OILX

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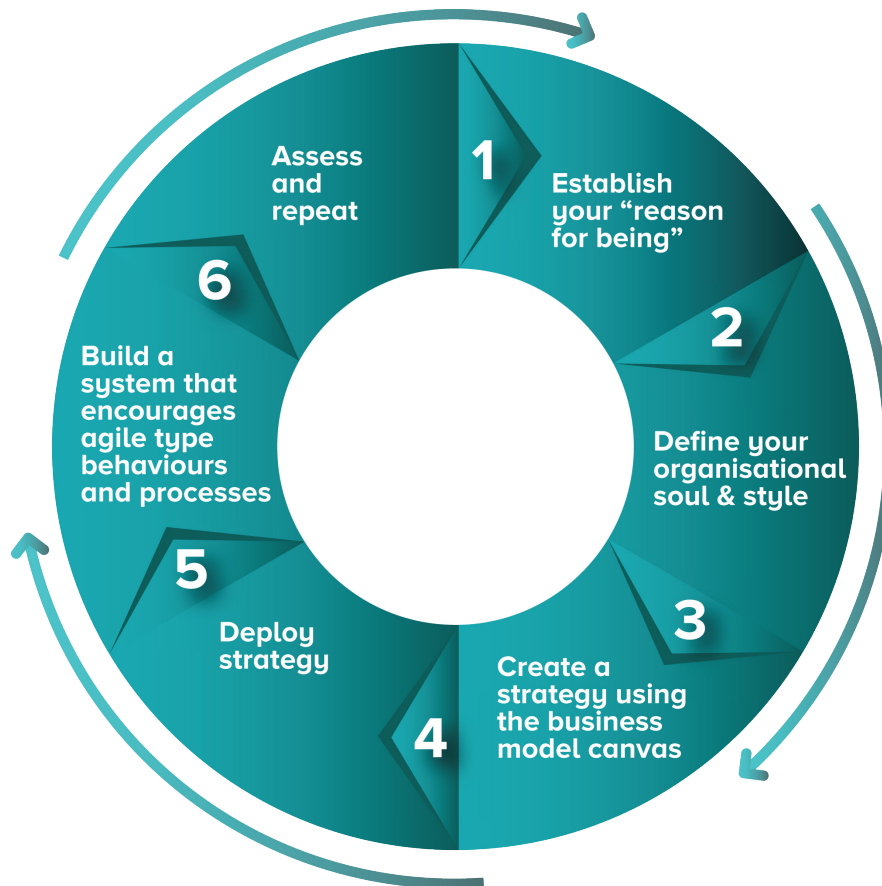# The Agile Tech Startup (ATSU™)

A Case Study

Written by Florian Thaler, founder of OilX and Bruce McCrea, founder of Leanology

PART 3

Introduction:

- Leanology & OilX are embarking on a mission in applying theory in practice to benchmark what is involved in an Agile Tech Startup (ATSU™)

- This is being conducted through the six-stage working model of the ATSU™
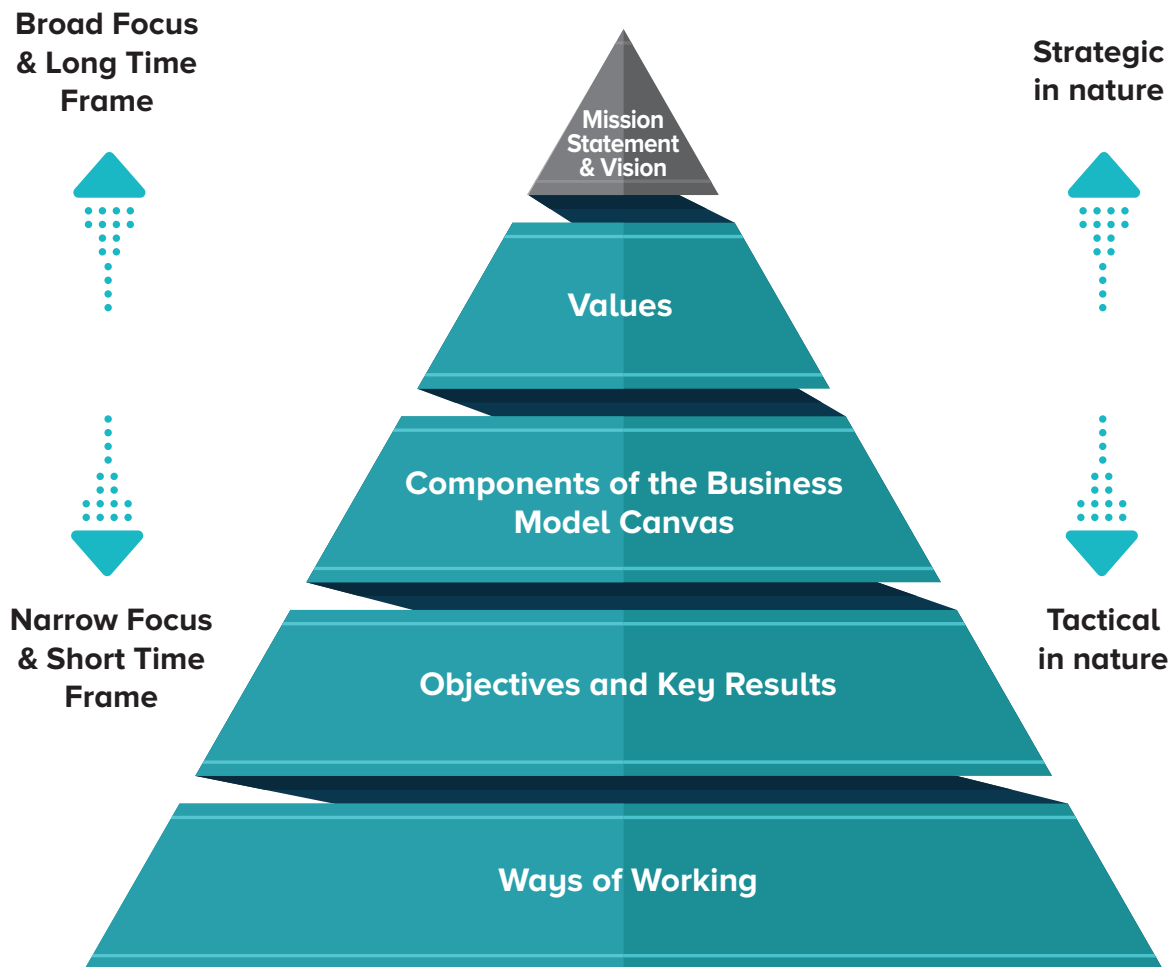

- This is the third part to a three-part paper covering this mission. If you would like to read the first two instalments, click here.

- The third part of this paper covers stages 3 and 4 of the cycle:

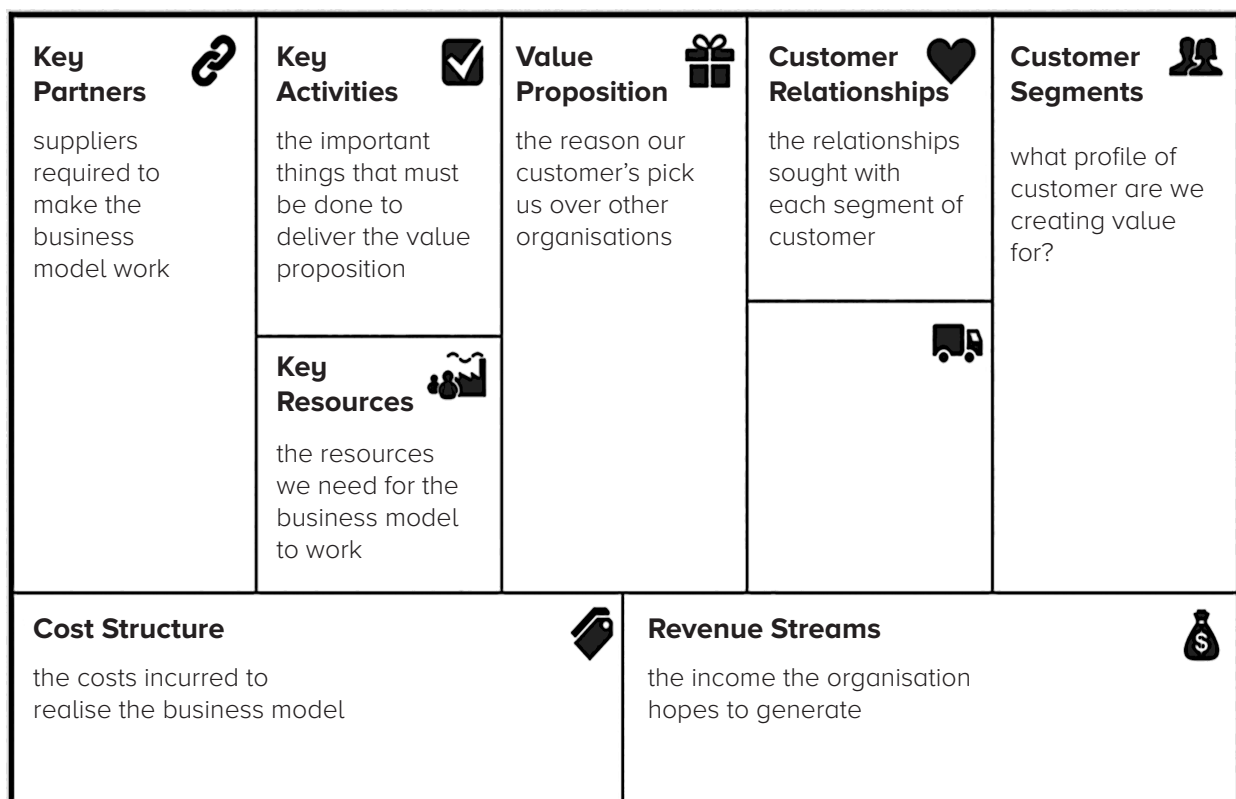 **3. Create a strategy using the Business Model Canvas**

  4. Deploy Strategy

A business's effectiveness is partly determined by the strength of the connection and alignment between its vision and the day-to-day activities.

Broad Focus & Long Time Frame

Strategic in nature

Mission Statement & Vision

Values

Components of the Business Model Canvas

Objectives and Key Results

Ways of Working

Narrow Focus & Short Time Frame

Tactical in nature

It also supports an organisation's most valuable asset, their people, to stay connected and engaged during their tenure as this approach makes it easier for them to understand their contribution

The Business Model Canvas

- The Business Model Canvas[1] was created in 2005 by Alexander Osterwalder, a Swiss business theorist. The Business Model Canvas helps to identify an organisation's value proposition through the analysis of nine key areas

- It is particularly appropriate for organisations in startup phase as it helps articulate their business model in a well summarised and presentable manner. This can help formulate thinking and identify key areas that require focus. It is also a useful format to share with key stakeholders such as new recruit or potential funding candidates

- The nine key areas looked at in the model are as follows:

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
suppliers required to make the business model work	the important things that must be done to deliver the value proposition	the reason our customer's pick us over other organisations	the relationships sought with each segment of customer	what profile of customer are we creating value for?
	Key Resources the resources we need for the business model to work			

Cost Structure	Revenue Streams
the costs incurred to realise the business model	the income the organisation hopes to generate

[1] https://www.strategyzer.com/canvas

The process of populating the canvas

- The leadership team of OilX were involved in the population of the Business Model Canvas

- It became a key step is translating the mission statement and vision into a portfolio of commercial offerings, relationships, transactions and processes to support the realisation of the mission and vision

- It was a good exercise for the leadership team to work through together as it gave the members an appreciation of the entirety of the operation and environment that OilX operates within

- It helped break the mission and vision down into high level components that could then be assigned to an individual / team

- The model was populated by the team in an open conversation using a large template for the canvas and many, many post it notes! We would recommend giving plenty of time for this exercise as we found it was a useful exercise for the leadership team to explore important issues with each other and refine the scope of operational components

What comes next? Deploy Strategy

Strategy Deployment is the process to ensure that the strategic goals and objectives of an organization drive activities at, and is understood by, every level.

North Star / Mission / Vision – Discussed at Board Level

Measurable 3 year strategy – Reviewed by Senior Management Team (Reached through Business Model Canvas creation and OKR process)
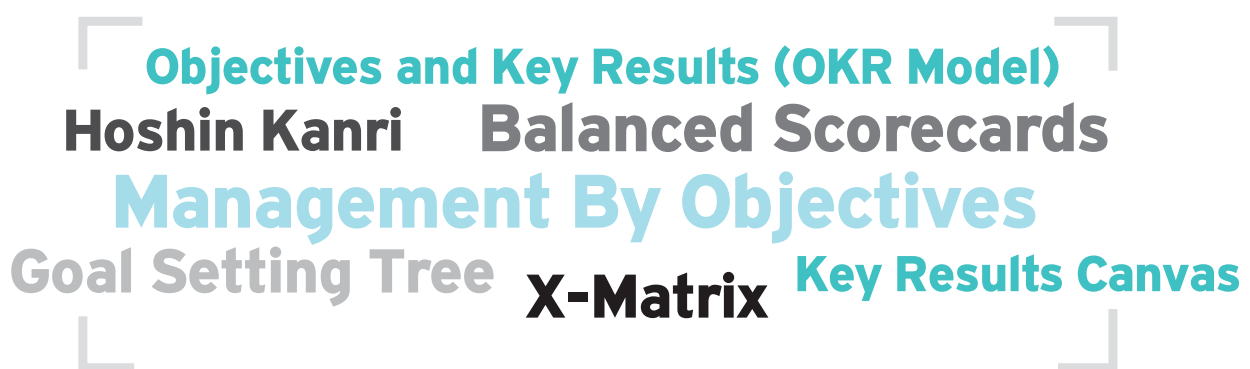
Functional Plan – Owned & progressed by Heads of Functions

Team Activity Plans or Ways of Working – Owned and delivered by all

There are various methods of strategy deployment ranging from simple to complex. What is critical is picking the right tool for the organisation. There are lots of factors to consider in selecting the right tool but two of the main criteria is organisational maturity and complexity.

Objectives and Key Results (OKR Model)
Hoshin Kanri   Balanced Scorecards
Management By Objectives
Goal Setting Tree   X-Matrix   Key Results Canvas

With a startup, the organisation is in the early stages of maturity and therefore less likely to have the complexity of an established organisation. The OilX team selected the OKR framework to use in their strategy deployment as it was a straightforward and contained an appropriate level of detail for where they were in their journey.

Objectives and Key Results (OKR)

OKR is seen as a more agile approach to strategy deployment — it is tracked and evaluated on a quarterly basis and due to its focus on simplicity, it can engage the whole team. OKR has grown in popularity recently thanks to deployment at Google, Spotify, Twitter, LinkedIn & Airbnb. The OKR model was developed by investor John Doerr [2] and at a high level can be explained by the following equation:

I will <insert objective here> as measured by <insert key results here >

- An **objective** is a qualitative description of what you want to achieve (ensuring alignment with your mission). It should have a life of c. 12 months, it should be short and snappy and un derstood by all team members.

- A **key result** is a metric that you use to measure your progress towards your objective. For each objective you should have 2-4 Key Results and if it does not contain a number, it is not likely to be a Key Result.

Example OKR

Objective: **Create a memorable and engaging colleague experience**

Key Results: **Improve our colleague engagement score from A to B**

                 Decrease colleague churn from C% to D%

OilX has progressed well following the three parts of the ATSU model. We have articulated our mission and vision, composed a set of values that bring OilX to life through the behaviours we demonstrate daily and then from the use of the Business Model Canvas and Objectives and Key Results, made this vision very real and fragmented — allowing us both individually and as teams to focus on the right things and the right time.

The OilX journey continued into the final stages of the ATSU model (Steps 5 and 6) where we looked to operationalise the canvas in the most efficient and effective manner possible. This involves designing an operating model around Colleagues, Customers, Communication, Continuous Improvement and Process before moving back round the ATSU model again where refinement and adjustments help an organisation stay relevant in a fast-moving world.

[2] https://www.whatmatters.com/

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

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