Spotify Rhythm
How we create focus
Agile Sverige, 2016-06-01

Henrik Kniberg
henrik.kniberg@crisp.se
@HenrikKniberg

Consultant
www.crisp.se

Organizational Refactorist

Dad

Author

LEAN FROM THE TRENCHES
Scrum and XP from the Trenches
Kanban and Scrum making the most of both
Henrik Kniberg & Mattias Karlsson

Spotify

LEGO
Henrik Kniberg
Fall 2014 research: “What’s slowing us down?”

- Misalignment!
- WIP overflow!

Henrik Kniberg
This doesn’t scale

WTF!

Hey!!

?!?!

Huh?

#@%&?!

# @%&?!
Misalignment \(\rightarrow\) WIP overflow

WTF! You guys are building a BRIDGE?

WTF! You guys are building a TUNNEL?
Goal: Clear priorities, Data-driven decisions, Learning loop

We’re working on X. Because Sam said it’s important.

We’re done when Sam is OK with it.

We’re working on X. Because we think it’s going to give impact Y, which matters to Spotify because of Z

We’re done when the metrics have moved.
Henrik Kniberg
Spotify Rhythm: Taxonomy
An overview of the language used in strategic planning at Spotify

**Company Beliefs** are at the center of our strategic planning model. Beliefs are produced by Daniel and reflect the world as it is today and the world we can help build over the course of the next 3-5 years. These Beliefs are formed from the data and insights we have about the world around us and our users.

**North Star & 2-year Goals** are targets that Daniel and the Lead Team have set for Spotify. These Goals are ambitious, but are measures of success that we think we can achieve if we are correct in the way we view the world (Beliefs) and the way we spend our time and energy (Bets).

**Company Bets** are large projects or cross-organization initiatives that are sourced by the Strategy Team. These Bets generally last 6-12 months and we believe they can substantially drive towards the 2-Year Goals. Bets do not comprise all the work we do at Spotify.

**Functional Bets** are large projects that generally take place within single functions and are set by Functional Leads. Functional Bets often ladder up to Company Bets, but can also exist independently. Both Company and Functional Bets should be arrived at by a combination of bottom-up and top-down planning.

**Market Bets** are initiatives and investments carried out by market teams related to Company or Functional Bets or guided by their market categorization.

Henrik Kniberg
Visualize the Big Bets

- Launch in Country A
- Build new product capability B
- Innovate on C
- Build infrastructure for D
High-Medium-Low = a broken way of prioritizing

- **HIGH**
  - Launch in Country A
  - Build new product capability B
  - Innovate on C
  - Build infrastructure for D

- **LOW**
  - Launch in Country A

Henrik Kniberg
Stack rank

Only ONE thing gets to be priority one!

1. Launch in Country A
2. Innovate on C
3. Build infrastructure for D
4. Build new product capability B
5. 
6. 
7. 
8. 

If we only can do one of these two things, which one would we do?

Why?

North Star goals

Company Beliefs

 active users

World class employer
Don’t do it all at once

Now
- Launch in Country A
- Innovate on C
- Build infrastructure for D

Next
- Build new product capability B

Later
-
The Bets Board is a Google Spreadsheet
Open to everyone at the Spotify
Each bet needs a 2-page brief

Henrik Kniberg
DIBB - an argument framework

Example:
(Something like this happened a few years ago)

**Data**  ➔ **Insight**  ➔ **Belief**  ➔ **Bet**

How people listen to music

- Mobile is overtaking desktop as primary music gadget!
- We have very few mobile devs compared to desktop
- WTF we’re optimized for the wrong thing!
- For long term survival, we need to become mobile-first
- Hire a bunch of mobile devs
- Train a bunch of our desktop devs into mobile devs
- Build infrastructure for iterating fast on mobile

Feedback loop

Henrik Kniberg
More Bet Boards started popping up

Company Bets Board

- **Now**: Launch in Country A
- **Next**: Innovate on C
- **Later**: Build infrastructure for D

TPD Bets Board
(Tech-Product-Design)

- **Now**: 1, 1, 1, 1
- **Next**: 1, 2, 2, 2
- **Later**: 2, 3, 4, 1

Tribe X Bet Board

- **Now**: 1, 1, 1, 1
- **Next**: 1, 2, 2, 2
- **Later**: 3, 3, 2, 3

Tribe Y Bet Board

- **Now**: 1, 2, 3, 4
- **Next**: 1, 2, 2, 1
- **Later**: 3, 3, 2, 1

Content, Revenue, Marketing, etc

Henrik Kniberg
Bet = alignment point

Sony Playstation Integration

#1 Bet

Henrik Kniberg
Stack-ranked bets enable cross-company alignment

Henrik Kniberg
Spotify Rhythm = cadence for deciding what to focus on

Strategy team – every quarter

TPD prioritization group – every 6 weeks

Henrik Kniberg
Tempo markers

- 🌟 = Moving as fast as it could
- ☹️ = Moving slower than it could
- 😞 = Blocked

Now

1. Launch in Country A
2. Innovate on C
3. Build infrastructure for D
4. (Empty)
5. (Empty)
6. (Empty)
7. (Empty)
What does Spotify Rhythm mean for squad autonomy?

Henrik Kniberg
Squads are (still) responsible for figuring out how to make best use of their time - Bet Boards & DIBBs provide context

Hey, we need your help
Hey, you need to upgrade to the new build server
Take-aways

• Agile techniques can be used to lead a company
• Autonomy only scales if leaders provide high-level context
• Simple tools = fast evolution
• Use different time scales at different levels
• Keep experimenting but don’t forget to follow up!

Current Challenges:
• How does innovation fit in?
• How do we minimize waste / process overhead?