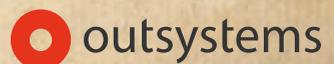


The Small Book
of The Few
Big Rules

Created by and proudly followed at



Welcome

Congratulations! It's your first day at OutSystems. You have gone through a grueling interview process and joined one of our offices around the world. Now you are part of the team. There are a bunch of things you need to know but this little book is about the most important ones – the core rules of behavior we try to follow every day. The core rules which make OutSystems such a great place to work.

Rules and The Lack of Them

In the beginning we had a strict dress code (suit and tie) because we were dealing with enterprise customers. But after one of our engineers showed up at the office wearing orange shorts and sandals with socks, and was still able to command respect from the rest of the team, we decided to just ask people to exhibit common sense about what they wear, especially when meeting with customers.

Since then we have tried to limit the number of rules we need to follow. We find that this freedom increases creativity, enabling us to come up with unique and possibly weird innovations that will help the company continue to be extremely competitive. So we don't have many rules here (you can wear sandals with socks if you want). But we do have some. Read on.



Contents

- 4 Rule 1:
Ask Why
- 8 Rule 2:
The Small Crisis
- 11 Rule 3:
Challenge the Status Quo
- 14 Rule 4:
Be Helpful
- 16 Rule 5:
80/20
- 19 Rule 6:
Communicate to Be Understood
- 22 Rule 7:
Excel
- 25 The “Why” of the Few Big Rules

Rule n°

1

Ask Why

You are entitled to know why you are doing something.

WHY...?

BUT WHY...?

AND WHY'S THAT?

BECAUSE...

YOU SEE...

OH GOSH...

THE REASON IS...



If we had to pick the most important rule for working at OutSystems this would be it. At OutSystems you are entitled to know why you are doing something. More than being entitled to know - it is your duty to ask!

Your boss is describing the **Ultimate Goals** for the team



WHY ARE THESE ULTIMATE GOALS IMPORTANT?
HOW DO THEY RELATE TO THE VISION AND
ULTIMATE GOALS OF THE COMPANY?

READ ABOUT ULTIMATE GOALS ON PAGE 7

Your manager asks you to accomplish a new task

You and your manager need to discuss and understand how the tasks you may be doing fit the Ultimate Goals of the company.

WHY IS THIS IMPORTANT?



When a meeting starts

Ask why the meeting needs to take place



WHAT IS THE ULTIMATE GOAL OF THIS MEETING?

You are well into a project churning along

You have been working for some time on an initiative or on some projects. After a while you reach a plateau and get comfortable. You continue doing things the same way, never changing. This is wrong.

Create periodic check-in points and ask yourself:



WHY AM I DOING THIS?
WHY AM I DOING IT THIS WAY?
IS THIS WORK STILL RELEVANT TO THE ULTIMATE GOALS?
ARE THE GOALS STILL VALID?

When you are asking a colleague for something

Phrase the request with a quick recap of the reason why you are asking for that something. Answer why before they ask it.

When a colleague asks you for something

Try to understand their Ultimate Goals, context and restrictions. Validate whether what they need is indeed what they are asking for. Maybe you have something better to give them.

Wrong things for a manager to say when asked why:

JUST DO IT.



I'M TIRED OF EXPLAINING WHY.

Ultimate Goals

Ultimate Goals govern the way people frame any initiative at OutSystems and they are usually in the first slide you read when attending a status meeting. It is common that when you enter a meeting someone will ask, “What is the Ultimate Goal of this meeting?”

An Ultimate Goal is a simple statement that defines the problem we want to solve or the Goal we want to achieve and it should be devoid of the solution as much as possible. Defining Ultimate Goals is a thorough, non-obvious process that we take very seriously at OutSystems and requires a fair amount of coaching from your managers. You should invest time on being really good at understanding and defining your own Ultimate Goals.

Answer Paulo

Every so often you might see Paulo roaming around the offices and asking people what they are doing. If he stops and asks you what you are doing he'll probably follow up by asking you why you are doing it.

Rule n°

2

The Small Crisis

Deal with a crisis while it is small.

SOMETHING DOESN'T LOOK RIGHT...
LET ME TAKE CARE OF IT NOW!



Fixing a big crisis can be costly, but if we address it while it is small, it won't fester and grow into a major problem. Most of the time negative side effects of a big crisis are impossible to fix. A typical example in our business is to continuously do such a bad job with a customer that in the end, the customer is lost. That is a big crisis.

How do you spot crisis in the making and move fast to squelch it?

Pay attention to the signs

Pay attention to signs occurring around you that don't feel right. It might be a disgruntled colleague. It might be a customer that does not return your call. It might even be people who are so focused on their day-to-day work that they don't take time to raise their heads from their keyboards to just ask why. Whatever it is, pay attention and don't dismiss it.

Act on it

Don't shrug your shoulders and shelf your worries with the thought that "it is not my responsibility" or "they will not like it if I meddle." At OutSystems we value people who are proactive in spotting a crisis in the making. When they

happen to be outside of your project or function, keep in mind that people are better at spotting crisis when they have a little distance from the problem. The best OutSystems leaders are great at doing this. They are very good at spotting crisis and acting.

Understand what is relevant

People who spot crisis can only do so if they understand what is relevant and what is not. If you are worrying about things that are temporary trade offs you will be challenged by colleagues and you will become afraid of raising your hand. Before this happens try to understand the big picture. Ask why. Get the broader context.

As you do this you will either:

Understand the issues you are worrying about are temporary

or

Become more assured there is a crisis in the making that needs addressing

In either case you will become better at your job.

Challenge the Status Quo

Be proactive.

WE SHOULD DELIVER 12 APPLICATIONS IN
LESS THAN 2 MONTHS. WE DON'T HAVE THE
PEOPLE OR RESOURCES TO PULL THIS OFF!
I DON'T THINK WE CAN DO IT...

YES WE CAN!
LET'S THROW A PARTY!*



* TRUE STORY! READ ABOUT IT ON PAGE 13

Constantly strive to learn and understand the broader picture and try to look at what we do with fresh eyes. Then come up with suggestions and solutions.

Fail Fast, Fail Cheaply

At OutSystems errors are acceptable. How are you going to learn if you don't make mistakes? Just make sure that you learn from those mistakes and that those mistakes do not end up being a major crisis.

Fail fast and fail cheaply, but don't be afraid of trying. Be proactive.

Wrong things to say:



THIS IS THE WAY WE'VE
ALWAYS DONE IT HERE

Code Jam

In 2011 we needed to create 12 applications in less than 2 months to showcase our technology. We didn't have enough people or budget to allocate to such a project, so we had to come up with a creative way to make it happen.

We decided to throw a party over an extended weekend. 72 employees volunteered and showed up. Over the course of 3 days we danced, ate ice cream and gummy bears, and even had relaxing massages!

Oh, and we did deliver the 12 apps!

Rule n°

4

Be Helpful

Be helpful and don't be afraid to ask for help.



People at OutSystems are open to helping you. Use this to your advantage as much as possible. And do the same yourself. Offer help even if it is not in your job description. We believe you should extend yourself outside the boundaries of your work and into other functions to get the job done. Remain aligned with the Ultimate Goals when offering assistance. When it is your turn to look for help you will find that people will quickly reciprocate.

Rule n°

5

80/20

Prioritize, always.

THE BEST BANG FOR THE BUCK!

To do LIST

1. *un*

2. *un*

3. *un* **MED**

4. *un*

5. *un*

6. *un*

7. *un*

8. *un*

9. *un*

10. *un*

11. *un*

**MINIMAL
EXCELLENT
DELIVERY**

(MORE ON P. 18)

A lot of people believe that big problems require big solutions. This is wrong. Big problems can often be solved with small solutions. This is possible because of the asymmetry between Actions and Results reflected in the Pareto Principle (or 80/20 rule): 20% of what you do addresses 80% of the problem.

At OutSystems we use this principle coupled with an Agile approach to get stuff done. Break your deliverables into parts, prioritize them, establish a timeline, and execute the solution within the allotted time by fixing the most important problem first. Then raise your head above the day to day execution, ask why, reprioritize again and work through the next iteration. This agile model of working provides extreme efficiency and constant delivery. It also minimizes the probability that you will do something for too long that will go to waste.

Use numbered lists

When you have come up with a list of things to do don't organize them in bulleted lists. Use numbered lists and order the list based on what you believe should be

done first. People usually don't like to do this because they are afraid of making a prioritization mistake and leaving behind something important. That happens when you don't have enough information to make good priority decisions. You don't have enough context or you don't understand the Ultimate Goal. The way to solve this is to ask why.

MED - Minimal Excellent Delivery

A lot of us here have difficulty balancing the 80/20 rule with the Excel rule (see page 23). The confusion stems from the belief that to excel at something means we have to do it perfectly (which contradicts the 80/20 rule). But this assumption is incorrect. In fact the two rules complement each other. The 20% that you deliver should always be something simple, that works well, is complete and addresses the Ultimate Goals. We call this a Minimal Excellent Delivery. The MED is the smallest amount of complete and coherent work that provides maximum results and which you are proud of.

→ SEE PAGE 24 FOR MORE RAMBLINGS ON THIS SUBJECT.

Communicate to Be Understood

Be straightforward. Put yourself in another's shoes.

SORRY, WE CANNOT DELIVER THAT. IT WOULD REQUIRE A CHANGE ON THE COMPILER AT THE LR PARSER LEVEL, AND THE IMPACT ON OUR IMPLEMENTATION OF DIJKSTRA'S ALGORITHM WOULD BE WAY TOO BIG.

THIS SOUNDS BETTER EVERY TIME I SAY IT!

HUM... HUM...

SOMEONE SAVE ME!



Take the time to understand the Ultimate Goals of a colleague and understand why they do the things they do. Change your discourse to make yourself understood by everyone. This is especially true when dealing with customers, but it also applies to the way you deal with colleagues. Remember that you are biased because your function and area of expertise is so ingrained in you that you believe everyone understands what you are saying. The same thing is happening with your colleagues – they are biased in their ways. Be the person who reaches out to understand others and that will make it easier for people to understand you.

Listening actively

Part of understanding someone is really listening to what they are saying and probing to understand what they are not saying. Don't get discouraged by occasional displays of impatience, aggressiveness or defensiveness. Aggressiveness and defensiveness are typically reflections of insecurity. Reach deeper than that.

Avoid jargon

There are several reasons why you use jargon in conversations:

1. You are talking with a colleague who has a similar background and jargon helps shorten the discourse. This is okay as long as you all have a good understanding of the jargon.
2. You are talking with a person with a different background and you use jargon because:
 - a. You feel important showing off your knowledge in the area.
 - b. You think that making the discourse simple and understandable will lower the respect others have towards you and you will feel embarrassed.
 - c. You don't know better. Even your mother doesn't understand you.

The first instance is acceptable. The second is not. Avoid jargon whenever possible (your mother will thank you).

Rule n°

7

Excel

Whatever you do, do it well. Avoid sloppy, incomplete work.

LOOK HOW MUCH
WORK WE'VE DONE!
AND IT ALMOST WORKS!



THE ESSENTIAL IS HERE,
AND IT WORKS PERFECTLY!

You are either a great professional or you will most likely feel like one after working at OutSystems for some time. So we ask that you be proud of what you deliver by not compromising on the quality of your work. If you don't have enough time or resources to do everything with great quality, do fewer things and do them in a simpler way; but don't ever do sloppy work.

The pressure at OutSystems for quality work is so high that after a while it will become second nature to you. And one day you will look back at the work you and your team have done and be amazed at how good it is. At this stage it is easy to lapse into the comfortable position of assuming there is no need to improve. You become complacent. Complacency signals a decline in quality. That is bad.

At OutSystems we do excellent work but we never do the best possible work. That is in our dreams. So when you are done doing something excellent, bask momentarily in the glory of the results and the praise of colleagues and customers and then get back to work at making it even better. If you like what you see today at OutSystems, it is because we rarely forget that being excellent is a continuous process of improvement and of never compromising on quality work.

Fewer, simpler things

The key to doing amazing work with a small investment of time and resources are selecting fewer things to work on and striving to implement the smallest possible complete solution to a problem or MED – Minimal Excellent Delivery. This applies to IT apps, documentation, product features, processes, ultimate goals, vision statements, etc. You name it. Furthermore, it is easier to iterate on top of something simple than it is to remove needless things from too complex a solution. Complexity is the enemy of quality.

Selecting the right things to do and doing them in a simple way is tricky and not at all simple. But it gets better the more context and experience you have. Put a little pressure on yourself but don't get frustrated. Keep asking why.

The “Why?” of The Few Big Rules

We explain before you ask why.

These rules are a deliberate attempt to foster specific organizational results. If you have had previous work experience you can see how some of these rules impact a company’s culture. In any case, and following our uncompromising commitment to explain the reason behind everything, here it goes: the reasons behind the few big rules.

1. Motivated, Happy People

We spend at least a third of our lives working, so we have tried to create at OutSystems an environment where we feel energized every day. We also believe that highly motivated people are more productive, so it all makes a lot of business sense.

Asking why forces everyone to understand the purpose of why we do the things we do. Working with purpose is one of the crucial tenets of motivation. It minimizes the risk that you waste your time doing something that will go directly to a garbage can when you are done. There is no greater punishment than doing a job that serves no purpose.

When you are responsible for a solution, you become part of it. That forces you to be more autonomous and forces managers and colleagues to equip you with enough context to be more autonomous. Transferring context happens swiftly if people around you are Helpful and they Communicate to be Understood. As time goes by and you develop the capacity to prioritize what to do first (the 80/20 rule) and do it well (the Excel rule), you quickly acquire respect, autonomy and experience.

Those two extra tenets, autonomy and mastery (in conjunction with purpose) represent the foundation of true personal motivation according to Dan Pink*. We agree.

* Dan Pink, *Drive: The Surprising Truth About What Motivates Us*

2. Innovation From the Bottom Up Creates Great Leaders

In organizations where managers are not challenged, goals become tainted by their biases and solutions. When employees ask why, they force managers to justify their chosen direction based on simpler, higher-level goals. Managers are forced to explain the context for their decisions, and in that moment an employee can say, “Ah, so what you really want is to fix that? We don’t necessarily need to follow that particular solution... We might find a simpler, less expensive way of fixing the problem.” The potential for simpler, more out of the box solutions increases.

A lot of experienced managers are not used to being so candidly challenged. In some cases they cannot avoid feeling defensive with a team and a company that challenges what they say. What managers at OutSystems eventually realize is that they become much better leaders because they are forced to really understand the Ultimate Goals that direct their teams and become good at explaining and justifying them. The constant whys also work as an error-correcting mechanism where assumptions made by managers are validated by their teams. In the end it improves the effectiveness of the manager and their capacity to coach, lead and delegate.

3. A sense of urgency towards serving the customer well

The Small Crisis rule instills a sense of urgency in the whole organization towards never letting anything fester for too long. The Small Crisis and the Excel rules explain why OutSystems has consistently ranked as top supplier for customers who bother to do this ranking. Interestingly enough, but not surprisingly if you think about it, customers we have had issues with, rank us the highest. When a problem occurs we swarm as a team to solve the customer issue and we fix the customer problem as thoroughly and quickly as possible. This sense of urgency and company mobilization behind a customer is crucial. Our flagship product, the OutSystems platform, today supports thousands of mission critical systems, and even small glitches may have substantial impact on customer operations. Swift action is of the essence.

Every crisis big or small is a learning opportunity to understand the root cause of a problem and adjust the organization to make sure it never happens again. There is an unspoken rule at OutSystems that says that you are entitled to try and fail as part of the innovation process. However it is not well accepted that the same error is made over and over again. We are a learning organization and with crisis we learn so that crises don't repeat themselves.

4. Detecting small shifts in the industry

Providing context to everyone and helping people understand the big picture of our competitive space and the way the industry works enables all of us to make better judgment calls or report a market trend looming in the distance. The Proactive rule drives people to communicate their insights up the management chain and discuss them with colleagues. Having many heads involved in strategic decisions makes for better decisions.

5. Independent Thinking

At OutSystems we have a particular way of dealing with external innovations and trends. New products, new ideas, new processes and new business models are all fair game as far as learning is concerned. However, external ideas are born in different contexts and applying them verbatim at OutSystems usually does not work. We are not afraid of taking something thought out by someone else and running with it if we feel it is going to work, but we use the understanding of our context to adapt the idea to the scenario we are facing. We don't like to reinvent the wheel but we are not dumb copycats. We are pragmatic about innovation.

Thanks for reading!

You can download the Book here:

www.outsystems.com/the-small-book



facebook.com/OutSystems



linkedin.com/company/OutSystems



twitter.com/OutSystems



plus.google.com/+OutSystems

OutSystems

