



Agile⁴ ≠ Business Agility

By Marsha Shenk

Summary

Agile methods continue to generate significant business benefits: speeding development, improving output, lowering costs and—perhaps most important—greatly boosting engagement, accountability and morale.

Agile teams mimic some of the conditions in which our brains evolved. We became a dominant species in groups of 7 +/- 2 adults, sharing challenges in a well-defined world. We thrive in that environment: belonging to a known group, with shared objectives and ongoing opportunity to contribute to each other's vulnerabilities and appreciate each other's gifts. As legendary coaches know, these factors promote overall ingenuity and drive individual and collective well being. Favorable indeed.

Business Agility, however, does not result from lots of Agile. Though the two stand on some similar skills and practices, Business Agility calls for strategic leadership: testing both clarity of purpose and the ability to welcome—indeed to seek—information that may challenge the ability to fulfill our promises. Leaders are tasked with assessing that data: actually a (somewhat frightening) job of interpreting reality.

Like our ancestors, self-managed teams excel in a context of defined variables. However, modern organizations face multiple shifting and emergent variables. Leaders' tasks resemble placing bets without being able to count cards: choosing how and when to focus organizational resources in a changing world.

The big rub is that the adult human brain is not configured to repeatedly embrace new information; on the contrary, after puberty it allocates little energy to learning from 'what's new.' No matter how smart any of us may be, our brains operate by cognitive biases: proven pathways through hubs in a highly complex network. The 'knowledge' (habitual assessments) we rely on is based in prior experience—much of it from childhood.



In addition, as rapid change drives more and more specialization, we each become competent in fewer and fewer domains of action. We simply cannot know everything we need to know.

Yet our brains remain plastic; we can cultivate Business Agility. We can invest in developing the ability to learn, and with it the appetite for differing views and the courage to face whatever may arise. We can build cultures and environments designed to generate inquiry, illuminate biases, and make people ‘smarter’ and more likely to risk and learn—or not.

In today’s business section I saw mention of a business ‘missing’ the mobile phone opportunity...When Aztecs first saw a man on horseback, they thought it was a single creature. By the same token, Capt. Cook’s historian recorded, “The natives are accepting of our presence,” when the latter did not attack their ships at harbor. They all ‘saw’ in their habitual ways of seeing.



Are we in shape to do better?

The Business Agility Challenge

Agility is a form of fitness, just as it sounds. It may be the only real competitive advantage. Yet the approach and skills remain rare. To continually interpret reality—moreover, to choose and create it— is no small feat. The demand flies in the face of our adult brains’ propensity for the known and familiar.



Yet, in order to generate value, we must ‘place our bets’: what to deliver, when, with whom, and to whom. Without key training—plus a learning orientation—most of us will stick with what we’ve done before.

In the words of masters:

“For me, I am driven by two main philosophies: know more today about the world than I knew yesterday and lessen the suffering of others. You’d be surprised how far that gets you.”

—Neil deGrasse Tyson

“The first responsibility of a leader is to define reality. The last is to say thank you. In between the two, the leader must become a servant and a debtor. That sums up the progress of an artful leader”

—Max DePree, *Leadership Is An Art* (800,000 copies sold)





I was privileged to attend the first Business Agility conference in February 2017. Listening to participants discuss the difficulties of integrating “the Agile Mindset” enterprise-wide, I was struck by the enormous gifts that Business Anthropology and Neuroscience can offer the movement looking toward Business Agility.

Five foundational pillars inform my thinking:

1. Commerce and the human brain evolved together.

A peek at the archaeological and paleontological data reveals our ancestors’ brains tripling in size over 3 million years—ca. 150,000 generations—as they created more complex tools and social systems.



Brain physiology evolved in conditions very different than modern business: people lived with the awareness that they depended on each other to survive. Many social scientists believe that people living in traditional societies did not individuate. Certainly they lived in small groups their entire lives, enjoyed powerful experiences of obligation and belonging (anchored with stories and rituals,) and had complete visibility to the consequences of everyone’s actions.

As noted earlier, hunting/gathering life bears some similarity to Agile teams: groups of 7 +/- 2 adults, where everyone shares important questions and the opportunity to contribute from their strengths; everyone knows what’s expected of them to support the group’s success.

Their way of life included moving 20 miles a day with others they knew their entire lives, protecting their children from predators—and still losing 6 children for every 2 that survived—becoming elders at age 30, and carrying all their belongings and knowledge among them. (No multi-tasking.)



2. Every business is a comprised of a network of exchanges: a system of transaction, collaboration and cooperation relying on commitments and assessments of value.

Having evolved along with the praxis of exchanging, our brains are exquisitely attuned to each and every nuance. If we trust, consciously or unconsciously, that others are ‘tuned in’ to us and that promises—implicit and explicit—will be respected, we’re ingenious about how we thrive together. If not—e.g. if we’re concerned about imbalance of power or whether the other party may sincerely intend or be able to fulfill their commitments—our ability to ‘think’ shuts down.



Similarly, if other needs are not met—e.g. sufficient rest, exercise, play, fresh air—we simply do not have the ‘brain’ to optimize the exchanges in which we engage.



And, unfortunately, when another appears as ‘not one of us’ we are inclined to distance at best and attack at worst.

It’s physiological.

Social animals co-regulate physiologically. For example, you may be aware that women who work or live together menstruate together. Similarly, people who sleep in proximity co-regulate each other’s sleep. And moods are contagious: one person’s fear or anger can whip like fire through a crowd.



As best we understand it now, the marvelous network that is our brain operates by chemical and electrical signals to regulate our physiology. Nor are those signals contained by the borders of our skin; rather, they are exchanged with those around us. Meditation and Martial Arts teach the use of space as part of welcoming and influencing whatever may be so. High performing teams employ all of that awareness⁴, sometimes including drugs to expand consciousness, exploring what are sometimes called ‘altered states’ or ‘non-ordinary’ cognition.

In addition, like other complex networks, information moves through hubs. That means that everything we do—every bit of energy expended—involves the entire brain. If you want to be able to learn, you’re more likely to get the energy required if you enjoy healthy digestion. Otherwise, your gut can command that energy.

3. While rodents rely on smell, and other primates also use sight and touch, we humans, together with others—like elephants, whales, and wolves—use language to coordinate.



I tend to agree with those who think that education developed during the era of mass monetization (a.k.a. the Industrial Age) tended to blind humans to important factors beyond transactional specifications. The good news is that the impact appears to be mostly cultural: the 8 generations involved do not appear to have degraded brain function; we can still cultivate those abilities.

The bad news is that many educated during the 20th century have uninformed, unskilled habits (cognitive bias) that don’t include much conversational or emotional intelligence. Our post-Industrial framework still promotes monoculture of business operations, a transactional mindset viewing workers as simply an “input” to get “output.” Not an environment ripe for learning, growth, and innovation. Yet we are transformed—and businesses prosper—when they innovate and break the mold.



We’ve got some work to do on the path to Business Agility: learning the kinds of somatic and emotional cues that are normally gained in childhood.



Neuroscientists say that our brains are “made for socialization” (to keep us focused on social intercourse). Many believe that Maslow’s hierarchy of needs is wrong: that ‘belonging’ is more important than food and shelter. I place my bet with them; babies given proper nutrients without sufficient human touch, sound, and social interaction will die. Unfortunately, we also have a great deal of evidence that humans fail to thrive in conditions where we are not confident that we can contribute and receive help. That makes sense for a creature who must cooperate to survive.

Our hunter/gatherer ancestors stayed alive only so long as the group was socially fit. Language was part of how they accomplished that feat, but note: they all grew up with the same language and cultural values, in close physical proximity, ‘reading’ and syncing with each other, and knowing what was required and who would handle which important tasks.



The abilities to choose with whom to ‘trade’, and to anticipate what they may value and what value they may bring to us, are the basis for the social ecosystem we call commerce. That won’t change. What has changed and will continue to change is what is exchanged, how those exchanges occur, and with whom. The chances of modern value partners sharing cognitive biases and understanding each others’ competences grows smaller as I write.

Our way of cooperating—our social reality—has grown more demanding. For much of our history, we enjoyed simplicity, e.g. “If you bring fish, I’ll bring firewood; let’s meet back here before sundown,” with people whose strengths and vulnerabilities we knew for our entire lives. We now operate in a world where people thousands of miles away can impact our ability to get information, food or clean air.



Cultivating conversational and emotional intelligence, and expanding awareness beyond cultural habits—time-consuming though it may be—appears mission-critical.

4. Our brains become more rigid as we age.

After puberty, the brain allocates substantially less energy to [what we call] learning. You may have noticed how much harder it is to learn a language without an accent after puberty, or to learn a new physical skill. (I certainly wish that someone had taught me to ski at age 3!)

As we age, unless we intentionally cultivate curiosity and neuroplasticity—the ability to learn — our brains direct us to what we already know. The business agility challenge is a call to imbed learning and curiosity (and, indeed, the stumbles and ‘failures’ that come along with it) into our business culture.





5. Change and complexity are increasing. It's been common parlance for decades that the pace of change continues to accelerate and will continue to be driven by innovation. Uncertainty is higher than it's ever been.

In addition, we now know that systems naturally move toward greater complexity, including the universe we inhabit as well as networks of human endeavor. The system we call 'commerce' has surpassed our brains' abilities (Remember before the crash of 2008-9, when the "experts" of Wall Street kept telling us that if we didn't understand what they were doing, it's because we weren't as smart as they were? Well, it turned out they didn't understand it either!).



Some Agile experts advocate that everyone meditate in order to enhance openness, ingenuity, and productivity. That's been proven helpful, though not sufficient. Many types of learning are called for, including somatic, emotional and conversational intelligence.

The ability to engage in generative dialogue with those of different mindsets and practices is essential. In the early 1990s, beloved Business Professor C.K. Prahalad exhorted us to "design the future" together with value partners. Employing the eyes and ears of others with differing cognitive biases is not a new idea, but it's rarely practiced for real. Though difficult, those of us who covet Business Agility must cultivate the skills and practices to navigate, lead, and design the exchanges that comprise our business ecosystems.

In practice

Certainly the challenges of Agility go well beyond business to public health, education and safety: leaders in every field are tasked to develop conditions in which constituents thrive. To succeed, we must minimize the debilitating impacts of modern life that stress our physiology and reduce our ability to learn from new information.



Thriving in this century will entail blazing trails to integrate uncertainty in the way we do business and live our lives. If not creating, designing, or driving change, a business must be able to navigate its impact.





Satisfying the brain's sensitive social requirements is essential to engage and enable those who were educated in the 20th century and are not naturally oriented to learning (> 80% of us).

It's easy to see why experimenting—and loss—had to be part of getting stuff handled in the self-managed teams that were our ancestors, and why multi-tasking wouldn't have been favored in brain evolution. Effective only with habitual actions, multi-tasking prevents the possibility of observing something new; would not be effective safekeeping children past predators or getting back to the group by sundown.

But how can a modern organization really employ this information? Fortunately, we are blessed with a few trailblazing Agility superstars, from whom we may glean:



- Business Agility is not a result; it has no end point; it's a journey.
- There's no such thing as winning; commerce is an infinite game.
- Operating from deep respect, gratitude, and trust of human ingenuity gets results; appreciating, enabling, and inquiring with our value partners is the path.

Ricardo Semler grew his company from \$4 million in 1995, to \$212 million in 2003, to well over a billion currently.¹

He made his people 'smarter' by keeping groups small and sharing the problem, famously demonstrating—in depressed Brazil—what happens when a leader ensures that every employee can read a balance sheet and design their own job. He generated growth, profitability, and employee satisfaction by designing the company on what enabled himself and those around him to thrive.



"From being on the verge of closure at one point of time, the company in today's date is flourishing and has created a model for outside companies to form joint venture with it and enter the Brazilian market."¹

—Semco Brazil, A Billion Dollar Company in a Decade

Bhaskar Kandpal, Amity Business School, Amity University Haryana 2017

"...Employees also outvoted me on the acquisition of a company that I'm still sure we should have bought. But they felt we weren't ready to digest it, and I lost the vote. In a case like that, the credibility of our management system is at stake. Employee involvement must be real, even when it makes management uneasy. Anyway, what is the future of an acquisition if the people who have to operate it don't believe it's workable? "I don't mind. The division's productivity, in dollars per year per employee, has jumped





from \$14,200 in 1984—the year we moved—to \$37,500 in 1988, and for 1989 the goal is \$50,000. Over the same period, market share went from 54% to 62%.
—Ricardo Semler, HBR

While Max DePree was CEO of Herman Miller, \$100 invested in 1975 grew to \$ 4854.60 in 1986 (41%, compounded annually).

He was known for loving recognition of others, unconditional generosity, and deep respect and curiosity for the opportunities and responsibilities of serving and leading in shared human struggles. The business thrived, leading the market with innovative design: the Eames chair and open-space and modular office furnishings are still widely in use today.



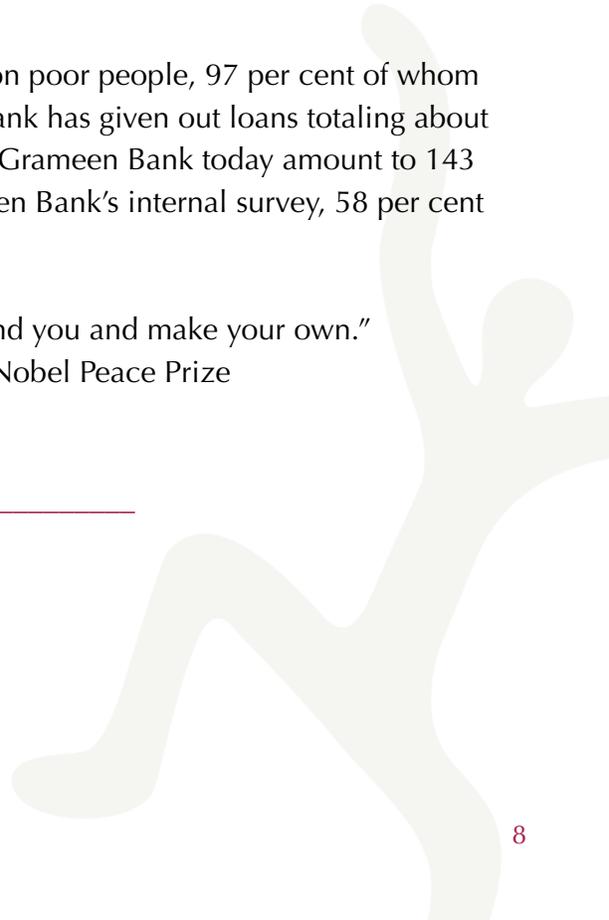
Grameen Bank enjoys 99% repayment rate plus creates social impact: their innovative lending is based on respect for the lendees and their knowledge of their own business ecosystem.

“[We are] focused on women because we found giving loans to women always brought more benefits to the family.”

“Today, Grameen Bank gives loans to nearly 7.0 million poor people, 97 per cent of whom are women, in 73,000 villages in Bangladesh ... the bank has given out loans totaling about US \$ 6.0 billion... Deposits and own[ed] resources of Grameen Bank today amount to 143 per cent of all outstanding loans. According to Grameen Bank’s internal survey, 58 per cent of our borrowers have crossed the poverty line.”



“Don’t wait for someone to give you a job. Look around you and make your own.”
—From Muhammad Yunus acceptance speech, 2006 Nobel Peace Prize





Just in case all this respect and trust still sounds like pie-in-the-sky, Jim Collins has this to say in his book, *Good to Great*:

“...the people we interviewed from the good-to-great companies clearly loved what they did, largely because they loved who they did it with.”

The four founding partners of Warby Parker, role model disruptor, bet the company on what were then daring commitments. One such was the choice to invest heavily in the dialogue among the partners and the conversational skills of customer support people—instead of investing in marketing. The results are stellar.

In real time, without benefit of lagging metrics, Business Agility appears a bit messier:



“I thought once everybody could speak freely and exchange information and ideas, the world is automatically going to be a better place. I was wrong about that.”

Evan Williams, co-founder of Twitter, *New York Times* May 21, 2017

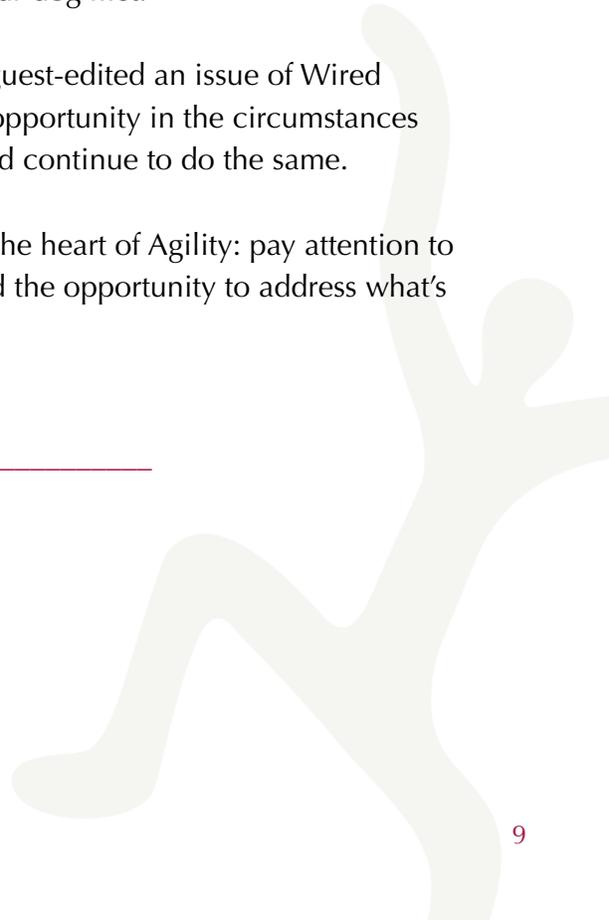
Google and Facebook are currently addressing similar problems, generated by the extremely valuable access they have generated. ‘Fake news’ is one such. Will history deem access to information ‘bad’? I doubt it. Will social media leaders find a way to foil fake news? Fasten your seat-belt.

Leaders keep their eyes open. Steve Wozniak quipped, “When my wife and I realized that [AI] will soon make us their pets, we started feeding our dog file.”



Barack Obama, preparing to leave the White House, guest-edited an issue of *Wired* magazine, in which he asked readers to consider the opportunity in the circumstances that they found distasteful, and promised that he would continue to do the same.

That guidance, much like Prahalad’s and Yunus’, is at the heart of Agility: pay attention to what’s happening with people you care about and find the opportunity to address what’s important. It’s an infinite game.

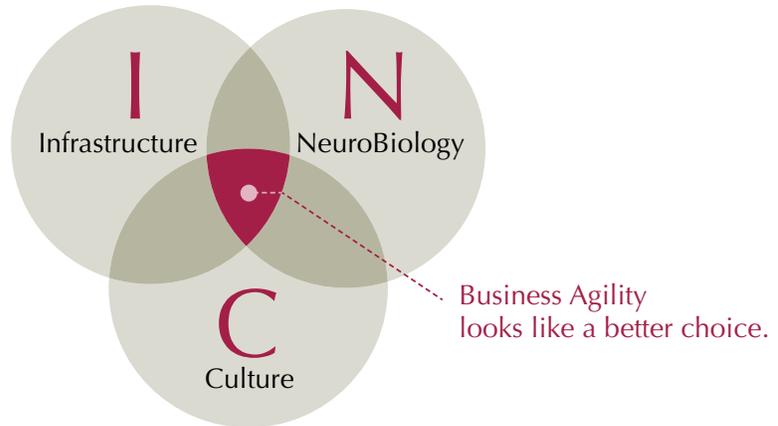




The Business Agility examples above are only a few among many rising stars, all of whom share commitment to both conversational and emotional intelligence. Professor Humberto Maturana, pioneer in brain function, uses the term “co-inspiring” to refer to the beauty of humans thriving together. I couldn’t agree more.

This diagram distinguishes three key components we’ve been discussing. In a living organization, of course, they operate holistically: it can be difficult to differentiate the factors.

Change is inevitable.
Suffering is optional.



The table below attempts to illuminate some of what may be required to operationalize Business Agility, together with which of our three components are involved.



Provide diverse learning opportunities, including content reflecting different cognitive biases.

Celebrate learning and experimenting of all kinds: both business and ‘non-business’ skills, mindfulness, various kinds of fitness.

Require basic competence in mindfulness, relating and teaming, speech acts or equivalent for everyone to move beyond trial employment.



Hire and train people...

...to seek, offer, and welcome critical feedback as part of how they ‘belong’ to their teams and organization.

...to use sincere questions to proffer dignity and optimize engagement.



Ensure that leaders and managers publicly undertake new domains of learning at least once a year, and report on the results.



Commit to a clear purpose/core promise whose fulfillment is in direct line of sight of all value partners.



Be proactive articulating skills and behavior required to thrive in your company (who best to fulfill your core promise?).

Recruit for it, authorize colleagues to score performance.



Organize people in teams of 5–9, authorized to co-design performance standards with each other and their managers

All value partners participate in easy, anonymous success scoring that includes ensuring:



- everyone unplugs, fully utilizes evenings, weekends and vacation time;
- multi-tasking is not tolerated;
- promises are pristine;
- listening, respect, and inclusion from people up and down the organization.



Keep teams and locations small; use the constraints and benefits to inform your business model.



Develop your own brand-distinctive ways of including your larger community.



Make sure that fresh air and fresh food are available.



Provide team and individual spaces, quiet and rest spaces, open /flexible spaces.



Ensure at least 4 hours slack in everyone’s workweek.



Offer regular practices to observe and re-interpret differing ‘reality.’
Employ varying models.



Encourage play.



Because humans evolved in small groups, small businesses have a natural advantage satisfying the demands of agility. But large businesses can benefit well: enterprises from agriculture to oil and gas have proven that larger businesses can use their resources skillfully by empowering small groups and cultivating strategic inquiry and learning.

Practices that develop new eyes and surprising levels of accountability, and breed experimenting are readily available. I'm a big fan of mapping business ecosystems: encouraging value partners to explore what is currently being delivered and received, and opening opportunities for more rich exchanges. Scenario Planning³ yields well. I've enjoyed excellent results with exercises based on Game Theory—small groups explore their field of play, design leading and lagging metrics, required moves and forbidden moves, and enjoy the advantages of shared focus and ownership.



As you embark on enhancing agility in your work and in your organization, I encourage you to invest in skills to embrace our dynamic world, together with people whose cognitive biases and competences differ from your own. With genuine respect and humility, your enterprise can succeed and thrive as a trailblazer in business agility. You can be a source of rich exchanges in your ecosystem.

Business Agility calls us to embrace our inevitable, shared vulnerability—the timeless root of commerce. It's not for the faint-hearted. It might be our only chance. With deepest gratitude for those who have gone before, illuminating our path.

—Marsha Shenk, May 2017
www.EcosystemIQ.com



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1. Social, Matthew Lieberman
 2. How Emotions are Made, Lisa Feldman Barrett
 3. The Living Company, Ari DeGeus
 4. Stealing Fire, Kotler and Wheal

