OILX

leanology

The Agile Tech Startup (ATSU™)

A Case Study
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The Concept of Organisational Agility

The engagement between OilX and Leanology began in the second half of 2018 through a discussion between the two organisations regarding 'what does an agile startup look like?'. This was to support OilX's aspiration to become an organisation with agility embedded as part of their cultural DNA. This is the first of a three-part paper that covers the progress and learnings of this journey.

In recent times 'Agile' has become a term strongly associated with IT development, however, the concept of organisational agility is broader and involves structures, processes and an environment to encourage an iterative, flexible and customer focused approach.

Organisational agility is a relatively new term, one which is hard to find a definition for. The main agreement is that the understanding of the concept is abstract and views are divergent. To help the reader build at least an abstract view of the end goal of this research, the following definitions have been provided:

> A continuous learning environment fuelled by round-the-clock customer insight and feedback demands teams, environments, decision-making structures, and funding models that exhibit the true meaning of the word agility — resilience, responsiveness, and learning.

Gothelf, Harvard Business Review[1]

> An agile organization is one that competes with a multi-dimensional strategy based in competitive flexibility. The agility of the organization comes rom the organization's ability to create custom-quality products in short production runs, on-demand, interspliced with production of other products on the same production line, at low cost, with high reliability, and low cycle time.

Plant and Murrell, AAAI[2]

Definition of agility – this is what we were trying to achieve:

- Gothelf, J (HBR):
  - Continuous learning environment
  - Round the clock customer insight
  - Resilience, responsiveness and learning in teams

- Plant and Murrell, S (AAAI Technical Report)
  - Multi-dimensional strategy based in competitive flexibility
  - Agility comes from ability to create custom quality products in short production runs
  - Low cost, high reliability and low cycle time

As the reader will note, just from two definitions, we have covered continuous learning, customer insight, resilience, responsiveness, reliability, low cost, low cycle time and custom quality runs.

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[1] Gothelf, J, Harvard Business Review, 2014. https://hbr.org/2014/11/bring-agile-to-the-whole-organization
[2] Plant, R and Murrell, S, AAAI, 1997. AAAI Technical Report WS-97-02

This research will look to test concepts in designing and developing an agile organisation against these characteristics of an agile organisation. After researching agile and various related topics, the team in the collaboration created their own definition of organisational agility:

> Organisational agility is reached when a company is anchored by a constant 'north star' yet its people, processes and products or services are able to flex to market signals in an effective and efficient manner. This ability to 'flex' is part of the organisational muscle memory and is viewed by all as a strength.

Agility and lean are important components in the start-up period of an organisation. Companies can use these components to develop a cultural constant of critical thinking to ensure the right form for the organisation through the stages of maturity. During the phases of maturity for OilX, it gives current and incoming colleagues a strong north star, a sense of direction – formed in a collaborative manner where they have been able to contribute.

In a lean startup all processes as they are formed are designed with the shortest lead time possible, focussed on value and continually assessed with iterative improvements seen as the 'norm'. From day one, colleagues are clear that:

1) They are expected to have a voice, and their opinions and ideas matter and

2) There is crystal clear clarity on their contribution.

Constant feedback loops and short improvement cycles are put in place to aid with product development and reduce time to market. This meant that OilX could deliver their high-quality products and market insights quicker to their customers. From a commercial perspective, it helped to explain OilX's strong vision and leadership capability to attract further funding.

Background to OilX, Leanology and the Team Behind the Study

The collaboration between OilX and Leanology started at the back end of 2018. Both organisations were keen to understand what the setting up of an Agile Tech Startup (ATSU™) should look like using a real-life case study which leveraged the operational excellence expertise of Leanology and the high paced environment of OilX during their startup.

OilX Background

OilX provides real-time, accurate oil data analytics and market intelligence which empowers oil traders and analysts to monitor the global oil flow and make data-driven decisions. Established in 2018, OilX combines the latest in advanced data science frameworks and artificial intelligence with extensive oil analytics knowledge to create the OilX Platform, the world's first digital oil analyst and real-time supply-demand balance tool. OilX has more than 15 years of oil analytics experience across oil majors, investment banks and hedge funds at the highest level and is headquartered in London.

"When raising funds as a tech startup, you need to be able to prove to investors that you have a good plan, but more importantly that you will be able to execute it with the resources you are given.

Leanology helped us in particular to stay lean and agile and create a business model built on strong foundations that will allow you to withstand the storms of the market and gave us the structure to be able to articulate ourselves in a clear manner to attract clients and investors to be part of our journey."

Florian Thaler
CEO and Co-founder
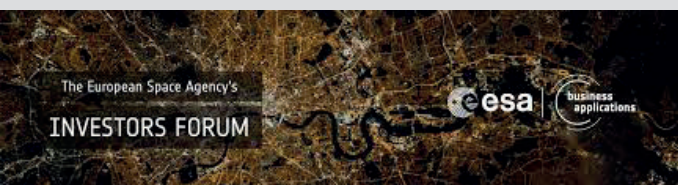
OilX has recently been selected by ESA as one of the 8 most promising businesses determined to grow, out of their portfolio of 500 businesses.

Leanology Background

Leanology is a boutique management consultancy offering Operational Excellence solutions across a range of industries with previous experience in deploying operational excellence across leading oil and gas trading companies. They do this with a focus on people, purpose, and processes. Leanology has an inclusive approach and their expertise allows focus on a range of challenges including reconfiguration of existing business models, development of Continuous Improvement capability and enhancement of sub-optimised processes and customer journeys.

Leanology's experience in supporting startups

Leanology has been working with their leadership team to shape a new organisational environment and operating model where an agile tech startup and the associated agile software development have the best chance of thriving and producing forward thinking customer focused solutions.

Bruce McCrea
CEO and founder of Leanology

How can Leanology help startups?

There are a number of advantages for a startup engaging with Leanology:

- Develop your ability to articulate your vision for your organisation in a well-structured and meaningful manner

- The right operational practices are in place from the early days

This focuses on clarity of vision, organisational alignment & agility and customer focus. The approach is carried out in such a way that it allows for co-creation and buy in across the startup to encourage an improved sense of accountability and ownership.

Ultimately, the above will result in:

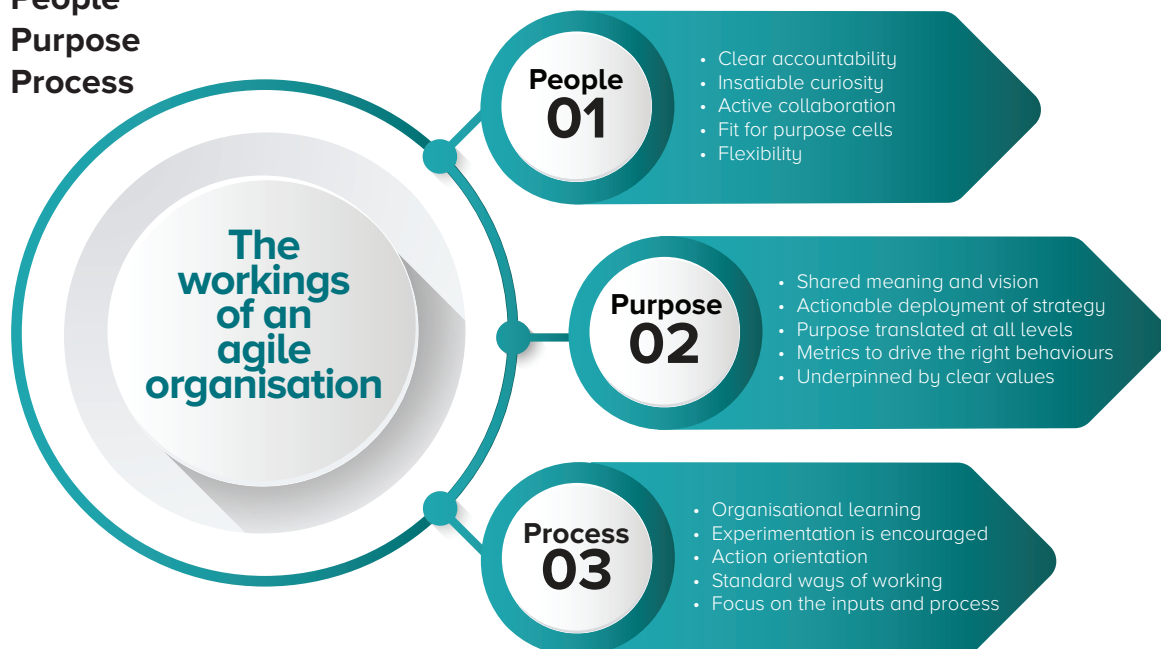|	
Ensuring your startup is more attractive to investors	**Improved levels of customer satisfaction will build an army of advocates**
Enhanced accountability and ownership will improve team engagement	**Improved levels of efficiency will lead to increased profitability**

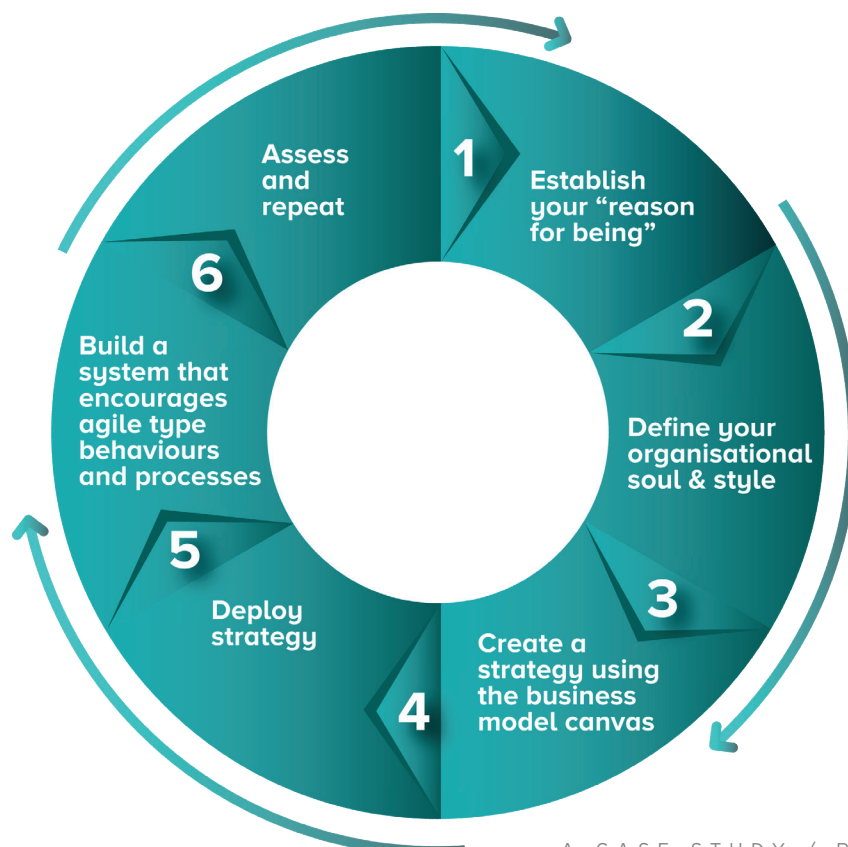# The Planned Approach and the Method of Delivery

The Planned Approach

At the core of the approach there are three points. Each point had a number of areas that Leanology and OilX would work through to achieve the level of agility sought:

- **People**
- **Purpose**
- **Process**

The workings of an agile organisation

People 01
- Clear accountability
- Insatiable curiosity
- Active collaboration
- Fit for purpose cells
- Flexibility

Purpose 02
- Shared meaning and vision
- Actionable deployment of strategy
- Purpose translated at all levels
- Metrics to drive the right behaviours
- Underpinned by clear values

Process 03
- Organisational learning
- Experimentation is encouraged
- Action orientation
- Standard ways of working
- Focus on the inputs and process

In order to cover all the above areas, there was a process to follow. This was designed through a number of remote workshops between OilX and Leanology. This helped OilX articulate what was important to their team and their stage of maturity and for Leanology to select a number of approaches to support OilX's journey. The process designed was as per below:

Assess and repeat

1 Establish your "reason for being"

6 Build a system that encourages agile type behaviours and processes

2 Define your organisational soul & style

5 Deploy strategy

3 Create a strategy using the business model canvas

4

Method of Delivery

After the kick-off and mobilisation phase, each of the six stages were applied, in order, one at a time. Each stage had a different duration and the time between each stage being deployed varied – the reality of starting a new business. Time pressures on product development and launch activities meant that some planned activities were delayed. Agile startup business owners should engage in this process in the knowledge of this reality.

For each of the six stages the following three steps were carried out:

01 Orientation

A 2 hour walk through of the stage & concepts to be applied with the OilX team

02 Application

OilX deploys the technique within the orgnisation

03 Refinement

A check and challenge session to agree a final version of that stage

> # The Agile
> # Tech Startup
> # (ATSU™)

OILX

www.oilx.co

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