Developing An ‘Agile’ Mindset

AN OVERVIEW OF SUN TZU’S
THE ART OF WAR
FOR EXECUTIVES

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Two Questions

Why “The Agile Mindset”? 
What is “The Agile Mindset”? 

Why Should Healthcare Financial Staff Study Books Written by Warriors?
Why “The Agile Mindset”?

Charles Darwin said:

It is not the strongest that survive, nor the most intelligent, but the ones most responsive to change.
Successful strategies flow like water; they are shaped by the circumstances of the situation. When water flows, it avoids the high and seeks the low ground. Successful strategies likewise avoid difficult methods and find easy ones. Just as the flow of water is shaped by the contour of the land, the flow of work is shaped by the voice of the customer and the needs of the organization. As water has no constant form, the tactics of success have no constant structure.

Sun Tzu Says (500BCE China):
The idea of ordered flexibility is summed up in the concept of “positioning without position”. Excessive order and structure lead to brittleness and failure. On the other hand, if you have no order whatsoever, you can neither concentrate resources nor time actions effectively. This also leads to failure.

Balance order with flexibility. Flow like water around obstacles. Move slowly when conditions are unfavorable; move powerfully when the right course opens up. Everyone knows that water in a stream seeks the sea (water is ordered in its objectives), but who can tell how it will get there (water is flexible in its approach)?
Why Study Books Written by Warriors?

Objectives And Methods

**WAR**

- A group of people pursuing a common goal in the face of competition under conditions of extreme uncertainty
- Objective: Destroy and Defeat Enemy thru Force of Arms
Objectives And Methods

BUSINESS

- A group of people pursuing a common goal in the face of competition under conditions of extreme uncertainty
- Objective: Produce Profit by Providing Customer Satisfaction

Why Study Books Written by Warriors?
Sun Tzu Says:

The aim of competitive action should be to realize value as quickly as possible.

“VALUE”
Sun Tzu Says:

Competition determines who advances and who retreats, who succeeds and who fails, who profits and who loses, who lives and who dies.

“LIFE”
Sun Tzu’s Pyramid of Value

SPAR MAST

POINT
80/20 Vision

NOTE

Aspects of CHARACTER
SPARKLE

Aspects of ENVIRONMENT
HEART

Execute
Focus
Inform
Lead

80/20 Vision
Leadership is key

Sun Tzu Says:

Success or failure is determined by executive leadership alone.
Effective leadership is everything!
Authority must reside in the hands of those who can lead.

Leadership is key to an Agile Mindset
Sun Tzu Says:

The task of leadership in organizations is to build a *bridge of confidence* for those who follow. That bridge must span multiple chasms of chaos, complexity, uncertainty, and frustration in order to illuminate the pathway to successful operations.
According to SUN TZU there are two *Aspects of LEADERSHIP* that govern the effectiveness of leaders in an organization.

1. Aspects of CHARACTER (Internal Aspects) *SPARKLE*

2. Aspects of ENVIRONMENT (External Aspects) *HEART*
Sun Tzu’s Pyramid Of Value

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Sun Tzu’s Pyramid of Value

- Lead
- Inform
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- Execute

80/20 Vision

Aspects of CHARACTER SPARKLE
Aspects of ENVIRONMENT HEART

NOTE
Sun Tzu Says:

Character can be assessed in terms of seven factors:

Self-image, Purpose, Accomplishment, Responsibility, Knowledge, Loyalty, and E-go (the example of excellence and effort).

The effectiveness of organizational activities, and indeed its very substance, depends on the tone, quality, and character of its leaders.

“SPARKLE (‘I’Q)”
Deliberately choose your role models and govern your actions by a deliberately selected set of ethics.

“Select A Role”
Choose to act with a deliberately selected set of goals in mind.

“Chart A Course”
Accomplishment

Measure results in terms of meeting the needs of your constituents.

“Meet The Need”
Take ownership of your chosen role and the outcomes of your actions.

“Take Title”
Knowledge

Seek effectiveness through understanding.

“Learn The Ropes”
recognize that organization and cooperation enhance effectiveness.

“Seek Coherence”
LEAD - Aspects of Character:

SPARKLE

E-GO

EXAMPLE

EXCELLENCE

E-GO

EFFORT

“Make It Happen”
Sun Tzu’s Pyramid of Value

SPAR MAST

POINT 80/20 Vision

NOTE

Aspects of CHARACTER SPARKLE
Aspects of ENVIRONMENT HEART

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Sun Tzu Says:

Serious competitive challenges will succeed only if people are wholly committed to plans and goals. When people are committed, they act with unified purpose. When they have unified purpose, no challenge can stop them, no difficulty overcome them.

“HEART (EQ)’’
Harmony

Extend the range of action through organized, collaborative effort.

“Pull Together”
Encouragement

All human action and accomplishment results from motivation.

“Infuse The Spirit”
LEAD - Aspects of Environment:

HEART

Attitude

Create the feeling that expected performance is reasonably possible.

“Practice Optimism”
Rewards

The consequences of performance must be predictable.

“Establish Outcomes”
LEAD - Aspects of Environment:

**Trust**

Expectations must be consistently realized.

"Keep Promises"
Sun Tzu Says:

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Sun Tzu’s Pyramid of Value

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Sun Tzu Says:

Information means getting facts – timely, accurate, and meaningful facts – about the reality of conditions and circumstances in a situation. Nothing is more important.
Sun Tzu Says:

Facts clarify the situation. Alternatives are based on facts. Appropriateness is based on evaluation of alternatives. Action is based on picking the most appropriate alternative.
INFORM:

NOTE

Nature of the Situation

Investigate elements of challenge or project, i.e.: **History**, **Environment**, **Attributes**, **Dependencies**, **Significance**, **Unknowns**, **Possibilities** [HEADS-UP].

“Consider Everything”
Opportunities and Obstacles

The heart of success is understanding the reality of situations and doing appropriate things at appropriate moments. No matter what you tell yourself, reality exists anyway. Function within this truth and you cannot fail. See things as they are!

“Perceive Reality”
Techniques

In challenging situations, research solutions using traditional tactics so the effects can be assessed. Success, however, is often achieved by evolved or innovative tactics – that is, by using adaptive evolution to create activities in response to emerging opportunities.

“Combine Traditional With Adaptive Methods”
Effect of Actions

Determine when it is profitable or necessary to act; stop when or if it is not.

“Aim For Value”
Sun Tzu Says:

If you know your opportunities, know your challenges, and know your capabilities, your strategies will not fail, even if you face 100 difficulties.
Sun Tzu’s Pyramid of Value

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POINT
80/20 Vision

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FOCUS:

80/20 Vision

Focus 80 percent of effort on the most valuable or most necessary 20 percent of activities.

“WHY?”
Sun Tzu Says:

When they take action, effective executives succeed like heavy spears hurled through a bamboo curtain - their momentum cannot be stopped.

“POINT”
Potential

A skilled executive first weighs the benefits to be gained from winning a competitive engagement. Once he determines it is appropriate to begin, he fights to win.

“Magnify Your Advantage”
Successful accomplishments often depend on using opportunities provided by the actions and decisions of others.

“Maintain Perspective”
Initiative

Victory often results from taking the initiative at an appropriate and reasonable point.

“Seize the Moment”
Necessities

If you skip over necessary preparation and move hastily to tackle a difficult project or challenge, even if you work day and night, you will have little chance of success.

“Build On Strength”
Timing

When the diving falcon breaks the neck of its prey, it is because of precise timing. Timing is the trigger which unleashes the power of preparation and resources.

“Leverage Momentum”
Sun Tzu Says:

The important thing in competitive operations is timely execution leading to quick results. Competitive advantage is gained by effective execution. Understand challenges. Take initiative. Adapt swiftly. Make them dance to your music.

“Execute”
Sun Tzu’s Pyramid of Value

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1. Hold Sails
2. Conduct Wind Power and Direction to Mast

Transmit Wind Power to Hull to allow for movement and steerage
EXECUTE:
SPAR
SPECIFICATIONS

If you do not know where you are going, any path will serve. To be practical, you must understand objectives, resources, and timing before starting out. Create a plan that can be easily varied to fit the circumstances expected. A plan, like a tree, must have branches if it is to bear fruit. No plan will survive intact once difficulties arise.

“Know Your Task”
EXECUTE: SPAR PREPARATION

Before starting construction, the master carpenter sorts the lumber. When building a house, for instance, he uses strong, straight, and attractive pieces of wood, without knots, for the entry columns. He uses straight pieces with only small defects for less obvious columns. He uses wood that is not quite as strong, but is beautiful to look at, for stairs, door frames, and window sills. He carefully uses wood that is strong, but contains visible defects, within the structure to provide long-lasting strength without detracting from overall appearance. He even uses wood that is weak and defective for scaffolding to help during construction. Later he cuts up the scaffolding for firewood.

“Fit the Pieces Together”
Making good music is really quite simple. Begin with a composition which is appropriate for the time and place. Gather suitable instruments and capable artists. Meld them together into a coordinated unity with training and practice. Then, when the curtain goes up, make sure the score is performed from the start to finish in harmony, with each musician playing his notes clearly at the proper time.

“The Play is the Thing”
In a contest of archery, the person with the strongest bow and the straightest arrow is not necessarily the one who triumphs. The person who succeeds is the one who hits the center of the target most often. Further, in the sport of archery, if you miss the target, it matters little whether you shoot over it or shoot under it.

“Hit the Target”
Sun Tzu’s Pyramid of Value

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EXECUTE:

MAST - Kaizen

- Evaluate results with measurable data
- Use data to understand performance factors
- Employ evolved tasks and methods to check for outcomes
- Evolve tasks and methods to seek better value

Measure

Analyze

Test

Synthesize
Every Success, Every Failure can be attributes to one or more elements of LIFE!

- **SPAR**
- **MAST**
- **POINT**
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- **NOTE**

Aspects of CHARACTER **SPARKLE**

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**Sun Tzu’s Pyramid Of Value**

- **Execute**
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- **Lead**
SUN TZU – On The Agile Mindset

10 Principles for Creating The Agile Mindset

1. Learn to Compete. Competition in business is inevitable.
2. Show the Way. Leadership is the key determinant of success in operations.
3. Do It Right. All competitive advantage is based on timely, effective execution.
4. Know the Facts. Accurate, timely information is the lifeblood of valuable activity.
5. Expect the Worst. Do not assume success. Instead, assume difficulty.
6. Seize the Day. Quick victory is the aim of competitive operations.
7. Build the Bridges. Put people in positions where they can succeed.
9. Pull Together. Organization, training, and communication are fundamental.
10. Embrace Ambiguity. The path to excellence leads through the forest of uncertainty.