Agile decision making in the information age.
Learning from the military & the software industry.
The challenge of construction

1. Design
2. Plan
3. Execution
Learning from the military
Military planning is hard
Optimizing for decision quality

Military planning:

- Objectives
- Means
- Timeline

“No battle plan survives contact with the enemy”
Helmut von Moltke
Capturing a complex operational environment

External factors:

1. The enemy
2. The weather
3. The terrain

Intuition or experience has traditionally filled the information gap in decision making.
The information gap
The limitations of a centralized hierarchy

- High decision power
- High visibility

Operational environment
Unlocking visibility at the “edge of the organization”

Lowering the cost of information sharing closes the information gap and improves decision quality.
Decentralizing decision making maintains decision quality while optimizing decision speed.
Learning from the software industry
The information age
A digital operational environment

In a digital operational environment, data is free
Information overload
What happens when information becomes free?

Increasing the volume of information without improving communication channels will bottleneck the organization.
The networked organization
Decentralizing simple decision making

Every decisions

Hard decisions (10%)

Easy decisions (90%)
Transparency as the key ingredient for autonomy
A practical transition to a networked organization

Hierarchical organization

Providing visibility for the entire organization naturally leads to efficient and decentralized decision making.

Networked organization
“Never tell people how to do things. Tell them what to do and they will surprise you with their ingenuity”
George S. Patton Jr.