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Lean and Agile: Finding a Role for Your Leadership in Your Transformation Model

By Bruno Guicardi - The Lean Post January 10,2017

How should leaders drive digital transformation today? Industries have been transformed in every way imaginable. Meanwhile, the marketplace is reinventing itself so quickly that businesses have to respond and innovate faster than ever. And this means that teams need the autonomy to solve problems more quickly and companies need to take more risks (to innovate). The net result is that in order to get results today, leaders have no choice but to rethink the way they manage their organizations and teams.

Lean or Agile?
Lean and Agile are two of the most commonly discussed (and hotly debated) principles for managing a business, particularly when there's a transformation underway. While there are many similarities between the two, leaders need a clear understanding of how and when to put them into practice.

If you look under the hood, both Lean and Agile appear the same. Ultimately, they both aim to shorten production cycles so products hit the market faster. The Lean and Agile communities have also come up with the same fundamental approach to managing business processes. The goal is to master "One Piece Flow" by removing waste in processes. So where does that leave us?

First question: What's your goal?
When it comes to managing creative teams as the ones involved in digital transformation, we don't believe in being prescriptive. Instead, it's important to understand whether your immediate goal is to run a large organization or create autonomous teams that can test new ideas. Or as John Shook, CEO of the Lean Enterprise Institute, would say, "What problem are you trying to solve?" In most

Agile literature, there's no defined role for leadership. That is one of the most profound differences between Lean and Agile.

Lean principles are derived from Lean Manufacturing, which was popularized by Toyota. It's widely regarded as a set of principles for achieving quality, speed and customer alignment. In Lean, there's a belief that if you don't profoundly understand the business, you cannot be a leader—which is a really high bar. Further, this is a very stringent way to interpret "management".

On the other hand, the **Agile Manifesto's** values are:

Individuals and interactions over processes and tools
- •Working software over comprehensive documentation
- •Customer collaboration over contract negotiation
- •Responding to change over following a plan

What we see here is that Agile doesn't provide a point of view on the role of managers. There's no book of knowledge for managers in Agile. Or some leaders may act as a "facilitator" whose role is "helping by getting out of the way" and letting teams organize themselves. While this recipe works well on a small scale, it has enormous challenges to work within a larger organization. You cannot just have hundreds of people organizing themselves, for example. Or you can, if you have a lot of time and a lot of money to spare, which is rarely the case of real companies trying to solve real problems. So Agile provides an incomplete set of fundamentals to work at scale.

The value of process
Most Agile "fundamentalists" will see process as an annoyance, as something that limits the autonomy of the team. In other words, if you're giving autonomy to the team, how can you also impose processes? There's a natural tension between Agile and process.

Conversely, in Lean, there must be a process. Defined processes outline the "best way that we know so far" to do something—and everything reflects this collective wisdom. Team members are encouraged to change the process and try to innovate as long as they first understand the "best way". Meanwhile, the ones enforcing the process and trying to evolve it are in leadership. The process must represent what the organization knows "for sure" to be the best way of doing a

certain task, regardless of the context. To work well in an environment of autonomy, processes shouldn't try to be comprehensive or provide coverage for every aspect of the development life cycle. You must call "process" only the hard core set of lessons your organization has learned, the ones everybody agrees with and will have no problem following.

The process of learning

In Agile, every team defines its own process from scratch, or better, from its members' previous experiences.. But there is no defined foundation to build upon, and you're improving upon the base of knowledge of the team members.

Lean attempts to limit mistakes by helping people learn from the mistakes of others. When you have an organization, you don't want people to keep making the same mistakes. So established processes may reflect previous mistakes in that they represent "the best way to move forward". But processes can also frustrate your team's ability to learn because it's harder to fully appreciate the journey and mistakes of others. Ultimately, the knowledge base and organizational leadership are completely different.

Implications for management

How do we reconcile these seemingly similar, yet different, principles? I'd argue that Agile works best on the team level. But Lean can help you get to the finish line in a process-oriented way. For example, Lean principles work well at the organization level by establishing foundational principles, a unifying culture and best practices for teams. Then Agile provides teams with a framework for testing ideas and finding solutions.

Within Lean organizations, leaders have to profoundly understand the work being done. They should also have a sincere desire to develop people and see them grow professionally. This is different from the old dynamic that says, "Don't bring me problems; bring me solutions." When managers don't want to see problems, that is organizational myopia or, dare I say, "blindness." Under the old model, leaders create blind spots that keep them from moving the business forward. What happens if the team member that sees the problem doesn't have the capabilities or the autonomy to solve it? So preventing people from bringing you problems is a big mistake.

In a Lean organization, leaders also need to be willing to participate in their team's struggles, to ask questions, make them reflect on the solutions, and ultimately become an expert and reference in the business they lead. In an age where most companies have a command-and-control approach to management, Lean offers a more fluid alternative—one that helps people feel supported because they are given space to think.

Creating a Lean organization with Agile teams

At CI&T, we have never embraced the idea that leadership should be out of the way. On the contrary, leadership is there to develop the team, to help the team make decisions and to learn and teach in a Socratic way. This means that teams are afforded the freedom and flexibility to consider the best way to approach problems—which is the idea behind Agile.

Here's how leadership can be a part of this process: A true leader will never "give a solution" to the team, she will use her knowledge to help the team see gaps in their line of thought and challenge the team to come up with better solutions. And it's critical to allow teams to come to their own conclusions rather than having them imposed by leadership because--quite bluntly--no one really learns without thinking for themselves. That's the difference between "learning the best way" and "blindly following the process". To be effective, leaders must foster a dynamic environment where process and autonomy work in harmony. This is when the magic really happens.

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