Bimodal – delivering on the promise

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May 2016
Quick introduction Bimodal concept

What is the adoption rate of Bimodal?

How do you deliver on the promise of Bimodal?
CIOs — and, increasingly, enterprises — cannot confront the demands of digital business with a single, conventional approach.
**Bimodal** is the practice of managing two separate but coherent styles of work, one focused on predictability and the other on exploration.

**Mode 1** is predictable, improving and renovating in more well-understood areas.

**Mode 2** is exploratory, experimenting to solve new problems.
Bimodal Helps Deal With Uncertainty in a Complex World

Simply put, bimodal recognizes that there are areas of the enterprise that have more certainty, objectives are clear, cause and effect is understood, we can predict and plan — Mode 1.

In other areas, requirements are unclear and changing, the relationship between action and outcome is uncertain, and things are less well understood at the start — Mode 2.
Work Must Flow Between Modes (refactoring); Methodologies Should Also (meta-refactoring)
## A Good Metaphor — Mode 1 Samurais and Mode 2 Ninjas

<table>
<thead>
<tr>
<th>Samurai</th>
<th>Ninja</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepared to manage the known</td>
<td>Ready to respond to the unknown</td>
</tr>
<tr>
<td>Expected outcomes, stable context</td>
<td>Projected outcomes, dynamic context</td>
</tr>
<tr>
<td>Decisions costly to reverse</td>
<td>Decisions cheaper to reverse</td>
</tr>
<tr>
<td>Established, proven standards</td>
<td>Emergent, experimental practices</td>
</tr>
<tr>
<td>Higher ceremony</td>
<td>Lower ceremony</td>
</tr>
</tbody>
</table>
Bimodal = Samurai + Ninja

<table>
<thead>
<tr>
<th>Think Samurai</th>
<th>Think Ninja</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mode 1</strong></td>
<td><strong>Mode 2</strong></td>
</tr>
<tr>
<td>Predictability</td>
<td>Goal</td>
</tr>
<tr>
<td>Value</td>
<td>Exploration</td>
</tr>
<tr>
<td>Price for performance</td>
<td>Revenue, brand, customer experience</td>
</tr>
<tr>
<td>Mix of linear, iterative, agile, high-ceremony IID*</td>
<td>Approach</td>
</tr>
<tr>
<td>More plan-driven, more detail at start</td>
<td>Mix of low-ceremony IID*, nonlinear, agile AD</td>
</tr>
<tr>
<td>Governance</td>
<td>More empirical, less detail at start</td>
</tr>
<tr>
<td>Enterprise suppliers, long-term deals</td>
<td>Sourcing</td>
</tr>
<tr>
<td>Good at dealing with complicated but known scenarios</td>
<td>Small, new vendors, short-term deals</td>
</tr>
<tr>
<td>Focused on scale</td>
<td>Talent</td>
</tr>
<tr>
<td>Focused on discovery</td>
<td></td>
</tr>
</tbody>
</table>

*Iterative Incremental Development*
Quick introduction Bimodal concept

What is the adoption rate of Bimodal?

How do you deliver on the promise of Bimodal?
Q. Has your IT department implemented bimodal IT or some forms of agile/faster modes of operation?

- Yes — Bimodal: 6%
- Yes — Some forms of agile/faster modes: 42%
- None — Not planning to in the next 12 months: 33%
- None — Planning to in the next 12 months: 19%

Source: 4Q14 Gartner Workforce Management Survey (Global), n = 359
Bimodal Is Becoming Increasingly Real

Adoption of Bimodal Tools (n = 360)

- Agile methodologies: 76%
- Multidisciplinary teams: 72%
- Adaptive sourcing: 53%
- Different funding: 36%
- Mode 2 outside IT: 28%
- Different metrics: 27%
- Work with startups/SMBs: 25%
- Bimodal subcultures: 25%
- Formal innovation management: 23%
- Crowdsourcing: 8%

38% of CIOs are on the Bimodal IT journey

Of those who have Bimodal IT, the average proportion of investments in Mode 2 is 25%
Bimodal Disciplines Lead to Better Digital Performance

Blue bars show average answer to: “How effective is your business at factoring digital considerations into strategy and planning?” (1 = very ineffective; 7 = very effective)
Results are isolated based on answers to bimodal questions.

- At least 5 features
- Crowdsourcing
- Different metrics
- Work with startups/SMBs
- Formal innovation mgmt.
- Different funding
- Have bimodal business now
- Agile methodologies
- Adaptive sourcing
- Bimodal subcultures
- Multidisciplinary teams
- Mode 2 outside IT
- Have bimodal IT now
- Will never have bimodal IT
- Bimodal IT in 3 years

Green bars indicate:
- Rounding out bimodal capability improves it even more

Orange bars indicate:
- Bimodal business further increases it

Gray bars indicate:
- Pursuing a bimodal IT journey improves digital performance

Red bars indicate:
- Putting bimodal off is the worst position of all

Blue bars show average answer to: “How effective is your business at factoring digital considerations into strategy and planning?” (1 = very ineffective; 7 = very effective)
Results are isolated based on answers to bimodal questions.
The Most Impactful Bimodal Tactics Are Not the Most Used

- Crowdsourcing
- Different Metrics
- Work With Startups/SMBs
- Formal Innovation Mgmt.
- Bimodal Subcultures
- Mode 2 Outside IT
- Different Funding
- Adaptive Sourcing
- Agile Methodologies
- Multidisciplinary Teams

Average Digital Performance

% of CIOs Using

n = 360
Quick introduction Bimodal concept

What is the adoption rate of Bimodal?

How do you deliver on the promise of Bimodal?
Bimodal needs three cultures in each mode

The Operator
(dominant in Mode 1)

The Innovator
(dominant in Mode 2)

The Guardian
(prevents making a mess in either mode)
Bimodal needs three cultures in each mode: people

The Operator
Prepared to stick to the rules, but …
Motivated by making stakeholders more successful day to day (evolution).
Love removing obstacles.

The Guardian
Tough-minded arbiters. Big picture mindset.
Like to keep things safe and scalable.
Can balance compliance, cost, innovation, growth.

The Innovator
Neophiles, excited by the new
Not afraid of uncertainty or risk.
OK with lack of structure
Bimodal needs three cultures in each mode: measure

The Guardian
Risk, Architectural Compliance, Regulatory Requirements

The Innovator
Minimum Failure Rates, Option Value, New Value Creation, MVPn

The Guardian
Run Cost, Efficiency, Productivity, ROI, NPV, MVP→MMP, Internal Customer Satisfaction
Delivering on the promise of bimodal depends in which bimodal phase you are in.

**Start**
- **Project Bimodal:** Focus is on forging identity of Mode 2
- **Mode 1 and Mode 2 teams work independently**
- **Projects are small, contained, emphasis on learning**

**Scale**
- **Enterprise Bimodal:** Significant structural bet for whole business
- **Protocols for intermodal collaboration established**
- **Big changes in Mode 1 process, technology, mindset**

**Synthesize**
- **Bimodal Business:** Synthesis never "done"
- **Focus is on continuous improvement**
- **Proactive business posture**
Select Your Projects Based on Their Mode 1 Impact

"A Project Will Never Scale If Mode 1 Is Not Willing and Fully Supportive."
— Chris Osgood, Co-Founder and Co-Chair, MONUM
Recommended Island Project Characteristics

- Targets a Greenfield
- Has a Willing Business Partner
- Is Small, Can Be Completed Fast
- Creates External Value
- Is Subject to Uncertainty
- Is a System of Innovation
Scaling Bimodal: Make Core IT Digital Ready, & Invest in Mode 1

- Align goals, values, priorities.
- Identify metrics and incentives that reward collaboration and break down fiefdoms.
- Open the legacy systems up with SOA, APIs
- Modernize application architectures, reducing application complexity, increasing infrastructure agility.
- Rearchitect money flows to support reuse, and away from siloed ownership of application stacks.
Roadblocks and Limits to Scaling Bimodal

- Organizational politics, egos, personalities, vested interests, middle management paralysis:
  - Leadership and vision critical.
  - Move people on, up or out, if necessary.
- Inability or unwillingness to trust and delegate:
  - Demonstrate; mentor; train; recruit.
- Un-renovated core:
  - Use a demonstrable Mode 2 capability as a bargaining chip.
- Executive mindset — digitally unsavvy CEO:
  - Don't be passive, actively unlock it.
- Insufficient employees able to adopt a Mode 2 mindset:
  - Coach; develop; recruit.
Traps to Avoid

1. The timid middle
2. Disconnection
3. Lack of equity
4. Spiralling technical debt
5. An unrenovated core
Avoid the "Timid Middle"

Stuck in the middle "Fit for no one"

Mode 1  Mode 2
Keep the Modes Connected: Coming Together and Moving Apart

Mode 2 Project
Launch

Ahead of Mode 2
Release

Mode 1
Resources Needed
Avoid Inequity: Create Partners, Not Rivals

**Mode 1:**
- Stable, predictable
- Performance-focused
- Process-based decisions
- Enterprise suppliers
- Long-term delivery

**Mode 2:**
- Flexible, agile
- Outcome-focused
- Need-based decisions
- Specialized suppliers
- Short-term delivery
Expect Technical Debt: Pay Now or Pay Later

- Mode 2 will create technical debt over time. Manage it proactively and pay it off as you go.
- Mode 1 will have to deal with most of the technical debt consequences.
- Choose initial Mode 2 projects carefully to keep technical debt within acceptable limits.
Keep Current: Refresh Your Digital Core

Mode 2 — Innovate

Core Systems

Mode 1 — Renovate

To Innovate Here

Renovate Here
Pace Layering and Bimodal IT Are Complementary

Mode 1

Mode 2

Change

Governance

Systems of Innovation

Systems of Differentiation

Systems of Record

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Governance

Systems of Innovation

Systems of Differentiation

Systems of Record
Have a Clear Vision and Strategy for Your Filters

- **Systems of Innovation**
- **Systems of Differentiation**
- **Systems of Record**

**One Size Fits All**
(Unimode, One Official Approach)

**Layer Cake**
(Bimodal — 2 or More Approaches Aligned to Layers)

**The Core**
(Bimodal — One Official Approach but Accepting of Others)

**Practice Quilt**
(Shift From a Methods View to "Pick and Mix" Best Practice)
Beware the Myths of Bimodal

- Myth 1 — Agile, DevOps and Mode 2 are synonymous.
- Myth 2 — Bimodal is about software development.
- Myth 3 — Mode 2 is less rigorous than Mode 1.
- Myth 4 — Bimodal is a strategy.
- Myth 5 — Bimodal is all about speed.
- Myth 6 — Mode 1 is static and does not need to change.
- Myth 7 — Mode 1 will disappear.
Recommendation

✓ Start swimming, start now and start in the shallow end.
✓ Move promptly to expand the capabilities to include the more demanding ones like adaptive sourcing and crowdsourcing.
✓ Changes in the Business:
  ▪ Change the approach to portfolio management and funding.
  ▪ Lead discussions about risk with the executive team.
  ▪ Rigorously control and broaden the Mode 2 selection criteria.
  ▪ Insist on full business engagement in teams.
✓ Changes in IT:
  ▪ Renovate the IT core.
  ▪ Increase your Mode 2 employees: coach, mentor, develop, recruit.
  ▪ Focus on changing the belief system, before worrying about tools and methods.
Recommended Gartner Research

- **How to Achieve Enterprise Agility With a Bimodal Capability**
  Simon Mingay and Mary Mesaglio (G00276981)

- **Bimodal IT: How to Be Digitally Agile Without Making a Mess**
  Mary Mesaglio and Simon Mingay (G00268866)

- **The End of the Waterfall as We Know It**
  Matthew Hotle, David Norton and Nathan Wilson (G00238330)

- **Getting Started With Transitioning to Agile**
  Maritess Sobejana and Nathan Wilson (G00261803)

- **Bimodal IT and Adaptive Sourcing Are Critical to Digital Business Success**
  Claudio Da Rold, Elise Olding and Julie Short (G00265879)

- **Digital Business Demands an Agile Culture**
  Rémi Gulzar (G00292692)

For more information, stop by Gartner Research Zone.