

Advance Praise for *Formula X*

“A faster organization is a struggle for many companies. *Formula X* is an amazing book, that makes clear that you learn easiest from companies outside of your market, instead of your competitors. The way this book explains how to increase the speed and ultimately the success of an organization is unique and stimulating for anyone who wants to lead a faster team or organization.”

— **Harry Brouwer - CEO, Unilever Food Solutions**

“There is a strong relationship between the challenges faced in this story and what I encounter in my own job. Drawing patterns in problems allows me to abstract the issue and apply logic to necessary changes. The underlying model was the highlight of the book for me. Professionals need to understand and master this theory.”

— **Jeff Willard, Director Global Network Services, Nike**

“Faced with the need for acceleration in organizations, this book is accessible to all and contains smart, useful tools. Let’s get started!”

— **Wilma van Dijk - Director Safety, Security & Environment,
Amsterdam Airport Schiphol**

“A great handbook and source of inspiration to make our organization agile. I learned a lot from the many examples of how to do this effectively. *Formula X* teaches you how to turn your organization into a learning machine. This beautiful book contains many practical situations that help get an organization moving and, above all, to keep it moving. Recommended for people with a passion for change!”

— **Amir Arooni - CIO, NN Group**

“*Formula X* reads like an exciting adventure, full of insights for organizations that want to move faster and act more decisively. The key message is that self-managing, multidisciplinary teams, focusing on clear goals and on continuous innovation and value creation, will become winners for the customer. Leaders can take-away a law of nature by understanding how weight and inertia will slow you down, and that diversity, rhythm, and rituals help to make teams stronger and perform better. A good formula for learning organizations in dynamic markets!”

— **Jeroen Tas - Chief Innovation & Strategy Officer, Philips**

“Finally a book that offers guidelines on how to make your organization truly agile. Although a lot has been written about agile and scrum, there is still little to be found about how to *organize* it. *Formula X* changes that. This book shows how to look at your organization differently. Jurriaan and Rini have articulated this in a very readable book. I read it in one sitting and am already applying the lessons! Change starts with ourselves: how we look at our organization, how we look at our people, how to empower people and work towards a common goal. This book is an absolute must!”

— **Frank Coster - CIO, Randstad Group NL**

“*Formula X* describes, in a playful way, how organizations can become agile and effective by distributing decision-making and building on trust and real cooperation in a safe environment. This fits in with the way we want to work at bol.com and it takes us further.”

— **Huub Vermeulen - CEO, www.bol.com**

“This book is a page-turner! One of the most important insights for me is that, as a leader, I have to change. Trust instead of control. Making mistakes is fine if you learn from them. Tap into the thinking power of everyone instead of just the management team. And the best result, besides acceleration, is very happy people!”

— **Mariëlle Lichtenberg - Director Consumers, Rabobank**

Jurriaan Kamer
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Formula X

How to reach extreme acceleration
in your organization

– A Business Fable –

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Prologue

After the echo of the slamming front door has faded away, it suddenly became quiet in the house. Is this what I want? Is this all worth it?

Then my phone rings. An unknown number. I reject the call. A few seconds later the phone rings again. I reject it again, but I get called back immediately. Ugh. Though I'm irritated, I decide to take the call.

'Hi, this is Ronald Park.' On the other side, I hear some rumbling sound and music. I can't make sense of it... until I hear a voice: 'Hello, hello? This is me, can you hear me? Can you come to London? I need to speak to you urgently.' I recognize that voice. It's Hank, my company's founder, and majority shareholder. He sounds confused and drunk. And panicked. I thought to myself, 'Of course I will go. Through thick and thin, I'm always here for Hank.' I get into my car quickly and drive to London, about an hour away.

I finally see him, and immediately notice that he's in complete despair. 'I've worked very hard all these years. But it has been for nothing!'. Seeing him act from a place of anguish is very unlike him.

'Hank, what do you mean? What's the matter? Why are you panicking?'

'Did you really not see this coming, Ronald?! My money has almost run out in the last few months. I'm close to bankruptcy. There is only money left for a few weeks. I kept depositing money from my own pocket, but we're close to hitting rock bottom!'

He continues: 'I can already foresee the headlines. From multi-millionaire to a customer of social security.' He becomes silent and stares straight ahead. I am puzzled and don't know what to say. Then he suddenly looks at me and grabs my shoulders firmly. With his arms outstretched, he looks me in the eye as he begs me:

'You are the only one who can get us out of this, Ronnie. Will you please help? Only you can save us!'

PART ONE



Free Practice

Nine months earlier

Quicky

*Nine months earlier, on a
Saturday afternoon in March*

‘**R**onald, why don’t you do anything about it? You are the managing director, aren’t you?’ My wife Emily shouts annoyedly from the living room couch. I’m in the kitchen making an espresso. She’s never been a big fan of our company’s commercials, but this time she especially hates it. ‘This is really unacceptable! That commercial is really very sexist!’

I met Emily when I studied logistics in London. We both lived in the same student apartment. The first time I saw her I was head over heels. It really was love at first sight from my side. But not for Emily. She had built a wall around her to counter all the advances of testosterone-rich students. I persisted for a long time. I sent her flowers, love letters, chocolate, and rose petals. Eventually, she gave in and went out with me. The same month we canceled our student apartments and rented a flat together. After we graduated, we became married.

Our founder, Hank Rapid, is the leading actor in our commercial. He is dressed like a cowboy: bare torso, brown boots underneath his jeans and he wears a large gray cowboy hat on his head. His long gray hair hangs down in a ponytail. In the commercial, he shows off his tanned and hairy chest. Hank is already in his late sixties, but I must admit that he looks a lot younger with his slender and muscular build.

He has wrapped his arms around the waist of two sultry models. Both are dressed in workwear from our company but... let’s just say it was a short skirt version of our workwear. The girls look into the camera rather seductively, both with a hand on Hank’s bare chest.

With a big smile, he says: ‘Howdy! Here I am again: kitchen cowboy. Do you want a new kitchen but don’t have a lot of time? Then quickly go to the Kitchen Quick website. We specialize in fast and very satisfactory delivery. So fancy a quickie? Go to kitchen-quick.com!’ Hank gives a big smile, the models kiss on his cheek, and the commercial ends.

The commercial is designed to be annoying and borderline inappropriate. That’s why it stands out. I suggested to Hank to make it more professional, but he politely declined my suggestion. ‘It sells, right?’ Was his response. And... he’s right. The more media buzz about our ads, the more orders come in.

It’s been four years since Hank asked me to come and work for him at Kitchen Quick. I was ready for something new after having worked for more than eight years at a large supermarket chain in various management positions. There was constant pressure to climb the corporate ladder, and I grew fed up with its ‘up or out’ culture.

So I hired a career coach. He advised me to look outside of the corporate world and consider joining smaller companies. He put me in touch with one of his business contacts: Kitchen Quick. Kitchen Quick is a British company with an American shareholder.

I decided to apply for the role of CEO. I think Hank took a bit of a risk to hire me: I was in my twenties and had no experience in the kitchen business. Hank is someone who looks at potential, and I’m fortunate he saw that in me.

In the beginning, I had to get used to him. He is a flamboyant man who gets what he wants. ‘I always do what others think is impossible’ is his motto. He is stubborn, smart and sly. A true entrepreneur. Someone who sees moneymaking opportunities everywhere. And with success. Before he was thirty he was a multi-millionaire. And he loves to brag about that. I believe that is because of his American roots. He usually wears extravagant and eye-catching clothes. He owns a large collection of shiny leather shoes in the craziest colors: bright pink, bright green. And I must admit: it looks good on him! Especially with his tanned face and a beautiful head of long gray hair.

Hank wanted to take a step back from the daily management of the company. The house (as he always calls it) pretty much ran itself. He didn’t

go to the office that much anymore, he was busy with all sorts of new start-ups. I think he eventually got bored with running Kitchen Quick. 'I want a managing director to look after my pension,' was his main motivation to hire me.

To take this job we had to move from our apartment close to Holland Park in London to a house in the Kent Countryside. For Emily, moving was not such a problem. As an interim HR manager, she is used to having assignments throughout the country. And I was quite positive about living in a more rural area: a pleasant environment to raise children if we ever wanted to start a family.

Emily and I often have conversations about whether we should have children. Emily has always wanted two kids. She is just 31, a few years younger than me. And now that her younger sister had a baby, she has been talking more and more about raising a child. I also really want a family. But I also realize it is an irreversible decision. And we still have so many plans: traveling, building a successful career, maybe even living abroad for a few years. Also, just a few weeks ago, Emily has started a degree in organizational consulting. She notices that the role of an HR manager is changing considerably. Nowadays, there is a lot of demand for freelancers with knowledge of new ways of organizing. Therefore, I believe it is a good idea if she completes her career switch before we have children. I think she should first complete her education, because knowing Emily, both at the same time would be too much for her.

Anyway, back to my job as a managing director at Kitchen Quick. If I took the job, I'd have to accept a 30 percent drop in salary compared to my previous job. Therefore, I asked Hank if I could get stock options. In the long run, he would consider doing that, but not immediately from the start. 'You have to earn it first,' he said. And I respected that. We agreed to discuss it later.

I also find our ads quite annoying. I agree with Emily that they are rather sexist. I don't have trouble with the intent of our ads: they stand out and generate business. What I have trouble with is what they promise.

The Kitchen Cowboy emphasizes that we can place a kitchen as a 'quickie', but that is not true at all! On average we install a kitchen in roughly 12 weeks. Sometimes a bit faster, but often longer as well. It's not

a huge problem, given that our competitors have similar delivery times. But raising the expectations through this ad gives us zero benefits: we just make our customers disappointed.

Before I became CEO, Hank tried to shorten the delivery time but he failed. He achieved a few small improvements in the process, but the total delivery time remained to be roughly 3 months. This frustrated Hank immensely. And that is not surprising, as he is extremely impatient by nature.

If Hank has a new idea, he expects others to be able to implement it within a few hours. He has no sense of time at all. He doesn't seem to want to understand that some things can take weeks to months before they have changed. That's why many of his plans fail. By the time a new idea is implemented, he already has a new one. Long-term employees are used to this. Often when Hank proposes something, they initially do nothing, as they know it is a matter of time before Hank changes his mind again.

This makes my work more difficult because when I ask an employee something, I always have to check whether he or she actually does it. I really want to have faith in my people, but I learned through experience that that is not enough. I always tell my managers: 'Trust is good but control is better!'

I would not suspect that that attitude would almost lead to our downfall...

To the office

Monday morning - a working day like so many

Because I have an appointment in the evening, I drive my car to the office. In total, Kitchen Quick has four showrooms spread across the country. However, most of the time I can be found in our head office where the kitchens are also manufactured. I park my car in the parking lot behind the building. In the past, there were a few private parking lots for executives, right next to the front door. Hank liked to park his expensive cars there. 'That's to make sure people can see things are going very well here', was his main argument. But I disagreed, I thought it was a sign for suppliers that they didn't have to skimp on their prices. 'Plenty of money here' it radiated to me.

When I was just appointed as managing director, I asked for the results of the employee satisfaction survey. It turned out that the executive parking lots were an eyesore for several people. I could totally relate, as in my previous job I had always been annoyed by the privileges that executives were given. The board even had its own elevator that took them directly from the parking garage to their 'executive' floor. In other words: I don't want executive parking places in my company. Hank didn't like my decision at all but he didn't interfere. After all, he promised to hand over the day-to-day- decision making to me.

I walk the same walk every morning I arrive. I greet the receptionists at the entrance. Then I turn to the right into the production floor: the heart of our company. Here is where the kitchens are produced. It is full of sawing machines and all kinds of other equipment. It is a bit messy, there is sawdust everywhere and it always smells wonderfully of freshly sawn wood. Around 30 people work there. I recognize them all by face, and know most

of their names. Yet they all look quite similar in their overalls. And they all talk similarly. It is often not easy to have a casual chat, because everyone is wearing ear protection to combat the sawing machine noise.

In the middle of the production floor next to the coffee machine, is Thom's office. He is the manager of the production floor. Thom has been trying for years to get an office on our second floor, but I don't allow him. I believe the Head of Production should be on the production floor, among his people. As I walk past Thom's office, I knock on the window and wave hi. Thom is busy.

Thom is as tall as a tree. Over two meters high, and he has a very large nose. He has recently turned 55 but he still looks quite young for his age. There is no trace of gray in his black curly hair. Rumor has it that he dyes it, but he firmly denies that.

When Kitchen Quick was founded over 30 years ago, Thom was one of the first employees. At the time he was nicknamed 'The Saw'. Several years later he was promoted to manager. If you see him today, you wouldn't guess that he started as a carpenter. For example, he always wears a suit. I think that's at least a bit strange for a Head of Production. The production floor is very dusty, so I think it's a waste of such good clothes. Although everyone should be able to decide what they want to wear I believe.

Thom is very hands-on with the people he manages. He believes workers are lazy by nature and a necessary evil. They don't deliver the required quality level and they never do exactly what you have in mind. They always make a crucial mistake or call in sick just at the wrong time. I think that is nonsense and often argue with him about this mindset.

From the production floor, I walk to the other side of the building where I grab the elevator to the third floor. This is where customer service is seated, a large department that increasingly starts to look like a professional call center: a large room with people sitting behind computer screens, wearing a headset. Everyone is cackling all the time to the point where it eerily resembles a chicken coop. I often wonder how people are able to do their work, with so much noise around them. Fortunately, customers on the phone hear nothing of the ambient noise.

I run into Laura: the customer service manager. She is very good at her job and is often on the phone herself to help customers. Laura has

a high pitched voice that is friendly but also penetrating. She has long blond hair and black glasses. We hired her when she had just obtained her communication degree. She is super smart and was promoted to manager of her department within a few years. She is the definition of “customer obsessed.” When managing the day-to-day affairs, we are often focused on ourselves but Laura keeps everyone sharp to keep the customer at the center. Laura is also a bit of an iconoclast. She isn’t afraid to raise issues and often challenges other people’s opinions. I really love that we have someone with her character in our management team!

Next to customer service is the canteen. It is a nice, spacious room with lots of daylight. Everyone fits in during lunch so we don’t have to break for lunch in shifts, which is convenient. We recently updated the furniture. We also often use the canteen when there is something to celebrate. For example, I recently put Thom in the spotlight when he had his 30 year job anniversary.

I walk through the canteen to the Installation department. Wilma is in charge here. Her department ensures that the kitchens are installed and fitted in the customers’ homes. Because every house and kitchen is different, the work involves a lot of customization.

Wilma is very friendly, a real ‘people person’. I’m not a huge fan of that expression, but ‘people person’ really suits her. She wants the best for everyone. She cares for her people incredibly well. She even keeps birthdays of all her employees and even their loved ones. Amazingly, she sends personalized gifts when an employee’s partner or kid has their birthday!

Although Placement is the largest department of our company, they have the least number of workplaces in the building. The installers are almost never in the office. When they do come to the office, it is to pick up kitchens and materials and load them in their vans. Then they are quickly gone again, on their way to the customer.

A while ago, Wilma moved her workplace to the production floor, right next to Thom. This way she could easily see her people when they walked in to load things. But that was a disaster. Wilma and Thom are really opposites. Within moments they were bickering about the smallest things, so Wilma decided to move back to the third.

After a short conversation with Wilma about the ongoings of her department, I walk down the stairs to the second floor. There I have a chat with my two colleagues from Finance and HR.

I continue walking to see if Paul is present, our Sales & Planning director. He manages all salesmen in our showrooms. Paul is a slick guy, a true salesman. Always wears a tight suit and has product in his hair. He has a big smile with snow-white teeth. He is proud of his watch that is just a little too big and drives a caddish BMW. I know some colleagues call him 'Mr. Teflon' behind his back. At the same time everyone respects Paul. Nobody calls him that when he is present.

Paul isn't here this morning. But his colleagues from the planning department are. They convert customer orders into workorders for production. They ensure all materials are on time and the production process runs smoothly. They also plan the installation of the kitchens. They regularly are in touch with the customer. This sometimes leads to discussions about who should be responsible for customer contact: Should it be planning or Laura's customer service department?

I don't mind that Paul isn't in the office. His main responsibility is to ensure that sales go well, and that happens in the showrooms. When I see him in the office for two consecutive days, I tease him by saying that he apparently has already achieved his monthly target. He doesn't mind, we joke around a lot. He is verbally sharp and witty. Those are important qualities for a salesman.

Paul believes that customers should give us as much money as possible and as quickly as possible. He doesn't mind pressuring customers into closing the deal. Unfortunately, that has an impact on the customer experience. Buying a kitchen is really different from shopping in the supermarket. It is a considerable investment and it is a product that you want to enjoy for a long time. So not something you quickly decide on. At the same time, we know that if customers leave the showroom without ordering, it is likely they won't return. Therefore when the customer is in our showroom, we try to tempt them to make a quick decision, with an extra discount or free kitchen equipment.

I heard Paul is currently working on a very special project. He can't say much about it because he signed a non-disclosure agreement—one that's

ten pages with major penalty clauses. This is because it concerns a possible order from the royal family. Hank had received the lead from a golf friend and passed it on to Paul. Exciting! It would be stellar if Paul is able to close this deal.

Next to Paul's office is my spacious office. I have a large wooden desk and a private conference table with chairs. From my window, I look at a number of other office buildings so that's not really inspiring. To compensate for that, I have a large photo with the New York skyline on my wall. I would love to live there someday.

Kitchen Slow

The phone on my desk is ringing. I recognize the number. It is Hank, our sleeping shareholder. Well, at least that's what he's supposed to be. In practice, it is difficult for him to let go. He calls me a few times a week, and I'm also aware he regularly contacts other colleagues. Fortunately, he is often abroad, so most of our contact is over the phone.

I answer the phone. Hank immediately says: 'Hey Ronnie, listen. A friend of mine spoke to me at the golf club last week. He told me that he bought a kitchen from us a few months ago for his new home. Because of our relationship, he decided we should be the first choice. Unfortunately, he told me a terrible story about what he experienced as a customer.'

That doesn't sound good. I listen closely as he continues: 'At first he and his wife were very impressed with the service. They were offered apple pie, soup, and sandwiches upon entering. It went down from there. Figuring out the kitchen wasn't easy: endless possibilities and options. He then mentioned that he wanted to sleep on it, but the salesmen didn't allow them to. They pressured them: if they would sign today they would get a 30 percent discount and they would get the kitchen equipment for free. But the offer really was only valid today. This convinced them to go ahead. When they finally made all the choices and placed the order, they were very relieved. They were ready to get out of there after signing the papers. But then, he heard that the delivery time of the kitchen was over three months! Three f*cking months!! They didn't anticipate this amount of time and it was a disaster because they were soon given the key to their new home and wanted to move in as quickly as possible.'

What Hank tells me is not really new to me. I'm aware that this often happens. Although I have to admit that when hearing it from the customer's perspective, I understand why it sucks.

Before I can respond, Hank continues: ‘And that’s not all, Ronnie. After three months of waiting, they came to install the kitchen. After a day of working, the kitchen was assembled. But nothing worked: water and electricity were not connected at all! Our representative said casually that his job was done. The salesman appeared to have forgotten to include this in the contract. After a phone call to the planning department, it turned out that they had to wait another two weeks for an engineer to come over and finish the job. Isn’t it terrible? In the end, my friends moved into their new home much later than planned. He is now teasing me all the time with ‘Kitchen Slow’ instead of Kitchen Quick! This is total bullcrap! How much time does it really take to install a kitchen? Three days?!? And they had to wait more than three months?!? We should be able to do this much faster, don’t we Ronnie?’

I feel attacked and I become defensive: ‘Listen, Hank, the placement only takes a few days. But there is a lot more work involved than just that. The room needs to be measured and the kitchen needs to be produced. We have to order all kitchen equipment and that often includes a delivery time. Moreover, your friend is not our only customer. A lot of kitchens are being sold, so he will just have to wait for his turn.’

Hank responds fiercely: ‘Bullshit! Why can’t we do it faster? This is bad advertising!’ I think about whether I should start talking about the time when Hank was managing director. In those days the delivery time wasn’t any better. In fact, it was much more unpredictable. Sometimes they delivered in six weeks, but there were also periods with a delivery time of almost half a year. Anyway, I’ve brought it up before, but I never win the argument. He always has good reasons why it was different back then and why it is possible now. I just let it go. Ultimately, the company is doing very well financially. And taking some occasional hits from Hank is part of my job.

Like most work days, the rest of the day is filled with a true meeting marathon. Apart from the morning session, I hardly ever have time to talk to my colleagues spontaneously. After the meetings I need at least another hour or two to respond to email: I receive at least two hundred emails every day. Sometimes it seems endless and I wonder how I could improve this.

In the afternoon I have a meeting with a possible new supplier. A new player in the market, specialized in plastic kitchen tops. I have a nice conversation with the salesman and I promise that we will certainly do business. He invites me to have dinner with their CEO soon. I gladly accept his offer: I love good food.

In the evening I have a business appointment in a stylish restaurant. At my previous employer, the supermarket chain, we worked a lot with consulting firms. Even though I no longer work there, they like to keep in touch. They often send me invitations for speeches or roundtable sessions. Tonight there is a CEO dinner. I really enjoy learning from my fellow directors.

When I walk into the living room at 10:30 pm, Emily is already sleeping on the couch. She is holding a book: 'The power of self-management'. This may be an interesting book for me to read after she is finished. I carefully grab the book from her hands and put it away. I cover her with a blanket, turn off the light and walk up the stairs to our bedroom. When I wake up the next morning, she lies in bed next to me. I didn't notice she sneaked in.

The weeks and days fly by. Every day looks similar to the other. Everything is steady and under control.

I had no idea this was the proverbial calm before the storm.

About the authors

Rinivan Solingen (prof.dr.ir.) is a speaker, author, professor, and entrepreneur. His expertise lies in the speed and agility of people and organizations.

In his talks, Rini makes complex matters simple and can explain things in understandable and humorous ways. He does this by using simple analogies and by telling concrete practical stories and anecdotes. He also shares simple and powerful models in his lectures. And that doesn't always have to be serious; there may also be laughter. Rini puts the greatest focus on empowering his audience. He helps to see why things are going the way they are and what you can do about it yourself directly.

Rini is a part-time full professor at Delft University of Technology in the Netherlands. He is also the CTO at Prowareness We-On, where, as a strategic consultant, he helps clients make their organizations fast and agile.

Rini is the author of a number of management books, including *The Power of Scrum* (2011 - with Jeff Sutherland and Eelco Rustenburg), *Scrum for Managers* (2015 – with Rob van Lanen) and the management novel: *How to lead self-managing teams?* (2016).

Feel free to contact Rini if you want to talk or have a question (rini@formula-x.co) or take a look around on his website (www.rinivansolingen.com) for articles and videos. He likes to hear from you and always responds fairly quickly.

Rini especially enjoys giving lectures at a company event, knowledge session or conference. So don't hesitate to visit his website to check out possibilities.

Jurriaan Kamer (MSc.) Is an organization designer, transformation coach, and speaker. Jurriaan is an expert in the field of organizing differently. He is obsessed

with modern organizations and how you can transform an existing organization. He studied companies like Spotify, Apple, Google, Facebook, and Airbnb to discover how they work.

In addition, he has been a fan and visitor of Formula 1 for years. When he was given the opportunity to look behind the scenes of Formula 1, the inspiration for this book was laid.

Jurriaan has written several well-read articles such as ‘How to build your own Spotify model’, ‘Beyond Agile: Why agile has not fixed your problems’ and ‘This company achieves 100% customer satisfaction with 0% managers’. He regularly gives presentations and workshops about his experiences and practical examples to inspire and instill change.

Jurriaan is a Partner at The Ready, an organization design and transformation agency focused on the future of work. Through The Ready, he helps leaders free their organizations from the rules, habits, and mindsets that cause delays, making work faster, more agile, more human, and more fun.

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Jurriaan and Rini also provide joint duo presentations on speed and agility in organizations. The link to Formula 1 is a logical one. Interested? Please contact us or visit: www.formula-x.co.