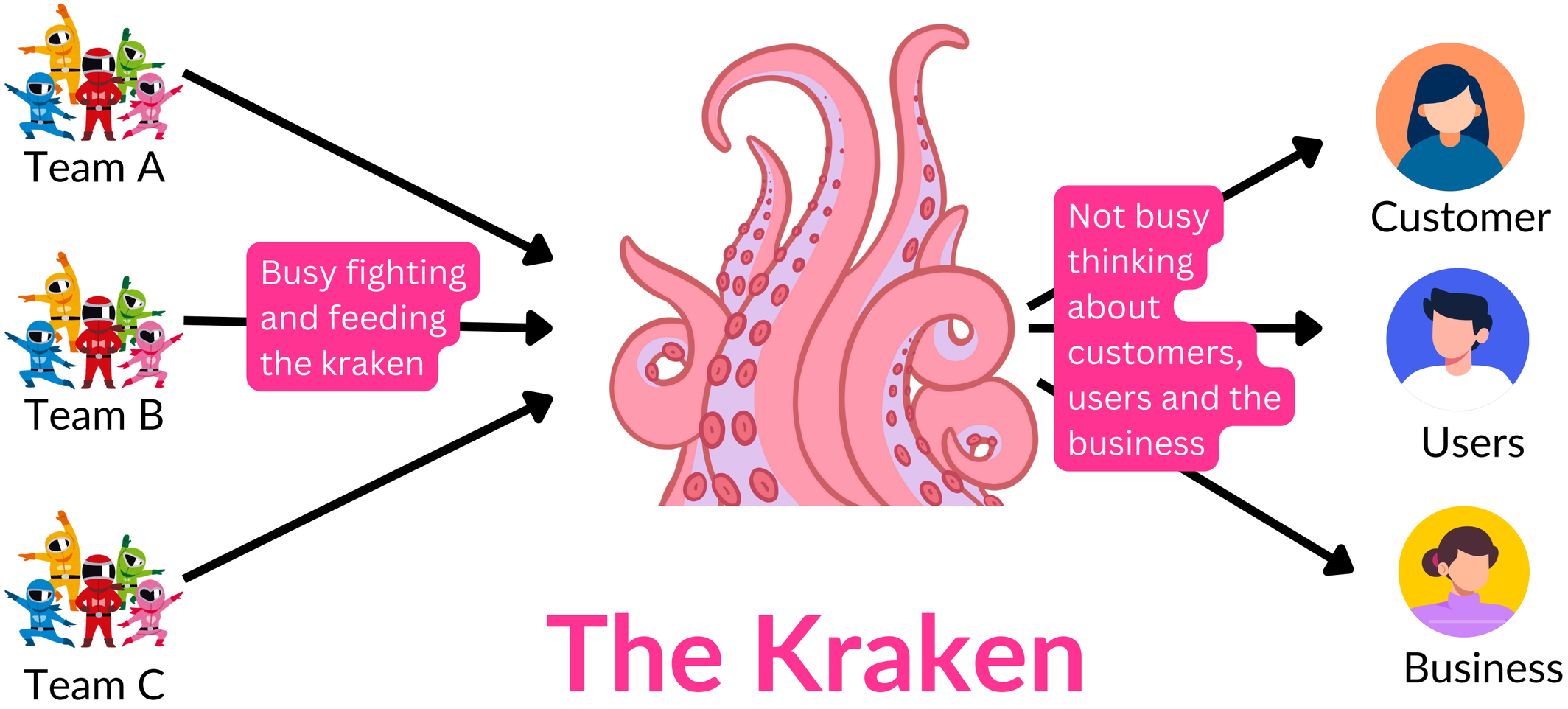
The Kraken

The Kraken: Counter-Productive Organizational System For Teams



The Kraken

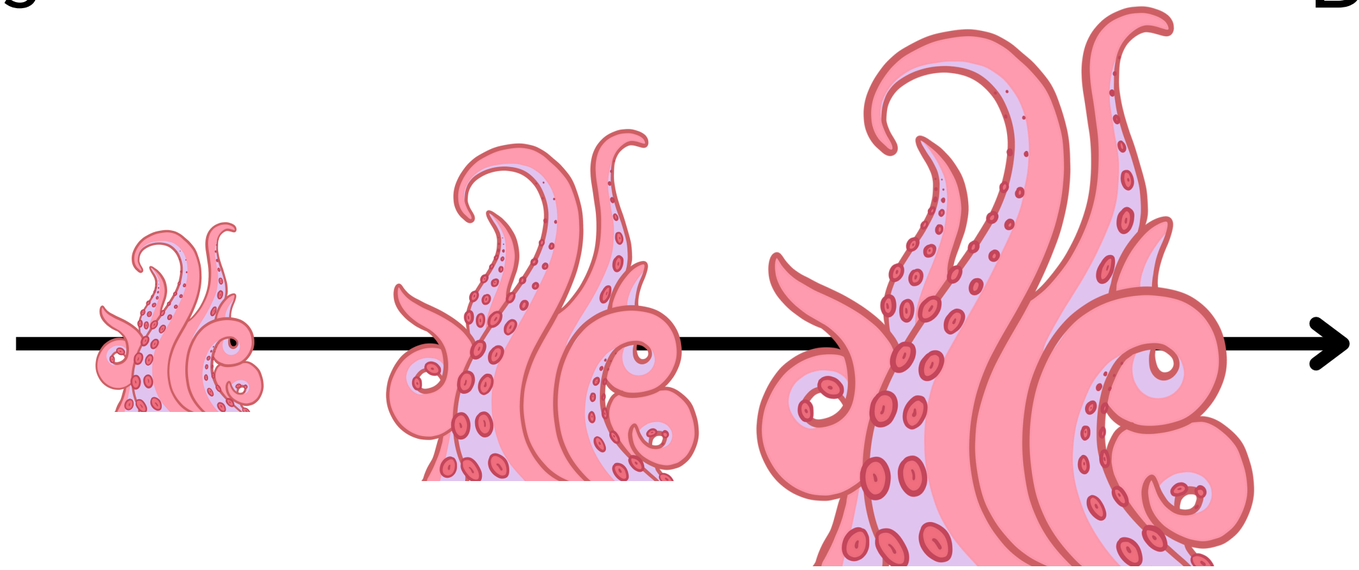
Brittle Teams Feeding the Kraken



Elastic Teams

Brittle Teams







Ownership

Orchestration

How do you end up here?

The Paradox of Control

Most leaders want to iterate quickly but they unable 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 asdelightful 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.

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.”

Distrust:

Asked To Be On Call



The Kraken Feeds On Distrust

YUMMY DISTRUST

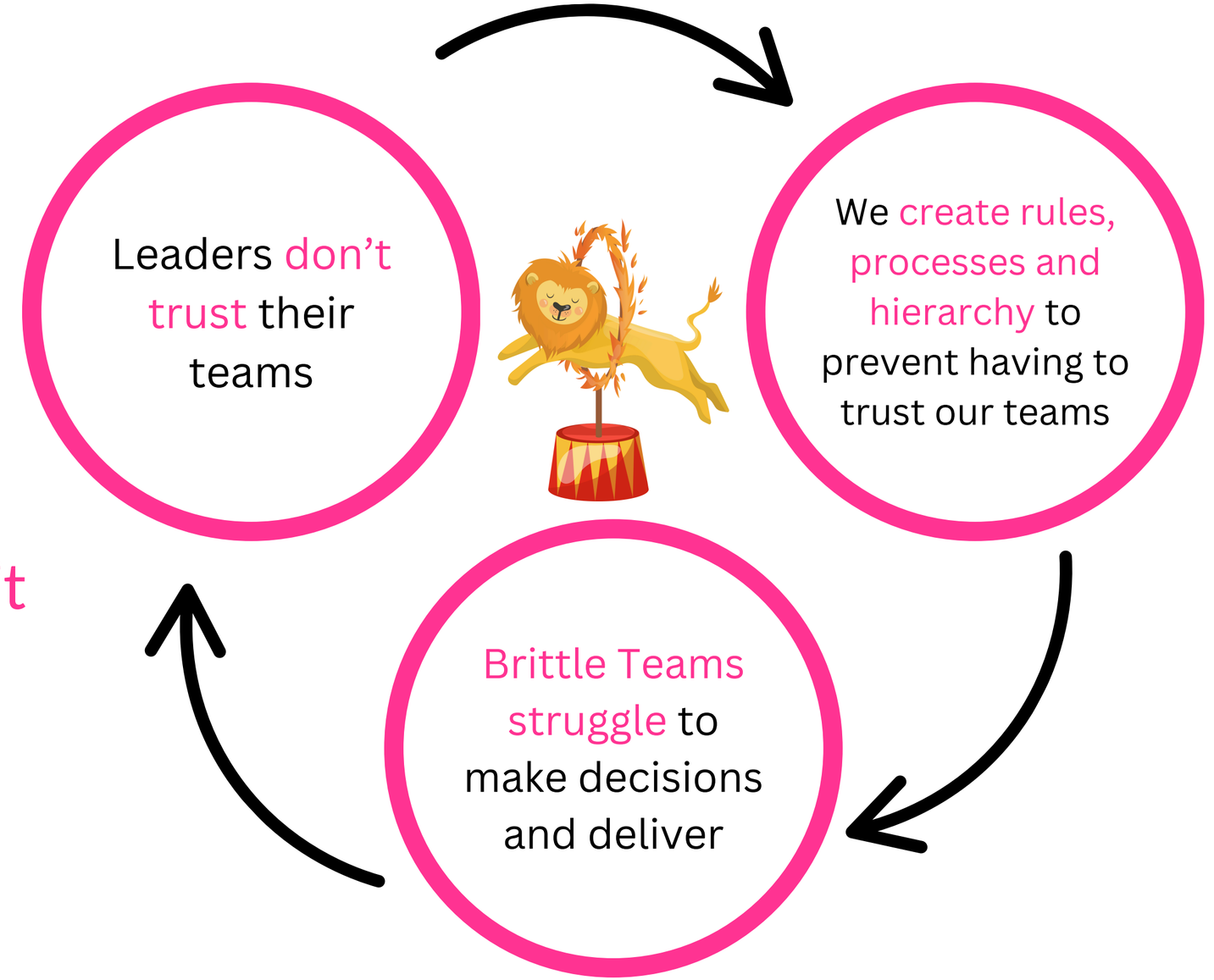
OM NOM NOM NOM



The Cycle of Distrust

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

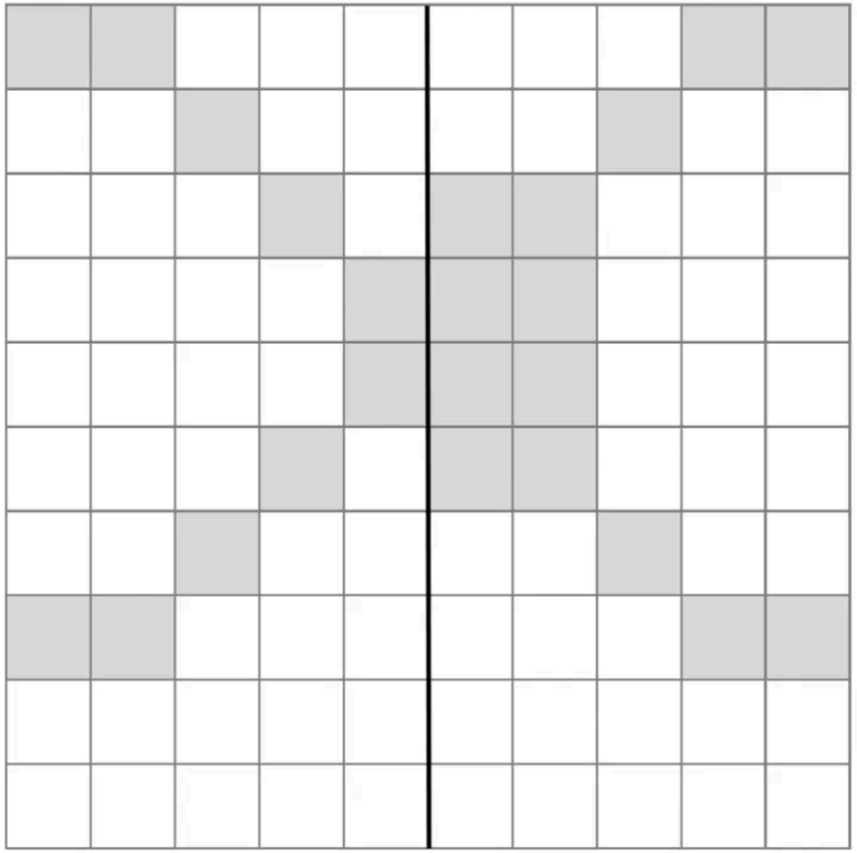
Distrust breeds distrust



To Make Matters Worse

We suck at removing, because removing means:

- Loss aversion
- Risk
- We’re addicted to addition



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



Around 25 people



Around 30 people



Around 300 people

In Teams We Trust



"We regularly coach groups that ask, 'How can we calculate how many people we will need?'

Our suggestion is, **Start with a small group of great people, and only grow when it really starts to hurt.**

That rarely happens."



2 Important Factors that Decrease Trust

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.



Chocolate is Deadly for the Kraken

CACAO Model for High-Performing, Empowered Teams



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

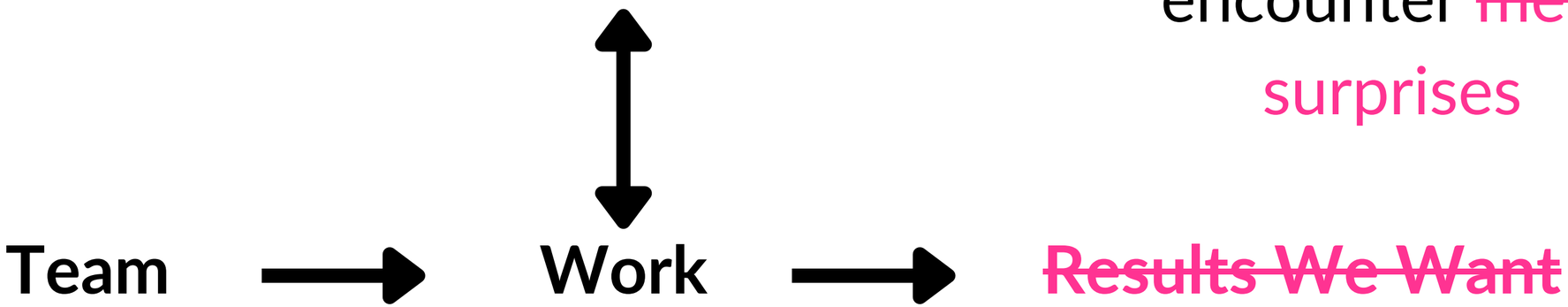


We need Elastic Teams that are flexible and adaptable

#1. Obstacle: Missing Context

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

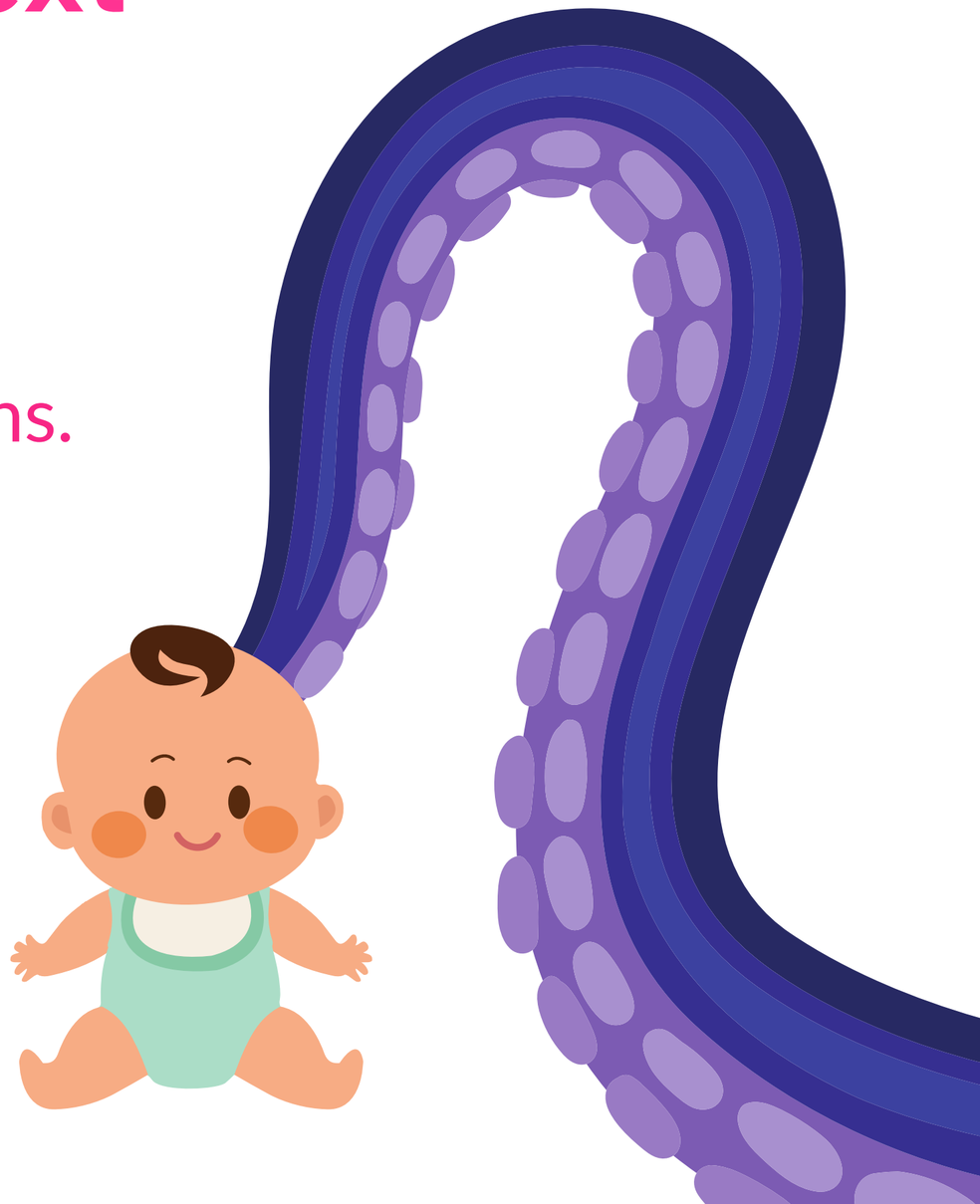
Result:
Team unable to make decisions when they encounter ~~mess~~ surprises



#1. Obstacle: Missing Context

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

- The Product Backlog focuses on solutions.
- 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

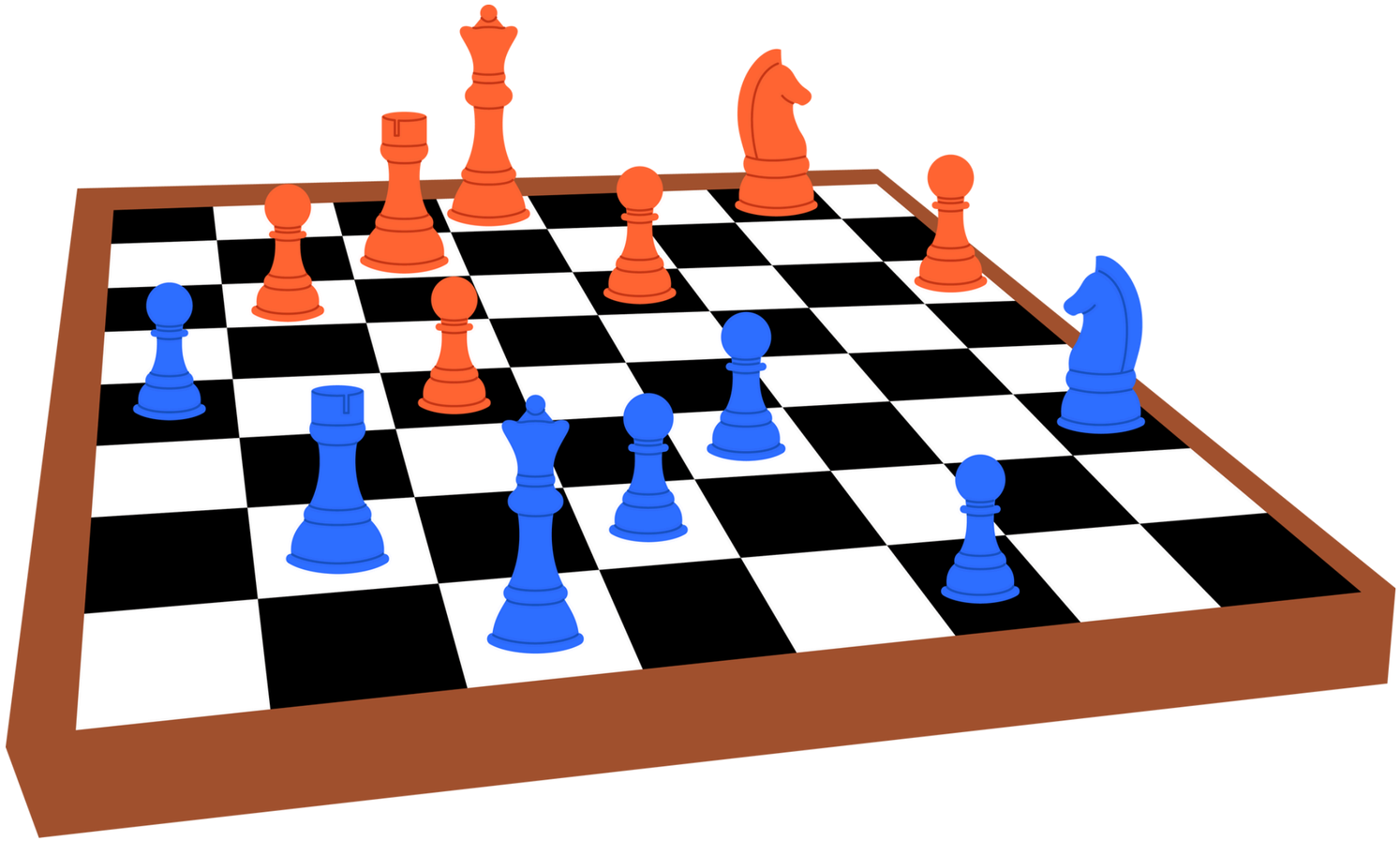
Characteristics:

- 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

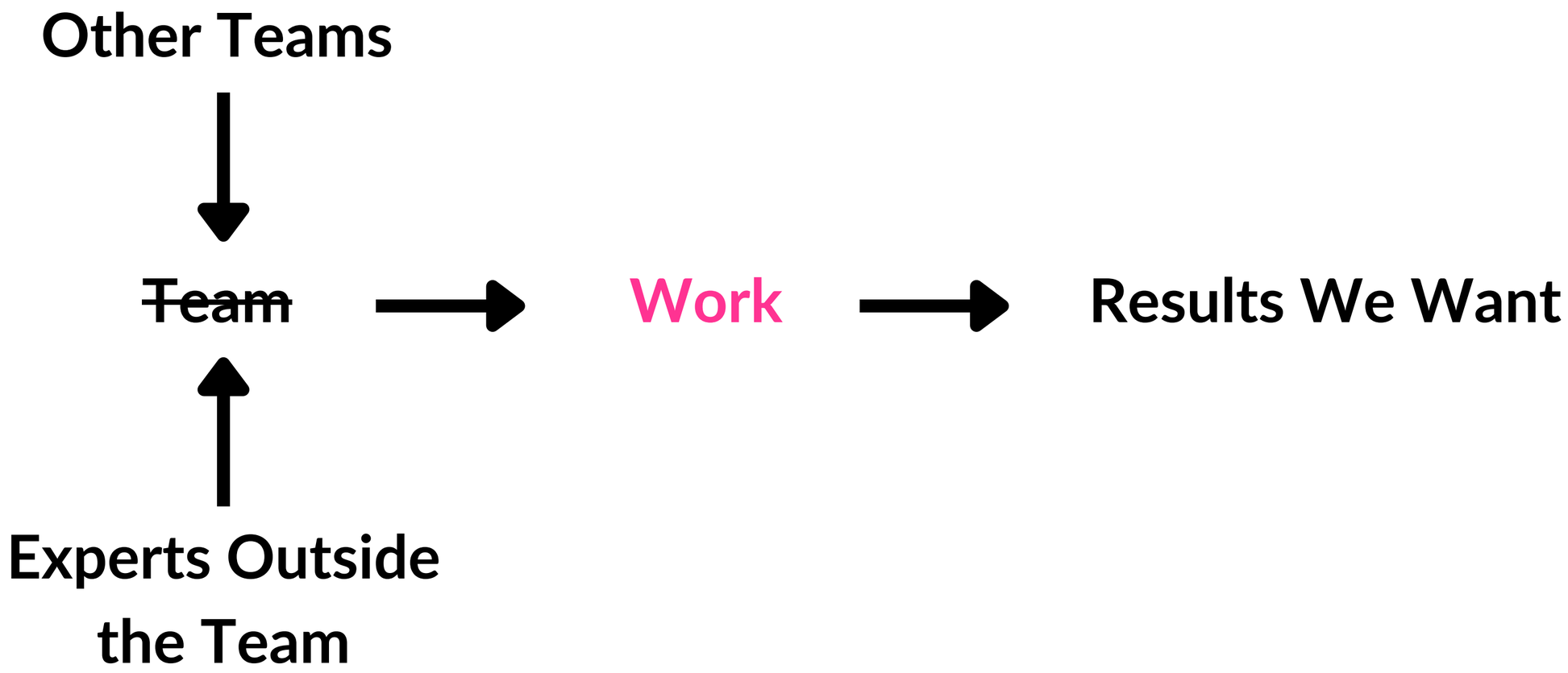


Moving authority to information:
Decentralized Decisions

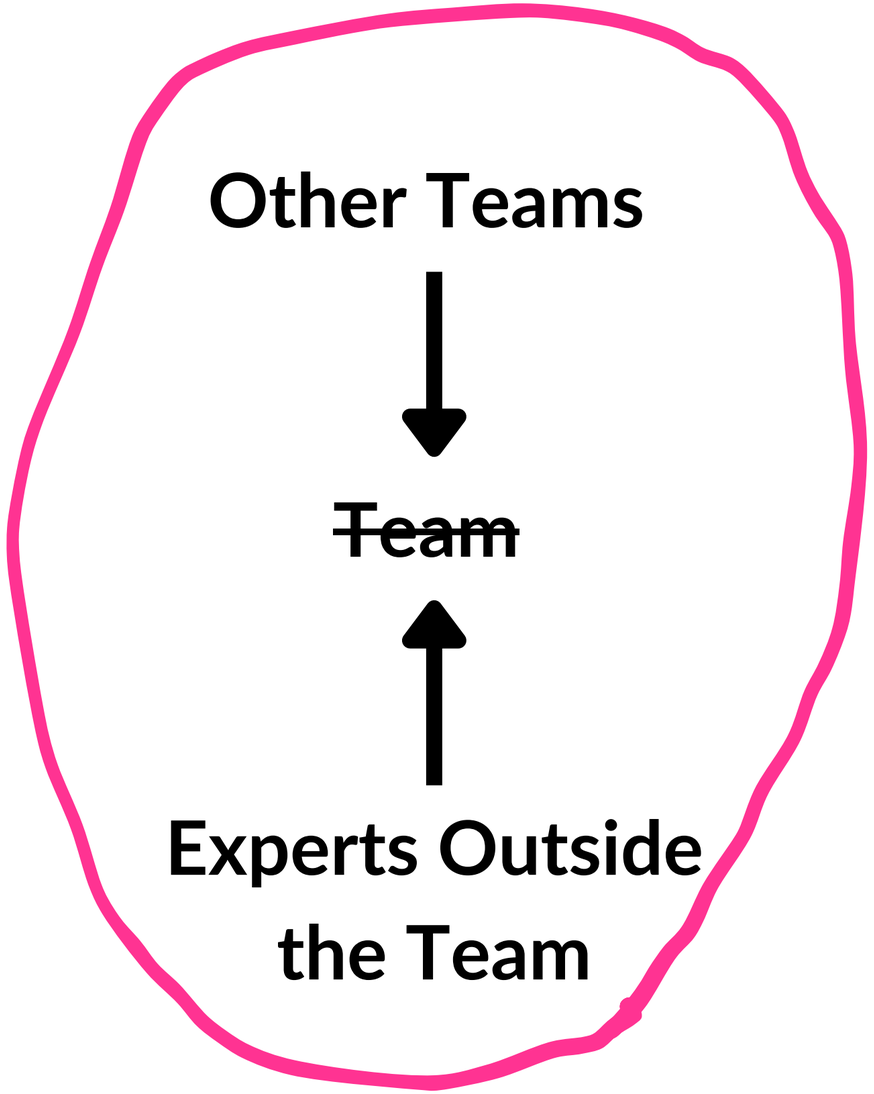
Expertise Matters For Context



#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

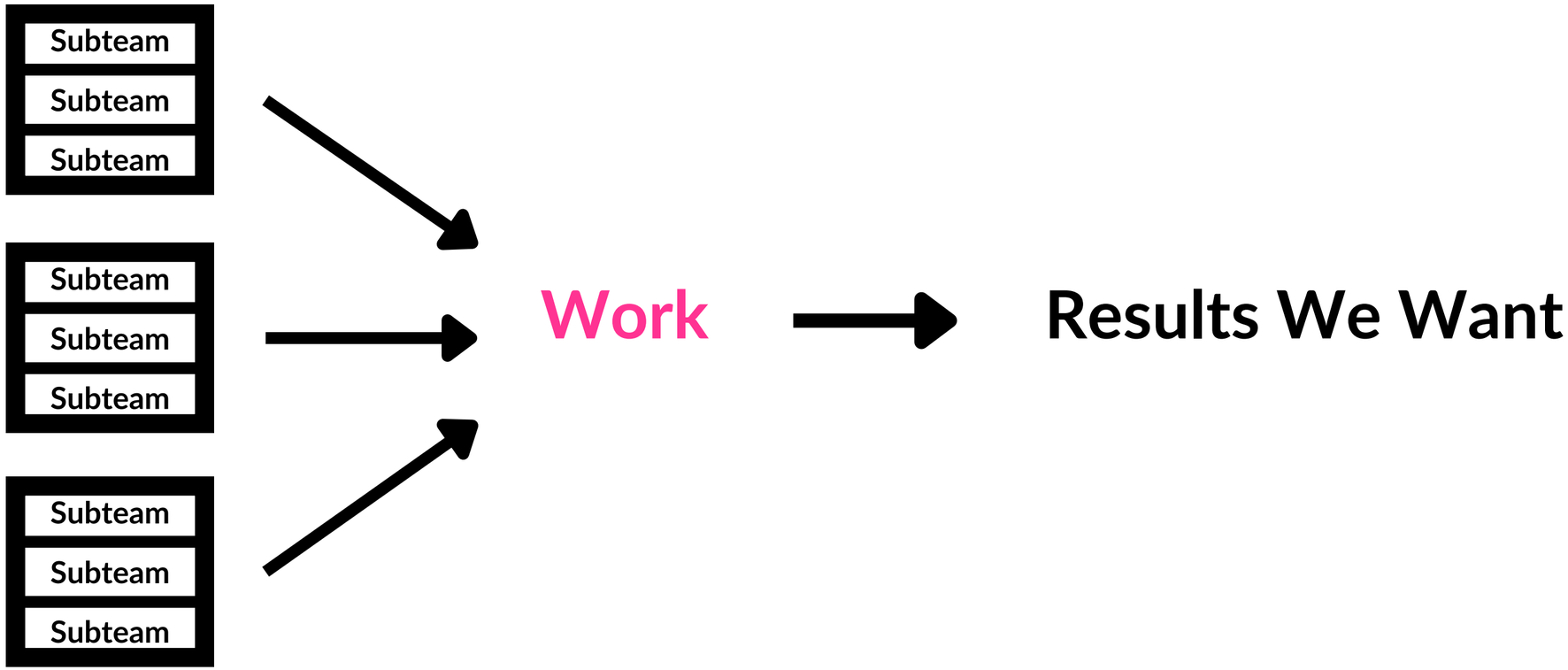
Characteristics:

- 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

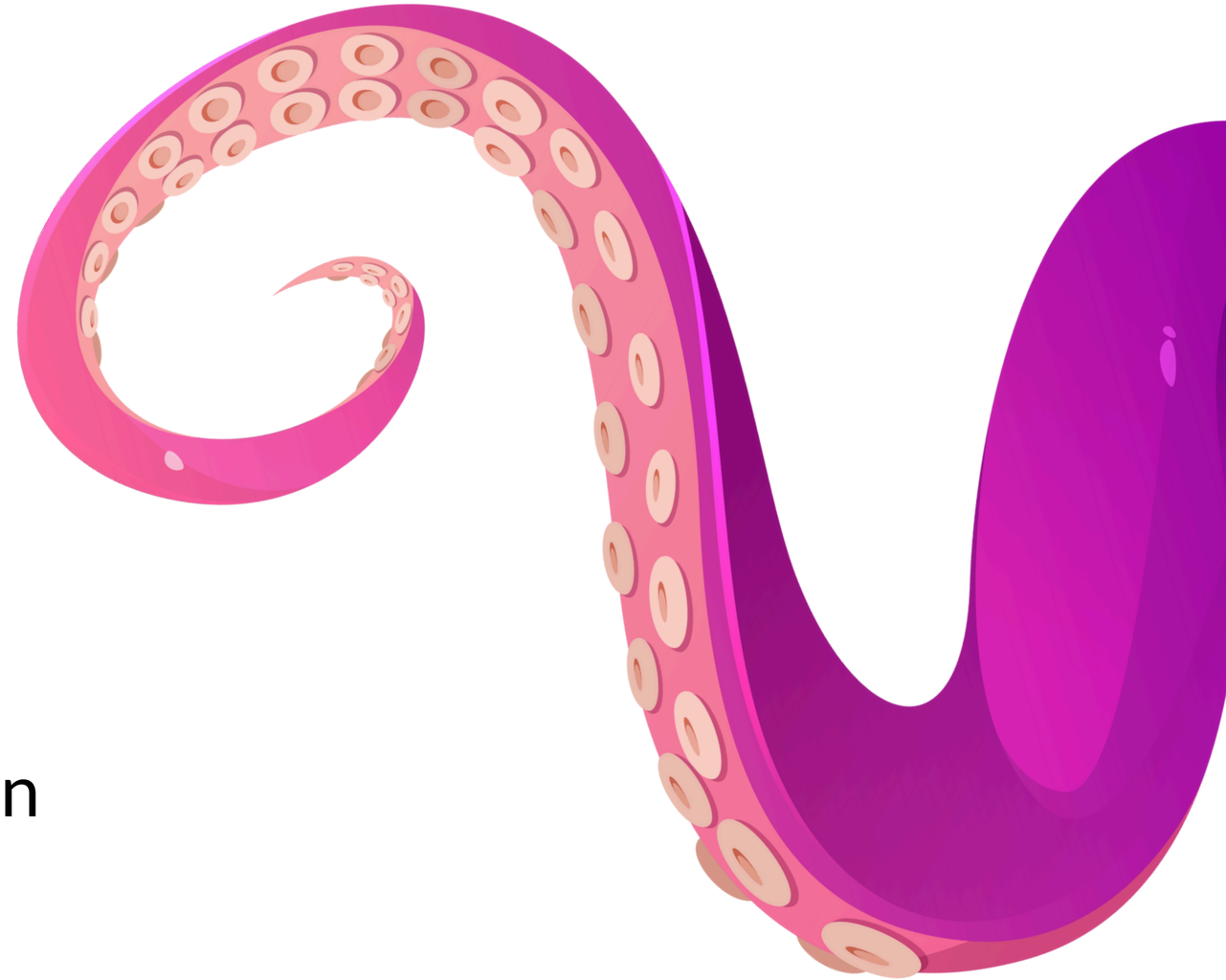
Subteams of Subteams



#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

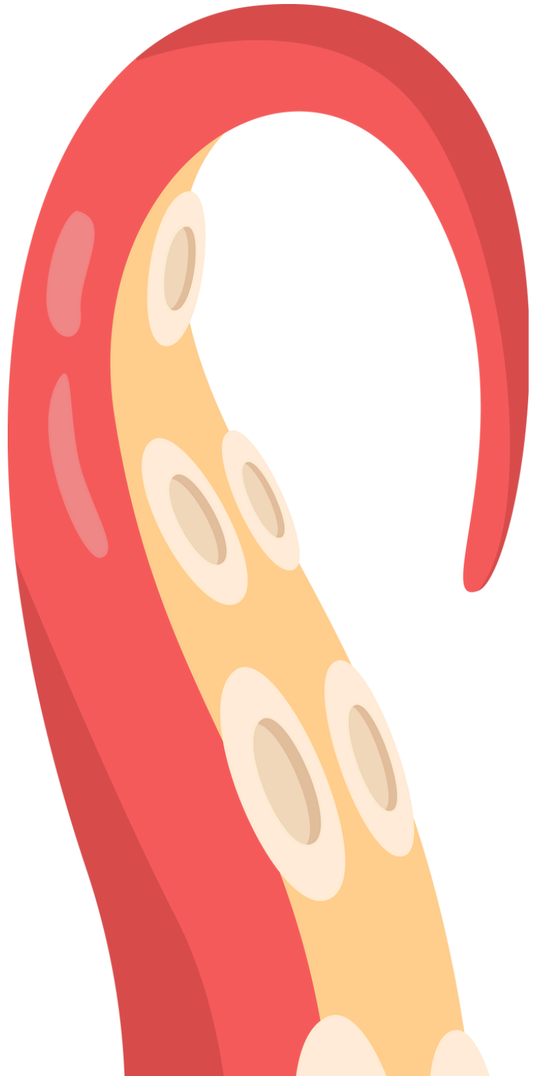
Collaborative Teams of Teams



#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 to the system itself 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.

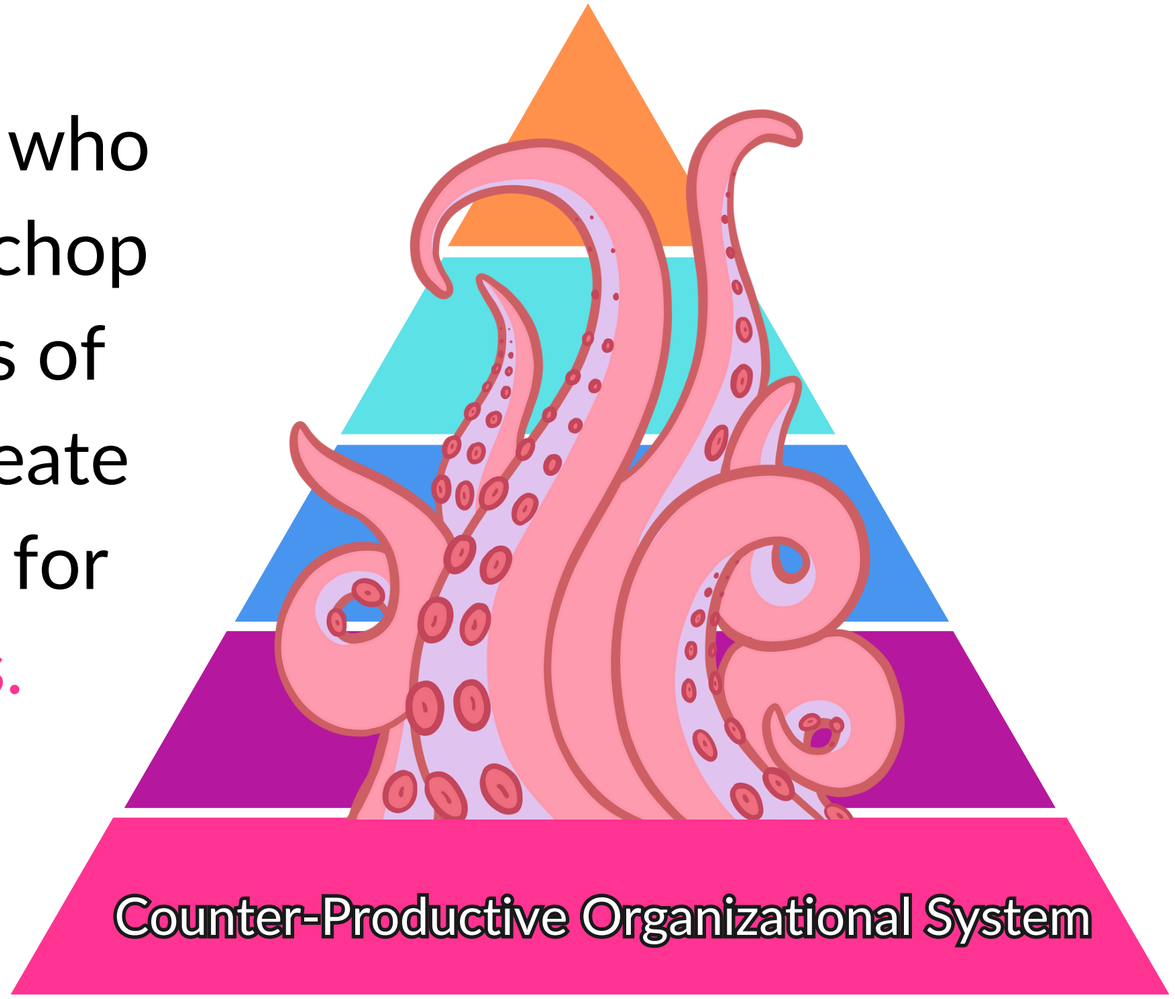
Worry about your teams not being able to operate as an elastic team.

AI will take care of itself.

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

Fixing broken organizations is like fixing spaghetti code.

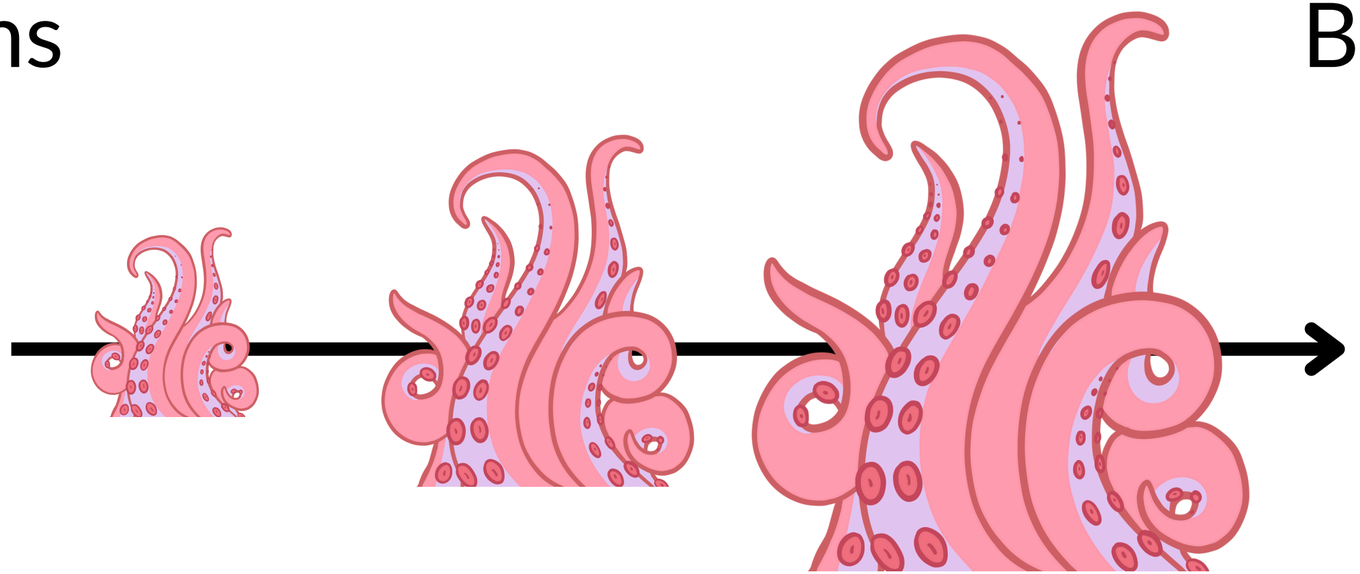
When you touch one area, you might be touching ten other areas at the same time.



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

Elastic Teams





Brittle Teams



Ownership
& Curiosity

LeSS

SAFe

Orchestration
& Apathy

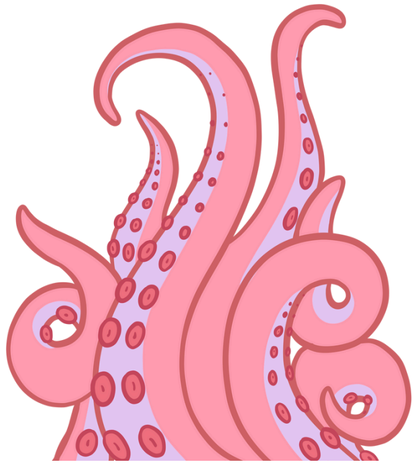
YOU ARE HERE

Trust ⟷ **Distrust**

REMOVING - SLAYING
THE KRAKEN

Immediate Pain
Difficult
Scary
Uncertain
Risky
Resistance





ADDING - FEEDING
THE KRAKEN

Immediate pleasure
Easy
Comforting
Certain
Familiar
No resistance

Trust ⟷ **Distrust**

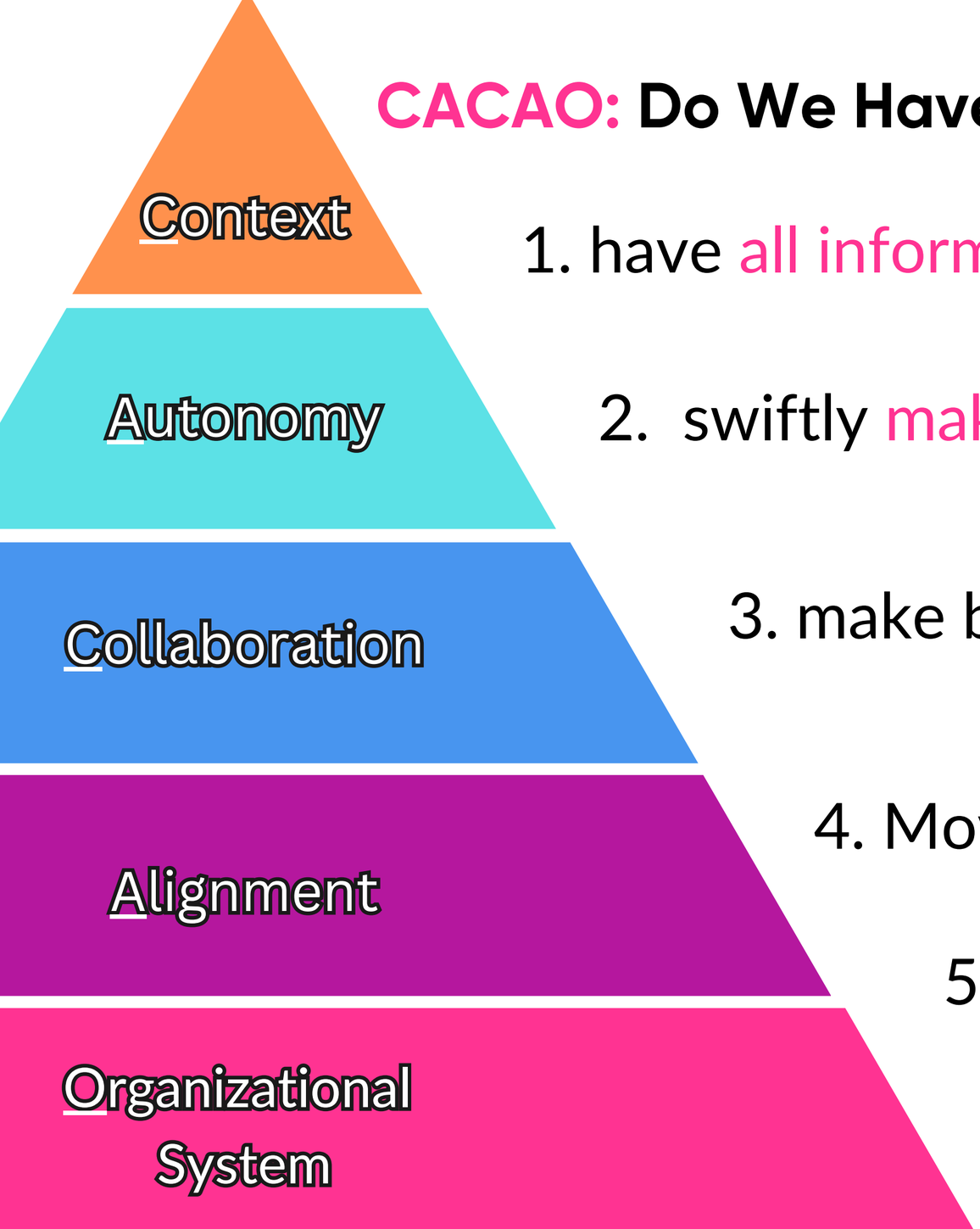
CACAO to Fight the Kraken

Easy, familiar and comfortable choices will gradually result in weak teams. Difficult, risky and uncomfortable choices are necessary for strong teams.

Better coordination doesn't fix poor collaboration







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?