Einheit Regained Dealing With Cultural Drift in Times of High Growth

Case study by Gereon Hermkes ©1993 – present Jeff Sutherland & Scrum Inc.



The Starting State – Ready for Lift-off

- The company was built by two strong founders who nurtured a high-trust, decentralized and cooperative culture.
- Rapid growth resulted in many new employees which led to a breakdown in cultural cohesion.
- Sales stalled, margins evaporated, and veteran employees started leaving the company.



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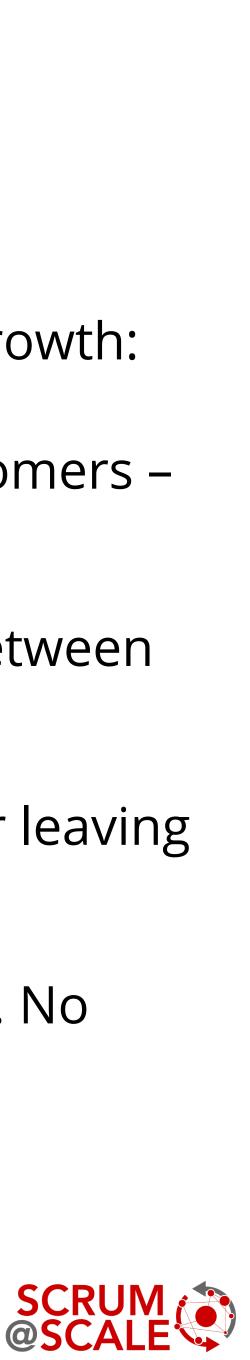




The Anti-pattern – Culture Failing to Scale

- **High latency:** The Scrum Masters who are also the key contact with the customers were no longer able to quickly exploit opportunities.
- Lack of cooperation: The culture of cooperation turned into internal rivalry between groups of teams.
- **Sense of helplessness:** Employees asking to be assigned to other managers or leaving outright.
- **Einheit lost:** Limited understanding of what others were doing/struggling with. No common outlook.

The founder-inspired culture was unable to adequately scale with the company growth:

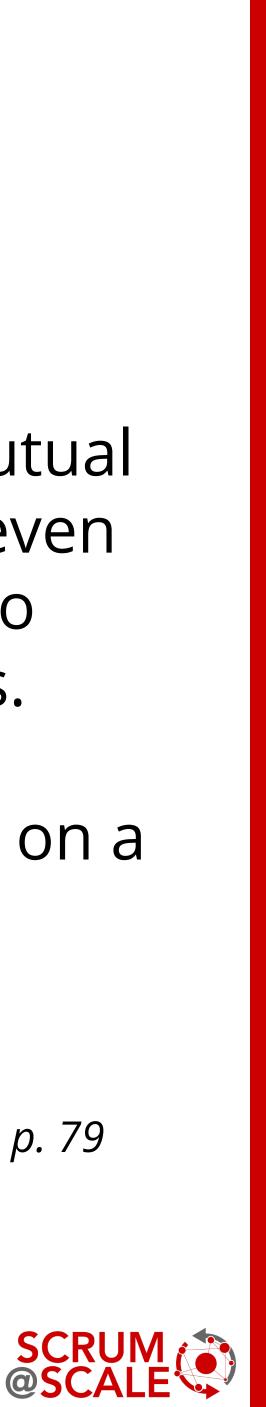


Einheit ['aınhaıt]

"We believe that implicit communication—to communicate through mutual understanding, using a minimum of key, well-understood phrases or even anticipating each others' thoughts—is a faster, more effective way to communicate than through the use of detailed, explicit instructions.

We develop this ability through **familiarity and trust**, which are based on a shared philosophy and **shared experience**."

— Marine Corps Doctrine Publication 1, Warfighting, p. 79



What was done? – Restoring Einheit

Implemented a Scaled Daily Scrum (SDS) for 8 teams in order to rekindle Einheit with as little resistance as possible.

- Emphasized familiarity and trust in SDS, e.g. by showing (sensible) vulnerability by leadership and focusing on learning ("What have we learned last week?").
- With Einheit restored, teams quickly moved to once again seizing opportunities by themselves.
- More Scrum@Scale patterns were then implemented via "pull" by team members (transformation backlog, Agile Practice, etc.)





"I didn't want to "control" my Marines. I wanted to unleash them on the enemy."

— Col. Mike Wyly, as cited by Chet Richards, in All By Ourselves, p. 61

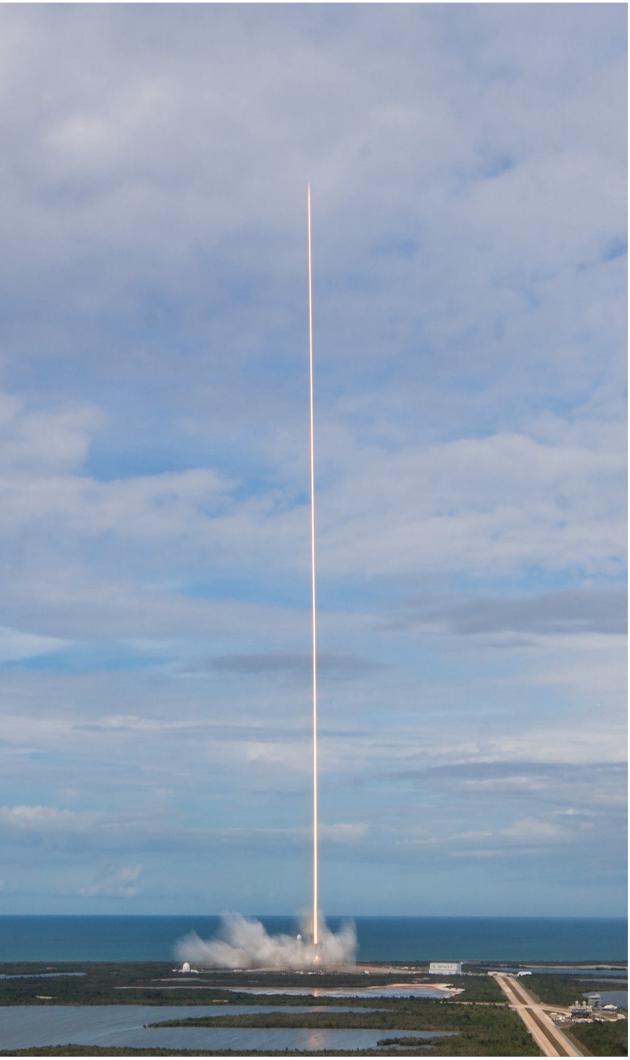
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Results: Achieving Lift-off

In the part of the company where Scrum@Scale was implemented ...

- total revenue for the group grew by a factor of 8.87 (at significantly higher margins)
- the group was able to increase the prices for its offering by an average of 21%
- employee qualifications and satisfaction substantially increased



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