

Output to Outcome

WHEN AGENTS OUTFRAN THE ORG CHART

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HORSE



CAR

FIFTH AVENUE NYC, 13 YEARS APART

The Pace of Technological Revolutions



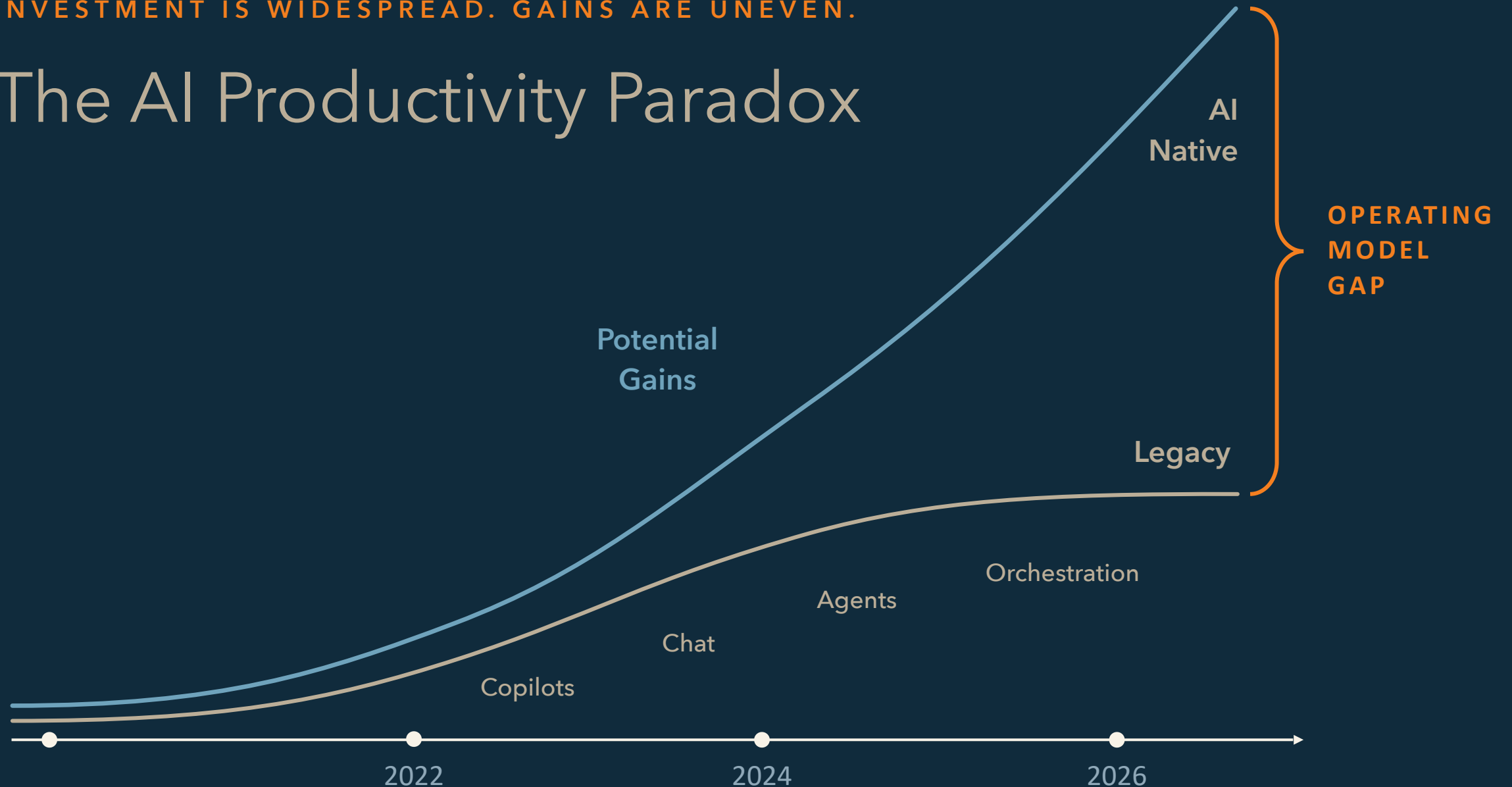
FROM CENTRAL STEAM TO ELECTRICAL ASSEMBLY

Operating Model Constraints

Sources: WisconsinHistory.org, TheHenryFord.org (colorized)

INVESTMENT IS WIDESPREAD. GAINS ARE UNEVEN.

The AI Productivity Paradox



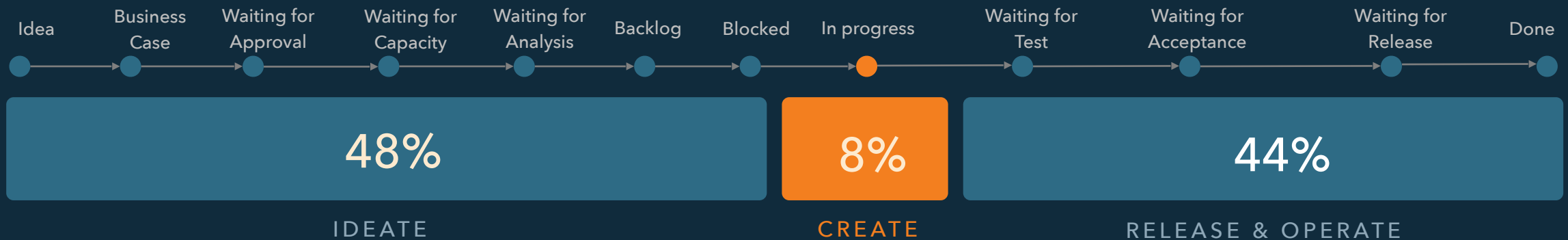
Technological Revolutions

Age	Start	Power	Constraint	Mechanisms
Industrial Revolution	1770	Water	Machine capacity	Division of Labor
Steam & Railways	1830	Steam	Railway capacity	Centralized Oversight
Steel & Heavy Engineering	1875	Electricity	Plant capacity	Scientific Management
Oil & Mass Production	1908	Combustion	Line throughput	Lean, Project Management
Software & Digital	1971	Compute	Dev productivity	Agile, Product Management
AI	2022	Cognition	Org productivity	Outcome Management



Is Your Operating Model Ready?

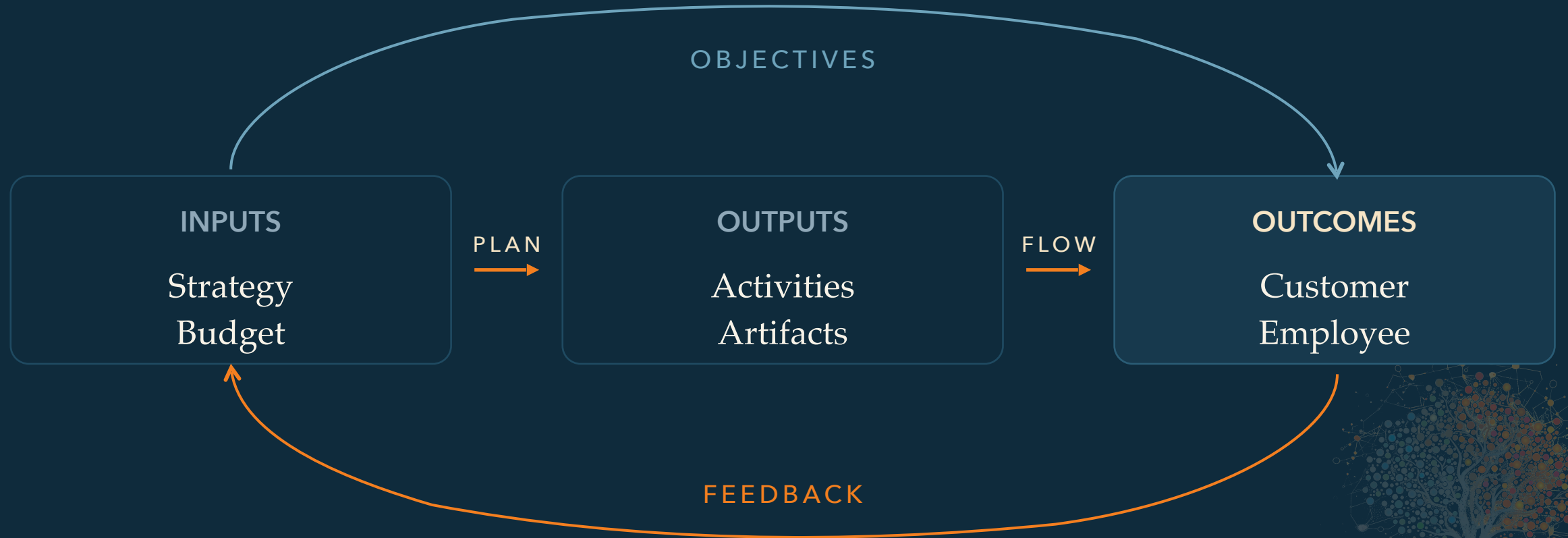
Teams are not the
constraint



92% of what should be production time was spent on activities that did not involve building value



The Outcome Loop



CASE STUDY

Accelerated Outcome Loop at Cognition

\$1M → \$72M → \$900M

Revenue in the year to Sept 2025. Run rate Sept 2026.

- Ten rewrites at once

Constantly rewriting Devin, up to ten concurrent rewrites.

- A weekly loop

New agents demoed to founders weekly. Best kept, most discarded.

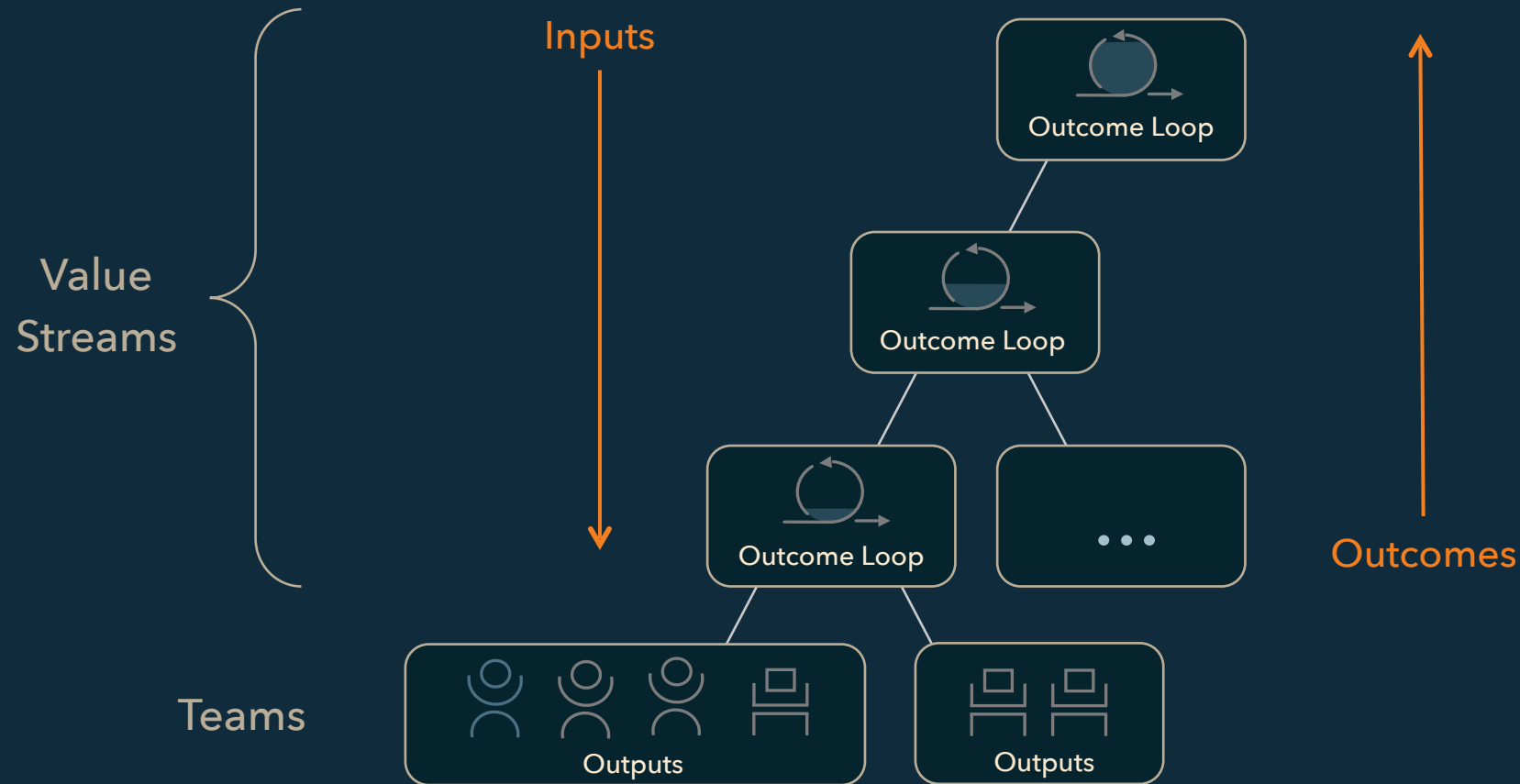
- Output not the constraint

An order of magnitude more code can be discarded than shipped.



SCALED TO AGENTS

The Outcome Tree



Three models. Seven shifts.

THREE MODELS

Product Operating Model

Align strategy, funding, and delivery around value streams.

Outcome Loop

Connect inputs to outputs to outcomes

Outcome Tree

Scale the loop across the organization, node by node.

SEVEN SHIFTS

- 1 Functions to Flow
- 2 Slop to Substance
- 3 Chaos to Cadence
- 4 Matrix to Modularity
- 5 Objectives to Ownership
- 6 Divisions to Domains
- 7 Managers to Makers

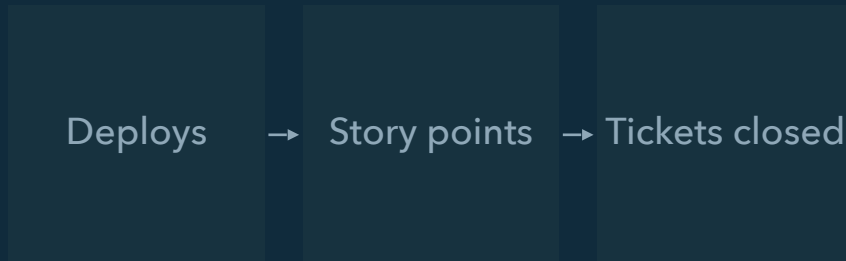


SECOND SHIFT

Slop to Substance

Measuring outputs is easy and, in the Age of AI, increasingly meaningless.

OUTPUT METRICS

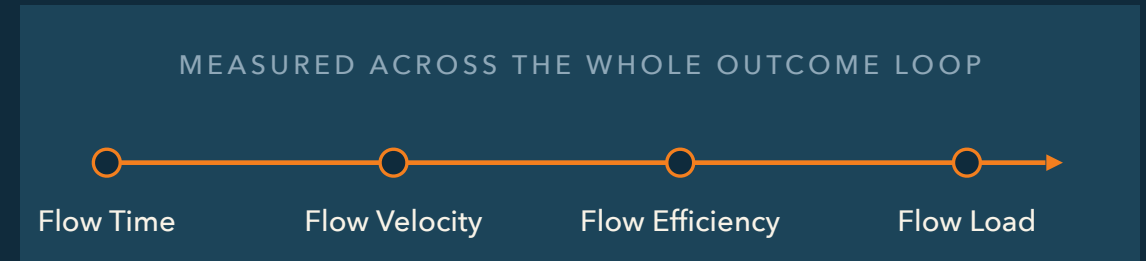


Easy to count. Disconnected from value.

- Agents amplify the problem

More output capacity makes output metrics more misleading.

FLOW METRICS



Connected to value with the Outcome Roadmap.

- Fund improvement work

Improvement objectives remove constraints and accelerate future outcomes.



CASE STUDY

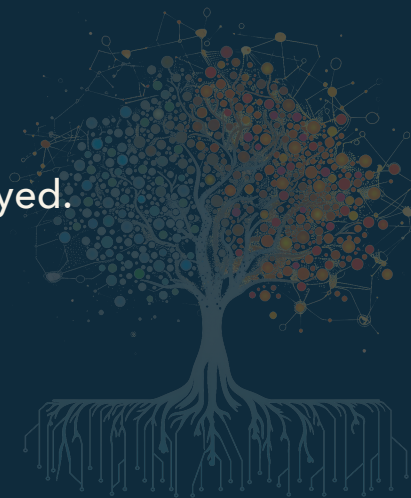
From Frenzy to Flow at TUI Group

TUI Group · Pieter Jordaen, Group Chief Information Officer

AVERAGE FLOW TIME ACROSS VALUE STREAMS



Dual leadership per value stream, every stream instrumented with flow metrics, agentic engineering deployed.

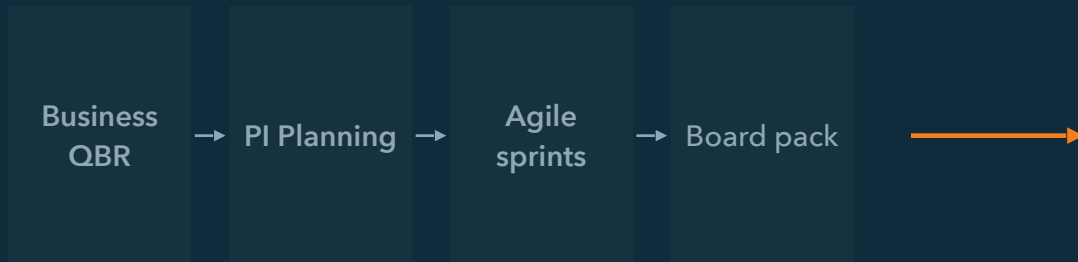


THIRD SHIFT

Chaos to Cadence

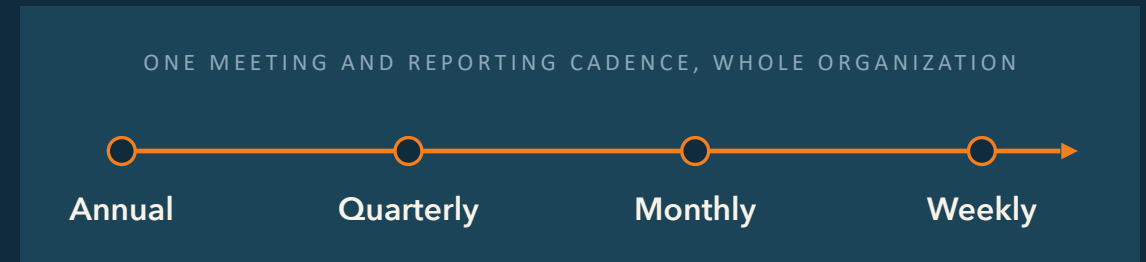
Single operating cadence spanning planning, delivery, and feedback.

PARALLEL CADENCES



Overlapping time boxes, rising coordination cost

UNIFIED CADENCE



Nested time boxes, every function included

- Replace, don't layer

Transformations add ceremonies instead of retiring them.

- Include every function

Finance and HR on the same cadence as product and engineering.

- Cascade with time to spare

Publish the top-level plan early enough for every level to iterate.

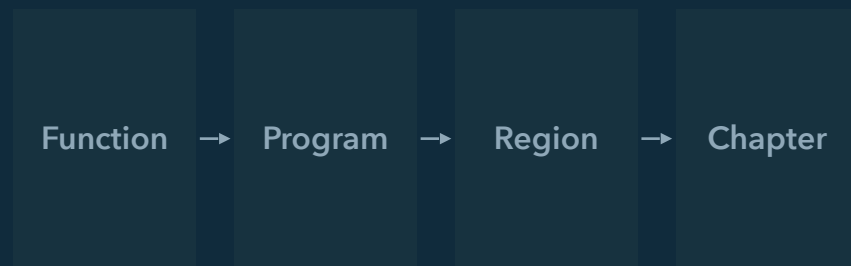


FOURTH SHIFT

Matrix to Modularity

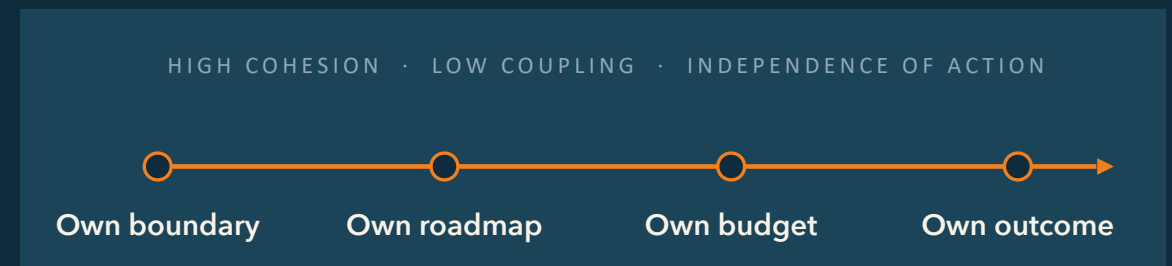
Modular value streams that have clear ownership, boundaries, and autonomy.

MATRIX



Overlapping hierarchies, diffuse ownership

MODULARITY



One structure, not an overlay on the org chart

- The tree is the org

Not a secondary view of it. Matrix lines exist only to support flow.

- Cohesion over convenience

One complexity domain per team, or the roadmap thrashes.

- Review it on cadence

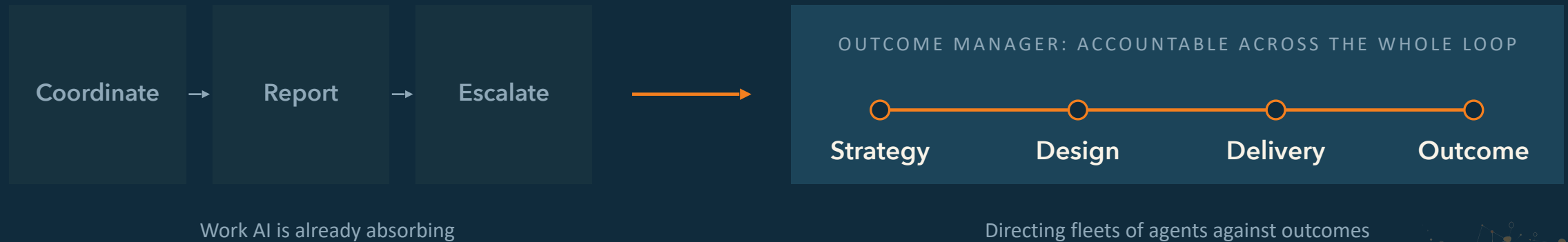
Coupling and cohesion get reviewed like any other constraint.



SEVENTH SHIFT

Managers to Makers

AI absorbs coordination and reporting while leaders shift to shaping and delivering outcomes.



- Humans report to humans

Agents amplify every node in a human-centric Outcome Tree

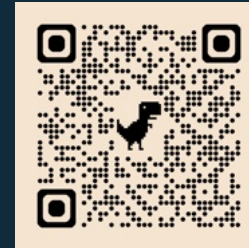
- Outcome Tree is a control structure

Autonomous execution stays under named human accountability



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