PandaDoc

How much adaptivity is enough?

PandaDoc experience

Agenda

- **About company** & its journey
- PandaDoc **Org design** evolution
- How much **adaptivity** is enough?

Speakers' Bio

Denis Salnikov
Head of Agile Practices

Alena Hlekava
Head of Agile Practices

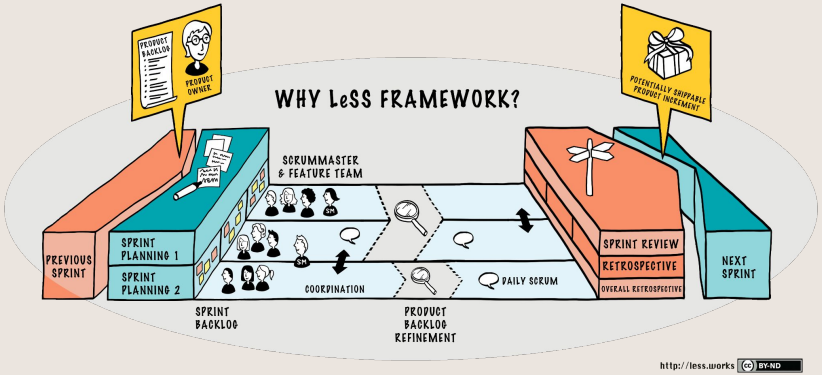
Both based in Krakow, Poland

Both are Certified LeSS practitioners

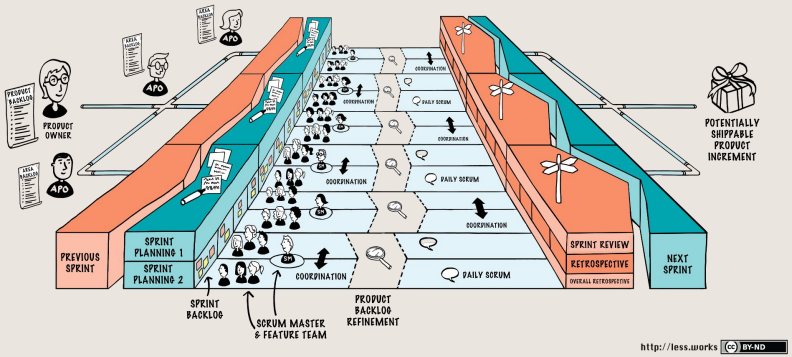
Both are at PandaDoc for 2,5+ years

How many LeSS frameworks are there?

There are two LeSS Frameworks



LeSS



LeSS Huge

PandaDoc

About the company & its journey

Part I

About PandaDoc

More than 52,000 customers in 130 countries

Started as QuoteRoller in 2011, **pivoted to PandaDoc in 2013** as a leading document workflow automation and electronic signing software

Reached a $1B evaluation and has officially become a “unicorn” during the Series C in 2021

PandaDoc Today

800

Employees around the globe

350

in **Product & Engineering** (R&D)

50

Teams, the majority being Feature teams

PandaDoc

PandaDoc Org Design Evolution

Part II

When Panda was less huge

All teams were co-located, all being component teams

Started with 8 teams working on a single Product Backlog

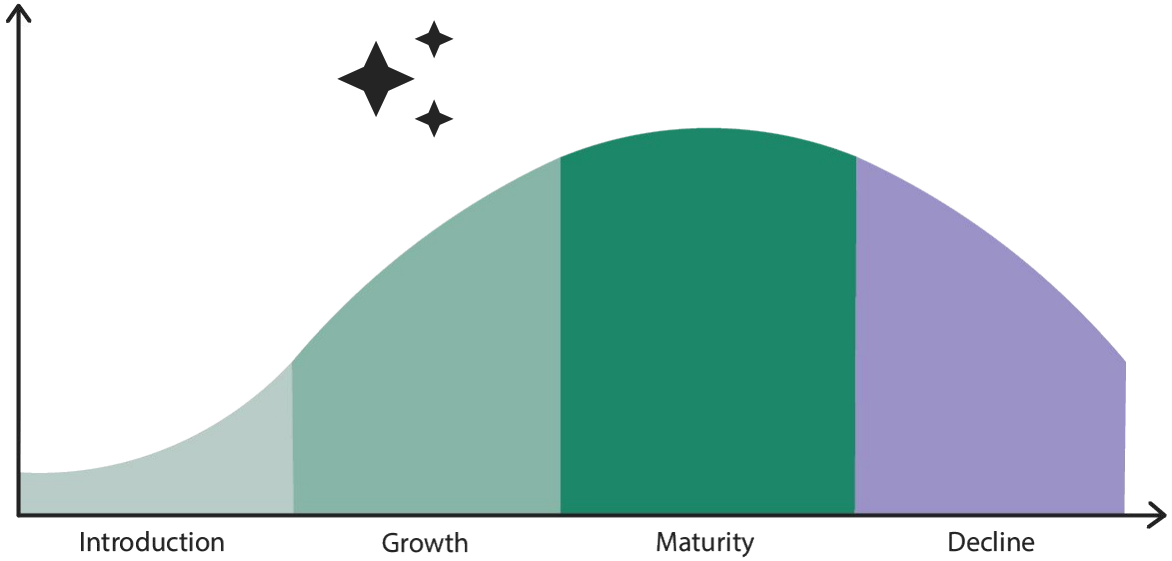
LeSS Flip preparation started in late 2019

CTO and a co-founder has been appointed as the PO

Business Lifecycle

We will use **the Business Lifecycle** concept to map different stages

Please remember: **“All models are wrong, but some are useful.”**



BLUEPRINT 1

Early Growth stage

State of PandaDoc
in early 2021

Driving ideas at the Early Growth stage

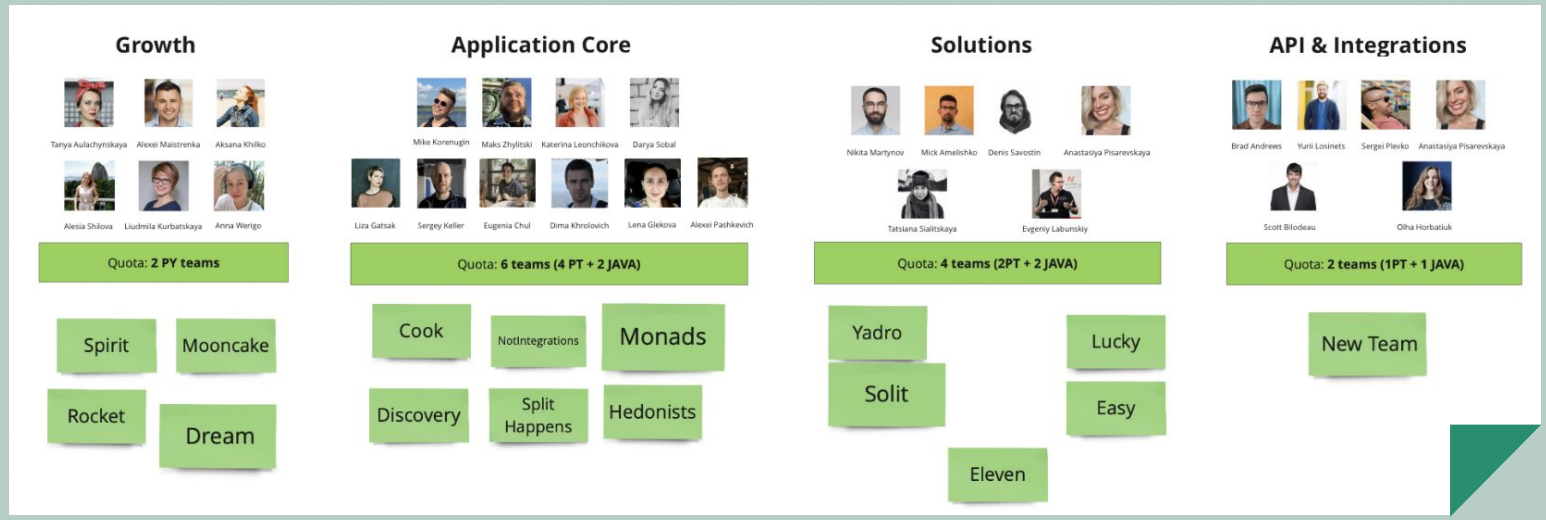
Each Requirement Area focuses on a specific ICP

Area Product Owners were introduced

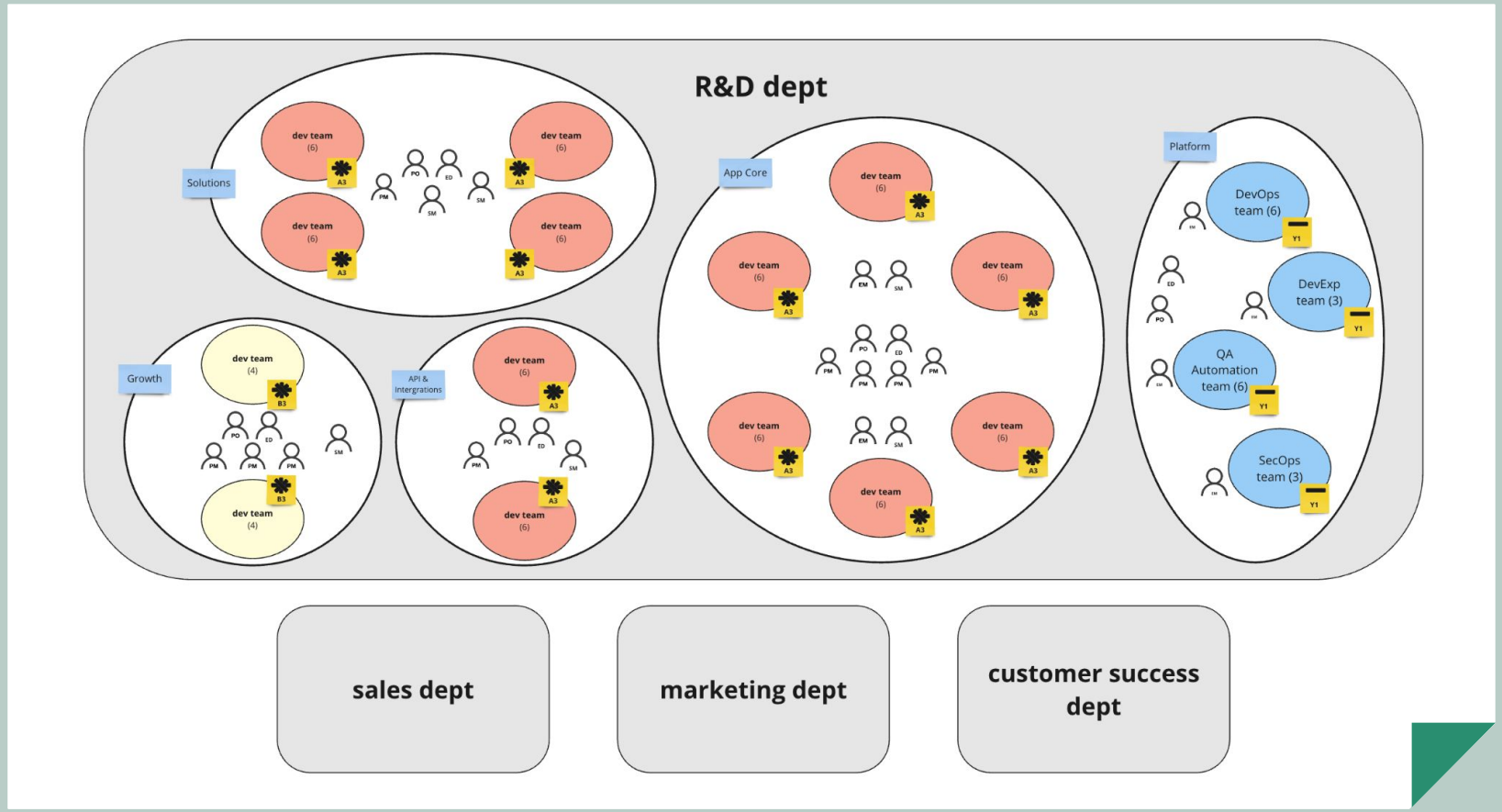
Teams are the minimal feasible Org building block

Each area requires a set of leadership roles

RA Self-design Workshop

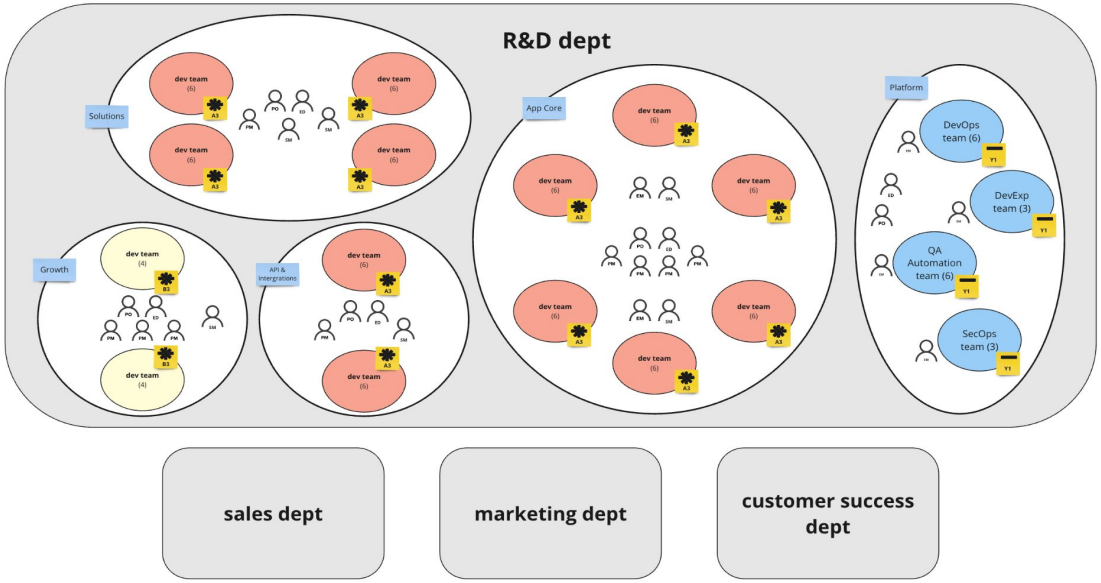


Blueprint 1: Early 2021



Facts & Numbers mid 2021

- **18 teams organized** in 5 Requirement Areas
- **Platform RA was introduced** with component teams onboard
- **R&D has grown to 150%** (from 12 to 18 teams)
- **Area has a set of assigned roles** (eg APO, Director of Engineering, Head of Design, Engineering Managers,, Product Managers, Scrum Masters)



BLUEPRINT 2

(Hyper) Growth stage

State of PandaDoc
in mid 2021 - 2022

Driving ideas at the (Hyper) Growth stage

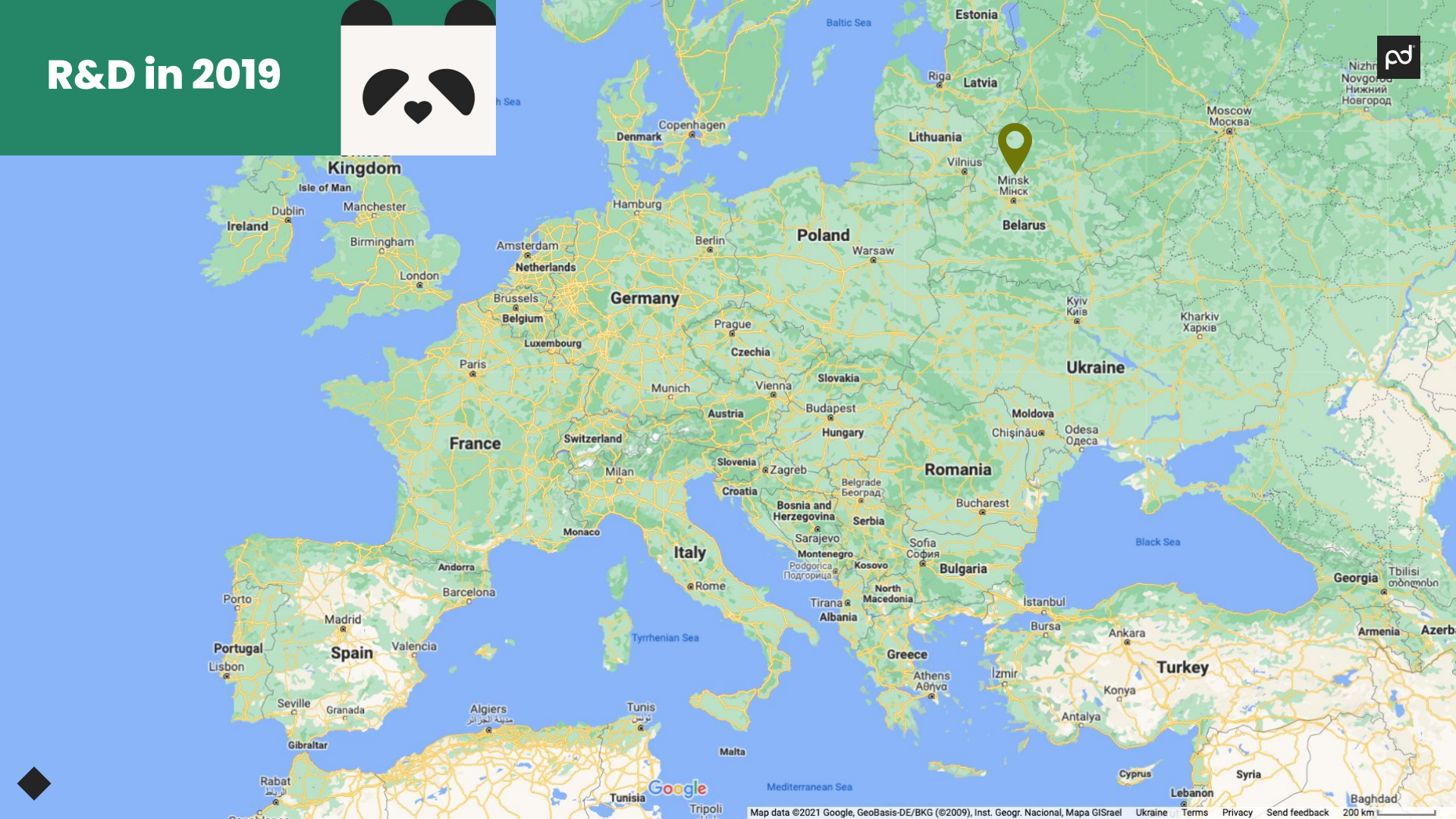
Product Owner operates on the level of investments

Validation of new Hypothesis happens in Incubation

Self-replicating (“copy-paste”) Org Design

Employees Safety and hiring for Cultural Fit

R&D in 2019


Baltic Sea
Estonia
Latvia
Riga
Lithuania
Vilnius
Minsk
Мінск
Belarus
Moscow
Москва
Nizhny Novgorod
Нижний Новгород
Denmark
Copenhagen
Kingdom
Isle of Man
Dublin
Ireland
Manchester
Birmingham
London
Hamburg
Amsterdam
Netherlands
Berlin
Poland
Warsaw
Germany
Brussels
Belgium
Luxembourg
Prague
Czechia
Paris
Munich
Vienna
Slovakia
Austria
Budapest
Hungary
Switzerland
France
Milan
Slovenia
Zagreb
Croatia
Belgrade
Београд
Bosnia and Herzegovina
Serbia
Sarajevo
Monaco
Italy
Rome
Montenegro
Podgorica
Подгорица
Kosovo
Bulgaria
Sofia
София
North Macedonia
Tirana
Albania
Andorra
Barcelona
Porto
Madrid
Portugal
Lisbon
Spain
Valencia
Seville
Granada
Gibraltar
Tyrrhenian Sea
Algiers
Tunis
Malta
Rabat
Tunisia
Tripoli
Mediterranean Sea
Greece
Athens
Αθήνα
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Kyiv
Київ
Kharkiv
Харків
Moldova
Chișinău
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Bucharest
Black Sea
Istanbul
Bursa
Ankara
İzmir
Turkey
Konya
Antalya
Cyprus
Syria
Lebanon
Baghdad
Georgia
Tbilisi
თბილისი
Armenia
Azerb
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200 km

R&D in 2022

Baltic Sea
Estonia
Latvia
Riga
Lithuania
Vilnius
Moscow
Москва
Minsk
Мінск
Belarus
Kyiv
Київ
Kharkiv
Харків
Ukraine
Odesa
Одеса
Moldova
Chișinău
Black Sea
Georgia
Armenia
Azerbaijan
Turkey
Ankara
Istanbul
Bursa
İzmir
Konya
Antalya
Cyprus
Syria
Lebanon
Baghdad
Greece
Athens
Αθήνα
Bulgaria
Sofia
София
Romania
Bucharest
Serbia
Belgrade
Београд
Hungary
Budapest
Slovakia
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Bosnia and Herzegovina
Sarajevo
Montenegro
Podgorica
Подгорица
Kosovo
North Macedonia
Albania
Tirana
Italy
Rome
Milan
Monaco
Tyrrhenian Sea
Spain
Madrid
Barcelona
Valencia
Portugal
Lisbon
Porto
Seville
Granada
Gibraltar
Algiers
Tunis
Malta
Tunisia
Rabat
Mediterranean Sea
Ireland
Dublin
Isle of Man
Kingdom
Manchester
Birmingham
London
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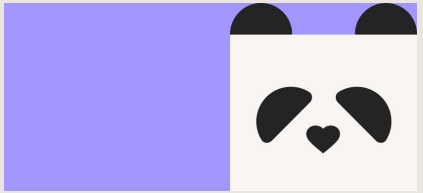
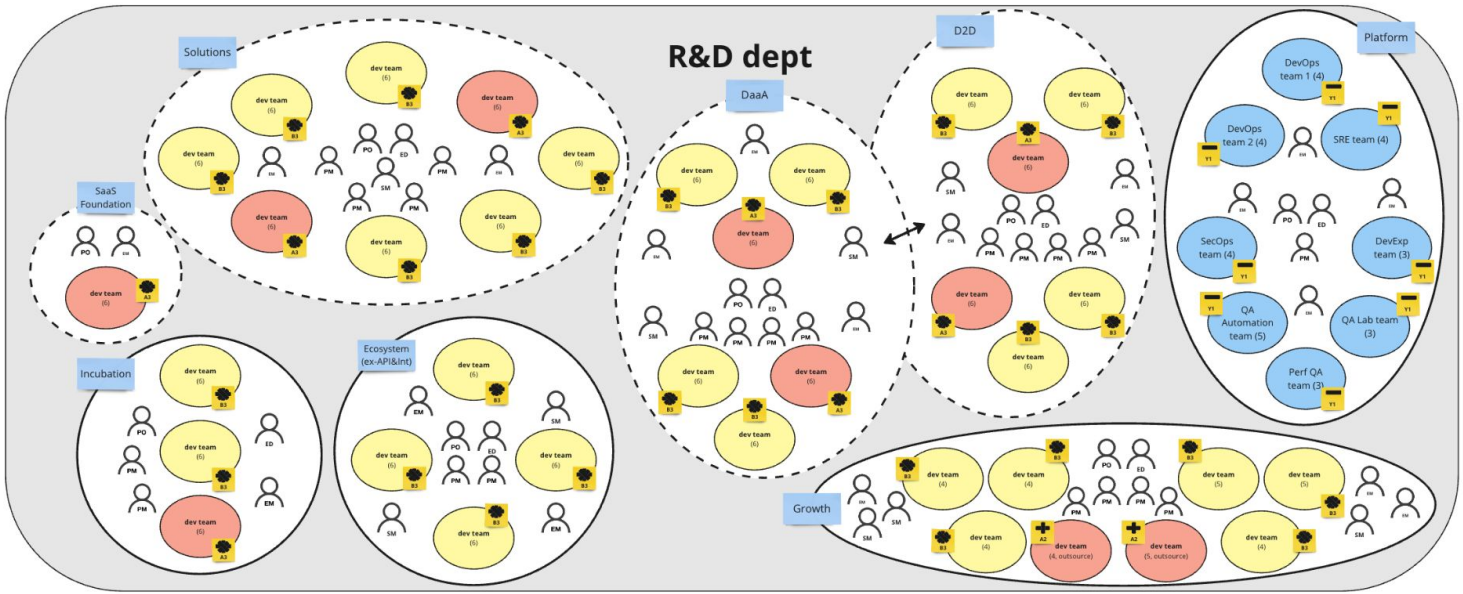
200 km

Many Pandas around the Globe



Blueprint 2: Late 2022



sales dept

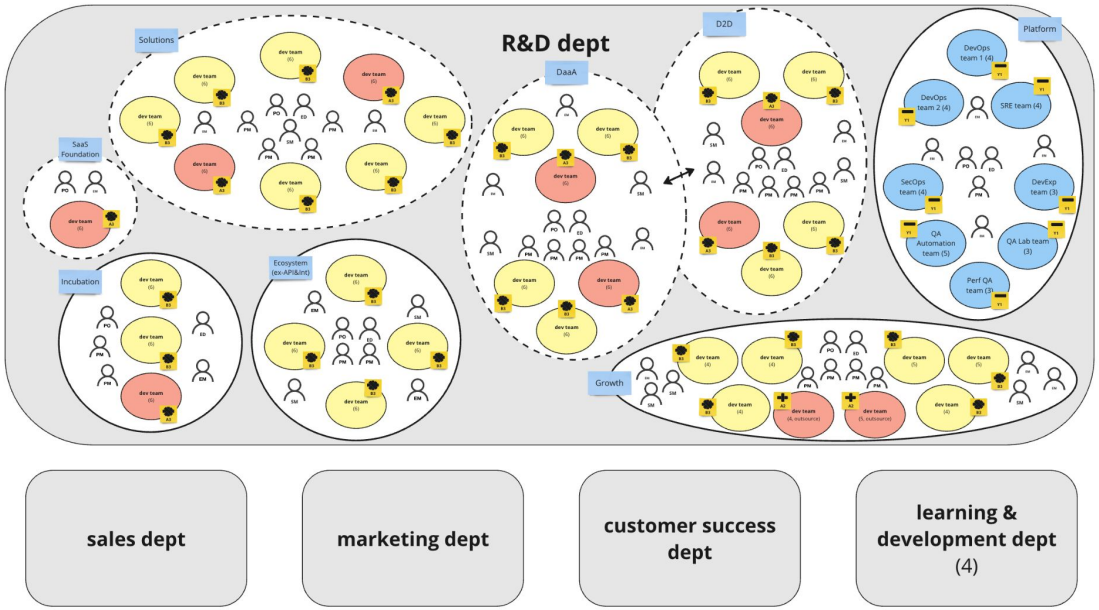
marketing dept

customer success dept

learning & development dept (4)

Facts & Numbers late 2022

- **$1B evaluation** during the Series C
- **R&D growth rate** in 2021-22 was 400%
- **Opened offices** in Kyiv (UA), Lisbon (PT) and Warsaw (PL)
- **Switched to remote-first mode**, supported a mass relocation
- **Multicultural environment** with new employees from Portugal & Poland
- Ended 2022 with **8 RAs & 48 teams**

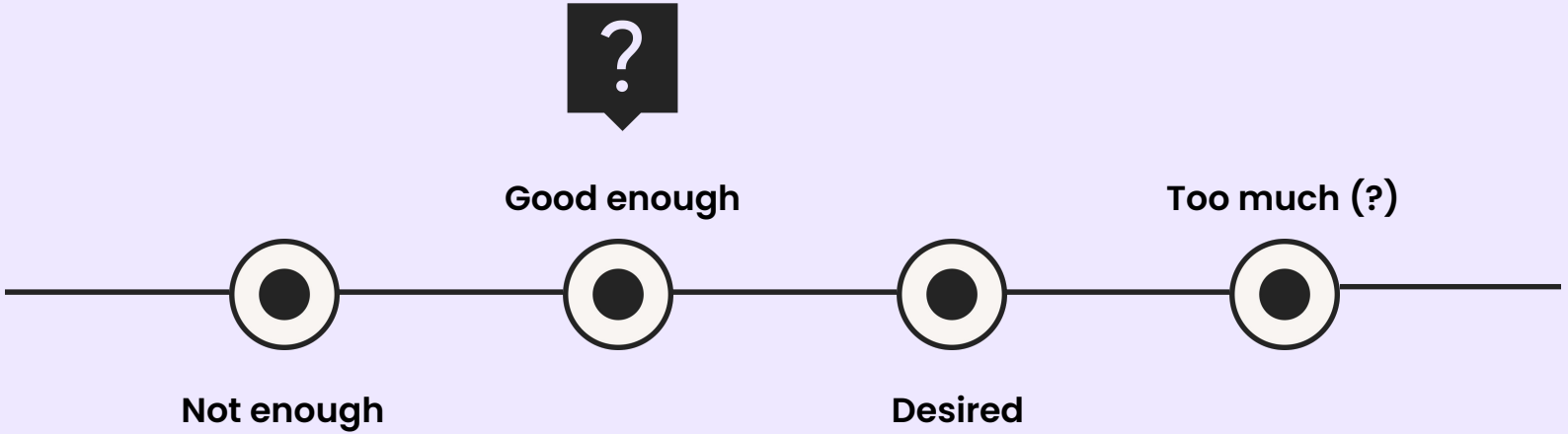


BLUEPRINT 3

Maturation stage

State of PandaDoc
as of mid 2023

What’s our target Adaptivity?



Driving ideas at the Maturation stage

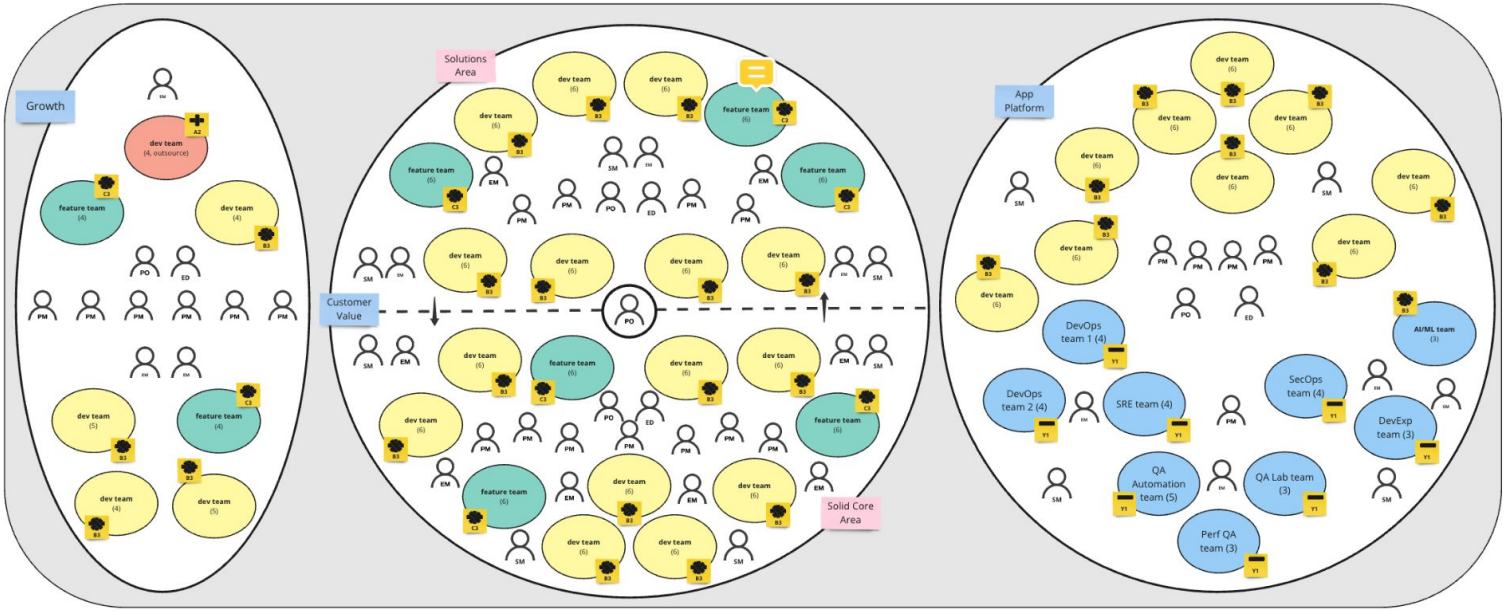
Less specialization, more value

Separating structures from people

Different Areas may have different optimisation goals

Addressing accumulated system fatigue

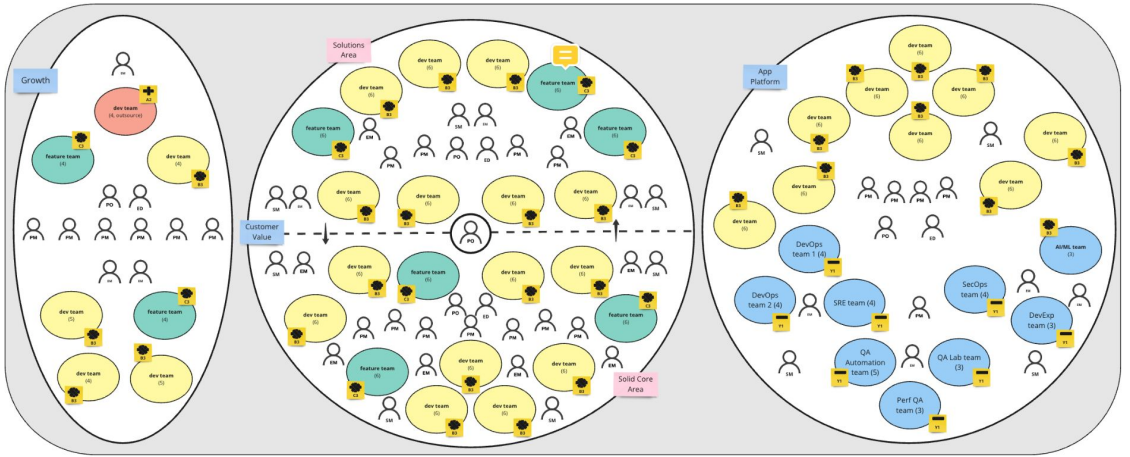
Blueprint 3: early 2023



sales dept (?)	marketing dept (?)	customer success dept (?)	learning & development dept (4)

Facts & Numbers early 2023

- 8 Requirement Areas **merged into 3**
- Customer Value RA consists of **2 sub-areas** (Solutions and Core)
- Platform RA's Component Teams **joined the App Platform RA**
- Each Requirement Area has **its own Optimization Goal**
- Further **growth is not planned** (as of now)



sales dept (?)	marketing dept (?)	customer success dept (?)	learning & development dept (4)

PandaDoc

How much Adaptivity is enough?

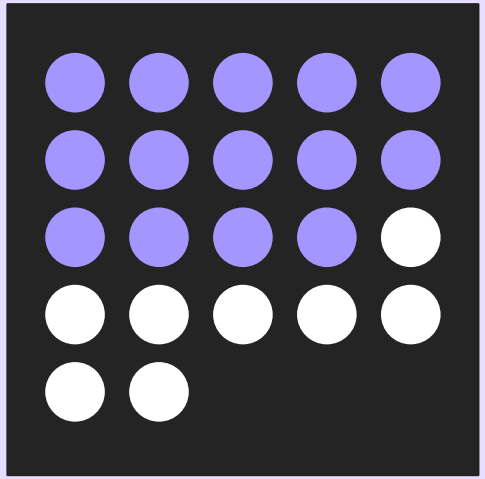
Part III

The biggest RA as a Sandbox

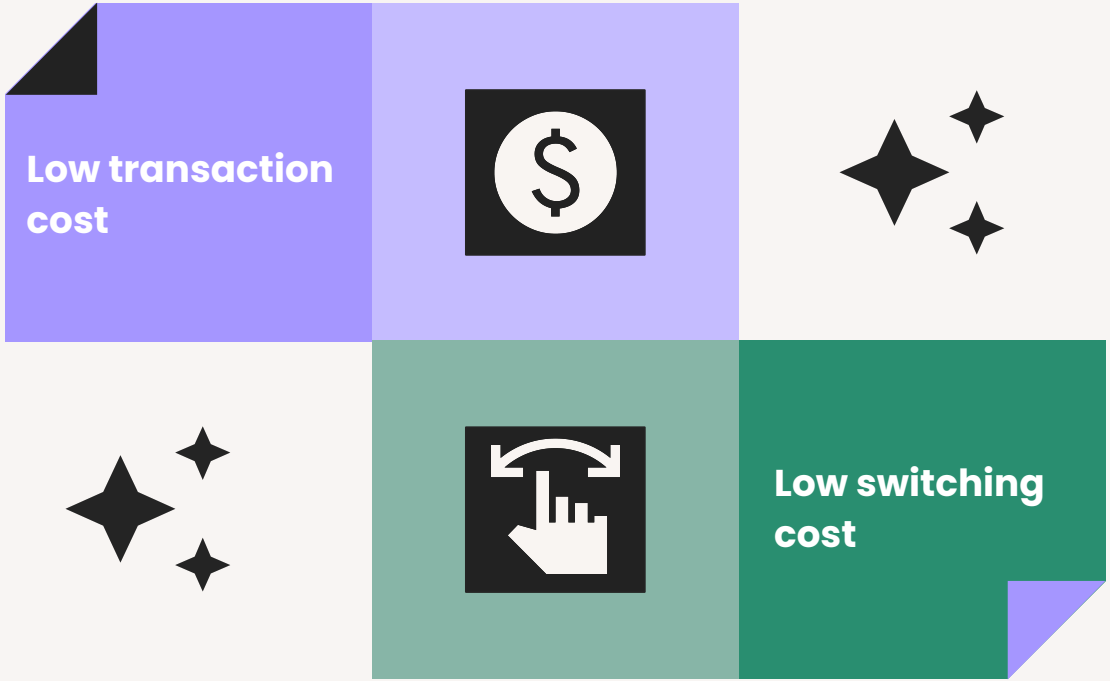
22
teams

2
sub-areas

Adaptivity
as an
optimization
goal



What does it mean to be adaptive?



Do we pay enough attention?

Low transaction cost

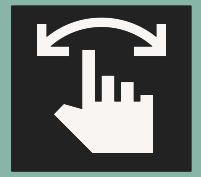
App Platform RA enables other RAs by providing key functionalities used across the experiences

Ongoing Change initiatives (eg test automation)

Optimizing Transaction Cost as an optimization goal

What about the other part?

Have we **ever measured** this?



What if we need much **lower switching cost** to reach our goals?

Are we **good enough** here?

Low switching cost

One more Reason

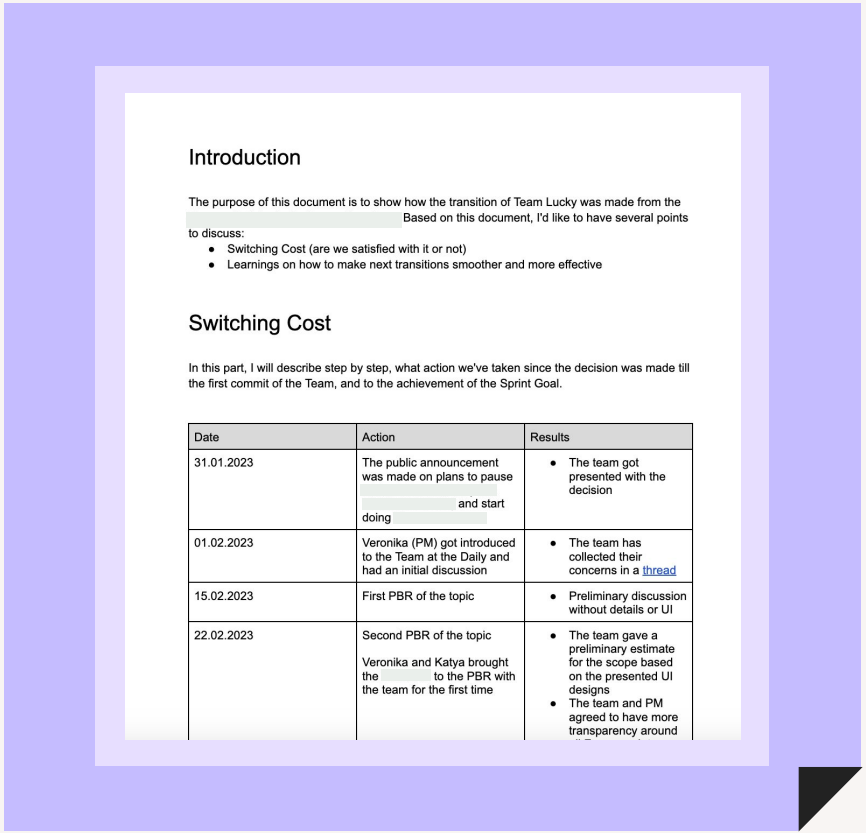
Concern for deteriorating Adaptivity

multiple explicit, implicit backlogs >>

% of total product items a team knows well >>

adaptiveness of teams to change direction at global level

How did we measure the Switching Cost?



Introduction

The purpose of this document is to show how the transition of Team Lucky was made from the Based on this document, I'd like to have several points to discuss:

- Switching Cost (are we satisfied with it or not)
- Learnings on how to make next transitions smoother and more effective

Switching Cost

In this part, I will describe step by step, what action we've taken since the decision was made till the first commit of the Team, and to the achievement of the Sprint Goal.

Date	Action	Results
31.01.2023	The public announcement was made on plans to pause and start doing	• The team got presented with the decision
01.02.2023	Veronika (PM) got introduced to the Team at the Daily and had an initial discussion	• The team has collected their concerns in a thread
15.02.2023	First PBR of the topic	• Preliminary discussion without details or UI
22.02.2023	Second PBR of the topic Veronika and Katya brought the to the PBR with the team for the first time	• The team gave a preliminary estimate for the scope based on the presented UI designs • The team and PM agreed to have more transparency around

- Detailed **Notes**
- **Team Perspective**
- Trigger point = **Investment decision**
- **Milestones** = 1st PBR, 1st Commit, 1st Achieved Sprint Goal
- Wrapping up point = 1-2 Sprints after the 1st Commit

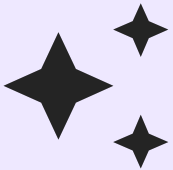
What is your best guess about our results?

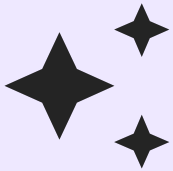
The Result

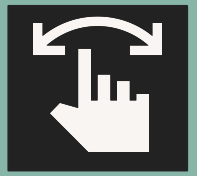
Switching cost

14,75

working days from 1st PBR to **first Commit**

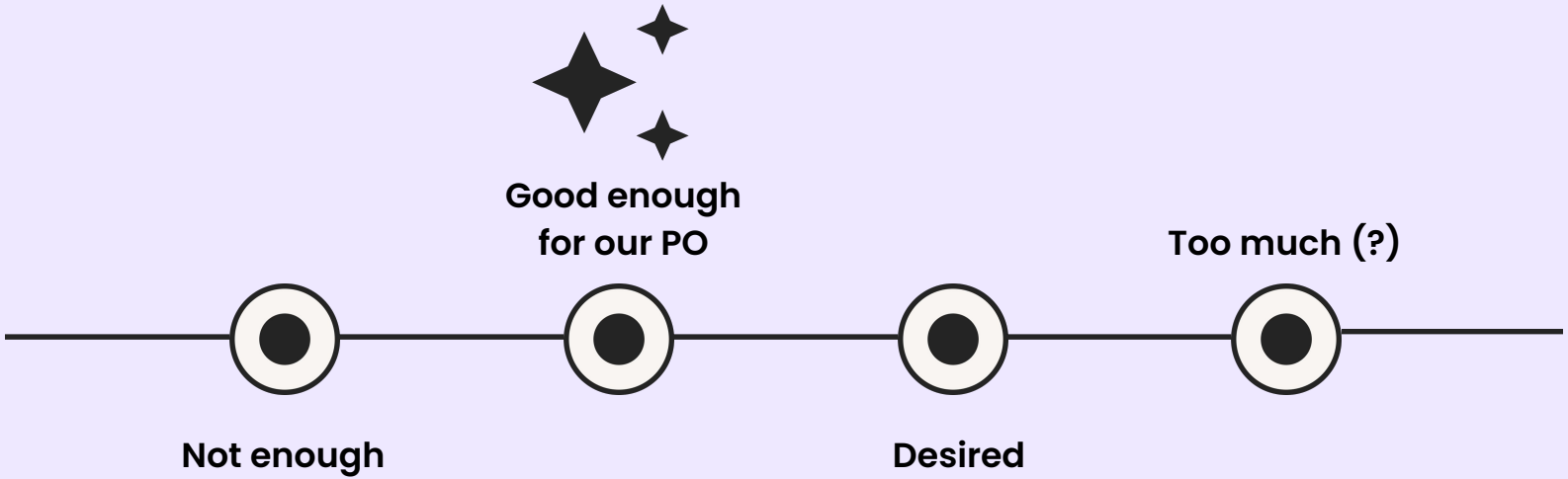




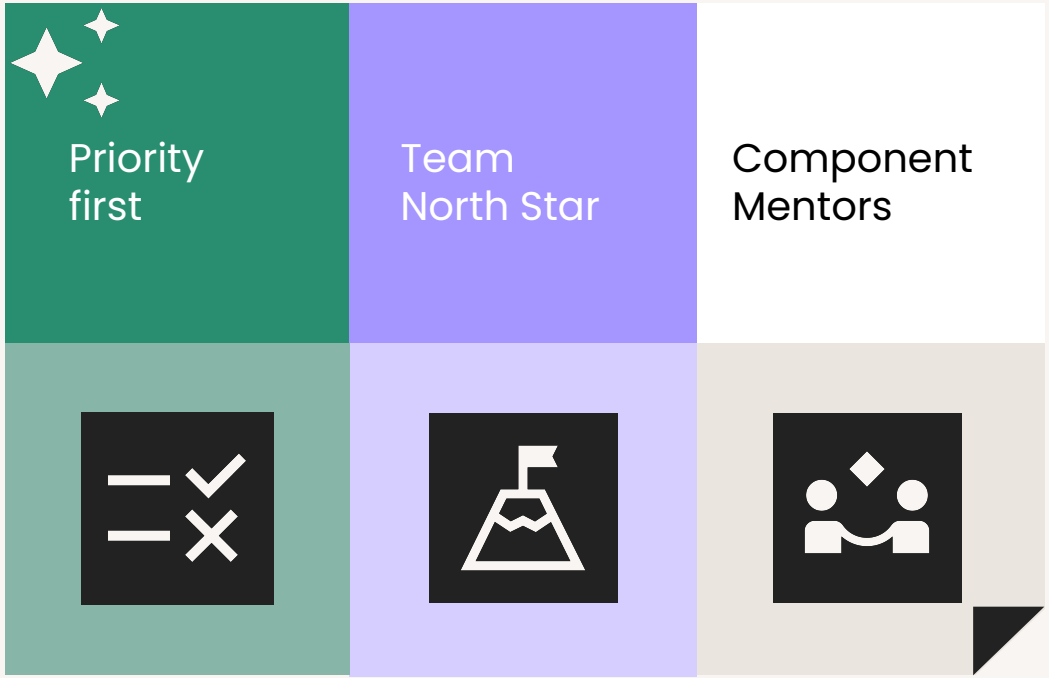


Expect the 1st commit in the **second Sprint**

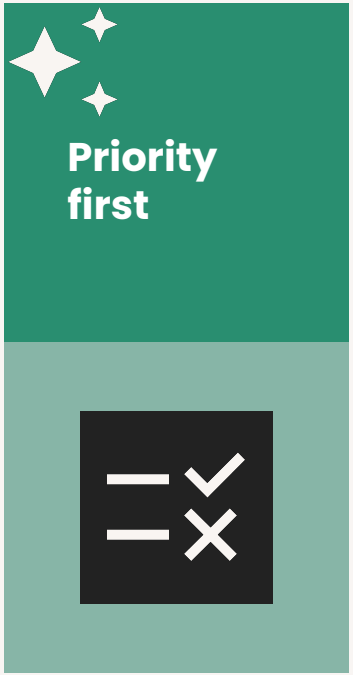
So what?



What helps us to keep up and improve?



Priority first Principle



- **PO reviews investment** via Q investment thesis, APOs review investment via Area Product Backlog every Sprint
- Once investment is paused/stopped Team picks up the highest priority item >> # of domains team is working per year >> **learning the product and staying in shape to switch domains**
- Mental model: We want to work on high-priority items, **it's ok for a team to spend time on learning** before starting to commit

Team North Star model

Team North Star

- Team **self-assessment**
- Supports in setting expectations by providing **ideal state**
- Helps to **identify and address gaps**
- **Whole-product focus**, multi-learning, refinement, etc.

Component Mentors

Component Mentors

- Rules, **guidelines**
- **Consulting**
- **Tech Solution review**, Code review

So how much adaptivity is enough?

Guess what

It depends

Guess what

It depends

Needed level of adaptivity to **enable your company goals and better ROI**

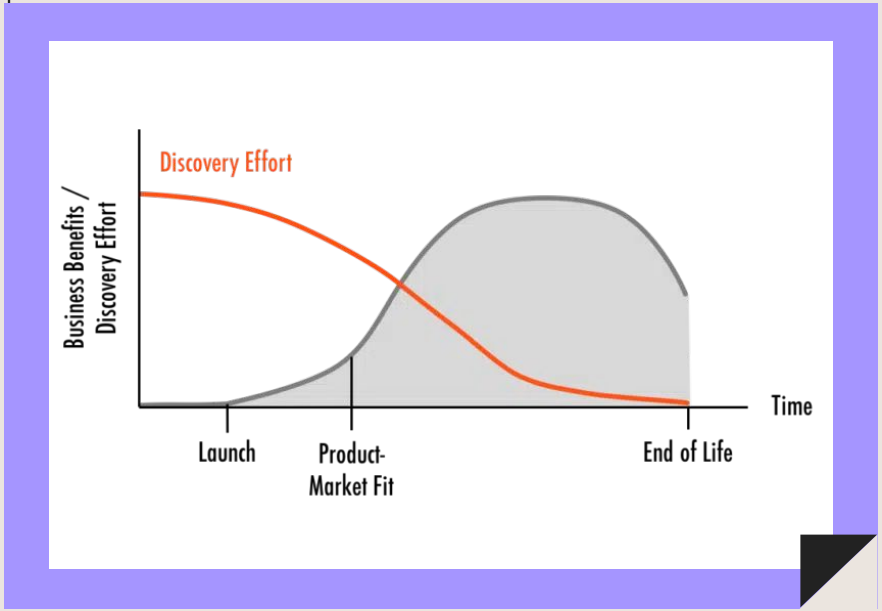
Guess what

It depends

- Needed level of adaptivity to **enable your company goals and better ROI**
- **Product Life Cycle** stage

Discovery Effort and PLC

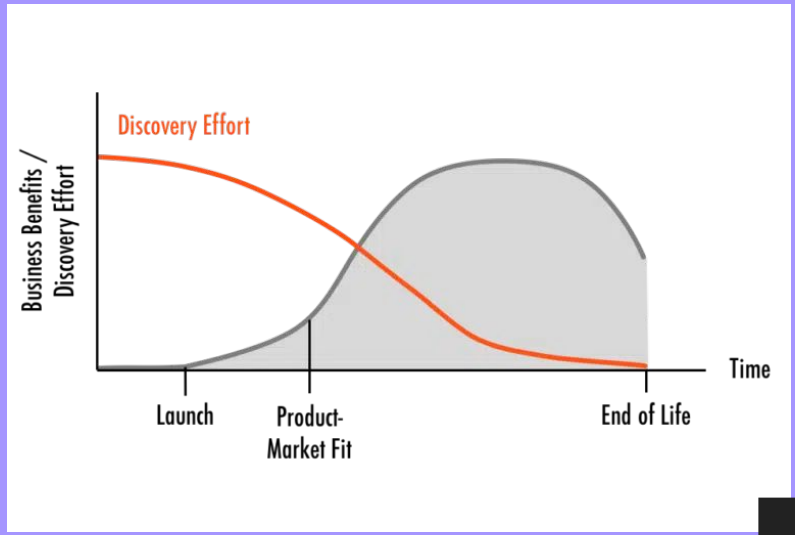
Typical trend of time & effort invested in the Discovery **in a mature Product**



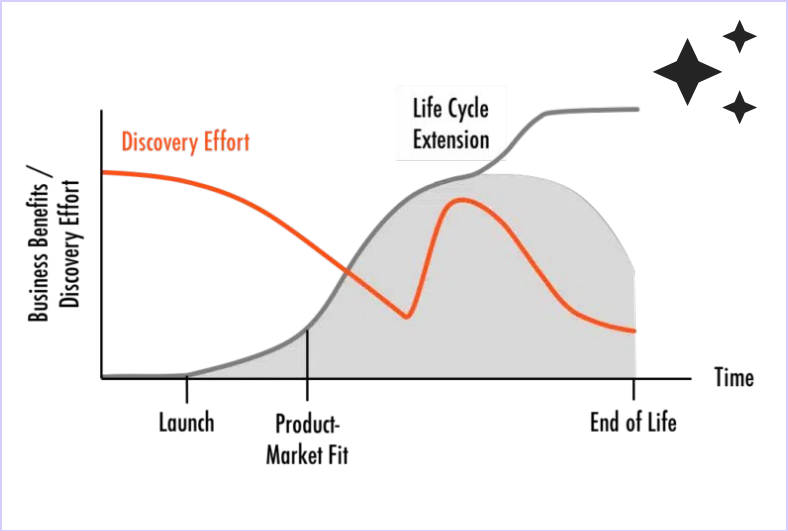
Source: https://www.romanpichler.com/blog/how-much-product-discovery-is-necessary/

Discovery Effort and PLC

Typical trend of time & effort invested in the Discovery **in a mature Product**



Time & effort invested in the Discovery **aimed at a Product's Life Cycle extension**

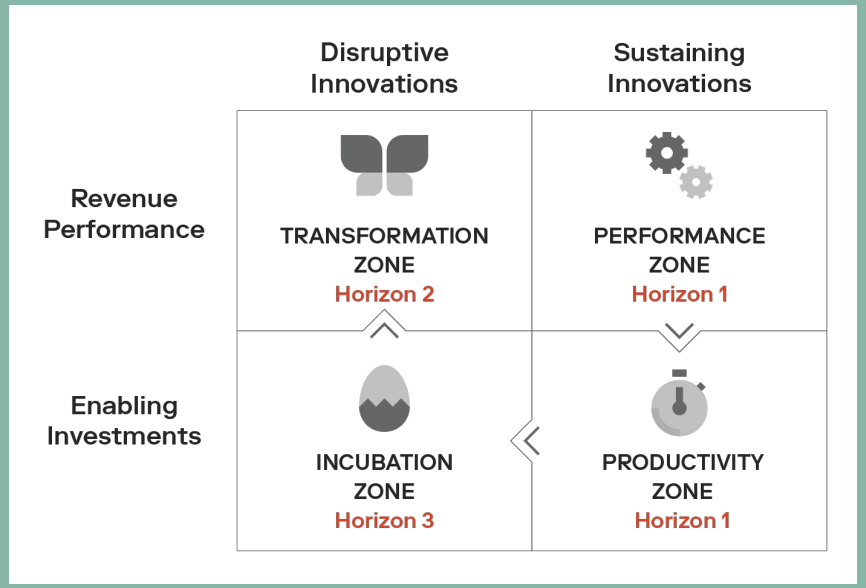


Source: https://www.romanpichler.com/blog/how-much-product-discovery-is-necessary/

Incubations Area

The purpose of the Incubation is to uncover **new revenue streams**

It operates in a **VC-like style**

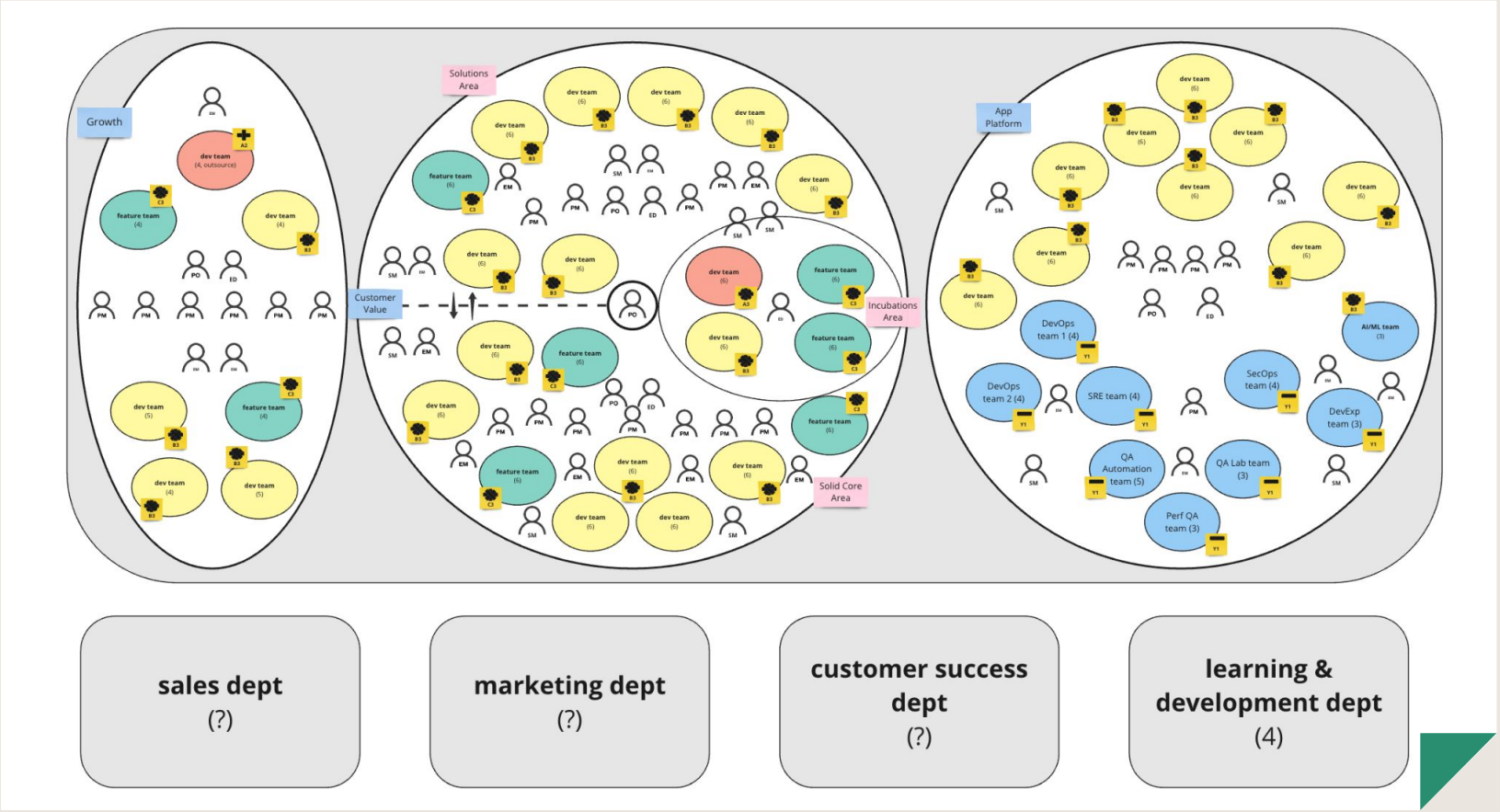


Source: "Zones to Win: Organizing to Compete in an Age of Disruption", G.Moore

Incubations Success Case

- Available across **forty seven (47) U.S. states**
- Multiple hundred **monthly active users (MAU)**
- Thousands of **notarizations per month**
- Solid **Product-Market Fit**

Blueprint 4: now



Today’s Driving Ideas

PO still operates on the level of investments

Teams move following the investment

Structure is separated from people

Key area for Lead time improvement is Discovery

Lessons learned and Calls to action

Treat your **org design as a means to achieve your business goals**, change it if needed

Don’t be afraid of asking “existential” questions, it brings a lot of insights

Adaptivity is a continuum, know your good enough and desired level

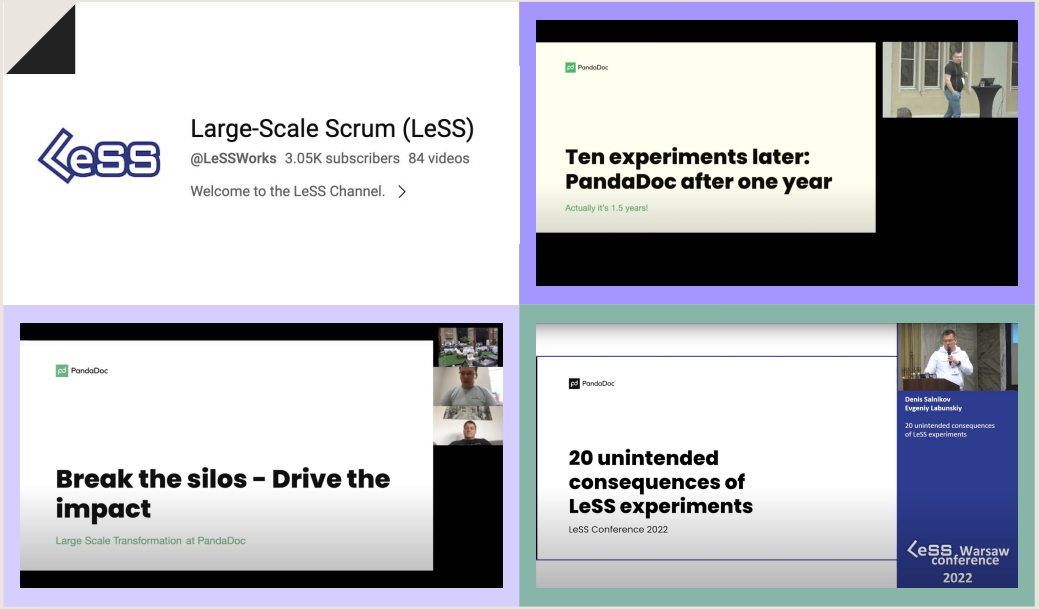
What is coming next for PandaDoc?

Data-driven process improvement

Multi-app Experience

Even more Experiments

PandaDoc Journey with LeSS (Huge)



Source: LeSS YouTube channel

More insights on the PandaDoc journey at the official **LeSS YouTube channel**

Questions?

PandaDoc

That’s a wrap.

Thank You!

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- elena.glekova@pandadoc.com

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