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The Spotify Model

Challenges of a Transformation

Agile Austria, 25.06.2019

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SELBST SICHER ZUM ERFOLG

The Rise of the Spotify Model

https://youtu.be/TaV-d7eKWFc

MARTIN BÄUMLER | 2017-11-14

SQUADS, TRIBES & CHAPTERS: HOW THE SPOTIFY MODEL PLAYS AT TELEKOM

Spotify-model-at-telekom

COMMERZBANK TAKES SPOTIFY AS A ROLE MODEL

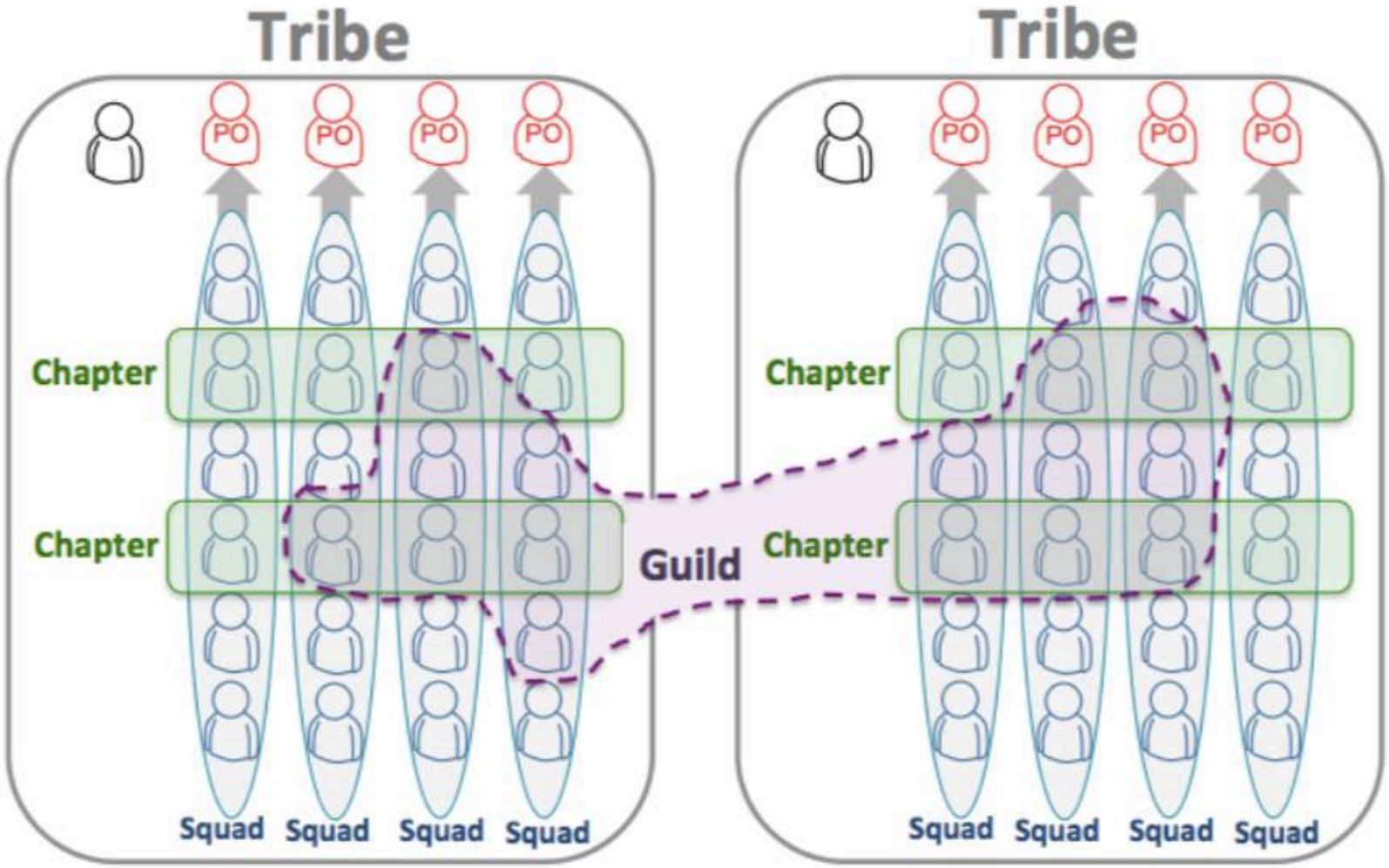
August 19, 2018 Business 10 Views

commerzbank-takes-spotify-as-a-role-model

The Object of Interest

Spotify®

2012



„Scaling Agile @ Spotify“ von H. Kniberg und A. Ivarsson (https://bit.ly/2PneB7L)

2012: The Facts

- Approx. 600 (on average, very young) employees
- Strong growth to ensure market dominance
- **“Weighted towards Delivery“**-Matrix

“**Disclaimer:** *We didn’t invent this model. Spotify is (like any good agile company) evolving fast. This article is only a snapshot of our current way of working - a journey in progress, not a journey completed. By the time you read this, things have already changed.*“

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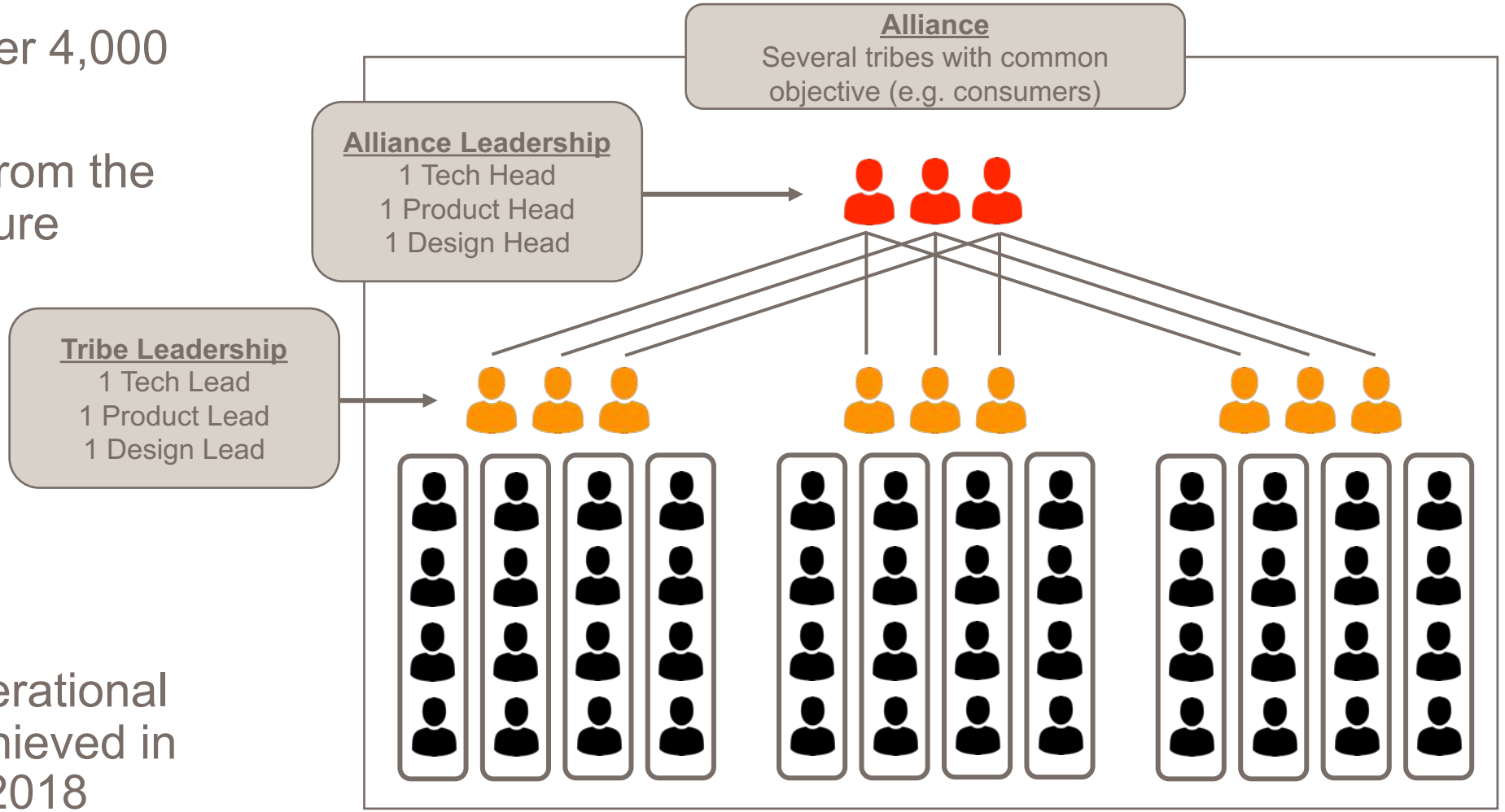
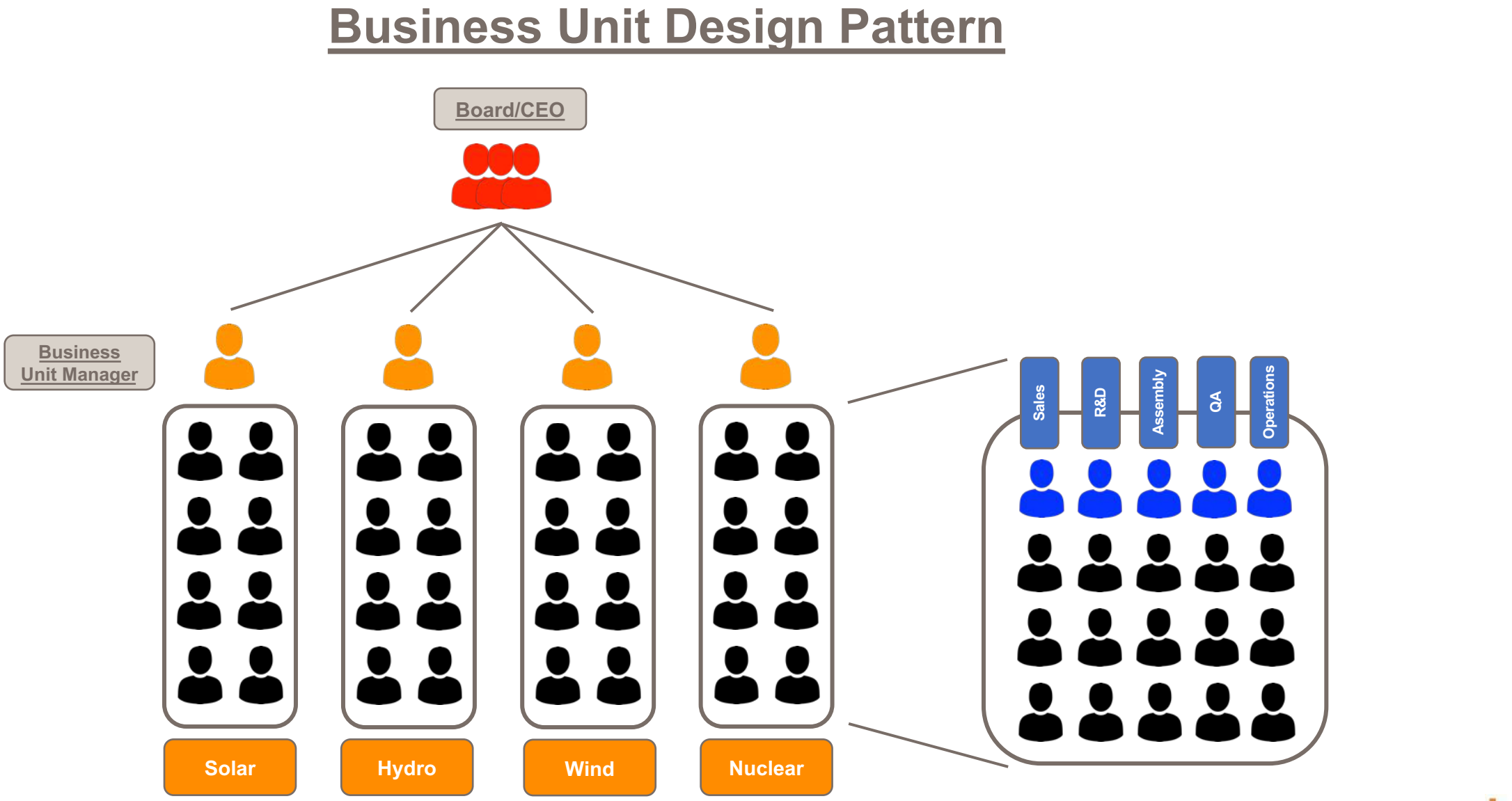
Spotify after 2012

- Growing to over 4,000 employees
- First lessons from the existing structure



First operational profit achieved in Q4/2018

Is all of this really new?



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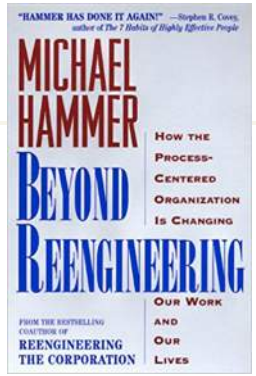
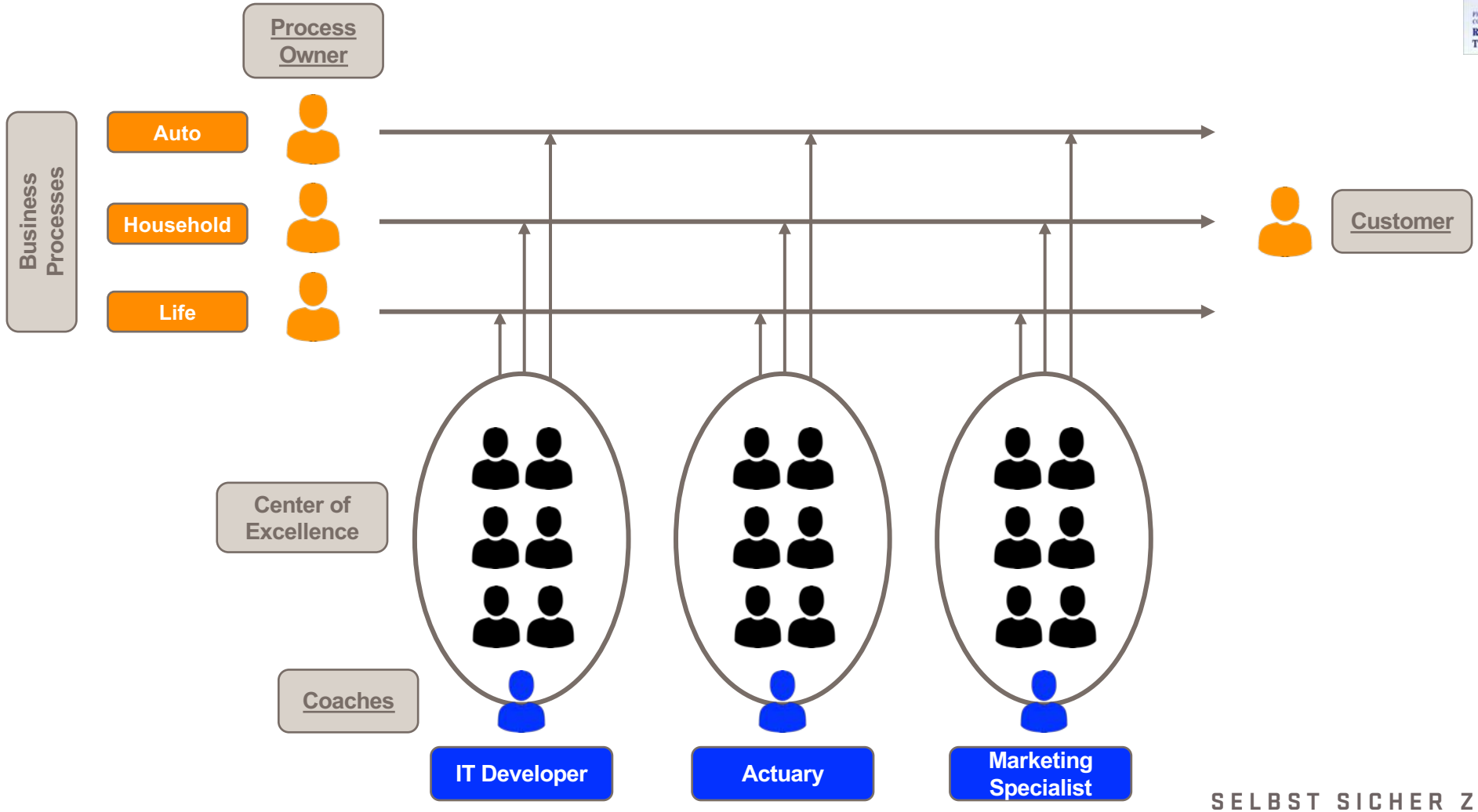


Business Process Engineering

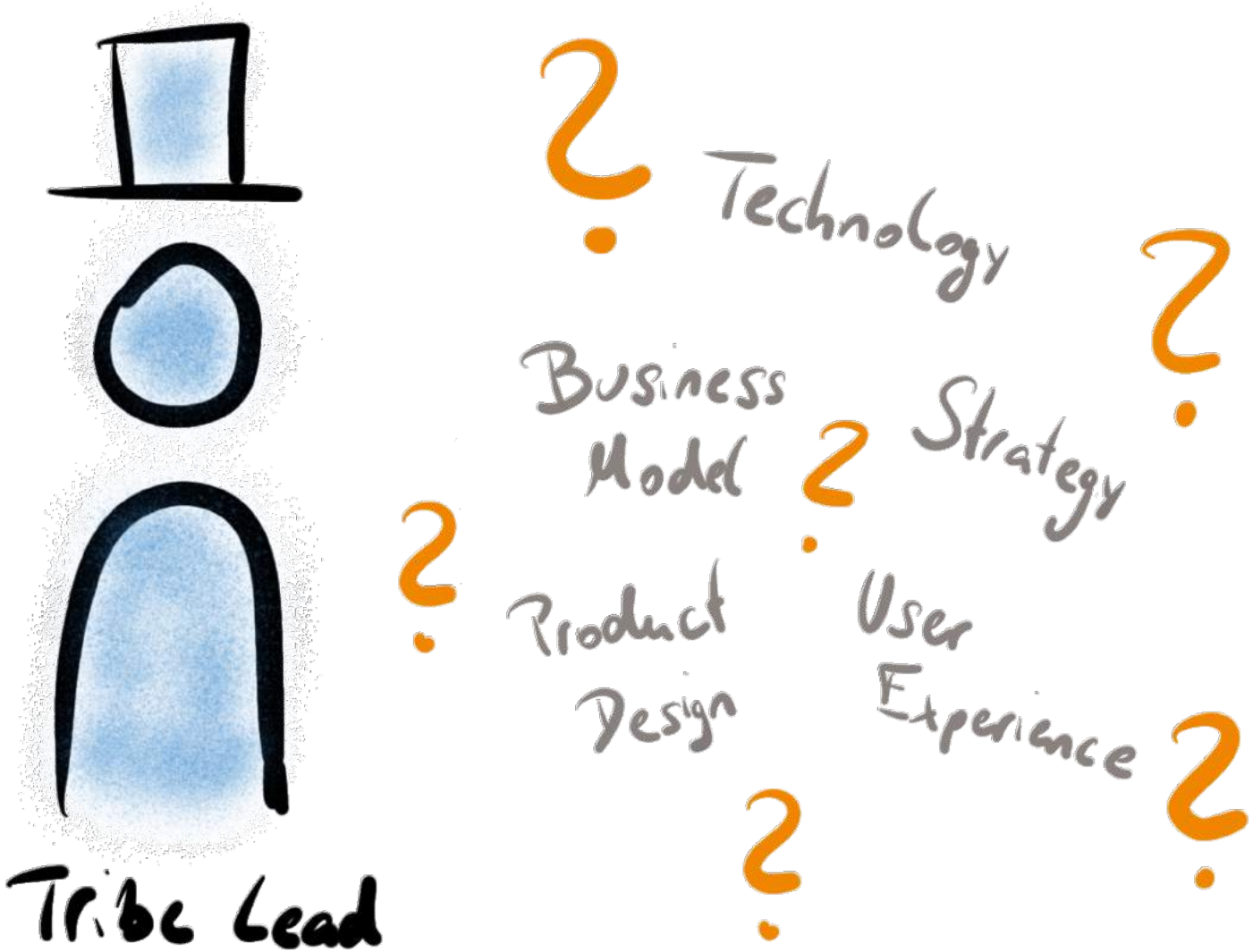
(using an insurance example)



The Challenges of Implementation

1. The organizational cross-section of Tribes
2. The role of the Product Owners
3. Arranging the Chapter and its Leads
4. Establishing Support units

Cross-functional Teams under one Reporting Line



The Problem with Large Tribes

1

Dunbar

Example Case:

Tribe with 100 Employees
approx. 12-16 Squads with Product Owners
approx. 3 Business Experts per Squad
approx. 4-7 Business Chapters with Chapter Leads

⚠ Tribe Lead management span > 20 ⚠

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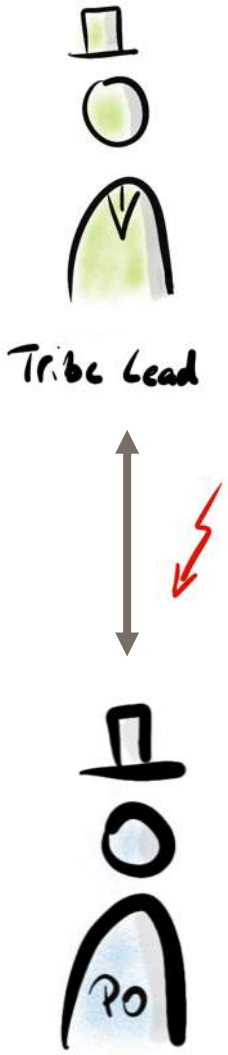
The Leadership Trio as a Way Out?

The Product Owner Role



approx. 50 – 100 people

Management responsibility

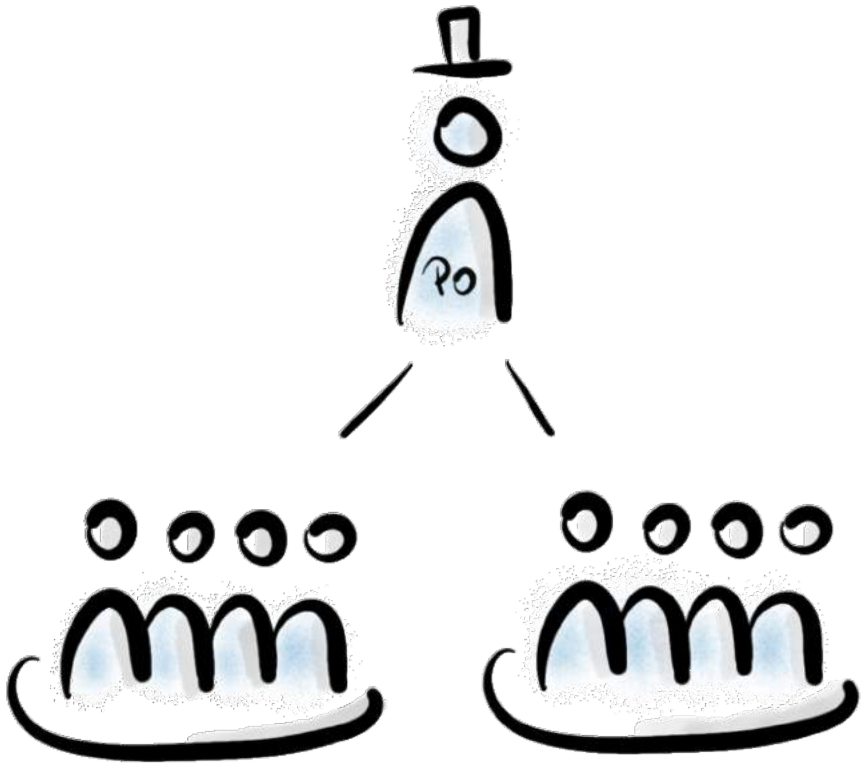
max. 9 people

- Larger gap in strategic work and management span
- “more difficult“ to advance on the career ladder

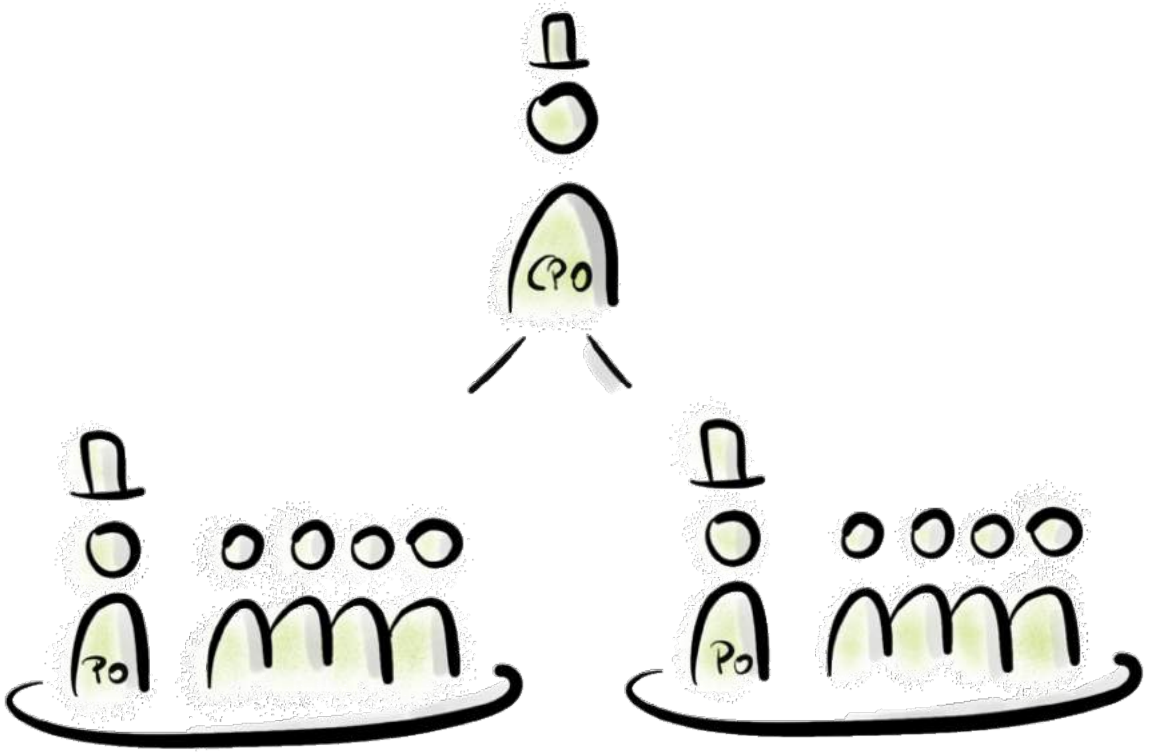
Possible Solutions

2

Scaled Product Owner Role



Chief Product Owner Role



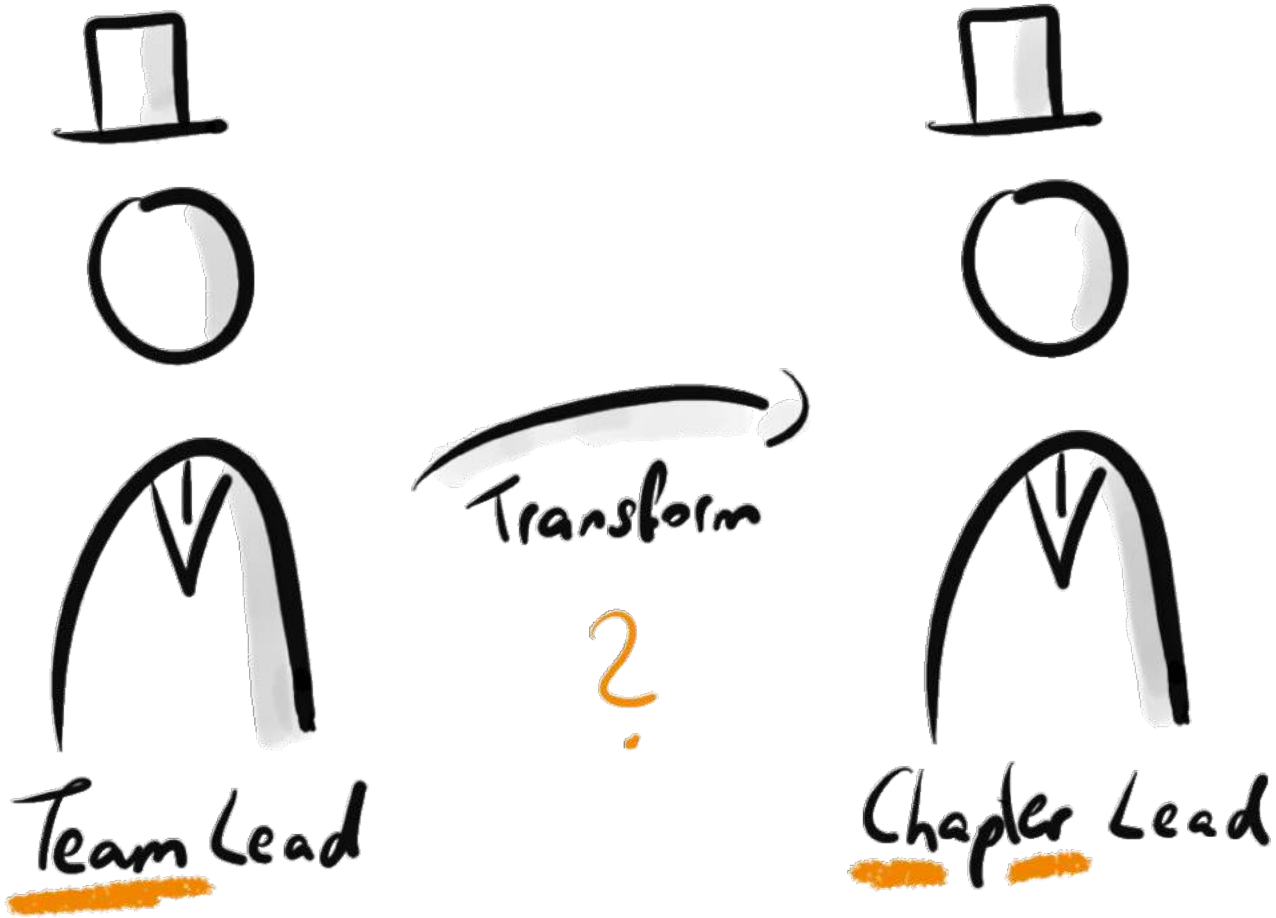
The Mysterious Chapter Lead – the Theory

Chapter Lead = Disciplinary Management?

https://thenextweb.com/business

https://www.cec-managers.org/scandinavian-leadership

The Mysterious Chapter Lead – the Reality

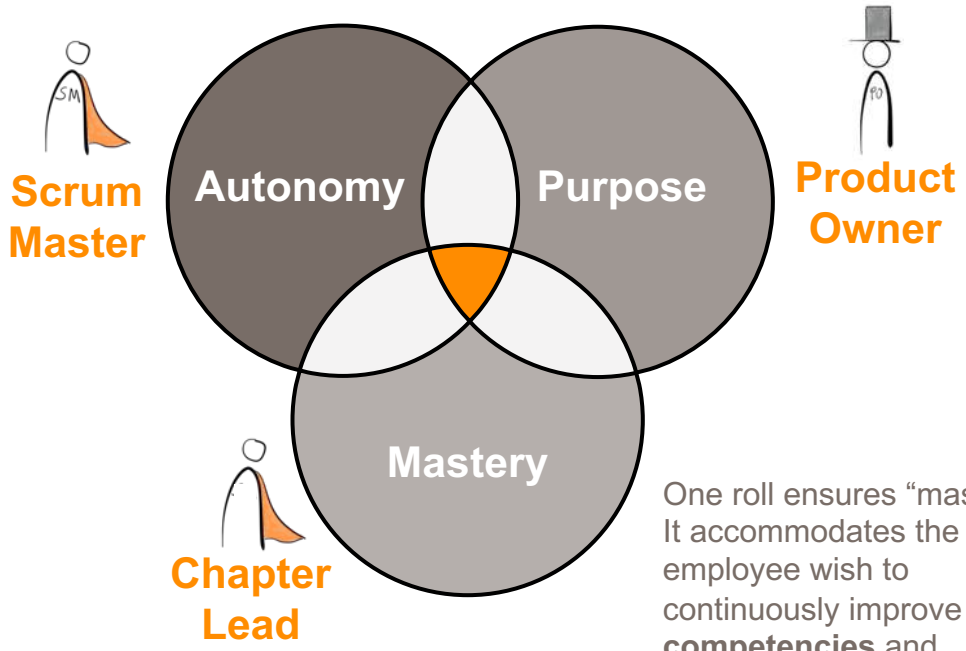


same same but different

The logical progression?

One roll ensures **“autonomy”**. It accommodates the employee need for **self-determination** in order to encourage.

One roll ensures **“purpose”**. It accommodates the employee desire to work on something that is **important** to them.



One roll ensures “mastery”. It accommodates the employee wish to continuously improve their **competencies** and **abilities.**

Optimal framework condition for **working** on **solutions**

Implementing

- “true” 360° feedback processes
- collective salary determination processes

Operational collaboration in the Squads?

Factors to consider:

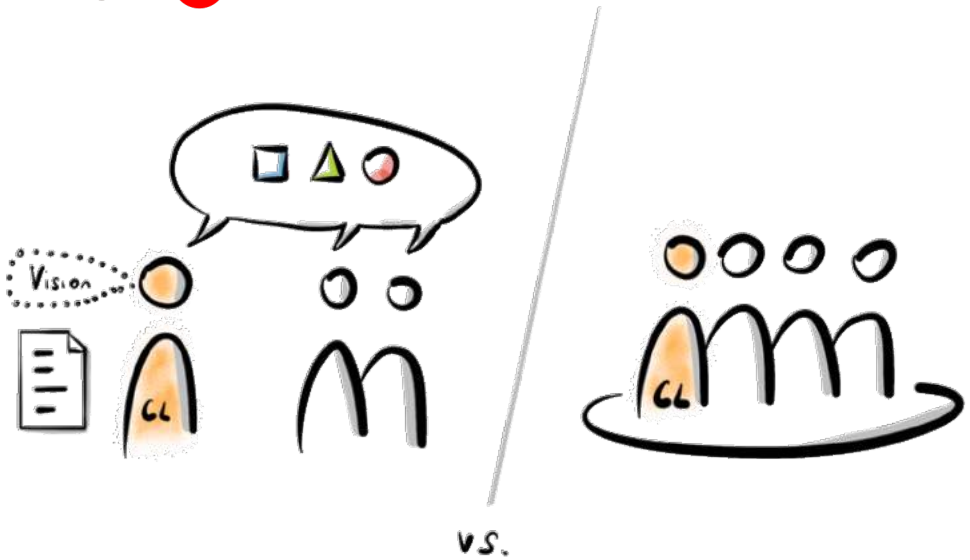
- **Chapter size**
- **Necessity** of **strategy work**
- **Necessity** and **effort** for **setting standards**

Yes ✓

Example UX Design Chapter:

- Continued team member development
- Drafting brand presence
- Developing and maintaining the style guide

No ⛔



What do Support Units do?

Ultimately, the entire company must become agile!

... but that doesn‘t mean everyone works with Scrum!

… however, everyone must understand and follow Agile values and principles.

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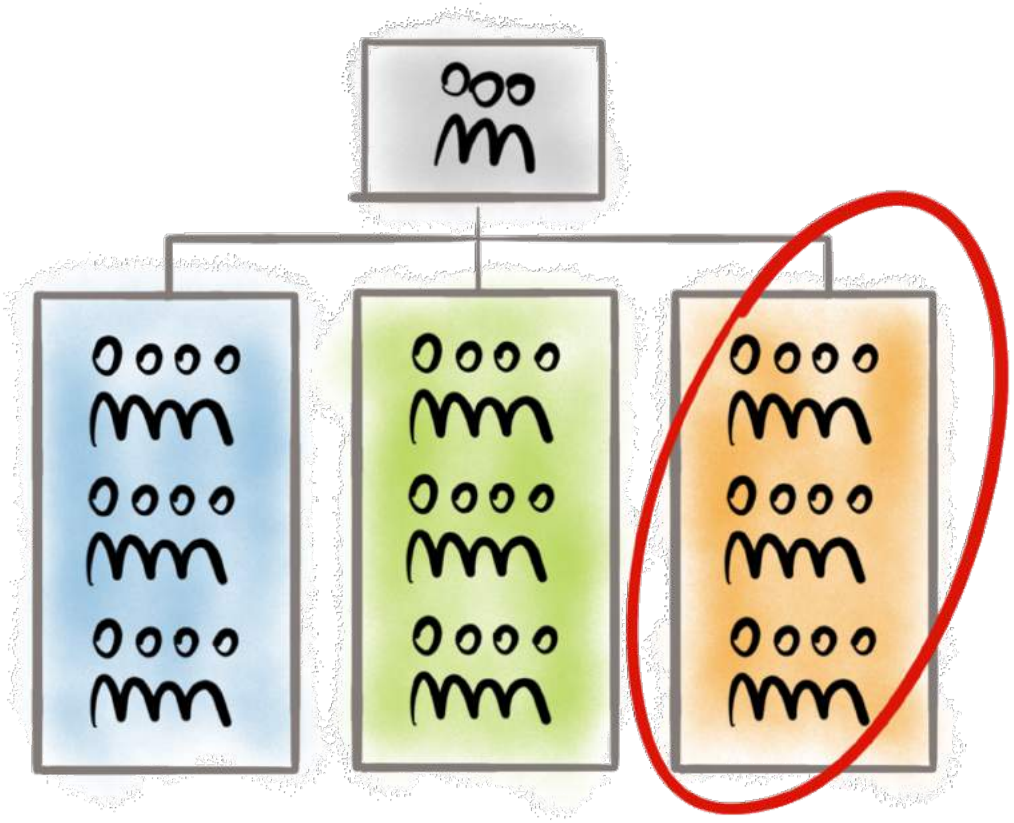
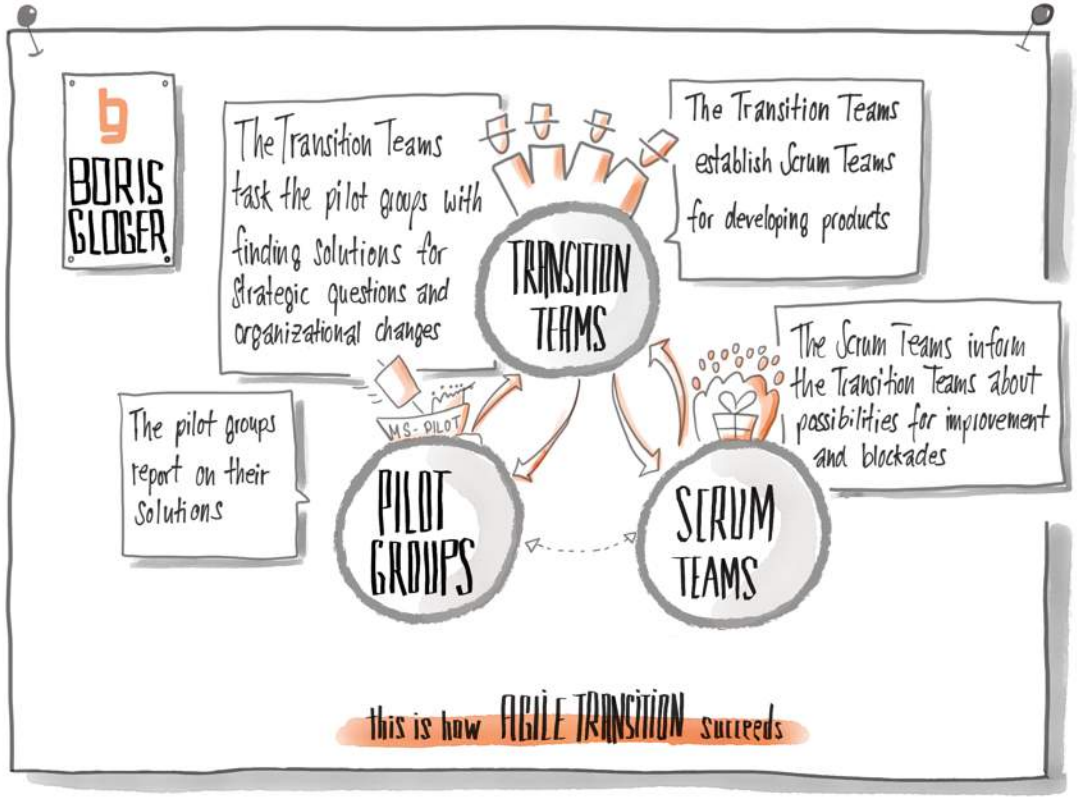
A Huge Breakthrough





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