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ENT228

Succeeding in economies of speed: Rethinking your levers

Miriam McLemore

Enterprise Strategist
AWS

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The changing role of technology…

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From making “digital copies” to essential differentiator





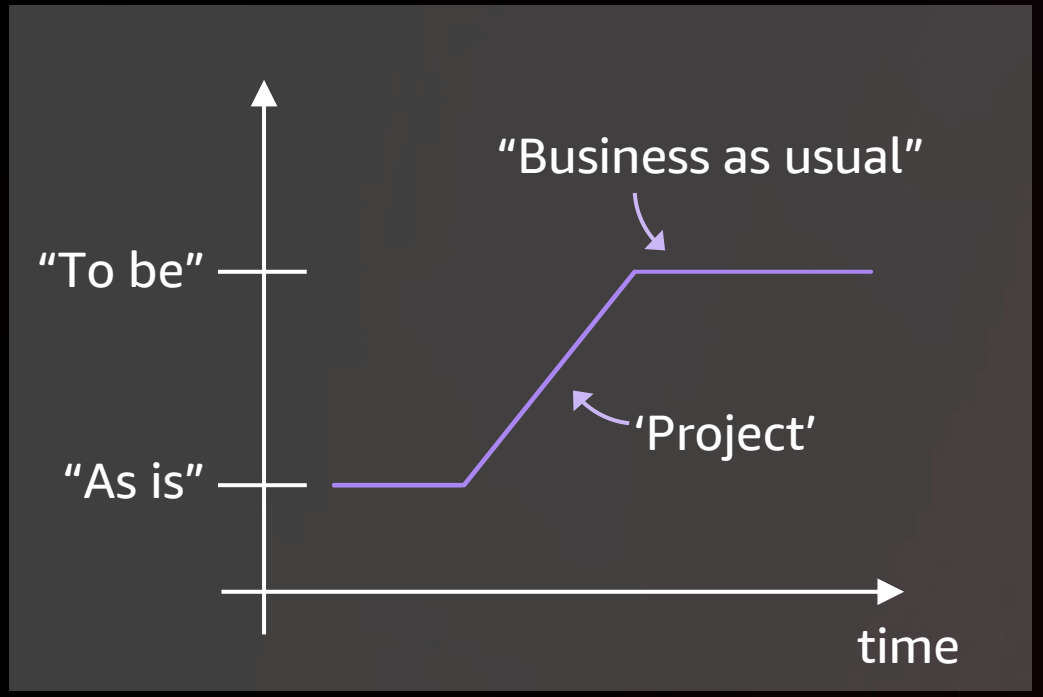


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Rethinking a project-based operating model

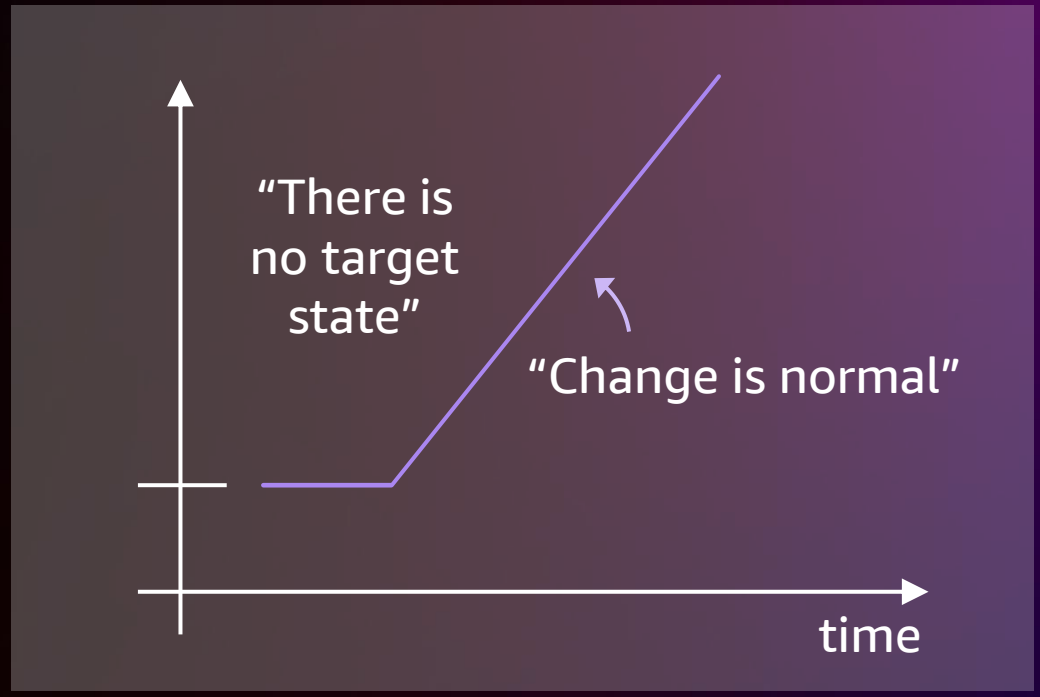


Economies of scale





Economies of speed



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The vocabulary of economies of speed



Economies of scale

Absolutes
Investment
Budget
Timeline
Capacity
Use cases



Economies of speed

Relatives/rates
Price per unit
Burn rate
Velocity
Consumption
Cost of experimentation

Cloud matches the mental model of economies of speed

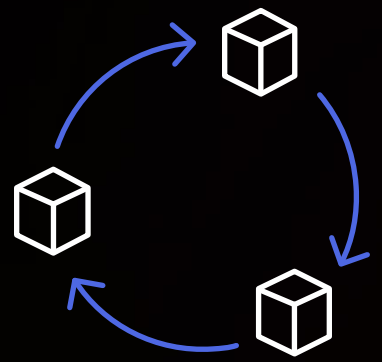
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"Create an organization that can develop streaming, not replace tapes with compact disks."

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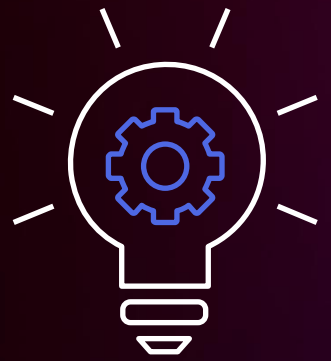
A classic conflict

Harmonization



Standardization

Innovation

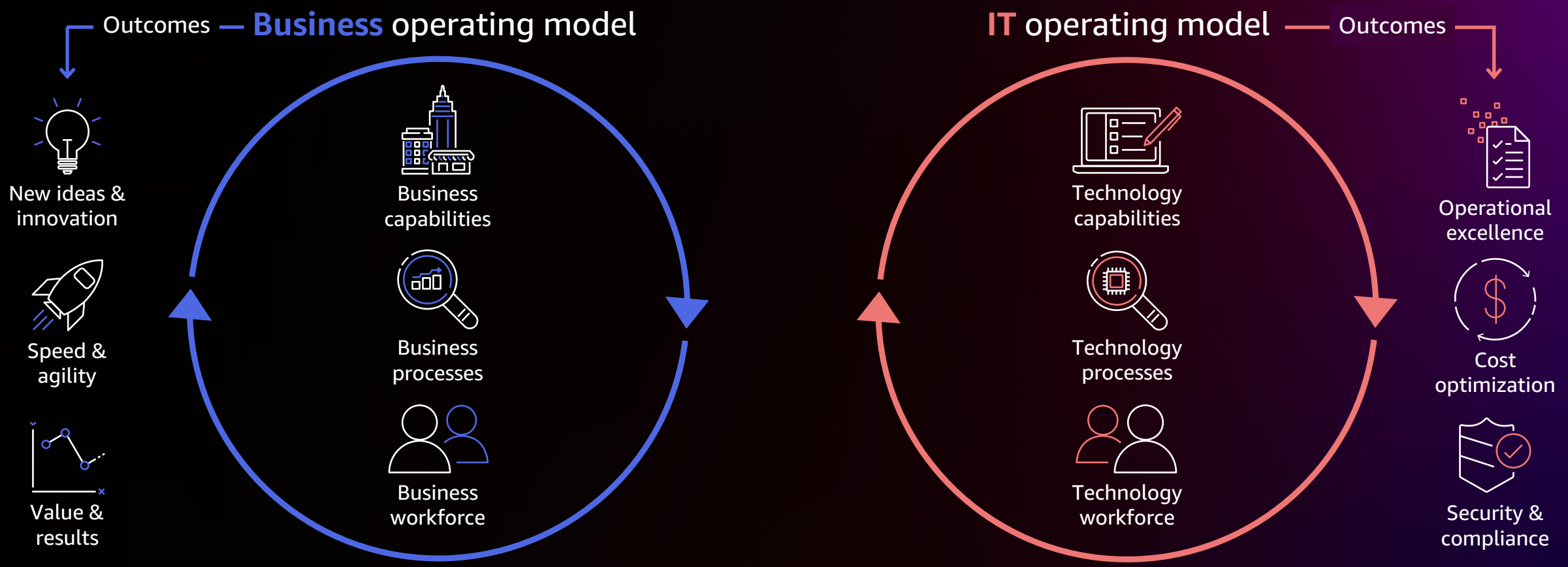


Agility

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What is an operating model?

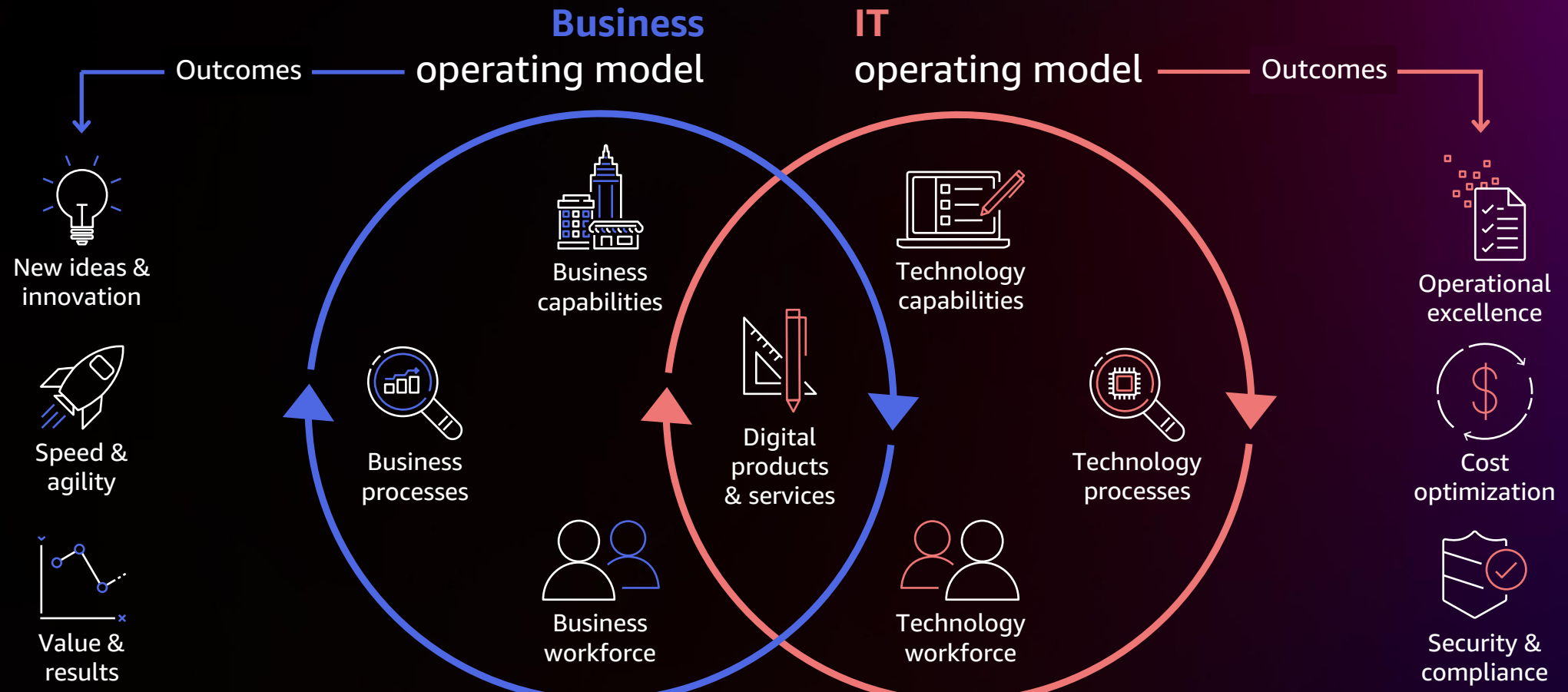
An operating model should define how the business and IT align their capabilities, processes, and workforce to reach strategic business outcomes. This is often not the case.



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What is an operating model?

An operating model should define how the business and IT align their capabilities, processes, and workforce to reach strategic business outcomes. This is often not the case.

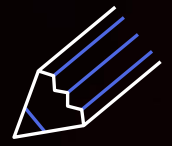


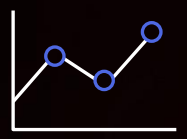
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The power of business and IT

Standards  &  Innovation

Speed  &  Quality

Customization  &  Low cost

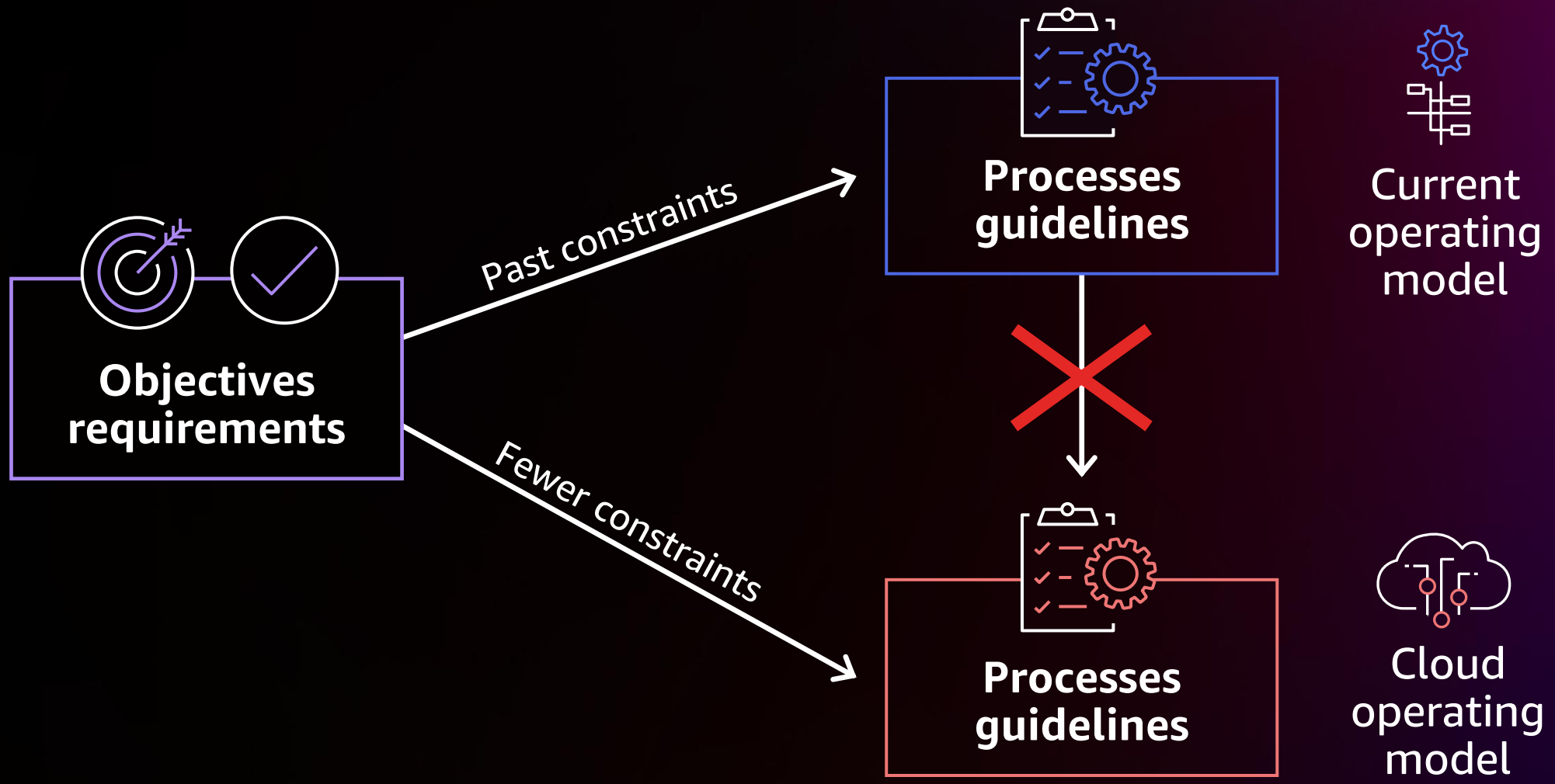
Short-term gain  &  Long-term viability

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"Organizations that are able to see more dimensions and work across silos will be successful in a world with fewer constraints."

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How do you change your operating model?



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"You cannot simply tune your current operating model. You have to retranslate your objectives into the new tech ecosystem."

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Transformation: Rethinking your levers

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"Transformation isn't doing the same things better. It's doing new things and doing them differently."

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Rethink your levers



Define structure



Create flywheels



Follow process



Reduce friction



Impose constraints



Deploy mechanisms



Grant exceptions

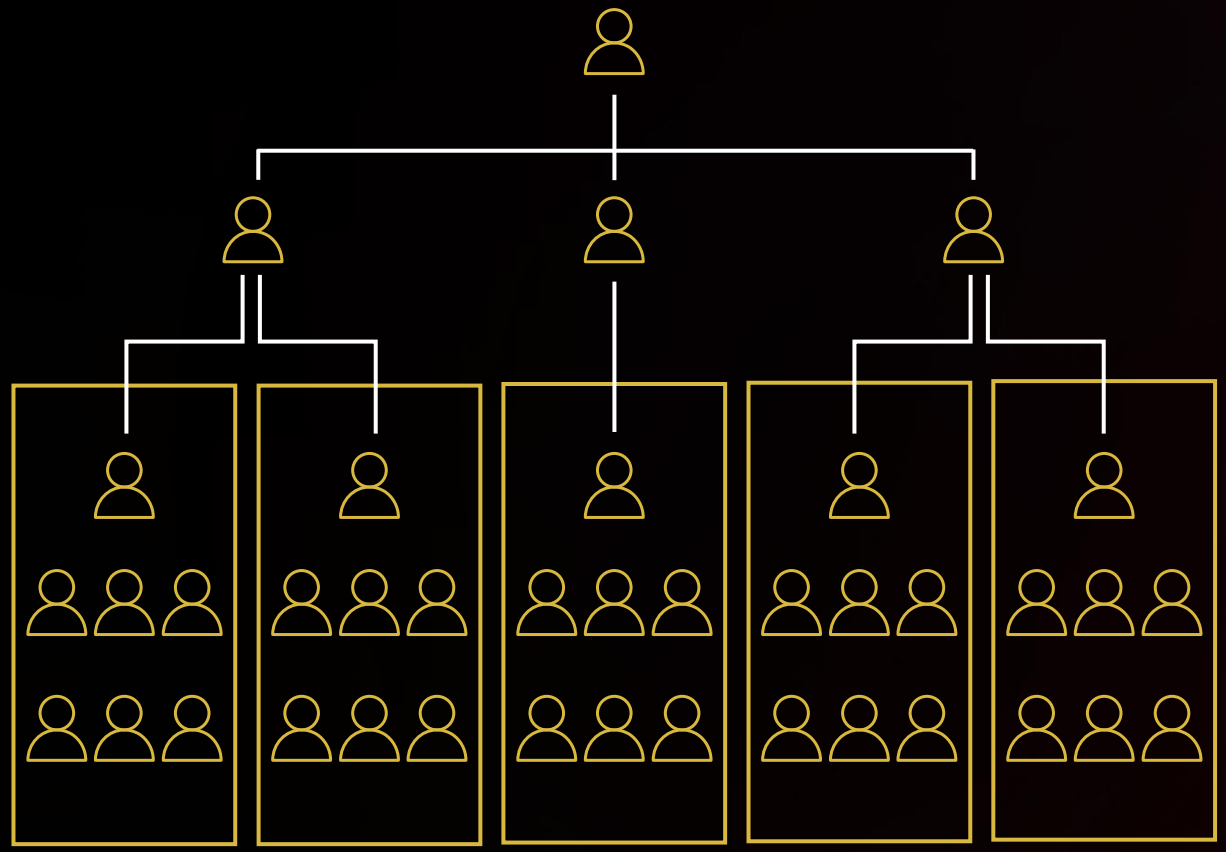


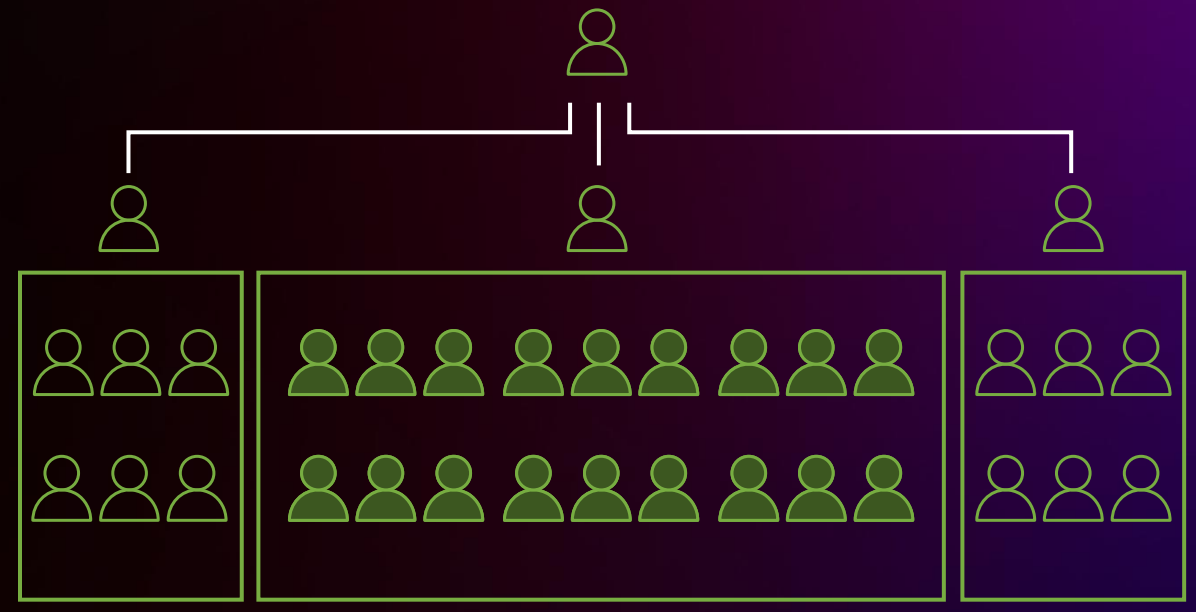
Foster autonomy

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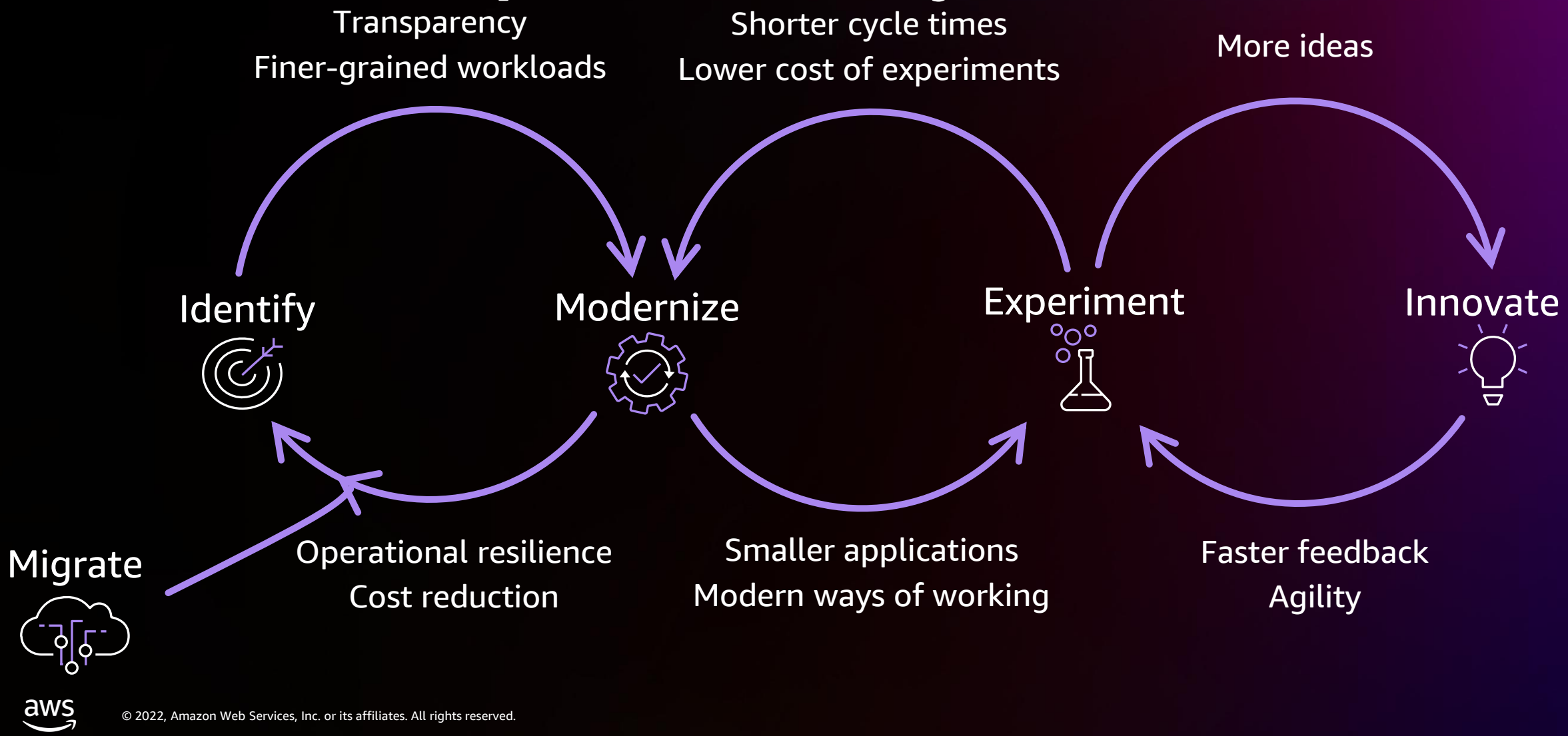
Which organization is higher performing?





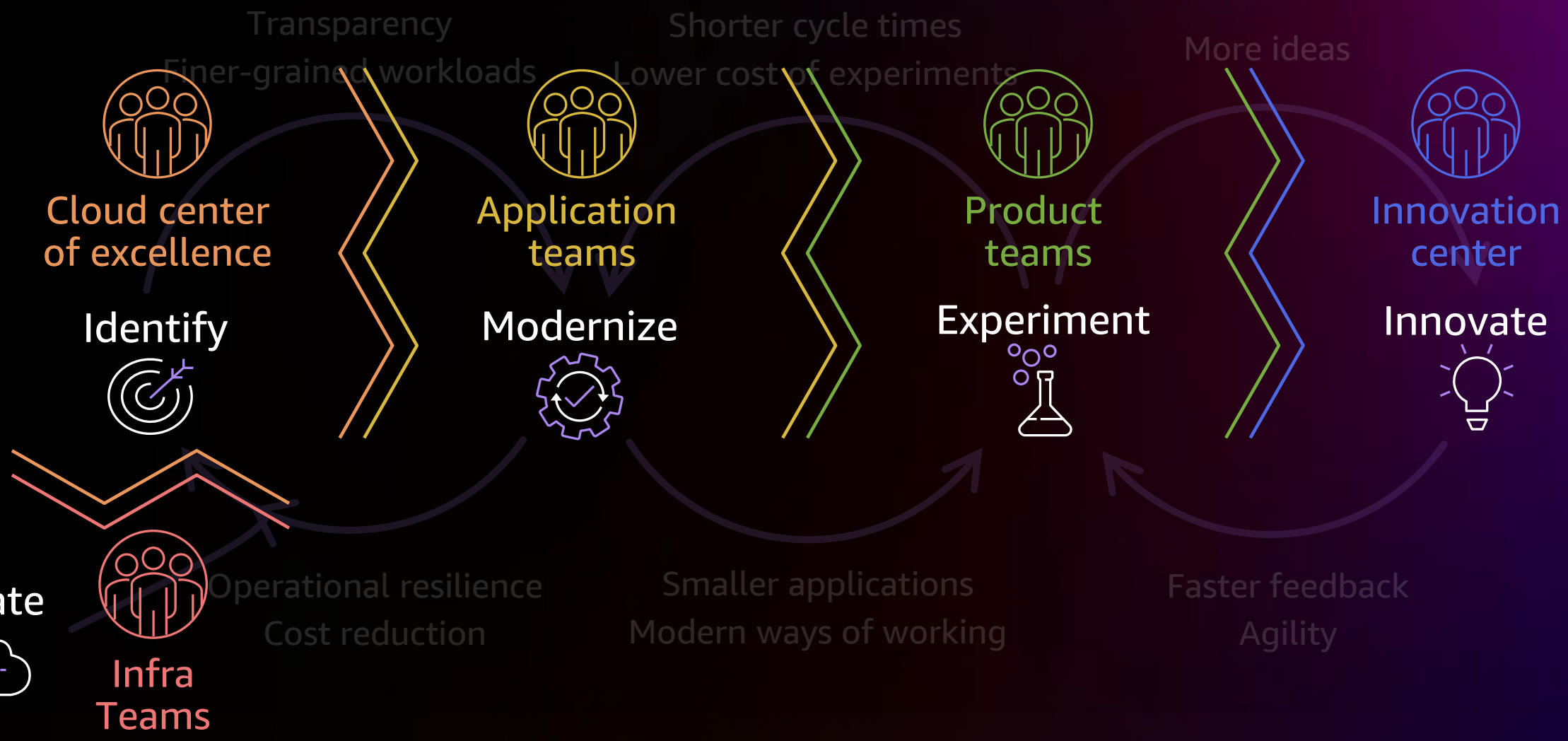
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Cloud migration kicks off a continuous improvement flywheel



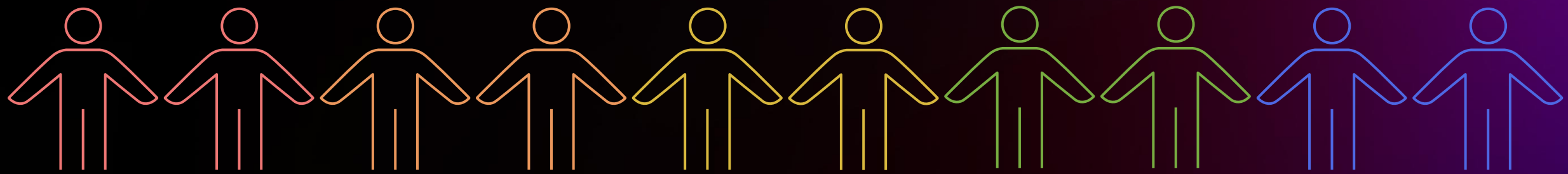
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Separate teams can cause friction



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Aligned incentives help teams see end to end



Infra teams	Cloud center of excellence	Application teams	Product teams	Innovation center
Migrate	Identify	Modernize	Experiment	Innovate

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"Structure is a means to an end. Feedback loops bring continual improvement."

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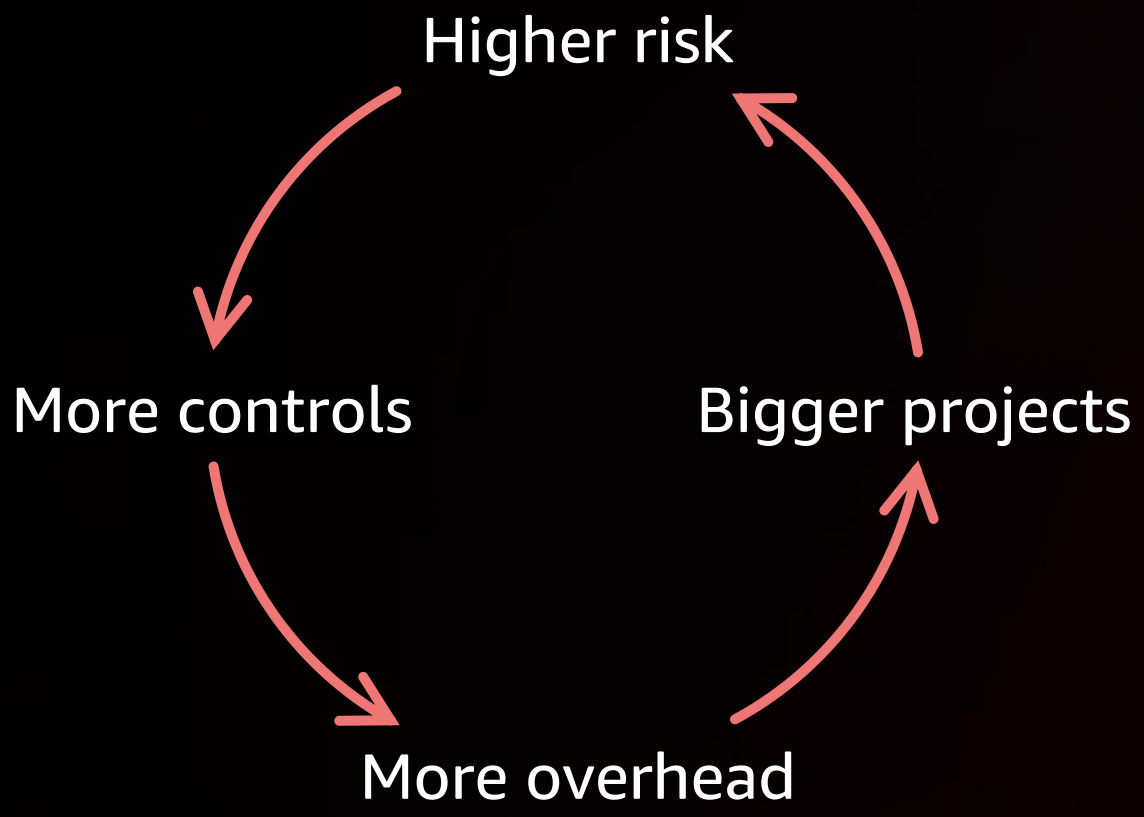
Why do cars have brakes?



What happens if they’re always on?



Friction: The enemy of economies of speed



Between the pieces, not a line item

Often the result of local optimization

Leads to sandbagging, bundling, giant projects, rigidity

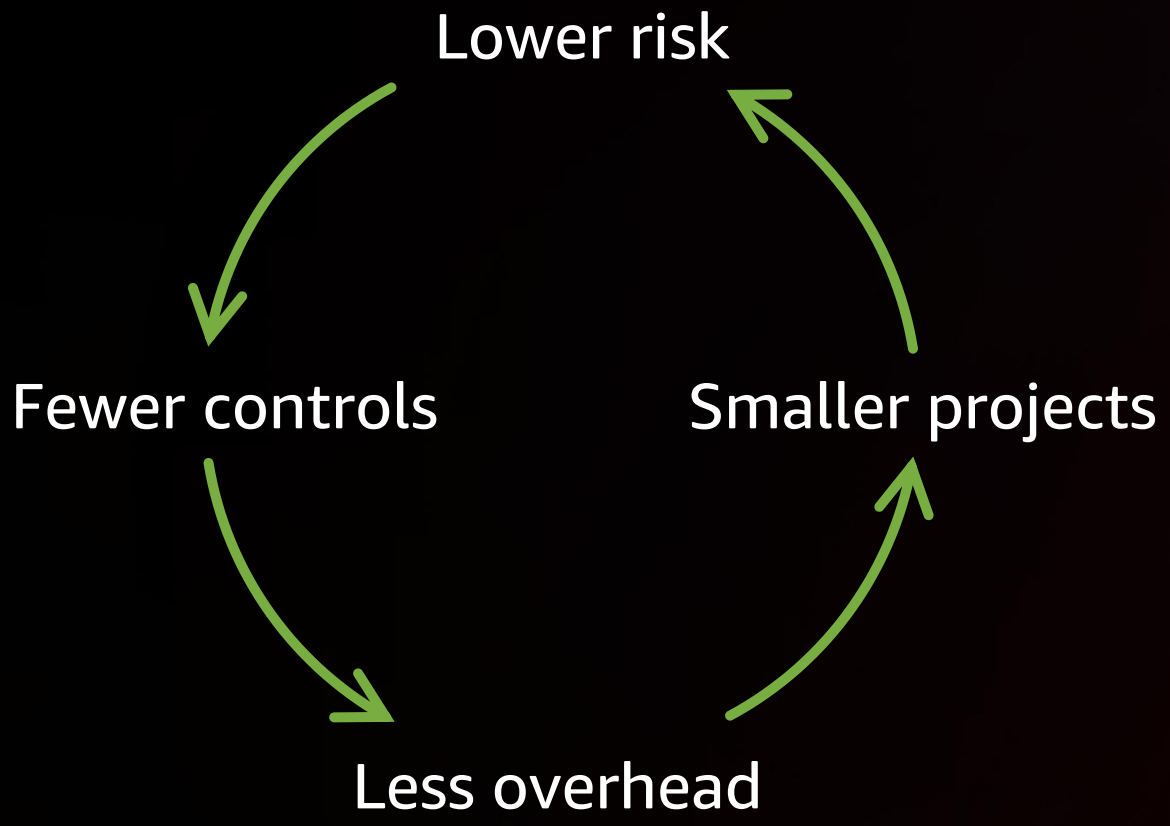
Tempts developers to defer fixes and increase technical debt

Worse yet: friction only increases when pushing harder

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Low friction: More than just moving faster



Reduces cost of error

From prediction or opinion to facts

Enable course correction, agility

Attracts talent

Reducing friction isn’t about efficiency. It’s about working differently.

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"Good process serves you so you can serve customers. But if you're not watchful [...] the process becomes the proxy for the result you want."



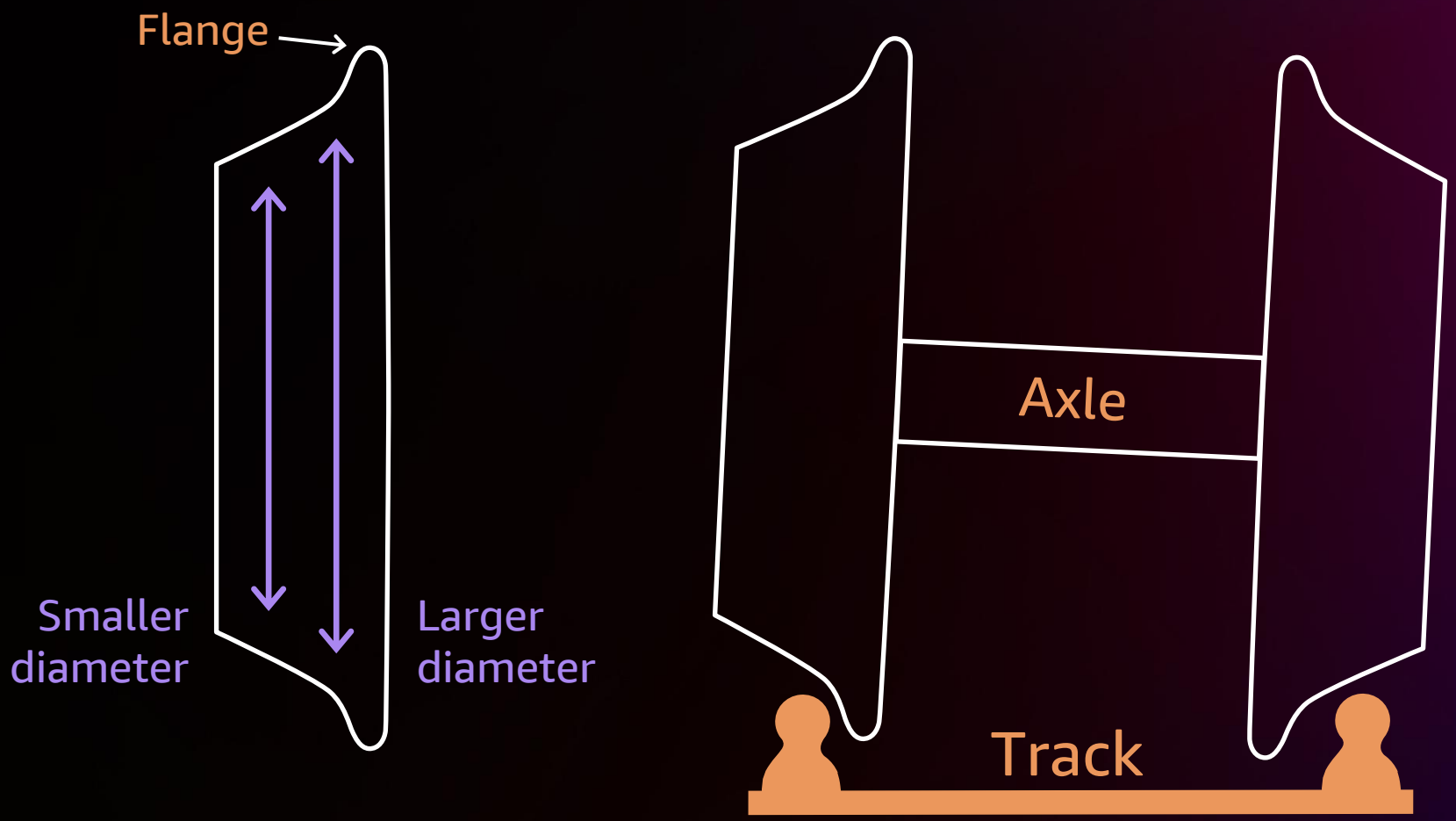
Jeff Bezos

Founder and Executive Chair, Amazon.com, Inc.

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How do trains stay on track?



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https://aws.amazon.com/blogs/enterprise-strategy/strategy-is-a-winding-road-mechanisms-keep-you-on-track/

Leverage self-correcting mechanisms

Have tools



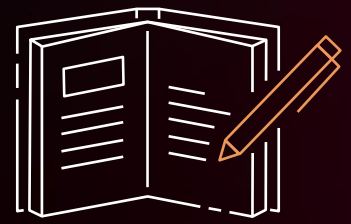
Make it easy to do the right thing

Streamline decision-making



Remove unnecessary decision-maker layers with single-threaded ownership

Establish principles



Connect your team to a shared purpose

Resource your operating model



Benefit from cross-functional expertise

From injecting yourself into the decision process to creating transparency and feedback mechanisms

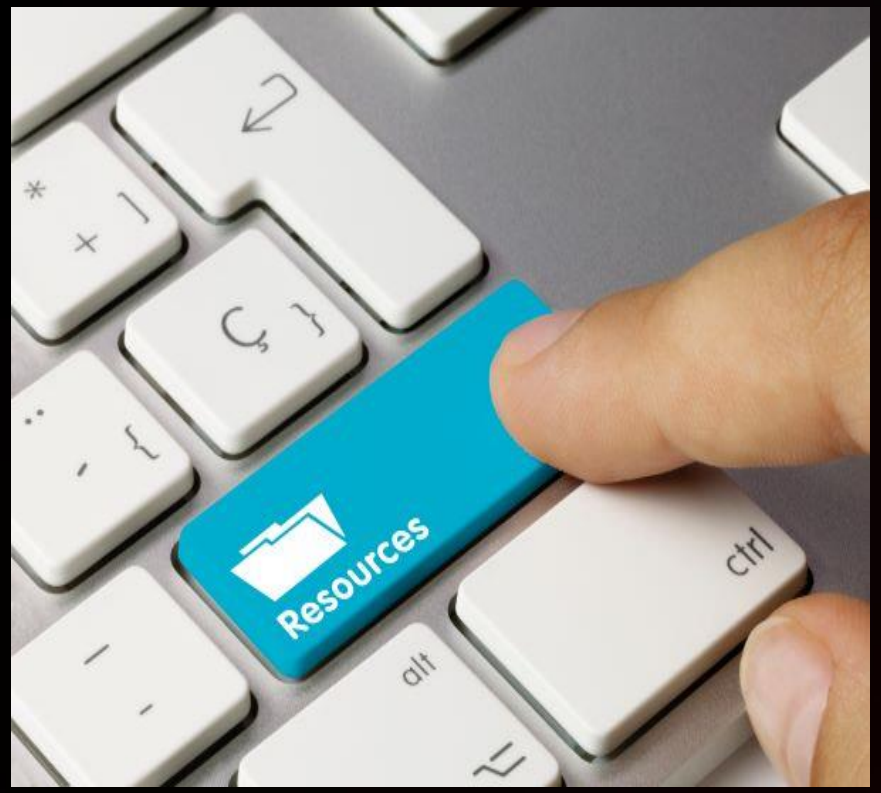
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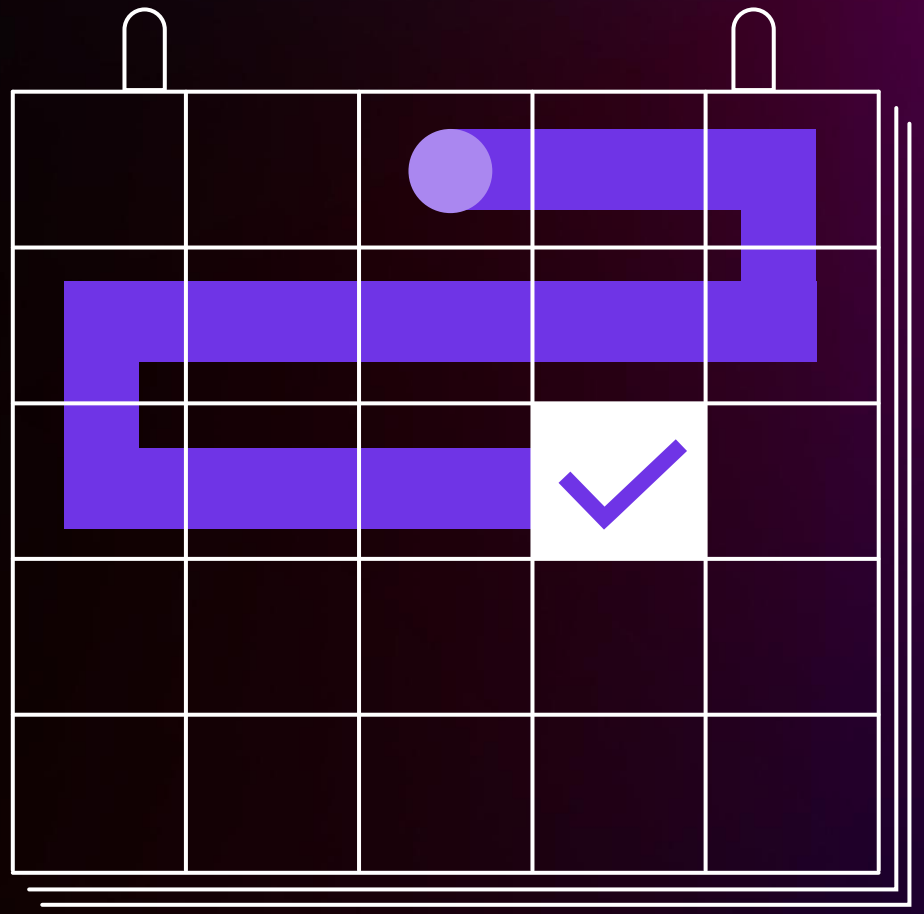
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"Guardrails are an emergency device. Mechanisms keep you on track while moving fast."

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How long does it take to get a resource?





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Autonomy has an architecture



"Everyone doing what they think is best isn't autonomy. That's anarchy."

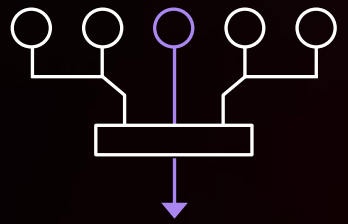
"Autonomous teams require more leadership."

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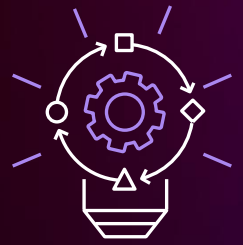
Cloud democratizes



Equal and immediate access to resources



Control and transparency without bottlenecks



Constant innovation and evolution

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"If the time to get resources depends on who's asking, then you are running a black market. And black markets are never efficient."



Gregor Hohpe

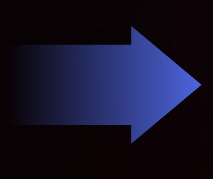
AWS Enterprise Strategist

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The journey to economies of speed



Define structure



Create flywheels



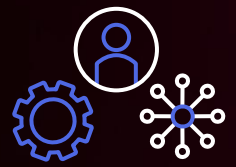
Follow process



Reduce friction



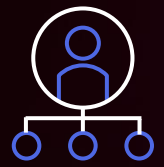
Impose constraints



Deploy mechanisms



Grant exceptions

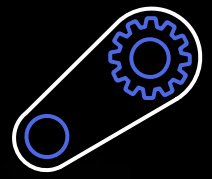


Foster autonomy

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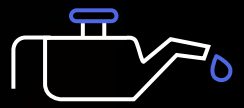
The journey to economies of speed



Create flywheels



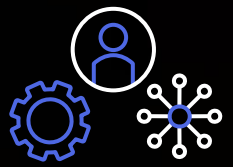
Improve continuously



Reduce friction



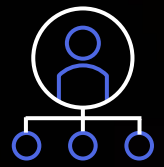
Move faster



Deploy mechanisms



Stay on track



Foster autonomy



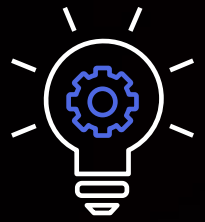
Decide locally

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Leading in economies of speed

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Technology



The modern leader



People

Manage complex systems, understand causal relationships

Lead an organization through change with purpose and empathy

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Technology

Manage complex systems, understand causal relationships

Simple goals rarely work with complex systems



"Reduce IT cost by 10%"

"Migrate all workloads to the cloud"

"Let's become agile"

"Transform IT from a cost center to an innovation driver"

Outdated, brittle, insecure systems? Rigid outsourcing contracts?

Lift and shift all old problems? Another data center in the cloud?

Project managers renamed to scrum masters? Weekly iterations, semi-annual releases?

Ask me again in three years…

?

Let's stop playing IT Whac-a-Mole!

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Technology

Manage complex systems, understand causal relationships

Economies of speed change the rules of the game



The “engine room” is no longer a black box



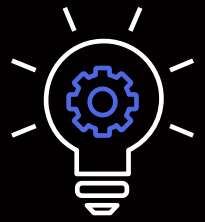
Technical decisions impact your future ability to make maneuvers



Business strategy and tech strategy are a two-way street

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Technology



The modern leader



People

Manage complex systems, understand causal relationships

Lead an organization through change with purpose and empathy

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People

Lead an organization through change with purpose and empathy

"You have the right people. Your system taught them to behave the way they do. Now you need to unteach them."

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Leading with empathy

People

Lead an organization through change with purpose and empathy



Organization's desires

Employee's desires



Organization's desires		Employee's desires
Stays in role	⟷	Clarity of career path and progression
Takes direction	⟷	Given autonomy to work on great things
Doesn't ask for raises	⟷	Proactively re-level pay to the market
Comfortable performance monologue	⟷	Fairness of evaluation
Reskill on $x00/year	⟷	Continuous learning environment

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Economies of speed change the rules of the game

People

Lead an organization through change with purpose and empathy



Role models and rewards, not slogans and posters



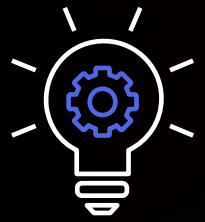
Instigate genuine change, don't relabel roles



Be stubborn about the vision, flexible about the execution

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Technology



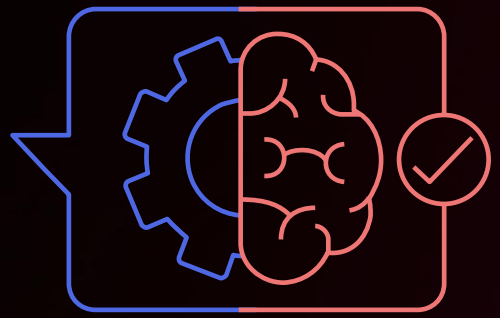
The modern leader



People

Manage complex systems, understand causal relationships

Make sense



Lead an organization through change with purpose and empathy

Keep your common sense

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re:Invent 2022 Enterprise Strategy Track

ENT217	Learning at the speed of cloud: Turning employees into entrepreneurs
ENT218	The architect elevator: Connecting the boardroom and IT
ENT219	Everybody wins: Real-world business value for CIOs and CFOs with the cloud
ENT220	Shipping securely: How strong security can be your strategic advantage
ENT221	Building a smarter organization powered by machine learning
ENT228	Succeeding in economies of speed: Rethinking your levers
ENT231-R	Becoming an organization that attracts top talent (Chalk Talk)
ENT232-R	Accelerating your migration journey

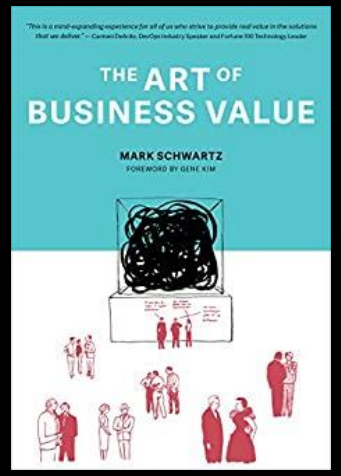
Additional Enterprise Strategist led sessions

SVS301-R	Refactoring to serverless
API308	Are you integrating or building distributed applications?
ARC207	Modern cloud applications: Do they lock you in?

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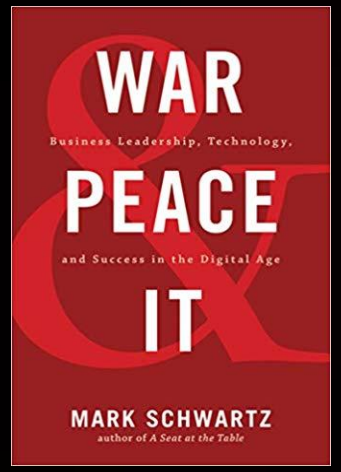
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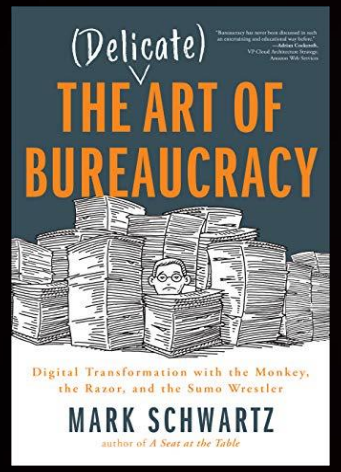
The Art of Business Value

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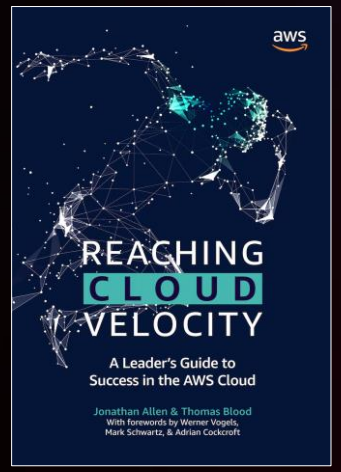
War and Peace and IT

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The Art of Bureaucracy

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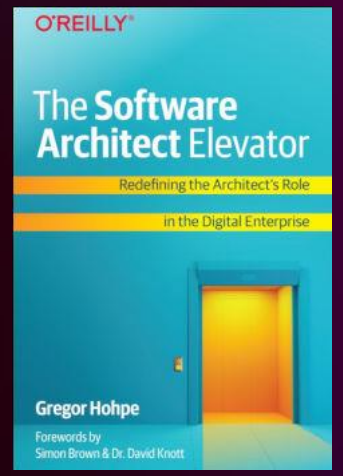
Reaching Cloud Velocity

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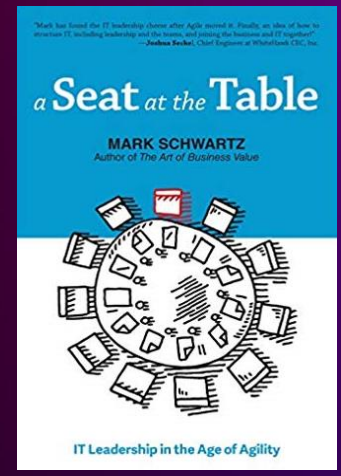
Cloud Strategy

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The Software Architect Elevator

https://amzn.to/3G8Q2rI



A Seat at the Table

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Resources

aws Executive Insights

Self-service digital content written for executives

https://go.aws/3UutxSl

conversations with LEADERS — aws Executive Insights

Podcast: Featuring discussions with executive leaders

https://spoti.fi/3WUL9sn

aws Executive Connection

LinkedIn: Community for business and technology leaders

https://bit.ly/3g6x9Lo

aws Cloud Enterprise Strategy Blog

Blog channel for technical and non-technical executives in an enterprise

https://go.aws/3WTNJPo

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