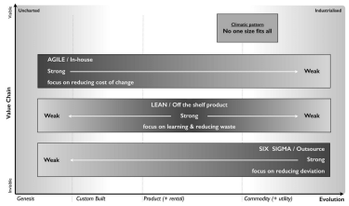
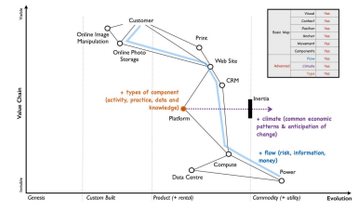
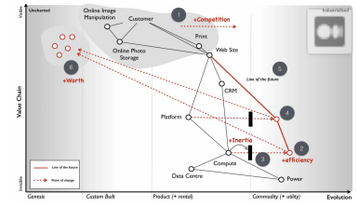






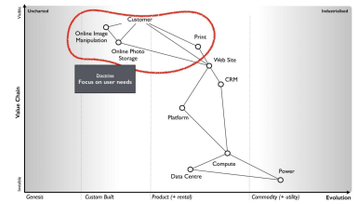


Figure 94 — predictability of what

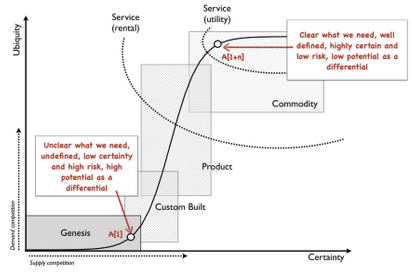
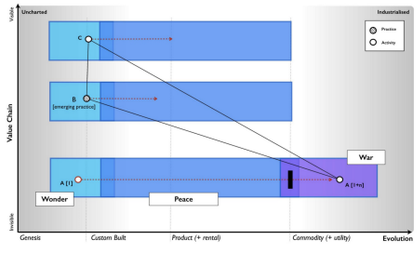
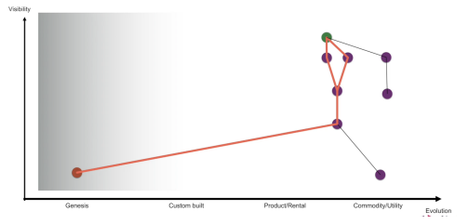
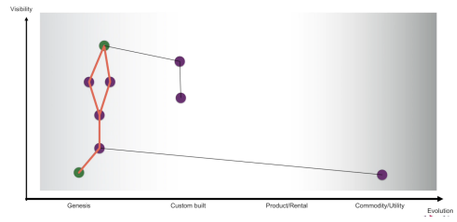
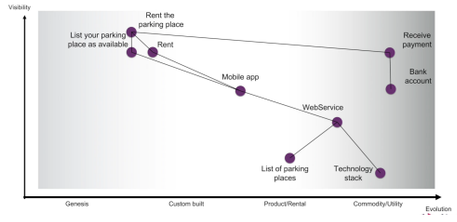


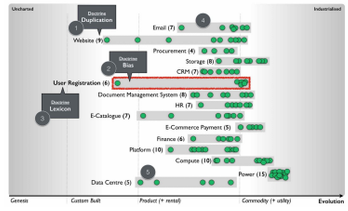
Figure 104 — Peace, War and Wonder

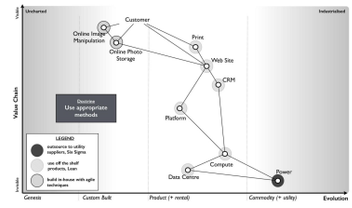


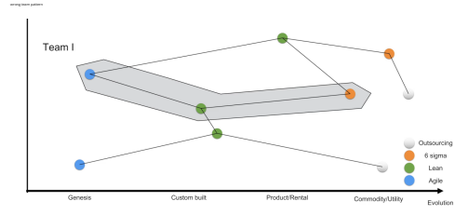


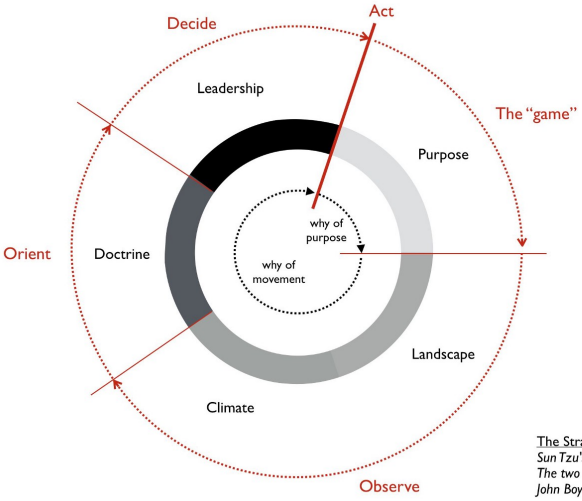












The Strategy Cycle
Sun Tzu's five factors
The two types of why
John Boyd's OODA loop

Getting fit - the plan

	Name	Description	Related topics	Main tasks
1	Customer Awareness	The company understands what is its purpose and how it generates value.	Purpose, User Groups, User Journeys, User Needs, Value Chains.	1. Define company purpose. 2. Identify user groups, their journeys and needs. 3. Ensure user groups are properly balanced. 4. Prepare Wardley Maps describing the company.
2	Organization	The company consist of small, autonomous teams that are fully responsible for their components.	Pioneers, Settlers, Town Planners, Value Chains.	5. Build small, autonomous teams around components. No more silos or team waiting for other team do process something.
3	Outsourcing	The company properly uses outsourcing. This includes outsourcing mature components, and avoiding outsourcing of uncharted components.	Outsourcing.	6. Establish outsourcing guidelines to protect know-how. 7. Outsource components that should be outsourced.
4	Approach	Proper tools and people are assigned to components, depending on their evolution level.	Approach, Pioneers, Settlers, Town Planners,	8. Gain knowledge about agile, lean and six sigma. 9. Ensure teams use proper approach.
5	Innovation & Risk	The company considers the nature of innovation and the risk associated with uncharted components.	Economic patterns, Evolution.	10. Remove unnecessary sources of risk (rely on mature components where it is possible). 11. Manage innovation - put effort where it is important.
6	Inertia	The company actively identifies and mitigates possible sources of inertia.	Inertia	12. Identify sources of existing inertia and prepare plans how to cope with it. 13. Consider inertia potential before introducing any new idea.
7	Anticipation	The company tries to predict on what may happen in the future, and prepares itself accordingly.	Economic patterns.	14. Analyse possible variants of future. Be prepared for changing conditions.
8	Communication	All employees understand maps, and can explain their environment to others.	Organization	15. Make sure that every person in your company understands mapping, and can show how his/her work contributes to the success of the company. 16. Use maps to gather knowledge about the company.

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Context	Our purpose and the landscape
Environment	The context and how it is changing
Situational awareness	Our level of understanding of the environment
Actual	The map in use
Domain	Uncharted vs Transitional vs Industrialised
Stage	Of evolution e.g. Genesis, Custom, Product, Commodity
Type	Activity, Practice, Data or Knowledge
Component	A single entity in a map
Anchor	The user need
Position	Position of a component relative to the anchor in a chain of needs
Need	Something a higher level system requires
Capability	High level needs you provide to others
Movement	How evolved a component is
Interface	Connection between components
Flow	Transfer of money, risk & information between components
Climate	Rules of the game, patterns that are applied across contexts
Doctrine	Approaches which can be applied regardless of context
Strategy	A context specific approach

Term	Symbol	Meaning
Component {past or future}		A single entity in a map e.g. an activity, practice, data or knowledge
Interface / line of the present		A connection between components
Point of change		How the map is changing e.g. competitive force
Flow		A flow of capital (e.g. risk, financial, physical, social) between components
Inertia		Likely to face a resistance to a change
Line of the future		How the map is anticipated to be
Constraint		A limitation from one component to another
Market		Formation of a competitive marketplace
Ecosystem		An ecosystem model e.g. ILC.
Accelerator / deaccelerator		An attempt to alter the map
Area of interest / focus / cell		An area of interest, something worth noting e.g. components designated to a team
Method	 build in-house with agile techniques  use off the shelf products. Lean  outsource to utility suppliers. Six Sigma	
Attitude	 Pioneers  Settlers  Town Planners	

Stage (of activity)	Genesis	Custom	Product (+rental)	Commodity (+utility)
Characteristics				
Ubiquity	Rare	Slowly increasing consumption	Rapidly increasing consumption	Widespread and stabilising
Certainty	Poorly understood	Rapid increases in learning	Rapid increases in use / fit for purpose	Commonly understood (in terms of use)
Publication Types	Normally decribe the wonder of the thing	Build / construct / awareness and learning	Maintenance / operations / installation / feature	Focused on use
General Properties				
Market	Undefined market	Forming market	Growing market	Mature market
Knowledge management	Uncertain	Learning on use	Learning on operation	known / accepted
Market Perception	Chaotic (non linear)	Domain of experts	Increasing expectation of use	Ordered (appearance of being linear) / trivial
User perception	Different / confusing / exciting / surprising	Leading edge / emerging	Common / disappointed if not used or available	Standard / expected
Perception in Indusry	Competitive advantage / unpredictable / unknown	Comptitive advantage / ROI / case examples	Advantage through implementation / features	Cost of doing business / accepted
Focus of value	High future worth	Seeking profit / ROI?	High profitability	High volume / reducing margin
Understanding	Poorly understood / unpredictable	Increasing understanding / development of measures	Increasing education / constant refinement of needs / measures	Believed to be well defined / stable / measurable
Comparison	Constantly changing / a differential / unstable	Learning from others / testing the water / some evidential support	Feature difference	Essential / operational advantage
Failure	High / tolerated / assumed	Moderate / unsurprising but disappointed	Not tolerated, focus on constant improvement	Operational efficiency and surprised by failure
Market action	Gambling / driven by gut	Exploring a "found" value	Market analysis / listening to customers	Metric driven / build what is needed
Efficiency	Reducing the cost of change (experimentation)	Reducing cost of waste (Learning)	Reducing cost of waste (Learning)	Reducing cost of deviation (Volume)
Decision Drivers	Heritage / culture	Analysis & synthesis	Analysis & synthesis	Previous experience

Evolution Cheat Sheet

Domain	I	II	III	IV
Activities	Genesis	Custom Built	Product+Rental	Commodity+Utility
Practice	Novel	Emerging	Good	Best
Data	Unmodelled	Divergent	Convergent	Modelled
Knowledge	Concept	Hyphothesis	Theory	Universally accepted

Characteristics	I	II	III	IV
Ubiquity	Rare	Slowly increasing consumption	Rapidly increasing consumption	High saturation of applicable market
Certainty	Poorly understood	Rapid increases in learning	Rapid increases in use	Commonly understood in terms of use
Publication Types	Wonder	Focus on how to build, awareness and learning	Focus on maintenance, operations and new features	Focus on use
General properties	**I**	**II**	**III**	**IV**
Market	Undefined	Forming	Growing	Mature
Knowledge Management	Uncertain	Learning on use	Learning on operation	Known / accepted
Market perception	Chaotic	Domain of experts	Expected to be used	Trivial
User perception	Confusing / Exciting	Leading edge / emerging	Common	Standard / expected
Industry perception	Competitive advantage / unpredictable	Competitive advantage / ROI / case examples	New features are important	Cost of doing business
Focus on value	High potential	Seeking profit	High profitability	High volume/reducing margin
Understanding	Poor	Increasing / development of measures	Increasing / refinement of measures	Believed to be full
Comparison	Impossible	Learning / testing / some evidential support	Feature differences	Essential / operational advantage
Failure	Assumed	Unsurprising	Not tolerated	Surprising
Market action	Gambling & experimentation	Exploring value	Market analysis	Metric driven

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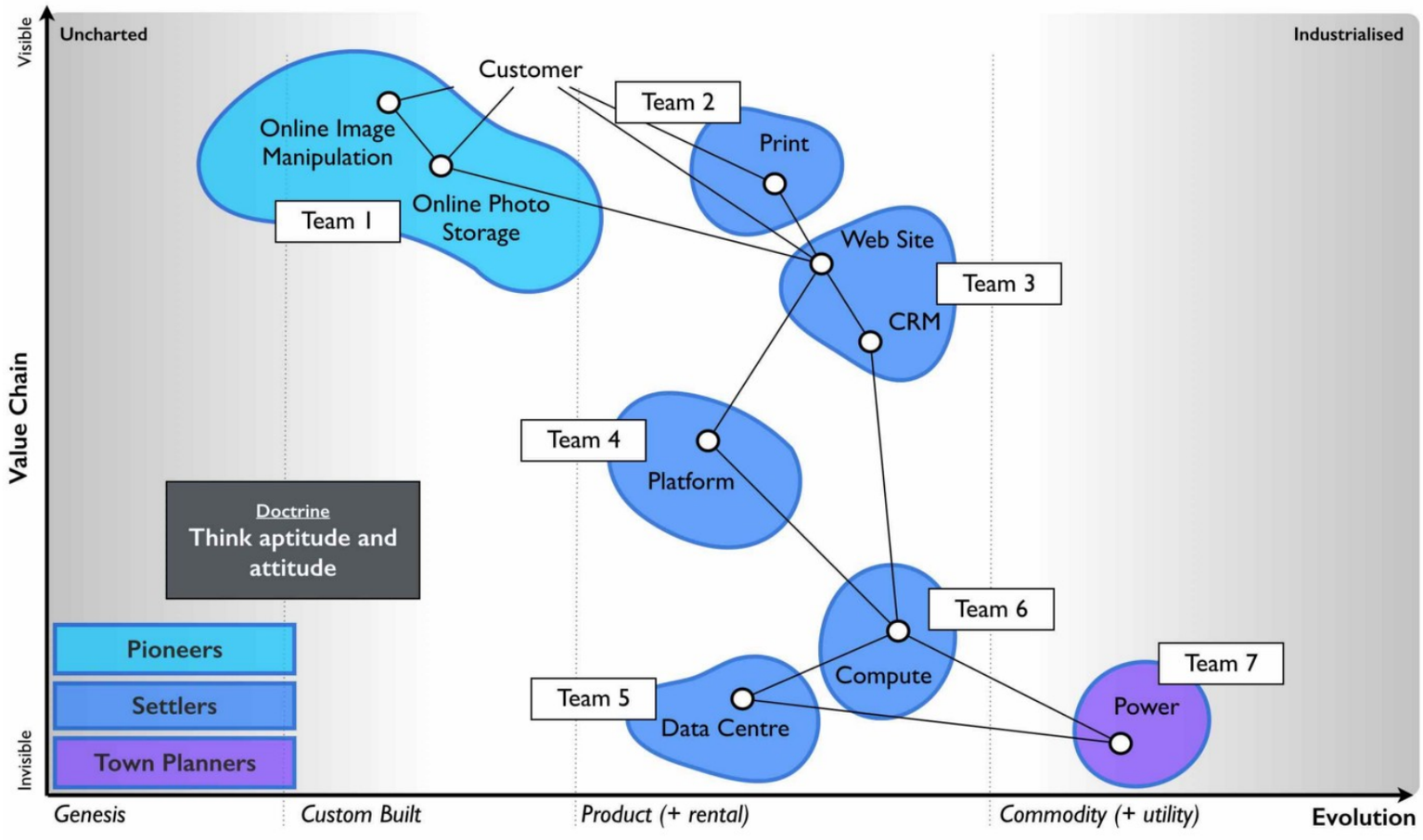
Components	Everything evolves through supply and demand competition	Rates of evolution can vary by ecosystem *(e.g. consumer vs industrial)*	Characteristics change as components evolve *(Salaman & Storey)*	No choice over evolution *(Red Queen)*
	No single method fits all *(e.g. in development or purchasing)*	Components can co-evolve *(e.g. practice with activity)*	Evolution consists of multiple waves of diffusion with many chasms.	
Financial	Higher order systems create new sources of value	Efficiency does not mean a reduced spend *(Jevon's Paradox)*	Capital flows to new areas of value	Creative Destruction *(Joseph Schumpeter)*
	Future value is inversely proportional to the certainty we have over it.	Evolution to higher order systems results in increasing local order and energy consumption		
Speed	Efficiency enables innovation	Evolution of communication mechanisms can increase the speed of evolution overall and the diffusion of a single example of change	Increased stability of lower order systems increases agility & speed of re-combination	Change is not always linear (discontinuous & exponential change exists)
	Shifts from product to utility tend to demonstrate a punctuated equilibrium			
Inertia	Success breeds inertia	Inertia can kill an organisation	Inertia increases the more successful the past model is	
Competitors	Competitors actions will change the game	Most competitors have poor situational awareness		
Prediction	Not everything is random *(p[what] vs p[when])*	Economy has cycles *(peace, war and wonder)*	Two different forms of disruption *(predictable vs non-predictable)*	A "war" (point of industrialisation) causes organisations to evolve
	You cannot measure evolution over time or adoption, you need to embrace uncertainty.	Evolution consists of multiple diffusion curves	The less evolved something is then the more uncertain it becomes	

Communication	Be transparent	Focus on high situational awareness *(understand what is being considered)*	Use a common language *(necessary for collaboration)*	Challenge assumptions *(speak up and question)*
Development	Know your users *(e.g. customers, shareholders, regulators, staff)*	Focus on user needs	Think fast, inexpensive, simple and tiny	Remove bias and duplication
	Use appropriate methods *(e.g. agile vs lean vs six sigma)*	Focus on the outcome not a contract *(e.g. worth based development)*	Be pragmatic *(it doesn't matter if the cat is black or white as long as it catches mice)*	Use standards where appropriate
	Use appropriate tools *(e.g. mapping, financial models)*			
Operation	Manage inertia *(e.g. existing practice, political capital, previous investment)*	Optimise flow *(remove bottlenecks)*	Think small *(as in know the details)*	Effectiveness over efficiency
	Do better with less *(continual improvement)*	Set exceptional standards *(great is just not good enough)*		
Structure	Provide purpose, mastery & autonomy	Think small *(as in teams)*	Distribute power and decision making	Think aptitude and attitude
	Design for constant evolution	There is no one culture *(e.g. pioneers, settlers and town planners)*	Seek the best	
Learning	Use a systematic mechanism of learning	Learn by playing the game *(a bias towards action)*	Be curious and take appropriate risks *(a bias towards the new)*	Listen to your ecosystems *(acts as future sensing engines)*
Leading	Be the owner *(take responsibility)*	Move fast *(an imperfect plan executed today is better than a perfect plan executed tomorrow)*	Think big *(inspire others, provide direction)*	Strategy is iterative not linear *(fast reactive cycles)*
	Strategy is complex *(there will be uncertainty)*	Commit to the direction, be adaptive along the path *(crossing the river by feeling the stones)*	There is no core *(everything is transient)*	Be humble *(listen, be selfless, have fortitude)*


Uncharted
Industrialised
Visible
Invisible
Value Chain
Customer
Team 2
Print
Online Image Manipulation
Online Photo Storage
Team 1
Web Site
Team 3
CRM
Team 4
Platform
Doctrine
Think aptitude and attitude
Team 6
Compute
Team 7
Power
Team 5
Data Centre
Pioneers
Settlers
Town Planners
Genesis
Custom Built
Product (+ rental)
Commodity (+ utility)
Evolution


Pioneers
Settlers steal from Pioneers
Settlers
Town Planners steal from Settlers
Town Planners
Pioneers build upon components provided by Town Planners
Deals with …
Rare
Poorly Understood
Differential & Novel
High Future value
Constantly changing
Undefined Market
Happy with ...
Failure
Gambling & Gut Feel
Experimentation
Uncertainty
Exploration
Methods ...
Agile
Build on common components
Speed above all else
Making the impossible / pathfinder
Most likely to build a partially functioning 3D printer with Lego
Deals with ...
Growing
Increasing Education
Feature Differentiation
High Profitability
Maturing Products
Growing Market
Happy with ...
Constant Improvement
Market Analysis
Feedback
Trend Spotting
Listening
Methods ...
Lean
Mines / Nurtures ecosystems
Makes success happen
Making success happen / tactical player
Most likely to steal a half baked Lego 3D printer and turn it into something that lots of people want to buy
Deals with ...
Common
Well Defined
Essential Cost of Doing Business
High Volume
Standardised & Stable
Mature Market
Happy with ...
Operational Efficiency
Metric Driven
Analytics
Scientific Modelling
Building what is needed
Methods ...
Six Sigma
Build ecosystems
Empires of Scale
Empires of scale / war maker
Most likely to be running the factory which builds Lego bricks and Lego kits
Genesis
Custom Built
Product (+ rental)
Commodity (+ utility)
Evolution

<Component>

Pioneers

Settler

Townplanners

Outsource

Build

Buy

Inertia

Evolve

Value Chain

Activities (A)	Genesis	Custom	Product (+rental)	Commodity (+utility)
Practices (P)	Novel	Emerging	Good	Best
Data (D)	Unmodelled	Divergent	Convergent	Modelled
Knowledge (K)	Concept	Hypothesis	Theory	Universally accepted

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