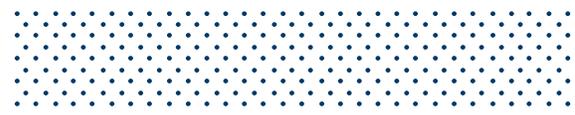


Maximizing Outcomes with Hothouses



CAPTECH TRENDS | PODCAST | EPISODE 11



Vinnie:

Hello, and welcome to CapTech Trends, a place where we meet with thought leaders and subject matter experts to discuss emerging technology design and project methodology. I'm your host, Vinnie Schoenfelder, principal and Chief Technology Officer at CapTech Consulting. Today, we're discussing Hothouses. It's an Agile innovation method that combines principles of Lean and Design Thinking to solve complicated and/or gnarly business problems – sometimes in a day, sometimes in a couple of days. I've got three great guests with me today. Very excited. Joanna Bergeron, a principal at CapTech who oversees our account management, Meghan Pieratt, a director at CapTech who has lots of experience in this area, and we have Tamara Jones joining us from Markel. She is a managing director in finance and, like our other guests, brings a lot of practical experience to the conversation. Joanna, Meghan, Tamra - welcome.

So, you know, methodologies and Agile and Lean are no different. They're just filled with buzzwords, right? But they mean something. They have definitions, they have practices behind them. So, Meghan, why don't you start us off with how is a Hothouse different than just a full day facilitated meeting that we're all used to?

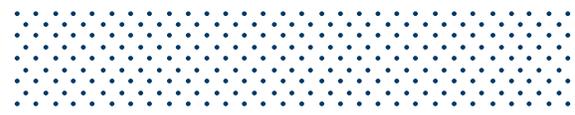
Meghan:

So, one of the key steps of making a Hothouse a success is the work that goes in ahead of the Hothouse. So, it's not just getting folks in our room for a full day to talk about that problem. It's doing the prep work to understand what that problem is and how we're going to go about solving it for the day. Once you're in the room, it's really about a high level of collaboration and really being able to customize that day for the problem at hand. Oftentimes you break down to the small groups to do different problem-solving exercises separately, and then you're coming back together to present, often to some sort of executive panels. So, it has a lot more structure to it. It can flex as needed depending on what that problem is, but it's more than just getting folks in a room for an all-day offsite.

Vinnie:

So, when you say get folks in a room who's invited, who's not invited.

Meghan:



Yeah. So, most often the problems that are really great for Hothouses are ones that are cross-functional or cross-organizational; they're having impacts across many different areas. And so, it's a chance to bring those folks into that room and really have that accountability and that conversation all at one time. You do, as I mentioned, have executives often in the room, but they are not active participants. We want the folks kind of on the ground, if you will, being vocal and being empowered to share their thoughts and opinions. And the executives are usually there more as a sounding board or to sort of bulletproof some of the solutions that come to the table.

Vinnie:

So right now, to me as a layman, it sounds like a more structured all-day meeting. So, I guess I'll ask you Joanna, from an outcome perspective, are there other different expectations?

Joanna:

I think that's a key point Vinnie. We want to make sure that we're not just solutioning and not walking away with takeaways, that you could walk back to your desk, and in some Hothouses you might be able to prototype in a session. But a lot of the ones that we run, we're more trying to get at those actionable next steps, those things that we could walk out of the room and we have owners on them and we're ready to get moving on things cause you actually made decisions in that room. So, I think that's probably a key differentiator and less about action items.

Vinnie:

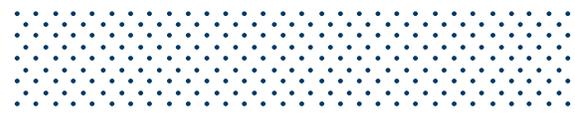
Tamara.

Tamara:

Yeah, I think the other thing is anything goes. You're constantly getting that, having that feedback loop in the moment and it's a safe place and it's a place that you can challenge each other and really walk out knowing that you have a solution.

Vinnie:

So, what's not happening in these meetings? Joanna, you spoke about making sure that there's actionable outcomes. Does that mean that we're not kicking the can down the road? Like what are some



of the anti patterns that happen in traditional meetings? Like, well this all sounds great, but we have to have somebody to approve it, or somebody to make sure that has a legal review, or that IT wants to implement this. So, as an anti-pattern what are the things that are not happening?

Joanna:

I think one of the things that comes to mind, when you ask that, is we can make assumptions. We can play a little bit more on the Greenfield, so we're not going to be constrained or stop a conversation or say, 'well, we have to find out what this person thinks' or if this input is somewhere else. So, I think it's removing those barriers that we sometimes put on that become a next meeting or we need to check with someone else. It's more of a, 'what if it could be possible? How would we solve it?'

Tamara:

And you also have all the right accountability in the room.

Meghan:

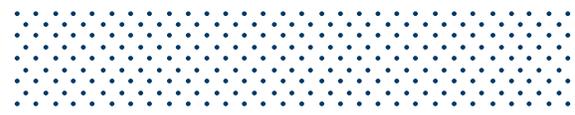
Yeah, I think that a key piece is when I talked about that pre-work, it's not just the actual problem that you're reviewing, but the people who are going to be in the room. You get that commitment from everyone in a non-COVID world. You're taking them offsite away from their desk, away from their offices into a room, silencing the cell phones, no distractions, totally focused.

Vinnie:

So, let's talk about the pre-work. What interests me is the intersection between having pre-work and having "everyone responsible in the room." So how much pre-work is there? I would imagine that the more senior the people that you're bringing into the room, the less willing they are to go through a 15-page prep deck. So, are you giving different types of prep material to different types of roles or different types of participants? How does that look? Joanna?

Joanna:

That's a great question, Vinnie. Meghan mentioned it quickly earlier, when you are dealing with cross-functional problems, there's often a lack of alignment on what the problem really is. So, it's a lot about baselining where people are on what we're trying to solve. So, getting really clear on, 'why are we going



in this room?' 'What's that problem statement of what we're going to solve?'. And making sure we're all starting from the same sheet of music 'cause a lot of times I have an opinion about how something works and another person, another department, has an opinion about how something works. So, I think that's kind of a critical part of pre-work is: 1) to prepare you for the day; here's how it's going to go. So it makes the day more productive, but 2) two that we're all starting from that same piece of music.

Meghan:

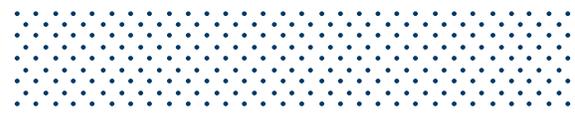
Yeah. And sometimes that isn't a multipage deck. Sometimes I've had experiences where I'm actually sending out a survey beforehand and asking for some type of rank order of opinions on this problem, or areas of focus that has helped tremendously to make sure we're efficient during the day.

Tamara:

And some of the best Hothouses I've been involved in are when we've wrestled with problems for many, many years, and there have been many critics. And then before you make that large investment, you bring everyone in the room or in the environment and everyone is accountable for finding that solution. So, the critics then become part of the problem solving.

Vinnie:

Yeah. Tamara, I'm glad you brought that up because in software design, you want to find your naysayers and include them in the design because a lot of times your loudest naysayers become your loudest cheerleaders, once they have input into the process. Both you and Joanna were mentioning things, specific attributes about these Hothouses. You said accountability. Joanna, I heard transformative. These sound like large, important types of business problems you're trying to solve. And I was thinking about the prep work and I was thinking about participation and what motivates a person to really invest the time and the prep work, take it seriously, and show up ready to go. Is it because these are big, gnarly issues? Is it because there's a corporate champion, that's making, you know, Joanna's throwing this Hothouse at CapTech, so we know we have to go and take it seriously, or is it some comment or it's an accountability? I know I'm gonna be held accountable. What motivates people to prep their best, show up their best, and be ready to actually take on something that's really kind of new and maybe they aren't fully bought into the process yet?



Tamara:

So, I think one is, if you have that leadership buy in, if the first person at the top is saying, this is important and that, to your point, Vinnie, accountability is there. People are going to show up. But I think the other big pieces and, we've seen this time and time again at Markel, is once we had one, people saw that it worked and they wanted to keep going and attacking new problems with this method.

Joanna:

Yep. That excitement that, you know, you're going to leave with some sort of solution or an accelerated next step.

Vinnie:

Tamara, let's stick with you on particular point. How were Hothouse has introduced into Markel as a first try?

Tamara:

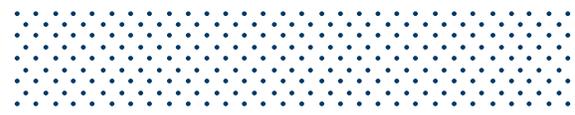
We started in 2017, and mostly we had senior hires that brought it in from other organizations. We did have to tailor it and personalize it to fit Markel, but we started in the innovation space and went from there.

Vinnie:

I assume the first one was successful. The reason I was thinking of that was what Meghan was just saying, where if it's done well, it starts to... you know, adoption because people are coming to it as opposed to saying it's a standard people have to adopt. Did you see people in the organization coming to those? How do you expose more people to the process?

Tamara:

Well, I'll be very honest. We were very skeptical as an organization of the concept, but, once we did a few and people heard about the outcomes, folks were definitely more optimistic. The one practice that



we have continued to do is to make sure we include observers and we invite folks from other departments to observe, to even participate. But to be able to see that, that success, and as someone who facilitated some of the earlier sessions, we put a lot of time into what comes out of it – putting it into a two to three page slide deck that we could send out to the leadership team to say, here's what we did. We actually took pictures of the day and put them in there like, here's what it looked like to be part of it. But more importantly, here's what came out of it. And I think also too, people came back energized and telling stories and we put some of those little quotes and things in there too, just to kind of build that buy in after the first one.

Vinnie:

Gotcha.

Tamara:

And actually having our executives committed to that full day and others see that on the back end.

Vinnie:

So, is this a norm now at Markel? Has it replaced traditional meetings? Or is it reserved for certain types of meetings? Help me understand where it kind of sits in your normal operations.

Tamara:

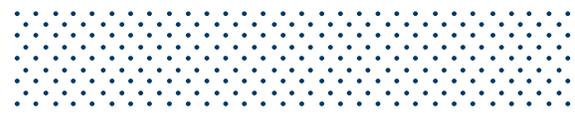
Yeah. So, it's definitely not a norm yet, and I'm not sure it replaces everything. I think there's the right type of problems for it and the wrong problems. I think it's more about the cross functional opportunities that work best.

Vinnie:

Right. I mean, it feels very Agile that you have everyone in the room that needs to be in the room, have objectives for the day, and have stated outcomes. You know, it just kind of feels very Agile-ish in that regard.

Tamara:

Absolutely. But that's, that's still scary to many organizations hearing that word Agile or Lean, but I think



it's a great way to get started and to understand the value and the effectiveness of that process.

Vinnie:

Gotcha. So, we know who's invited, we know what to expect for the day. In prepping for this, looking at some of the roles, I know what a facilitator is. I guess the question there is, are they doing traditional facilitation or are there things that are different? I know what a participant is. It's pretty obvious. And then there's something called judges. I'm not sure I know what that is and how that differs from what a facilitator should do.

Joanna:

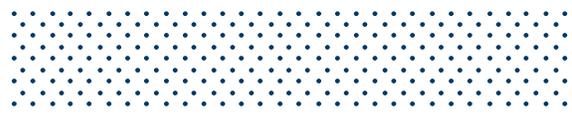
Let me hit on a key thing around the facilitator that I think is really different than an all-day facilitation session is the facilitators kind of keep the pulse in the room on what's going on in these small groups. Where and on what path are they leading down to? Are we going away from the mission? Are we on track today to accomplish what we came in here for? And they're ready to pivot when needed. So, a lot of times I would consult with my judges. The executive panel is going to come in and out throughout the day. They're not going to spend the whole day there. A lot of times they'll just drop down another room nearby and work on what they need to work on, but they're going to come in for the readouts. So, after the readouts, you grab that pulse. How's it coming? Are these things relevant? Should we be taking them another direction? So, the facilitator is going to help guide the groups towards maybe a little bit of a revised mission during the day than what we came in there for. Or let's pull these two groups together and let's get them to do group think 'cause we think we're headed down the right path. That's helpful.

Tamara:

And I think the judge – the right word, but the wrong word too in the sense that not one person wins, not one idea wins – but those judges pull a couple different things together and highlight a couple of different ideas from different groups and say, 'hey, go pull these together and work with that and grow upon that.' So a judge pokes holes in things, challenges the group, and then might guide them down a different path.

Vinnie:

Kind of reminds me of shark tank, you know? Everyone working in different groups and having to



present to a panel.

Meghan:

I think you, you mentioned Vinnie, you know, what a participant is, but I think what's...

Vinnie:

Are you challenging that you don't think I know what a participant is?

Meghan:

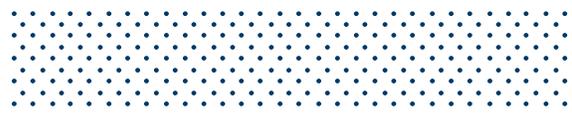
Well, in a Hothouse, it's got a distinct role because that pre-work, again, if you're doing a small group format, which isn't always the case, but particularly if you have 20 to 30 people, which we have at times, that small group is important and you have to make sure each of those small groups also have that cross functional, either their role or diversity of thought, so that they will have that healthy conflict and healthy challenge with one another. And sometimes we'll even have conversations beforehand with an individual in each small group to make sure that they can kind of play a cheerleader or move the group along because the facilitator is rotating around the room but can't be with each group the whole time. So, it's really kind of an orchestrated event. But to Joanna's point, that can flex and be very nimble.

Vinnie:

Yeah. With that, so have a question with the small groups. It reminds me of the difficulty of putting out name tags for a reception at a wedding, you know? Aunt Joanna can't sit with Uncle Vinnie. They fight every time. Then once Aunt Joanna gets one cocktail in her she's going to rip him apart. So, when you talk about these cross functional teams coming together, are you randomly assigning these teams? Are you putting known good workers together or are you putting challenging teams together? That seems like that a lot of thinking has to go into that.

Meghan:

It does. I mean, I definitely would love to hear Joanna and Tamara's thoughts on this, but it is a little bit of a wedding reception seating exercise, because you think about - I may come in as a facilitator and not know all the rules and all the personalities, so I'll go by titles and I'll go by, I want this person from accounting and I want this person from disbursement, but I might have to run it by the client. And they



say, 'oh yeah, no, that's an Uncle Vinnie and Aunt Joanna situation. Maybe we want that, or maybe we don't.' So you kind of have to cross check it.

Tamara:

Yeah. And I like what you said about diversity of thought. When I think about some of the Hothouses that we have had, you know, many are finance focused that I've been a part of and some very technical, but having that diversity of thought, not just all accountants or those technical accountants, but having folks that have a customer focus and care about internal customers and really be thinking about that, not so much the technical pieces, that's really important to have that variety of skills and just perspective.

Vinnie:

And Joanna, I didn't mean to make you sound like the angry one in our, in our little Aunt/Uncle relationship, so we could flip flop that if that makes you a little bit more comfortable.

Joanna:

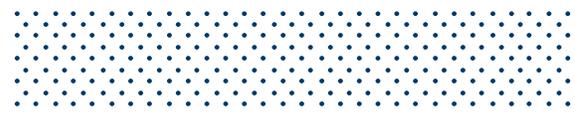
There is storming and forming that comes in these teams as they come together for the day, 'cause a lot of these people haven't worked closely together. We'll do things like make them come up with a team name, something they're going to ... I knew Meghan did a great one one time with how it was an international one where we talked about how words mean different things to different people. And we kind of did some storming and norming around some of that in the beginning.

Vinnie:

Yeah. So, shifting gears a bit, thinking about use cases that I know a lot of this is confidential, but at least from a business perspective, maybe a generalized perspective. Can you give me guys some examples of Hothouses you've been involved in, like, what was the incoming position and what were some of the outcomes? Tamara?

Tamara:

Vinnie, I'll be happy to do that. As a little bit of pre-work for this I was thinking about a couple of the Hothouses I have been a part of whether as a participant, a judge, or even just an observer. And I'm



aware of one of ours, was that we had 140 models and we ended up reducing down to 12 and we did that in a half-day session. I also was a part of something in finance that, in the end, the group decided to not do anything at all. The next steps would have been too complex, too expensive, and way too time consuming. And there was lots of value that came out of the day. And some I've even seen this make small tweaks, but not make a huge investment as they initially thought that they would do. And one of my very favorites is one that Meghan actually facilitated for us – a retrospective. So, we talked about the phase one of a project that we were in and we started the day talking about what went well, what didn't go well, and what we would want to do differently as we go into phase two. And then the second half of the day was actually the phase two planning. So, all those lessons learned were fresh in our mind and that's when we brought in observers that would be a part of our phase two project to listen and learn. And ultimately they move from just being observers to wanting to participate and be a part of that planning.

Vinnie:

I love the observer, a concept that I hadn't thought about that before you mentioned that. Are they strictly observers? Are they allowed to participate at all? Are they mute the entire time?

Joanna:

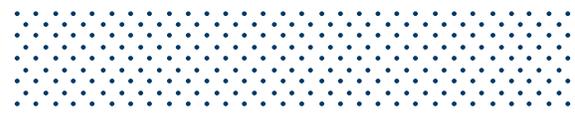
I think you can use the classic consulting answer of, it depends. I think that's kind of, you decide and, you know, make sure you set the expectations upfront.

Vinnie:

Tamara first, thank you for going through those use cases and what it makes me think of, Joanna, is what are – people listening to this podcast, they go back to work tomorrow, well remotely – what should they be looking for? What kind of problems, what kind of opportunities, where it would be a good chance to introduce and try out a Hothouse if they haven't done so in the past?

Joanna:

Great question. I think we've talked a lot about – we've used that word cross-functional – large projects and programs where we're assuming it's going to take a long period of time. Let's challenge it. Is there a different way we should be thinking about it? I don't think there could be a more important time to be



doing that right now after COVID. As we think about the investments and the strain on worrying about financial investments, that's a great way to make sure that you've really stress tested what you're about to do and open the door to create a thought process. I've done one recently with a strategic plan for our company. So, they're setting their annual plan. How do you get in a room and work through what those top objectives are going to be for the year and gain alignment when there's a lot of different groups involved? I think it's problems that have persisted in the organization. You're tired of hearing about it. Like everyone brings this up as a reason why we can or can't do something. Let's get in a room, let's see if we can solve it.

Tamara:

And even more so as when the ownership is unclear. So, it's that underlying pain. There's lots of critics, but it's not clear who really owns the problem.

Vinnie:

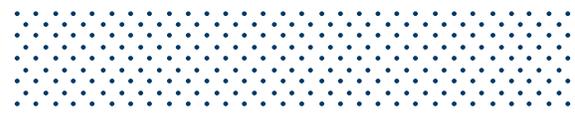
Yeah, it's sort of like organizational cement, right? It's like the things that have persisted for a long time, they stop you from moving. They're known problems. Maybe there's a lack of accountability maybe to a sensitive issue or a tough topic and it's not being addressed.

Joanna:

I call it the noise in the system, right? There's always some noise in the system that you hear people talking about it, but people don't feel empowered to carry it forward, but it's causing strain on the organization. So, look for those things that, gosh, what if you could solve this? What would it have? Would we think about it differently? And I think if you start, you could easily frame up a mission statement to spend a half a day or a day on and come up with some actual results.

Vinnie:

Yeah. Just challenging the norms. And I'm reminded of something. I think I spoke about this on an earlier podcast or two with COVID, but the number of companies I worked with for decades that would say we can't do that here. You know, let's say having empowered teams, working remotely, having people work from multiple offices that doesn't work here. We tried it, it failed, et cetera. Well then COVID hit and everyone was forced into that model. And lo and behold, they were very successful doing it. So,



sometimes it takes a heavy external push or something to knock you off that position. And then you find it's a preferred place to be.

Joanna:

Very accurate for the world we're living in right now today.

Vinnie:

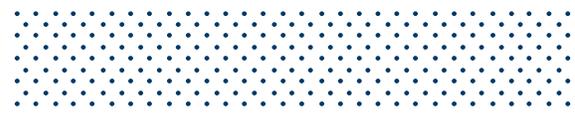
Yeah. Another COVID thing that struck me with Hothouses as well is it's the concept of unexpected dividends. You know, people who do things well from a methodology standpoint and a software architecture standpoint, outside of macro economic concerns with COVID, have fared really well with their ability to deliver projects. Because their teams know how to work together and they have this cadence and rhythm of delivery. Have you guys seen additional strains that COVID has placed on Hothouses and are there approaches to address that?

Joanna:

Absolutely. Well, virtual Hothouses are totally different game than the in-person Hothouse. There's a lot of great tools out there that I would encourage the use of. Obviously, WebEx and [Microsoft] Teams. You're going to have to have some collaborative platform. Video is a must. It's really important to be able to see people's body language, and always say, leave your video on all day when we're working in these sessions. A lot of these things like Miro or Stormboard – another one is fun, Retro – that we've used. There's tools where people can brainstorm together. I think that's really critical that they can, like putting stickies up on a wall. You gotta be able to create that situation in some way. So, I think tools are really important. Being able to ... we use the together mode in Teams, it really looks like everyone's in the room together. So feeling like you're part of something, not just a little square on the bottom of the screen; chat running down the side is really important in a virtual setting; making sure that you raise your hand if you want to contribute and, working together, but being able to also have a chat going where you can put your voice in the room and if you're working in a group. And I think those are some of our biggest takeaways so far.

Vinnie:

Yeah. I could see introverts and extroverts who have different challenges in in-person meetings.



Potentially introverts could have an even more difficult time speaking up in a virtual meeting. But to your point, if there's a chat, if there's note pads, I can fill out and prioritize. There's multiple ways to contribute than to take the spotlight and be a speaker. So, I think, while at first glance it could be seen as limiting, I think the amount of tooling that can be in place could actually, swing it to a more preferable solution.

Tamara:

And many of these tools have breakout rooms. So, you can go to a smaller group as part of the event. So, I think that does create a safer place in that smaller group.

Joanna:

Which is a great point Tamara, because a lot of that prep work we talked about earlier is doubled in the virtual world. So, the testing out the breakout rooms, making sure that participants are comfortable with the technology, they understand how things are going to flow. That prep is way more important in a virtual setting than it is in an in-person setting.

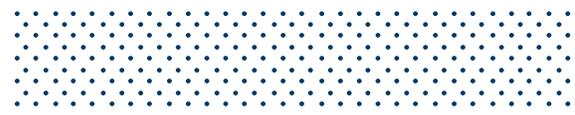
Meghan:

Yeah. And I would say too, as important as it is when you're in person to sort of keep things fresh, you either do an icebreaker at the beginning or do some sort of fun exercise in the middle somehow to just kind of keep things, get people physically up and moving. You can just find those creative ways to do that when you're in the virtual world as well. Because as we all know, sitting in front of a video camera for hours and hours on end, even if there's a couple other tools at play, it still can be exhausting. And so, I think finding ways to really get creative and keep the creative juices going and keep people engaged and enthused is really important.

Vinnie:

Great. So, it looks like we're kind of wrapping up on time. Meghan, do me a favor, you've mentioned a lot of different aspects of Hothouses. Can you just give us a recap, a summary of kind of start to finish, what a Hothouse looks like?

Meghan:



Yep. So it is identifying most often some type of cross-functional problem to be solved and what makes it great for a Hothouse is something where you can bring those people together in a very collaborative environment, customize it for the day, bringing in that diversity of thought, having a very interactive day with the right tools. And at the end of the day, you have a clear plan of action walking out of the room.

Tamara:

Yeah. People want to be a part of the solution. They don't want something to be done to them. Even in this virtual world, I think folks will lean into these type of opportunities.

Vinnie:

Great. So, I'm listening to this as a podcast listener, and I want to learn more about this and bring it into my organization. Where can I go? What resources are available to me?

Joanna:

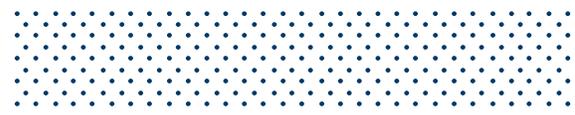
Funny, funny, there's actually not a lot out on the internet about how to get started with Hothouses and how to execute one. We have quite a few things on our blog or on case studies on our website. But I think probably one of the best resources would be to look for someone who really has their hands around Agile and your organization and see, what do they know about this? How would we get this going here in our organization?

Vinnie:

Yeah. Finding an internal advocate. It's always a good approach. Great point. Well, I think we're out of time again. Tamara, Meghan, Joanna, thank you so much for joining us – a great conversation. And for those of you listening, if you haven't yet, and you have enjoyed these podcasts, please subscribe. Thank you very much.

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