



**START
LESS**

**FINISH
MORE**

*Building Strategic Agility with
Objectives and Key Results*

DAN MONTGOMERY

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PRAISE FOR *START LESS, FINISH MORE*

Dan has applied agile thinking and techniques to strategy in an elegant and unique way. His five-step process—assess, focus, commit, act, and learn—focuses execution on doing less and accomplishing more, all in alignment with the enterprise strategy. Dan's golf analogy is quite apropos and hooked me right away. I highly recommend this funny, entertaining, and informative book. Well done Dan.

—JIM STOCKMAL, President, Association for Strategic Planning

It's not often you find a book that provides a complete yet simple approach to tackling the most important challenges every organization must face and overcome to achieve long-lasting success. *Start Less, Finish More* does just that. Dan Montgomery has built upon the foundation of the powerful Balanced Scorecard system, adapted it for today's turbulent times, and also convincingly shown how OKRs can be used to drive agility and execution.

—PAUL NIVEN, author of *Balanced Scorecard Step by Step*
and *Objectives and Key Results*

This book is the real deal! That's exactly how I felt when I finished reading *Start Less, Finish More*. In an interesting and practical way, Dan Montgomery used his pen to lay out the rationale and process for incorporating strategic agility into the strategic management discipline. Unlike anything else I've read thus far, Dan does a great job of explaining the intersection of strategic agility and human psychology. I especially appreciated his ability to build on the proven foundations of strategic management while pointing out the strategy execution challenges organizations face in our ever changing and sometimes disrupted world.

—RANDALL ROLLINSON, President, LBL Strategies

Real advancements in strategy management do not come often. Dan has moved the ball forward by collecting strategic planning, human-centered design, and agile delivery techniques from today's most successful tech companies and put them together into a simple and innovative framework that is accessible to anyone.

—GABRIEL MORGAN, Enterprise Architect and Digital Transformation Executive for Microsoft, Starbucks, and REI

Dan has codified many of the agile business practices that we experimented with at Rally. He is certainly more comprehensive, articulate, and coherent than we ever were. His effective linking of OKRs into overall practices is fantastic. I know that many businesses struggle with the right level and scope of OKRs, and Dan spells it out straight for you to execute and go. This is a super pragmatic book that is comprehensively researched and based on years of practice and consulting. I would call this approach state of the art.

–RYAN MARTENS, Co-founder, Rally Software
and Citizen Engineer

A much needed take on how to work on strategy iteratively in high-speed agile organizations. Dan talks frankly about the failures of traditional strategic planning and then offers straightforward solutions to those problems. For Dan, strategy is a learning loop, and he gives clear guidance on how to run that loop with everyone in your organization. He also provides great examples from current companies that are finding new ways to learn quickly.

It is hard to prescribe an approach for working on strategy, because this work obviously has to be tailored to the specifics of an organization. But Dan manages to balance this. He starts with frameworks and then offers very specific guidance on how to think about who should meet and how often, as well as how many items you should plan at different levels.

This book will not magically make strategy easy or reduce the amount of strategy management work that is needed. What it can do is increase the impact of your strategic work. In the end, that's what matters to me.

–ALEX PUKINSKIS, Head of Product Development
ALSO International Services GmbH

For something so simple, OKRs are surprisingly hard to do right. In Dan's book, *Start Less, Finish More*, he takes this simple idea, shows you how hard it is really is, and then makes it simple again by showing you how to do it. By exploring corporate strategy, from ideation to execution, this book manages to be both insightful and practical.

–EVAN LEYBOURN, Founder and CEO, Business Agility
Institute and author, *Directing the Agile Organisation*

When I learned to ride a bike, I had to get up and try several times before I understood how to launch, keep my balance, and pedal. There was far more to it than my never-riden-a-bike-before mind could have fathomed. It wasn't until my body engaged in the

process that I really understood how to do it. This is a universal truth that also applies to the business world. With *Start Less, Finish More*, Dan provides a practical guide for how to become a more effective organization by recognizing how we really get good at things. He provides a toolkit for those of us who actually have to deploy a strategy, not just think about it. Dan gives us a discipline to avoid getting bogged down in information overload or too many divergent projects, along with how to keep up the momentum of progress and how to get the most out of people. This is a guidebook for those who really want to improve results and ensure that their desired future becomes reality.

—CHRISTIAN KULAK, Strategic Planning Director,
Excellus Blue Cross Blue Shield, Rochester, NY

Dan Montgomery summarizes a twenty-year career in strategic planning with a practical step-by-step framework for creating and executing strategic plans in the face of today's fast-paced, complex markets. His method applies techniques originally developed in Silicon Valley to the needs of a wider range of organizations, from non-tech businesses to nonprofits and government agencies.

—ROD COLLINS, Director of Innovation, Optimity Advisors;
Innovation Sherpa, Salt Flats;
Author, *WikiManagement: A Revolutionary New Model
for a Rapidly Changing and Collaborative World*

Dan has created a practical approach to enable a more rapid cadence of strategy management appropriate for the ever-changing complexities of modern organizations. He builds on the strengths of the balanced scorecard and other best practices for strategic planning and performance management while integrating an agile execution method appropriate for the pace of change found in many organizations today. As a former colleague and coauthor of his, I appreciate Dan's clarity of thinking and how he approaches complex concepts to extract their most practical, understandable, and *useful* essence. This book is an essential for my reference library.

—GAIL STOUT PERRY, coauthor, *The Institute Way*,
Chief Strategy Officer and VP of Americas, Corporater

No one makes strategy accessible like Dan does.

—BRIAN CASSELL, DVM, Chief Strategy Officer
Ethos Veterinary Health

INTRODUCTION

In twenty years of management consulting, I've worked with technology firms, banks, government agencies, utilities, and nonprofits, with clients ranging from the Sisters of St. Martha to the United States Marine Corps. While there are some big differences among industries, I see more similarities. Strategic thinking is difficult for all of us. It requires you to step back from the day-to-day speed and distraction of your job, look around, and ponder deeper questions.

- How is your environment changing?
- What do you value?
- What's your vision of the future?
- Who are your customers and stakeholders?
- How do you provide value for them?

Real strategic thinking challenges a natural human tendency, rooted in the very way our brains work, to stick to the tried and true. These well-worn grooves, or ruts, shape what we see and what we think is possible. We assume we know who our customers are and what they want. We figure that what worked yesterday will work

tomorrow. No matter what kind of organization you lead or work in, this is no longer good enough.

For businesses, the competitive playing field is constantly shifting. And for government agencies and nonprofits, there is a need to demonstrate how you provide value in an atmosphere of changing needs and expectations. Rising to these challenges requires *strategic agility*—the capacity to sense change, disruption, and opportunity and respond quickly and forcefully.

At the same time, the evolution of life and business in the past 150 years has created an unprecedented level of complexity in organizations, with a tangle of formalized systems, rules, and processes. This level of bureaucracy, however well intended, makes it ever more difficult to change direction. It dooms organizations that can't change fast enough. It creates a sense of overwhelm, of trying to do too much at a time, and of not knowing where to start.

Legend tells us that Alexander the Great conquered the ancient kingdom of Phrygia by winning a challenge to undo the Gordian Knot, a tangle of incomprehensible complexity. Rather than try to figure out how to untie it, he just drew his sword and sliced it in half. And it came undone. While you might need to employ a more nuanced approach at the office, the principle is the same. You can't untangle complexity by figuring out every thread. You need a way to start simply and boldly and move forward one step at a time.

The essence of the agile mindset and of strategic agility is the principle I call *start less, finish more*. The combination of uncertainty, complexity, and general overwhelm that we all face makes it unproductive, if not impossible, to fully figure out the right course of action in advance. This is a big problem when it comes to strategic planning, which has us trying to project our business three to five years into a hazy future. Strategic agility means having a clear vision of where you're leading your organization while remaining open and flexible

about how you get there. You spend less time up front designing the plan and more time iterating and adapting as you go along. You start by actually doing less planning, and in the end, you've built the capacity to adapt quickly and collaboratively as an organization.

This book presents a lot of tools you can use, but the biggest thing I want you to remember is not a tool, it's an insight (and you will find it in the first chapter). Here it is: We limit our ability to think strategically because we dread uncertainty. We retreat into cozy mental models—the habitual ways we observe the world around us—that keep us from seeing a bigger picture of what is possible. The second chapter is about what strategy is, particularly the important distinction between strategic thinking and strategic planning, which are two very different things. From there, we'll explore the five-step Agile Strategy Management process. This includes tools for bringing strategic thinking into a regular cycle of planning, goal setting, action, and learning.

One of the biggest and most unfortunate misunderstandings about business strategy is that it's a subject that can only be understood by experts in shiny shoes and dark suits. I used to think so myself. When I was in business school, strategy was my least favorite subject. It struck me as something bloodless, abstract, and analytical, focused coldly on money. It didn't offer anything I could use in my everyday work to get things done. It took me a few years to see that strategy is really much more interesting than that. It's holistic—a big view of your organization that includes your offer to customers, the external environment in which that offer provides value, and the alignment of systems, processes, financial resources, and people to deliver it. There's the logic of how you position your company in the market and develop products that deliver value, but there's also the more emotional side. That's about creating an organization that inspires and motivates the people who come to work there every day.

Most of us engage in strategic thinking every day. Everyday strategy is a matter of assessing the landscape, focusing on what you want to happen, committing to specific steps, acting, and learning from your experience. People have been doing this forever. Here's an example.

After attempting golf with little discipline or commitment when I was young, I finally took up the game in earnest about twenty years ago, and I found it very challenging. I was out playing with a business associate one day fifteen years ago. After watching me slice two tee shots to an almost identical spot out in the deep rough, he offered me an observation. "Dan, it's as if I can see you change your mind near the top of your backswing. You've got to just commit to the shot and do it!"

That's been one of the hardest lessons for me. I tend to think too much, question my last decision, and physically choke up when it's time to just do it.

The practice of golf requires the ability to learn from the last shot, let go of critical self-talk, and step up to the next one with a clear mind and heart. That's why I like watching the pros. Every shot goes through the following sequence:

1. **ASSESS:** Survey the landscape. Read the wind and the condition of the course.
2. **FOCUS:** Choose your strategy for the hole. Where do you want the ball to land on the next shot? What would the shot after that look like? Pick your club.
3. **COMMIT:** Make your practice swing and take your stance. Let go of any thought about how you might make the shot differently. Relax and feel your feet on the ground. Take a deep breath.

4. **ACT:** Staying focused on the basics—head down, weight shift, wrist action—get moving and execute the shot. The pros call this *pulling the trigger*. Don't start looking up to see where the ball is going before you hit it. For well-practiced golfers, this is baked into muscle memory.
5. **LEARN:** Observe what happened. If you're not satisfied with the results, consider what you would have done differently. Often, you'll see a pro take a practice swing *after* they've hit the ball just to drill that into their muscle memory.



Figure 1: Five Steps to Agile Strategy

Although I describe this as a sequence of five steps, they all blend together in one relatively fast sequence, a single stroke that is one of many in a bigger game.

We use the enso as background for the illustration of this cycle. In Japanese Zen practice, the enso is a circle that is hand drawn in one uninhibited brushstroke to express a moment when the mind is free to let the body act spontaneously and confidently. The circle is open, allowing for movement and development. The enso is a powerful symbol for empowerment and creativity.

HOW I CAME TO WRITE THIS BOOK

All my life I've been fascinated with how organizations tick. Human resources seemed like a natural place to start my career. Along the way, I became fascinated with how computers could be used to create a model of an organization. This led me into a fifteen-year management career in information technology. Later, I got interested in the bigger questions of strategy and leadership and discovered the power of balanced scorecard as a strategy management tool. Strategy management is a body of knowledge and practice that combines the formulation of strategy with execution. The most brilliant strategy is useless if it can't be implemented, and strategy execution must address issues of leadership, organization development, and project management. Balanced scorecard was the first comprehensive approach to strategy management because it was based on developing a shared understanding of how people, systems, and business processes all worked together to create value for a customer and financial results for owners.

During this period, I also had the good fortune to fall in with a group of friends who organized conferences with some of the

leading lights in the world of organizational learning. This field is the basis of contemporary leadership development and coaching. Organizational learning draws insights from neuroscience and addresses how we view our world, frame our choices, have effective dialogue, and build high-performing teams.

Something new and unsettling piqued my interest four years ago. At that point, I had developed strategic plans for dozens of clients over a period of fifteen years. As I engaged in follow-up conversations with my clients, a disturbing pattern emerged. The process I had been leading, along with everyone else I knew in the strategy consulting business, spent too much time on a lengthy up-front design process and not enough time on the real work of implementation. We were engaging the workforce in the design process, which was good, and we were leaving our clients with an extremely thorough plan. More often than not, though, the momentum required to keep the plan relevant and moving forward wasn't there. When I asked, many of my clients told me they had employed various hacks to simplify the process. Most of these involved focusing on only a critical handful of measures and taking on fewer initiatives at a time.

At the same time, I was exposed to the emerging world of agile software development. *Agile*, capitalized, is the term used for project and workflow management practices that have revolutionized how software is built over the past twenty years. Agile has been greatly influenced by organizational learning practices. Although Agile is focused on operational execution, it struck me that many Agile insights and practices can be applied to strategic planning and execution. It addressed a lot of problems I'd seen in my IT career with projects involving a lot of up-front design that delivered little value in the end.

WHY AGILE WAS A BIG STEP FORWARD FOR IT

During my IT career, I spent several years working on a project that ultimately went nowhere. I was on a team that was designing a new social services system from scratch in a poor state. In fact, the state was facing an economic meltdown. It was believed that the welfare system would soon be overwhelmed by people who had exhausted their unemployment benefits and would have nowhere else to go. It was the early 1990s, and large organizations were moving away from mainframe computers to the new client-server architecture that made use of personal computers. No one on the team actually had any experience with client-server architecture, but the business case for the new system assumed that it could be delivered much more cheaply with client-server architecture than with a mainframe solution. It was estimated that the entire project would cost four million dollars to build and roll out to forty offices spread over a large geographic area. This assessment proved to be very wrong.

The immediate need was simply to quickly provide income assistance to families who needed it. But the scope soon grew to support every function in the department. Before a line of code was written, we spent eighteen months analyzing and redesigning every function of the entire department, including adoptions and child welfare.

The project was behind schedule from the beginning. Every couple of months, we revised detailed project plans that went three years into the future, predicting what we would be doing many months in advance. After several of these revisions, the original project leader who had created the four-million-dollar business case was replaced. The large systems integrator I worked for assumed the management role in the project. Soon there was a team of over ninety people, mostly external consultants who flew in every Monday morning and out every Friday afternoon. After another year and a half, it was decided that it was time to revisit the original business case. I was tasked with pricing the

rollout of the new system, including the deployment of equipment, training, and user support.

By the time I was done, I estimated that the cost of the rollout alone was six million dollars, 50 percent more than the original estimate for the *entire* project. This did not include the revised costs for programming, testing, maintenance, and operations. The new projection for the total cost swelled to twenty-two million dollars. Shortly after this revised estimate, three years after the original business case, the government shelved the project. They couldn't afford it. Millions of dollars sunk into the project had to be written off. Not a single family got food or a roof over their head as a result. Social workers were coping with the bulging welfare rolls without the benefit of the new system.

If we had known about Agile, we would have done a lot of things differently. We would have focused on one small set of features at a time, built a prototype, tested it, and tried it out with a few caseworkers before moving on to the next set of features. We would have ensured that each slice of functionality—for example, reducing the time it took to get food for a hungry family—was creating positive outcomes before moving on. We would have attacked the most important priorities first and delivered on them, so that even if the project was curtailed later, there would be some benefit to real people.

We could have started less and finished a lot more.

Agile practitioners had learned how to start less and finish more in some very specific and practical ways. Dealing with the mind-numbing complexity of big software projects on a daily basis, they had rejected writing detailed plans in favor of a more adaptive approach. I put my old ways aside and embarked on a deep dive into the world of Agile. I wanted to find out how many of the practices in the Agile toolbox could be applied to the work of strategy management. I was able

to leverage my years of IT experience and work as an Agile coach for a time. What I discovered is that while Agile techniques build what we might call *operational agility*—the ability to continuously deliver new products and services in response to changing customer needs—the Agile playbook does not address *strategic agility*. Every Agile model I'd seen assumed that strategic priorities came from somewhere outside the diagram. The Agile model was necessary but not sufficient. My quest could not end until I addressed strategic agility.

By discovering objectives and key results (OKRs), I found the link between strategy and operational execution. Here was a work management practice that had a deep kinship with Agile but had a simpler format that was applicable to all business functions at every level in the organization. It was a simple, fast-cadenced goal-setting process that built agility, employee engagement, and learning. Most importantly, OKRs built alignment with strategy throughout the organization. It was an approach baked into Google's growth strategy from the beginning and has since been adopted by other Silicon Valley firms, including LinkedIn, Intuit, and Adobe.

Today, OKRs are being embraced in other kinds of companies like Walmart, Target, *The Guardian*, Dun and Bradstreet, and ING Bank, and increasingly by nonprofits and government agencies. My OKR clients are predominantly in service sectors like health care, hospitality, and municipal government.

THIS BOOK IS A TOOLKIT

On average, there are two English-language business strategy books published every day. Against this humbling background, my intention has been to create a book that feels accessible and useful to owners, leaders, and strategy specialists in small and mid-sized

businesses, nonprofits, and government agencies. I have no desire to make this an academic tome. I want this to be a book you would pick up and put in your briefcase for an airplane trip. I want people to read it, challenge their mindset and expectations about strategic planning, and think about which practices they can apply in their organizations.

I've read an enormous amount of business literature in the past twenty-five years or so while I've developed the point of view and practices in this book. You'll find a few of the more important books in the bibliography. The challenge with a lot of that literature is that it's written by academics, drawing on research from big public companies. Instead, I like to focus on the experience of leaders, not abstract research. I want to demystify strategy. The stories in this book are not based on data-crunching research or interviews with Fortune 500 executives who have a public relations agenda. They are drawn from people and organizations I've met and worked with, people who might be just like you.

I'm also a bit of a history geek, so there are a few historical anecdotes here. Since strategy is always based on a hypothesis about the future, it is very instructive to look to the past and see how people thought about the future back then. Since we have the benefit of knowing how things turned out, it's easy to learn from the fallacies in our ancestors' thinking. The biggest problem we have is assuming that the future will look like the present, only more so. Some of the time, that is true. Some of the time, it's not.

The stories in this book illustrate that there is no single prescription for how to build strategic agility. Think of this as a toolkit. The tool you choose depends on the job you have to do. Strategic agility is holistic. It starts with a radical focus on what your customers value. It builds on shared strategic awareness throughout the organization. It requires an orientation towards measurable business outcomes. It

must be based on a culture of open, healthy dialogue. And finally, recognizing that none of us can predict the future, it is built on a foundation of fast cycles of experimentation, feedback, and learning—the practice of objectives and key results.